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Stock Exchange Code 4202  
May 31, 2022

**To Shareholders with Voting Rights:**

Misao Fudaba  
Chairman of Board of Directors  
Daicel Corporation  
3-1, Ofuka-cho, Kita-ku,  
Osaka, Japan

**NOTICE OF  
THE 156TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

You are hereby notified that the 156th Annual General Meeting of Shareholders of Daicel Corporation (the “Company”) will be held for the purposes described below.

From the perspective of preventing the spread of COVID-19 and ensuring the safety and security of our shareholders, we would like to ask all our shareholders to exercise your voting rights in advance in writing or via the Internet, etc. as much as possible instead of attending the General Meeting of Shareholders.

Please review the hereinafter attached “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights in writing or via the Internet, etc. by 5:00 p.m. on Tuesday, June 21, 2022, Japan time.

- 1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. Japan time  
(Reception begins at 9:00 a.m.)
- 2. Place:** HINOKI, 2F, InterContinental Osaka, Tower C, North Wing of GRAND FRONT OSAKA located at 3-60 Ofuka-cho, Kita-ku, Osaka, Japan
- 3. Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 156th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 156th Fiscal Year (April 1, 2021 - March 31, 2022)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments to the Articles of Incorporation
- Proposal 3:** Election of 10 Directors
- Proposal 4:** Election of 2 Audit & Supervisory Board Members
- Proposal 5:** Revision of Amount of Outside Director Compensation

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk. Please bring this convocation notice to the meeting with you to help save resources.
- Should the Reference Documents for the General Meeting of Shareholders, the Business Report, and the Consolidated and Non-consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website (<https://www.daicel.com>).
- Of the documents to be provided with this notice, "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements and "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" of the non-consolidated Financial Statements are posted on the Company's website (<https://www.daicel.com>) on the Internet, pursuant to applicable laws and regulations, as well as the provisions in Article 16 of the Articles of the Incorporation. Therefore, they are not stated in the Appendix concerning the matters to be reported. "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements and "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" of the non-Consolidated Financial Statements as well as the Appendix concerning the matters to be reported are subject to audit by the Accounting Auditor and the Audit & Supervisory Board Members.
- To help conserve electricity, the air conditioning at the venue will be partially turned down. We would appreciate it if you could come to the meeting wearing light clothing.
- Please note that our officers and staff will be in light clothing ("cool biz") at the meeting.

<Notes to shareholders>

- We may update the above measures upon the situation of the spread of COVID-19 and announcements made by the government until the day of the General Meeting of Shareholders. Please check the Company's website (<https://www.daicel.com>) on the Internet for the transmission of information.
- Attending shareholders are requested to bring and wear a face mask. We will set alcohol hand sanitizer for you to use near the reception desk at the meeting.
- We will take your temperature near the venue. Shareholders with fever and those that seem to be in a poor health condition may be asked not to enter the venue.
- Our officers and operation staff of the General Meeting of Shareholders will take their temperatures and confirm their health conditions, and wear a face mask.
- The number of seats available at the venue will be limited in order to prevent the spread of COVID-19. Please note that we may ask our shareholders not to enter the venue if the number of attendees exceeds the maximum number of seats available. From the viewpoint of shortening the meeting, we are considering ways to make the process proceed more smoothly. We ask that you please read through the Notice in advance.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

Concerning the appropriation of surplus, the Company proposes as follows:  
Matters concerning the year-end dividends

The Company's basic dividend policy is to distribute profits in a balanced manner, taking into comprehensive consideration maximizing asset efficiency and realizing optimal capital structure, ensuring financial soundness in order to maintain fund raising capacity, and stable dividends reflecting the consolidated business performance.

Internal reserves will be applied to investment in business expansion and reinforcement of highly-profitable business structures, such as R&D for new business development and strengthening of existing businesses, new construction and extension of facilities, and efficiency improvement measures. Through future business development, we will ensure a growing benefit to our shareholders.

In the Company's mid-term management strategy, "Accelerate 2025," which started in FY2020, we have targeted a shareholder return ratio of 40% or more for each fiscal year, combining the amount of dividends with the amount of flexible acquisition of the Company's own stocks, with the current dividend per share as the lower limit.

Based on the policy mentioned above, the year-end dividend for the fiscal year under review will be 18 yen per share.

- (1) Type of dividend property  
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
18 yen per share of common stock of the Company  
Total amount: 5,322,750,948 yen  
(Note) The annual dividends for the fiscal year under review will be increased by 2 yen from the previous fiscal year to 34 yen per share including the interim dividends.
- (3) Effective date of distribution of surplus  
June 23, 2022

**Proposal 2: Partial Amendments to the Articles of Incorporation**

1. Purpose of Amendments

(1) The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (2019 Law No.70) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of a system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- 1) The proposed Article 16, Paragraph 1 stipulates that the Company shall take electronic provision measures for information that constituting content of reference documents for the general meeting of shareholders, etc.
- 2) The purpose of the proposed Article 16, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper-based documents to be delivered to shareholders who have requested it.
- 3) The provisions related to the Internet Disclosures and Deemed Provision of Reference Documents for General Shareholders Meetings, Etc. (Article 16 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- 4) In line with the above amendments, supplementary provisions related to the effective date, etc. shall be established.

(2) Concerning the diverse exercise of voting rights in the general meeting of shareholders, the National Association of Shareholder Affairs determined at its board meeting held in August, 2021 to convert the form of prior notices to electromagnetic forms with respect to shareholders other than those who are subject to the Electronic Voting Platform. Accordingly, Article 19 of the current Articles of Incorporation which stipulates that shareholders shall send a notice set forth in Article 313, Paragraph 2 of the Companies Act in paper form when diversely exercising their voting rights shall be deleted.

(3) The provision of Article 26 of the current Articles of Incorporation related to counselors and special advisors as the position of directors, which have been virtually abolished in order to further enhance corporate governance, shall be deleted.

(4) Other necessary amendments, including revision of article numbers, in accordance with the above amendments shall be made to.

2. Details of amendments

The details of the amendments are as follows.

