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(Securities Code No.: 4183)
June 3, 2019

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

CONVOCATION NOTICE FOR THE 22nd ORDINARY GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

Notice is hereby given that the 22nd Ordinary General Meeting of Shareholders of Mitsui Chemicals, Inc. (the "Company") will be held as detailed below; we request your attention in reviewing this Convocation Notice.

Date and Time: Tuesday, June 25, 2019 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

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 22nd fiscal year (April 1, 2018 to March 31, 2019)
2. Non-consolidated financial statements for the 22nd fiscal year (April 1, 2018 to March 31, 2019)

B. Proposals

No. 1: Appropriation of surplus
No. 2: Election of eight (8) Directors
No. 3: Election of two (2) Corporate Auditors

* Attendees are kindly requested to submit the enclosed Voting Rights Exercise Form at the reception desk at the entrance to the meeting hall.
* In the event that you are unable to attend the meeting, you may exercise your voting rights in writing (by mail) 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 the following page, after reviewing this Convocation Notice.
* 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 (https://www.mitsuichem.com/jp/index.htm).

To shareholders who are unable to attend the meeting

Exercise of voting rights

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 24, 2019**.

Exercise of voting rights via the Internet, etc.

Access the website designated by the Company for exercising voting rights (https://www.web54.net), and indicate your approval or disapproval for each of the proposals.
In exercising voting rights via the Internet, enter the voting right exercise code and the password shown on the Voting Rights Exercise Form, and follow the instructions on the display.

Votes to be transmitted by: **5:40 p.m.** on Monday, **June 24, 2019**.

Please use the contact number below if you have any difficulties when voting by the Internet using a personal computer or smartphone.
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)

Institutional investors may use the electronic voting rights exercise platform operated by Investor Communications Japan Inc.

* 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, 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

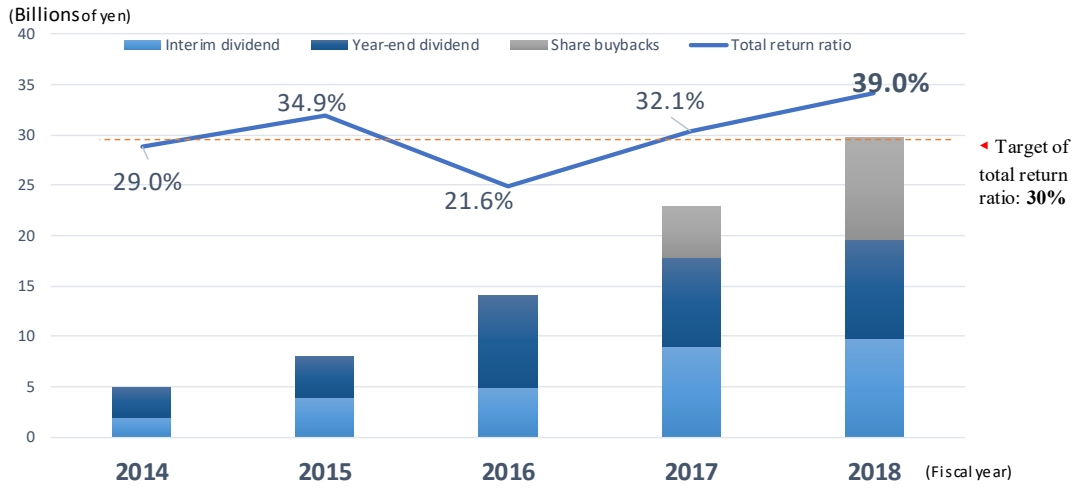
We propose the following appropriation of surplus:

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.
With regard to shareholder returns, the Company targets a total return ratio, which is the ratio of combined dividends and share buybacks to profit attributable to owners of parent, of at least 30%.
Aiming to improve earnings, we allot internal reserves for not only loans and investments to further accelerate the growth and expansion of our businesses and more quickly realize the business portfolios that we should pursue but also research and development to create new innovative technologies.
After giving comprehensive consideration to various matters including performance results for the fiscal year under review and the outlook for the future business environment, the Company proposes that the year-end dividend be as follows.

