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(Securities Code No.: 4183)

May 29, 2024

Mitsui Chemicals, Inc.
2-1, Yaesu 2-chome,
Chuo-ku, Tokyo, Japan
HASHIMOTO Osamu, President & CEO

**CONVOCAION NOTICE FOR
THE 27th ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

Notice is hereby given that the 27th 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, 2024 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

In convening this General Meeting of Shareholders, we have taken measures for the electronic provision of the information that is contained in the Reference Materials for the General Meeting of Shareholders (Electronic Provision Matters), which is posted on each of the following Internet websites, so please access any of these websites to confirm the information.

[The Company’s Website]

<https://jp.mitsuichemicals.com/jp/ir/library/notice/index.htm> (in Japanese)

[General Meeting of Shareholders Materials Website]

<https://d.sokai.jp/4183/teiji/> (in Japanese)

[Listed Company Search (Tokyo Stock Exchange)]

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)

(If accessing the TSE website listed above, please enter and search for the stock issue name (Mitsui Chemicals, Inc.) or 4183, and select “Basic information” and “Documents for public inspection/PR information” to confirm the information.)

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 27th fiscal year (April 1, 2023 to March 31, 2024)
 2. Non-consolidated financial statements for the 27th fiscal year (April 1, 2023 to March 31, 2024)
- 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.
- * If revisions to this Convocation Notice or Electronic Provision Matters arise, notice of the revisions and the details of the matters before and after the revisions will be posted on the above websites.

Exercise of voting rights

Shareholders may exercise their voting rights by the following methods:

Exercise of voting rights in writing (by mail)

Indicate your approval or disapproval for each of the proposals on the Voting Rights Exercise Form and send the completed form to the Company.

If you do not indicate your approval or disapproval for each of the proposals on the returned voting form, it will be treated as if you indicated your approval.

Votes to be received by: **5:40 p.m.** on Monday, **June 24, 2024.**

Exercise of voting rights via the Internet, etc.

By reading the QR code: Access the website designated by the Company for exercising voting rights (<https://www.web54.net> (in Japanese)) by using your electronic device to read the QR code on the lower right of the Voting Rights Exercise Form, and indicate your approval or disapproval for each of the proposals. You can enter without using the voting right exercise code and the password.

By entering the voting right exercise code and the password: Access the website designated by the Company for exercising voting rights (<https://www.web54.net> (in Japanese)), 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, 2024.**

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

In appropriating profits, the Company gives consideration to all aspects, including returns of profits to shareholders, investments and loans to accelerate further growth and expansion, and allocations to research and development, etc. for creating new and innovative technology.

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 30% or higher, and targets a dividend on equity (DOE) attributable to owners of the parent, of 3.0% or higher. 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

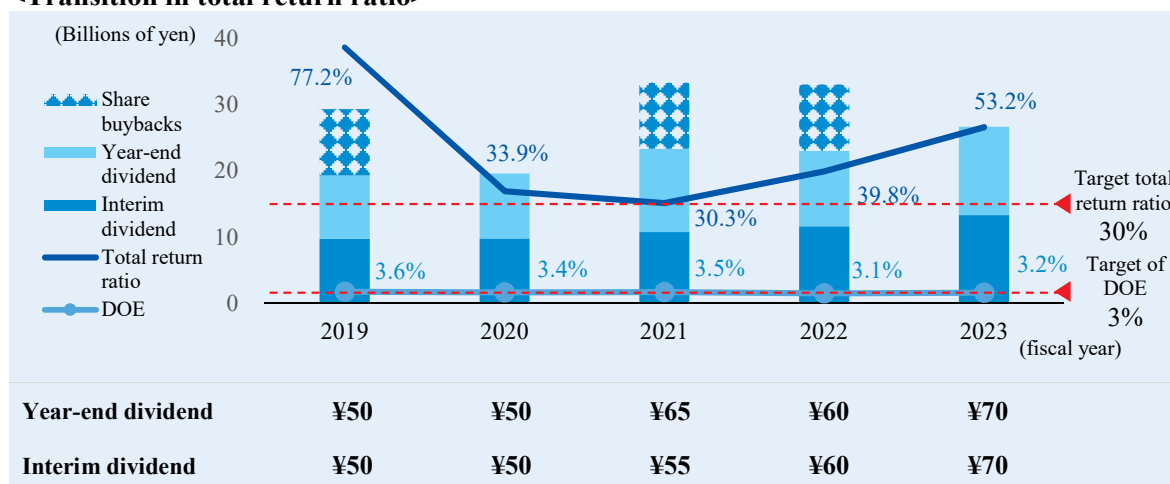
We propose a year-end dividend of ¥70 per share. The total amount of dividends will be ¥13,309,424,380.

