

This is an English translation of the Japanese original for reference purposes only.
Some of documents referred herein may be provided in Japanese.

June 6, 2018

Takao Tanaka
President and Representative Director
Mitsui E & S Holdings Co., Ltd.
6-4, Tsukiji 5-chome, Chuo-Ku, Tokyo, Japan

To Our Shareholders:

**NOTICE OF THE 115TH ORDINARY GENERAL
MEETING OF SHAREHOLDERS**

You are cordially invited to attend the 115th Ordinary General Meeting of Shareholders of Mitsui E & S Holdings Co., Ltd. (the “Meeting”) to be held on Wednesday, June 27, 2018, as described below.

Shareholders not attending the Meeting may vote for or against each of the agenda items to be resolved either in writing or on the Internet. Please review the Reference Documents for the General Meeting of Shareholders and exercise your voting rights according to “INFORMATION ON EXERCISING VOTING RIGHTS” in pp. 4-6.

1. Date and Time: Wednesday, June 27, 2018, at 10:00 A.M.
2. Place: 2nd Floor, Hamarikyu-Mitsui Building,
5-6-4, Tsukiji, Chuo-Ku, Tokyo
3. Objectives
 - (a) Matters to be reported
 - (1) Report of Business Report and Consolidated Financial Statements for the 115th Business Term from April 1, 2017 to March 31, 2018 (the “Term”) as well as Accounting Auditor’s Report and Board of Corporate Auditors’ Report on the Consolidated Financial Statements
 - (2) Report of Financial Statements for the Term
 - (b) Matters to be resolved
 - Agenda Item No. 1: Amendments to the Company’s Articles of Incorporation
 - Agenda Item No. 2: Election of eight (8) Directors

Please note:

- Among documents the Company should provide in this Notice, items described below are not included in the attached documents of this Notice because they are provided by the Internet on the Company's website under laws and regulations and Article 16 of the Company's Articles of Incorporation.
 - a) "Subscription Rights to Shares" of the Business Report
 - b) "Consolidated Statements of Changes in Net Assets" and "NOTES TO CONSOLIDATED FINANCIAL STATEMENTS" in the Consolidated Financial Statements.
 - c) "Statements of Changes in Net Assets" and "NOTES TO FINANCIAL STATEMENTS" in the Financial Statements.

These items were included in the Business report, the Consolidated Financial Statements, and the Financial Statements which were audited by the Corporate Auditors preparing the Board of Corporate Auditors' Report, and by the independent auditors preparing the Independent Auditor's Report, respectively.

- In case amendments are made to the Reference Documents, Business Report, Consolidated Financial Statements and Financial Statements of the General Meeting of Shareholders, such amendments will be published by the Internet on the Company's website.

Starting from this year, no souvenirs will be provided to the shareholders attending the Meeting. We would appreciate your understanding.

The Company's Website : <https://www.mes.co.jp/>

Dear shareholders

I would like to express my gratitude for your continued and exceptional support.

The Company Group transferred to a holding company structure as of April 1, 2018 in order to reinforce the management base with the aim of achieving the goal of “the 2017 Medium-Term Business Plan.” By “separation of strategy and business,” which means by separation of personnel responsible for promoting management functions, we became reborn as Mitsui E & S Group with the aim of maximizing the comprehensive power of the Company Group. As for structure of the Company Group, the holding company itself is “Mitsui E & S Holdings Co., Ltd.” and each of the previous headquarters of the Company changed into “Mitsui E & S Shipbuilding Co., Ltd.,” “Mitsui E & S Machinery Co., Ltd.,” and “Mitsui E & S Engineering Co., Ltd.,” respectively.

Under the new structure, we will make our every endeavor in order to achieve “the 2017 Medium-Term Business Plan” and “MES Group 2025 Vision” by accelerating formulating and executing management strategy.

We deeply apologize for all of you that we are not able to provide dividend for the Term-end based on the current financial condition. We regard improving the balance sheet as our urgent issue and will exert our best endeavor in order to accomplish early resumption of dividend by combining the comprehensive power of the Company Group.

We would deeply appreciate your continued support in the future.

