[Translation: Please note that the following purports to be an accurate translation of excerpt contents of the original Japanese document, prepared for foreign shareholders solely as a reference material. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain explanations for the domestic voting procedures are omitted or modified in this translation.]

SEKISUI CHEMICAL CO., LTD.

Stock Exchange Code: 4204

June 5, 2017

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 95TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 95th Annual General Meeting of Shareholders of SEKISUI CHEMICAL CO., LTD. (the "Company"), which will be held as described below.

If you are unable to attend the aforesaid meeting, you may exercise your voting rights in mailing or through Internet. In such case, please kindly see the attached Reference Documents Concerning the General Meeting of Shareholders and exercise your voting rights before 5:30 p.m. on June 27, 2017 (Tuesday, JST).

Yours very truly,

By: ***TEIJI KOGE***
President and Representative Director
SEKISUI CHEMICAL CO., LTD.
4-4 Nishitemma 2-Chome,
Kita-ku, Osaka 530-8565

PARTICULARS

1. Date and Time of the Meeting: 10:00 a.m. on June 28, 2017 (Wednesday, JST)

2. Place of the Meeting: Manyo no Ma Room
3rd Floor
ANA Crowne Plaza Osaka Hotel
1-3-1 Dojimahama, Kita-ku, Osaka

3. Agenda of the Meeting:

Matters for Reporting:

Report on the Business Report, the Consolidated Accounting Documents, the Non-Consolidated Accounting Documents and the report on the Results of the Audits of Consolidated Accounting Documents by the Accounting Auditor and the Board of Corporate Auditors for the 95th Business Term (from April 1, 2016 to March 31, 2017).

Matters for Resolution:

First Item of Business: **Appropriation of Surplus**
Second Item of Business: **Election of Ten (10) Directors**
Third Item of Business: **Election of One (1) Corporate Auditor**

- End -

For those attending, please present Voting Rights Exercise Form (not enclosed in this translation) at the reception desk on arrival at the Meeting. For saving natural resources, please take this notice of convocation with you to the Meeting.

(For Reference Only)
REGISTERED SHAREHOLDERS IN JAPAN may exercise voting rights by means of either of the following:

[In case of exercising voting rights via mail]
Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval of each of the items listed thereon and return the form to the Company before 5:30 p.m. on June 27, 2017 (Tuesday, JST).

[In case of exercising voting rights via the Internet, etc.]
Please access the website for exercising voting rights designated by the Company (http://www.evote.jp/), indicate your approval or disapproval of each of the items by following the guidance on the display after entering the "log-in ID" and "password" shown on the enclosed Voting Right Exercise Form.
The Company cordially requests the shareholders who exercise voting rights via the Internet, etc. to understand the Guidance for the Exercise of Voting Rights via the Internet, etc. below. (omitted)

Reference Documents Concerning the General Meeting of Shareholders

(Items and Matters for Reference)

First Item of Business　Appropriation of Surplus

One of the Company's primary policies in management is to increase corporate value, with an emphasis on returning the Company's profits to the shareholders proactively. In connection with returning the Company's profits to the shareholders, the Company has a basic policy of ensuring a dividend on equity ratio of approximately 3% and implementing a stable dividend policy depending upon business results, with a target of a consolidated payout ratio of 30% of the consolidated net income.

Based on its capital policy and the basic policy regarding dividends from surplus as described above, the Company proposes that the year-end dividend for the business term under review be ¥19 per share, consisting of an ordinary dividend of ¥18 per share, a ¥2 increase per share from the previous business term, and a commemorative dividend of ¥1 per share in recognition of the 70th anniversary of the Company's founding in March 2017.

The annual dividend for the business term under review is ¥35 per share, together with the interim dividend of ¥16 per share that was paid in December 2016, and a ¥5 increase per share from the previous business term.

