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Stock Exchange Code 4202

May 29, 2025

To Shareholders with Voting Rights:

Yoshimi Ogawa
Chairperson of the Board
Daicel Corporation
3-1, Ofuka-cho, Kita-ku, Osaka, Japan

**NOTICE OF
THE 159TH 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 159th 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 19, 2025, Japan time.

- 1. Date and Time:** Friday, June 20, 2025 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 159th Fiscal Year (April 1, 2024–March 31, 2025) 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 159th Fiscal Year (April 1, 2024–March 31, 2025)
 - Proposals to be resolved:**
 - Proposal 1:** Appropriation of Surplus
 - Proposal 2:** Partial Amendments to the Articles of Incorporation
 - Proposal 3:** Election of 11 Directors

- Should the matters subject to the electronic provision measures require revisions, the revised versions will be posted on the respective websites mentioned in this convocation notice.
- Following the implementation of the electronic information provision system for materials for the General Meeting of Shareholders in accordance with the revised Companies Act, the Company, as a rule, provides the materials on its website rather than as printed media. The Company, therefore, sends a simplified convocation notice to shareholders except those who have requested delivery of the documents. The complete set of the materials for the General Meeting of Shareholders is available on the websites mentioned in this convocation notice.
- Among the matters subject to the electronic provision measures, the following matters are not included in the documents to be delivered to shareholders who requested for delivery of documents, in accordance with relevant laws and regulations as well as provisions of the Articles of Incorporation of the Company. Audit & Supervisory Board Members and Accounting Auditors audit the documents submitted for audit, including the following.
 - (1) “Matters Regarding the Company’s Stock Acquisition Rights, etc.,” “Matters Regarding Accounting Auditors” and “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

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.
- Our officers and operation staff will wear light clothing (“cool biz”) at the meeting, so we encourage shareholders to also wear light clothing if they wish.

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 strive for 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. Furthermore, starting from the fiscal year 2024, in order to clearly demonstrate our commitment to stable dividends, we have introduced the Dividend on equity ratio (DOE) as a new indicator, in addition to the above shareholder return ratio.

Based on the policy mentioned above, the year-end dividend for the fiscal year under review will be 30 yen per share.

- (1) Type of dividend property
Cash
- (2) Matters concerning the allotment of dividend property to shareholders and the total amount thereof
30 yen per share of common stock of the Company
Total amount: 7,953,857,010 yen
(Note) The annual dividends for the fiscal year under review will be increased by 10 yen from the previous fiscal year to 60 yen per share including the interim dividends.
- (3) Effective date of distribution of surplus
June 23, 2025

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reasons for the amendments

- (1) In order to make the Company's purposes more in line with the current business of the Company, Article 3 of the Company's existing Articles of Incorporation shall be partially amended.
- (2) In order to enable a flexible and agile response to the operation of the general meetings of shareholders and the meetings of the board of directors, and to build a management structure that can quickly respond to changes in the business environment, Article 17 and Article 25 of the Company's existing Articles of Incorporation, in which the chairpersonship of the general meetings of shareholders and the meetings of the board of directors are in principle limited to the chairperson of the board of directors, shall be partially amended. The proposal is to enable other directors, including outside directors, to act as the chairperson.

2. Details of Amendments

The details of the amendments are as follows.

(Underlined parts are the amended parts)