(Underline shows portions to be amended)

Current Articles of Incorporation	Proposed Amendments
Articles 1 through 15 (articles omitted)	Articles 1 through 15 (remain as they currently are)
<u>Article 16 (Internet Disclosures and Deemed Provision of Reference Documents for General Shareholders Meetings)</u> <u>The Company may be deemed to have provided the shareholders with the information regarding</u>	<b>【To be deleted】</b>

Current Articles of Incorporation	Proposed Amendments
<p><u>matters to be entered or presented in the reference documents for the general shareholders meeting, business report, and financial statements including consolidated financial statements, at the call of the general shareholders meeting, by disclosing such information via the Internet in accordance with the regulation enacted by the Ministry of Justice.</u></p> <p style="text-align: center;">【New Provision】</p>	<p><u>Article 16 (Electronic Provision Method, etc.)</u>  <u>When calling a general meeting of shareholders, the Company shall provide all information and reference documents electronically.</u>  <u>2 The Company may choose not to include in such electronic documents to be delivered to shareholders who have requested delivery of documents by the voting rights date, all or part of such matters as may be provided in regulations enacted by the Ministry of Justice.</u></p>
<p>Articles 17 through 18 (articles omitted)</p> <p><u>Article 19 (Diverse Exercise of Voting)</u>  <u>If a shareholder makes a diverse exercise of his/her voting rights, a notice stipulated in Article 313, Paragraph 2 of the Companies Act shall be provided in writing.</u></p>	<p>Articles 17 through 18 (remain as they currently are)</p> <p style="text-align: center;">【To be deleted】</p>
<p>Articles <u>20</u> through <u>25</u> (article omitted)</p> <p><u>Article 26 (The Board of Directors)</u>  The board of directors shall make decisions upon matters provided in laws and regulations or these Articles of Incorporation, as well as upon important executive matters of the Company. A notice to call a board of directors meeting shall be issued to each director of the board and each auditor three (3) days prior to the meeting date; provided, however, that this period may be shortened in case of emergent, unavoidable situations.  A board of directors meeting may be held without any calling procedure with the consent of all of the directors of the board and the auditors.  The chairperson shall call a meeting of the board of directors and shall assume its chairpersonship. If the post of chairperson of the board of directors is vacant, or if the chairperson is prevented from so acting, another director, who shall be selected in accordance with an order of priority previously determined by resolution of the board of directors, shall call meetings of such board of directors and</p>	<p>Articles <u>19</u> through <u>24</u> (remain as they currently are)</p> <p><u>Article 25 (The Board of Directors)</u>  The board of directors shall make decisions upon matters provided in laws and regulations or these Articles of Incorporation, as well as upon important executive matters of the Company. A notice to call a board of directors meeting shall be issued to each director of the board and each auditor three (3) days prior to the meeting date; provided, however, that this period may be shortened in case of emergent, unavoidable situations.  A board of directors meeting may be held without any calling procedure with the consent of all of the directors of the board and the auditors.</p> <p>The chairperson shall call a meeting of the board of directors and shall assume its chairpersonship. If the post of chairperson of the board of directors is vacant, or if the chairperson is prevented from so acting, another director, who shall be selected in accordance with an order of priority previously determined by resolution of the board of directors,</p>

Current Articles of Incorporation	Proposed Amendments
<p>act as chairperson thereof. Matters concerning the board of directors shall be provided for in the rules of board of directors to be adopted separately by the board of directors.</p> <p><u>The Company may have counselors and special advisors by resolution of the board of directors.</u></p> <p>Articles <u>27</u> through <u>37</u> (articles omitted)</p> <p style="text-align: center;">【New provisions】</p>	<p>shall call meetings of such board of directors and act as chairperson thereof.</p> <p>Matters concerning the board of directors shall be provided for in the rules of board of directors to be adopted separately by the board of directors.</p> <p>Articles <u>26</u> through <u>36</u> (remain as they currently are)</p> <p><u>(Supplementary provisions)</u></p> <p><u>1. The amendment to Article 16 shall become effective as of September 1, 2022, the effective date of the amended provisions provided in proviso of Article 1 of the supplementary provisions of the Act Amending Part of Companies Act (2019 Law No.70) (hereinafter the “Effective Date”).</u></p> <p><u>2. Notwithstanding the preceding paragraph, Article 16 (Internet Disclosures and Deemed Provision of Reference Documents for General Shareholders Meetings) before the amendment of the Articles of Incorporation remains effective for a general shareholders meeting which is held on a date within 6 months from the Effective Date.</u></p> <p><u>3. These supplementary provisions will be deleted on the date falling 6 months after the Effective Date or on the date falling 3 months after the shareholders meeting provided in the preceding paragraph, whichever is later.</u></p>

**Proposal 3: Election of 10 Directors**

The terms of office of all 10 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 10 Directors is proposed.

The candidates for Directors are as follows:

No.	Name	Current Positions and Responsibilities at the Company	
1	Yoshimi Ogawa	President and CEO, President, Member of the Nomination and Compensation Committee, Responsible for Research Center, Responsible for Advanced Materials & Packaging Institute, Responsible for Life Science Business Division and Executive Consultant of Polyplastics Co., Ltd.	Reappointment
2	Kotaro Sugimoto	Representative Director, Senior Managing Executive Officer, Member of the Nomination and Compensation Committee, General Manager of Corporate Support Headquarters, Responsible for Corporate Compliance Program, Responsible for Corporate Sustainability and Responsible for Digital Strategy Division	Reappointment
3	Yasuhiro Sakaki	Director, Senior Managing Executive Officer, General Manager of Corporate Planning & Strategy Headquarters, Responsible for Safety SBU, Responsible for Healthcare SBU, Responsible for Raw Material Purchasing Center and Responsible for Customer Center	Reappointment
4	Akihisa Takabe	Director, Managing Executive Officer, General Manager of Assessment Headquarters and Responsible for Intellectual Property Center	Reappointment
5	Masafumi Nogimori	Director and Chairman of the Nomination and Compensation Committee	Reappointment Outside Independent
6	Teisuke Kitayama	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
7	Sonoko Hacchoji	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
8	Toshio Asano	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
9	Takeshi Furuichi	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
10	Yuriya Komatsu	-	New appointment Outside Independent

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	Yoshimi Ogawa (January 8, 1960)  <u>Reappointment</u>	<p>April 1983      Joined the Company</p> <p>June 2000      Head of Production Innovation Center, Production Technology Headquarters of the Company</p> <p>April 2002      Head of Business Process Innovation of the Company</p> <p>June 2006      Executive Officer of the Company Vice President of Aerospace &amp; Defense Systems/Safety Systems Company of the Company General Manager of Harima Plant, Aerospace &amp; Defense Systems/Safety Systems Company of the Company</p> <p>June 2009      Head of Production Technology of the Company Responsible for Responsible Care of the Company Responsible for Engineering Center of the Company</p> <p>June 2011      Director of the Company</p> <p>June 2013      Managing Executive Officer of the Company</p> <p>April 2014      General Manager of Production Technology Headquarters of the Company</p> <p>April 2015      Responsible for Quality Management Division of the Company</p> <p>June 2016      Responsible for Organic Chemical Products Company of the Company Responsible for Aerospace &amp; Defense Systems/Safety Systems Company of the Company</p> <p>June 2017      Senior Managing Executive Officer of the Company</p> <p>June 2019      President and CEO of the Company President of the Company</p> <p>April 2021      Responsible for Research Center of the Company Executive Consultant of Polyplastics Co., Ltd.</p> <p>April 2022      Responsible for Advanced Materials &amp; Packaging Institute of the Company Responsible for Life Science Business Division of the Company (Positions and responsibilities) President and CEO, President, Member of the Nomination and Compensation Committee, Responsible for Research Center, Responsible for Advanced Materials &amp; Packaging Institute, Responsible for Life Science Business Division and Executive Consultant of Polyplastics Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] Mr. Yoshimi Ogawa has served as President and CEO of the Company since June 2019, and has achievements in leading the Group toward improving corporate value through his strong leadership. Based on his wealth of experience, achievements and insights in overall management of the Company, the Company has determined that he is an appropriate person to promote the Company's group management and global business management, and thus requests his election as Director.</p>	118,973



