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 5, 2017

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

CONVOCATION NOTICE FOR THE 20th ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the 20th 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: Tuesday, June 27, 2017 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 20th fiscal year (April 1, 2016 to March 31, 2017)
2. Non-consolidated financial statements for the 20th fiscal year (April 1, 2016 to March 31, 2017)

B. Proposals

No. 1: Appropriation of surplus
No. 2: Reduction in amount of legal capital surplus
No. 3: Share consolidation
No. 4: Partial amendment of the Articles of Incorporation
No. 5: Election of eight (8) Directors
No. 6: Election of two (2) Corporate Auditors
No. 7: Payment of bonuses for Directors
No. 8: Determination of compensation for granting restricted shares to Directors (excluding Outside Directors) and revision of compensation amount for directors

*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: Tuesday, **June 27, 2017** 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 26, 2017**.

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 indicate your approval or disapproval for each of the proposals.
Read the "Guidance for the Exercise of Voting Rights via the Internet, etc." on pages 30 and 31.

Votes to be transmitted by: **5:40 p.m.** on Monday, **June 26, 2017**.

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.
The Company will mark the 20th anniversary of its founding on October 1, 2017. To express our gratitude to our shareholders for their support up until now, 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 for the fiscal year under review include the ordinary dividend plus an additional commemorative dividend, as follows.
Additionally, from fiscal 2017, the Company will revise its policy on shareholder returns, targeting 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%.

(1) Type of dividend property
Cash

(2) Allocation of dividend property and total amount thereof
We propose a year-end dividend of ¥9 per share (ordinary dividend of ¥7 and 20th anniversary memorial dividend of ¥2). The total amount of dividends will be ¥9,003,028,545.
Consequently, the annual dividend for the fiscal year under review will be ¥14 per share, including the already paid interim dividend of ¥5 per share.

(3) Effective date of dividends from surplus
June 28, 2017

No. 2: Reduction in amount of legal capital surplus

1. Reasons for reduction in amount of legal capital surplus
   To secure agility and flexibility for future capital policies, such as the acquisition of treasury stock, the Company proposes to make a reduction in the amount of legal capital surplus and allocate it to other capital surplus in accordance with the provisions of the Article 448, Paragraph 1 of the Companies Act of Japan.
2. Content of reduction in amount of legal capital surplus
   (1) Amount of legal capital surplus reduced
   The Company proposes to reduce the legal capital surplus of ¥93,782,722,186 by ¥40,000,000,000 and to allocate the full amount of the legal capital surplus reduction to other capital surplus. The total amount of the legal capital surplus after the reduction will be ¥53,782,722,186.
   (2) Effective date of reduction in amount of legal capital surplus
   June 27, 2017

No. 3: Share consolidation

1. Reason for share consolidation

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

As an entity that is listed on the Tokyo Stock Exchange, the Company respects the intent of the action plan, and will accordingly revise the number of shares per share unit, which acts as the trading unit of the Company's shares, to 100 shares, from 1,000 shares currently adopted.

Furthermore, the Company will consolidate its shares in order to devise a unit of investment at a level deemed preferable by the stock exchange (at least ¥50,000 and less than ¥500,000).

2. Consolidation ratio

The Company will consolidate five (5) shares of common stock into one (1) share of common stock.

Total number of shares issued after the share consolidation will be 204,404,015 shares*.

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

* Total number of shares issued after share consolidation is theoretical values calculated based on total number of shares issued before share consolidation, and the consolidation ratio.

3. Effective date of the share consolidation

October 1, 2017

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

600,000,000 shares

The share consolidation will decrease the number of authorized shares to one-fifth the current number.

5. Other

Share consolidation relating to this proposal is subject to the approval of the proposal 4 "Partial Amendment of the Articles of Incorporation."

Any other necessary procedural issues shall be entrusted to the Board of Directors.

(Note) Although the share consolidation will result in a reduction in the total number of issued shares to one-fifth of the present number, there will be no change in net assets or the like, meaning that net assets per share will be five times the current amount. Therefore, there will be no change in the respective asset value of shares of the Company held by each shareholder, except when impacted by other factors such as fluctuations of the stock market.

No. 4: Partial amendment of the Articles of Incorporation

1. Reason for revision

(1) In light of the current conditions of the businesses of the Company and its subsidiaries, the Company changes to the business purposes in Article 2 (Purpose) of the current Articles of Incorporation in order to clarify its business lines.

(2) The Company will revise its number of authorized shares to 600,000,000 shares, from 3,000,000,000 previously, with respect to Article 6(Total Number of Authorized Shares) of the current Articles of Incorporation. This change is being made with the aim of ensuring a more optimal number of authorized shares as a result of decreasing the number of shares issued, subject to approval and implementation of Proposal 3 Share consolidation.

