

[Translation: Please note that the following purports to be an accurate translation of excerpt contents of the original Japanese document, prepared for foreign shareholders solely as a reference material. In case of any discrepancy between the translation and the Japanese original, the latter shall prevail. Please also be advised that certain explanations for the domestic voting procedures are omitted or modified in this translation.]

SEKISUI CHEMICAL CO., LTD.

Stock Exchange Code: 4204

June 5, 2020

To Our Shareholders:

NOTICE OF CONVOCATION OF THE 98TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

SEKISUI CHEMICAL CO., LTD. (the “Company”) hereby notifies you as follows that the 98th Annual General Meeting of Shareholders of the Company.

In order to avoid the risk of novel coronavirus infections at the meeting, we strongly recommend that shareholders exercise their voting rights by mail or via the Internet instead of attending the meeting in person. Please exercise your voting rights by mail or via the Internet after studying the Reference Document Concerning the General Meeting of Shareholders before 5:30 p.m. on June 22, 2020 (Monday, JST).

Yours very truly,

By: **KEITA KATO**
President and Representative Director
SEKISUI CHEMICAL CO., LTD.
4-4 Nishitemma 2-Chome,
Kita-ku, Osaka 530-8565

PARTICULARS

1. Date and Time of the Meeting: 10:00 a.m. on June 23, 2020 (Tuesday, JST)

2. Place of the Meeting: Manyo no Ma Room
3rd Floor
ANA Crowne Plaza Osaka Hotel
1-3-1 Dojimahama, Kita-ku, Osaka

3. Agenda of the Meeting:

Matters for Reporting:

Report on the Business Report, the Consolidated Accounting Documents, the Non-Consolidated Accounting Documents and the report on the Results of the Audits of Consolidated Accounting Documents by the Accounting Auditor and the Audit & Supervisory Board for the 98th Business Term (from April 1, 2019 to March 31, 2020).

Matters for Resolution:

First Item of Business:	Appropriation of Surplus
Second Item of Business:	Election of Ten (10) Directors
Third Item of Business:	Election of One (1) Audit & Supervisory Board Member

- End -

For those attending, please present Voting Rights Exercise Form (not enclosed in this translation) at the reception desk on arrival at the Meeting. For saving natural resources, please take this notice of convocation with you to the Meeting.

(For Reference Only)

REGISTERED SHAREHOLDERS IN JAPAN may exercise voting rights by means of either of the following:

[In case of exercising voting rights via mail]

Please indicate on the Voting Right Exercise Form enclosed herewith your approval or disapproval of each of the items listed thereon and return the form to the Company before 5:30 p.m. on June 22, 2020 (Monday, JST).

[In case of exercising voting rights via the Internet, etc.]

Please access the website for exercising voting rights designated by the Company (<https://evote.tr.mufg.jp/>), indicate your approval or disapproval of each of the items by following the guidance on the display after entering the “log-in ID” and “password” shown on the enclosed Voting Right Exercise Form.

The Company cordially requests the shareholders who exercise voting rights via the Internet, etc. to understand the Guidance for the Exercise of Voting Rights via the Internet, etc. below. (omitted)

Reference Documents Concerning the General Meeting of Shareholders (Items and Matters for Reference)

First Item of Business

Appropriation of Surplus

One of the Company's primary policies in the management is to increase the corporate value, with an emphasis on returning the Company's profits to the shareholders proactively. In connection with returning the Company's profits to the shareholders, following the establishment of the new long-term vision and the Medium-term Management Plan, the Company decided to increase the consolidated payout ratio to at least 35% of the consolidated net income and the total return ratio to at least 50% (when the debt to equity (D/E) ratio is 0.5 or less) under the basic policy for dividends of surplus, ensure the Dividend-On-Equity (DOE) ratio of at least 3%, and implement its stable dividend policy depending upon the business results.

Based on its capital policy and the basic policy regarding dividends from surplus as described above, the Company proposes that the year-end dividend for the business term under review be ¥23 per share.

The annual dividend for the business term under review is ¥46 per share, together with the interim dividend of ¥23 per share that was paid in December 2019, and a ¥2 increase per share from the previous business term.

