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Stock Exchange Code 4202  
June 1, 2023

**To Shareholders with Voting Rights:**

Yoshimi Ogawa  
President and CEO  
Daicel Corporation  
3-1, Ofuka-cho, Kita-ku,  
Osaka, Japan

**NOTICE OF  
THE 157TH 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 157th Annual General Meeting of Shareholders of Daicel Corporation (the “Company”) will be held for the purposes described below. When convening this General Meeting of Shareholders, the Company has taken measures for providing information in electronic format (the “electronic provision measures”) and has posted matters subject to the electronic provision measures on the Company’s website.

The Company’s website:

<https://www.daicel.com/en/ir/stockholder.html>

In addition to the website shown above, the Company also has posted matters subject to the electronic provision measures on the website of Tokyo Stock Exchange, Inc. (TSE). To view the information, please access the following TSE website (TSE Listed Company Search service), input the issue name (Daicel) or securities code (4202), and click “Search,” and then click “Basic information” and select “Documents for public inspection/PR information.”

The TSE website (TSE Listed Company Search service):

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you will not attend the Meeting in person, you may exercise your voting rights via the Internet or in writing. Please review the “Reference Documents for the General Meeting of Shareholders” and exercise your voting rights by 5:00 p.m. on Thursday June 22, 2023, Japan time.

- 1. Date and Time:** Friday, June 23, 2023 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. Business Report, Consolidated Financial Statements for the Company’s 157th Fiscal Year (April 1, 2022–March 31, 2023) 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 157th Fiscal Year (April 1, 2022–March 31, 2023)
  - Proposals to be resolved:**
    - Proposal 1:** Appropriation of Surplus
    - Proposal 2:** Election of 10 Directors
    - Proposal 3:** Election of 1 Audit & Supervisory Board Member

- Should the matters subject to the electronic provision measures require revisions, the revised versions will be posted on the respective websites where the matters are posted.
- The documents sent to shareholders also serve as part of the matters subject to the electronic provision measures to be delivered upon a request for delivery.

The following matters are not included pursuant to applicable laws and regulations, as well as Article 16 of the Company's Articles of the Incorporation.

- (1) "Matters Regarding Establishment of a System to Ensure the Appropriateness of Business Activities and the Operating Status of the System" in the Business Report
- (2) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
- (3) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" of the non-Consolidated Financial Statements

Please note that (1) (2) (3) are included in the documents audited by the Audit & Supervisory Board Members and (2) (3) are included in the documents audited by the Accounting Auditor.

- The materials for this Annual General Meeting of Shareholders of the Company will be delivered in writing in the same way as before. However, we are considering delivering the paper-based documents (excluding certain items in the documents) only to shareholders who make a request for delivery of documents from next time. We appreciate your understanding in this matter.
- Our officers and operation staff of the General Meeting of Shareholders will confirm their health conditions thoroughly beforehand when attending.
- Chairperson and speakers will not wear masks so as to make the voice clear during the meeting.
- Please note that our officers and operation staff will be in light clothing ("cool biz") at the meeting.
- We will prepare alcohol hand sanitizer near the meeting venue reception.

Notes to the shareholders who will attend the meeting

- When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
- In accordance with the government guidelines, the Company requests that individual shareholders decide for themselves whether to wear a mask at the meeting.
- Please understand that shareholders with and without masks as well will be seated at the same venue.
- 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.

# 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 shares, with the annual dividend per share of 32 yen set upon the announcement of the mid-term management strategy as the lower limit.

Based on the policy mentioned above, the year-end dividend for the fiscal year under review will be 20 yen per share.