(1) Type of dividend property
Cash
(2) Allocation of dividend property and total amount thereof
We propose a year-end dividend of ¥50 per share. The total amount of dividends will be ¥9,752,871,100.
(3) Effective date of dividends from surplus
June 26, 2019

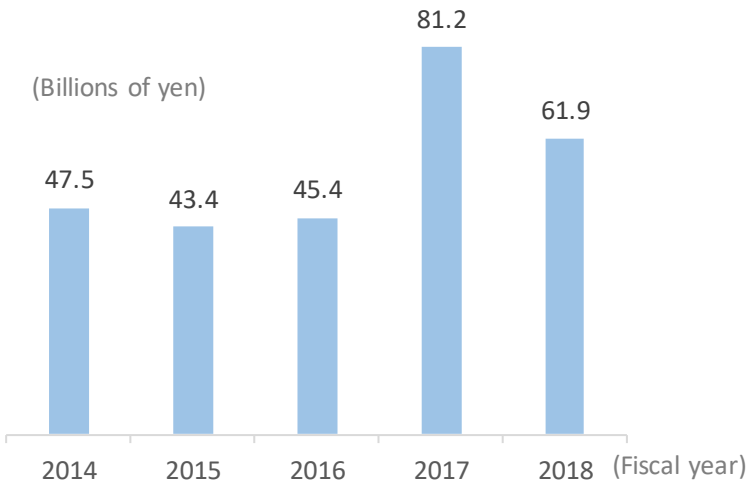
<Reference: Transition in total return ratio>



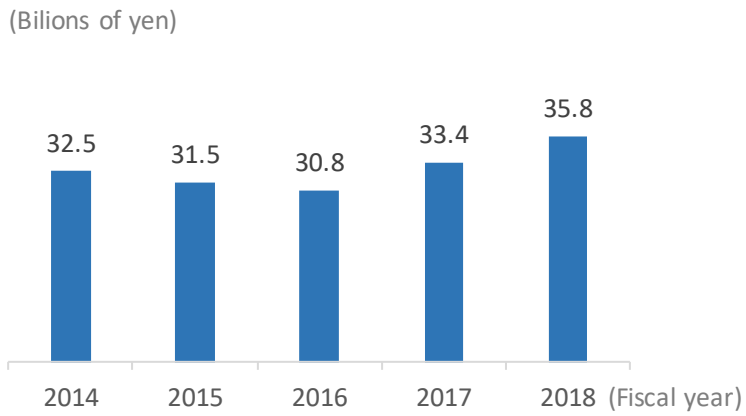
	2014	2015	2016	2017	2018
Year-end dividend	¥15	¥20	¥45	¥45	¥50
Interim dividend	¥10	¥20	¥25	¥45	¥50

·Total return ratio: (Total shareholder dividends + Total share buybacks) / Profit attributable to owners of parent

<Reference: Transition in capital investment>



<Reference: Transition in Research and development (R&D) expenses>



No. 2: 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.

6 males (75%) 2 females (25%)

Candidate Number	Name		Current Positions and Areas of Responsibility at the Company	Term of Office	Board of Directors Meeting Attendance
1	Tsutomu Tannowa	Reelection	Representative Director, Member of the Board, President & CEO Supervision of General Business Execution (CEO)	7 years	11/11
2	Masaharu Kubo	Reelection	Representative Director, Member of the Board, Executive Vice President Assistant to the President (CFO) In charge of Finance & Accounting Div. and Corporate Sustainability Committee	6 years	11/11
3	Hideki Matsuo	Reelection	Representative Director, Member of the Board, Senior Managing Executive Officer Assistant to the President (CTO) Supervising R&D Center, RC & Quality Assurance Div., and Responsible Care Committee In charge of Production & Technology Center, Fabricated Products Business Coordination Div., and Intellectual Property Div.	3 years	11/11
4	Takayoshi Shimogori	Reelection	Member of the Board, Senior Managing Executive Officer Business Sector President, Food & Packaging Business Sector In charge of Mobility Business Sector, New Mobility Business Development Div., and Robot Materials Business Development Div.	2 years	11/11
5	Osamu Hashimoto	Reelection	Member of the Board, Senior Managing Executive Officer Business Sector President, Health Care Business Sector In charge of New Health Care Business Development Div. and H-Project Div.	1 year	9/9
6	Yukiko Kuroda	Reelection Outside Independent	Member of the Board	4 years	11/11
7	Hajime Bada	Reelection Outside Independent	Member of the Board	3 years	10/11
8	Yukiko Yoshimaru	New Outside Independent	–	–	–