(3) The Company will revise Article 8(Number of Shares per Unit) of the current Articles of Incorporation in order to change its number of shares per share unit to 100 shares, from 1,000 shares previously. This is being done out of respect for the intent of the "Action Plan for Consolidating Trading Units" released by the Japanese securities exchanges nationwide, and is subject to approval and implementation of Proposal 3 Share consolidation.

(4) The Company will revise Article 18 (Voting Right by Proxy) of the current Articles of Incorporation in order to make it clear that a proxy in writing must be submitted to the Company in cases involving exercise of voting rights by proxy at a General Meeting of Shareholders.

(5) In order to facilitate flexible operations of the Board of Directors, the Company will establish new provisions of Article 24 (Omission of Resolutions of the Board of Directors) in accordance with the provisions of the Article 370 of the Companies Act of Japan. This establishment will make it possible to regard a resolution item as having been resolved by the Board of Directors, as long as all Directors furnish their consent with respect to a resolution item in writing or by means of electromagnetic record, and as long as none of the corporate auditors raise objections in that regard. In the current Articles of Incorporation, the Articles from Article 24 onward will each be brought down one Article.

(6) The Company will revise Article 24 (Liability Exemption of Directors) and Article 31 (Liability Exemption of Auditors) of the current Articles of Incorporation, in accordance with changes with respect to the extent to which it is possible to enter into liability limitation contracts under the "Act for Partial Revision of the Companies Act" (Act No. 90 of 2014), in effect on May 1, 2015. Consent of all Corporate Auditors has been obtained with respect to revising Article 24 of the current Articles of Incorporation.

(7) The Company will establish supplementary provisions whereby the revisions of Article 6 (Total Number of Authorized Shares) and Article 8 (Number of Shares per Unit) of the current Articles of Incorporation take effect on October 1, 2017, the effective date of the share consolidation, and accordingly the supplementary provisions shall be deleted as of that same date.

2. Details 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
(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 2.1 Manufacture, processing, sale and purchase of the following products: a) to k) (Omitted)	(Purpose) Article 2. The purpose of the Company shall be to engage in the following business: 2.1 Manufacture, processing, sale and purchase of the following products: a) to k) (Same as present)	

Current Articles of Incorporation	Proposed Amendments	Remarks
(Newly established)	l) Composite materials such as metals and polymer compounds, and materials for robotics	Newly established
l) Film, high-performance film and sheet for packaging and industrial uses, etc.	m) Film, high-performance film and sheet for packaging and industrial uses, etc.	
m) Civil engineering, building, housing and agricultural materials	n) Civil engineering, building, housing and agricultural materials	
n) Logistic materials such as pallets for loading, pallets for transport and packaging bags	o) Logistic materials such as pallets for loading, pallets for transport and packaging bags	
(Newly established)	p) Metal molds	Newly established
2.2 to 2.18 (Text omitted)	2.2 to 2.18 (Same as present)	
(Total Number of Authorized Shares)	(Total Number of Authorized Shares)	
Article 6.	Article 6.	
The total number of shares authorized to be issued by the Company shall be three billion (3,000,000,000) shares.	The total number of shares authorized to be issued by the Company shall be six hundred million (600,000,000) shares.	Amended
(Number of Shares per Unit)	(Number of Shares per Unit)	
Article 8.	Article 8.	
The number of shares of the Company per unit shall be one thousand (1,000) shares.	The number of shares of the Company per unit shall be one hundred (100) shares.	Amended
(Voting Right by Proxy)	(Voting Right by Proxy)	
Article 18.	Article 18.	
Shareholders may exercise their votes by proxy who shall be a shareholder of the Company and be able to exercise the voting right.	18.1 Shareholders may exercise their votes by proxy who shall be a shareholder of the Company and be able to exercise the voting right.	
(Newly established)	18.2 A shareholder or proxy must submit written proof to the Company attesting to the proxy rights at each General Meeting of Shareholders.	Newly established
(Newly established)	(Omission of Resolutions of the Board of Directors)	Newly established

Current Articles of Incorporation	Proposed Amendments	Remarks
	Article 24. The Company shall deem that a resolution of the Board of Directors has been adopted if the requirements stipulated by Article 370 of the Companies Act have been fulfilled. (In the current Articles of Incorporation, the articles from Article 24 onward will each be brought down one article.)	
(Liability Exemption of Directors) Article 24. 24.1) Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including persons who were Directors) from liability related to negligence of their duties, within the limits permitted by law. 24.2 Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with Outside Directors limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.	(Liability Exemption of Directors) Article 25. 25.1 Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Directors (including persons who were Directors) from liability related to negligence of their duties, within the limits permitted by law. 25.2 Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with Directors (excluding executive directors, etc.) limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.	Amended
(Liability Exemption of Auditors) Article 31. 31.1 Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) from liability related to negligence of their duties, within the limits permitted by law.	(Liability Exemption of Auditors) Article 32. 32.1 Under the provisions of Article 426 (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Corporate Auditors (including persons who were Corporate Auditors) from liability related to negligence of their duties, within the limits permitted by law.	