- (1) Type of dividend property  
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof  
20 yen per share of common stock of the Company  
Total amount: 5,712,697,940 yen  
(Note) The annual dividends for the fiscal year under review will be increased by 4 yen from the previous fiscal year to 38 yen per share including the interim dividends.
- (3) Effective date of distribution of surplus  
June 26, 2023

**Proposal 2: 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, 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, General Manager of SCM Headquarters, Responsible for Safety SBU, Responsible for Healthcare SBU, and Responsible for Material SBU	Reappointment
4	Akihisa Takabe	Director, Senior Managing Executive Officer, General Manager of Assessment Headquarters, Responsible for Safety and Quality Assurance Headquarters, and Responsible for Intellectual Property Center	Reappointment
5	Teisuke Kitayama	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
6	Toshio Asano	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
7	Takeshi Furuichi	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
8	Yuriya Komatsu	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent
9	Mari Okajima	–	New appointment Outside Independent
10	Keita Nishiyama	–	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              June 2000      Head of Production Innovation Center, Production Technology                                       Headquarters of the Company              April 2002      Head of Business Process Innovation of the Company              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              June 2009      Head of Production Technology of the Company                                       Responsible for Responsible Care of the Company                                       Responsible for Engineering Center of the Company              June 2011      Director of the Company              June 2013      Managing Executive Officer of the Company              April 2014      General Manager of Production Technology Headquarters of the                                       Company              April 2015      Responsible for Quality Management Division of the Company              June 2016      Responsible for Organic Chemical Products Company of the                                       Company                                       Responsible for Aerospace &amp; Defense Systems/Safety Systems                                       Company of the Company              June 2017      Senior Managing Executive Officer of the Company              June 2019      President and CEO of the Company                                       President of the Company              April 2021      Responsible for Research Center of the Company                                       Executive Consultant of Polyplastics Co., Ltd.              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, 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>	143,276

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              June 2011      Head of Raw Material Purchasing Center of the Company              June 2014      Executive Officer of the Company                                  Representative Director and President of Daicel Logistics                                  Service Co., Ltd.              June 2017      Managing Executive Officer of the Company                                  Responsible for Business Process Innovation of the Company              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              October 2019    General Manager of Corporate Support Headquarters of the                                  Company              June 2020      Senior Managing Executive Officer of the Company              April 2021      Responsible for Corporate Sustainability of the Company              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> <p>             [Reasons for selection as a candidate for Director]              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>	69,828

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              June 2012      President of Organic Chemical Products Company of the Company              June 2014      Executive Officer of the Company              June 2016      President of Aerospace &amp; Defense Systems/Safety Systems Company of the Company                                  President of Daicel Safety Systems (Jiangsu) Co., Ltd.              June 2017      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.              April 2019      Chairman of Daicel Safety Systems Americas, Inc.              June 2019      Senior Managing Executive Officer of the Company                                  Responsible for Aerospace &amp; Defense Systems/Safety Systems Company of the Company              October 2019    General Manager of Strategic Planning Headquarters of the Company              April 2020      Responsible for Safety SBU of the Company                                  Responsible for Healthcare SBU of the Company              June 2020      Director of the Company                                  Responsible for Raw Material Purchasing Center of the Company              April 2021      General Manager of Corporate Planning &amp; Strategy Headquarters of the Company              April 2022      Responsible for Customer Center of the Company              August 2022     General Manager of SCM Headquarters of the Company              April 2023      Responsible for Material SBU of the Company               (Positions and responsibilities)              Director, Senior Managing Executive Officer, General Manager of Corporate Planning &amp; Strategy Headquarters, General Manager of SCM Headquarters, Responsible for Safety SBU, Responsible for Healthcare SBU, and Responsible for Material SBU           </p> <p>             [Reasons for selection as a candidate for Director]              Mr. Yasuhiro Sakaki has served as the responsible person for Safety segment 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>	67,920