June 2018

Takao Tanaka

President, Representative Director, and CEO

<Company Philosophy>

To continue working as a company trusted by the society and people through our products and services.

The main business of the Company Group is manufacturing which provides environmentally friendly products and services helpful for the society and people based on excellent technologies. It is our purpose and mission to achieve trust from the society and people by contributing to development of the society through our manufacturing. Without the trust, our continuation would be impossible.

<Management Policy>

Build further satisfaction for our customers

Provide safe and rewarding workplace environment for employees
 Contribute to development of the society
 Pursue profits for sustainable continuation of the Company

INFORMATION ON EXERCISING VOTING RIGHTS

Exercise of voting rights in the General Meeting of Shareholders is an important right of our shareholders. You are asked to consider the accompanying Reference Documents for the Meeting and exercise your voting rights.

There are following three methods for exercising your voting rights:

If you attend the Meeting

Present at the Reception Desk

When attending the Meeting, please present the enclosed voting form at the reception desk.

In addition, in order to conserve resources, please bring this Notice.

Date and Time of the Meeting

**Wednesday, June 27, 2018
 10:00 A.M.**

If you cannot attend the Meeting

Submit by Postal Mail

Please indicate your vote for each proposal on the voting form and return it.

Exercise Deadline

**A form arriving until
 5:00 P.M., Tuesday,
 June 26, 2018 is
 valid.
 (See Instruction (A))**

Enter on the Internet

Please access the website designated for voting by the Company and enter your vote for each proposal in accordance with the online instruction.

The website designated for voting

<https://www.web54.net>

Please refer to the next page for detail.

Exercise Deadline

**A vote entered until
 5:00 P.M., Tuesday,
 June 26, 2018, is valid.
 (See Instruction (B))**

Instruction (A):

How to fill in the voting form

Please fill in your vote for each proposed agenda on the voting form.

If you are in favor of the agenda item, place a circle mark in **the upper box which describes “Yes.”**

If you are against for the agenda item, place a circle mark in **the lower box which describes “No.”**

In a case you deny some of candidates (Agenda Item No. 2), please place a circle mark in the upper box and fill in the number of the candidate you disagree.

*The “voting code” and the “password,” which are necessary for exercising your voting rights through the Internet, are written at the lower right of the voting form.

*In case that no indication of yeas or nays is made for each proposal, the Company regard such a proposal as to be voted in favor.

Instruction (B)

Information on Exercising Voting Rights on the Internet

If you exercise your voting right on the Internet, you are asked to access the website designated for voting by the Company by a personal computer or a smart phone and to exercise your voting right in accordance with the online instruction.

A dedicated website for a mobile phone is not established. We would appreciate your understanding.

The website designated for voting by the Company <https://www.web54.net>

Deadline of exercising voting right: Accepted until 5:00 P.M., Tuesday, June 26, 2018

**1. Access to the website
designated for voting**

<http://www.web54.net>

Click **the left button**
(which means “proceed to
the next page”).

2. Log in

Enter the “**voting
code**” written on your
voting form and click
the left button
(which means “log
in”).

*In case you did not
set “password” on
your own, you are
required to register a
new “password”.

3. Enter the password

Enter the “**password**”
written on your voting
form and click **the
button** (which means
“proceed to the next
page”).

**In the following
pages, please enter
your vote in
accordance with the
online instruction.**

(1) For the votes cast twice or more by the Internet, etc. by the same shareholder, the one received at the latest shall prevail.

(2) For the overlapped votes received both by a voting form and by the Internet, etc. from the same shareholder, the vote received at the latest shall prevail, and for the votes by a voting form and by the Internet received on the same day, the vote on the Internet shall prevail.

<Security of a password and a voting code>

(1) A password is important information by which a voting person is confirmed as a shareholder. Please secure your password confidentiality as same as your bank pin code or seal.

- (2) Please note that if an incorrect password is entered more than a specified number of times, you will be unable to access a main screen. In a case you wish to obtain a new password, please follow instructions on a screen.
- (3) The password written on your voting form is effective only for this General Meeting of Shareholders.

<In a case operation method, etc. is unclear>

In a case operation method regarding exercising voting right through the Internet, etc. is unclear, please contact the Securities support described below.