(3) Effective date of dividends from surplus

June 26, 2024

Reference:

<Transition in total return ratio>



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

DOE = Total shareholder dividends / Equity attributable to owners of the parent

* 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.

* The year-end dividend for fiscal year 2021 includes a memorable dividend of ¥5 (25th anniversary of the Company's foundation).

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	Current Positions and Areas of Responsibility at the Company	Term of Office	Board of Directors Meeting Attendance	Skills and experience expected in particular									
					Corporate management and planning	Business portfolio transformation	R&D/production and technology	New business creation/M&A	Global business	Finance and accounting	Risk management	Diversity/organization and HR management	Sustainability	
1	TANNOWA Tsutomu	Reelection	Member of the Board, Chairman	12 years	13/13	●							●	●
2	HASHIMOTO Osamu	Reelection	Representative Director, Member of the Board, President & CEO Supervision of General Business Execution (CEO)	6 years	13/13	●			●					●
3	YOSHINO Tadashi	Reelection	Representative Director, Member of the Board, Senior Managing Executive Officer CTO In charge of RC & Quality Assurance Div., Fabrication Process Engineering Div., CTO Office, and Responsible Care Committee. Supervising R&D Center, Production & Technology Center, and Green Sustainable Chemicals Div.	3 years	13/13	●		●		●				

No.	Name	Current Positions and Areas of Responsibility at the Company	Term of Office	Board of Directors Meeting Attendance	Skills and experience expected in particular								
					Corporate management and planning	Business portfolio transformation	R&D/production and technology	New business creation/M&A	Global business	Finance and accounting	Risk management	Diversity/organization and HR management	Sustainability
4	NAKAJIMA Hajime	Reelection Representative Director, Member of the Board, Senior Managing Executive Officer CFO In charge of Finance & Accounting Div., Corporate Administration & Legal Div., Corporate Communications Div., and Compliance Committee	4 years	13/13						●	●		
5	ANDOU Yoshinori	Reelection Member of the Board, Senior Managing Executive Officer CHRO In charge of Human Resources Div., Global Human Resources Div., Affiliates Coordination Div., Mitsui Chemicals Asia Pacific, Mitsui Chemicals China, Mitsui Chemicals America, and Mitsui Chemicals Europe	2 years	13/13					●			●	
6	MABUCHI Akira	Reelection Outside Independent Member of the Board	3 years	13/13		●	●				●		
7	MIMURA Takayoshi	Reelection Outside Independent Member of the Board	2 years	13/13	●	●			●				
8	KIHARA Tami	New Outside Independent -	-	-		●	●					●	