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p>Akihisa Takabe (January 20, 1960)</p> <p><u>Reappointment</u></p>	<p>April 1984      Joined the Company</p> <p>June 2008      Representative Director and President of Daicel Safety Systems Inc.</p> <p>April 2014      Head of Central Research Center of the Company Head of Corporate Research Center of R&amp;D Headquarters of the Company</p> <p>February 2015    Deputy General Manager of R&amp;D Headquarters of the Company</p> <p>June 2015      Executive Officer of the Company</p> <p>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</p> <p>October 2019    General Manager of Innovation and Business Development Headquarters of the Company</p> <p>June 2020      Managing Executive Officer of the Company</p> <p>April 2021      Responsible for CPI Company of the Company</p> <p>April 2022      Responsible for Assessment Headquarters of the Company</p> <p>April 2023      Senior Managing Executive Officer of the Company Responsible for Safety and Quality Assurance Headquarters of the Company</p> <p>(Significant concurrent positions) Director, Senior Managing Executive Officer, General Manager of Assessment Headquarters, Responsible for Safety and Quality Assurance 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>	49,188



No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	<p data-bbox="199 947 395 1003">Teisuke Kitayama (October 26, 1946)</p> <p data-bbox="215 1037 379 1126"> <span style="border: 1px solid black; padding: 2px;">Reappointment</span>  <span style="border: 1px solid black; padding: 2px;">Outside</span>  <span style="border: 1px solid black; padding: 2px;">Independent</span> </p>	<p data-bbox="419 282 1286 656"> June 2005      Director President (Representative Director) of Sumitomo Mitsui Financial Group, Inc.  Chairman of the Board (Representative Director) of Sumitomo Mitsui Banking Corporation  April 2011      Retired from Director of Sumitomo Mitsui Financial Group, Inc.  Chairman of the Board of Sumitomo Mitsui Banking Corporation  April 2017      Director of Sumitomo Mitsui Banking Corporation  June 2017      Advisor of Sumitomo Mitsui Banking Corporation  June 2018      Director of the Company  October 2018    Honorary Advisor of Sumitomo Mitsui Banking Corporation </p> <p data-bbox="619 701 1230 891"> (Positions and responsibilities)  Director and Member of the Nomination and Compensation Committee  (Significant concurrent positions)  Honorary Advisor of Sumitomo Mitsui Banking Corporation  Outside Auditor of TBS HOLDINGS, INC. </p> <p data-bbox="419 902 1286 1081"> [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> <p data-bbox="419 1093 1286 1798"> [Matters specifically noted regarding the candidate for Outside Director] <ul style="list-style-type: none"> <li>• Mr. Teisuke Kitayama 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. Teisuke Kitayama attended all 15 Board of Directors' meetings that were held during the 157th 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> </p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<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>June 2022      Advisor of Asahi Kasei Corp.</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) 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 four years as of the conclusion of this General Meeting of Shareholders.</li> <li>• Mr. Toshio Asano attended all 15 Board of Directors' meetings that were held during the 157th 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
7	<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 Executive Officer 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>July 2022 Advisor of Nippon Life Insurance Company</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Advisor 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 three years as of the conclusion of this General Meeting of Shareholders.</li> <li>Mr. Takeshi Furuichi attended all 15 Board of Directors' meetings that were held during the 157th Fiscal Year.</li> <li>Mr. Takeshi Furuichi had taken on roles such as Representative Director and Executive Vice President of Nippon Life Insurance Company, a lender of the Company. Since he retired from the position of Representative Director and Vice Chairman of Nippon Life Insurance Company in July 2022, he has not been involved in the business execution of Nippon Life Insurance Company. Additionally, the Group's amount of borrowings from said company's group is less than 1% 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