Matters Concerning the Year-End Dividend

1. Type of Dividend Assets:

Cash

2. Matters Concerning Distribution of Dividend Assets and the Aggregate Amount:

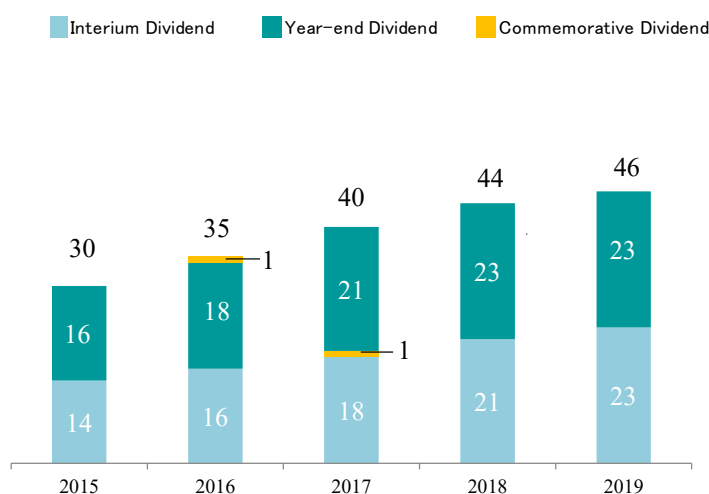
¥23 per share of common stock of the Company

Aggregate amount of dividends: ¥10,535,192,320

3. The Date When Dividend of Retained Earnings Takes Effect:

June 24, 2020

Changes in the Dividends Per Share (Unit: ¥)



The terms of offices of all the nine (9) Directors will expire at the closing of this Annual General Meeting of Shareholders. Therefore, the Company proposes that one (1) Director be newly added and consequently the following ten (10) Directors be elected. The following candidates for Directors have been determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Advisory Committee, which consists of a majority of Independent Outside Officers and is chaired by an Independent Outside Officer.

The reasons for increasing the number of Directors are the followings.

The Sekisui Chemical Group has established its new long-term vision and the Medium-term Management Plan and taken the first steps toward the realization. The Group aims to double the business scale by 2030 by placing environment, society, and governance (ESG) at the core of management, pursuing expansion of the current businesses and creation of new businesses as its pillar, and drawing on digital transformation (DX).

The Company has judged that an Executive Officer who has deep insight to and the supervisory ability over ESG management, digital transformation and development of new businesses may be expected to contribute to future business growth of the Group and the sustainable increase in the corporate value by becoming a member of the Board of Directors and making the most of the knowledge. Therefore, the Company proposes that one (1) Director be additionally elected.

Three (3) candidates out of ten (10) are candidates for Outside Directors. All of the three (3) candidates have expertise in each domain and international mindset, including abundant experience and past achievements as management executives. Therefore, the Company has judged that they would be able to duly fulfill their duties as Outside Directors including provision of advice with respect to the business management of the Company and supervision of business execution, etc. The three (3) candidates for Outside Directors meet the conditions of the Company's "Criteria for Independence of Outside Board Members" (refer to Page 16) and the conditions of Independent Directors stipulated by Tokyo Stock Exchange, Inc.

The candidates are as follows.

Candidate Number	Name	Current Position and Duty at the Company			Number of Years (At the closing of this Annual General Meeting of Shareholders)
1	Teiji Koge	Chairman of the Board and Representative Director			Renominated 15 years
2	Keita Kato	President and Representative Director Chief Executive Officer			Renominated 6 years
3	Yoshiyuki Hirai	Director Senior Managing Executive Officer			Renominated 5 years
4	Toshiyuki Kamiyoshi	Director Senior Managing Executive Officer			Renominated 1 year
5	Futoshi Kamiwaki	Senior Managing Executive Officer			Newly Nominated -
6	Hiroyuki Taketomo	Director Managing Executive Officer			Renominated 4 years
7	Ikusuke Shimizu	Director Managing Executive Officer			Renominated 1 year
8	Yutaka Kase	Outside Director	Candidate for Independent Outside Director	Renominated	4 years
9	Hiroshi Oeda	Outside Director	Candidate for Independent Outside Director	Renominated	2 years
10	Yoko Ishikura	Outside Director	Candidate for Independent Outside Director	Female Renominated	1 year



Career Summary, Position and Duty

- Apr. 1976: Joined the Company
- Jun. 2005: Director of the Company
President of Nagoya Sekisui Heim Co., Ltd.
- Oct. 2005: Director of the Company
Head of President's Office of Housing Company
- Apr. 2006: Director of the Company
Head of Planning & Control Department of Housing Company
- Apr. 2007: Director of the Company
Head of Housing Division and Planning & Control Department of Housing Company
- Jul. 2007: Director of the Company
Responsible for Sales Department, Head of Housing Division of Housing Company
- Feb. 2008: Director of the Company
President of Housing Company
Responsible for Sales Department, Head of Housing Division
- Apr. 2008: Director of the Company
Managing Executive Officer of the Company
President of Housing Company
- Apr. 2009: Director of the Company
Senior Managing Executive Officer of the Company
President of Housing Company
- Mar. 2014: Director of the Company
Senior Managing Executive Officer of the Company
Head of CSR Department
Head of Corporate Communication Department
- Mar. 2015: President and Representative Director
Chief Executive Officer of the Company
- Mar. 2020: Chairman of the Board and Representative Director [incumbent]

■ Number of Shares of the Company Owned
128,894 shares

■ Number of Attendance of the Board of Directors Meetings of the Company

17 out of 17 Board of Directors meetings
(Attendance rate: 100%)