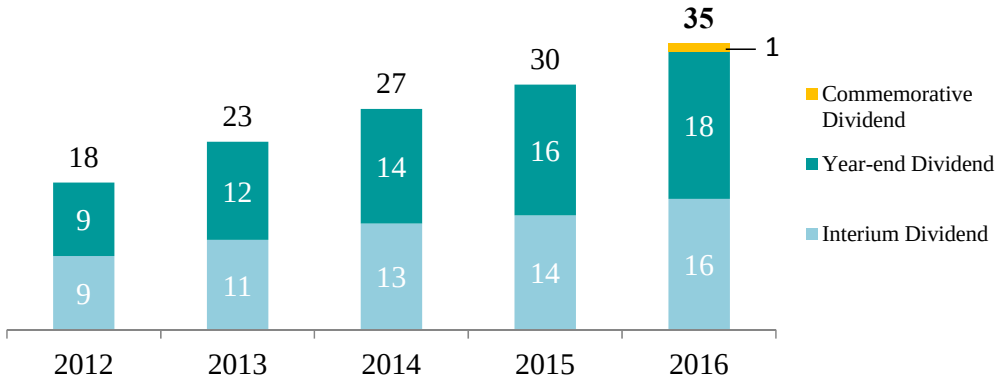
Matters Concerning the Year-End Dividend

1. **Type of Dividend Assets:**
   Cash

2. **Matters Concerning Distribution of Dividend Assets and the Aggregate Amount:**
   ¥19 per share of common stock of the Company
   (Ordinary dividend: ¥18, Commemorative dividend: ¥1)
   Aggregate amount of dividends: ¥9,113,400,122

3. **The Date When Dividend of Retained Earnings Takes Effect:**
   June 29, 2017

<Changes in the Dividends Per Share>



[Translation]

Second Item of Business　Election of Ten (10) Directors

The terms of offices of all the ten (10) Directors will expire at the closing of this Annual General Meeting of Shareholders.

The Company has the policy of selecting candidates for Director who are deemed eligible in light of the purpose of contributing to the enhancement of corporate value of the Sekisui Chemical Group by judging their track record and required knowledge, experience, capabilities, etc., comprehensively.

Accordingly, the Company proposes the election of ten (10) Directors, and the following candidates for Director have been determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Advisory Committee, which consists of a majority of Independent Outside Officers and is chaired by an Independent Outside Officer.

Two (2) candidates for Outside Directors meet the conditions of the Company's "Standards for the Independence of Outside Officers" (refer to Page 15) and the conditions of Independent Directors stipulated by Tokyo Stock Exchange, Inc.

Candidate Number	Name	Position and Duty	
1	Naofumi Negishi	Chairman of the Board and Representative Director	**Reelected**
2	Teiji Koge	President and Representative Director, Chief Executive Officer	**Reelected**
3	Hajime Kubo	Director, Senior Managing Executive Officer	**Reelected**
4	Satoshi Uenoyama	Director, Senior Managing Executive Officer	**Reelected**
5	Shunichi Sekiguchi	Director, Senior Managing Executive Officer	**Reelected**
6	Keita Kato	Director, Senior Managing Executive Officer	**Reelected**
7	Yoshiyuki Hirai	Director, Managing Executive Officer	**Reelected**
8	Hiroyuki Taketomo	Director, Managing Executive Officer	**Reelected**
9	Kunio Ishizuka	Outside Director **Candidate for Independent Outside Director**	**Reelected**
10	Yutaka Kase	Outside Director **Candidate for Independent Outside Director**	**Reelected**

1 Naofumi Negishi (Date of birth: March 19, 1948)

Reelected



■ **Number of Shares of the Company Owned**

210,145 shares

Career Summary, Position and Duty

Apr. 1971: Joined the Company
Jun. 2003: Director of the Company
General Manager of Corporate Finance & Accounting and Planning Department
Apr. 2005: Managing Director of the Company
General Manager of Corporate Finance & Accounting and Planning Department
Oct. 2007: Managing Director of the Company
In Charge of Corporate Communication Department
General Manager of Corporate Finance & Accounting and Planning Department
Apr. 2008: Managing Director of the Company
Senior Managing Executive Officer & CFO of the Company
In Charge of Corporate Communication Department
General Manager of Corporate Finance & Accounting and Planning Department
Jun. 2008: Director of the Company
Senior Managing Executive Officer & CFO of the Company
In Charge of Corporate Communication Department
General Manager of Corporate Finance & Accounting and Planning Department
Oct. 2008: Vice President & Director of the Company
CFO of the Company
In Charge of Corporate Communication Department and Corporate Finance & Accounting and Planning Department
Mar. 2009: President and Representative Director
Chief Executive Officer of the Company
Mar. 2015: Chairman of the Board and Representative Director of the Company [incumbent]