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8	Yuriya Komatsu (October 18, 1962)  <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reappointment</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) 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>June 2022        Director of the Company</p> <p>January 2023    Director of IA Partners Inc.</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Director of IA Partners Inc. Outside Director of NTN Corporation 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]</p> <ul style="list-style-type: none"> <li>• Ms. Yuriya Komatsu will have served as Outside Director for a period of one year as of the conclusion of this General Meeting of Shareholders.</li> <li>• Ms. Yuriya Komatsu attended all 12 Board of Directors' meetings that were held during the 157th Fiscal Year after her appointment as director.</li> <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
9	Mari Okajima (August 6, 1961)  <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; margin-left: 20px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-left: 20px;">Independent</div>	<p>April 2012 Vice President of Cabin Safety Promotion Department of Japan Airlines Co., Ltd.</p> <p>April 2013 Vice President of Cabin Attendants Department, Haneda of Japan Airlines Co., Ltd.</p> <p>November 2014 Deputy General Manager of Cabin Attendants and Vice President of The 1st Cabin Attendants Department, Haneda of Japan Airlines Co., Ltd.</p> <p>June 2015 Deputy General Manager of Cabin Attendants Division and Vice President of Cabin Attendants General Affairs of Japan Airlines Co., Ltd.</p> <p>September 2021 Professor of J.F. Oberlin University</p> <p>(Significant concurrent positions) Professor of J.F. Oberlin University</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles] Although Ms. Mari Okajima has not been directly involved in corporate management, she has experience in management of business department in the Japanese leading airline company and also has a wealth of knowledge about safety management of organization and development of human resources. The Company has determined that she can perform her duties appropriately as Outside Director. She also has advanced specialized knowledge and wide insights as an academic who conducts various areas of studies relating to social issues centered on customer satisfaction and SDGs, etc., 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. Mari Okajima to fulfill the above-mentioned roles after her appointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]</p> <ul style="list-style-type: none"> <li>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.</li> </ul>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	Keita Nishiyama (January 11, 1963)  <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 1985      Joined the Ministry of International Trade and Industry (currently Ministry of Economy, Trade and Industry)</p> <p>June 2011      Director-General of the Secretariat for the TEPCO Management and Finance Investigation Task Force of Cabinet Secretariat</p> <p>June 2012      Senior Executive Managing Officer of Innovation Network Corporation of Japan (currently Japan Investment Corporation)</p> <p>July 2012      Deputy Director-General for Economic and Social Policy of Ministry of Economy, Trade and Industry</p> <p>June 2013      Deputy Director-General of Economic and Industrial Policy Bureau of Ministry of Economy, Trade and Industry</p> <p>July 2014      Deputy General Manager of TEPCO-NDF Liaison Office, Nuclear Damage Compensation and Decommissioning Facilitation Corporation (NDF) Executive Officer of Tokyo Electric Power Company (Assistant to Chairman, Co-Superintendent of Management &amp; Planning Division)</p> <p>June 2015      Director and Executive Officer of Tokyo Electric Power Company (Assistant to Chairman, Co-Superintendent of Management &amp; Planning Division)</p> <p>July 2018      Director-General of Commerce and Information Policy Bureau of Ministry of Economy, Trade and Industry</p> <p>July 2020      Retired from Ministry of Economy, Trade and Industry</p> <p>November 2020      Representative Director of Nishimura Research Institute, Inc.</p> <p>(Significant concurrent positions) Representative Director of Nishimura Research Institute, Ltd.</p> <p>[Reasons for selection as a candidate for Outside Director and expected roles] Mr. Keita Nishiyama has a deep knowledge about economic and industrial policy and IT policy fostered by duties at the Ministry of Economy, Trade and Industry as well as a wealth of knowledge as a member of a management team fostered in the power company and investment company, 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. Keita Nishiyama to fulfill the above-mentioned roles after his appointment.</p> <p>[Matters specifically noted regarding the candidate for Outside Director]  <ul style="list-style-type: none"> <li>If his election is approved, the Company plans to register him as an independent director with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. 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> </p>	0

(Notes)