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	Kotaro Sugimoto (October 10, 1960)  <u>Reappointment</u>	<p>April 1984      Joined the Company</p> <p>June 2011      Head of Raw Material Purchasing Center of the Company</p> <p>June 2014      Executive Officer of the Company Representative Director and President of Daicel Logistics Service Co., Ltd.</p> <p>June 2017      Managing Executive Officer of the Company Responsible for Business Process Innovation of the Company</p> <p>June 2019      Representative Director of the Company General Manager of Corporate Support Center of the Company Responsible for Corporate Compliance Program of the Company Responsible for Corporate Sustainability of the Company</p> <p>October 2019    General Manager of Corporate Support Headquarters of the Company</p> <p>June 2020      Senior Managing Executive Officer of the Company</p> <p>April 2021      Responsible for Corporate Sustainability of the Company</p> <p>April 2022      Responsible for Digital Strategy Division of the Company</p> <p>(Positions and responsibilities) Representative Director, Senior Managing Executive Officer, Member of the Nomination and Compensation Committee, General Manager of Corporate Support Headquarters, Responsible for Corporate Compliance Program, Responsible for Corporate Sustainability and Responsible for Digital Strategy Division</p>	55,248
		<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Kotaro Sugimoto has served as the responsible person for administrative divisions including finance and accounting and compliance, as well as the responsible person for the Raw Material Purchasing Center of the Company, and has a wealth of experience, achievements and insights in the management of the Company. The Company has determined that he is an appropriate person to promote the Company's group management and global business management, and thus requests his election as Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	Yasuhiro Sakaki (March 17, 1962)  <u>Reappointment</u>	<p>April 1984      Joined the Company</p> <p>June 2012      President of Organic Chemical Products Company of the Company</p> <p>June 2014      Executive Officer of the Company</p> <p>June 2016      President of Aerospace &amp; Defense Systems/Safety Systems Company of the Company</p> <p>June 2017      President of Daicel Safety Systems (Jiangsu) Co., Ltd. Managing Executive Officer of the Company President &amp; CEO of Daicel Safety Systems America Holdings, Inc. President &amp; CEO of Daicel Safety Systems America Arizona, Inc. President &amp; CEO of Special Devices, Inc.</p> <p>April 2019      Chairman of Daicel Safety Systems Americas, Inc.</p> <p>June 2019      Senior Managing Executive Officer of the Company Responsible for Aerospace &amp; Defense Systems/Safety Systems Company of the Company</p> <p>October 2019    General Manager of Strategic Planning Headquarters of the Company</p> <p>April 2020      Responsible for Safety SBU of the Company Responsible for Healthcare SBU of the Company</p> <p>June 2020      Director of the Company Responsible for Raw Material Purchasing Center of the Company</p> <p>April 2021      General Manager of Corporate Planning &amp; Strategy Headquarters of the Company</p> <p>April 2022      Responsible for Customer Center of the Company</p> <p>(Positions and responsibilities) Director, Senior Managing Executive Officer, General Manager of Corporate Planning &amp; Strategy Headquarters, Responsible for Safety SBU, Responsible for Healthcare SBU, Responsible for Raw Material Purchasing Center and Responsible for Customer Center</p>	53,340
		<p>[Reasons for selection as a candidate for Director]</p> <p>Mr. Yasuhiro Sakaki has served as the responsible person for pyrotechnic devices of the Company, President of overseas subsidiaries, as well as the responsible person for division regarding the promotion of management strategies of the Company, and has a wealth of experience, achievements and insights in the management of the Company. The Company has determined that he is an appropriate person to promote the Company's group management and global business management, and thus requests his election as Director.</p>	

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	Akihisa Takabe (January 20, 1960)  <u>Reappointment</u>	<p>             April 1984      Joined the Company              June 2008      Representative Director and President of Daicel Safety Systems Inc.              April 2014      Head of Central Research Center of the Company                                  Head of Corporate Research Center of R&amp;D Headquarters of the Company              February 2015   Deputy General Manager of R&amp;D Headquarters of the Company              June 2015      Executive Officer of the Company              June 2019      Director of the Company                                  General Manager of R&amp;D Headquarters of the Company                                  Responsible for New Business Development of the Company                                  Responsible for Intellectual Property Center of the Company                                  Responsible for Quality Management Division of the Company              October 2019   General Manager of Innovation and Business Development Headquarters of the Company              June 2020      Managing Executive Officer of the Company              April 2021      Responsible for CPI Company of the Company              April 2022      Responsible for Assessment Headquarters of the Company                (Significant concurrent positions)              Director, Managing Executive Officer, General Manager of Assessment Headquarters and Responsible for Intellectual Property Center           </p> <p>[Reasons for selection as a candidate for Director]            Mr. Akihisa Takabe has served as the responsible person for the Company's fundamental technologies and research and development divisions in various areas including product development, as well as divisions involved in new business development, and has a wealth of experience, achievements and insights in the new product planning and development of the Group. The Company has determined that he is an appropriate person to promote the Company's group management and global business management, and thus requests his election as Director.</p>	38,860

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Masafumi Nogimori (December 21, 1947)  <div style="border: 1px solid black; padding: 2px; display: inline-block; text-align: center;">             Reappointment              Outside              Independent           </div>	<p>           April 2005      Executive Vice President and Representative Director of Astellas Pharma Inc.            June 2006      President &amp; CEO and Representative Director of Astellas Pharma Inc.            June 2011      Chairman and Representative Director of Astellas Pharma Inc.            June 2016      Retired from Chairman and Representative Director of Astellas Pharma Inc.            June 2017      Director of the Company         </p> <p>           (Positions and responsibilities)            Director and Chairman of the Nomination and Compensation Committee            (Significant concurrent positions)            Outside Director of Mitsui Fudosan Co., Ltd.            Outside Director of Linical Co., Ltd.         </p> <p>           [Reasons for selection as a candidate for Outside Director and expected roles]            Mr. Masafumi Nogimori has a wealth of insights and experience, etc., fostered as a manager of a company that produces and sells medical products, and to have him utilize his point of view based on these insights and experience, etc. in the management of the Company, the Company requests his election as Outside Director. The Company expects Mr. Masafumi Nogimori to fulfill the above-mentioned roles after his reappointment.         </p> <p>           [Matters specifically noted regarding the candidate for Outside Director]         </p> <ul style="list-style-type: none"> <li>• Mr. Masafumi Nogimori will have served as Outside Director for a period of five years as of the conclusion of this General Meeting of Shareholders.</li> <li>• Mr. Masafumi Nogimori attended 14 out of 15 Board of Directors' meetings (93%) that were held during the 156th Fiscal Year.</li> <li>• Mr. Masafumi Nogimori has taken on roles such as Representative Director and President at Astellas Pharma Inc., a business partner of the Company. Since he retired from the position of Representative Director and Chairman of Astellas Pharma Inc. in June 2016, he has not been involved in its business execution. The Group has business transactions with Astellas group, and the Group's net sales to said group is less than 1% of the Group's consolidated net sales. Therefore, we believe that this will not have an effect on the independency of Mr. Masafumi Nogimori as Outside Director.</li> <li>• The Company has registered him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If his election is approved, the Company plans to continue registering him as independent director. Additionally, he satisfies the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" as defined by the Company. Regarding the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	2,276