Current	Proposed Amendments
Article 1. to Article 2. [articles omitted]	Article 1. to Article 2. [remain as they currently are]
<p>Article 3. (Purposes)</p> <p>The Company's purposes shall be to operate the following businesses:</p> <ol style="list-style-type: none"> 1. Manufacture, processing, purchase, and sale of the following products: <ol style="list-style-type: none"> a. to k. [articles omitted] l. <u>Rocket propellants and other explosives</u>, and their applications; and m. [articles omitted] 2. to 7. [articles omitted] 	<p>Article 3. (Purposes)</p> <p>The Company's purposes shall be to operate the following businesses:</p> <ol style="list-style-type: none"> 1. Manufacture, processing, purchase, and sale of the following products: <ol style="list-style-type: none"> a. to k. [remain as they currently are] l. <u>Non-military explosives</u>, and their applications; and m. [remain as they currently are] 2. to 7. [remain as they currently are]
Article 4. to Article 16. [articles omitted]	Article 4. to Article 16. [remain as they currently are]
<p>Article 17. (Caller of Meetings and the Chairperson)</p> <p><u>The chairperson of the board of directors</u> shall call a general shareholders meeting and shall assume its chairpersonship. <u>If the post of chairperson of the board of directors is vacant, or the chairperson</u> 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 such a general shareholders meeting and act as chairperson thereof.</p>	<p>Article 17. (Caller of Meetings and the Chairperson)</p> <p><u>The director previously determined by a resolution of the board of directors</u> shall call a general shareholders meeting and shall assume its chairpersonship. <u>If the director</u> 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 such a general shareholders meeting and act as chairperson thereof.</p>
Article 18. to Article 24. [articles omitted]	Article 18. to Article 24. [remain as they currently are]
<p>Article 25. (The Board of Directors)</p> <p>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</p>	<p>Article 25. (The Board of Directors)</p> <p>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</p>

Current	Proposed Amendments
<p>Company.</p> <p>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.</p> <p>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><u>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 act as chairperson thereof.</u></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>Article 26. to Article 36. [articles omitted]</p>	<p>Company.</p> <p>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.</p> <p>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><u>Except as otherwise provided for by relevant laws and regulations, the director previously determined by a resolution of the board of directors shall call a meeting of the board of directors and shall assume its chairpersonship. If the director 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 act as chairperson thereof.</u></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>Article 26. to Article 36. [remain as they currently are]</p>

Proposal 3: Election of 11 Directors

The terms of office of all 11 Directors will expire at the conclusion of this year's Annual General Meeting of Shareholders. Accordingly, the Company proposes the election of 11 Directors.

The candidates for Directors are as follows:

No.	Name	Current Positions and Responsibilities at the Company		Attendance Rate at the Board of Directors meetings
1	Yoshimi Ogawa	Chairperson of the Board, Member of the Nomination and Compensation Committee, Responsible for Institute of Human-oriented Management, and Executive Consultant of Polyplastics Co., Ltd.	Reappointment	100% (16 out of 16 meetings)
2	Yasuhiro Sakaki	President and CEO, President, Member of the Nomination and Compensation Committee, Responsible for Corporate Planning & Strategy Office and Responsible for Healthcare SBU	Reappointment	100% (16 out of 16 meetings)
3	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, Responsible for Digital Strategy Center and Responsible for Material SBU	Reappointment	100% (16 out of 16 meetings)
4	Toshio Shiwaku	Director, Senior Managing Executive Officer, General Manager of Assessment Headquarters, General Manager of R&D Headquarters and Responsible for Intellectual Property Center	Reappointment	100% (13 out of 13 meetings)
5	Naotaka Kawaguchi	Director, Senior Managing Executive Officer, General Manager of Production Management Headquarters, Responsible for Engineering Center, Responsible for Safety and Quality Assurance Headquarters and Responsible for Safety SBU	Reappointment	100% (13 out of 13 meetings)
6	Teisuke Kitayama	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent	100% (16 out of 16 meetings)
7	Toshio Asano	Director and Chairperson of the Nomination and Compensation Committee	Reappointment Outside Independent	100% (16 out of 16 meetings)
8	Yuriya Komatsu	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent	100% (16 out of 16 meetings)
9	Mari Okajima	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent	100% (16 out of 16 meetings)
10	Keita Nishiyama	Director and Member of the Nomination and Compensation Committee	Reappointment Outside Independent	100% (16 out of 16 meetings)
11	Seiji Kito	–	New Appointment Outside Independent	–

(Note) The attendance of Mr. Toshio Shiwaku and Mr. Naotaka Kawaguchi at Board of Directors meetings covers only their attendance at the meetings held after their appointment on June 21, 2024.

