[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 4, 2018

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 96TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

You are cordially invited to attend the 96th 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 26, 2018 (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 27, 2018 (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 Audit & Supervisory Board for the 96th Business Term (from April 1, 2017 to March 31, 2018).

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) Audit & Supervisory Board Member**

- 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 26, 2018 (Tuesday, JST).

[In case of exercising voting rights via the Internet, etc.]
Please access the website for exercising voting rights designated by the Company (https://evote.tr.mufg.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 the 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 ¥21 per share.

The annual dividend for the business term under review is ¥40 per share, together with the interim dividend of ¥19 per share (including 70th anniversary commemorative dividend of ¥1 per share) that was paid in December 2017, and a ¥5 increase per share from the previous business term.

Matters Concerning the Year-End Dividend

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

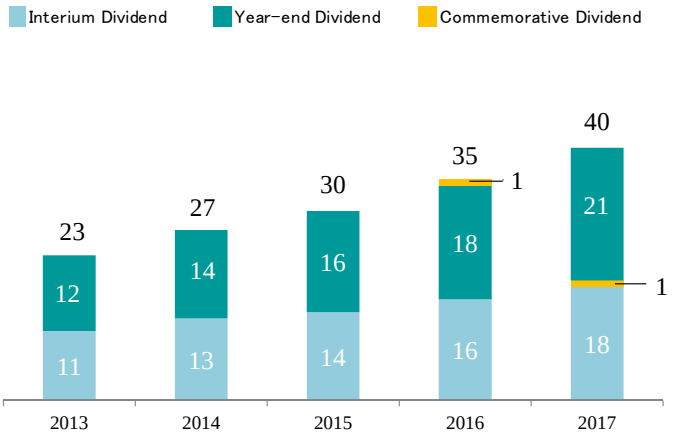
2. **Matters Concerning Distribution of Dividend Assets and the Aggregate Amount:**
   ¥21 per share of common stock of the Company

   Aggregate amount of dividends: ¥9,927,678,726

3. **The Date When Dividend of Retained Earnings Takes Effect:**
   June 28, 2018

Changes in the Dividends Per Share

(Unit: ¥)



[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. Therefore the Company proposes that the following ten (10) Directors be newly elected. The following candidates for Directors 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

Three (3) candidates out of ten (10) are candidates for Outside Directors. All of the three (3) candidates have expertise in each domain and international mindset, including abundant experience and past achievements as management executives. Therefore the Company has judged that they would be able to appropriately fulfill their duties as Outside Directors including provision of advice with respect to the business management of the Company and supervision of business execution, etc. The three (3) 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.

The candidates are as follows.

Candidate Number	Name	Position and Duty			Number of Years (At the closing of this Annual General Meeting of Shareholders)
1	Teiji Koge	President and Representative Director Chief Executive Officer		Renominated	13 years
2	Hajime Kubo	Chief Executive Officer, Director Senior Managing Executive Officer		Renominated	8 years
3	Satoshi Uenoyama	Director Senior Managing Executive Officer		Renominated	7 years
4	Shunichi Sekiguchi	Director Senior Managing Executive Officer		Renominated	4 years
5	Keita Kato	Director Senior Managing Executive Officer		Renominated	4 years
6	Yshiyuki Hirai	Director Managing Executive Officer		Renominated	3 years
7	Hiroyuki Taketomo	Director Managing Executive Officer		Renominated	2 years
8	Kunio Ishizuka	Outside Director	Candidate for Independent Outside Director	Renominated	5 years
9	Yutaka Kase	Outside Director	Candidate for Independent Outside Director	Renominated	2 years
10	Hiroshi Oeda		Candidate for Independent Outside Director	Newly Nominated	-

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

Renominated



■ **Number of Shares of the Company Owned**
123,298 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