(The business term under review)

Reasons for Nomination of the Candidate for Director

Since Mr. Teiji Koge was appointed as President and Representative Director in 2015, he has served as the driving force of the Group by implementing his strong leadership in demonstrating the new long-term vision which aims for ESG management and doubling of the business scale, with the aim of *maintaining Sekisui Chemical Group's strong corporate presence for 100 years* premised on the Group's management principles. Furthermore, since June 2018, he has presided over Board of Directors meetings, encouraged constructive discussions on management strategies by increasing the involvement of Outside Directors, executed governance reform, and endeavored to ensure the effectiveness of the Board of Directors. Since he was appointed as Chairman of the Board and Representative Director in March 2020, he has been properly supervising the Company's management as Inside Director who is not concurrently responsible for business execution. Therefore, the Company has judged that he is expected to further contribute to the establishment of the basic management policy and the proper supervision of management by the Board of Directors of the Company and thus renominated him as a candidate for Director.



■ **Number of Shares of the Company Owned**
83,582 shares

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

(The business term under review)

Career Summary, Position and Duty

Apr. 1980: Joined the Company
Apr. 2008: Executive Officer of the Company
Head of Interlayer Film Division of High Performance Plastics Company
Jul. 2011: Executive Officer of the Company
Head of New Business Promotion Division of High Performance Plastics Company
Mar. 2013: Executive Officer of the Company
Head of New Business Promotion Division and Head of Research & Development Institute of High Performance Plastics Company
Oct. 2013: Executive Officer of the Company
Head of Research & Development Institute of High Performance Plastics Company
Mar. 2014: Managing Executive Officer of the Company
President of High Performance Plastics Company
Jun. 2014: Director of the Company
Managing Executive Officer of the Company
President of High Performance Plastics Company
Apr. 2015: Director of the Company
Senior Managing Executive Officer of the Company
President of High Performance Plastics Company
Jan. 2019: Representative Director of the Company
Senior Managing Executive Officer of the Company
Head of Business Strategy Department
Apr. 2019: Representative Director of the Company
Senior Managing Executive Officer of the Company
Responsible for ESG Management Department
Head of Business Strategy Department
Jul. 2019: Representative Director of the Company
Senior Managing Executive Officer of the Company
Responsible for ESG Management Department
Head of Business Strategy Department
Head of New Business Development Department
Jan. 2020: Representative Director of the Company
Senior Managing Executive Officer of the Company
Responsible for ESG Management Department
Head of Business Strategy Department
Mar. 2020: President and Representative Director
Chief Executive Officer of the Company [incumbent]

Reasons for Nomination of the Candidate for Director

Since Mr. Keita Kato was appointed as Director in 2014, he has implemented his leadership and made significant achievements as President of High Performance Plastics Company. Additionally, as Head of Business Strategy Department since January 2019, he has overseen Sekisui Chemical Group's management in general as well as administrative supervision functions of overseas businesses and properly supervising business execution from a global perspective. Since he was appointed as President and Representative Director in March 2020, he has been engaged in formulation/deliberation and supervision of management strategies, etc. in the Board of Directors while also promoting the long-term vision which aims for ESG management and doubling of the business scale. Therefore, the Company has judged that he would be qualified as Chief Executive Officer of the Company and thus renominated him as a candidate for Director.



■ **Number of Shares of the Company Owned**
43,180 shares

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

(The business term under review)

Career Summary, Position and Duty

Apr. 1985: Joined the Company
Apr. 2014: Executive Officer of the Company
Head of Foam Division of High Performance Plastics Company
Apr. 2015: Executive Officer of the Company
Responsible for CSR Promotion Department
Head of Business Strategy Department
Jun. 2015: Director of the Company
Executive Officer of the Company
Responsible for CSR Promotion Department
Head of Business Strategy Department
Apr. 2017: Director of the Company
Managing Executive Officer of the Company
Responsible for Corporate Finance & Accounting Department
Head of Business Strategy Department
Apr. 2018: Director of the Company
Managing Executive Officer of the Company
Head of Business Strategy Department
Jan. 2019: Director of the Company
Managing Executive Officer of the Company
President of Urban Infrastructure & Environmental Products
Apr. 2020: Director of the Company
Senior Managing Executive Officer of the Company
President of Urban Infrastructure & Environmental Products [incumbent]

Reasons for Nomination of the Candidate for Director

Since Mr. Yoshiyuki Hirai was appointed as Director in 2015, he has made such achievements as strengthening the foundation of global management structure and promoting constructive engagement with shareholders as Head of Business Strategy Department by leveraging the knowledge fostered through his abundant experience so far. As President of Urban Infrastructure & Environmental Products Company since January 2019, he has been performing his duties by applying his deep insight. He is also highly knowledgeable of the stakeholders' expectations and issues surrounding the Sekisui Chemical Group and has been performing his duties by applying his advanced management capabilities. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus renominated him as a candidate for Director.



