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(Securities Code No.: 4183)
June 3, 2021

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

**CONVOCAION NOTICE FOR
THE 24th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 24th 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: Friday, June 25, 2021 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 24th fiscal year (April 1, 2020 to March 31, 2021)
 2. Non-consolidated financial statements for the 24th fiscal year (April 1, 2020 to March 31, 2021)

B. Proposals

- No. 1:** Appropriation of surplus
No. 2: Election of eight (8) Directors
No. 3: Election of one (1) Corporate Auditor

* 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://jp.mitsuichemicals.com/jp/index.htm>).

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 Thursday, **June 24, 2021**.

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 Thursday, **June 24, 2021**.

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 net income attributable to owners of the 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

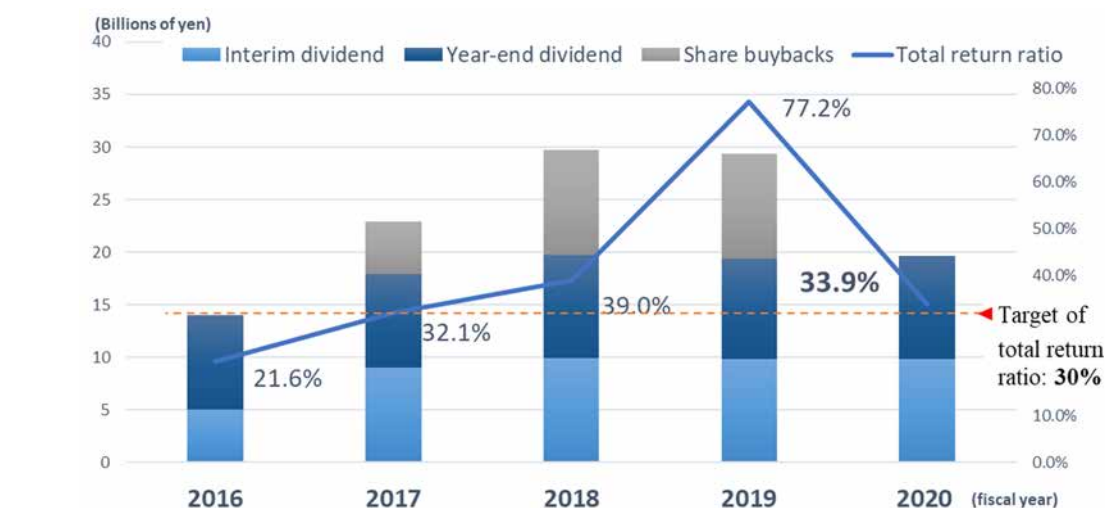
(2) Allocation of dividend property and total amount thereof

We propose a year-end dividend of ¥50 per share. The total amount of dividends will be ¥9,797,211,250.

(3) Effective date of dividends from surplus

June 28, 2021

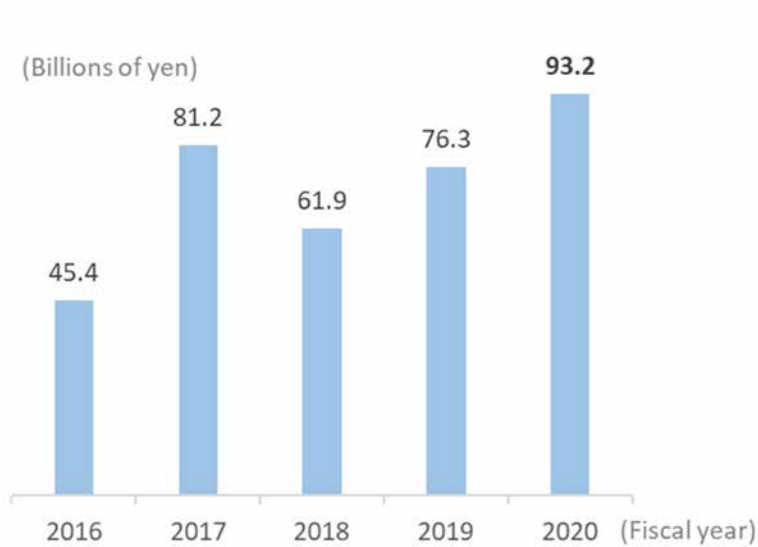
<Reference: Transition in total return ratio>