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 Head of Planning & Control Department of Housing Company
Apr. 2007:	Director of the Company Head of Housing Division and Planning & Control Department of Housing Company
Jul. 2007:	Director of the Company Responsible for Sales Department, Head of Housing Division of Housing Company
Feb. 2008:	Director of the Company President of Housing Company Responsible for Sales Department, Head 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 Nomination of the Candidate for Director

Since he was appointed as President and Representative Director in March 2015, he has been responsible for steering the Group's management. In 2017, he declared New Midterm Management Plan emphasizing "Challenge towards new phase of growth", and since then he has been endeavoring to enhance corporate value of the Company, playing a leading role. Therefore, the Company has judged that he would be qualified as Chief Executive Officer of the Company and thus renominated him as a candidate for Director.

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

Renominated



■ **Number of Shares of the Company Owned**
74,866 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

Career Summary, Position and Duty

Apr. 1980: Joined the Company
Apr. 2008: Executive Officer of the Company
Head of Administrative Management & Control Department of High Performance Plastics Company
Jan. 2010: Executive Officer of the Company
Head of CSR Department
Apr. 2010: Executive Officer of the Company
Responsible for Corporate Communication Department
Head of External Affairs Department and CSR Department
Jun. 2010: Director of the Company
Executive Officer of the Company
Responsible for Corporate Communication Department
Head of External Affairs Department and CSR Department
Apr. 2011 Director of the Company
Managing Executive Officer of the Company
Responsible for Corporate Communication Department
Head of External Affairs Department and CSR Department
Jan. 2012: Director of the Company
Managing Executive Officer of the Company
Head of CSR Department and Corporate Communication Department
Apr. 2012: Director of the Company
Managing Executive Officer of the Company
Responsible for Legal Department
Head of CSR Department and Corporate Communication Department
Apr. 2013: Director of the Company
Managing Executive Officer of the Company
Head 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
Jun. 2017: Representative Director of the Company
Senior Managing Executive Officer of the Company
President of Urban Infrastructure & Environmental Products Company
[incumbent]

Reasons for Nomination of the Candidate for Director

Since he was appointed as President of Urban Infrastructure & Environmental Products Company in April 2015, he has demonstrated strong leadership in carrying out structural reform and improving profitability of the 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 renominated him as a candidate for Director.

[Translation]

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

Renominated



■ **Number of Shares of the Company Owned**
110,079 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

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]

Important Position of Other Organizations Concurrently Assumed

President and Representative Director of Sekisui Integrated Research Inc.

Reasons for Nomination of the Candidate for 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 renominated him as a candidate for Director.

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

Renominated



■ **Number of Shares of the Company Owned**
87,427 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

Career Summary, Position and Duty

Apr. 1978:	Joined the Company
Apr. 2008:	Executive Officer of the Company Head of Living Environment Division and Head of Diversified Business Group of Housing Company
Jul. 2010:	Executive Officer of the Company Head of Living Environment Division of Housing Company
Jan. 2013:	Executive Officer of the Company Responsible for Public Relations & External Relations Department, Head 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 Nomination of the Candidate for Director

Since he was appointed as President of Housing Company in March 2014, he has expanded business scale step by step, with strong leadership and 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 renominated him as a candidate for Director.

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

Renominated



■ **Number of Shares of the Company Owned**
76,681 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

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 Nomination of the Candidate for Director

Since he was appointed as President of High Performance Plastics Company in March 2014, he has achieved profit target, continuously exercising strong leadership and demonstrating initiatives from global perspective view 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 renominated him as a candidate for Director.

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

Renominated



■ **Number of Shares of the Company Owned**
33,347 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

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
Apr. 2018:	Director of the Company
	Managing Executive Officer of the Company
	Head of Business Strategy Department [incumbent]

Important Position of Other Organizations Concurrently Assumed

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

Reasons for Nomination of the Candidate for Director

Since he was appointed as Director in June 2015, he has strengthened the foundation of global management structure and promoted constructive engagement 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 renominated him as a candidate for Director.