■ **Number of Shares of the Company Owned**
61,554 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**
13 out of 13 Board of Directors meetings
(Attendance rate: 100%)
(The business term under review)

Career Summary, Position and Duty

- Apr. 1983: Joined the Company
- Apr. 2013: Executive Officer of the Company
President of SEKISUI HEIM TOHOKU CO., LTD.
- Jan. 2014: Executive Officer of the Company
Head of Sales Management Division of Housing Company
- Jan. 2015: Executive Officer of the Company
President of TOKYO SEKISUIHEIM CO., LTD.
- Jan. 2018: Executive Officer of the Company
Head of Housing Sales Management Division, Head of Housing Renovation Sales Management Division
Head of Administrative Management & Control Department of Housing Company
- Mar. 2018: Executive Officer of the Company
Head of Housing Sales Management Division of Housing Company
- Apr. 2018: Managing Executive Officer of the Company
Head of Housing Sales Management Division of Housing Company
- Jan. 2019: Managing Executive Officer of the Company
President of Housing Company
Head of Housing Sales Management Division and Head of Town and Community Development Department of Housing Company
- Jun. 2019: Director of the Company
Managing Executive Officer of the Company
President of Housing Company
Head of Housing Sales Management Division and Head of Town and Community Development Department of Housing Company
- Jan. 2020: Director of the Company
Managing Executive Officer of the Company
President of Housing Company
- Apr. 2020: Director of the Company
Senior Managing Executive Officer of the Company
President of Housing Company [incumbent]

Reasons for Nomination of the Candidate for Director

Mr. Toshiyuki Kamiyoshi has been engaged in the operations of the Housing Company for many years and has extensive management experience, including serving as President of SEKISUI HEIM TOHOKU CO., LTD., President of TOKYO SEKISUIHEIM CO., LTD. and Head of Housing Sales Management Division of Housing Company. Since he was appointed as President of Housing Company in January 2019, he has been performing his duties at Board of Directors Meetings by applying his deep insight and advanced management capabilities by leveraging the broad experience he has gained to date. Therefore, the Company has judged that he has high capabilities necessary for further enhancing the corporate value of the Sekisui Chemical Group and thus nominated him as a candidate for Director.



■ Number of Shares of the Company Owned
78,523 shares

Career Summary, Position and Duty

- Apr. 1983: Joined the Company
- Apr. 2011: Executive Officer of the Company
Head of Planning & Control Department of Housing Company
- Oct. 2012: Executive Officer of the Company
Responsible for Public Relations & External Relations Department
Head of Planning & Control Department of Housing Company
- Jan. 2013: Executive Officer of the Company
Head of Housing Product Research & Development Department of Housing Company
- Jan. 2014: Executive Officer of the Company
Head of Product Research & Development Department of Housing Company
- Apr. 2017: Managing Executive Officer of the Company
Head of Product Research & Development Department of Housing Company
- Mar. 2018: Managing Executive Officer of the Company
Head of Housing Renovation Sales Management Division
Head of Administrative Management & Control Department of Housing Company
- Mar. 2019: Managing Executive Officer of the Company
Head of Administrative Management & Control Department of Housing Company
- Jan. 2020: Managing Executive Officer of the Company
Head of New Business Development Department
- Mar. 2020: Managing Executive Officer of the Company
Responsible for ESG Management Department and New Business Development Department
Head of Business Strategy Department
- Apr. 2020: Senior Managing Executive Officer of the Company
Responsible for ESG Management Department, Digital Transformation Department, and New Business Development Department
Head of Business Strategy Department [incumbent]

Reasons for Nomination of the Candidate for Director

Mr. Futoshi Kamiwaki has been engaged in the operations of product development, sales management, and administrative management and control as Head of Product Research & Development Department, Head of Housing Renovation Sales Management Division, and Head of Administrative Management & Control Department of the Housing Company, and has abundant experience in strategy planning and management. Leveraging the aforementioned experience, since he was appointed as Head of New Business Development Department within the corporate organization in January 2020 and Head of Business Strategy Department in March 2020, he has been performing his duties by applying his deep insight and advanced management capabilities by leveraging the broad experience he has gained to date. Therefore, the Company has judged that he has high capabilities necessary for enhancing the corporate value of the Sekisui Chemical Group and thus nominated him as a candidate for Director.