Reasons for Election of the Candidate for Outside Director

He formerly assumed office as President and Representative Director for six years from 2009 to 2015. Since 2015 when he was appointed as Chairman of the Board and Representative Director, he has been managing the Board of Directors appropriately and engaged in external affairs as representative of the Sekisui Chemical Group. Therefore, the Company has judged that he would be able to further fortify the Board's functions of decision-making and supervision and thus reelected him as a candidate for Director.

2 Teiji Koge (Date of birth: November 14, 1953)

Reelected



■ **Number of Shares of the Company Owned**

120,986 shares

Career Summary, Position and Duty

Apr. 1976: Joined the Company
Jun. 2005: Director of the Company
President of Nagoya Sekisui Heim Co., Ltd.
Oct. 2005: Director of the Company
Head of President's Office of Housing Company
Apr. 2006: Director of the Company
General Manager of Planning & Control Department of Housing Company
Apr. 2007: Director of the Company
General Manager of Housing Division and Planning & Control Department of Housing Company
Jul. 2007: Director of the Company
In Charge of Sales Department, General Manager of Housing Division of Housing Company
Feb. 2008: Director of the Company
President of Housing Company
In Charge of Sales Department, General Manager of Housing Division
Apr. 2008: Director of the Company
Managing Executive Officer of the Company
President of Housing Company
Apr. 2009: Director of the Company
Senior Managing Executive Officer of the Company
President of Housing Company
Mar. 2014: Director of the Company
Senior Managing Executive Officer of the Company
Head of CSR Department
Head of Corporate Communication Department
Mar. 2015: President and Representative Director
Chief Executive Officer of the Company [incumbent]

Reasons for Election of the Candidate for Outside Director

Since he was appointed as President and Representative Director in March 2015, he has demonstrated strong leadership as Chief Executive Officer of the Company with the aim of fulfilling the Midterm Management Plan and fully performed his role in important decisions on and supervision of business execution. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

3 Hajime Kubo (Date of birth: October 14, 1956)

Reelected



■ **Number of Shares of the Company Owned**

73,665 shares

Career Summary, Position and Duty

Apr. 1980: Joined the Company
Apr. 2008: Executive Officer of the Company
General Manager of Administrative Management & Control Department of High Performance Plastics Company
Jan. 2010: Executive Officer of the Company
General Manager of CSR Department
Apr. 2010: Executive Officer of the Company
In Charge of Corporate Communication Department
General Manager of External Affairs Department and CSR Department
Jun. 2010: Director of the Company
Executive Officer of the Company
In Charge of Corporate Communication Department
General Manager of External Affairs Department and CSR Department
Apr. 2011 Director of the Company
Managing Executive Officer of the Company
In Charge of Corporate Communication Department
General Manager of External Affairs Department and CSR Department
Jan. 2012: Director of the Company
Managing Executive Officer of the Company
General Manager of CSR Department and Corporate Communication Department
Apr. 2012: Director of the Company
Managing Executive Officer of the Company
In Charge of Legal Department
General Manager of CSR Department and Corporate Communication Department
Apr. 2013: Director of the Company
Managing Executive Officer of the Company
General Manager of CSR Department and Corporate Communication Department
Mar. 2014: Director of the Company
Managing Executive Officer of the Company
Responsible for Corporate Finance Accounting Department
Head of Business Planning Department
Apr. 2014: Director of the Company
Senior Managing Executive Officer of the Company
Responsible for Corporate Finance Accounting Department
Head of Business Planning Department
Mar. 2015: Director of the Company
Senior Managing Executive Officer of the Company
Responsible for Corporate Finance Accounting Department
Head of Business Planning Department, Head of CSR Department
Head of Corporate Communication Department
Apr. 2015: Director of the Company
Senior Managing Executive Officer of the Company
President of Urban Infrastructure & Environmental Products Company [incumbent]