Sumitomo Mitsui Trust Bank, Limited

Dedicated line for Stock Transfer Agency web support

Phone: **0120 (652) 031** (Toll free only in Japan)

(open: 9 am - 9 pm, excluding Sat, Sun, and national holidays)

If you have any other inquiries, please contact the following:

- (a) For a shareholder holding a securities account at a securities company, please contact your securities company.
- (b) For a shareholder not holding a securities account at a securities company (having special account):
Stock Transfer Agency Business Center, Sumitomo Mitsui Trust Bank, Limited
Phone: 0120 (782) 031 (Toll free only in Japan)
(open: 9 am - 5 pm, excluding Sat, Sun, and national holidays)

Use of the Platform for Electronic Exercise of Voting Rights

It is also possible for institutional investors to exercise their voting rights by electronic method from the “Platform for Electronic Exercise of Voting Rights” of ICJ Ltd.

REFERENCE DOCUMENTS FOR GENERAL MEETING OF SHAREHOLDERS

For Agenda Item No. 1: Amendments to the Company’s Articles of Incorporation

1. Reason of Amendment

Following our transition to the holding company structure as of April 1, 2018, we propose to make necessary amendments in Article 23 and Article 24 of the present Articles of Incorporation in order to appoint management members from variety of fields, and build an agile and flexible management structure.

In addition, as we determined that we will not place Executive Officers, we propose to excise Article 29, which is an article concerning Executive Officers, and bring forward Article numbers of subsequent Articles.

2. Proposed Amendments

The proposed amendments are as follows.

(Underlined portions are those to be amended.)

Present Articles	Proposed Amendments
<p>Article 23. (Representative Directors and Directors in Managerial Position)</p> <p>The Board of Directors shall by resolution elect from among its members one or more Representative Directors.</p> <p>The Board of Directors may by resolution designate one as each of Chairman <u>of the Board of Directors</u> and President of the Company, and one or more as Vice Presidents and Managing Directors.</p> <p><u>However, President and Vice Presidents shall be Directors or Executive Officers.</u></p>	<p>Article 23. (Representative Directors and Directors <u>etc.</u> in Managerial Position)</p> <p>The Board of Directors shall by resolution elect from among its members one or more Representative Directors.</p> <p>The Board of Directors may by resolution designate one as each of Chairman and President of the Company (<u>including Chairman (concurrently assigned as Director) and President (concurrently assigned as Director)</u>), and one or more as Vice Presidents (<u>including Vice President (concurrently assigned as Director)</u>) and Managing Directors.</p>
<p>Article 24. (Convocator and Chairman of Board of Directors)</p> <p>The Chairman of the Board of Directors shall convene and shall act as Chairman at the meeting of the Board of Directors unless otherwise stipulated by laws or regulations.</p>	<p>Article 24. (Convocator and Chairman of Board of Directors)</p> <p>The Chairman of the Board of Directors shall convene and shall act as Chairman at the meeting of the Board of Directors unless otherwise stipulated by laws or regulations.</p>

<p>When the Chairman is not in office or unable to conduct this duty, the President of the Company shall replace him.</p> <p>When the President of the Company is unable to conduct this duty, <u>another</u> Director shall replace him according to the order designated by the Board of Directors in advance.</p> <p>Article 25. ~ 28. (Abbreviated)</p> <p><u>Article 29. (Executive Officers)</u> <u>The Company may by resolution of the Board of Directors designate Executive Officers, assign a portion of the Company's business to each of them, and have them execute it.</u></p> <p>Article 30. ~ 42. (Abbreviated)</p>	<p>When the Chairman is not in office or unable to conduct this duty, the President <u>(concurrently assigned as Director)</u> of the Company shall replace him.</p> <p>When the President <u>(concurrently assigned as Director)</u> of the Company <u>is not in office or</u> unable to conduct this duty, Director shall replace him according to the order designated by the Board of Directors in advance.</p> <p>Article 25. ~ 28. (Unchanged)</p> <p>(Deleted)</p> <p>Article <u>29.</u> ~ <u>41.</u> (Unchanged)</p>
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For Agenda Item No. 2: Election of eight (8) Directors

As the terms of office of all Directors (10 members) are to expire at the conclusion of this Ordinary General Meeting of Shareholders, we propose to elect eight (8) members of the Board of Directors.