Current Articles of Incorporation	Proposed Amendments	Remarks
31.2 Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with Outside Corporate Auditors limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.	32.2 Under the provisions of Article 427 (1) of the Companies Act, the Company may enter into a contract with Corporate Auditors limiting their liability for damages arising from negligence of their duties. However, the amount of the limit on liability for damages according to such a contract shall be limited to the total of the amount stipulated in the law.	Amended
(Newly established)	Supplementary Provision Amendments to Article 6 and Article 8 of these Articles of Incorporation take effect on October 1, 2017. Accordingly, these Supplementary Provisions shall be deleted as of October 1, 2017.	Newly established

No. 5: 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 (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) <Reelection>	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.	117,472

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) <Reelection>	Apr. 1980 Joined the Company 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 Member of the Board, Executive Vice President of the Company (to present) (Assistant to the President (CFO); in charge of Corporate Administration & Legal Div., Finance & Accounting 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.	125,000

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) <Reelection>	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.	57,000

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	Hideki Matsuo (Jun. 27, 1956) <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 (to present) (in charge of Fabricated Products Business Coordination Div. and Works.) 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.	23,000

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	Takayoshi Shimogori (Oct. 1, 1961) <New>	Apr. 1985 Joined the Company Apr. 2012 Senior Director of the Company General Manager, Performance Compound Business Div., Functional Polymeric Materials Business Sector Apr. 2014 Executive Officer of the Company General Manager, Performance Compound Business Div., Functional Polymeric Materials Business Sector Apr. 2015 Executive Officer of the Company Business Sector President, Functional Polymeric Materials Business Sector Apr. 2016 Managing Executive Officer of the Company Business Sector President, Mobility Business Sector Apr. 2017 Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector (to present) Reasons for nomination 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 contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.	12,791

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) <Reelection> <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) <Reelection> <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) Jun. 2016 Member of the Board of the Company (to present) Jun. 2016 Outside Corporate Auditor of ASAGAMI CORPORATION (to present) <Significant concurrent positions> Advisor of JFE Holdings, Inc. Outside Corporate Auditor of ASAGAMI CORPORATION 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, 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.	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
8	Hiromi Tokuda (Nov. 25, 1948) <Reelection> <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. (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 (to present) <Significant concurrent positions> Adviser of DENSO CORPORATION 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.	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, 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 20.
3. 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 two (2) years and Hajime Bada and Hiromi Tokuda will have served as Outside Directors for one (1) year.
4. Yukiko Kuroda concurrently serves as executive director of People Focus Consulting.
In 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, 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.
6. Yukiko Kuroda's name on the government family register is Yukiko Matsumoto.

No. 6: Election of two (2) Corporate Auditors

As the term of office of Corporate Auditor Osamu Sekine will expire at the close of this Ordinary General Meeting of Shareholders, and Corporate Auditor Hiromu Matsuda has given notice that he will retire at the close of this Ordinary General Meeting of Shareholders, we propose the election of two (2) Corporate Auditors.

Note that among the candidates for Corporate Auditors, Shozo Tokuda will be appointed in substitution for Corporate Auditor Hiromu Matsuda. Accordingly, his term of office will expire at the same time the retiring Corporate Auditor's term of office was originally due to expire, pursuant to the Company's Articles of Incorporation.

The consent of the Board of Corporate Auditors has been obtained for this proposal.

