

June 4, 2019

To Our Shareholders

Yujiro Ichihara  
President, Representative Director, and CEO  
Taiyo Nippon Sanso Corporation  
1-3-26, Koyama, Shinagawa-ku, Tokyo, Japan

## Notice of Convocation of the 15th Ordinary General Meeting of Shareholders

Taiyo Nippon Sanso Corporation (“we” or “Company”) will hold its 15th Ordinary General Meeting of Shareholders (“Meeting”) as detailed below. You are cordially invited to attend.

If you are unable to attend the Meeting, you may exercise your voting rights using any of the methods described below. Please review the enclosed documentation and exercise your voting rights **no later than 5:50 p.m. on Wednesday, June 19, 2019.**

### By Postal Mail

Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by mail to arrive by the date given above.

### Via the Internet

Please review the “Instructions for Voting via the Internet” on Page 4, then access our designated shareholder voting website (<https://soukai.mizuho-tb.co.jp> [in Japanese only]) and vote on the tendered proposals by the deadline given above.

### Internet Disclosure

Among the items of documentation we are required to provide for this Meeting in accordance with the provisions of applicable Japanese law and Article 17 of our Articles of Incorporation, the following are available on our corporate website and thus have not been included with this Notice:

- (1) Notes to consolidated financial statements; and
- (2) Notes to nonconsolidated financial statements.

Corporate website: <https://www.tn-sanso.co.jp>

The consolidated and nonconsolidated financial statements audited by the Audit & Supervisory Board members and the accounting auditor for preparation of the audit report and accounting audit report respectively also include, in addition to the documentation attached to this Notice, items that should be regarded as notes to the consolidated and nonconsolidated financial statements.

## Meeting of Shareholders

- 1. Date and time** Thursday, June 20, 2019, 10:00 a.m.  
(Registration desk open from 9:00 a.m.)
- 2. Venue** Grand Prince Hotel Takanawa, in Prince Room on basement floor B1  
3-13-1 Takanawa, Minato-ku, Tokyo

### **3. Agenda**

#### **Matters to Be Reported**

1. Business report, consolidated financial statements, and the findings of audits of the consolidated financial statements carried out by the accounting auditor and the Audit & Supervisory Board for the 15th term (April 1, 2018 to March 31, 2019)
2. Report on the nonconsolidated financial statements for the 15th term (April 1, 2018 to March 31, 2019)

#### **Matters to Be Resolved**

**Proposal 1:** Appropriation of surplus

**Proposal 2:** Election of nine directors

- If you plan to exercise your voting rights by proxy, you may authorize another shareholder with voting rights to attend the Meeting on your behalf. Your proxy will need to present written proof of his or her power to act as your proxy.
- If you plan to attend the Meeting, please bring the enclosed ballot form with you and present it at the registration desk.
- Any revisions to the reference documentation, business report, or nonconsolidated or consolidated financial statements will be posted on our corporate website (<https://www.tn-sanso.co.jp>).

## Instructions for Voting

You may exercise your voting rights using any of the following three methods.

- **Attendance at the Meeting**

Present the enclosed ballot form at the registration desk when you arrive for the Meeting. (You do not need to affix your seal or signature.)

Date and time: Thursday, June 20, 2019, 10:00 a.m. (Registration desk open from 9:00 a.m.)

- **By postal mail**

Indicate your approval or disapproval of each of the proposals on the enclosed ballot form and return it by postal mail (No mailing stamp required within Japan).

Deadline: Ballot must be received no later than 5:50 p.m. on Wednesday, June 19, 2019.

- **Via the internet**

Access our designated shareholder voting website (<https://soukai.mizuho-fb.co.jp/> [in Japanese only]) and follow the on-screen instructions to enter your vote.

Deadline: Voting must be completed no later than 5:50 p.m. on Wednesday, June 19, 2019.



More information on next page

\* If you plan to attend the Meeting in person, there is no need to submit a ballot by postal mail or via the internet.

### **Note for Institutional Investors**

You may also exercise your voting rights by making use of the Electronic Voting Platform (run by Investor Communications Japan).

# Instructions for Voting via the Internet

## 1. Voting via the Internet

(1) As an alternative to voting via a written ballot, you may also cast your votes online, using our designated shareholder voting website (URL below). If you prefer this method, log in to the website using the voting code and password listed on the right corner of the ballot form enclosed with this Notice and follow the on-screen prompts. As a security measure, you will be required to change your password the first time you log in.