■ **Number of Shares of the Company Owned**
27,466 shares

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

(The business term under review)

Career Summary, Position and Duty

Apr. 1985: Joined the Company
Apr. 2015: Executive Officer of the Company
Head of Human Resources Department
Apr. 2016: Executive Officer of the Company
Responsible for Legal Department
Head of Human Resources Department
Jun. 2016: Director of the Company
Executive Officer of the Company
Responsible for Legal Department
Head of Human Resources Department
Apr. 2017: Director of the Company
Managing Executive Officer of the Company
Responsible for Legal Department
Head of Human Resources Department [incumbent]

Reasons for Nomination of the Candidate for Director

Since Mr. Hiroyuki Taketomo was appointed as Director in 2016, he has implemented his strong leadership in developing an officers' remuneration scheme adapted to corporate governance, promoting diversity management and carrying out work style reform, by leveraging the broad experience he has gained through back-office business execution centering on the human resources department. He has also made sufficient achievements in supervising business execution status such as enhancing compliance from a global perspective as the executive in charge of compliance. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus renominated him as a candidate for Director.



■ **Number of Shares of the Company Owned**
48,466 shares

■ **Number of Attendance of the Board of Directors Meetings of the Company**

13 out of 13 Board of Directors meetings

(Attendance rate: 100%)

(The business term under review)

Career Summary, Position and Duty

- Apr. 1987: Joined the Company
- Apr. 2015: Executive Officer of the Company
Head of Foam Division of High Performance Plastics Company
- Apr. 2016: Executive Officer of the Company
Responsible for Automobiles & Transportation field
Head of Foam Division of High Performance Plastics Company
- Apr. 2018: Executive Officer of the Company
Responsible for Electronic Device Materials field
Head of Foam Division of High Performance Plastics Company
- Jan. 2019: Managing Executive Officer of the Company
President of High Performance Plastics Company
Responsible for Electronic Device Materials field of High Performance Plastics Company
Director of Sekisui Fuller Company Ltd. [incumbent]
- Apr. 2019: Managing Executive Officer of the Company
President of High Performance Plastics Company
- Jun. 2019: Director of the Company
Managing Executive Officer of the Company
President of High Performance Plastics Company [incumbent]

Important Position of Other Organizations Concurrently Assumed

Director of Sekisui Fuller Company Ltd.

Reasons for Nomination of the Candidate for Director

Mr. Ikusuke Shimizu is highly knowledgeable of the High Performance Plastics Company's strategic fields including the overseas segment, having served as Head of Foam Division, Responsible for Automobiles & Transportation field, Responsible for Electronic Device Materials field of High Performance Plastics Company as well as President of SEKISUI TA INDUSTRIES, LLC, etc. Since he was appointed as President of High Performance Plastics Company in January 2019, he has been performing his duties by applying his deep insight and advanced management capabilities by leveraging the broad experience he has gained to date. Therefore, the Company has judged that he has high capabilities necessary for further enhancing the corporate value of the Sekisui Chemical Group and thus nominated him as a candidate for Director.



Career Summary, Position and Duty

Candidate for Independent Outside Director

May 1970: Joined Nissho Iwai Corporation
 Jun. 2001: Executive Officer of Nissho Iwai Corporation
 Apr. 2003: Director and Managing Executive Officer of Nissho Iwai Corporation
 Apr. 2004: Representative Director and Senior Managing Executive Officer of Former Sojitz Corporation
 Aug. 2004: Representative Director and Executive Vice President of Former Sojitz Corporation
 Oct. 2005: Representative Director and Executive Vice President of Sojitz Corporation
 Apr. 2007: President & CEO of Sojitz Corporation
 Apr. 2012: Representative Director and Chairman of Sojitz Corporation
 Jun. 2013: Outside Director of Director of Astellas Pharma Inc. [resigned in 2017]
 Mar. 2016: Outside Director of JAC Recruitment Co., Ltd. [incumbent]
 Jun. 2016: Director of the Company [incumbent]
 Jun. 2017: Senior Advisor of Sojitz Corporation
 Jun. 2018: Advisor of Sojitz Corporation [incumbent]

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

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■ **Number of Years in Office of the Company**

4 years (At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**

16 out of 17 Board of Directors meetings
 (Attendance rate: 94%)

(The business term under review)

Important Position of Other Organizations Concurrently Assumed

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

Reasons for Nomination of the Candidate for Outside Director

Since Mr. Yutaka Kase was appointed as Outside Director in June 2016, he has provided advice with respect to the business management of the Company at Board of Directors meetings and supervised business execution appropriately by leveraging his abundant experience and past achievements regarding global corporate management and business strategy fostered through his position as a corporate manager of a general trading company. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus renominated him as a candidate for Outside Director.

Independence of the Candidate for Outside Director

The Company has business transactions with Sojitz Corporation and JAC Recruitment Co., Ltd., where Mr. Yutaka Kase concurrently holds a position. However, the ratio of the transaction value to the net sales of Sojitz Corporation and the Company for the business year last closed was less than 1% for each of both parties; likewise, said ratio of JAC Recruitment Co., Ltd. and the Company for the business year last closed was less than 1% for each of both parties. As the "Criteria for Independence of Outside Board Members" of the Company and the criteria for independent directors/auditors prescribed by the Tokyo Stock Exchange have been met, his independence as Outside Director is deemed to be sufficiently secured.