The candidates are as follows:

No.	Name	Current position and area of responsibility in the Company	Classification	Frequency of attendance at the Board of Directors meetings (during the Term)
1	Takao Tanaka	President Representative Director, and CEO	Reappointment	15 out of 15 (100%)
2	Takaki Yamamoto	Vice President Representative Director Assistant to President CCO In charge of Legal Dept.	Reappointment	15 out of 15 (100%)
3	Shinsuke Minoda	Director CISO In charge of Corporate Planning Dept. and Human Resources & General Affairs Dept.	Reappointment	15 out of 15 (100%)
4	Akira Nishihata	Director CTO In charge of Technical Co-ordination Dept. and Auditing Dept.	Reappointment	15 out of 15 (100%)
5	Yuichi Shiomi	Director CFO In charge of IR Dept.	Reappointment	15 out of 15 (100%)
6	Yuji Kozai	General Manager of Corporate Planning Dept.	New candidate	
7	Toru Tokuhisa	Outside Director	Reappointment Outside Independent	15 out of 15 (100%)
8	Toshikazu Tanaka	Outside Director	Reappointment Outside Independent	15 out of 15 (100%)

(Notes)

1. New candidate : a candidate for a new Director
2. Reappointment : a candidate for reappointment as a Director
3. Outside : a candidate for an Outside Director
4. Independent : a candidate for an independent Director

1. Takao Tanaka (April 25, 1950 / 7,900 shares) Candidate for reappointment

Term of office as Director : 11 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1973	Entered the Company
June	2005	Associate Executive Officer, Assistant to General Manager of Machinery & Systems Hq.
June	2007	Director, Deputy General Manager of Machinery & Systems Hq. and Research & Development Hq.
June	2009	Managing Director, General Manager of Machinery & Systems Hq.
June	2011	Managing Director, Representative Director, in charge of Corporate Planning Dept. and personnel & general affairs
June	2012	In charge of Corporate Planning Dept.
June	2013	President and Representative Director (to date)
April	2015	CEO (to date)

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for a Director]

Mr. Takao Tanaka has distinguished knowledge of Machinery & Systems Hq. He served as General Manager of Machinery & Systems Hq., as a person in charge of Corporate Planning Dept. and personnel & general affairs, etc., and acquired outstanding management skills through his experience. In addition to those described above, in order to achieve the goal of reinforcing basis of the holding company structure, we successively selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

2. Takaki Yamamoto (May 22, 1952 / 3,800 shares) Candidate for reappointment

Term of office as Director : 9 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1976	Entered the Company
June	2005	General Manger of Personnel Dept.
June	2009	Director, in charge of general affairs and personnel General Manager of General Affairs Dept.
June	2011	General Manager of Tamano Works
June	2012	In charge of personnel & general affairs and procurement
June	2013	Managing Director
April	2014	In charge of Auditing Dept. and environmental & safety control
April	2015	CCO (to date)
June	2015	Managing Director and Representative Director
April	2016	Vice President and Representative Director, Assistant to President (to date) Senior Managing Executive Officer and General Manager of Export Control Dept.
April	2018	In charge of Legal Dept. (to date)

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for a Director]

Mr. Takaki Yamamoto has distinguished knowledge of personnel & general affairs. He served as General Manager of General Affairs Dept., as General Manager of Tamano Works, as CCO, etc., and acquired outstanding management skills through his experience. In addition to those described above, in order to achieve the goal of reinforcing basis of the holding company structure, we successively selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