Reelection: Reelected candidate for Member of the Board
New: New candidate for Member of the Board
Outside: Candidate for Outside Director
Independent: Candidate for Independent Officer

Notes: 1. There are no conflicts of interests between the Company and the above candidates for Directors.
2. The Company has concluded a liability limitation contract with Yukiko Kuroda and Hajime Bada 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 and Hajime Bada are reelected as Outside Directors, the Company will continue the said contract with them. Moreover, if Yukiko Yoshimaru is elected as Outside Director, the Company will conclude a liability limitation contract with her 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.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
1	Tsutomu Tannowa (67 years old) Date of Birth: Oct. 26, 1951 Term of Office: 7 years Board of Directors Meeting Attendance: 11/11 (100%) <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 Representative Director, Member of the Board, President & CEO of the Company (to present) Positions and areas of responsibility at the Company Representative Director, Member of the Board, President & CEO 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.	43,494

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
2	Masaharu Kubo (62 years old) Date of Birth: Feb. 9, 1957 Term of Office: 6 years Board of Directors Meeting Attendance: 11/11 (100%) <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 Representative Director, Member of the Board, Executive Vice President of the Company (to present) Positions and areas of responsibility at the Company Representative Director, Member of the Board, Executive Vice President Assistant to the President (CFO) In charge of Finance & Accounting Div., and Corporate Sustainability 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.	41,200

<table>
<tr><th>Candidate Number</th><th>Name
(Date of Birth)</th><th>Career Summary</th><th>Number of Shares of the Company Owned</th></tr>
<tr><td rowspan="4">3</td><td rowspan="4">Hideki Matsuo
(62 years old)

Date of Birth:
Jun. 27, 1956

Term of Office:
3 years

Board of Directors Meeting Attendance:
11/11 (100%)

<Reelection></td><td>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
Apr. 2018 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)</td><td rowspan="4">14,500</td></tr>
<tr><td>Positions and areas of responsibility at the Company</td></tr>
<tr><td>Representative Director, Member of the Board, Senior Managing Executive Officer
Assistant to the President (CTO)
Supervising R&D Center, RC & Quality Assurance Div., and Responsible Care Committee
In charge of Production & Technology Center, Fabricated Products Business Coordination Div., and Intellectual Property Div.</td></tr>
<tr><td>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.</td></tr>
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Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
4	Takayoshi Shimogori (57 years old) Date of Birth: Oct. 1, 1961 Term of Office: 2 years Board of Directors Meeting Attendance: 11/11 (100%) <Reelection>	Apr. 1985 Joined the Company 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 Jun. 2017 Member of the Board, Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector, and Business Sector President, Mobility Business Sector Mar. 2018 Director, Chairman of ARRK CORPORATION (to present) Apr. 2018 Member of the Board, Senior Managing Executive Officer of the Company Business Sector President, Food & Packaging Business Sector (to present)	11,158
		Positions and areas of responsibility at the Company	
		Member of the Board, Senior Managing Executive Officer Business Sector President, Food & Packaging Business Sector In charge of Mobility Business Sector, New Mobility Business Development Div., and Robot Materials Business Development Div.	
		Significant Concurrent Positions	
		Director, Chairman of ARRK CORPORATION	
		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 further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
5	Osamu Hashimoto (55 years old) Date of Birth: Oct. 19, 1963 Term of Office: 1 year Board of Directors Meeting Attendance: 9/9 (100%) <Reelection>	Apr. 1987 Joined the Company Apr. 2015 Executive Officer of the Company General Manager, Corporate Planning Div. Apr. 2017 Managing Executive Officer of the Company Business Sector President, Health Care Business Sector and General Manager, New Health Care Business Development Div. Sep. 2017 Managing Executive Officer of the Company Business Sector President, Health Care Business Sector Jun. 2018 Member of the Board, Managing Executive Officer of the Company Business Sector President, Health Care Business Sector Apr. 2019 Member of the Board, Senior Managing Executive Officer of the Company Business Sector President, Health Care Business Sector (to present) Positions and areas of responsibility at the Company Member of the Board, Senior Managing Executive Officer Business Sector President, Health Care Business Sector In charge of New Health Care Business Development Div. and H-Project Div. Reasons for nomination Osamu Hashimoto is substantially well-versed regarding affairs of the Company, on the basis of his wide experience with respect to personnel, business and business plans centered around health care and so on. Additionally, in recent years, he has been responsible for formulating long-term management plans with an eye to fiscal 2025 as General Manager of Corporate Planning Div., and has experience in operations that overlook the Company's corporate management overall. 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.	7,492