Corporate Auditor candidates are 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
1	Katsuyoshi Shinbo (Apr. 8, 1955) <New> <Candidate for Outside Corporate Auditor> <Independent Officer>	Apr. 1984 Registered as an attorney Nov. 1999 Attorney at Shinbo Law Office (currently Shinbo & Partners) (to present) Jun. 2015 Outside Corporate Auditor of Sumitomo Mitsui Banking Corporation (to present) <Significant concurrent positions> Attorney at Shinbo & Partners Outside Corporate Auditor of Sumitomo Mitsui Banking Corporation Reasons for nomination Katsuyoshi Shinbo has in-depth knowledge in the areas of legal compliance, corporate ethics, and crisis and risk management based on his extensive experience as an attorney over many years and experience as an Outside Corporate Auditor of other companies. Even though he has not been involved in corporate management other than as an Outside Director at another company, from the viewpoint of ensuring appropriate execution of business of the Company, we believe that he is the right person for the post of Outside Corporate Auditor.	0
2	Shozo Tokuda (Mar. 1, 1955) <New> <Candidate for Outside Corporate Auditor> <Independent Officer>	Nov. 1981 Joined Asahi Accounting Company (currently KPMG AZSA LLC) Aug. 1985 Registered as a certified public accountant Jul. 2002 Representative Partner of Asahi & Co. (currently KPMG AZSA LLC) Jun. 2006 Board Member of KPMG AZSA & Co. (currently KPMG AZSA LLC) Jun. 2010 Senior Board Member of KPMG AZSA & Co.(currently KPMG AZSA LLC) Jul. 2015 Senior Partner of KPMG AZSA LLC (to present) <Significant concurrent positions> Senior Partner of KPMG AZSA LLC Reasons for nomination Shozo Tokuda has in-depth knowledge in the areas of financial accounting and crisis and risk management based on his extensive experience as a certified public accountant over many years. Even though he has not been involved in corporate management, from the viewpoint of ensuring appropriate execution of business of the Company, we believe that he is the right person for the post of Outside Corporate Auditor.	0

Notes: 1. There are no conflicts of interests between the Company and the above candidates for Corporate Auditor.

2. Katsuyoshi Shinbo and Shozo Tokuda are candidates for Outside Corporate Auditors. If Katsuyoshi Shinbo and Shozo Tokuda are elected, the Company will designate them as independent officers who are unlikely to cause a conflict of interests with ordinary shareholders and report this to the Tokyo Stock Exchange, in accordance with the rules stipulated by that exchange.
   *The independence standards for independent outside directors and independent outside corporate auditors designated by the Company are as described on page 20.

3. Shozo Tokuda has served as Senior Partner of KPMG AZSA LLC.
   In fiscal fiscal 2015 and fiscal 2016, the Company had a transactional relationship with KPMG AZSA LLC for the commission of consulting services, etc. However, the Company's payments to KPMG AZSA LLC for the services rendered are deemed insignificant given that the payments amount to less than 1% of KPMG AZSA LLC's net sales for each of the respective fiscal years.
   Until fiscal 2007, the Company had selected KPMG AZSA LLC as its accounting auditor, in addition to the current Ernst & Young ShinNihon LLC, and Shozo Tokuda was also involved in auditing the Company as a designated partner and managing partner of KPMG AZSA LLC.
   Shozo Tokuda is scheduled to resign KPMG AZSA LLC on June 30, 2017.

4. If Katsuyoshi Shinbo and Shozo Tokuda are elected, the Company will 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 these contracts, the maximum liability for damages shall be the amount provided by laws and regulations.

(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.