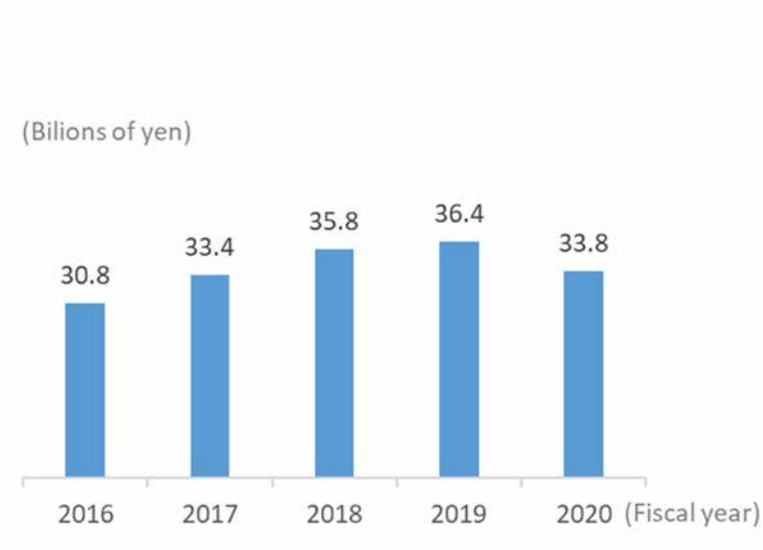
Year-end dividend	¥45	¥45	¥50	¥50	¥50
Interim dividend	¥25	¥45	¥50	¥50	¥50

Total return ratio: (Total shareholder dividends + Total share buybacks) / Net income attributable to owners of the parent

<Reference: Transition in capital investment>



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



(Reference) To realize stable and continuous shareholder returns, from fiscal year 2021, the Company will aim to achieve a dividend on equity attributable to owners of the parent (DOE) of 3% or higher in addition to its existing policy of a total return ratio, which is the ratio of combined dividends and share buybacks to net income attributable to owners of the parent, of 30% or more.

* The Company has adopted the International Financial Reporting Standards (IFRS) from fiscal year 2020. Accordingly, results from fiscal year 2020 onward are prepared based on IFRS.

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.

7 males (87.5%) 1 female (12.5%)

No.	Name	Term of Office	Current Positions and Areas of Responsibility at the Company	Board of Directors Meeting Attendance	Specialties and experience							
					Corporate management and planning	Production and technology/R&D	Global business	Marketing	HR/labor management	Finance/accounting	Legal/risk management	Independence
1	TANNOWA Tsutomu	Reelection	Representative Director, Member of the Board, Chairman	9 years	12/12	●		●	●	●		
2	HASHIMOTO Osamu	Reelection	Representative Director, Member of the Board, President & CEO Supervision of General Business Execution (CEO)	3 years	12/12	●		●	●	●		
3	MATSUO Hideki	Reelection	Representative Director, Member of the Board, Executive Vice President Assistant to the President (CTO) Supervising R&D Center In charge of RC & Quality Assurance Div., Production & Technology Center, Fabricated Products Business Coordination Div., Intellectual Property Div., New Business Incubation Center, and Responsible Care Committee	5 years	12/12	●	●	●				
4	NAKAJIMA Hajime	Reelection	Member of the Board, Managing Executive Officer CFO In charge of Finance & Accounting Div.	1 year	10/10	●					●	

No.	Name		Current Positions and Areas of Responsibility at the Company	Term of Office	Board of Directors Meeting Attendance	Specialties and experience						
						Corporate management and planning	Production and technology/R&D	Global business	Marketing	HR/labor management	Finance/accounting	Legal/risk management
5	YOSHINO Tadashi	New	Senior Managing Executive Officer Business Sector President, Basic Materials Business Sector In charge of Osaka Branch, Fukuoka Branch and Nghi Son-Project Division	–	–	●	●	●	●			
6	BADA Hajime	Reelection Outside Independent	Member of the Board	5 years	12/12	●	●	●				●
7	YOSHIMARU Yukiko	Reelection Outside Independent	Member of the Board	2 years	12/12	●		●		●		●
8	MABUCHI Akira	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 as stipulated by the stock exchange

(Note) The above table does not represent all the knowledge possessed by Directors.