Shareholder voting website <https://soukai.mizuho-tb.co.jp/> (in Japanese only)

(2) The deadline for voting is 5:50 p.m. on Wednesday, June 19, 2019. You will need to complete the voting process by that time. We encourage you to vote early.

(3) In the event votes submitted via the internet are duplicated by the submission of a written ballot, the votes submitted via the internet will prevail, if votes are submitted multiple times, the final vote will prevail.

(4) Passwords (including new passwords selected by shareholders after initial login) will be valid for this Meeting only. New passwords will be issued for the next General Meeting of Shareholders.

(5) Shareholders will bear any costs incurred for voting via the internet.

### Notes

- Passwords are used to confirm the identity of the person submitting a vote. The Company will never ask you to reveal your password.
- Website users who enter an incorrect password more than a specified number of times will be locked out and unable to access the site. Please follow the on-screen instructions to regain access.
- Although we have endeavored to ensure that the shareholder voting website can be accessed using most of the commonly used internet devices, we cannot guarantee compatibility with all devices.

## 2. Inquiries

Should you have any questions or concerns, please contact the Stock Transfer Agency Department at Mizuho Trust & Banking Co., Ltd., the administrator of our shareholder registry.

(1) For questions about using the shareholder voting website, in Japan dial the toll-free number 0120-768-524 (business hours: 9:00 a.m. to 9:00 p.m. on weekdays).

(2) For questions about other shareholder services, in Japan dial the toll-free number 0120-288-324 (business hours: 9:00 a.m. to 5:00 p.m. on weekdays).

# **Reference Documentation**

## **For the General Meeting of Shareholders**

### **Proposal 1: Appropriation of surplus**

The Company proposes that the surplus be appropriated as follows.

#### 1. Year-end dividend

Our proposed year-end dividend for this term is detailed below. This reflects our interest in using our internal reserves to improve and reinforce the Company's management foundation, as well as our core policy of returning profits to our shareholders on a stable and sustained basis, in keeping with our dividend policy, which takes into account linkages with consolidated results.

##### (1) Type of dividend

Cash

##### (2) Allocation and total amount of dividend

13 yen per common share in the Company

Total dividend: 5,627,870,560 yen

##### (3) Effective date of distribution of dividend from surplus

June 21, 2019

Including the interim dividend of 12 yen per share that was paid in December last year, the total annual dividend will be 25 yen per share.

#### 2. Other matters concerning the appropriation of surplus

None

## Proposal 2: Election of nine directors

The terms of office of six directors (Yujiro Ichihara, Masahiro Uehara, Kenji Nagata, Akio Yamada, Mitsuhiro Katsumaru, and Kenkichi Kosakai) will expire at the conclusion of this Meeting. In line with our policy of reinforcing the supervisory functions of the Board of Directors and further strengthening corporate management, the Company proposes increasing the number of directors, and electing a total of nine directors, including two outside directors.

The candidates for directors are listed below.

No.	Name	Current position and responsibilities	
1	Yujiro Ichihara	President, representative director, and CEO Member of Advisory Committee on Appointments and Remuneration	Reappointment
2	Masahiro Uehara	Director Senior managing executive officer General manager, Engineering Division	Reappointment
3	Kenji Nagata	Director Senior managing executive officer General manager, Industrial Gases Division	Reappointment
4	Kazuyuki Futamata	Managing executive officer and CCO (Taiyo Nippon Sanso Group CCO), with responsibility for Group-wide internal control	New appointment
5	Thomas Scott Kallman		New appointment
6	Eduardo Gil Elejoste		New appointment
7	Akio Yamada	Director Chairman of Advisory Committee on Appointments and Remuneration	Reappointment, outside director, independent
8	Mitsuhiro Katsumaru	Director Member of Advisory Committee on Appointments and Remuneration	Reappointment, outside director, independent
9	Hidefumi Date		New appointment

### Notes

The candidates for directors were selected by the Board of Directors following recommendations by the Advisory Committee on Appointments and Remuneration, which consists of the president and outside directors.

The Company has established Standards for the Independence of Outside Directors, detailed on Page 18. These standards have been met by the two candidates nominated for outside director positions in this Proposal.