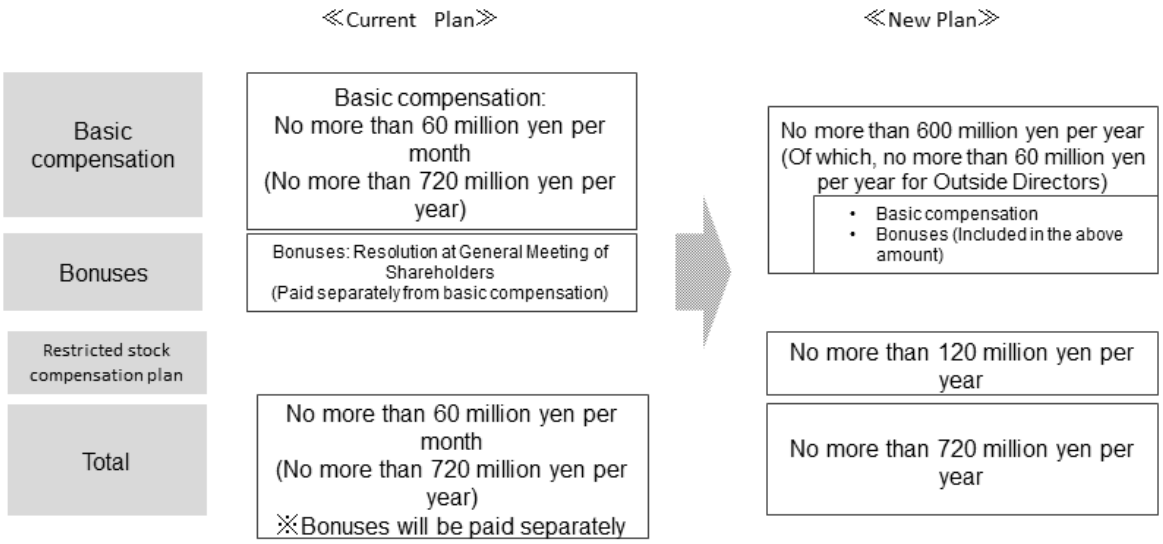
No. 7: Payment of bonuses for Directors

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 ¥105,000,00 to eight (8) Directors (including Three (3) Retiring 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.
The above amount is the sum of the bonuses of ¥91,500,000 to five (5) Directors who were in office as of March 31, 2017, and the bonuses of ¥13,500,000 to three (3) Directors who retired at the close of the 19th Ordinary General Meeting of Shareholders held on June 24, 2016 for the period from April 2016 to their retirement.

No. 8: Determination of compensation for granting restricted stock to Directors (excluding Outside Directors) and revision of compensation amount for Directors

At the 8th Ordinary General Meeting of Shareholders held on June 28, 2005, compensation for the Company's Directors was approved at an amount not to exceed ¥60 million per month (however, this amount does not include the portion of employees' salary for Directors who concurrently serve as employees).

Now, the Company intends to introduce the restricted stock compensation plan and to give compensation for granting restricted stock to the Company's Directors (excluding Outside Directors; hereinafter, the "Eligible Directors"), as part of the revision of the compensation plan for Directors. The restricted stock compensation plan aims to provide the Eligible Directors with incentives to help bring about sustainable improvement in the Company's corporate value, while also further promoting the notion of sharing value with the Company's shareholders.
The compensation to be given to the Eligible Directors for granting the restricted stock shall be a monetary claim (hereinafter the "Monetary Compensation Claim"), and its total amount shall be ¥120 million or less per year (however, this amount does not include the portion of employees' salary for Directors who concurrently serve as employees), which is the amount deemed as appropriate in light of the aforementioned objective. For the overview of the restricted stock, please refer to "Overview of the Restricted Stock" described below.
In connection with this, the Company revises the current amount of compensation for Directors to an amount not to exceed ¥600 million annually with an applicable period of each fiscal year (of which, compensation for Outside Directors shall not exceed ¥60 million, taking into account the duties of Outside Directors; however, this amount does not include the portion of employees' salary for Directors who concurrently serve as employees), from the previously approved amount of no more than ¥60 million monthly (equivalent to ¥720 million on an annual basis).
If approval for this proposal is granted, the revised total of compensation for Directors combined with the compensation for granting restricted stock will be equivalent to the current compensation amounting to no more than ¥720 million on an annual basis. Bonuses for Directors have been so far paid upon approval in a General Meeting of Shareholders, separately from the amount of no more than ¥60 million per month as compensation for Directors (equivalent to ¥720 million on an annual basis). However, under the revised compensation plan, the bonus amount will be included in the aforementioned amount of no more than ¥600 million annually.



Matters with respect to the specific timing of payments and distributions to each Director shall be approved by the Board of Directors, upon giving due respect to opinions made in the course of review by the Executive Compensation Advisory Committee whose membership includes Outside Directors.

Currently the number of Directors is eight (8) (including three (3) Outside Directors), and if Proposal 5 Election of eight (8) Directors is approved as proposed, the number of Directors will be eight (8) (including three (3) Outside Directors), as is currently the case.

<Overview of the Restricted Stock>
The Eligible Director shall make contributions in-kind of all of the Monetary Compensation Claims given under this proposal in accordance with the resolution by the Board of Directors of the Company, and in return receive shares of the Company's common stock, upon issuance or disposition thereof. The total number of shares of common stock for issuance or disposition thereof shall amount to no more than 600,000 shares annually (however, the total number shall be adjusted to a reasonable extent, in cases where, following the date on which this proposal is approved, there is a stock split of the Company's shares of common stock (including a gratis allotment of shares of the Company's common stock) or share consolidation thereof, or otherwise in cases where circumstances arise necessitating adjustment in the total number of shares of the Company's common stock to be issued or disposed of as restricted stock).
The amount to be paid in per share for the Company's common stock above shall be the amount determined by the Board of Directors to the extent that does not constitute an especially advantageous sum for the Eligible Directors who receive such shares of common stock, based on the closing price of common stock of the Company on the Tokyo Stock Exchange on the business day immediately preceding the date of the resolution by the Board of Directors (or the closing price on the transaction day immediately prior thereto if no transaction is made on such business day). In addition, with respect to the aforementioned issuance or disposition of shares of the Company's common stock, the Company and each Eligible Director shall conclude an agreement on allotment of restricted stock, the outline of which includes the following items (hereinafter the "Allotment Agreement").
(1) Transfer restriction period
The Eligible Directors may neither transfer, create a security interest on, nor otherwise dispose of the shares of common stock allotted under the Allotment Agreement (hereinafter the "Allotted Shares") for a period of minimum 3 years and maximum 5 years that shall be determined in advance by the Board of Directors of the Company (hereinafter the "Restriction Period"). The restriction described in the preceding sentence will hereinafter be referred to as the "Restriction."
(2) Vacation of position and retirement
In cases where the Eligible Director vacates or retires from the position of Director, Executive, Corporate Auditor, Executive Officer, Chief Senior Director, Senior Director, Councillor, Advisor, Senior Advisor, employee, or an equivalent position of the Company or a company affiliated with