Reasons for Election of the Candidate for Outside Director

Since he was appointed as President of Urban Infrastructure & Environmental Products Company in April 2015, he has demonstrated strong leadership in leading structural reform and profitability enhancement of said Company and has an abundant track record and experience. Furthermore, he has considerable knowledge and supervisory capabilities regarding business management in general as proven by the execution of his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

4 Satoshi Uenoyama (Date of birth: November 18, 1953) Reelected



■ **Number of Shares of the Company Owned**

97,917 shares

Career Summary, Position and Duty

Apr. 1980: Joined the Company
Apr. 2009: Executive Officer of the Company
Head of R&D Center
Apr. 2011: Managing Executive Officer of the Company
Head of R&D Center
Jun. 2011: Director of the Company
Managing Executive Officer of the Company
Head of R&D Center
Apr. 2014: Director of the Company
Senior Managing Executive Officer of the Company
Head of R&D Center
Apr. 2016: Director of the Company
Senior Managing Executive Officer of the Company
Head of R&D Center and Head of LB Project
Apr. 2017: Director of the Company
Senior Managing Executive Officer of the Company
Responsible for Corporate Research and Development
Head of LB Project [incumbent]

Reasons for Election of the Candidate for Outside Director

As the Head of the R&D area of the Company, he has been the Company's driving force to launch products in markets that win society’s confidence with outstanding technology and product quality. Furthermore, he has considerable knowledge and supervisory capabilities regarding business management in general as proven by the execution of his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

5 Shunichi Sekiguchi (Date of birth: June 13, 1955)

Reelected



■ **Number of Shares of the Company Owned**

75,258 shares

Career Summary, Position and Duty

Apr. 1978: Joined the Company
Apr. 2008: Executive Officer of the Company
General Manager of Living Environment Division and Head of Diversified Business Group of Housing Company
Jul. 2010: Executive Officer of the Company
General Manager of Living Environment Division of Housing Company
Jan. 2013: Executive Officer of the Company
Responsible for Public Relations & External Relations Department, General Manager of Living Environment Division and Head of President Office of Housing Company
Apr. 2013: Managing Executive Officer of the Company
Responsible for Public Relations & External Relations Department, Head of Sales Management Division and Head of President Office of Housing Company
Jan. 2014: Managing Executive Officer of the Company
Responsible for Public Relations & External Relations Department and Head of President Office of Housing Company
Mar. 2014: Managing Executive Officer of the Company
President of Housing Company
Jun. 2014: Director of the Company
Managing Executive Officer of the Company
President of Housing Company
Apr. 2015: Director of the Company
Senior Managing Executive Officer of the Company
President of Housing Company [incumbent]

Reasons for Election of the Candidate for Outside Director

Since he was appointed as President of Housing Company in March 2014, he has demonstrated strong leadership in leading profitability enhancement of said Company and has an abundant track record and experience. Furthermore, he has considerable knowledge and supervisory capabilities regarding business management in general as proven by the execution of his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

6 Keita Kato (Date of birth: January 11, 1958)

Reelected



■ **Number of Shares of the Company Owned**

73,797 shares

Career Summary, Position and Duty

Apr. 1980: Joined the Company
Apr. 2008: Executive Officer of the Company
Head of Interlayer Film Division of High Performance Plastics Company
Jul. 2011: Executive Officer of the Company
Head of New Business Promotion Division of High Performance Plastics Company
Mar. 2013: Executive Officer of the Company
Head of New Business Promotion Division and Head of Research & Development Institute of High Performance Plastics Company
Oct. 2013: Executive Officer of the Company
Head of Research & Development Institute of High Performance Plastics Company
Mar. 2014: Managing Executive Officer of the Company
President of High Performance Plastics Company
Jun. 2014: Director of the Company
Managing Executive Officer of the Company
President of High Performance Plastics Company
Apr. 2015: Director of the Company
Senior Managing Executive Officer of the Company
President of High Performance Plastics Company [incumbent]

Important Position of Other Organizations Concurrently Assumed

Director of Sekisui Fuller Company Ltd.
Director of Sumika Sekisui Film Holdings, Co., Ltd.