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
1	<p>Yoshimi Ogawa (January 8, 1960)</p> <p><u>Reappointment</u></p> <p>Tenure as Director 14 years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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</p> <p>June 2011 Director of the Company</p> <p>June 2013 Managing Executive Officer 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 & Packaging Institute of the Company Responsible for Life Science Business Division of the Company</p> <p>April 2024 Responsible for Institute of Human-oriented Management of the Company</p> <p>April 2025 Chairperson of the Board of the Company</p> <p>(Positions and responsibilities) Chairperson of the Board, Member of the Nomination and Compensation Committee, Responsible for Institute of Human- oriented Management, and Executive Consultant of Polyplastics Co., Ltd.</p> <p>[Reasons for selection as a candidate for Director] After applying his many years of experience primarily in production innovation and responsible care divisions to help innovate the operation of the Company's production bases, Mr. Yoshimi Ogawa served as President and CEO of the Company for approximately six years from June 2019, using his strong leadership skills to drive the Group forward and improve corporate value. Based on these results along with his wealth of experience, achievements and insight into the 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>	171,346

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
2	<p>Yasuhiro Sakaki (March 17, 1962)</p> <p><u>Reappointment</u></p> <p>Tenure as Director Five years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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 2017 Managing Executive Officer of the Company</p> <p>June 2019 Senior Managing Executive Officer 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 & Strategy Headquarters of the Company</p> <p>April 2022 Responsible for Customer Center of the Company</p> <p>August 2022 General Manager of SCM Headquarters of the Company</p> <p>April 2023 Responsible for Material SBU of the Company</p> <p>April 2024 Responsible for Smart SBU of the Company Responsible for Life Sciences SBU of the Company</p> <p>April 2025 President and CEO of the Company President of the Company Responsible for SCM Headquarters of the Company</p> <p>May 2025 Responsible for Corporate Planning & Strategy Office of the Company</p> <p>(Positions and responsibilities) President and CEO, President, Member of the Nomination and Compensation Committee Responsible for Corporate Planning & Strategy, Office, and Responsible for Healthcare SBU</p> <p>[Reasons for selection as a candidate for Director] Mr. Yasuhiro Sakaki has played a central role in the Company's management both inside and outside Japan by applying his many years of experience primarily in the Company's Safety segment, President of overseas subsidiaries, as well as the person responsible for the divisions involved in the promotion of management strategies of the Company. Since becoming a Director, he has been responsible for formulating and promoting medium-term strategies and for multiple segments including Material, Smart and Life Sciences and has worked hard to expand these businesses. Based on these results and his wealth of experience, achievements and insight into 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>	84,762

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
3	<p>Kotaro Sugimoto (October 10, 1960)</p> <p><u>Reappointment</u></p> <p>Tenure as Director Six years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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</p> <p>June 2017 Managing Executive Officer of the Company</p> <p>June 2019 Representative Director of the Company Responsible for Corporate Compliance Program 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 (now Digital Strategy Center) of the Company</p> <p>May 2025 Responsible for Material SBU 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, Responsible for Digital Strategy Center and Responsible for Material SBU</p> <p>[Reasons for selection as a candidate for Director] Mr. Kotaro Sugimoto has worked hard to strengthen the Company's corporate governance frameworks, which serve as the fundamental platforms for Company management, by leveraging his many years of experience primarily in Company finance and accounting, compliance and other management divisions as well as the Raw Material Purchasing Center. Since his appointment as Director, he has played a central role in formulating personnel systems, promoting DE&I, and advancing sustainable management and digital strategies. Based on these results and his wealth of experience, achievements and insight into 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>	86,670