the Company prior to expiration of the Restriction Period, excluding cases where the vacation or retirement is caused by expiration of term, death, compulsory retirement age, or other fair reasons, the Company shall automatically acquire the Allotted Shares at no cost.

(3) Removal of Restriction

Notwithstanding the provisions in (1) above, under the condition that the Eligible Director continued to serve as Director, Executive, Corporate Auditor, Executive Officer, Chief Senior Director, Senior Director, Councillor, Advisor, Senior Advisor, employee, or an equivalent position of the Company or a company affiliated with the Company during the Restriction Period, the Company shall remove the Restriction for all of the Allotted Shares upon the expiration of the Restriction Period. However, in cases where the Eligible Director in question vacates or retires from the position defined in (2) above prior to expiration of the Restriction Period due to expiration of term, death, compulsory retirement age, or other fair reasons as defined in (2) above, the number of the Allotted Shares for which the Restriction will be removed and the timing of the removal of the Restriction shall be reasonably adjusted as necessary. In this case, immediately after removal of the Restriction, the Company shall automatically acquire the Allotted Shares for which the Restriction has not been removed, at no cost.

(4) Organizational restructuring, etc.

Notwithstanding the provisions in (1) above, in cases where, during the Restriction Period, a General Meeting of Shareholders of the Company (however, in cases where the organizational restructuring, etc., in question does not require approval from a General Meeting of Shareholders of the Company, the Board of Directors of the Company) approves a merger agreement wherein the Company becomes the extinct company, or a share exchange agreement or a share transfer plan wherein the Company becomes a wholly-owned subsidiary, or other matters regarding organizational restructuring, etc., the Restriction shall be removed ahead of the effective date of the organizational restructuring, etc., in question for a reasonably defined number of the Allotted Shares taking into account the period between the beginning of the Restriction Period and the approval date of the organizational restructuring, etc., in question, via a resolution of the Board of Directors of the Company. In this case, immediately after removal of the Restriction, the Company shall automatically acquire the Allotted Shares for which the Restriction has not been removed, at no cost.

(5) Other matters stipulated by the Board of Directors

In addition to the above, method of declaration of intent and notice under the Allotment Agreement, method of revision for the Allotment Agreement, and other matters to be stipulated by the Board of Directors will be set forth in the Allotment Agreement.

Consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,325,525**	**LIABILITIES**	**810,890**
Current Assets:	**678,938**	**Current Liabilities:**	**392,783**
Cash and deposits	84,120	Notes and accounts payable-trade	145,658
Notes and accounts receivable-trade	271,706	Short-term loans payable	90,276
Inventories	247,544	Current portion of long-term loans payable	18,582
Deferred tax assets	16,192	Current portion of bonds	24,142
Accounts receivable-other	52,279	Lease obligations	116
Other current assets	7,628	Accounts payable-other	69,531
Allowance for doubtful accounts	(531)	Income taxes payable	5,735
		Provision for directors' bonuses	140
		Provision for repairs	12,173
		Other	26,430
Non-current Assets:	**646,587**	**Non-current Liabilities:**	**418,107**
Property, plant and equipment	**409,429**	Bonds payable	35,574
Buildings and structures, net	103,702	Long-term loans payable	268,654
Machinery, equipment and vehicles, net	126,685	Lease obligations	2,524
Land	155,441	Deferred tax liabilities	24,169
Construction in progress	11,465	Provision for directors' retirement benefits	251
Other	12,136	Provision for repairs	3,878
		Provision for environmental measures	732
Intangible assets	**35,188**	Net defined benefit liability	55,200
Goodwill	7,407	Asset retirement obligations	4,196
Software	4,689	Other	22,929
Other	23,092		
Investments and other assets	**201,970**	**NET ASSETS**	**514,635**
Investment securities	141,873	**Shareholders' Equity:**	**437,797**
Net defined benefit asset	31,103	Capital stock	125,053
Deferred tax assets	6,755	Capital surplus	90,491
Other	24,610	Retained earnings	236,961
Allowance for doubtful accounts	(2,371)	Treasury stock	(14,708)
		Accumulated Other Comprehensive Income:	**11,895**
		Valuation difference on available-for-sale securities	20,337
		Deferred gains or losses on hedges	(25)
		Foreign currency translation adjustments	4,211
		Remeasurements of defined benefit plans	(12,628)
		Non-controlling Interests:	64,943
Total	**1,325,525**	**Total**	**1,325,525**