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	Teisuke Kitayama (October 26, 1946)  <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin: 2px;">Independent</div>	<p>June 2005      Director President (Representative Director) of Sumitomo Mitsui Financial Group, Inc.            Chairman of the Board (Representative Director) of Sumitomo Mitsui Banking Corporation</p> <p>April 2011      Retired from Director of Sumitomo Mitsui Financial Group, Inc.            Chairman of the Board of Sumitomo Mitsui Banking Corporation</p> <p>April 2017      Director of Sumitomo Mitsui Banking Corporation</p> <p>June 2017      Advisor of Sumitomo Mitsui Banking Corporation</p> <p>June 2018      Director of the Company</p> <p>October 2018    Honorary Advisor of Sumitomo Mitsui Banking Corporation</p> <p>(Positions and responsibilities)            Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions)            Honorary Advisor of Sumitomo Mitsui Banking Corporation            Outside Auditor of TBS HOLDINGS, INC.</p> <hr/> <p>[Reasons for selection as a candidate for Outside Director and expected roles]            Mr. Teisuke Kitayama has a wealth of insights and experience, etc., fostered as a manager of financial institutions, and to have him utilize his point of view based on these insights and experience, etc. in the management of the Company, the Company requests his election as Outside Director. The Company expects Mr. Teisuke Kitayama to fulfill the above-mentioned roles after his reappointment.</p> <hr/> <p>[Matters specifically noted regarding the candidate for Outside Director]</p> <ul style="list-style-type: none"> <li>• Mr. Teisuke Kitayama will have served as Outside Director for a period of four years as of the conclusion of this General Meeting of Shareholders.</li> <li>• Mr. Teisuke Kitayama attended all 15 Board of Directors' meetings that were held during the 156th Fiscal Year.</li> <li>• Mr. Teisuke Kitayama has taken on roles such as Chairman of the Board (Representative Director) of Sumitomo Mitsui Banking Corporation, a lender of the Company. Since he retired from the position of Representative Director of Sumitomo Mitsui Banking Corporation in April 2011, he has not been involved in said bank's business execution. The Group's amount of borrowings from said bank is equivalent to approximately 3.5% of the Group's consolidated total assets. More than ten years have passed since he was no longer involved in the business execution of said bank or Sumitomo Mitsui Financial Group, Inc. Therefore, this will not have an effect on the independency of Mr. Teisuke Kitayama as Outside Director.</li> <li>• The Company has registered him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If his election is approved, the Company plans to continue registering him as independent director. Additionally, he satisfies the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" as defined by the Company. Regarding the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	Sonoko Hacchoji (January 15, 1950)  <u>Reappointment</u> <u>Outside</u> <u>Independent</u>	<p>November 1993 Director and Vice President of IBJ International Plc., U.K. securities subsidiary of The Industrial Bank of Japan, Limited</p> <p>March 2002 Executive Officer of IBJ Leasing Company, Limited</p> <p>January 2006 Director (General Manager of Administration Division) of Yuki Management &amp; Research Co., Ltd.</p> <p>March 2011 Managing Director and Managing Executive Officer of FUJITA KANKO INC. (Chief of Planning Group and Deputy Chief of Business Operations Division)</p> <p>April 2017 Special Advisor to the President (Chief Strategy Officer) of Tsuda University</p> <p>June 2019 Director of the Company</p> <p>April 2020 Special Advisor to the President of Tsuda University</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Outside Director of Japan Airlines Co., Ltd. Outside Director of Maruha Nichiro Corporation</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles] Ms. Sonoko Hacchoji has a wealth of insights and experience, etc., fostered as a member of a management team at financial institutions and a hotel management company, and to have her utilize her point of view based on these insights and experience, etc. in the management of the Company, the Company requests her election as Outside Director. The Company expects Ms. Sonoko Hacchoji to fulfill the above-mentioned roles after her reappointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]</p> <ul style="list-style-type: none"> <li>Ms. Sonoko Hacchoji will have served as Outside Director for a period of three years as of the conclusion of this General Meeting of Shareholders.</li> <li>Ms. Sonoko Hacchoji attended all 15 Board of Directors' meetings that were held during the 156th Fiscal Year.</li> <li>Japan Airlines Co., Ltd., at which Ms. Sonoko Hacchoji serves as Outside Director, received a business improvement order with regard to ensuring air transportation safety from the Ministry of Land, Infrastructure and Transport ("MLIT") on December 21, 2018 as MLIT found serious violations that had effects on air safety, such as alcohol intake issues caused by flight crew members and decisions related to modifying crew operating structures. On January 11, 2019, said company also received a business improvement recommendation with regard to ensuring air transportation safety from MLIT due to a case of alcohol intake by a cabin crew member. While she did not recognize these problems until the facts caused these issues were revealed, she has made suggestions on a regular basis in the Board of Directors and other meetings from the standpoint of legal and regulatory compliance. After these issues came to light, she fulfilled her roles through issuing instructions for thorough investigations of these cases and preparation of preventive measures.</li> </ul> <p>Further, Maruha Nichiro Corporation, at which Ms. Sonoko Hacchoji serves as Outside Director, voluntarily recalled food products manufactured at its factory in July, 2021 as it came to light that said products may have contained silica gel desiccant. While she did not recognize this problem until it occurred, she has made suggestions on a regular basis in the Board of Directors and other meetings from the standpoint of legal and regulatory compliance. In addition, after these issues came to light, she fulfilled her roles through issuing instructions for thorough investigations of these cases and preparation of preventive measures.</p> <ul style="list-style-type: none"> <li>The Company has registered her as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If her election is approved, the Company plans to continue registering her as independent director. Additionally, she satisfies the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" as defined by the Company. Regarding the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Toshio Asano (December 4, 1952)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p>	<p>April 2010      President &amp; Representative Director, Presidential Executive Officer of Asahi Kasei Pharma Corp.</p> <p>April 2014      Presidential Executive Officer of Asahi Kasei Corp.</p> <p>June 2014      President &amp; Representative Director, Presidential Executive Officer of Asahi Kasei Corp.</p> <p>April 2016      Director and Standing Advisor of Asahi Kasei Corp.</p> <p>June 2016      Standing Advisor of Asahi Kasei Corp.</p> <p>June 2019      Director of the Company</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Standing Advisor of Asahi Kasei Corp. Outside Director of MEDIPAL HOLDINGS CORPORATION Outside Director of Tokyo Century Corporation</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles] Mr. Toshio Asano has a wealth of insights and experience, etc., fostered in operating companies that manufacture and sell chemical goods, and to have him utilize his point of view based on these insights and experience, etc. in the management of the Company, the Company requests his election as Outside Director. The Company expects Mr. Toshio Asano to fulfill the above-mentioned roles after his reappointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]</p> <ul style="list-style-type: none"> <li>• Mr. Toshio Asano will have served as Outside Director for a period of three years as of the conclusion of this General Meeting of Shareholders.</li> <li>• Mr. Toshio Asano attended 14 out of 15 Board of Directors' meetings (93%) that were held during the 156th Fiscal Year.</li> <li>• Mr. Toshio Asano has taken on roles such as President &amp; Representative Director of Asahi Kasei Corp., a business partner of the Company. Since he retired from the position of President &amp; Representative Director of Asahi Kasei Corp. in April 2016, he has not been involved in its business execution. The Group has business transactions with Asahi Kasei group, and the Group's sales to said group is less than 1% of the Group's consolidated sales, while purchase amounts from said group is less than 1% of said group's consolidated sales. Therefore, we believe that this will not have an effect on the independency of Mr. Toshio Asano as Outside Director.</li> <li>• The Company has registered him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If his election is approved, the Company plans to continue registering him as independent director. Additionally, he satisfies the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" as defined by the Company. Regarding the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Takeshi Furuichi (August 21, 1954)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p>	<p>March 2010 Representative Director and Senior Managing Director of Nippon Life Insurance Company</p> <p>March 2012 Representative Director and Executive Vice President of Nippon Life Insurance Company</p> <p>July 2016 Representative Director and Vice Chairman of Nippon Life Insurance Company</p> <p>June 2020 Director of the Company</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Representative Director and Vice Chairman of Nippon Life Insurance Company Outside Director of Keio Corporation</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles] Mr. Takeshi Furuichi has a wealth of insights and experience, etc., fostered as a manager of a financial institution, and to have him utilize his point of view based on these insights and experience, etc. in the management of the Company, the Company requests his election as Outside Director. The Company expects Mr. Takeshi Furuichi to fulfill the above-mentioned roles after his reappointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]</p> <ul style="list-style-type: none"> <li>Mr. Takeshi Furuichi will have served as Outside Director for a period of two years as of the conclusion of this General Meeting of Shareholders.</li> <li>Mr. Takeshi Furuichi attended 14 out of 15 Board of Directors' meetings (93%) that were held during the 156th Fiscal Year.</li> <li>Mr. Takeshi Furuichi has taken on roles such as Representative Director and Executive Vice President of Nippon Life Insurance Company, a lender of the Company. The Group's amount of borrowings from said company's group is less than 2% of the Group's consolidated total assets, and insurance premiums which the Group paid to said company's group is less than 1% of the said company group's premiums and other income. Therefore, this will not have an effect on the independency of Mr. Takeshi Furuichi as Outside Director.</li> <li>The Company has registered him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If his election is approved, the Company plans to continue registering him as independent director. Additionally, he satisfies the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" as defined by the Company. Regarding the "Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members" defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	0