1. There are no special interests between each of the candidates for Directors and the Company.
2. Mr. Teisuke Kitayama, Mr. Toshio Asano, Mr. Takeshi Furuichi, Ms. Yuriya Komatsu, Ms. Mari Okajima and Mr. Keita Nishiyama are candidates for Outside Directors.
3. Mr. Keita Nishiyama will be appointed as Outside Director of Panasonic Holdings Corporation as of June 26, 2023.
4. Liability limitation agreements with the candidates for Outside Directors
  - (1) The Company has entered into a liability limitation agreement with Mr. Teisuke Kitayama, Mr. Toshio Asano, Mr. Takeshi Furuichi and Ms. Yuriya Komatsu 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. Teisuke Kitayama, Mr. Toshio Asano, Mr. Takeshi Furuichi and Ms. Yuriya Komatsu, the Company plans to continue said liability limitation agreement with them.
  - (2) Subject to the approval of the election of Ms. Mari Okajima and Mr. Keita Nishiyama, candidates for Outside Directors, the Company plans to enter into a liability limitation agreement with them 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.
5. 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. Teisuke Kitayama, Mr. Toshio Asano, Mr. Takeshi Furuichi and Ms. Yuriya Komatsu. 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. Teisuke Kitayama, Mr. Toshio Asano, Mr. Takeshi Furuichi and Ms. Yuriya Komatsu, the Company plans to continue said indemnification agreement with them.
  - (2) Subject to the approval of the election of Ms. Mari Okajima and Mr. Keita Nishiyama, candidates for Outside Directors, 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 them.
6. 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 under the said insurance contract, 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.
7. If the candidate currently for Outside Director is an Outside Director of the Company, if a fact exists of a violation of laws and regulations or the articles of incorporation or other unfair execution of business occurred at the Company during the term in office after the candidate was most recently elected, that fact and a summary of the actions taken by the candidate to prevent the occurrence of the fact and the actions taken in response after the occurrence of the fact;

The Company announced that products certified by a third-party safety science organization headquartered in the United States had been manufactured and sold by a subsidiary of the Company as being certified after some changes made to the composition registered at the time of certification without submitting applications to the safety science organization. These products had been manufactured and sold as certified products from 1980' at the latest to May 2022.

While Mr. Teisuke Kitayama, Mr. Toshio Asano, and Mr. Takeshi Furuichi did not recognize this fact until the above fact was revealed, they have made suggestions on a regular basis in the Board of Directors and other meetings from the standpoint of legal and regulatory compliance. After this fact came to light, they fulfilled their roles through calling for thorough investigations of this fact and further enhancement of structure aiming for the preventive measures. Also, Ms. Yuriya Komatsu was not in a position of Director of the Company when the above fact was revealed. However, after her appointment as an Outside Director, she has made suggestions in the Board of Directors and other meetings from the standpoint of legal and regulatory compliance, etc. Therefore, she fulfilled her role.

**Proposal 3: Election of 1 Audit & Supervisory Board Member**

The terms of office of Audit & Supervisory Board Members Mr. Shinji Fujita will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the election of 1 Audit & Supervisory Board Member is proposed.

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

The candidate for Audit & Supervisory Board Members is as follows:

No.	Name (Date of birth)	Past experience, positions, and significant concurrent positions	Number of shares of the Company held
1	Mr. Mikio Yagi (February 2, 1961)  <u>New Appointment</u>	<p>April 1983      Joined the Company</p> <p>February 2005      General Manager of Business Support Department of Daicel Polymer Ltd.</p> <p>June 2012      President of Daicel Polymer Ltd.</p> <p>June 2015      Executive Officer of the Company</p> <p>June 2016      Vice President of Aerospace &amp; Defense Systems/ Safety Systems Company and General Manager of Aerospace &amp; Defense Systems Division of the Company</p> <p>June 2020      Responsible for Aerospace &amp; Defense Systems of Safety SBU of the Company</p> <p>April 2021      Advisor of the Company General Manager of Aerospace &amp; Defense Systems Division of Safety SBU of the Company</p> <p>April 2023      Assistant General Manager of Aerospace &amp; Defense Systems Division of Safety SBU of the Company</p> <p>(Position) Advisor, Assistant General Manager of Aerospace &amp; Defense Systems Division of Safety SBU</p> <p>[Reasons for selection as a candidate for Outside Audit &amp; Supervisory Board Member] Mr. Mikio Yagi had served as the President &amp; CEO of the Company's group company as well as the responsible person for Safety segment, etc. Based on his insights driven by his extensive experience with special expertise in the field related to production, sales, product quality, etc. of the Company group, the Company has determined that he is an appropriate person as Audit &amp; Supervisory Board Member to perform audits from a neutral and objective point of view and be responsible for securing the soundness of management, and thus requests his election as Audit &amp; Supervisory Board Member.</p>	23,028