<p>Reelection: Reelected candidate for Member of the Board</p> <p>New: New candidate for Member of the Board</p> <p>Outside: Candidate for Outside Director</p> <p>Independent: Candidate for Independent Officer as stipulated by the stock exchange</p>	<p>(Note) The above table (skills matrix) does not represent all the skills and experience possessed by the Directors. The Company has classified the “skills and experience expected in particular*” of the Company’s Directors and Corporate Auditors into nine categories, and in order to properly visualize and manage the overall balance of the skills and experience of the members that compose the Board of Directors, the number of items to be recognized per Director and Corporate Auditor has been capped at a maximum of three.</p> <p>* Details of skills and experience expected in particular are as described on pages 21-22.</p>
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- Notes:
1. There are no special conflicts of interests between the Company and any of the candidates for Directors.
 2. The Company has concluded a liability limitation contract with MABUCHI Akira and MIMURA Takayoshi 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 MABUCHI Akira and MIMURA Takayoshi are reelected as Outside Directors, the Company will continue the said contract with them. Moreover, if KIHARA Tami is elected, 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.
 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 KIHARA Tami, are already insured under this insurance contract and will continue to be insured after their reelection and appointment. KIHARA Tami will be insured under this insurance contract if she is elected and appointed. This insurance contract will be renewed in June 2024.
 - 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 (72 years old) Date of Birth: Oct. 26, 1951 Term of Office: 12 years Board of Directors Meeting Attendance: 13/13 (100%) <Reelection>	Apr. 1976	Joined the Company	80,194
		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	
		Jun. 2022	Outside Director of KDDI CORPORATION (to present)	
		Apr. 2023	Member of the Board, Chairman of the Company (to present)	
		Jun. 2023	Outside Director of Tokyo Gas Co., Ltd. (to present)	
	Positions and areas of responsibility at the Company			
	Member of the Board, Chairman			
	Significant concurrent positions			
	Outside Director of KDDI CORPORATION Outside Director of Tokyo Gas Co., Ltd.			
	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 contributed to the realization of 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 (60 years old) Date of Birth: Oct. 19, 1963 Term of Office: 6 years Board of Directors Meeting Attendance: 13/13 (100%) <Reelection>	Apr. 1987 Joined the Company	44,592
		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, he has played 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 and the crisis in Ukraine, and has been achieving results. 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	<p>YOSHINO Tadashi (62 years old)</p> <p>Date of Birth: Aug. 5, 1961</p> <p>Term of Office: 3 years</p> <p>Board of Directors Meeting Attendance: 13/13 (100%)</p> <p><Reelection></p>	<p>Apr. 1987 Joined the Company</p> <p>Apr. 2016 Executive Officer of the Company</p> <p>Apr. 2018 Managing Executive Officer of the Company</p> <p>Jul. 2018 Managing Executive Officer of the Company and Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd.</p> <p>Apr. 2020 Senior Managing Executive Officer of the Company and Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd.</p> <p>Jun. 2021 Member of the Board, Senior Managing Executive Officer of the Company and Chairman of Shanghai Sinopec Mitsui Chemicals, Co., Ltd.</p> <p>Apr. 2022 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)</p>	33,100
		Positions and areas of responsibility at the Company	
		<p>Representative Director, Member of the Board, Senior Managing Executive Officer CTO</p> <p>In charge of RC & Quality Assurance Div., Fabrication Process Engineering Div., CTO Office, and Responsible Care Committee</p> <p>Supervising R&D Center, Production & Technology Center, and Green Sustainable Chemicals Div.</p>	
		Reasons for nomination	
		<p>YOSHINO Tadashi is well-versed in the Company's businesses, based on his extensive experience developed over many years at factories, research laboratories, businesses, and as the head of overseas subsidiaries, as well as possessing knowledge of global management. By establishing, deploying, and promoting technology management strategies, he has also contributed to the growth of the entire Company Group. 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.</p>	

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
4	NAKAJIMA Hajime (63 years old) Date of Birth: Oct. 10, 1960 Term of Office: 4 years Board of Directors Meeting Attendance: 13/13 (100%) <Reelection>	Apr. 1984 Joined the Company 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 Apr. 2022 Member of the Board, Senior Managing Executive Officer of the Company Apr. 2023 Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)	21,271
		Positions and areas of responsibility at the Company	
		Representative Director, Member of the Board, Senior Managing Executive Officer CFO In charge of Finance & Accounting Div., Corporate Administration & Legal Div., Corporate Communications Div., and Compliance Committee	
		Reasons for nomination	
		Based on his many years of experience in accounting roles, NAKAJIMA Hajime is substantially well-versed primarily in the area of the finance and accounting of the Company Group, and is also extensively knowledgeable with experience in business planning. He was appointed CFO in 2020, and since 2022 he has been leading the enhancement of the risk management system and the strengthening of group compliance management as the Director in charge of the Corporate Administration & Legal Div. Moreover, since 2023, he has contributed to maintaining and improving communication with stakeholders as the Director in charge of the Corporate Communications Div. 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	ANDOU Yoshinori (60 years old) Date of Birth: Jan. 3, 1964 Term of Office: 2 years Board of Directors Meeting Attendance: 13/13 (100%) <Reelection>	Apr. 1986 Apr. 2014	Joined the Company Senior Director of the Company Deputy General Manager, Human Resources Div.	22,221
		Apr. 2015	Senior Director of the Company General Manager, Human Resources Div.	
		Apr. 2016	Executive Officer of the Company General Manager, Human Resources Div.	
		Apr. 2019	Managing Executive Officer of the Company	
		Apr. 2021	Senior Managing Executive Officer of the Company	
		Jun. 2022	Member of the Board, Senior Managing Executive Officer of the Company (to present)	
		Positions and areas of responsibility at the Company		
		Member of the Board, Senior Managing Executive Officer CHRO In charge of Human Resources Div., Global Human Resources Div., Affiliates Coordination Div., Mitsui Chemicals Asia Pacific, Mitsui Chemicals China, Mitsui Chemicals America, and Mitsui Chemicals Europe		
		Reasons for nomination		
		ANDOU Yoshinori is well-versed primarily in businesses and services of the Company through his wide experience in business sectors including overseas and Executive Offices, etc., and has obtained depth of knowledge especially in corporate personnel. He is also extensively knowledgeable about group/global management given his recent experience in charge of overseas regional headquarters and Affiliates Coordination Div. 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	
6	MABUCHI Akira (70 years old)	Apr. 1979	Joined Fuji Heavy Industries Ltd. (currently SUBARU CORPORATION)	2,300
		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.	
		Jun. 2021	Member of the Board of the Company (to present)	
	Date of Birth: Sep. 11, 1953	Positions and areas of responsibility at the Company		
		Member of the Board		
	Term of Office: 3 years	Reasons for nomination and overview of expected roles		
	Board of Directors Meeting Attendance: 13/13 (100%)	MABUCHI Akira, based on his extensive experience as a corporate manager and a corporate auditor, and in-depth knowledge of the mobility field, on which the Company is focusing, objectively evaluates the Company's overall management and actively provides opinions from the perspective of suitability of the business strategy and governance, etc., at meetings of the Company's Board of Directors. We believe that he 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 he will also contribute to improving the effectiveness of discussions related to the compensation of management as the Chairperson of the Executive Compensation Committee and to ensuring the transparency and suitability of the nomination of management as a member of the Human Resource Nomination Committee, and accordingly believe that he is the right person for the post of Outside Director.		
	<Reelection> <Candidate for Outside Director> <Independent Officer>			