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
6	Yukiko Kuroda (55 years old) Date of Birth: Sep. 24, 1963 Term of Office: 4 years Board of Directors Meeting Attendance: 11/11 (100%) <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 Jun. 2015 Member of the Board of the Company (to present) Jun. 2018 Outside Director of Seven Bank, Ltd. (to present) Jun. 2018 Independent Director of Terumo Corporation (to present) Positions and areas of responsibility at the Company Member of the Board Significant concurrent positions Managing Director and Founder of People Focus Consulting Outside Director of CAC Holdings Corporation Outside Director of Seven Bank, Ltd. Independent Director of Terumo Corporation Reasons for nomination Yukiko Kuroda has actively provided opinions, primarily from the perspective of stakeholders 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

Notes: 1. Yukiko Kuroda concurrently serves as executive director of People Focus Consulting. In fiscal 2018, 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 said fiscal year.

2. Yukiko Kuroda's name on the government family register is Yukiko Matsumoto.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
7	Hajime Bada (70 years old) Date of Birth: Oct. 7, 1948 Term of Office: 3 years Board of Directors Meeting Attendance: 10/11 (91%) <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) Jun. 2018 Outside Director of NSK Ltd. (to present) Positions and areas of responsibility at the Company Member of the Board Significant concurrent positions Advisor of JFE Holdings, Inc. Outside Corporate Auditor of ASAGAMI CORPORATION Outside Director of NSK Ltd. 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.	700

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
8	Yukiko Yoshimaru (59 years old) Date of Birth: Feb. 1, 1960 <New> <Candidate for Outside Director> <Independent Officer>	Apr. 1982 Joined Oki Electric Industry Co., Ltd. Apr. 1998 Director of Oki America Inc., and Head of New York Office of Oki Electric Industry Co., Ltd. Oct. 2004 General Manager of Diversity Development Office of NISSAN MOTOR CO., LTD. Apr. 2008 Joined Nifco Inc. Jun. 2011 Executive Officer of Nifco Inc. Apr. 2018 Outside Director of Sekisui House, Ltd. (to present) Significant concurrent positions Outside Director of Sekisui House, Ltd. Reasons for nomination Yukiko Yoshimaru has experience as an officer of other companies in areas such as diversity promotion, and in-depth knowledge acquired through her extensive global experience. We expect that she will provide useful advice to the Company's corporate management, and accordingly believe that she is the right person for the post of Outside Director.	0

Note: Yukiko Yoshimaru served as Executive Officer of Nifco Inc. until June 2018. In fiscal 2016, 2017 and 2018, the Company sold our products to Nifco Inc. However, the Company's receipts from Nifco Inc. for such sales are deemed insignificant given that the receipts amount to less than 1% of the Company's net sales for said fiscal years.