1. Yujiro Ichihara (Date of birth: November 13, 1951) (Reappointment)

- **Number of Company shares owned: 82, 800**
- **Years of service as a director: 9**
- **Record of attendance at Board meetings: 15 of 15 times**

**Career summary, position and responsibilities in the Company**

April 1974	Joined the Company
June 2005	Executive officer, deputy general manager of Business Planning Division and General Affairs Division, and manager of Secretary's Office and Corporate Audit Office
June 2008	Senior executive officer and general manager of General Affairs Division, with responsibility for Company-wide internal control
June 2010	Managing director and general manager of General Affairs Division, with responsibility for Company-wide internal control
June 2012	Senior managing director and general manager of Corporate Administration Division, with responsibility for Company-wide internal control
June 2013	Executive vice president, director, and general manager of Corporate Administration Division, with responsibility for Company-wide internal control
April 2014	Executive vice president and director, with responsibility for Corporate Administration Division and Corporate Planning & Global Operations Division
June 2014	President and representative director, CEO
June 2015	President and representative director, CEO
June 2018	President and representative director, CEO (current)

**Significant concurrent positions**

Director, KAITEKI Institute, Inc.

**Reasons for nomination as candidate for director position**

Yujiro Ichihara commands broad-based experience in the international business arena as well as in finance, business planning, and other aspects of business administration. Following his service as general manager of the Corporate Administration Division, in June 2014 he assumed his current position as president and representative director.

In view of his extensive background, we have nominated Mr. Ichihara for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Yujiro Ichihara has no special interests in the Company.

2. Masahiro Uehara (Date of birth: April 14, 1958) (Reappointment)

- **Number of Company shares owned: 11, 800**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 12 of 12 times**

**Career summary, position and responsibilities in the Company**

April 1981	Joined the Company
June 2013	Executive officer, deputy general manager of On-site & Plant Division, manager of Plant Engineering Center
June 2015	Senior executive officer, deputy general manager of On-site & Plant Division, manager of Plant Engineering Center
June 2016	Senior executive officer, general manager of On-site & Plant Division
April 2017	Senior executive officer, general manager of Engineering Division
June 2018	Senior managing executive officer, director, general manager of Engineering Division (current)

**Significant concurrent positions**

President & representative director, Oita Sanso Center Co., Ltd.  
President & representative director, Nagoya Sanso Center Co., Ltd.  
President & representative director, K.K. Yahata Sanso Center  
President & representative director, JFE Sanso Center Co., Ltd.

**Reasons for nomination as candidate for director position**

Masahiro Uehara has extensive experience in the fields of plant design, on-site operation, and gas production technology and has served as manager of the Plant Engineering Center and as general manager of the On-site & Plant Division. In April 2017, he assumed his current position as general manager of the Engineering Division.

In view of his extensive background, we have nominated Mr. Uehara for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Masahiro Uehara is also president and representative director of Oita Sanso Center Co., Ltd., Nagoya Sanso Center Co., Ltd., K.K. Yahata Sanso Center and JFE Sanso Center Co., Ltd. The Company has transactions of industrial gas products with these companies.

3. Kenji Nagata (Date of birth: February 28, 1959) (Reappointment)

- **Number of Company shares owned: 10,200**
- **Years of service as a director: 1**
- **Record of attendance at Board meetings: 12 of 12 times**

**Career summary, position and responsibilities in the Company**

April 1981	Joined the Company
June 2013	Executive officer, general manager of North Kanto Branch
April 2016	Executive officer, deputy general manager of Industrial Gases Division, general manager of Gases Business Unit, general manager of Product Management Unit
June 2016	Senior executive officer, deputy general manager of Industrial Gases Division, general manager of Gases Business Unit, general manager of Product Management Unit
April 2017	Senior executive officer, general manager of Industrial Gases Division
June 2018	Senior managing executive officer, director, general manager of Industrial Gases Division (current)

**Significant concurrent positions**

President & representative director, Shikoku Ekisan Co., Ltd.  
President & representative director, Japan Helium Center Corporation  
President & representative director, Fukushima Hydrogen, Inc.  
President & representative director, Hokuriku Ekisan Kogyo Co., Ltd.  
Representative director, SN Gas Center K.K.

**Reasons for nomination as candidate for director position**

Kenji Nagata has wide-ranging experience in the areas of industrial gas logistics, sales, and planning. Following his tenure as president of one of our overseas subsidiaries and as general manager of our Kita-Kanto Regional Branch, he was appointed to serve as general manager of our Industrial Gases Division in April 2017.