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned	
7	MIMURA Takayoshi (70 years old) Date of Birth: Jun. 18, 1953 Term of Office: 2 years Board of Directors Meeting Attendance: 13/13 (100%) <Reelection> <Candidate for Outside Director> <Independent Officer>	Apr. 1977	Joined Terumo Corporation	800
		Jun. 2002	Executive Officer of Terumo Corporation	
		Jun. 2003	Director and Executive Officer of Terumo Corporation	
		Jun. 2007	Director and Managing Executive Officer of Terumo Corporation	
		Jun. 2010	Director and Senior Managing Executive Officer of Terumo Corporation	
		Apr. 2017	Chairman of the Board of Terumo Corporation	
		Jun. 2021	Chairman of The Japan Federation of Medical Devices Associations	
		Apr. 2022	Director and Corporate Advisor of Terumo Corporation	
		Jun. 2022	Corporate Advisor of Terumo Corporation	
		Jun. 2022	Outside Director of AUTOBACS SEVEN CO., LTD. (to present)	
Jun. 2022	Member of the Board of the Company (to present)			
Jun. 2023	Member of the Board (Outside Director) of Niterra Co., Ltd. (to present)			
	Positions and areas of responsibility at the Company			
	Member of the Board			
	Significant concurrent positions			
	Outside Director of AUTOBACS SEVEN CO., LTD.			
	Outside Director of Niterra Co., Ltd.			
	Reasons for nomination and overview of expected roles			
	MIMURA Takayoshi, based on his extensive experience as a corporate manager and his experience as chairman of the industry association, and in-depth knowledge of the healthcare field, on which the Company is focusing, objectively evaluates the Company's overall management and actively provides opinions from the perspective of the suitability of the business strategy and enhancement of management at meetings of the Company's Board of Directors. We believe that he 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 he will also contribute to ensuring the transparency and suitability of the nomination and compensation of management as a member of the Human Resource Nomination Committee and the Executive Compensation Committee, and accordingly believe that he is the right person for the post of Outside Director.			