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	Yuriya Komatsu (October 18, 1962)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">New appointment</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div>	<p>April 1988      Assistant Portfolio Manager of Credit Suisse Trust and Banking Co., Ltd.</p> <p>April 1990      Senior Analyst of SPARX Asset Management Co., Ltd. (currently SPARX Group Co., Ltd.)</p> <p>May 1996        Senior Research Analyst of The Dreyfus Corporation</p> <p>December 1999   Vice President of Fiduciary Trust Company International</p> <p>September 2000   Partner of INTELLASSET, INC.</p> <p>November 2004   Partner of Worldeye Capital Inc.</p> <p>June 2006        Vice President of Olympus Capital Holdings Asia</p> <p>July 2010         Managing Director of Daiwa Quantum Capital Limited</p> <p>October 2014     Member of the Board of KADOKAWA DWANGO Corporation (currently KADOKAWA Corporation)</p> <p>Member of the Board of DWANGO Co., Ltd.</p> <p>July 2020         Outside Director of NTN Corporation</p> <p>June 2021         Outside Director (Audit and Supervisory Committee Member) of DREAM INCUBATOR INC.</p> <p>September 2021   Managing Director of IA Partners Inc.</p> <p>(Significant concurrent positions)</p> <p>Managing Director of IA Partners Inc.</p> <p>Outside Director of NTN Corporation</p> <p>Outside Director (Audit and Supervisory Committee Member) of DREAM INCUBATOR INC.</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles]            Ms. Yuriya Komatsu has a wealth of insights and experience, etc., fostered as a manager of investment companies and information and telecommunications companies in and outside Japan, and to have her utilize her point of view based on these insights and experience, etc. in the management of the Company, the Company requests her election as Outside Director. The Company expects Ms. Yuriya Komatsu to fulfill the above-mentioned roles after her reappointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]            If her election is approved, the Company plans to register her as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. Additionally, she satisfies the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” as defined by the Company. Regarding the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</p>	0

(Notes)

1. Mr. Takeshi Furuichi is Representative Director and Vice Chairman of Nippon Life Insurance Company, and the Company has borrowing of funds and insurance transactions with the said company. There are no special interests between each of other candidates for Director and the Company.
2. Mr. Masafumi Nogimori, Mr. Teisuke Kitayama, Ms. Sonoko Hacchoji, Mr. Toshio Asano, Mr. Takeshi Furuichi and Ms. Yuriya Komatsu are candidates for Outside Directors.
3. Liability limitation agreements with the candidate for Outside Director
  - (1) The Company has entered into a liability limitation agreement with Mr. Masafumi Nogimori, Mr. Teisuke Kitayama, Ms. Sonoko Hacchoji, Mr. Toshio Asano and Mr. Takeshi Furuichi that the limit of his/her liability for damages stipulated in Article 423 Paragraph 1 of the Companies Act shall be ¥15 million or the minimum liability amount set forth in Article 425 Paragraph 1 of the Companies Act, whichever is higher, only in cases where they have performed their duties which caused liabilities in good faith and without gross negligence. Subject to the approval of the election of Mr. Masafumi Nogimori, Mr. Teisuke Kitayama, Ms. Sonoko Hacchoji, Mr. Toshio Asano and Mr. Takeshi Furuichi, the Company plans to continue said liability limitation agreement with them.
  - (2) Subject to the approval of the election of Ms. Yuriya Komatsu, a candidate for Outside Director, the Company plans to enter into a liability limitation agreement with her that the limit of her liability for damages stipulated in Article 423 Paragraph 1 of the Companies Act shall be ¥15 million or the minimum liability amount set forth in Article 425 Paragraph 1 of the Companies Act, whichever is higher, only in cases where she has performed her duties which caused liabilities in good faith and without gross negligence.
4. Indemnification agreements
  - (1) The Company has entered into an indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act with Mr. Yoshimi Ogawa, Mr. Kotaro Sugimoto, Mr. Yasuhiro Sakaki, Mr. Akihisa Takabe, Mr. Masafumi Nogimori, Mr. Teisuke Kitayama, Ms. Sonoko Hacchoji, Mr. Toshio Asano and Mr. Takeshi Furuichi. This agreement stipulates that the Company indemnifies costs under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by laws and regulations. Subject to the approval of the election of Mr. Yoshimi Ogawa, Mr. Kotaro Sugimoto, Mr. Yasuhiro Sakaki, Mr. Akihisa Takabe, Mr. Masafumi Nogimori, Mr. Teisuke Kitayama, Ms. Sonoko Hacchoji, Mr. Toshio Asano and Mr. Takeshi Furuichi, the Company plans to continue said indemnification agreement with them.
  - (2) Subject to the approval of the election of Ms. Yuriya Komatsu, a candidate for Outside Director, the Company plans to enter into an indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act, which stipulates that the Company indemnifies costs under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by laws and regulations, with her.
5. Directors and Officers Liability Insurance contract for the candidates for Directors