No. 3: Election of two (2) Corporate Auditors

As the terms of office of Corporate Auditors Hiroki Nishio and Shozo Tokuda will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of two (2) Corporate Auditors. Corporate Auditor candidates are Shozo Tokuda and Mikio Fujitsuka.
The consent of the Board of Corporate Auditors has been obtained for this proposal.
If this proposal is approved as originally proposed, the Board of Corporate Auditors is scheduled to be comprised of the following persons.

Members of the Board of Corporate Auditors after election (scheduled)

Candidate Number	Name		Positions at the Company	Term of Office	Board of Directors Meeting Attendance	Board of Corporate Auditors Meeting Attendance
–	Akio Ayukawa	Incumbent	Full-time Corporate Auditor	3 years	11/11	15/15
–	Shigeru Isayama	Incumbent	Full-time Corporate Auditor	1 year	9/9	12/12
–	Katsuyoshi Shinbo	Incumbent Outside Independent	Corporate Auditor	2 years	11/11	14/15
1	Shozo Tokuda	Reelection Outside Independent	Corporate Auditor	2 years	11/11	15/15
2	Mikio Fujitsuka	New Outside Independent	Corporate Auditor	–	–	–

Incumbent: Incumbent Corporate Auditor
Reelection: Reelected candidate for Corporate Auditor
New: New candidate for Corporate Auditor
Outside: Outside Corporate Auditor
Independent: Independent Officer

Notes:
1. There are no conflicts of interests between the Company, and Shozo Tokuda and Mikio Fujitsuka.
2. The Company has concluded a liability limitation contract with Shozo 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 Shozo Tokuda is reelected as Outside Corporate Auditor, the Company will continue the said contract with him. Moreover, if Mikio Fujitsuka is elected as Outside Corporate Auditor, the Company will conclude a liability limitation contract with him 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.
3. The term of office of Corporate Auditor of the Company is four (4) years, and Akio Ayukawa, Katsuyoshi Shinbo and Shigeru Isayama were elected as Corporate Auditors and assumed the office at the 19th Ordinary General Meeting of Shareholders held on June 24, 2016, the 20th Ordinary General Meeting of Shareholders held on June 27, 2017 and the 21st Ordinary General Meeting of Shareholders held on June 26, 2018 respectively.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
1	Shozo Tokuda (64 years old) Date of Birth: Mar. 1, 1955 Term of Office: 2 years Board of Directors Meeting Attendance: 11/11 (100%) Board of Corporate Auditors Meeting Attendance: 15/15 (100%) <Reelection> <Outside> <Independent>	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 Jun. 2017 Corporate Auditor of the Company (to present) Jun. 2017 Outside Audit & Supervisory Board Member of ITOCHU ENEX CO., LTD. (to present) Significant Concurrent Positions Outside Audit & Supervisory Board Member of ITOCHU ENEX CO., LTD. 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 except as an outside officer, 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

Note: Shozo Tokuda served as Senior Partner of KPMG AZSA LLC until June 2017. In fiscal 2016, 2017 and 2018, 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.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
2	Mikio Fujitsuka (64 years old) Date of Birth: Mar. 13, 1955 <New> <Outside> <Independent>	Apr. 1977 Joined Komatsu Ltd. Apr. 2005 Executive Officer of Komatsu Ltd. Apr. 2010 Senior Executive Officer (Jomu) of Komatsu Ltd. Apr. 2011 Senior Executive Officer (Jomu) and CFO of Komatsu Ltd. Jun. 2011 Director, Senior Executive Officer (Jomu) and CFO of Komatsu Ltd. Apr. 2013 Director, Senior Executive Officer (Senmu) and CFO of Komatsu Ltd. Apr. 2016 Representative Director, Executive Vice President and CFO of Komatsu Ltd. Apr. 2018 Representative Director and Executive Vice President of Komatsu Ltd. Apr. 2019 Director of Komatsu Ltd. (to present) (scheduled to retire in June 2019)	0
		Significant Concurrent Positions	
		Adviser of Komatsu Ltd. (scheduled to be appointed in June 2019)	
		Reasons for nomination	
		Mikio Fujitsuka has extensive experience as a corporate manager, and in-depth knowledge in the areas of financial accounting, corporate ethics and crisis and risk management based on his experience as CFO of a listed 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.	