3. Shinsuke Minoda (January 15, 1954 / 2,400 shares) Candidate for reappointment

Term of office as Director : 7 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1977	Entered the Company
February	2004	General Manager of Business Co-ordination Dept, Machinery Factory, Machinery & Systems Hq.
April	2008	Assistant to General Manger of Machinery Factory, Machinery & Systems Hq.
January	2009	General Manager of Business Co-ordination Dept., Machinery Factory, Machinery & Systems Hq.
June	2009	General Manager of Planning & Administration Dept., Machinery & Systems Hq. and Manager of IR Dept.
June	2011	Director, General Manager of Machinery & Systems Hq.
April	2014	Managing Director
April	2015	Director (to date) Managing Executive Officer
April	2017	CISO (to date) General Manager of Corporate Planning Hq.
August	2017	Supervising Engineering Hq.
April	2018	In charge of Corporate Planning Dept. and Human Resources & General Affairs Dept. (to date)

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for a Director]

Mr. Shinsuke Minoda has distinguished knowledge of Machinery & Systems Hq. He served as General Manager of Planning & Administration Dept. of Machinery & Systems Hq., as General Manager of Machinery & Systems Hq., as General Manager of Corporate Planning Hq., as Director of MODEC, Inc., etc., and acquired outstanding management skills through his experience. Considering those described above, we successively selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

4. Akira Nishihata (May 27, 1955 / 2,300 shares) Candidate for reappointment

Term of office as Director : 5 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1980	Entered the Company
July	2001	Manager of Corporate Planning Dept.
April	2007	General Manager of Planning & Co-ordination Dept., Chiba Shipyard, Ship & Ocean Project Hq.
June	2009	General Manager of Planning & Administration Dept., Ship & Ocean Project Hq. and Manager of IR Dept.
March	2011	General Manager of Corporate Planning Dept.
June	2011	Associate Executive Officer
June	2013	Director (to date) In charge of Corporate Planning Dept.
June	2015	In charge of Research & Development Hq.
April	2016	Managing Executive Officer In charge of Marketing Promotion Dept. and environmental & safety control General Manager of Ocean Business Promotion Dept. and CISO
October	2016	General Manager of Corporate Planning Hq.
April	2017	CTO (to date) In charge of procurement and environmental & safety control General Manager of Research & Development Hq.
April	2018	In charge of Technical Co-ordination Dept. and Auditing Dept. (to date)

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for a Director]

Mr. Akira Nishihata has distinguished knowledge of Ship & Ocean Project Hq. and Corporate Planning Hq. He served as General Manager of Planning & Administration Dept. of Ship & Ocean Project Hq., as General Manager of Corporate Planning Hq., as General Manager of Research & Development Hq., etc., and acquired outstanding management skills through his experience. Considering those described above, we successively selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

5. Yuichi Shiomi (October 20, 1958 / 1,200 shares) Candidate for reappointment

Term of office as Director : 1 year

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1982	Entered the Company
April	2010	General Manager of Accounting Dept., Tamano Works
May	2013	Manager of Finance & Accounting Dept. and Manager of Export Control Dept.
April	2014	Associate Executive Officer General Manager of Finance & Accounting Dept.
April	2015	Executive Officer
April	2017	CFO and in charge of IR Dept. (to date) Managing Executive Officer
June	2017	Director (to date)

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for a Director]

Mr. Yuichi Shiomi has distinguished knowledge of Finance & Accounting. He served as General Manager of Finance & Accounting Dept., as CFO, etc. and achieved excellent management results. Considering those described above, we successively selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

6. Yuji Kozai (February 10, 1960 / 1,400 shares) New candidate

[Candidate's career summary, position and area of responsibility in the Company]

April	1982	Entered the Company
June	2005	General Manager of Diesel Design Dept., Machinery Factory, Machinery & Systems Hq.
July	2007	General Manager of Production Planning Dept., Machinery Factory, Machinery & Systems Hq.
January	2011	General Manager of Quality Assurance Dept., Machinery Factory, Machinery & Systems Hq.
June	2013	General Manager of Corporate Planning Dept. (to date)
April	2014	Associate Executive Officer
April	2015	Executive Officer
October	2016	Deputy General Manager of Corporate Planning Hq.

[Important concurrent position outside the Company]

Director, MODEC, Inc.

[The reason he was selected as a candidate for a Director]

Mr. Yuji Kozai has distinguished knowledge of Machinery & Systems Hq., Corporate Planning Dept., and Corporate Planning Hq. He served as General Manager of Corporate Planning Dept., as Director of Showa Aircraft Industry Co., Ltd., etc. and acquired outstanding management skills through his experience. Considering those described above, we newly selected him as a candidate for a Director.