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
4	<p>Toshio Shiwaku (February 20, 1963)</p> <p><u>Reappointment</u></p> <p>Tenure as Director One year (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<p>April 1987 Joined Polyplastics Co., Ltd.</p> <p>April 2007 Chief of Research and Development Center of Polyplastics Co., Ltd.</p> <p>March 2011 Executive Officer of Polyplastics Co., Ltd.</p> <p>June 2014 Director of Polyplastics Co., Ltd.</p> <p>June 2015 Managing Executive Officer of Polyplastics Co., Ltd. General Manager of Corporate Strategy Division of Polyplastics Co., Ltd. General Manager of Corporate Planning Department of Polyplastics Co., Ltd.</p> <p>June 2016 Representative Director of Polyplastics Co., Ltd.</p> <p>June 2017 Representative Director and President of Polyplastics Co., Ltd.</p> <p>April 2021 Senior Managing Executive Officer of the Company General Manager of Performance Materials Headquarters of the Company</p> <p>April 2023 Responsible for Innovation and Business Development Headquarters of the Company</p> <p>April 2024 General Manager for Assessment Headquarters of the Company General Manager of R&D Headquarters of the Company Responsible for Safety and Quality Assurance Headquarters of the Company Responsible for Intellectual Property Center of the Company</p> <p>June 2024 Director of the Company</p> <p>(Positions and responsibilities) Director, Senior Managing Executive Officer, General Manager of Assessment Headquarters, General Manager of R&D Headquarters, and Responsible for Intellectual Property Center</p> <p>[Reasons for selection as a candidate for Director] Mr. Toshio Shiwaku has applied his many years of experience in R&D, corporate strategy, and new business development divisions to help expand global business at Polyplastics Co., Ltd., a major subsidiary of the Company of which he was Representative Director and President. Since being assigned Executive Officer of the Company, he has also worked hard to strengthen the Group's R&D, safety, quality, and compliance functions by utilizing his wealth of experience, achievements and insights into the Group's corporate management and overseas business. Based on these results, 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>	48,447

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
5	Naotaka Kawaguchi (December 25, 1961) <div>Reappointment</div> Tenure as Director One year (as of the conclusion of this year's Annual General Meeting of Shareholders)	<p>April 1986 Joined the Company</p> <p>June 2014 General Manager of Harima Plant, Aerospace & Defense Systems/Safety Systems Company of the Company</p> <p>June 2015 Executive Officer of the Company</p> <p>April 2020 Head of Safety SBU of the Company</p> <p>June 2020 Managing Executive Officer of the Company Chairperson of Daicel Safety Systems Americas, Inc.</p> <p>April 2022 General Manager of Production Management Headquarters of the Company Responsible for Innovation and Business Development Headquarters of the Company Responsible for Biomass Innovation Center of the Company Responsible for Monozukuri Production Innovation Center of the Company Responsible for Chain Production Company and Multiple Production Company of the Company</p> <p>April 2023 Senior Managing Executive Officer of the Company Responsible for Engineering Center of the Company</p> <p>June 2024 Director of the Company</p> <p>April 2025 Responsible for Safety and Quality Assurance Headquarters of the Company</p> <p>May 2025 Responsible for Safety SBU of the Company</p> <p>(Positions and responsibilities) Director, Senior Managing Executive Officer, General Manager of Production Management Headquarters, Responsible for Engineering Center, Responsible for Safety and Quality Assurance Headquarters, and Responsible for Safety SBU</p> <p>[Reasons for selection as a candidate for Director] Mr. Naotaka Kawaguchi has worked hard to improve the Company's production innovation capabilities and formulate and implement solutions to various problems by applying his many years of experience primarily in production innovation, the Safety segment, the production division and as President of overseas subsidiaries. Since being appointed Executive Officer, he has been responsible for a wide range of overseas subsidiaries and has played a central role in improving productivity at the Company's production bases and exploring potential technological innovations. Based on these results and his wealth of experience, achievements and insight into the Company's management and production technology, 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>	60,412