(Notes)

1. There are no special interests between a candidate for Audit & Supervisory Board Member and the Company.
2. Indemnification agreements  
Subject to the approval of the election of Mr. Mikio Yagi, a candidate for 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 him.
3. 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 audit & supervisory board member 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 under the said insurance contract, 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 the candidate as Audit & Supervisory Board Member, he will be insured under said insurance contract. The Company intends to renew said insurance contract with the same details during his terms of office.



(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	DX	Sustainability	
									Environment	Diversity and inclusion
Director	Yoshimi Ogawa	●	●		●			●	●	
	Kotaro Sugimoto	●	●			●	●			●
	Yasuhiro Sakaki	●	●	●			●		●	
	Akihisa Takabe	●			●		●		●	
	Teisuke Kitayama	Outside	●	●		●	●		●	
	Toshio Asano	Outside	●	●		●			●	
	Takeshi Furuichi	Outside	●	●			●			●
	Yuriya Komatsu	Outside	●	●			●	●		●
	Mari Okajima	Outside			●		●			●
	Keita Nishiyama	Outside	●					●	●	●
A&S Board Member	Hisanori Imanaka	●	●						●	●
	Mikio Yagi	●	●	●			●			●
	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 pure investment)

Based on the above policy, in FY2023/3 we sold all our shareholding in 3 issues of listed stocks out of 25 issues of listed stocks. We also sold all our shareholding in 2 issues of unlisted stocks. As of the end of FY2023/3, the Company has cross-holdings of shares in 48 companies, which is equivalent to 58.9 billion yen reported on the balance sheet. The decrease in this figure is mainly due to the sale of cross-holding shares and 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.

		154 <sup>th</sup> FY (FY2020/3)	155 <sup>th</sup> FY (FY2021/3)	156 <sup>th</sup> FY (FY2022/3)	157 <sup>th</sup> FY (FY2023/3)
Number of issues of stocks (issues)	Unlisted stocks	27	28	27	26
	Listed stocks	27	26	25	22
	Total	54	54	52	48
Amount reported in Balance Sheet (100 million yen)	Unlisted stocks	7	13	13	13
	Listed stocks	520	645	653	576
	Total	527	659	666	589
Ratio of consolidated net assets (%)		13.4	26.9	23.7	19.0

[3] Status of cross-shareholdings (total of investments in equity securities held for purposes other than pure investment and deemed holdings of shares)

	154 <sup>th</sup> FY (FY2020/3)	155 <sup>th</sup> FY (FY2021/3)	156 <sup>th</sup> FY (FY2022/3)	157 <sup>th</sup> FY (FY2023/3)
Total amount of cross-shareholdings (100 million yen)	690	856	891	730
Ratio of consolidated net assets (%)	17.6	34.9	31.9	23.5

[4] Plans for reduction going forward

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 expedite the sales of stocks after considering various conditions such as impacts on markets and financial strategy of issuers, etc.

The ratios of the balance of cross-shareholdings (excluding deemed holdings of shares) and the balance of cross-shareholdings (including deemed holdings of shares) to the consolidated net assets from FY2024/3 to FY2026/3 are expected to change as follows.