Reasons for Election of the Candidate for Outside Director

Since he was appointed as President of High Performance Plastics Company in March 2014, he has demonstrated strong leadership in leading the business expansion of said Company and has an abundant track record and experience. Furthermore, he has considerable knowledge and supervisory capabilities regarding business management in general as proven by the execution of his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

[Translation]

7 Yoshiyuki Hirai (Date of birth: February 4, 1963)

Reelected



■ **Number of Shares of the Company Owned**

32,182 shares

Career Summary, Position and Duty

Apr. 1985: Joined the Company
Mar. 2009: Head of Foam Division of High Performance Plastics Company
Apr. 2014: Executive Officer of the Company
Head of Foam Division of High Performance Plastics Company
Apr. 2015: Executive Officer of the Company
Responsible for CSR Promotion Department
Head of Business Strategy Department
Jun. 2015: Director of the Company
Executive Officer of the Company
Responsible for CSR Promotion Department
Head of Business Strategy Department
Apr. 2017: Director of the Company
Managing Executive Officer of the Company
Responsible for Corporate Finance & Accounting Department
Head of Business Strategy Department [incumbent]

Important Position of Other Organizations Concurrently Assumed

Director of SEKISUI CHEMICAL (SHANGHAI) INVESTMENT CO., LTD.

Reasons for Election of the Candidate for Outside Director

Since he was appointed as Director in June 2015, he has promoted the planning of business strategies from an enterprise perspective and constructive dialogue with shareholders mainly as the Head of the Business Strategy Department by leveraging the knowledge fostered through his abundant experience so far, as well as performing his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

8 Hiroyuki Taketomo (Date of birth: July 8, 1961)

Reelected



■ **Number of Shares of the Company Owned**

13,314 shares

Career Summary, Position and Duty

Apr. 1985: Joined the Company
Oct. 2003: Head of General Administration Department of High Performance Plastics Company
Apr. 2011: Director of SEKISUI MEDICAL CO., LTD.
Sep. 2014: Head of HR Group of CSR Department
Apr. 2015: Executive Officer of the Company
Apr. 2016: General Manager of HR Department
Executive Officer of the Company
In charge of Legal Department
General Manager of HR Department
Jun. 2016: Director of the Company
Executive Officer of the Company
Responsible for Legal Department
Head of Human Resources Department
Apr. 2017: Director of the Company
Managing Executive Officer of the Company
Responsible for Legal Department
Head of Human Resources Department [incumbent]

Important Position of Other Organizations Concurrently Assumed

Director of Sekisui America Corporation

Reasons for Election of the Candidate for Outside Director

Since he was appointed as Director in June 2016, he has promoted initiatives relevant to diversity management and the establishment of the compliance system as the Responsible for Legal Department and the Head of the Human Resources Department by leveraging the knowledge fostered through his abundant experience so far, as well as performing his duties as Director. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Director.

[Translation]

9 Kunio Ishizuka (Date of birth: September 11, 1949)

Reelected

Candidate for Independent Outside Director



■ **Number of Shares of the Company Owned**

0 shares

■ **Number of Years in Office of the Company**

4 years

(At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**

15 out of 17 Board of Directors meetings

(Attendance rate: 88.2%)

(The business term under review)

Career Summary, Position and Duty

May 1972: Joined Mitsukoshi, Ltd.
Feb. 2003: Executive Officer, General Manager of Operations Department of Mitsukoshi, Ltd.
Mar. 2004: Senior Executive Officer, General Manager of Corporate Planning Division of Mitsukoshi, Ltd.
Mar. 2005: Managing Executive Officer, General Manager of Business Planning Division of Mitsukoshi, Ltd.
May 2005: President and Representative Director, Executive Officer, General Manager of Business Planning Division of Mitsukoshi, Ltd.
Feb. 2006: President and Representative Director, Executive Officer of Mitsukoshi Ltd.
Apr. 2008: President and Representative Director, Executive Officer of Isetan Mitsukoshi Holdings Ltd.
Feb. 2012: Chairman and Representative Director, Executive Officer of Isetan Mitsukoshi Holdings Ltd.
Apr. 2012: Chairman and Representative Director, Executive Officer of Isetan Mitsukoshi Ltd.
Jun. 2013: Director of the Company [incumbent]
Apr. 2017: Chairman and Representative Director of Isetan Mitsukoshi Holdings Ltd. [incumbent]
Apr. 2017: Chairman and Representative Director of Isetan Mitsukoshi Ltd. [incumbent]