Candidate Number	Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned	
8	KIHARA Tami (61 years old) Date of Birth: Jun. 27, 1962 Term of Office: - Board of Directors Meeting Attendance: - <New> <Candidate for Outside Director> <Independent Officer>	Apr. 1985	Joined Ricoh Company, Ltd.	0
		Apr. 2019	Senior Director, General Manager, Technology Management Div. of Ricoh IT Solutions Co., Ltd.	
		Apr. 2021	Director of Digital Talent Strategy Center, Digital Strategy Div. of Ricoh Company, Ltd.	
		Jul. 2022	Member of the Board of Ricoh IT Solutions Co., Ltd.	
		Jun. 2023	Outside Director of Seven Bank, Ltd. (to present)	
		Positions and areas of responsibility at the Company		
		-		
		Significant concurrent position		
		Outside Director of Seven Bank, Ltd.		
		Reasons for nomination and overview of expected roles		
<p>We expect that KIHARA Tami, based on her experience as a corporate manager, particularly her in-depth knowledge cultivated through leading digital talent strategies at listed companies, will objectively evaluate the Company's overall management, identify fundamental issues and risks, provide useful advice on the Company's corporate management as a whole, 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 of management as a member of the Human Resource Nomination Committee and the Executive Compensation Committee, and accordingly believe that she is the right person for the post of Outside Director.</p>				

Note: KIHARA Tami's name on the government family register is ISOBE Tami.

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

As the term of office of Corporate Auditor KUBO Masaharu 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 HOSOMI Yasuhiro.

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	Skills and experience expected in particular								
						Corporate management and planning	Business portfolio transformation	R&D/production and technology	New business creation/M&A	Global business	Finance and accounting	Risk management	Diversity/organization and HR management	Sustainability
–	NISHIO Hiroshi	Incumbent	Full-time Corporate Auditor	2 years	13/13	16/16						●	●	
○	HOSOMI Yasuhiro	New	Full-time Corporate Auditor	-	-	-			●					●
–	SHINBO Katsuyoshi	Incumbent Outside Independent	Corporate Auditor	7 years	13/13	16/16				●			●	
–	GOTOH Yasuko	Incumbent Outside Independent	Corporate Auditor	1 year	10/11	13/13						●	●	●
–	ONO Junshi	Incumbent Outside Independent	Corporate Auditor	1 year	11/11	13/13				●		●	●	

Incumbent: Incumbent Corporate Auditor
New: New candidate for Corporate Auditor
Outside: Outside Corporate Auditor
Independent: Independent Officer as stipulated by the stock exchange

(Note) The above table (skills matrix) does not represent all the skills and experience possessed by the Corporate Auditors. The Company has classified the “skills and experience expected in particular*” of the Company’s Directors and Corporate Auditors into nine categories, and in order to properly visualize and manage the overall balance of the skills and experience of the members that compose the Board of Directors, the number of items to be recognized per Director and Corporate Auditor has been capped at a maximum of three.

* Details of skills and experience expected in particular are as described on pages 21-22.

- Notes:
1. There are no conflicts of interests between the Company and HOSOMI Yasuhiro.
 2. 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, HOSOMI Yasuhiro is already insured under the policy and will continue to be so if he is elected and appointed. This insurance contract will be renewed in June 2024.
 - 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.
 3. The term of office for Corporate Auditors of the Company is four (4) years, and NISHIO Hiroshi was elected and assumed office at the 25th Ordinary General Meeting of Shareholders held on June 24, 2022, SHINBO Katsuyoshi was elected and assumed office at the 24th Ordinary General Meeting of Shareholders held on June 25, 2021, and GOTOH Yasuko and ONO Junshi were elected and assumed office at the 26th Ordinary General Meeting of Shareholders held on June 27, 2023 (SHINBO Katsuyoshi was reelected).

Name (Date of Birth)	Career Summary	Number of Shares of the Company Owned
<p>HOSOMI Yasuhiro (63 years old)</p> <p>Date of Birth: Aug. 27, 1960</p> <p>Term of Office: -</p> <p>Board of Directors Meeting Attendance: -</p> <p>Board of Corporate Auditors Meeting Attendance: -</p> <p><New></p>	Apr. 1985 Joined the Company	18,460
	Apr. 2012 Senior Director, General Manager, R&D Strategy Office of the Company	
	Apr. 2015 Senior Director, General Manager, Planning & Coordination Div., Production & Technology Center of the Company	
	Apr. 2017 Executive Officer, General Manager, Iwakuni-Ohtake Works of the Company	
	Apr. 2020 Executive Officer, General Manager, Ichihara Works of the Company	
	Apr. 2022 Managing Executive Officer, General Manager, Production & Technology Center of the Company	
	Apr. 2024 Councilor of the Company (to present)	
	Positions at the Company	
Councilor		
Significant concurrent positions		
-		
Reasons for nomination		
<p>HOSOMI Yasuhiro is substantially well-versed regarding affairs of the Company, on the basis of his extensive experience over many years with respect to factories, research, and business planning. Moreover, in recent years, as General Manager of Production & Technology Center, he has contributed to streamlining and upgrading production technology of the entire Company Group and to various initiatives aimed at promoting carbon neutrality. He possesses sufficient insight to ensure the appropriate execution of the business of the Company as a Corporate Auditor, and we believe he is the right person for the post of Corporate Auditor.</p>		