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

Renominated



■ **Number of Shares of the Company Owned**
18,510 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

Career Summary, Position and Duty

Apr. 1985:	Joined the Company
Jul. 2011:	Director of SEKISUI MEDICAL CO., LTD.
Sep. 2014:	Head of Human Resources Group of CSR Department
Apr. 2015:	Executive Officer of the Company Head of Human Resources Department
Apr. 2016:	Executive Officer of the Company Responsible for Legal Department Head of Human Resources 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 Nomination of the Candidate for Director

Since he was appointed as Director in June 2016, he has promoted to diversify management of the Company, as well as contributed to strengthen the compliance system as the executive in charge of compliance as the Head of the Human Resources Department responsible for Legal 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 renominated him as a candidate for Director.

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

Renominated

Candidate for Independent Outside Director



■ **Number of Shares of the Company Owned**
10,000 shares

■ **Number of Years in Office of the Company**
5years
(At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17out of 17 Board of Directors meetings
(Attendance rate: 100%)

(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.
Apr. 2017: Chairman and Representative Director of Isetan Mitsukoshi Ltd.
Jun. 2017: Senior Advisor of Isetan Mitsukoshi Holdings Ltd. [incumbent]

Important Position of Other Organizations Concurrently Assumed

Senior Advisor of Isetan Mitsukoshi Holdings Ltd.
Chairman of Japan Housing Association

Reasons for Nomination 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 renominated him as a candidate for Outside Director.

The Company has no business with Isetan Mitsukoshi Holdings Ltd. While the Company has business transactions with Isetan Mitsukoshi Ltd., the ratio of the transaction value to the net sales of Isetan Mitsukoshi Ltd. and the Company for the business year last closed was less than 0.1% for both parties. Accordingly, independence for Outside Directorship is sufficiently secured. The Company has no business with Japan Housing Association.

[Translation]

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

Renominated

Candidate for Independent Outside Director



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

■ **Number of Years in Office of the Company**
2 years (At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**
17 out of 16 Board of Directors meetings
(Attendance rate: 94.1%)

(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
Jun. 2016: Director of the Company [incumbent]
Jun. 2017: Senior Advisor of Sojitz Corporation [incumbent]

Important Position of Other Organizations Concurrently Assumed

Senior Advisor of Sojitz Corporation
Outside Director of JAC Recruitment Co., Ltd.

Reasons for Nomination 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 renominated 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.

[Translation]

10 Hiroshi Oeda (Date of birth: March 12, 1957)

Newly Nominated



■ **Number of Shares of the Company Owned**
7,000 shares

Career Summary, Position and Duty

Candidate for Independent Outside Director

Apr. 1980: Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)
Jun. 2008: Executive Officer of Nisshin Seifun Group Inc.
Jun. 2009: Director of Nisshin Seifun Group Inc.
Apr. 2011: Director and President of Nisshin Seifun Group Inc.
Apr. 2017: Director and Executive Advisor of Nisshin Seifun Group Inc.
Jun. 2017: Special Advisor of Nisshin Seifun Group Inc. [incumbent]

Important Position of Other Organizations Concurrently Assumed

Special Advisor of Nisshin Seifun Group Inc.
Outsider Director of EBARA CORPORATION
President of Seifun Kaikan Inc.

Reasons for Nomination of the Candidate for Outside Director

As he has been a management executive of the largest milling company in Japan, the Company expects him to provide advice with respect to the business management of the Company and supervise business execution appropriately by leveraging his abundant experience and skill regarding global corporate management, business strategies and M&A activities fostered through his positions. Therefore, the Company has judged that he would be able to contribute to enhancing the corporate value of the Sekisui Chemical Group and thus nominated him as a candidate for Outside Director.

The Company has no business relationship with Nisshin Seifun Group Inc. and Seifun Kaikan Inc.

(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 and the Company is scheduled to enter into the above limiting liability agreement with Mr. Hiroshi Oeda.