In view of his extensive background, we have nominated Mr. Nagata for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Kenji Nagata is also president and representative director of Shikoku Ekisan Co., Ltd., Japan Helium Center Corporation, Fukushima Hydrogen, Inc. and Hokuriku Ekisan Kogyo Co., Ltd., and representative director of SN Gas Center K.K. The Company has transactions of industrial gas products with these companies.

4. Kazuyuki Futamata (Date of birth: December 22, 1957) (New appointment)

**Number of Company shares owned: 0**

**Career summary, position and responsibilities in the Company**

April 1980      Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)

June 2011      Executive officer, general manager of Human Resources Division, Mitsubishi Chemical Corporation; Executive officer, general manager of CEO's office, Mitsubishi Chemical Holdings Corporation

April 2013      Executive officer, Mitsubishi Rayon Co., Ltd. (responsible for Internal Control division)

April 2015      Executive officer, Mitsubishi Rayon Co., Ltd. (responsible for Human Resources, General Affairs, Information Systems, and Internal Control divisions); executive officer, general manager of Human Resources Office, Mitsubishi Chemical Holdings Corporation

April 2017      Director and managing executive officer, Chief Compliance Officer (responsible for Human Resources, General Affairs, Internal Control divisions), Mitsubishi Chemical Corporation

January 2019    Managing executive officer  
CCO (Taiyo Nissan Sanso Corporation Group CCO), with responsibility for Group-wide internal control (current)

**Significant concurrent positions**

None.

**Reasons for nomination as candidate for director position**

Kazuyuki Futamata has many years of experience, particularly in the fields of human resources and business administration, and was responsible for internal control departments at Mitsubishi Rayon Co, Ltd. and Mitsubishi Chemical Corporation.

In view of his extensive background, we have nominated Mr. Futamata for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Kazuyuki Futamata has no special interests in the Company.

\*Kazuyuki Futamata's career summary above includes positions and responsibilities over the past five years as a person who executes business at our parent company, Mitsubishi Chemical Holdings Corporation, and its subsidiaries.

\* On April 1, 2017, the new Mitsubishi Chemical Corporation was launched following the integration of Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd.

5. Thomas Scott Kallman (Date of birth: October 17, 1954) (New appointment)

**Number of Company shares owned: 0**

**Career summary, position and responsibilities in the Company**

July 1981	Joined BOC Group, plc.
January 2000	Vice-President, General Manager responsible for Eastern Region, BOC Group, plc.
January 2005	Executive Vice President responsible for Industrial Gas Group, Matheson Tri-Gas, Inc.
January 2008	Senior Executive Vice President and COO, Matheson Tri-Gas, Inc.
June 2009	President and COO, Matheson Tri-Gas, Inc.
January 2013	President and CEO, Matheson Tri-Gas, Inc.
June 2017	Chairman, President, and CEO, Matheson Tri-Gas, Inc.
April 2019	Chairman and CEO, Matheson Tri-Gas, Inc. (current)

**Significant concurrent positions**

Chairman and CEO, Matheson Tri-Gas, Inc.

**Reasons for nomination as candidate for director position**

Thomas Scott Kallman has worked for many years in the industrial gas industry in the United States, and since 2013 has worked as CEO of Matheson Tri-Gas, Inc., a Company subsidiary engaged in the industrial gas business in the United States.

In view of his extensive background, we have nominated Mr. Kallman for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Thomas Scott Kallman has no special interests in the Company.

6. Eduardo Gil Elejoste (Date of birth: May 1, 1956) (New appointment)

**Number of Company shares owned: 0**

**Career summary, position and responsibilities in the Company**

April 1981	Joined Argon S.A.
January 1992	Director Marketing responsible for Spain and Portugal, Argon S.A.
September 1996	Director Business Development responsible for Europe, Praxair España S.L.
January 2000	Director Marketing responsible for Europe, Praxair Euroholding S.L.
October 2004	CEO, Germany, Praxair Euroholding S.L.
January 2006	CEO, Germany and Benelux, Praxair Euroholding S.L.
April 2008	CEO, Praxair España S.L. CEO, Praxair Portugal S.A.
December 2016	President, Praxair Euroholding S.L.
December 2018	Chairman and President, TNSC Euro-holding S.L. (now Nippon Gases Euro-Holding S.L.) (current)

**Significant concurrent positions**

Chairman and President, Nippon Gases Euro-Holding S.L.

**Reasons for nomination as candidate for director position**

Eduardo Gil Elejoste has worked for many years in the industrial gas business in Europe, and was responsible for the European business of Praxair, Inc., now acquired by the Company. He continues to take charge of the Group's European business.