- Notes:
1. YOSHINO Tadashi is the Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd. The Company guarantees the debt of Shanghai Sinopec Mitsui Chemicals, Co., Ltd. and has transactions with the company such as sales of raw materials. There are no conflicts of interests between the Company and the other candidates for Directors.
 2. The Company has concluded a liability limitation contract with BADA Hajime and YOSHIMARU Yukiko 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 BADA Hajime and YOSHIMARU Yukiko are reelected as Outside Directors, the Company will continue the

said contract with them. Moreover, if MABUCHI Akira is elected as Outside Director, 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 Company has concluded a directors and officers liability insurance contract, whose outline is as follows, with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. All of the candidates for Directors, except for MABUCHI Akira, are already insured under this insurance contract and will continue to be insured after their reelection or election and appointment. Moreover, MABUCHI Akira will be insured under this insurance contract if he is elected and appointed. This insurance contract will be renewed in June 2021.
 - Outline of the contents of the insurance contract
 - (1) Actual ratio of premiums paid by the insured
The premiums are paid by the Company, and the insured does not bear the premiums.
 - (2) Outline of the events insured against
The insured will be compensated for damages (legal damages and litigation expenses) incurred as a result of a claim for damages arising from the insured's performance of duties.
 - (3) Measures to ensure the appropriateness of the duties of corporate officers
An exemption clause is attached to the contract to the effect that liability for damages caused by the insured's intentional acts, illegal private giving of benefits, criminal acts, etc. will not be compensated.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned	
1	TANNOWA Tsutomu (69 years old) Date of Birth: Oct. 26, 1951 Term of Office: 9 years Board of Directors Meeting Attendance: 12/12 (100%) <Reelection>	Apr. 1976	Joined Mitsui Toatsu Chemicals, Inc.	56,494
		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			
Apr. 2020	Representative Director, Member of the Board, Chairman of the Company (to present)			
		Positions and areas of responsibility at the Company		
		Representative Director, Member of the Board, Chairman		
		Reasons for nomination		
		TANNOWA Tsutomu 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. Since 2020, as the Chairman of the Company, he has provided effective management supervision based on his experience so far. 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
2	HASHIMOTO Osamu (57 years old) Date of Birth: Oct. 19, 1963 Term of Office: 3 years Board of Directors Meeting Attendance: 12/12 (100%) <Reelection>	Apr. 1987 Joined the Company	15,492
		Apr. 2015 Executive Officer of the Company	
		Apr. 2017 Managing Executive Officer of the Company	
		Jun. 2018 Member of the Board, Managing Executive Officer of the Company	
		Apr. 2019 Member of the Board, Senior Managing Executive Officer of the Company	
Apr. 2020 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	
		HASHIMOTO Osamu 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, he has experience in operations that overlook the Company's corporate management overall as General Manager of Corporate Planning Div. Moreover, in recent years, he has achieved success by playing an important role to realize long-term management plans with an eye to fiscal year 2025 as Business Sector President of Health Care Business Sector. Since 2020, as the President of the Company, he has been leading the Company at the forefront of all employees in the unforeseen situation of the outbreak of the novel coronavirus disease. 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	
3	MATSUO Hideki (64 years old) Date of Birth: Jun. 27, 1956 Term of Office: 5 years Board of Directors Meeting Attendance: 12/12 (100%) <Reelection>	Apr. 1982	Joined Mitsui Toatsu Chemicals, Inc.	24,900
		Apr. 2013	Executive Officer of the Company	
		Apr. 2014	Managing Executive Officer of the Company	
		Jun. 2016	Member of the Board, Managing Executive Officer of the Company	
		Apr. 2017	Member of the Board, Senior Managing Executive Officer of the Company	
		Apr. 2018	Representative Director, Member of the Board, Senior Managing Executive Officer of the Company	
	Apr. 2020	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 (CTO) Supervising R&D Center In charge of RC & Quality Assurance Div., Production & Technology Center, Fabricated Products Business Coordination Div., Intellectual Property Div., New Business Incubation Center, and Responsible Care Committee		
		Reasons for nomination		
		MATSUO Hideki 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.		