[Special interest between the candidate and the Company]

Not applicable

7. Toru Tokuhisa (April 3, 1952 / 300 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director : 5 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1976	Entered the Export-Import Bank of Japan
December	1999	Chief Representative of Representative Office in Washington D.C. of Japan Bank for International Cooperation (JBIC)
October	2002	Deputy Director General of JBIC Institute
July	2004	Director General of Country Economic Analysis Dept., JBIC
October	2005	Resident Executive Director for the Americas
September	2006	Resigned JBIC
October	2006	Executive Vice President and Representative Director, Nusa Tenggara Mining Corp.
June	2013	Outside Director of the Company (to date)
November	2016	Resigned Nusa Tenggara Mining Corp.

[Important concurrent position outside the Company]

Not applicable

[The reason he was selected as a candidate for an Outside Director]

Mr. Toru Tokuhisa has sufficient knowledge and experience of international finance and overseas investment acquired while serving for a governmental financial institution and as an executive of a company for overseas mining business investment for a long period. We expect him to facilitate the Company's business assessment and risk management for overseas business expansion, and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for an Outside Director.

[Special interest between the candidate and the Company]

Not applicable

[Overview of Liability Limitation Agreement with the candidate]

Based on the provision of Article 427, paragraph 1 of the Companies Act, the Company has entered into a Liability Limitation Agreement with Mr. Toru Tokuhisa that limits the amount of his liability as set forth in Article 423, paragraph 1 of the same Act. The limit on liability for damages under the said agreement is ten (10) million yen or the minimum liability amount

provided by laws and regulations, whichever is higher. When this agenda item is approved, the Company intends to continue the agreement it has entered into with him.

[Matters concerning independence]

Mr. Toru Tokuhisa satisfies the conditions of “The Standard of Independence” provided by Tokyo Stock Exchange, and “The Standard of Independence of Outside Directors and Corporate Auditors,” which the Company determines (See the reference 2 below). When this agenda item is approved, the Company intends to continue assigning him as independent Director.

8. Toshikazu Tanaka (February 7, 1945 / 2,000 shares)

Candidate for reappointment as an independent, Outside Director

Term of office as Outside Director : 3 years

Frequency of attendance at the Board of Directors meetings : 15 out of 15 (100%)

[Candidate's career summary, position and area of responsibility in the Company]

April	1968	Entered Toyo Koatsu Industries Co., Ltd. (Mitsui Toatsu Chemicals Inc.)
June	1999	Director and General Manager of Phenols Division, Basic Chemicals Business Sector of Mitsui Chemicals, Inc.
June	2003	Managing Director and Deputy President of Basic Chemicals Business Group of Mitsui Chemicals, Inc.
June	2004	Basic Chemicals Business Group President
June	2005	Vice President and Basic Chemicals Business Group President
April	2007	Responsible for Basic Chemicals Business Sector, Corporate Planning Division, Group Management Division, Branch Offices and Overseas Subsidiaries & Affiliates
June	2009	President of Mitsui Chemicals, Inc.
April	2014	Director of Mitsui Chemicals, Inc.
June	2014	Senior Advisor of Mitsui Chemicals, Inc. (to date)
June	2015	Outside Director of the Company (to date)

[Important concurrent position outside the Company]

Senior Advisor of Mitsui Chemicals, Inc.

[The reason he was selected as a candidate for an Outside Director]

Mr. Toshikazu Tanaka has sufficient and overall experience and knowledge of domestic and overseas business operation and corporate management acquired as an executive of a major integrated chemical company for a long period. We expect him to advise the overall management of the Company with a broad perspective and to oversee and supervise management of the Company from an independent position. Considering those described above, we successively selected him as a candidate for an Outside Director.

[Special interest between the candidate and the Company]

Not applicable

[Overview of Liability Limitation Agreement with the candidate]

Based on the provision of Article 427, paragraph 1 of the Companies Act, the Company has entered into a Liability Limitation Agreement with Mr. Toshikazu Tanaka that limits the

amount of his liability as set forth in Article 423, paragraph 1 of the same Act. The limit on liability for damages under the said agreement is ten (10) million yen or the minimum liability amount provided by laws and regulations, whichever is higher. When this agenda item is approved, the Company intends to continue the agreement it has entered into with him.