In view of his extensive background, we have nominated Mr. Gil for a position as director in the expectation that his experience and insight will contribute significantly to Group management.

**Special interests**

Eduardo Gil Elejoste has no special interests in the Company.

\*TNSC Euro-Holding S.L. changed its trading name to Nippon Gases Euro-Holding S.L. on December 17, 2018.

7. Akio Yamada (Date of birth: September 25, 1943) (Reappointment, outside director, independent)

**Number of Company shares owned: 0**

**Years of service as an outside director: 4**

**Record of attendance at Board meetings: 15 of 15 times**

**Career summary, position and responsibilities in the Company**

April 1967	Joined General Secretariat of Japan Fair Trade Commission
June 1996	Director general of Trade Practices Department, General Secretariat of Japan Fair Trade Commission
June 1997	Director general of Investigation Bureau, General Secretariat of Japan Fair Trade Commission
June 1998	Director general of Economic Affairs Bureau, General Secretariat of Japan Fair Trade Commission
June 2000	Secretary general, Japan Fair Trade Commission
December 2003	Commissioner, Japan Fair Trade Commission
April 2009	Senior advisor to Jones Day (current)
June 2010	Audit & Supervisory Board member, Daiichi Sankyo Co., Ltd.
March 2014	Audit & Supervisory Board member, Yokohama Rubber Co., Ltd.
June 2014	Director, Watahan & Co., Ltd.
June 2015	Outside director of the Company
March 2018	Chairman, Fair Trade Institute (current)

**Significant concurrent positions**

Chairman, Fair Trade Institute

Senior advisor to Jones Day

**Reasons for nomination as candidate for outside director position**

Akio Yamada has occupied important posts on the Japan Fair Trade Commission and is currently Chairman of the Fair Trade Institute and a senior advisor to a law firm that provides global services. He also once served as an outside director at a publicly listed company. We have nominated him as a candidate for outside director in the expectation that he will apply his wealth of experience and professional expertise to the management of our Group. Aside from his duties as an outside director, Mr. Yamada has not been directly involved in corporate management. However, we believe he is capable of effectively fulfilling the role of an outside director at our Company, for the reasons given above.

**Special interests**

Akio Yamada has no special interests in the Company.

**Reporting of independent director status**

Akio Yamada is a candidate for the position of outside director. Also, he satisfies the requirements for independent directors as set forth by the Securities Listing Regulations of the Tokyo Stock Exchange. We have notified the Tokyo Stock Exchange of his selection as an independent director.

**Overview of liability limitation agreement**

With regard to liability for damages as provided for in Article 423 (1) of the Companies Act, the Company and Akio Yamada have entered into a liability limitation agreement that limits said liability to the amount stipulated by law in accordance with the provisions of Article 427 (1) of the Companies Act. This agreement with Mr. Yamada will be extended if he is reelected as a director.

8. Mitsuhiro Katsumaru (Date of birth: October 10, 1951) (Reappointment, outside director, independent)

**Number of Company shares owned: 0**

**Years of service as an outside director: 4**

**Record of attendance at Board meetings: 14 of 15 times**

**Career summary, position and responsibilities in the Company**

April 1978	Appointed as a public prosecutor assigned to Tokyo District Public Prosecutors Office
July 1989	First secretary of Embassy of Japan in Germany
June 2000	Director of Criminal Affairs Division, Criminal Affairs Bureau, Ministry of Justice
June 2001	Director of General Affairs Division, Criminal Affairs Bureau, Ministry of Justice
January 2003	Director of Finance Division, Minister's Secretariat, Ministry of Justice
April 2005	Assistant vice-minister, Ministry of Justice (responsible for general policy integration)
December 2005	Chief prosecutor, Fukui District Public Prosecutors Office
June 2007	Chief prosecutor, Mito District Public Prosecutors Office
October 2008	Chief prosecutor, Saitama District Public Prosecutors Office
January 2010	Director, Public Security Department, Supreme Public Prosecutors Office
December 2010	Superintending prosecutor, Takamatsu High Public Prosecutors Office
June 2012	Superintending prosecutor, Hiroshima High Public Prosecutors Office
July 2014	Retired from superintending prosecutor position
October 2014	Registered as an attorney
June 2015	Director of the Company
November 2015	Director of MoriX Co., Ltd. (current)
March 2017	Director of Shimano Inc. (current)

**Significant concurrent positions**

Attorney, Shiba International Law Offices

Director, Shimano Inc.