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.
In the event that this Item of Business is approved, the Company will appoint Mr. Hiroshi Oeda as Independent Director pursuant to the rules of Tokyo Stock Exchange, Inc. and notify the Exchange of the appointment.

[Translation]

<Criteria for Independence of Outside Board Members>

The Company has established the following "Criteria for Independence of Outside Board Members" and the Company has nominated a candidate satisfying 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) Audit & Supervisory Board Member

At the closing of this Annual General Meeting of Shareholders, the terms of Mr. Tetsuo Ozawa, Audit & Supervisory Board Member, will expire. Therefore, the Company proposed that one (1) Audit & Supervisory Board Member be elected.

The following candidate for Audit & Supervisory Board Member 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.

Mr. Ozawa, candidate for audit & Supervisory board member, meets the conditions of the Company's "Standards for the Independence of Outside Board Members" (refer to Page 15) and the conditions of Independent Officers stipulated by Tokyo Stock Exchange, Inc. The Audit & Supervisory Board has given prior consent to the submission of this Item.

Tetsuo Ozawa (Date of birth: Jun 28, 1947) — Renominated



Candidate for Audit & Supervisory Board Member

Career Summary, Position and Duty

Apr. 1973: Admitted to the bar
Joined Tokyo Fuji Law Office
Apr. 1978: Partner of Tokyo Fuji Law Office
Jun. 2014: Audit & Supervisory Board Member of the Company [incumbent]
Jan. 2016: Representative Partner of Tokyo Fuji Law Office [incumbent]

Important Position of Other Organizations Concurrently Assumed

Representative Partner of Tokyo Fuji Law Office
Outsider Corporate Auditor of Lawson, Inc.
Supervisory Officer of United Urban Investment Corporation

Reasons for Nomination of the Candidate for Outside Audit & Supervisory Board Member

Mr. Tetsuo Ozawa has a legal perspective and wide range of knowledge about risk management and mainly in the field of corporate law as an attorney-in-law. With a view to enable them to reflect on audit of the Company and also in the perspective of compliance, to check appropriateness of decisions made by the management, he has contributed to improving the public credibility of the Company. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate social trust of the Sekisui Chemical Group and thus renominated him as a candidate for Audit & Supervisory Board Member.

Mr. Ozawa has not engaged in management of companies other than as outside director or outside audit & supervisory board member, the Company believes that he will be able to discharge duly duties for the reason aforesaid.

- **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**
  17 out of 17 Board of Directors meetings
  (Attendance rate 100%)
- **Number of Attendance of the Audit & Supervisory Board Meetings of the Company**
  18 out of 18 Audit & Supervisory Board meetings
  (Attendance rate 100%)

(The business term under review)

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

2. Limiting Liability Agreement:
In light of enabling Audit & Supervisory Board Member to discharge their duties in full as expected, the Company has entered into an agreement with the Audit & Supervisory Board Member 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 continue into the above Limiting Liability Agreement with Mr. Tetsuo Ozawa.

3. In the event that this Item of Business is approved, the composition of the Audit & Supervisory Board is as follows.

Name	Position and Duty	Number of Years (At the closing of this Annual General Meeting of Shareholders)
Moritoshi Naganuma (Date of birth: March 18, 1959)	Fulltime Audit & Supervisory Board Member	1 year
Yuichi Hamabe (Date of birth: October 18,1958)	Fulltime Audit & Supervisory Board Member	2 years
Testuo Ozawa (Date of birth: June 28, 1947)	Outside Audit & Supervisory Board Member Independent Outside Audit & Supervisory Board Member	4 years
Yasuhiro Nishi (Date of birth: June 25, 1948)	Outside Audit & Supervisory Board Member Independent Outside Audit & Supervisory Board Member	3 years
Kazuyuki Suzuki (Date of birth: August 12, 1950)	Outside Audit & Supervisory Board Member Independent Outside Audit & Supervisory Board Member	3 years

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