Reference:**Procedure for Election of Directors and Corporate Auditors, and Independence Standards for Independent Outside Directors and Independent Outside Corporate Auditors****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 Nomination 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 Nomination 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 Nomination 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 Nomination 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.

Reference:

Skills and experience expected in particular of Directors and Corporate Auditors of the Company

Skills and experience	Definition
Corporate management and planning	✓ The skills and experience to oversee execution in relation to the establishment of the management vision and long-term/short-term management plans from a company-wide, long-term perspective for the transformation of the entire Group, decision making that immediately responds to changes in an uncertain environment, and engagement activities with various stakeholders.
Business portfolio transformation	✓ The skills and experience to oversee execution in relation to business management and the formulation of marketing and business strategies from a social issues perspective for the focused business domains in which the Group invests capital towards the pursuit of business portfolio transformation.
R&D/production and technology	<p>✓ The skills and experience to oversee execution related to R&D activities derived from our strengths in proprietary technologies and R&D processes that set the agenda in a backcasting style, towards realizing a competitive advantage in the world beyond 2030 from a long-term perspective.</p> <p>✓ The skills and experience to oversee execution in relation to advancing development processes in the areas of production and technology, including strategy, planning, and decision-making to promote further value addition and productivity improvement by utilizing the Company Group’s proprietary technologies.</p>
New business creation/M&A	✓ The skills and experience to oversee execution in relation to various measures related to new business creation, M&A, alliances, other strategic planning, and integration activity to achieve long-term value creation via business portfolio transformation and building a solution-based business model.
Global business	✓ The skills and experience to oversee execution in relation to strategic planning, decision making, and stakeholder management from a global perspective to realize business portfolio transformation and building a solution-based business model.
Finance and accounting	✓ The skills and experience to oversee execution in relation to finance, from a finance and accounting perspective, including the series of measures for the monitoring and reporting of corporate performance in an appropriate manner, from both financial and non-financial perspectives, as well as capital policies, investment plans, and financing plans.
Risk management	✓ The skills and experience to oversee execution in relation to the building of an appropriate company-wide risk management system and monitoring activities that can be shared with management, including integrated risk management and other approaches, for the various risks that may arise in corporate activities in the Company Group and globally.
Diversity/organization and HR management	✓ The skills and experience to oversee execution in relation to human capital management, including promoting the HR strategy and HR portfolio transformation, improving organizational diversity, equity, and inclusion, building a corporate culture that embodies independence, autonomy, and collaboration, and increasing the engagement of each individual employee.

Skills and experience	Definition
Sustainability	<ul style="list-style-type: none"> ✓ The skills and experience to oversee execution in relation to the Company Group's sustainability initiatives with appropriate understanding of the essentials of corporate activities in issues surrounding sustainability, gaining insight from the impacts of recent trends in social issues and social demands affecting the realization of success (or failure) of achieving sustainable improvement in the Company Group's corporate value, including global environmental issues such as climate change and respect for human rights.

Consolidated Statements of Financial Position

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	2,215,819	LIABILITIES	1,231,013
Current assets	1,150,579	Current liabilities	676,579
Cash and cash equivalents	210,292	Trade payables	179,947
Trade receivables	365,896	Bonds and borrowings	324,088
Inventories	451,075	Income taxes payable	4,038
Other financial assets	39,218	Other financial liabilities	109,774
Other current assets	37,230	Provisions	1,267
Subtotal	1,103,711	Other current liabilities	42,103
Assets held for sale	46,868	Subtotal	661,217
		Liabilities directly associated with assets held for sale	15,362
Non-current assets	1,065,240	Non-current liabilities	554,434
Property, plant and equipment	605,789	Bonds and borrowings	432,670
Right-of-use assets	46,309	Other financial liabilities	54,149
Goodwill	21,169	Retirement benefit liabilities	17,882
Intangible assets	55,241	Provisions	6,845
Investment property	21,667	Deferred tax liabilities	42,136
Investments accounted for using equity method	155,924	Other non-current liabilities	752
Other financial assets	61,669		
Retirement benefit assets	82,777	EQUITY	984,806
Deferred tax assets	5,039	Equity attributable to owners of the parent	862,851
Other non-current assets	9,656	Share capital	125,738
		Capital surplus	55,027
		Treasury stock	(32,751)
		Retained earnings	617,400
		Other components of equity	97,437
		Non-controlling interests	121,955
Total	2,215,819	Total	2,215,819