Consolidated Statement of Income

(April 1, 2016 to March 31, 2017)

(Millions of yen)

Item	Amount	
Net sales:		**1,212,282**
Cost of sales:		**919,268**
Gross profit		**293,014**
Selling, general and administrative expenses:		**190,865**
Operating income		**102,149**
Non-operating income:		
Interest and dividends income	3,620	
Equity in earnings of affiliates	208	
Rent income	718	
Other	2,136	6,682
Non-operating expenses:		
Interest expenses	5,749	
Loss on suspension of operations	557	
Foreign exchange losses	1,257	
Provision of allowance for doubtful accounts	1,370	
Other	2,702	11,635
Ordinary income		**97,196**
Extraordinary income:		
Gain on sales of non-current assets	253	
Gain on sales of investment securities	2,381	2,634
Extraordinary losses:		
Loss on disposal of non-current assets	7,375	
Loss on sales of non-current assets	10	
Impairment loss	4,111	
Loss on valuation of investment securities	196	
Contract termination fees	2,366	14,058
Profit before income taxes		**85,772**
Income taxes - current	15,704	
Income taxes - deferred	(3,789)	11,915
Profit		**73,857**
Profit attributable to non-controlling interests		9,018
Profit attributable to owners of parent		**64,839**

Consolidated Statements of Changes in Net Assets

(April 1, 2016 to March 31, 2017)

(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	90,847	181,128	(14,607)	382,421
Changes during the term					
Cash dividends paid			(9,005)		(9,005)
Profit attributable to owners of parent			64,839		64,839
Acquisition of treasury stock				(103)	(103)
Disposal of treasury stock			(1)	2	1
Change in ownership interest of parent related to transactions with non-controlling interests		(356)			(356)
Net changes of items other than shareholders' equity					
Total changes during the term	–	(356)	55,833	(101)	55,376
Balance at the end of current period	125,053	90,491	236,961	(14,708)	437,797

	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	14,650	(48)	8,930	(23,982)	(450)	61,266	443,237
Changes during the term							
Cash dividends paid							(9,005)
Profit attributable to owners of parent							64,839
Acquisition of treasury stock							(103)
Disposal of treasury stock							1
Change in ownership interest of parent related to transactions with non-controlling interests							(356)
Net changes of items other than shareholders' equity	5,687	23	(4,719)	11,354	12,345	3,677	16,022
Total changes during the term	5,687	23	(4,719)	11,354	12,345	3,677	71,398
Balance at the end of current period	20,337	(25)	4,211	(12,628)	11,895	64,943	514,635

Non-consolidated Balance Sheet

(As of March 31, 2017)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,048,990**	**LIABILITIES**	**709,356**
Current Assets:	**392,361**	**Current Liabilities:**	**363,214**
Cash and deposits	49,248	Accounts payable-trade	86,481
Notes receivable-trade	363	Short-term loans payable	84,525
Accounts receivable-trade	166,470	Current portion of long-term loans payable	12,670
Merchandise and products	65,132	Current portion of bonds	24,000
Work in process	1,659	Lease obligations	16
Raw materials and supplies	33,308	Accounts payable-other	55,323
Advance payments	372	Accrued expenses	8,810
Prepaid expenses	1,167	Income taxes payable	1,335
Short-term loans receivable	7,677	Advances received	655
Deferred tax assets	8,649	Deposits received	79,340
Accounts receivable-other	59,635	Provision for directors' bonuses	85
Other	647	Provision for repairs	9,252
Allowance for doubtful accounts	(1,966)	Provision for loss on guarantees	640
Non-current Assets:	**656,629**	Other	82
Property, plant and equipment	**259,913**	**Non-current Liabilities:**	**346,142**
Buildings	36,398	Bonds payable	35,000
Structures	20,094	Long-term loans payable	242,314
Machinery and equipments	52,287	Lease obligations	45
Vehicles	103	Deferred tax liabilities	10,823
Tools, furniture and fixtures	4,185	Provision for retirement benefits	37,570
Land	141,177	Provision for repairs	1,222
Lease assets	61	Provision for environmental measures	732
Construction in progress	5,608	Provision for loss on guarantees	3,436
Intangible assets	**3,793**	Asset retirement obligations	688
Goodwill	165	Other	14,312
Industrial property	658		
Other rights	80		
Software	2,890		
		NET ASSETS	**339,634**
Investments and other assets	**392,923**	**Shareholders' Equity:**	**322,088**
Investment securities	52,517	**Capital stock**	**125,053**
Shares of subsidiaries and affiliates	229,345	**Capital surplus**	**93,783**
Investment in capital	12,656	Legal capital surplus	93,783
Investment in capital of subsidiaries and affiliates	55,268	**Retained earnings**	**117,960**
Long-term loans receivable	1,270	Legal retained earnings	12,506
Claims provable in bankruptcy, claims provable in rehabilitation and other	313	Other retained earnings	105,454
Long-term loans receivable from subsidiaries and affiliates	583	Reserve for dividends	10,000
Long-term prepaid expenses	2,133	General reserve	28,070
Prepaid pension cost	37,639	Retained earnings brought forward	67,384
Other	3,968	**Treasury stock**	**(14,708)**
Allowance for doubtful accounts	(2,769)	**Valuation and Translation Adjustments:**	**17,546**
		Valuation difference on available-for-sale securities	17,546
Total	**1,048,990**	**Total**	**1,048,990**