Limiting Liability Agreement

In the light of enabling Mr. Yutaka Kase to discharge his duties in full as expected, the Company has entered into an agreement with Mr. Kase limiting his liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which his liabilities for compensations is limited to the minimum limited liability amount provided in the laws and ordinances. Furthermore, in the event that Mr. Kase is approved, the Company will continue the limiting liability agreement with him.

**Career Summary, Position and Duty**

Candidate for Independent Outside Director

Apr. 1980: Joined Nisshin Flour Milling Inc. (currently Nisshin Seifun Group Inc.)
 Jun. 2008: Executive Officer of Nisshin Seifun Group Inc.
 Jun. 2009: Director of Nisshin Seifun Group Inc.
 Apr. 2011: Director and President of Nisshin Seifun Group Inc.
 Apr. 2017: Director and Executive Advisor of Nisshin Seifun Group Inc.
 Jun. 2017: Special Advisor of Nisshin Seifun Group Inc. [incumbent]
 President of Seifun Kaikan Inc. [incumbent]
 Mar. 2018: Outside Director of EBARA CORPORATION [incumbent]
 Jun. 2018: Outside Director of the Company [incumbent]
 Jun. 2019: President of Hitotsubashi University Koenkai [incumbent]

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

7,000 shares

■ **Number of Years in Office of the Company**

2 years (At the closing of this Annual General Meeting of Shareholders)

■ **Number of Attendance of the Board of Directors Meetings of the Company**

17 out of 17 Board of Directors meetings

(Attendance rate: 100%)

(The business term under review)

Important Position of Other Organizations Concurrently Assumed

Special Advisor of Nisshin Seifun Group Inc.
 Outside Director of EBARA CORPORATION
 President of Seifun Kaikan Inc.
 President of Hitotsubashi University Koenkai

Reasons for Nomination of the Candidate for Outside Director

Since Mr. Hiroshi Oeda was appointed as Outside Director in June 2018, he has been providing advice with respect to the business management of the Company at Board of Directors meetings and supervising business execution appropriately by leveraging his abundant experience and skill regarding global corporate management, business strategies, execution of overseas M&A, etc. gained from serving as a management executive of the largest milling company in Japan. Therefore, the Company has judged that he would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus renominated him as a candidate for Outside Director.

Independence of the Candidate for Outside Director

The Company has no business relationship with Seifun Kaikan Inc., and Hitotsubashi University Koenkai where Mr. Hiroshi Oeda concurrently holds a position. While the Company has business transactions with Nisshin Seifun Group Inc. and EBARA CORPORATION. However, the ratio of the transaction value to the net sales of Nisshin Seifun Group Inc. and the Company for the business year last closed was less than 1% for each of both parties; likewise, said ratio of EBARA CORPORATION and the Company for the business year last closed was less than 1% for each of both parties. As the "Criteria for Independence of Outside Board Members" of the Company and the criteria for independent directors/auditors prescribed by the Tokyo Stock Exchange have been met, his independence as Outside Director is deemed to be sufficiently secured.

Limiting Liability Agreement

In the light of enabling Mr. Hiroshi Oeda to discharge his duties in full as expected, the Company has entered into an agreement with Mr. Oeda limiting his liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which his liabilities for compensations is limited to the minimum limited liability amount provided in the laws and ordinances. Furthermore, in the event that Mr. Oeda is approved, the Company will continue the limiting liability agreement with him.



Career Summary, Position and Duty

Candidate for Independent Outside Director

<ul style="list-style-type: none"> ■ Number of Shares of the Company Owned - ■ Number of Years in Office of the Company 1 year (At the closing of this Annual General Meeting of Shareholders) ■ Number of Attendance of the Board of Directors Meetings of the Company 13 out of 13 Board of Directors meetings (Attendance rate: 100%) (The business term under review) 	<ul style="list-style-type: none"> Jul. 1985: Manager of Japanese branch of McKinsey & Company, Inc. [retired in 1992] Apr. 1992: Professor of School of International Politics, Economics & Communication of Aoyama Gakuin University [resigned in 2000] Apr. 2000: Professor of School of International Corporate Strategy of Hitotsubashi University Business School [resigned in 2011] Apr. 2004: Outside Director of Japan Post (part-time) [resigned in 2007] Oct. 2005: Vice President of Science Council of Japan [resigned in 2006] Jun. 2006: Outside Director of Mitsui O.S.K. Lines, Ltd. [resigned in 2010] Jun. 2010: Outside Director of NISSIN FOODS HOLDINGS CO., LTD. [resigned in 2019] Outside Director of FUJITSU LIMITED [resigned in 2013] Apr. 2011: Professor of Keio University Graduate School of Media Design [resigned in 2014] Apr. 2012: Professor Emeritus of Hitotsubashi University [incumbent] Jun. 2012: Outside Director of LIFENET INSURANCE COMPANY [resigned in 2016] Jun. 2014: Outside Director of Sojitz Corporation [resigned in 2018] Jun. 2015: Outside Director of Shiseido Company, Limited [incumbent] Jun. 2019: Outside Director of the Company [incumbent]
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Important Position of Other Organizations Concurrently Assumed