The Company has entered into a contract of Directors and Officers Liability Insurance with an insurance company, as stipulated in Article 430-3 Paragraph 1 of the Companies Act. This insurance contract covers damages that may arise from the insured director assuming liability for the execution of his or her duties or receiving claims related to the pursuit of such liability.

However, there are certain exclusions, such as no coverage for damages arising from a criminal act of the insured or an action taken by the insured with the knowledge that it was in violation of laws and regulations.

Subject to the approval of each candidate as Director, they will be insured under said insurance contract. The Company intends to renew said insurance contract with the same details during their terms of office.

**Proposal 4: Election of 2 Audit & Supervisory Board Members**

The terms of office of Audit & Supervisory Board Members Mr. Ryo Ichida and Mr. Junichi Mizuo will expire at the conclusion of this year’s Annual General Meeting of Shareholders. Accordingly, the election of 2 Audit & Supervisory Board Members is proposed.

The Board of Audit & Supervisory Board Members has given its consent to this proposal.

The candidates for Audit & Supervisory Board Members are as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	<p>Junichi Mizuo (August 12, 1947)</p> <p><b>Reappointment</b> <b>Outside</b> <b>Independent</b></p>	<p>April 1970      Joined Shiseido Company, Limited</p> <p>April 2000      Professor of Faculty of Economics (currently Faculty of Economics and Management), Surugadai University</p> <p>April 2001      Professor of Graduate School of Economics (currently Graduate School of Comprehensive Policy), Surugadai University</p> <p>April 2006      President of Economic Research Institute, Surugadai University</p> <p>May 2015        Outside Director of Aderans Company Limited</p> <p>April 2018      President of MIZUO Compliance &amp; Governance Research Office</p> <p>June 2018        Audit &amp; Supervisory Board Member of the Company</p> <p>October 2019    Representative Director and Chairperson of Japan Compliance &amp; Governance Institute</p> <p>(Position) Audit &amp; Supervisory Board Member</p> <p>(Significant concurrent positions) Representative Director and Chairperson of Japan Compliance &amp; Governance Institute Honorary Professor of Surugadai University Executive Director of Japan Society of Business Ethics</p> <p>[Reasons for selection as a candidate for Outside Audit &amp; Supervisory Board Member] Although Mr. Junichi Mizuo has not been directly involved in corporate management, he has experience in working for an operational company and also has advanced specialized knowledge and wide insights as an academic who conducts various areas of studies relating to CSR, corporate governance and corporate ethics. As he also has experience, etc., as outside directors of companies, the Company has determined that he is an appropriate person as Outside Audit &amp; Supervisory Board Member, and requests his election.</p> <p>[Matters specifically noted regarding the candidate for Outside Audit &amp; Supervisory Board Member]</p> <ul style="list-style-type: none"> <li>• Mr. Junichi Mizuo will have served as Outside Audit &amp; Supervisory Board Member for a period of four years as of the conclusion of this General Meeting of Shareholders.</li> <li>• Mr. Junichi Mizuo attended all 15 meetings of the Board of Directors and the Audit &amp; Supervisory Board held during the 156th fiscal year.</li> <li>• The Company has registered him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If his election is approved, the Company plans to continue registering him as independent director. Additionally, he satisfies the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” as defined by the Company. Regarding the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</li> </ul>	260

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
2	Hisae Kitayama (August 30, 1957)  New appointment Outside Independent	<p>October 1982    Joined Asahi Accounting Company (currently KPMG AZSA LLC)</p> <p>March 1986    Registered as Certified Public Accountant</p> <p>May 1999      Partner of Asahi Accounting Company (currently KPMG AZSA LLC)</p> <p>July 2013     Managing Executive Director of KPMG AZSA LLC</p> <p>June 2019     Chairman of Kinki Chapter, Japanese Institute of Certified Public Accountants</p> <p>July 2019     Deputy Chairman of Japanese Institute of Certified Public Accountants</p> <p>                    Senior Executive Director of KPMG AZSA LLC</p> <p>June 2020     Outside Director of Tsubakimoto Chain Co.</p> <p>July 2020     Representative of Kitayama Public Accounting Office</p> <p>March 2021    Outside Director of EBARA CORPORATION (Member of the Audit Committee)</p> <p>April 2021    Specially Appointed Professor of Graduate School, University of Hyogo</p> <p>(Significant concurrent positions)</p> <p>Representative of Kitayama Public Accounting Office, Certified Public Accountant</p> <p>Outside Director of Tsubakimoto Chain Co.</p> <p>Outside Director of EBARA CORPORATION (Member of the Audit Committee)</p> <p>[Reasons for selection as a candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>Although Ms. Hisae Kitayama has not been directly involved in corporate management, she has advanced specialized knowledge and wide insights as a certified public accountant who served as a partner of a major accounting company and an officer of an institute of certified public accountants. As she also has experience, etc., as outside directors of companies, the Company has determined that she is an appropriate person as Outside Audit &amp; Supervisory Board Member, and requests her election.</p> <p>[Matters specifically noted regarding the candidate for Outside Audit &amp; Supervisory Board Member]</p> <p>If her election is approved, the Company plans to register her as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. Additionally, she satisfies the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” as defined by the Company. Regarding the “Standards for Independence of Outside Directors / Outside Audit &amp; Supervisory Board Members” defined by the Company, please refer to the standard which is attached on the last portion of the Reference Documents.</p>	0

(Notes)

1. There are no special interests between each of the candidates for Audit & Supervisory Board Member and the Company.
2. Mr. Junichi Mizuo and Ms. Hisae Kitayama are candidates for Outside Audit & Supervisory Board Member.
3. Liability limitation agreements with candidates for Outside Audit & Supervisory Board Member
  - (1) The Company has entered into a liability limitation agreement with Mr. Junichi Mizuo that the limit of his liability for damages stipulated in Article 423 Paragraph 1 of the Companies Act shall be ¥15 million or the minimum liability amount set forth in Article 425 Paragraph 1 of the Companies Act, whichever is higher, only in cases where he has performed his duties which caused liabilities in good faith and without gross negligence. Subject to the approval of the election of Mr. Junichi Mizuo, the Company plans to continue said liability limitation agreement with him.
  - (2) Subject to the approval of the election of Ms. Hisae Kitayama, a candidate for Outside Audit & Supervisory Board Member, the Company plans to enter into a liability limitation agreement with her that the limit of her liability for damages stipulated in Article 423 Paragraph 1 of the Companies Act shall be ¥15 million or the minimum liability amount set forth in Article 425 Paragraph 1 of the Companies Act, whichever is higher, only in cases where she has performed her duties which caused liabilities in good faith and without gross negligence.