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned	
4	NAKAJIMA Hajime (60 years old) Date of Birth: Oct. 10, 1960 Term of Office: 1 year Board of Directors Meeting Attendance: 10/10 (100%) <Reelection>	Apr. 1984	Joined Mitsui Toatsu Chemicals, Inc.	7,171
		Apr. 2013	General Manager, Performance Management Div. of the Company	
		Apr. 2015	Senior Director of the Company General Manager, Finance & Accounting Div.	
		Apr. 2017	Executive Officer of the Company General Manager, Finance & Accounting Div.	
		Apr. 2020	Managing Executive Officer of the Company	
		Jun. 2020	Member of the Board, Managing Executive Officer of the Company (to present)	
		Positions and areas of responsibility at the Company		
		Member of the Board, Managing Executive Officer CFO In charge of Finance & Accounting Div.		
		Reasons for nomination		
		Having served in accounting roles for many years, NAKAJIMA Hajime is substantially well-versed primarily in the area of the finance and accounting of the Mitsui Chemicals Group, and was appointed as CFO in 2020. He is also extensively knowledgeable with experiences in business planning. 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	YOSHINO Tadashi (59 years old) Date of Birth: Aug. 5, 1961 <New>	Apr. 1987 Nov. 2012	Joined Mitsui Toatsu Chemicals, Inc. General Manager, Industrial Chemicals Div., Basic Chemicals Business Sector of the Company	18,900
		Apr. 2014	Senior Director of the Company General Manager, Industrial Chemicals Div., Basic Chemicals Business Sector	
		Apr. 2016	Executive Officer of the Company Business Sector Vice President, Basic Materials Business Sector	
		Apr. 2018	Managing Executive Officer of the Company Business Sector President, Basic Materials Business Sector	
		Jul. 2018	Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd. (to present)	
		Apr. 2020	Senior Managing Executive Officer of the Company Business Sector President, Basic Materials Business Sector (to present)	
		Positions and areas of responsibility at the Company		
		Senior Managing Executive Officer Business Sector President, Basic Materials Business Sector In charge of Osaka Branch, Fukuoka Branch and Nghì Son-Project Division		
Significant concurrent positions				
Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd.				
Reasons for nomination				
YOSHINO Tadashi is well-versed primarily in the area of basic chemicals, based on his extensive experience developed over many years at factories and businesses. He is also extensively knowledgeable about global management given his experience serving as the head of an overseas subsidiary. We deem him capable of making contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.				

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
6	<p>BADA Hajime (72 years old)</p> <p>Date of Birth: Oct. 7, 1948</p> <p>Term of Office: 5 years</p> <p>Board of Directors Meeting Attendance: 12/12 (100%)</p> <p><Reelection> <Candidate for Outside Director> <Independent Officer></p>	<p>Apr. 1973 Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)</p> <p>Jun. 2000 Director of Kawasaki Steel Corporation</p> <p>Apr. 2003 Senior Vice President of JFE Steel Corporation</p> <p>Apr. 2005 Representative Director, President and CEO of JFE Steel Corporation</p> <p>May 2006 Chairman of The Japan Iron and Steel Federation</p> <p>Apr. 2010 Representative Director, President and CEO of JFE Holdings, Inc.</p> <p>Apr. 2015 Director of JFE Holdings, Inc.</p> <p>Jun. 2015 Advisor of JFE Holdings, Inc.</p> <p>Jun. 2016 Member of the Board of the Company (to present)</p> <p>Jun. 2016 Outside Corporate Auditor of ASAGAMI CORPORATION (to present)</p> <p>Jun. 2018 Outside Director of NSK Ltd. (to present)</p> <p>Jun. 2019 Honorary Advisor of JFE Holdings, Inc. (to present)</p>	3,600
		Positions and areas of responsibility at the Company	
		Member of the Board	
		Significant concurrent positions	
		Honorary Advisor of JFE Holdings, Inc. Outside Corporate Auditor of ASAGAMI CORPORATION Outside Director of NSK Ltd.	
		Reasons for nomination and overview of expected roles	
		<p>BADA Hajime, 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 believe that he will continue to provide useful advice to the Company's corporate management and contribute to improving the effectiveness of the Company's management supervision. In addition, we expect that he will also contribute to ensuring the transparency and suitability of the nomination and compensation system of management as a member of the Human Resource Advisory Committee and the Executive Compensation Advisory Committee, and accordingly believe that he is the right person for the post of Outside Director.</p>	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
7	<p>YOSHIMARU Yukiko (61 years old)</p> <p>Date of Birth: Feb. 1, 1960</p> <p>Term of Office: 2 years</p> <p>Board of Directors Meeting Attendance: 12/12 (100%)</p> <p><Reelection> <Candidate for Outside Director> <Independent Officer></p>	<p>Apr. 1982 Joined Oki Electric Industry Co., Ltd.</p> <p>Apr. 1998 Director of Oki America Inc., and Head of New York Office of Oki Electric Industry Co., Ltd.</p> <p>Oct. 2004 General Manager of Diversity Development Office of NISSAN MOTOR CO., LTD.</p> <p>Apr. 2008 Joined Nifco Inc.</p> <p>Jun. 2011 Executive Officer of Nifco Inc.</p> <p>Apr. 2018 Outside Director of Sekisui House, Ltd. (to present)</p> <p>Jun. 2019 Member of the Board of the Company (to present)</p>	900
		Positions and areas of responsibility at the Company	
		Member of the Board	
		Significant concurrent positions	
		Outside Director of Sekisui House, Ltd.	
		Reasons for nomination and overview of expected roles	
		<p>YOSHIMARU Yukiko, based on her experience as an officer of other companies in areas such as diversity promotion, and in-depth knowledge acquired through her extensive global experience, actively provides opinions from the global perspective at meetings of the Company's Board of Directors. We believe that she will continue providing useful advice on the Company's corporate management, and contribute to improving the effectiveness of the Company's management supervision. In addition, we expect that she will also contribute to ensuring the transparency and suitability of the nomination and compensation system of management as a member of the Human Resource Advisory Committee and the Executive Compensation Advisory Committee, and accordingly believe that she is the right person for the post of Outside Director.</p>	