[Matters concerning independence]

Mr. Toshikazu Tanaka satisfies the conditions of “The Standard of Independence” provided by Tokyo Stock Exchange, and “The Standard of Independence of Outside Directors and Corporate Auditors,” which the Company determines (See the reference 2 below). When this agenda item is approved, the Company intends to continue assigning him as independent Director.

There is a business connection about sales and purchase, etc. of parts and material, etc. of plants with Mitsui Chemicals, Inc., where Mr. Toshikazu Tanaka was an executive in the past and now is engaged as a Senior Advisor. However, in the Term, the share of the net sales of the said company from the Company Group is less than 0.1 % of the total consolidated net sales of the said company for the Term. In addition, the share of the net sales of the Company Group from the said company is less than 1.5 % of the total consolidated net sales of the Company for the Term. Therefore, the business connection has no importance as to influence his independence as Outside Director.

<For reference 1> Policy on Designation of the Company's Executives, etc.

When the Company elects candidates for Directors or Corporate Auditors, it establishes an advisory committee on personnel affairs voluntarily, which confirms a standard of election and a proposal for electing Directors. In addition, the committee confirms whether candidates for Corporate Auditors satisfy the conditions provided by the Board of Corporate Auditors. After the confirmation described above, the President will submit a proposal for electing candidates for Directors or Corporate Auditors to the Board of Directors. The committee consists of four members in total: the President as the chairman of the committee, the Vice President, and two independent Outside Directors.

<For reference 2> Independence of Outside Directors and Outside Corporate Auditors

The Company will not judge a person to be independent if he/she conflicts with "The Standard of Independence" provided by Tokyo Stock Exchange, or if he/she corresponds to any of the conditions of "The Standard of Independence of Outside Directors and Corporate Auditors" described below, as a general rule.

The Standard of Independence of Outside Directors and Outside Corporate Auditors (established on October 30, 2015)

The Company judges whether an Outside Director and an Outside Corporate Auditor is independent by considering the conditions described below as well as considering "The Standard of Independence" provided by Tokyo Stock Exchange.

- a. A person or an entity to whom/which the Company or its consolidated subsidiaries (hereinafter referred to as "the Company Group") is a main customer (*1), or a person who executes business in an entity to which the Company Group is a main customer
- b. A main customer of the Company Group (*2), or a person who executes business in an entity that is a main customer of the Company Group
- c. A large creditor of the Company (*3), or a person who executes business in a large creditor of the Company
- d. A main shareholder of the Company (*4), or a person who executes business in a main shareholder of the Company
- e. A person who belongs to an auditor which conducts statutory auditing of the Company Group
- f. A consultant, an accounting specialist, or a legal specialist who received money or other monetary benefits amounting to 10 million yen or more, separate from Officers' remuneration from the

Company Group during the last fiscal year (if an entity such as a corporation or an association received the monetary benefit described above from the Company Group, a person who belongs to such an entity.)

g. A person or an entity who/which corresponds to any of the conditions of “a” to “f” described above during the last fiscal year

h. A close relative (*5) of a person (except for a person who does not have importance to the Company Group) who corresponds to any of the conditions of “a” to “g” described above

*1. A person or an entity to whom/ which the Company Group is a main customer:

A person or an entity whose transaction amount of the last fiscal year with the Company Group is higher than 2 % of his/her/its total consolidated net sales for the last fiscal year

*2. A main customer of the Company Group:

A person or an entity with whom/which the Company Group transacted business during the last fiscal year with a transaction amount that is higher than 2 % of the total consolidated net sales for the last fiscal year of the Company Group

*3. A large creditor of the Company:

A financial institution or another creditor which/who is essential and cannot be substituted for fundraising of the Company

*4. A main shareholder of the Company:

A shareholder which/who holds shares of the Company and whose proportion of voting rights held is 10 % or above

*5. A close relative:

A spouse or a relative in the second degree