4. Indemnification agreements

(1) The Company has entered into an indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act with Mr. Junichi Mizuo. This agreement stipulates that the Company indemnifies costs under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by laws and regulations. Subject to the approval of the election of Mr. Juichi Mizuo, the Company plans to continue said indemnification agreement with him.

(2) Subject to the approval of the election of Ms. Hisae Kitayama, a candidate for Outside Audit & Supervisory Board Member, the Company plans to enter into an indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act, which stipulates that the Company indemnifies costs under Item 1 of the same paragraph and losses under Item 2 of the same paragraph within the scope stipulated by laws and regulations, with her.

5. Directors and Officers Liability Insurance contract for the candidates for Audit & Supervisory Board Members

The Company has entered into a contract of Directors and Officers Liability Insurance with an insurance company, as stipulated in Article 430-3 Paragraph 1 of the Companies Act. This insurance contract covers damages that may arise from the insured director assuming liability for the execution of his or her duties or receiving claims related to the pursuit of such liability.

However, there are certain exclusions, such as no coverage for damages arising from a criminal act of the insured or an action taken by the insured with the knowledge that it was in violation of laws and regulations.

Subject to the approval of each candidate as Audit & Supervisory Board Member, they will be insured under said insurance contract. The Company intends to renew said insurance contract with the same details during their terms of office.

## **Proposal 5: Revision of Amount of Outside Director Compensation**

With regard to the amount of Director compensation, it was approved at the 153rd Annual General Meeting of Shareholders held on June 21, 2019 to be ¥500 million or less per year (including ¥80 million or less per year for Outside Directors). Additionally, with regard to the amount of compensation for granting restricted stock which is separate from the amount of compensation above, it was approved at the 152nd Annual General Meeting of Shareholders held on June 22, 2018 to be ¥100 million or less per year (paid to Directors other than Outside Directors).

If Proposal 3 is approved as originally proposed, there will be one more Outside Director. Further, there has been an increase in roles and responsibilities expected to be assumed by Outside Directors from the perspective of further enhancing corporate governance. The Company therefore would like to revise the amount of Outside Director compensation to be ¥100 million or less per year. The total amount of Director compensation will remain unchanged at ¥500 million or less per year.

This proposal is in accordance with “Policy on Determination of Amount of Compensation, etc. of Directors and Audit & Supervisory Board Members,” which is attached on the last portion of the Reference Documents, and is deemed to be appropriate as it was determined by the Board of Directors through deliberation in the Nomination and Compensation Committee.

Currently there are 10 Directors (including 5 Outside Directors). If Proposal 3 is approved as proposed, there will be 10 Director (including 6 Outside Directors), of which the majority will be Outside Directors, at the conclusion of this year’s Annual General Meeting of Shareholders.

(Reference) Main knowledge and experience owned by candidates for Directors and Audit & Supervisory Board Members (including those who currently serve as Audit & Supervisory Board Members) (skills matrix)

	Name		Corporate management	Global management	Marketing/ Business planning	Engineering/ Research & development	Finance and accounting	Legal affairs, intellectual property and risk management	ESG
Director	Yoshimi Ogawa		●	●		●			●
	Kotaro Sugimoto		●	●			●	●	●
	Yasuhiro Sakaki		●	●	●			●	●
	Akihisa Takabe		●			●		●	●
	Masafumi Nogimori	Outside	●	●		●			●
	Teisuke Kitayama	Outside	●	●			●	●	●
	Sonoko Hacchoji	Outside	●	●	●		●		●
	Toshio Asano	Outside	●	●		●			●
	Takeshi Furuichi	Outside	●	●			●		●
Yuriya Komatsu	Outside	●	●			●	●	●	
Audit & Supervisory Board Member	Shinji Fujita		●				●	●	●
	Hisanori Imanaka		●	●					●
	Junichi Mizuo	Outside						●	●
	Hideo Makuta	Outside					●	●	●
	Hisae Kitayama	Outside					●	●	●

\* Up to five items that are particularly expected of each person are listed. The above matrix does not represent all the knowledge and experience of each person.

(Reference) Policy regarding cross-holding of shares and the status of cross-shareholdings

[1] Policy regarding cross-holding of shares

We only adhere to a shareholding policy insofar as it is judged to contribute to the improvement of medium- and long-term corporate value of the Company and the Group from the perspectives of strengthening business relationships, maintaining the stability of transactions with financial institutions, and maintaining or strengthening cooperative business relationships.

When any stocks do not meet the purpose of our possession or are not recognized as being economically rational due to changes in the business environment or other factors, we will reduce them accordingly.

We will periodically verify the appropriateness of the purpose, the quantitative and qualitative benefits arising from business transactions, and the economic rationality of the risks held of all stocks that we possess. We report the results of this verification to the Board of Directors, and the content is examined carefully.

[2] Status of cross-shareholdings (investments in equity securities held for purposes other than net assets)

Based on the above policy, in FY2022/3 we sold all our shareholding in 1 brand of listed stock and part of our shareholding in 2 brands of listed stocks out of 26 brands of listed stocks. We also sold all our shareholding in 1 brand of unlisted stock. As of the end of FY2022/3, the Company has cross-holdings of shares in 52 companies, which is equivalent to 66.6 billion yen reported on the balance sheet. The increase in this figure is mainly due to mark-to-market valuation.