Note: YOSHIMARU Yukiko served as Executive Officer of Nifco Inc. until June 2018. In fiscal year 2018, 2019 and 2020, 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.

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
8	MABUCHI Akira (67 years old) Date of Birth: Sep. 11, 1953 <New> <Candidate for Outside Director> <Independent Officer>	Apr. 1979 Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)	500
		Apr. 2005 Executive Officer of Fuji Heavy Industries Ltd.	
		Jun. 2007 Senior Vice President of Fuji Heavy Industries Ltd.	
		Jun. 2010 Director of the Board, Executive Vice President of Fuji Heavy Industries Ltd.	
		Jun. 2015 Corporate Auditor of Fuji Heavy Industries Ltd. (scheduled to retire in June 2021) (to present)	
		Reasons for nomination and overview of expected roles	
		We believe that MABUCHI Akira, based on his extensive experience as a corporate manager, and in-depth knowledge of the mobility field, on which the Company is focusing, will objectively evaluate the Company's overall management and identify essential issues and risks, provide useful advice on the Company's overall management, and contribute to improving the effectiveness of the Company's management supervision. We also expect him to contribute to ensuring the transparency and suitability of the nomination and compensation system of management as a member of the Human Resource Advisory Committee and the Executive Compensation Advisory Committee. Accordingly, we believe that he is the right person for the post of Outside Director.	

Note: As a Corporate Auditor of SUBARU CORPORATION, MABUCHI Akira had been making recommendations on legal compliance and internal control on a regular basis. During his term of office, from 2017 to 2018, it was discovered that inappropriate actions were being taken in the completion inspection process at some factories of SUBARU CORPORATION. After the discovery of this fact, MABUCHI Akira received reports from time to time on the investigation of the causes and efforts to prevent recurrence, and made various recommendations.

No. 3: Election of one (1) Corporate Auditor

As the term of office of Corporate Auditor SHINBO Katsuyoshi will expire at the close of this Ordinary General Meeting of Shareholders, we propose the election of one (1) Corporate Auditor. The Corporate Auditor candidate is SHINBO Katsuyoshi.

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.

Candidate	Name	Positions at the Company	Term of Office	Board of Directors Meeting Attendance	Board of Corporate Auditors Meeting Attendance	Specialties and experience								
						Corporate management and planning	Production and technology/R&D	Global business	Marketing	HR/labor management	Finance/accounting	Legal/risk management	Independence	
–	ISAYAMA Shigeru	Incumbent	Full-time Corporate Auditor	3 years	12/12	16/16	●	●	●	●				
–	KUBO Masaharu	Incumbent	Full-time Corporate Auditor	1 year	10/10	13/13	●					●	●	
○	SHINBO Katsuyoshi	Reelection Outside Independent	Corporate Auditor	4 years	12/12	16/16				●			●	●
–	TOKUDA Shozo	Incumbent Outside Independent	Corporate Auditor	4 years	12/12	16/16				●		●	●	●
–	FUJITSUKA Mikio	Incumbent Outside Independent	Corporate Auditor	2 years	12/12	16/16	●			●		●	●	●

Incumbent: Incumbent Corporate Auditor
 Reelection: Reelected candidate for Corporate Auditor

(Note) The above table does not represent all the knowledge possessed by Corporate Auditors.