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
6	<p>Teisuke Kitayama (October 26, 1946)</p> <p>Reappointment Outside Independent</p> <p>Tenure as Outside Director Seven years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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</p> <p>[Reasons for selection as a candidate for Outside Director and outline of expected roles] Mr. Teisuke Kitayama amassed a wealth of insight and experience as a manager of a financial institution. The Company wants to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests his election as Outside Director. The Company expects Mr. Kitayama to fulfill the above-mentioned roles after his reappointment. Mr. Kitayama has served in 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 the said bank is equivalent to approximately 4.6% of the Group's consolidated total assets. More than ten years have passed since his involvement in the business execution of the said bank or Sumitomo Mitsui Financial Group, Inc. Therefore, this will not impact the independence of Mr. Kitayama as Outside Director.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
7	<p>Toshio Asano (December 4, 1952)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Tenure as Outside Director Six years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<p>April 2010 President & 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 & 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>June 2024 Special Advisor of Asahi Kasei Corp.</p> <p>(Positions and responsibilities) Director and Chairperson of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Special 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 outline of expected roles] Mr. Toshio Asano has amassed a wealth of insight and experience in operating companies that manufacture and sell chemical goods. The Company wishes to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests his election as Outside Director. The Company expects Mr. Asano to fulfill the above-mentioned roles after his reappointment. Mr. Asano has served in roles such as President & Representative Director of Asahi Kasei Corp., a business partner of the Company. Since he retired from the position of President & 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 the said group is less than 1% of the Group's consolidated sales, while purchase amounts from said group is less than 1% of the said group's consolidated sales. Therefore, we believe that this will not impact the independence of Mr. Asano as Outside Director.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
8	<p>Yuriya Komatsu (October 18, 1962)</p> <p><u>Reappointment</u> <u>Outside</u> <u>Independent</u></p> <p>Tenure as Outside Director Three years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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) 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 outline of expected roles] Ms. Yuriya Komatsu has amassed a wealth of insight and experience as a manager of investment companies and information and telecommunications companies inside and outside Japan. The Company wants to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests her election as Outside Director. The Company expects Ms. Komatsu to fulfill the above-mentioned roles after her reappointment.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
9	<p>Mari Okajima (August 6, 1961)</p> <p>Reappointment Outside Independent</p> <p>Tenure as Outside Director Two years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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>June 2023 Director of the Company</p> <p>(Positions and responsibilities) Director and Member of the Nomination and Compensation Committee</p> <p>(Significant concurrent positions) Professor of J.F. Oberlin University</p> <p>[Reasons for selection as a candidate for Outside Director and outline of expected roles] Although Ms. Mari Okajima has not been directly involved in corporate management, given her experience in managing business departments in a leading Japanese airline company and her wealth of knowledge concerning organizational safety management and human resource development, the Company has determined that she can perform her duties appropriately as Outside Director. Ms. Okajima also has advanced specialized knowledge and wide insight as an academic who conducts various research relating to social issues such as customer satisfaction and sustainable development goals (SDGs). The Company wishes to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests her election as Outside Director. The Company expects Ms. Okajima to fulfill the above-mentioned roles following her reappointment.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
10	<p>Keita Nishiyama (January 11, 1963)</p> <p>Reappointment Outside Independent</p> <p>Tenure as Outside Director Two years (as of the conclusion of this year's Annual General Meeting of Shareholders)</p>	<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 INCJ, Ltd.)</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 & Planning Division)</p> <p>June 2015 Director and Executive Officer of Tokyo Electric Power Company (Assistant to Chairman, Co-Superintendent of Management & 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 Nishiyama Research Institute, Inc.</p> <p>June 2023 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 of Nishiyama Research Institute, Inc. Outside Director of Panasonic Holdings Corporation</p> <p>[Reasons for selection as a candidate for Outside Director and outline of expected roles] Mr. Keita Nishiyama has a deep knowledge of economic and industrial policy and IT policy fostered during his positions at the Ministry of Economy, Trade and Industry as well as a wealth of knowledge as a member of a management team in a power company and an investment company. The Company wishes to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests his election as Outside Director. The Company expects Mr. Nishiyama to fulfill the above-mentioned roles following his reappointment.</p>	0