Non-consolidated Statement of Income

(April 1, 2016 to March 31, 2017)

(Millions of yen)

Item	Amount	
Net sales:		**624,773**
Cost of sales:		**506,884**
Gross profit		**117,889**
Selling, general and administrative expenses:		**78,670**
Operating income		**39,219**
Non-operating income:		
Interest and dividends income	26,218	
Rent income	1,545	
Other	1,219	28,982
Non-operating expenses:		
Interest expenses	4,244	
Loss on suspension of operations	408	
Foreign exchange losses	1,211	
Provision for loss on guarantees	2,721	
Provision of allowance for doubtful accounts	1,875	
Other	1,837	12,296
Ordinary income		**55,905**
Extraordinary income:		
Gain on sales of non-current assets	152	
Gain on sales of investment securities	1,576	1,728
Extraordinary losses:		
Loss on disposal of non-current assets	6,218	
Loss on sales of non-current assets	1	
Impairment loss	1,009	
Loss on valuation of investment securities	4,619	
Loss on sales of shares of subsidiaries and associates	18	
Loss on restructuring of subsidiaries and affiliates	96	
Contract termination fees	2,366	
Losses on liquidation of subsidiaries and affiliates	296	14,623
Profit before income taxes		**43,010**
Income taxes - current	(1,977)	
Income taxes - deferred	(2,281)	(4,258)
Profit		**47,268**

Non-consolidated Statements of Changes in Net Assets

(April 1, 2016 to March 31, 2017)

(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	67,192	79,698	(14,607)	283,927
Changes during the term								
Cash dividends paid					(9,005)	(9,005)		(9,005)
Profit					47,268	47,268		47,268
Acquisition of treasury stock							(103)	(103)
Disposal of treasury stock					(1)	(1)	2	1
Net changes of items other than shareholders' equity								
Total changes during the term	–	–	–	–	38,262	38,262	(101)	38,161
Balance at the end of current period	125,053	93,783	93,783	12,506	105,454	117,960	(14,708)	322,088

	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	12,395	12,395	296,322
Changes during the term			
Cash dividends paid			(9,005)
Profit			47,268
Acquisition of treasury stock			(103)
Disposal of treasury stock			1
Net changes of items other than shareholders' equity	5,151	5,151	5,151
Total changes during the term	5,151	5,151	43,312
Balance at the end of current period	17,546	17,546	339,634

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	29,122	67,192
Changes during the term				
Cash dividends paid			(9,005)	(9,005)
Profit			47,268	47,268
Disposal of treasury stock			(1)	(1)
Total changes during the term	–	–	38,262	38,262
Balance at the end of current period	10,000	28,070	67,384	105,454

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 web browser and PDF viewer must be installed (functionality has been confirmed with the following software combinations):

OS	Web browser	PDF viewer
Windows Vista®	Internet Explorer® ver.7-9	Adobe® Reader® Ver.9
Windows® Ver.7	Internet Explorer® ver.8-11	Adobe® Reader® Ver.11
Windows® Ver.8.1	Internet Explorer® ver.11	Adobe® Reader® Ver.11

* Windows, Windows Vista and Internet Explorer are either registered trademarks or trademarks of Microsoft Corporation in the U.S. and other countries.
* Adobe and Reader are either registered trademarks or trademarks of Adobe Systems Incorporated in the U.S. and other countries.
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) and allow “cookies” from the website in your privacy settings 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.