Outside: Outside Corporate Auditor
Independent: Independent Officer as stipulated by the stock exchange

- Notes:
1. There are no conflicts of interests between the Company and SHINBO Katsuyoshi.
 2. The Company has concluded a liability limitation contract with SHINBO Katsuyoshi 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 SHINBO Katsuyoshi is reelected as Outside Corporate Auditor, the Company will continue the said contract with him.
 3. The Company has concluded a directors and officers liability insurance contract, whose outline is as follows, with an insurance company in accordance with Article 430-3, Paragraph 1 of the Companies Act. All of the Corporate Auditors are already insured under this insurance contract and will continue to be insured after the renewal of the contract. Moreover, SHINBO Katsuyoshi is also already insured under this insurance contract and will continue to be insured if he is reelected and appointed. This insurance contract will be renewed in June 2021.
 - Outline of the contents of the insurance contract
 - (1) Actual ratio of premiums paid by the insured
The premiums are paid by the Company, and the insured does not bear the premiums.
 - (2) Outline of the events insured against
The insured will be compensated for damages (legal damages and litigation expenses) incurred as a result of a claim for damages arising from the insured's performance of duties.
 - (3) Measures to ensure the appropriateness of the duties of corporate officers, etc.
An exemption clause is attached to the contract to the effect that liability for damages caused by the insured's intentional acts, illegal private giving of benefits, criminal acts, etc. will not be compensated.
 4. The term of office of Corporate Auditor of the Company is four (4) years, and ISAYAMA Shigeru, KUBO Masaharu, and TOKUDA Shozo and FUJITSUKA Miki were elected (reelected for TOKUDA Shozo) as Corporate Auditors and assumed the office at the 21st Ordinary General Meeting of Shareholders held on June 26, 2018, the 23rd Ordinary General Meeting of Shareholders held on June 24, 2020 and the 22nd Ordinary General Meeting of Shareholders held on June 25, 2019 respectively.

Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
<p>SHINBO Katsuyoshi (66 years old)</p> <p>Date of Birth: Apr. 8, 1955</p> <p>Term of Office: 4 years</p> <p>Board of Directors Meeting Attendance: 12/12 (100%)</p> <p>Board of Corporate Auditors Meeting Attendance: 16/16 (100%)</p> <p><Reelection> <Outside> <Independent></p>	<p>Apr. 1984 Registered as an attorney</p> <p>Nov. 1999 Attorney at Shinbo Law Office (to present)</p> <p>Jun. 2015 Outside Corporate Auditor of Sumitomo Mitsui Banking Corporation</p> <p>Jun. 2017 Corporate Auditor of the Company (to present)</p> <p>Jun. 2017 Outside Director of Sumitomo Mitsui Financial Group, Inc. (to present)</p>	0
	Positions and areas of responsibility at the Company	
	Corporate Auditor	
	Significant concurrent positions	
	<p>Attorney at Shinbo Law Office</p> <p>Outside Director of Sumitomo Mitsui Financial Group, Inc.</p>	
	Reasons for nomination	
	<p>SHINBO Katsuyoshi has in-depth knowledge in the areas of legal compliance, corporate ethics, and crisis and risk management based on his extensive experience as an attorney over many years and experience as an Outside Director of other companies. Even though he has not been involved in corporate management other than as an Outside Director at another company, from the viewpoint of ensuring appropriate execution of business of the Company, we believe that he is the right person for the post of Outside Corporate Auditor. Moreover, we expect that he will continue to contribute to ensuring the transparency and suitability of the compensation system of management as a member of the Executive Compensation Advisory Committee after his appointment.</p>	

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 current Human Resource Advisory Committee is composed of the Company's chairman, 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 Statement of Financial Position

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,558,125	LIABILITIES	875,968
Current assets	787,572	Current liabilities	466,305
Cash and cash equivalents	195,987	Trade payables	119,712
Trade receivables	285,846	Bonds and borrowings	216,721
Inventories	258,814	Income taxes payable	6,195
Other financial assets	27,176	Other financial liabilities	84,242
Other current assets	15,230	Provisions	1,157
Subtotal	783,053	Other current liabilities	37,736
Assets held for sale	4,519	Subtotal	465,763
		Liabilities directly associated with assets held for sale	542
Non-current assets	770,553	Non-current liabilities	409,663
Property, plant and equipment	455,749	Bonds and borrowings	293,495
Right-of-use assets	46,211	Other financial liabilities	67,722
Goodwill	1,123	Retirement benefit liabilities	16,384
Intangible assets	19,678	Provisions	3,698
Investment property	23,222	Deferred tax liabilities	27,834
Investments accounted for using equity method	97,509	Other non-current liabilities	530
Other financial assets	57,463		
Retirement benefit assets	55,059	EQUITY	682,157
Deferred tax assets	9,333	Equity attributable to owners of the parent	607,921
Other non-current assets	5,206	Share capital	125,331
		Capital surplus	74,009
		Treasury stock	(24,900)
		Retained earnings	424,084
		Other components of equity	9,397
		Non-controlling interests	74,236
Total	1,558,125	Total	1,558,125