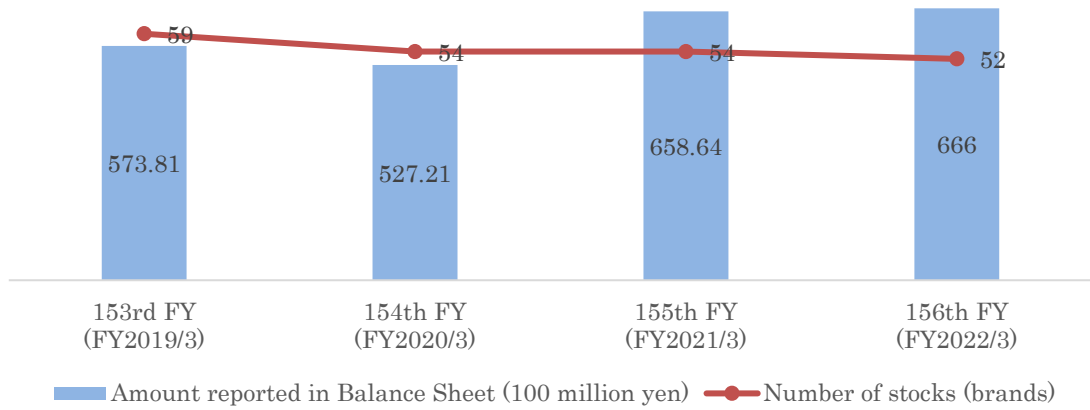
The ratio of the amount of cross-shareholdings reported on the balance sheet to consolidated net assets increased in FY2021/3 because the consolidated net assets decreased by approx. 167 billion yen following the acquisition of 100% ownership of a consolidated subsidiary of Polyplastics Co., Ltd. in October 2020. We will continuously reduce such cross-shareholdings.

		153 <sup>rd</sup> FY (FY2019/3)	154 <sup>th</sup> FY (FY2020/3)	155 <sup>th</sup> FY (FY2021/3)	156 <sup>th</sup> FY (FY2022/3)
Number of brands of stocks (brands)	Unlisted stocks	29	27	28	27
	Listed stocks	30	27	26	25
	Total	59	54	54	52
Amount reported in Balance Sheet (100 million yen)	Unlisted stocks	13	7	13	13
	Listed stocks	561	520	645	653
	Total	574	527	659	666
Ratio of consolidated net assets (%)		13.6	13.4	26.9	23.7

\* Ratio of consolidated net assets: Ratio of the amount of investments in equity securities held for purposes other than net assets reported on the balance sheet to consolidated net assets



### Amount reported in Balance Sheet and Number of Stocks (brands)



The independence of Outside Directors/Audit & Supervisory Board Members of the Company refers to such a person being independent from the Company's management without falling under any of the following:

1. A person executing the business, etc. ("Executing Person") of the Company (\*1) and its affiliates (hereinafter, "the Group") and their relatives, etc. (\*2);
  2. A party for which the Group is a principal business partner (\*3) or an Executing Person thereof;
  3. A principal business partner of the Group (\*4) or an Executing Person thereof;
  4. A major shareholder of the Company (\*5) or an Executing Person thereof;
  5. A director and other Executing Person of an organization (\*6) that has received a certain amount or more of donations or subsidies from the Group;
  6. A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than director / audit & supervisory board member compensation from the Group (\*7) (if the party receiving such consideration is a corporation, association or other entity, a person belonging to the said entity or a person who has belonged to the said entity in the past three years).
- (\*1) An Executing Person refers to those who conduct business operations or conducted business operations within the past three years, including directors (excluding Outside directors), executive officers and employees.
- (\*2) Relatives refer to relatives within the second degree of kinship of those who conduct important business operations, including directors (excluding Outside directors), executive officers and division managers.
- (\*3) A party for which the Group is a principal business partner refers to a business partner group (which means entities that belong to the consolidated group to which the direct business partner belongs; the same shall apply hereinafter) that supplies products and services to the Group, where the business partner group's trading amount with the Group exceeds 2% of the consolidated sales of the business partner group in the any of the recent past three fiscal years.
- (\*4) A principal business partner of the Group refers to those who fall under either of the following:
- (1) A business partner group to whom the Group supplies products and services, where the Group's trading amount with such group exceeds 2% of the Group's consolidated sales in the any of the recent past three fiscal years.
  - (2) A financial institution group (which means entities that belong to the consolidated group to which the direct lender belongs) from which the Group has borrowed funds, where the total amount of the Group's borrowings from the financial institution group exceeds 2% of the Group's consolidated total assets at the end of the any of the recent past three fiscal years.
- (\*5) A major shareholder of the Company refers to those who directly or indirectly hold voting interests of 10% or more.
- (\*6) An organization that has received a certain amount or more of donations or subsidies from the Group refers to public interest incorporated foundations, public interest incorporated associations, non-profit organizations, etc. which receive donations or subsidies of over 10 million yen per year within any of the past three years from the Group.
- (\*7) A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than director / audit & supervisory board member compensation from the Group refers to those who received such consideration other than director / audit & supervisory board member compensation of over 10 million yen from the Group in any of the recent past three fiscal years or those who belong to an entity which receives such consideration from the Group in amount exceeding 2% of the said entity's consolidated sales or gross income.

(Reference) Effectiveness Evaluation of the Board of Directors

The Company conducts an effectiveness evaluation of the Board of Directors every year and publishes its outline to maintain and improve its effectiveness and optimize its corporate governance.

The overview of initiatives for FY2022/3 is as follows.

1. FY2022/3 initiatives based on the FY2021/3 effectiveness evaluation

In view of the effectiveness evaluation of FY2021/3, the Board of Directors has been engaged in initiatives for reporting the contents of discussions in the Management Meetings and other meetings, divisional strategies, progress in issues and other affairs in more detail and spending more time on issues related to management strategies.

2. Overview of results of FY2022/3 effectiveness evaluation of the Board of Directors

Evaluation process	A questionnaire was distributed to all the Directors and Audit & Supervisory Board Members, and the responses were surveyed in more detail in individual interviews. The results were collected and analyzed at the office, and then reported and discussed in the Board of Directors.
Main evaluation item	<ul style="list-style-type: none"><li>- Composition of the Board of Directors</li><li>- Contents of deliberation, resolutions, reports, etc.</li><li>- Management methods of the Board of Directors</li><li>- Information whose provision should be enhanced in the future</li></ul>
Overview of evaluation results	<p>The Board of Directors engaged in productive discussions with Outside Directors and actively offered their opinions, and we were able to confirm that the effectiveness of the board is generally satisfactory .</p> <p>On the other hand, there were some issues that needed to be addressed to improve the board's effectiveness. The main issues pointed out were:</p> <ul style="list-style-type: none"><li>(1) Board composition issue<ul style="list-style-type: none"><li>- Addressing diversity in the Board of Directors</li></ul></li><li>(2) Board deliberation issues<ul style="list-style-type: none"><li>- The ideal way for the Board of Directors to monitor progress on the execution of management strategies</li></ul></li><li>(3) Board operation issues<ul style="list-style-type: none"><li>- Ingenuity and efficiency of operation of the board for ensuring sufficient time for deliberation</li></ul></li><li>- Ways for enhancing the provision of useful information for making appropriate decisions (handling of technical terms and in-house jargon, timing of delivering reference materials for board meetings)</li><li>(4) Information whose provision should be enhanced in the future<ul style="list-style-type: none"><li>- Issues related to sustainability and the status of their initiatives</li><li>- Necessity of reviewing the business portfolio</li></ul></li></ul>