Outside Director of Shiseido Company, Limited

Reasons for Nomination of the Candidate for Outside Director

Ms. Yoko Ishikura has advanced academic expertise in international politics/economics and international corporate strategy, and is well-versed in corporate management through her experience as outside director at multiple global enterprises. Furthermore, she has been actively involved in diversity management and promotion of greater participation of women, which are areas being addressed by the Sekisui Chemical Group, and since she was appointed as Outside Director of the Company in June 2019, she has appropriately provided advice with respect to the business management and guidance on business execution of the Company at Board of Directors meetings. Therefore, the Company has judged that she would be able to contribute to further enhancing the corporate value of the Sekisui Chemical Group and thus renominated her as a candidate for Outside Director.

Independence of the Candidate for Outside Director

The Company has no business relationship with Ms. Yoko Ishikura and Shiseido Company, Limited. As the "Criteria for Independence of Outside Board Members" of the Company and the criteria for independent directors/auditors prescribed by the Tokyo Stock Exchange have been met, her independence as Outside Director is deemed to be sufficiently secured.

Limiting Liability Agreement

In the light of enabling Ms. Yoko Ishikura to discharge her duties in full as expected, the Company has entered into an agreement with Ms. Ishikura limiting her liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which her liabilities for compensations is limited to the minimum limited liability amount provided in the laws and ordinances. Furthermore, in the event that Ms. Ishikura is approved, the Company will continue the limiting liability agreement with her.

(Note) Each of the candidates has no interest with the Company.

<Criteria for Independence of Outside Board Members>

The Company has established the following “Criteria for Independence of Outside Board Members” and the Company has nominated a candidate satisfying all of the criteria.

Criteria for Independence of Outside Board Members

- 1) The candidate has never been an executive director or any other employee of the Company or any of the companies within the Group.
- 2) The candidate is not receiving compensation more than 10 million yen per year from the Group other than the compensation as an officer.
- 3) The candidate and the main company of the candidate¹ is not a major shareholder² of the Company.
- 4) The business of the main company of the candidate does not compete with the main business(es) of the Company³.
- 5) The main company of the candidate is not a major business partner⁴ of the Company.
- 6) The main company of the candidate is not a major lender of the Company.
- 7) The candidate has never worked for an accounting auditor of the Company for the period of five years immediately preceding the scheduled date of assumption of office.
- 8) None of the executive directors of the Company is concurrently serving as a director of the main company of the candidate.
- 9) The candidate is not a relative⁵ of any of the officers or employees of the Company who has not fallen under any of 1 through 8 above.

¹ Main company of the candidate shall mean the company, if any, at which the candidate for an outside board member is an executive director, executive officer, or manager or other employee.

² Major shareholder shall mean top 10 shareholders of the Company.

³ Main business(es) of the Company shall mean business(es) disclosed as main business(es) of Company on the business report of the Company (omitted).

⁴ Major business partner shall mean the business partner whose transaction with the Company is not less than 2% of such business partner’s consolidated gross sales.

⁵ Relative shall mean the person’s spouse, partner, relative within the second degree of kinship or relative who lives with the person.

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

The following candidate for Audit & Supervisory Board Member has been determined by the Board of Directors based on the recommendations of the Nomination and Remuneration Advisory Committee, which consists of a majority of Independent Outside Officers and is chaired by an Independent Outside Officer.

1 Toshitaka Fukunaga (Date of birth: April 7, 1956)

Newly Nominated



■ Number of Shares of the Company Owned
79,438 shares

Career Summary, Position and Duty

- Apr. 1979: Joined the Company
- Apr. 2011: Executive Officer of the Company
Head of Shiga Minakuchi Plant of High Performance Plastics Company
- Mar. 2014: Executive Officer of the Company
Head of Technology & CS Promotion Department of High Performance Plastics Company
- Apr. 2016: Executive Officer of the Company
Responsible for Electronic Device Materials field
Head of Technology & CS Promotion Department of High Performance Plastics Company
- Apr. 2017: Managing Executive Officer of the Company
Responsible for Electronic Device Materials field
Head of Technology & CS Promotion Department of High Performance Plastics Company
- Apr. 2018: Managing Executive Officer of the Company
Head of Technology & CS Promotion Department of High Performance Plastics Company
- Apr. 2020: Advisor of the Company [incumbent]

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

Mr. Toshitaka Fukunaga has served as division head, plant head, and Head of Technology & CS Promotion Department at the High Performance Plastics Company, and led the promotion of large-scale capital investment, reinforcement of manufacturing competitiveness, production innovation, strengthening of the foundation for CS quality, safety, environment, etc. in our expansion of the global businesses. He has deep insight in facility technology, digitalization, quality management, and other matters in the manufacturing field and is expected to contribute to the improvement of the supervisory functions of the Audit & Supervisory Board and the Board of Directors by leveraging his abundant management experience. Therefore, the Company has nominated him as a candidate for Audit & Supervisory Board Member.