	158 <sup>th</sup> FY (FY2024/3)	159 <sup>th</sup> FY (FY2025/3)	160 <sup>th</sup> FY (FY2026/3)
Total amount of cross-shareholdings (excluding deemed holdings of shares) (100 million yen)	497	315	200
Ratio of consolidated net assets (%)	15.2	9.1	5.6
Total amount of cross-shareholdings (including deemed holdings of shares) (100 million yen)	641	459	345
Ratio of consolidated net assets (%)	19.6	13.3	9.6

Note: Plans for reduction are based on the information currently available to the Company and certain assumptions considered reasonable. Actual changes may differ from the plans due to various factors.

(Reference) Standards for Independence of Outside Directors/Audit & Supervisory Board Members

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) Initiatives to Improve the Effectiveness 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 FY2023/3 is as follows.

1. FY2023/3 initiatives based on the FY2022/3 effectiveness evaluation

In view of the effectiveness evaluation of FY2022/3, the Board of Directors has been engaged in initiatives for spending more time on reporting the relations with the strategies, progress, issues, and other affairs in more details in terms of the large-scale investments and other items associated with the management strategies, and enriched the discussion.

2. FY2023/3 effectiveness evaluation of the Board of Directors

(1) Use of a third-party organization (outside experts)

Effectiveness evaluation of the Board of Directors at the Company had been conducted only by the concerned people of the Board of Directors office. However, the Company decided to conduct the effectiveness evaluation of the Board of Directors with involvement of a third-party organization (law firm) for FY2023/3 aiming at the incorporation of knowledge from outside experts and the further enhancement of effectiveness of the Board of Directors.

The Company plans to use a third-party organization roughly once every three years.

(2) Overview of evaluation process and evaluation results

Evaluation process	<ul style="list-style-type: none"><li>- A questionnaire prepared by the office in cooperation with a third-party organization is distributed to all the Directors and Audit &amp; Supervisory Board Members and the results are collected.</li><li>- The responses of the above questionnaire are surveyed in more detail in individual interviews with the presence of a third-party organization.</li><li>- Based on the responses of questionnaire and results of interviews, issues are identified through discussions between a third-party organization and the office.</li><li>- These results (including proposals by a third-party organization on responses to issues) are reported and discussed at the Board of Directors.</li></ul>
Main evaluation item	<ul style="list-style-type: none"><li>- Composition of the Board of Directors</li><li>- Status of discussions at the Board of Directors</li><li>- Status of discussions on investor evaluations and disclosure</li><li>- Status of discussions on matters of high public interest in recent years (SDGs, etc.)</li><li>- Other Board operation issues</li></ul>

<p>Overview of evaluation results</p>	<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> <p>(1) Board composition issue</p> <ul style="list-style-type: none"> <li>- Further discussions on the succession plans of a management team.</li> </ul> <p>(2) Board deliberation issues</p> <ul style="list-style-type: none"> <li>- Enhancement of monitoring structure of the status of execution of management strategies as well as the identification of risks of individual proposal.</li> </ul> <p>(3) Status of discussions on investor evaluations and disclosure</p> <ul style="list-style-type: none"> <li>- Further discussions on the ideal way, etc. to disclose information on changes, etc. of management strategies.</li> </ul> <p>(4) Status of discussions on matters of high public interest in recent years</p> <ul style="list-style-type: none"> <li>- Enhancement of monitoring structures for the initiatives related to sustainability and promotion of human capital management.</li> </ul> <p>(5) Other Board operation issues</p> <ul style="list-style-type: none"> <li>- Improvements on the timing of delivering reference materials for board meetings and use of in-house jargon.</li> <li>- Discussions on the ideal way to serve as chairperson of the Board of Directors.</li> </ul>
<p>Actions to be taken</p>	<p>It was confirmed that the Company will further enhance the effectiveness through the discussions on the above issues at the Board of Directors for FY2024/3 and ongoing initiatives going forward.</p>