Consolidated Statement of Income

(April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount
Sales revenue	1,211,725
Cost of sales	917,883
Gross profit	293,842
Selling, general and administrative expenses	211,980
Other operating income	4,406
Other operating expenses	14,183
Share of profit (loss) of investments accounted for using equity method	5,989
Operating income	78,074
Financial income	4,297
Financial expenses	8,128
Income before income taxes	74,243
Income tax expense	10,024
Net income	64,219
Net income attributable to:	
Owners of the parent	57,873
Non-controlling interests	6,346
Net income	64,219

Consolidated Statement of Changes in Equity

(April 1, 2020 to March 31, 2021)

(Millions of yen)

	Equity attributable to owners of the parent			
	Share capital	Capital surplus	Treasury stock	Retained earnings
Balance at the beginning of current period	125,298	79,320	(39,254)	359,794
Net income	–	–	–	57,873
Other comprehensive income	–	–	–	–
Total comprehensive income	–	–	–	57,873
Purchase of treasury stock	–	–	(691)	–
Disposal of treasury stock	–	(0)	3	–
Dividends	–	–	–	(19,349)
Share-based payment transactions	33	33	–	–
Transactions with non-controlling interests	–	(5,344)	15,042	–
Transfer from other components of equity to retained earnings	–	–	–	25,766
Total transactions with owners	33	(5,311)	14,354	6,417
Balance at the end of current period	125,331	74,009	(24,900)	424,084

	Equity attributable to owners of the parent					Total equity attributable to owners of the parent	Non-controlling interests	Total equity
	Other components of equity							
	Financial assets measured at fair value through other comprehensive income	Remeasurements of defined benefit plans	Exchange differences on translation of foreign operations	Effective portion of net change in fair value of cash flow hedges	Total			
Balance at the beginning of current period	11,894	–	(6,591)	(1,241)	4,062	529,220	80,487	609,707
Net income	–	–	–	–	–	57,873	6,346	64,219
Other comprehensive income	814	24,664	5,094	529	31,101	31,101	552	31,653
Total comprehensive income	814	24,664	5,094	529	31,101	88,974	6,898	95,872
Purchase of treasury stock	–	–	–	–	–	(691)	–	(691)
Disposal of treasury stock	–	–	–	–	–	3	–	3
Dividends	–	–	–	–	–	(19,349)	(6,266)	(25,615)
Share-based payment transactions	–	–	–	–	–	66	–	66
Transactions with non-controlling interests	–	–	–	–	–	9,698	(6,883)	2,815
Transfer from other components of equity to retained earnings	(1,102)	(24,664)	–	–	(25,766)	–	–	–
Total transactions with owners	(1,102)	(24,664)	–	–	(25,766)	(10,273)	(13,149)	(23,422)
Balance at the end of current period	11,606	–	(1,497)	(712)	9,397	607,921	74,236	682,157