Principles and Procedures for the Board of Directors to Elect Senior Management and Nominate Candidates for Directors and Corporate Auditors

The Company has established the Human Resource Advisory Committee as a consultative body to the Board of Directors in order to ensure the suitability and transparency of procedures for electing directors and corporate auditors. The Human Resource Advisory Committee deliberates the proposed list of candidates for directors and corporate auditors based on the standards for election of directors and corporate auditors, and reports the results of the deliberation to the Board of Directors. The Board of Directors decides upon the final list of the candidates for directors and corporate auditors with maximum respect given to the results report of the Human Resource Advisory Committee. A proposal on candidates for corporate auditors will be resolved by the Board of Directors after an agreement is obtained by the Board of Corporate Auditors. The Human Resource Advisory Committee is composed of the Company's president and outside directors.

Independence Standards for Independent Outside Directors and Independent Outside Corporate Auditors

In order to be designated by 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.

Consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,501,074**	**LIABILITIES**	**869,335**
Current Assets:	**786,677**	**Current Liabilities:**	**458,758**
Cash and deposits	111,056	Notes and accounts payable-trade	163,908
Notes and accounts receivable-trade	310,591	Short-term loans payable	92,733
Inventories	301,890	Current portion of long-term loans payable	57,571
Accounts receivable-other	55,288	Commercial papers	10,000
Other current assets	8,570	Current portion of bonds	426
Allowance for doubtful accounts	(718)	Lease obligations	222
		Accounts payable-other	79,245
		Income taxes payable	9,372
		Provision for directors' bonuses	175
		Provision for repairs	13,089
		Asset retirement obligations	5
		Other	32,012
Non-current Assets:	**714,397**	**Non-current Liabilities:**	**410,577**
Property, plant and equipment	**443,063**	Bonds payable	66,438
Buildings and structures, net	111,457	Long-term loans payable	254,850
Machinery, equipment and vehicles, net	140,971	Lease obligations	2,803
Land	156,556	Deferred tax liabilities	11,471
Construction in progress	18,515	Provision for directors' retirement benefits	243
Other	15,564	Provision for repairs	2,682
Intangible assets	**29,385**	Provision for environmental measures	551
Goodwill	5,061	Net defined benefit liability	56,428
Software	6,965	Asset retirement obligations	3,203
Other	17,359	Other	11,908
		NET ASSETS	**631,739**
Investments and other assets	**241,949**	**Shareholders' Equity:**	**532,944**
Investment securities	151,847	Capital stock	125,205
Net defined benefit asset	42,653	Capital surplus	89,406
Deferred tax assets	11,386	Retained earnings	348,202
Other	38,511	Treasury stock	(29,869)
Allowance for doubtful accounts	(2,448)	**Accumulated Other Comprehensive Income:**	**18,971**
		Valuation difference on available-for-sale securities	21,421
		Deferred gains or losses on hedges	(3)
		Foreign currency translation adjustments	4,195
		Remeasurements of defined benefit plans	(6,642)
		Non-controlling Interests:	**79,824**
Total	**1,501,074**	**Total**	**1,501,074**

Consolidated Statement of Income

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Net sales:		**1,482,909**
Cost of sales:		**1,166,577**
Gross profit		**316,332**
Selling, general and administrative expenses:		**222,905**
Operating income		**93,427**
Non-operating income:		
Interest and dividends income	4,862	
Equity in earnings of affiliates	10,807	
Rent income	819	
Insurance income	419	
Other	3,890	20,797
Non-operating expenses:		
Interest expenses	5,534	
Loss on suspension of operations	893	
Foreign exchange losses	372	
Other	4,453	11,252
Ordinary income		**102,972**
Extraordinary income:		
Gain on sales of non-current assets	79	
Gain on sales of investment securities	3,663	
Gain on transfer of business	743	
Insurance income	11,368	15,853
Extraordinary losses:		
Loss on disposal of non-current assets	4,352	
Loss on sales of non-current assets	75	
Impairment loss	1,454	
Loss on valuation of investment securities	171	
Loss on fire	7,476	13,528
Profit before income taxes		**105,297**
Income taxes - current	18,879	
Income taxes - deferred	(105)	18,774
Profit		**86,523**
Profit attributable to non-controlling interests		10,408
Profit attributable to owners of parent		**76,115**