No.	Name (Date of birth)	Past experience, positions, responsibilities and significant concurrent positions	Number of shares of the Company held
11	<p>Seiji Kito (November 3, 1962)</p> <p>New Appointment Outside Independent</p> <p>Tenure as Outside Director —</p>	<p>March 2022 Representative Director and Executive Vice President of Nippon Life Insurance Company</p> <p>March 2023 Director of Nippon Life Insurance Company</p> <p>June 2023 Chief Director of Tokyo Opera City Cultural Foundation Chief Director of Nissay Culture Foundation</p> <p>(Significant concurrent positions) Chief Director of Tokyo Opera City Cultural Foundation Chief Director of Nissay Culture Foundation Outside Director of The Hyakujushi Bank, Ltd. (Audit and Supervisory Committee Members),</p> <p>[Reasons for selection as a candidate for Outside Director and outline of expected roles] Mr. Seiji Kito amassed a wealth of insight and experience as a manager of a financial institution. The Company wants to utilize the unique perspective derived from this insight and experience to contribute to the management of the Company and thus requests his election as Outside Director. The Company expects Mr. Kito to fulfill the above-mentioned roles following his reappointment. Mr. Kito had served in roles such as Representative Director and Executive Vice President of Nippon Life Insurance Company, a lender of the Company. Since retiring from the position of Director in July 2023, he has not been involved in the business execution of Nippon Life Insurance Company. Additionally, the Group's amount of borrowings from the Nippon Life Group is less than 1% of the Group's consolidated total assets, and insurance premiums which the Group pays to the Nippon Life Group is less than 1% of the Nippon Life Group's premiums and other income. Therefore, this will not impact the independence of Mr. Kito as Outside Director.</p>	0

(Notes)

1. There are no special interests between each of the candidates for Director and the Company.
2. Mr. Teisuke Kitayama, Mr. Toshio Asano, Ms. Yuriya Komatsu, Ms. Mari Okajima, Mr. Keita Nishiyama and Mr. Seiji Kito are candidates for Outside Director.
3. The Company has registered the Outside Director candidates for reappointment as independent directors with Tokyo Stock Exchange, pursuant to the rules stipulated by the Exchange. If their election is approved, the Company plans to continue registering those Directors independent directors. If the election of Mr. Seiji Kito is approved as a new Outside Director, he will also be registered as an independent director.
4. Additionally, all the candidates for Outside Director satisfy the “Standards for Independence of Outside Directors / Audit & Supervisory Board Members” as defined by the Company. Regarding the “Standards for Independence of Outside Directors / Audit & Supervisory Board Members” defined by the Company, please refer to Attachment 2 to the Company’s Business Report for the 159th Fiscal Year.
5. Liability limitation agreements with the candidates for Outside Directors
Pursuant to Article 427 Paragraph 1 of the Companies Act, the Company in its Articles of Incorporation stipulates that it can enter into a liability limitation agreement with Directors (excluding executive directors) that the limit of their liability for damages stipulated in Article 423 Paragraph 1 of the Companies Act shall be 15 million yen 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. The Company has signed the said agreement with the above candidates for reappointment as Outside Directors and plans to continue the agreement with them if their election is approved. Subject to the approval of his election as a newly appointed Outside Director, the Company plans to enter into such agreement with Mr. Seiji Kito.
6. Indemnification agreements
The Company has entered into an indemnification agreement stipulated in Article 430-2 Paragraph 1 of the Companies Act with the candidates for reappointment as Directors. 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. If their election is approved, the Company plans to continue the said agreement with the candidates for reappointment as Directors. If his election as a new Director is approved, the Company plans to enter into such agreement with Mr. Seiji Kito.
7. 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 their duties or receiving claims related to the pursuit of such liability. Subject to the approval of each candidate as Director, they will be insured under the said insurance contract. The Company intends to renew the said insurance contract with the same details during their terms of office. 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.
8. Of the 11 Director candidates, two (18%) are females.
9. Ms. Yuriya Komatsu is scheduled to be appointed as an Outside Director of Tokyo Gas Co., Ltd. at that company’s annual general shareholders meeting to be held in the latter part of June 2025.