Important Position of Other Organizations Concurrently Assumed

Chairman and Representative Director of Isetan Mitsukoshi Holdings Ltd.
Chairman and Representative Director of Isetan Mitsukoshi Ltd.
Chairman of Japan Housing Association

* Mr. Kunio Ishizuka currently serves as Chairman and Representative Director of Isetan Mitsukoshi Holdings Ltd. and Chairman and Representative Director of Isetan Mitsukoshi, Ltd., whereas he will retire from said positions by the time of the closing of this Annual General Meeting of Shareholders and be appointed as Special Advisor of said two companies.

Reasons for Election of the Candidate for Outside Director

Since he was appointed as Outside Director of the Company, he has provided advice with respect to the business management of the Company and supervised business execution appropriately by leveraging his abundant knowledge of business management and leadership fostered through his position as a management executive in the retail and service industry. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Outside Director.

The Company has no business with Isetan Mitsukoshi Holdings Ltd.
While the Company has business with Isetan Mitsukoshi Ltd., net sales of Isetan Mitsukoshi to the Company represented less than 0.1% of the Company's net sales; and the net sales of the Company to Isetan Mitsukoshi Ltd. represented less than 0.1% of total net sales of Isetan Mitsukoshi Ltd. in each case for the business year last closed.
Accordingly, independence for Outside Directorship is sufficiently secured. The Company has no business with Japan Housing Association.

[Translation]

10 Yutaka Kase (Date of birth: February 19, 1947)

Reelected

Candidate for Independent Outside Director



■ **Number of Shares of the Company Owned**

0 shares

■ **Number of Years in Office of the Company**

1 year (At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**

13 out of 13 Board of Directors meetings

(Attendance rate: 100%)

(The business term under review)

Career Summary, Position and Duty

May 1970: Joined Nissho Iwai Corporation
Jun. 2001: Executive Officer of Nissho Iwai Corporation
Apr. 2003: Director and Managing Executive Officer of Nissho Iwai Corporation
Apr. 2004: Representative Director and Senior Managing Executive Officer of Former Sojitz Corporation
Aug. 2004: Representative Director and Executive Vice President of Former Sojitz Corporation
Oct. 2005: Representative Director and Executive Vice President of Sojitz Corporation
Apr. 2007: President & CEO of Sojitz Corporation
Apr. 2012: Representative Director and Chairman of Sojitz Corporation [incumbent]
Jun. 2016: Director of the Company [incumbent]

Important Position of Other Organizations Concurrently Assumed

Representative Director and Chairman of Sojitz Corporation
Outside Director of Astellas Pharma Inc.
Outside Director of JAC Recruitment Co., Ltd.

* Mr. Yutaka Kase currently serves as Representative Director and Chairman of Sojitz Corporation, whereas he will retire from said position by the time of the closing of this Annual General Meeting of Shareholders and be appointed as Special Advisor of said company. While he also serves as Outside Director of Astellas Pharma Inc. currently, he will retire from said position by the time of the closing of this Annual General Meeting of Shareholders.

Reasons for Election of the Candidate for Outside Director

Since he was appointed as Outside Director of the Company, he has provided advice with respect to the business management of the Company and supervised business execution appropriately by leveraging his abundant experience and past achievements regarding global corporate management and business strategy fostered through his position as a corporate manager of a general trading company. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus reelected him as a candidate for Outside Director.

While the Company has business transactions with Sojitz Corporation, the ratio of the transaction value to the net sales of Sojitz Corporation and the Company for the business year last closed was less than 0.1% for both parties. Accordingly, the independence of the Outside Directorship is sufficiently secured.

(Notes) 1. Each of the candidates has no interest with the Company.

2. Limiting Liability Agreement:
In the light of enabling Mr. Kunio Ishizuka and Mr. Yutaka Kase to discharge their duties in full as expected, the Company has entered into an agreement with Mr. Ishizuka and Mr. Kase limiting their liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which their liabilities for compensations is limited to the minimum limited liability amount provided in the laws and ordinances. Furthermore, in the event that this Item of Business is approved, the Company will continue the limiting liability agreement with Mr. Ishizuka and Mr. Kase.