Director, MoriX Co., Ltd.

**Reasons for nomination as candidate for outside director position**

Prior to his current role as an attorney, Mitsuhiro Katsumaru followed an extensive career of service with the Ministry of Justice and Public Prosecutors Offices. We have nominated him as a candidate for outside director in the expectation that he will effectively apply his wide experience and professional expertise as a prosecutor and attorney to the management of our Group.

**Special interests**

Mitsuhiro Katsumaru has no special interests in the Company.

**Reporting of independent director status**

Mitsuhiro Katsumaru is a candidate for the position of outside director. Also, he satisfies the

requirements for independent directors as set forth by the Securities Listing Regulations of the Tokyo Stock Exchange. We have notified the Tokyo Stock Exchange of his selection as an independent director.

**Overview of liability limitation agreement**

With regard to liability for damages as provided for in Article 423 (1) of the Companies Act, the Company and Mitsuhiro Katsumaru have entered into a liability limitation agreement that limits said liability to the amount stipulated by law in accordance with the provisions of Article 427 (1) of the Companies Act. This agreement with Mr. Katsumaru will be extended if he is reelected as a director.

9. Hidefumi Date (Date of birth: July 10, 1958) (New appointment)

**Number of Company shares owned: 0**

**Career summary, position and responsibilities in the Company**

April 1982      Joined Mitsubishi Chemical Industries Limited (now Mitsubishi Chemical Corporation)

April 2013      Executive officer, general manager of Consolidated Management Department, Mitsubishi Chemical Corporation

March 2014      Executive officer, general manager of Consolidated Management Department and Finance & Accounting Department, Mitsubishi Chemical Corporation

April 2014      Executive officer, general manager of Finance & Accounting Department, Mitsubishi Chemical Corporation

April 2015      Executive officer and General Manager of Corporate Management Office, Mitsubishi Chemical Holdings Corporation

April 2018      Managing Corporate Executive Officer and Chief Financial Officer of Mitsubishi Chemical Holdings Corporation (current)

**Significant concurrent positions**

Managing Corporate Executive Officer and Chief Financial Officer of Mitsubishi Chemical Holdings Corporation

**Reasons for nomination as candidate for director position**

Hidefumi Date has wide-ranging experience in the fields of corporate management, finance and accounting, and has served as corporate executive officer and executive officer roles at Mitsubishi Chemical Corporation and Mitsubishi Chemical Holdings Corporation.

In view of his background, we have nominated Mr. Date for a position as director in the expectation that his experience and insight will be assets to Group management.

**Special interests**

Hidefumi Date has no special interests in the Company.

\* Hidefumi Date's career summary above includes his positions and responsibilities over the past five years as a person who executes business at our parent company, Mitsubishi Chemical Holdings Corporation, and one of its subsidiaries.

\* On April 1, 2017, the new Mitsubishi Chemical Corporation was launched through the integration of Mitsubishi Chemical Corporation, Mitsubishi Plastics, Inc., and Mitsubishi Rayon Co., Ltd.

### **Reference: Standards for the Independence of Outside Directors**

The Company considers outside directors to be independent provided they do not fit any of the descriptions listed below.

- (1) A person for whom the Company is a major client, or who executes business for such a person.
- (2) A major client of the Company, or a person who executes business for such a client.
- (3) A consultant, accounting professional, or legal professional who receives large sums of money or assets other than director's remuneration from the Company. (If the recipient is a judicial person, partnership, or other organization, this includes persons belonging to that organization.)
- (4) A person to whom any of the following criteria listed in (i) through (iii) applied at any time during the three years preceding their appointment:
  - (i) A person as described in (1), (2), or (3) above
  - (ii) A person who executes business, or a director who does not execute business, for the Company's parent company
  - (iii) A person who executes business for one of the Company's sister companies.
- (5) A close relative (within the second degree of kinship) of any person described in the following clauses (i) through (v) (excluding non-important personnel):
  - (i) A person as described in (1) through (4) above
  - (ii) A person who executes business for a Company subsidiary
  - (iii) A person who executes business, or a director who does not execute business, for the Company's parent company
  - (iv) A person who executes business for one of the Company's sister companies
  - (v) A person who has fulfilled criterion (ii) above or executed business for the Company at any time during a three-year period preceding the date of the General Meeting of Shareholders that appoints him or her to serve as an outside director.