Consolidated Statements of Changes in Net Assets

(April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity				
	Capital stock	Capital surplus	Retained earnings	Treasury stock	Total shareholders' equity
Balance at the beginning of current period	125,125	89,327	290,538	(19,842)	485,148
Cumulative effects of changes in accounting policies			462		462
Restated balance	125,125	89,327	291,000	(19,842)	485,610
Changes during the term					
Issuance of new shares	80	80			160
Cash dividends paid			(18,878)		(18,878)
Profit attributable to owners of parent			76,115		76,115
Acquisition of treasury stock				(10,033)	(10,033)
Disposal of treasury stock		(1)		6	5
Change of scope of equity method			(35)		(35)
Net changes of items other than shareholders' equity					
Total changes during the term	80	79	57,202	(10,027)	47,334
Balance at the end of current period	125,205	89,406	348,202	(29,869)	532,944

	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	26,558	(16)	5,037	(5,603)	25,976	75,480	586,604
Cumulative effects of changes in accounting policies						156	618
Restated balance	26,558	(16)	5,037	(5,603)	25,976	75,636	587,222
Changes during the term							
Issuance of new shares							160
Cash dividends paid							(18,878)
Profit attributable to owners of parent							76,115
Acquisition of treasury stock							(10,033)
Disposal of treasury stock							5
Change of scope of equity method							(35)
Net changes of items other than shareholders' equity	(5,137)	13	(842)	(1,039)	(7,005)	4,188	(2,817)
Total changes during the term	(5,137)	13	(842)	(1,039)	(7,005)	4,188	44,517
Balance at the end of current period	21,421	(3)	4,195	(6,642)	18,971	79,824	631,739

Non-consolidated Balance Sheet

(As of March 31, 2019)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	**1,127,577**	**LIABILITIES**	**748,382**
Current Assets:	**414,380**	**Current Liabilities:**	**403,144**
Cash and deposits	51,400	Accounts payable-trade	89,547
Notes receivable-trade	487	Short-term loans payable	94,571
Accounts receivable-trade	180,786	Current portion of long-term loans payable	50,745
Merchandise and products	75,830	Commercial papers	10,000
Work in process	1,747	Lease obligations	18
Raw materials and supplies	37,513	Accounts payable-other	61,429
Advance payments	390	Accrued expenses	8,891
Prepaid expenses	1,854	Income taxes payable	759
Short-term loans receivable	3,094	Advances received	313
Accounts receivable-other	60,274	Deposits received	76,608
Other	1,111	Provision for directors' bonuses	89
Allowance for doubtful accounts	(106)	Provision for repairs	9,795
		Provision for loss on guarantees	362
		Other	17
Non-current Assets:	**713,197**	**Non-current Liabilities:**	**345,238**
Property, plant and equipment	**274,555**	Bonds payable	65,000
Buildings	39,842	Long-term loans payable	233,733
Structures	21,650	Lease obligations	28
Machinery and equipments	65,565	Provision for retirement benefits	36,982
Vehicles	227	Provision for repairs	1,362
Tools, furniture and fixtures	5,623	Provision for environmental measures	551
Land	136,685	Asset retirement obligations	751
Lease assets	46	Other	6,831
Construction in progress	4,917		
Intangible assets	**5,415**		
Goodwill	121		
Industrial property	248		
Other rights	122		
Software	4,924		
		NET ASSETS	**379,195**
Investments and other assets	**433,227**	**Shareholders' Equity:**	**359,209**
Investment securities	62,835	**Capital stock**	**125,205**
Shares of subsidiaries and affiliates	228,713	**Capital surplus**	**93,934**
Investment in capital	12,520	Legal capital surplus	53,935
Investment in capital of subsidiaries and affiliates	47,143	Other capital surplus	39,999
Long-term loans receivable	1,471	**Retained earnings**	**169,939**
Claims provable in bankruptcy, claims provable in rehabilitation and other	283	Legal retained earnings	12,506
Long-term loans receivable from subsidiaries and affiliates	30,986	Other retained earnings	157,433
Long-term prepaid expenses	655	Reserve for dividends	10,000
Prepaid pension cost	43,117	General reserve	28,070
Deferred tax assets	417	Retained earnings brought forward	119,363
Other	7,486	**Treasury stock**	**(29,869)**
Allowance for doubtful accounts	(2,399)	**Valuation and Translation Adjustments:**	**19,986**
		Valuation difference on available-for-sale securities	19,986
Total	**1,127,577**	**Total**	**1,127,577**