Consolidated Statements of Income

(April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount
Sales revenue	1,749,743
Cost of sales	(1,378,946)
Gross profit	370,797
Selling, general and administrative expenses	(282,657)
Other operating income	6,422
Other operating expenses	(32,740)
Share of profit of investments accounted for using equity method	12,302
Operating income	74,124
Financial income	13,870
Financial expenses	(14,663)
Income before income taxes	73,331
Income tax expense	(19,556)
Net income	53,775
Net income attributable to:	
Owners of the parent	49,999
Non-controlling interests	3,776
Net income	53,775

Consolidated Statements of Changes in Equity

(April 1, 2023 to March 31, 2024)

(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	125,572	57,778	(32,704)	575,125
Net income	-	-	-	49,999
Other comprehensive income	-	-	-	-
Total comprehensive income	-	-	-	49,999
Purchase of treasury stock	-	-	(49)	-
Disposal of treasury stock	-	1	2	-
Dividends	-	-	-	(24,714)
Share-based payment transactions	166	166	-	-
Change in scope of consolidation	-	-	-	-
Transactions with non-controlling interests	-	(2,918)	-	-
Transfer from other components of equity to retained earnings	-	-	-	16,990
Total transactions with owners	166	(2,751)	(47)	(7,724)
Balance at the end of current period	125,738	55,027	(32,751)	617,400

	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	19,416	-	41,721	(81)	61,056	786,827	96,476	883,303
Net income	-	-	-	-	-	49,999	3,776	53,775
Other comprehensive income	5,869	17,090	30,331	81	53,371	53,371	4,285	57,656
Total comprehensive income	5,869	17,090	30,331	81	53,371	103,370	8,061	111,431
Purchase of treasury stock	-	-	-	-	-	(49)	-	(49)
Disposal of treasury stock	-	-	-	-	-	3	-	3
Dividends	-	-	-	-	-	(24,714)	(6,200)	(30,914)
Share-based payment transactions	-	-	-	-	-	332	-	332
Change in scope of consolidation	-	-	-	-	-	-	19,990	19,990
Transactions with non-controlling interests	-	-	-	-	-	(2,918)	3,628	710
Transfer from other components of equity to retained earnings	100	(17,090)	-	-	(16,990)	-	-	-
Total transactions with owners	100	(17,090)	-	-	(16,990)	(27,346)	17,418	(9,928)
Balance at the end of current period	25,385	-	72,052	(0)	97,437	862,851	121,955	984,806