3. The Company appointed Mr. Kunio Ishizuka and Mr. Yutaka Kase as Independent Director pursuant to the rules of Tokyo Stock Exchange, Inc. and notified the Exchange of the appointment.

<Criteria for Independence of Outside Board Members>

The Company has established the following "Criteria for Independence of Outside Board Members" and the Company has elected a candidate satisfy all of the criteria.

Criteria for Independence of Outside Board Members
1) The candidate has never been an executive director or any other employee of the Company or any of the companies within the Group. 2) The candidate is not receiving compensation more than 10 million yen per year from the Group other than the compensation as an officer. 3) The candidate and the main company of the candidate[1] is not a major shareholder[2] of the Company. 4) The business of the main company of the candidate does not compete with the main business(es) of the Company[3]. 5) The main company of the candidate is not a major business partner[4] of the Company. 6) The main company of the candidate is not a major lender of the Company. 7) The candidate has never worked for an accounting auditor of the Company for the period of five years immediately preceding the scheduled date of assumption of office. 8) None of the executive directors of the Company is concurrently serving as a director of the main company of the candidate. 9) The candidate is not a relative[5] of any of the officers or employees of the Company who has not fallen under any of 1 through 8 above.

[1] Main company of the candidate shall mean the company, if any, at which the candidate for an outside board member is an executive director, executive officer, or manager or other employee.
[2] Major shareholder shall mean top 10 shareholders of the Company.
[3] Main business(es) of the Company shall mean business(es) disclosed as main busuness(es) of Company on the business report of the Company (omitted).
[4] Major business partner shall mean the business partner whose transaction with the Company exceeds 2% of such business partner's consolidated gross sales.
[5] Relative shall mean the person's spouse, partner, relative within the second degree of kinship or relative who lives with the person.

Third Item of Business　Election of One (1) Corporate Auditor

At the closing of this Annual General Meeting of Shareholders, Mr. Takashi Goto, Corporate Auditor, will resign his position. The Company proposes that the following one (1) Corporate Auditor be newly elected.

The following candidate for Corporate Auditor has been determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Advisory Committee, which consists of a majority of Independent Outside Officers and is chaired by an Independent Outside Officer.

The Audit & Supervisory Board has given prior consent to the submission of this Item.

Moritoshi Naganuma (Date of birth: March 18, 1959)　Newly Elected



■ **Number of Shares of the Company Owned**

33,314 shares

Career Summary, Position and Duty

Apr. 1982: Joined the Company
Oct. 2003: General Manager of Administrative Management & Control Department of High Performance Plastics Company
Oct. 2006: Director of Sekisui Film Co., Ltd.
Apr. 2009: Head of Accounting Group of Corporate Finance & Accounting Department
Oct. 2010: General Manager of Corporate Finance & Accounting and Department
Apr. 2015: Executive Officer of the Company
General Manager of Corporate Finance & Accounting and Department
Apr. 2017: Advisor of the Company [incumbent]

Reasons for Election of the Candidate for Corporate Auditor

Since he joined the Company, he has mainly been engaged in accounting and finance affairs. Furthermore, he has abundant business experience at the Company and expertise relating to finance and accounting, as he formerly served as Executive Officer and General Manager of the Corporate Finance & Accounting Department, as well as Director of Sekisui Film Co., Ltd. Therefore, the Company has judged that he would be eligible as Corporate Auditor given the Sekisui Chemical Group aims at enhancing its corporate value and thus elected him as a candidate for Corporate Auditor.

(Notes) 1. The candidate has no interest with the Company.

2. Limiting Liability Agreement:
In light of enabling Corporate Auditors to discharge their duties in full as expected, the Company has entered into an agreement with the Corporate Auditors limiting their liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which their his liability for compensations is limited to the minimum limited liability amount provided in the laws and ordinances. Furthermore, in the event that this Item of Business is approved, the Company is scheduled to enter into the above Limiting Liability Agreement with Mr. Moritoshi Naganuma.