Non-consolidated Statement of Income

(April 1, 2018 to March 31, 2019)

(Millions of yen)

Item	Amount	
Net sales:		**754,734**
Cost of sales:		**646,408**
Gross profit		**108,326**
Selling, general and administrative expenses:		**90,746**
Operating income		**17,580**
Non-operating income:		
Interest and dividends income	30,981	
Rent income	1,568	
Other	3,001	35,550
Non-operating expenses:		
Interest expenses	3,635	
Loss on suspension of operations	739	
Foreign exchange losses	325	
Provision of allowance for doubtful accounts	225	
Provision for loss on guarantees	48	
Other	3,165	8,137
Ordinary income		**44,993**
Extraordinary income:		
Gain on sales of non-current assets	35	
Gain on sales of investment securities	190	
Gain on sales of shares of subsidiaries and associates	2,077	
Gain on transfer of business	743	
Insurance income	10,736	13,781
Extraordinary losses:		
Loss on disposal of non-current assets	3,409	
Loss on sales of non-current assets	53	
Impairment loss	1,154	
Loss on valuation of shares of subsidiaries and affiliates	664	
Loss on fire	7,310	12,590
Profit before income taxes		**46,184**
Income taxes - current	(518)	
Income taxes - deferred	(1,265)	(1,783)
Profit		**47,967**

Non-consolidated Statements of Changes in Net Assets

(April 1, 2018 to March 31, 2019)

(Millions of yen)

	Shareholders' equity								
	Capital stock	Capital surplus			Retained earnings			Treasury stock	Total shareholders' equity
		Legal capital surplus	Other capital surplus	Total capital surplus	Legal retained earnings	Other retained earnings (Note)	Total retained earnings		
Balance at the beginning of current period	125,125	53,855	40,000	93,855	12,506	128,344	140,850	(19,842)	339,988
Changes during the term									
Issuance of new shares	80	80		80					160
Cash dividends paid						(18,878)	(18,878)		(18,878)
Profit						47,967	47,967		47,967
Acquisition of treasury stock								(10,033)	(10,033)
Disposal of treasury stock			(1)	(1)				6	5
Net changes of items other than shareholders' equity									
Total changes during the term	80	80	(1)	79	–	29,089	29,089	(10,027)	19,221
Balance at the end of current period	125,205	53,935	39,999	93,934	12,506	157,433	169,939	(29,869)	359,209

	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	23,659	23,659	363,647
Changes during the term			
Issuance of new shares			160
Cash dividends paid			(18,878)
Profit			47,967
Acquisition of treasury stock			(10,033)
Disposal of treasury stock			5
Net changes of items other than shareholders' equity	(3,673)	(3,673)	(3,673)
Total changes during the term	(3,673)	(3,673)	15,548
Balance at the end of current period	19,986	19,986	379,195

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	90,274	128,344
Changes during the term				
Cash dividends paid			(18,878)	(18,878)
Profit			47,967	47,967
Total changes during the term	–	–	29,089	29,089
Balance at the end of current period	10,000	28,070	119,363	157,433