Non-consolidated Balance Sheet

(As of March 31, 2021)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,107,603	LIABILITIES	714,216
Current Assets:	397,823	Current Liabilities:	420,671
Cash and deposits	74,869	Accounts payable-trade	73,470
Notes receivable-trade	721	Short-term loans payable	76,663
Accounts receivable-trade	157,247	Current portion of long-term loans payable	38,760
Merchandise and products	61,906	Commercial papers	50,000
Work in process	1,732	Current portion of bonds payable	10,000
Raw materials and supplies	38,181	Lease obligations	372
Advance payments	1,750	Accounts payable-other	55,936
Prepaid expenses	2,527	Accrued expenses	8,545
Short-term loans receivable	3,365	Income taxes payable	891
Accounts receivable-other	54,520	Advances received	306
Other	1,473	Deposits received	93,031
Allowance for doubtful accounts	(468)	Provision for directors' bonuses	78
		Provision for repairs	11,797
		Provision for loss on guarantees	701
		Other	121
Non-current Assets:	709,780	Non-current Liabilities:	293,545
Property, plant and equipment	301,037	Bonds payable	80,000
Buildings	41,508	Long-term loans payable	196,844
Structures	26,049	Lease obligations	4,551
Machinery and equipments	64,885	Provision for retirement benefits	5,238
Vehicles	193	Provision for repairs	1,918
Tools, furniture and fixtures	5,261	Provision for environmental measures	293
Land	136,388	Provision for loss on guarantees	121
Lease assets	4,897	Asset retirement obligations	743
Construction in progress	21,856	Other	3,837
Intangible assets	6,951		
Goodwill	44		
Industrial property	1,384		
Other rights	109		
Software	5,414		
Investments and other assets	401,792		
Investment securities	21,342		
Shares of subsidiaries and affiliates	274,400		
Investment in capital	1		
Investment in capital of subsidiaries and affiliates	48,186		
Long-term loans receivable	3,409		
Claims provable in bankruptcy, claims provable in rehabilitation and other	238		
Long-term loans receivable from subsidiaries and affiliates	5,378		
Long-term prepaid expenses	551		
Prepaid pension cost	40,633		
Deferred tax assets	3,700		
Other	9,162		
Allowance for doubtful accounts	(5,208)		
		NET ASSETS	393,387
		Shareholders' Equity:	393,468
		Capital stock	125,331
		Capital surplus	89,518
		Legal capital surplus	54,060
		Other capital surplus	35,458
		Retained earnings	203,519
		Legal retained earnings	12,506
		Other retained earnings	191,013
		Reserve for dividends	10,000
		General reserve	28,070
		Retained earnings brought forward	152,943
		Treasury stock	(24,900)
		Valuation and Translation	
		Adjustments:	(81)
		Valuation difference on available-for-sale securities	(81)
Total	1,107,603	Total	1,107,603

Non-consolidated Statement of Income

(April 1, 2020 to March 31, 2021)

(Millions of yen)

Item	Amount	
Net sales:		595,459
Cost of sales:		493,106
Gross profit		102,353
Selling, general and administrative expenses:		87,660
Operating income		14,693
Non-operating income:		
Interest and dividends income	31,825	
Rent income	1,515	
Foreign exchange gains	390	
Other	2,334	36,064
Non-operating expenses:		
Interest expenses	2,874	
Loss on suspension of operations	873	
Provision of allowance for doubtful accounts	517	
Provision for loss on guarantees	372	
Other	2,389	7,025
Ordinary income		43,732
Extraordinary income:		
Gain on sales of non-current assets	13	
Gain on sales of shares of subsidiaries and associates	2,775	
Gain on extinguishment of tie-in shares	348	
Insurance income	1,152	4,288
Extraordinary losses:		
Loss on disposal of non-current assets	3,043	
Loss on sales of non-current assets	64	
Impairment loss	2,343	
Loss on valuation of investment securities	458	5,908
Profit before income taxes		42,112
Income taxes - current	(1,103)	
Income taxes - deferred	(4,854)	(5,957)
Profit		48,069

Non-consolidated Statement of Changes in Net Assets

(April 1, 2020 to March 31, 2021)

(Millions of yen)

	Shareholders' equity								
	Share capital	Capital surplus			Retained earnings			Treasury shares	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	125,298	54,027	39,999	94,026	12,506	162,293	174,799	(39,254)	354,869
Changes during period									
Issuance of new shares	33	33		33					66
Dividends of surplus						(19,349)	(19,349)		(19,349)
Profit						48,069	48,069		48,069
Purchase of treasury shares								(691)	(691)
Disposal of treasury shares			(0)	(0)				3	3
Changes due to share exchange			(4,541)	(4,541)				15,042	10,501
Net changes of items other than shareholders' equity									
Total changes during period	33	33	(4,541)	(4,508)	–	28,720	28,720	14,354	38,599
Balance at the end of current period	125,331	54,060	35,458	89,518	12,506	191,013	203,519	(24,900)	393,468

	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	1,088	1,088	355,957
Changes during period			
Issuance of new shares			66
Dividends of surplus			(19,349)
Profit			48,069
Purchase of treasury shares			(691)
Disposal of treasury shares			3
Changes due to share exchange			10,501
Net changes of items other than shareholders' equity	(1,169)	(1,169)	(1,169)
Total changes during period	(1,169)	(1,169)	37,430
Balance at the end of current period	(81)	(81)	393,387

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	124,223	162,293
Changes during period				
Dividends of surplus			(19,349)	(19,349)
Profit			48,069	48,069
Total changes during period	–	–	28,720	28,720
Balance at the end of current period	10,000	28,070	152,943	191,013