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Item	Amount	Item	Amount
ASSETS	1,340,768	LIABILITIES	920,937
Current Assets:	529,845	Current Liabilities:	487,414
Cash and deposits	22,672	Accounts payable-trade	110,385
Electronically recorded monetary claims - operating	1,908	Short-term loans payable	72,488
Accounts receivable-trade	229,217	Current portion of long-term loans payable	27,000
Merchandise and products	110,289	Current portion of bonds payable	5,000
Work in process	3,043	Commercial papers	143,000
Raw materials and supplies	61,832	Lease obligations	413
Advance payments	1,266	Accounts payable-other	68,694
Prepaid expenses	2,853	Accrued expenses	9,680
Short-term loans receivable	24,483	Income taxes payable	265
Accounts receivable-other	69,018	Advances received	926
Income taxes receivable	3,649	Deposits received	35,482
Other	1,751	Provision for directors' bonuses	97
Allowance for doubtful accounts	(2,136)	Provision for repairs	13,068
		Provision for loss on guarantees	841
		Other	75
Non-current Assets:	810,923	Non-current Liabilities:	433,523
Property, plant and equipment	325,590	Bonds payable	151,000
Buildings	44,398	Long-term loans payable	259,750
Structures	33,640	Lease obligations	3,606
Machinery and equipment	94,267	Provision for retirement benefits	2,675
Vehicles	98	Provision for repairs	3,573
Tools, furniture and fixtures	7,511	Provision for environmental measures	86
Land	134,579	Provision for loss on guarantees	5,684
Lease assets	2,427	Asset retirement obligations	1,219
Construction in progress	8,670	Other	5,930
Intangible assets	18,285		
Goodwill	514	NET ASSETS	419,831
Customer-related assets	1,315	Shareholders' Equity:	415,718
Technology assets	501	Capital stock	125,738
Industrial property	937	Capital surplus	77,680
Other rights	80	Legal capital surplus	54,467
Software	14,938	Other capital surplus	23,213
Investments and other assets	467,048	Retained earnings	245,051
Investment securities	27,173	Legal retained earnings	12,506
Shares of subsidiaries and affiliates	282,527	Other retained earnings	232,545
Investment in capital of subsidiaries and affiliates	50,950	Reserve for dividends	10,000
Long-term loans receivable	2,835	General reserve	28,070
Claims provable in bankruptcy, claims provable in rehabilitation and other	48	Reserve for specified stock acquisition	195
Long-term loans receivable from subsidiaries and affiliates	58,230	Retained earnings brought forward	194,280
Long-term prepaid expenses	304	Treasury stock	(32,751)
Prepaid pension cost	50,232	Valuation and Translation Adjustments:	4,113
Deferred tax assets	5,103	Valuation difference on available-for-sale securities	4,113
Other	10,861		
Allowance for doubtful accounts	(21,215)		
Total	1,340,768	Total	1,340,768

Non-consolidated Statements of Income

(April 1, 2023 to March 31, 2024)

(Millions of yen)

Item	Amount	
Net sales:		867,033
Cost of sales:		758,974
Gross profit		108,059
Selling, general and administrative expenses:		113,578
Operating loss		5,519
Non-operating income:		
Interest and dividends income	55,123	
Rent income	1,280	
Foreign exchange gains	3,053	
Other	2,323	61,779
Non-operating expenses:		
Interest expenses	4,049	
Loss on suspension of operations	4,293	
Provision of allowance for doubtful accounts	2,100	
Provision for loss on guarantees	5,295	
Other	2,852	18,589
Ordinary income		37,671
Extraordinary income:		
Gain on sales of non-current assets	5	
Gain on sales of shares of subsidiaries and affiliates	2,282	2,287
Extraordinary losses:		
Loss on disposal of non-current assets	4,562	
Impairment loss	4,971	
Loss on valuation of investment securities	1,185	10,718
Profit before income taxes		29,240
Income taxes - current	(4,137)	
Income taxes - deferred	(4,945)	(9,082)
Profit		38,322

Non-consolidated Statements of Changes in Net Assets

(April 1, 2023 to March 31, 2024)

(Millions of yen)

	Shareholders' equity								
	Share capital	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	125,572	54,301	23,212	77,513	12,506	218,937	231,443	(32,704)	401,824
Changes during period									
Issuance of new shares	166	166		166					332
Dividends of surplus						(24,714)	(24,714)		(24,714)
Profit						38,322	38,322		38,322
Purchase of treasury stock								(49)	(49)
Disposal of treasury stock			1	1				2	3
Net changes of items other than shareholders' equity									
Total changes during period	166	166	1	167	–	13,608	13,608	(47)	13,894
Balance at the end of current period	125,738	54,467	23,213	77,680	12,506	232,545	245,051	(32,751)	415,718

	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	2,598	2,598	404,422
Changes during period			
Issuance of new shares			332
Dividends of surplus			(24,714)
Profit			38,322
Purchase of treasury stock			(49)
Disposal of treasury stock			3
Net changes of items other than shareholders' equity	1,515	1,515	1,515
Total changes during period	1,515	1,515	15,409
Balance at the end of current period	4,113	4,113	419,831

Note: Breakdown of other retained earnings

(Millions of yen)

	Reserve for dividends	General reserve	Reserve for specified stock acquisition	Retained earnings brought forward	Total
Balance at the beginning of current period	10,000	28,070	244	180,623	218,937
Changes during period					
Dividends of surplus				(24,714)	(24,714)
Profit				38,322	38,322
Reversal of reserve for specified stock acquisition			(49)	49	–
Total changes during period	–	–	(49)	13,657	13,608
Balance at the end of current period	10,000	28,070	195	194,280	232,545

END