Independence of the Candidate for Audit & Supervisory Board Member

The Company has no business relationship with Mr. Toshitaka Fukunaga.

Limiting Liability Agreement

In the event that this Item of Business is approved, in the light of enabling Mr. Toshitaka Fukunaga to discharge his duties in full as expected, the Company is scheduled to enter into an agreement with Mr. Fukunaga limiting his liabilities to compensate, under Paragraph 1 of Article 423 of the Companies Act, under which his liabilities for compensations is limited to the minimum limited liability amount provided in the laws and ordinances.

(Note) In the event that this Item of Business is approved as proposed, the composition of the Audit & Supervisory Board is as follows.

Name	Position and Duty at the Company	Number of Years (At the closing of this Annual General Meeting of Shareholders)
Toshitaka Fukunaga (Date of birth: April 7, 1956)	Fulltime Audit & Supervisory Board Member	-
Moritoshi Naganuma (Date of birth: March 18, 1959)	Fulltime Audit & Supervisory Board Member	3 years
Tetsuo Ozawa (Date of birth: June 28, 1947)	Outside Audit & Supervisory Board Member Independent Outside Audit&Supervisory Board Member	6 years
Kazuyuki Suzuki (Date of birth: August 12, 1950)	Outside Audit & Supervisory Board Member Independent Outside Audit&Supervisory Board Member	5 years
Ryoko Shimizu (Date of birth: September 7, 1958)	Outside Audit & Supervisory Board Member Independent Outside Audit&Supervisory Board Member Female	1 year

(Reference) List of Officers [subject to approval of this Annual General Meeting of Shareholders]

Name	Position at the Company	Number of Years (At the closing of this Annual General Meeting of Shareholders)	Number of Attendance of the Board of Directors Meetings of the Company (The business term under review)	Number of Attendance of the Audit & Supervisory Board Meetings of the Company (The business term under review)	Number of Attendance of the Nomination and Remuneration Advisory Committee of the Company (The business term under review)
Teiji Koge	Chairman of the Board and Representative Director	15 years	100% (17 out of 17)	—	100% (6 out of 6)
Keita Kato	President and Representative Director Chief Executive Officer	6 years	100% (17 out of 17)	—	100% (1 out of 1)
Yoshiyuki Hirai	Director Senior Managing Executive Officer	5 years	100% (17 out of 17)	—	—
Toshiyuki Kamiyoshi	Director Senior Managing Executive Officer	1 year	100% (13 out of 13)	—	—
Futoshi Kamiwaki	Director Senior Managing Executive Officer	—	—	—	—
Hiroyuki Taketomo	Director Managing Executive Officer	4 years	100% (17 out of 17)	—	—
Ikusuke Shimizu	Director Managing Executive Officer	1 year	100% (13 out of 13)	—	—
Yutaka Kase	Independent Outside Director	4 years	94% (16 out of 17)	—	100% (6 out of 6)
Hiroshi Oeda	Independent Outside Director	2 years	100% (17 out of 17)	—	100% (6 out of 6)
Yoko Ishikura	Independent Outside Director	1 year	100% (13 out of 13)	—	100% (5 out of 5)
Toshitaka Fukunaga	Fulltime Audit & Supervisory Board Member	—	—	—	—
Moritoshi Naganuma	Fulltime Audit & Supervisory Board Member	3 years	100% (17 out of 17)	100% (18 out of 18)	—
Tetsuo Ozawa	Independent Outside Audit & Supervisory Board Member	6 years	94% (16 out of 17)	94% (17 out of 18)	100% (6 out of 6)
Kazuyuki Suzuki	Independent Outside Audit & Supervisory Board Member	5 years	100% (17 out of 17)	100% (18 out of 18)	—
Ryoko Shimizu	Independent Outside Audit & Supervisory Board Member	1 year	100% (13 out of 13)	100% (13 out of 13)	—

(Note) The above list does not present all knowledge held by the candidates.

Directors' and Audit & Supervisory Board Members' Outstanding Expertise, Experience and Capabilities

Corporate Management/ Management Strategy	Financial Affairs/ Accounting	Legal Affairs	Quality Control	Human and Labor Administration/ Human Resources Development	International Mindset	Research & Development
●				●		
●	●		●		●	●
●	●				●	
●						
●	●					●
●		●		●		
●			●		●	●
●					●	
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		●				
			●		●	●
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