(Reference) Main knowledge and experience of 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		•	•		•			•	•	
	Yasuhiro Sakaki		•	•	•			•		•	
	Kotaro Sugimoto		•	•			•	•			•
	Toshio Shiwaku		•	•	•	•		•			
	Naotaka Kawaguchi		•	•		•			•	•	
	Teisuke Kitayama	Outside	•	•			•	•		•	
	Toshio Asano	Outside	•	•		•				•	
	Yuriya Komatsu	Outside	•	•			•	•			•
	Mari Okajima	Outside			•		•				•
	Keita Nishiyama	Outside	•					•	•	•	
	Seiji Kito	Outside	•				•	•	•		•
Audit & Supervisory Board Member	Mikio Yagi		•	•	•			•			•
	Kenichi Yamada		•		•		•			•	•
	Junichi Mizuo	Outside						•		•	•
	Hideo Makuta	Outside					•	•			•
	Hisae Kitayama	Outside					•	•			•

Note: 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 FY2025/3 we sold all our shareholdings in 6 issues of listed 20 stocks and part of our shareholdings in 2 issues of listed stocks. Unlisted stock holdings also reduced by one issue due to the liquidation of the underlying company. As of the end of FY2025/3, the Company has cross-holdings of shares in 40 companies, which is equivalent to 44.9 billion yen reported on the balance sheet. The amount reported on the balance sheet decreased due to the ongoing sale of cross-held shares as planned and the decrease in mark-to-market valuation resulting from the decline in share prices.

		156 th FY (FY2022/3)	157 th FY (FY2023/3)	158 th FY (FY2024/3)	159 th FY (FY2025/3)
Number of issues of stocks (issues)	Unlisted stocks	27	26	27	26
	Listed stocks	25	22	20	14
	Total	52	48	47	40
Amount reported in Balance Sheet (100 million yen)	Unlisted stocks	13	13	19	10
	Listed stocks	653	576	692	449
	Total	666	589	712	459
Ratio of consolidated net assets (%)		23.7	19.0	19.0	12.2

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

	156 th FY (FY2022/3)	157 th FY (FY2023/3)	158 th FY (FY2024/3)	159 th FY (FY2025/3)
Total amount of cross-shareholdings (100 million yen)	891	730	925	638
Ratio of consolidated net assets (%)	31.9	23.5	24.7	17.0

[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 for FY2026/3 are expected to change as shown below.

We have not reviewed this reduction plan since it was announced on May 11, 2023. The cross-shareholding reduction plan for FY2027/3 and beyond will be considered when formulating the next Mid-Term Management Strategy.

	160 th FY (FY2026/3)
Total amount of cross-shareholdings (excluding deemed holdings of shares) (100 million yen)	297
Ratio of consolidated net assets (%)	7.7
Total amount of cross-shareholdings (including deemed holdings of shares) (100 million yen)	476
Ratio of consolidated net assets (%)	12.3

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.

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 attorney 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 attorney 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 FY2025/3 is as follows.

1. FY2025/3 initiatives based on the FY2024/3 effectiveness evaluation

Based on the FY2024/3 effectiveness evaluation, we pursued various initiatives in FY2025/3 to help further enhance the quality of discussion in the Board of Directors. These initiatives included allocating time to the discussion of reports on the execution of management strategies, matters related to return on capital and stock prices, and progress on sustainability and human-capital related initiatives. We also focused on explaining individual agenda items linked to portfolio management.

2. Overview of effectiveness evaluation process for FY2025/3 and evaluation results

Evaluation process	A questionnaire was distributed to all Directors and Audit & Supervisory Board Members, and the responses were studied in further detail in individual interviews, after which, the results, compiled and analyzed by the office, were reported and discussed at the Board of Directors.
Main evaluation items	<ul style="list-style-type: none">- Composition of the Board of Directors- Contents of discussions, resolutions, reports, etc.- Operation of the Board of Directors
Overview of evaluation results	<p>The Board of Directors engaged in productive discussions, with Outside Directors and Audit & Supervisory Board Members actively offering their opinions. We confirmed 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">(1) Board composition issues<ul style="list-style-type: none">- Further discussions on the process for appointing senior management.(2) Board deliberation issues<ul style="list-style-type: none">- Further enhancement of reports on initiatives related to the promotion of human capital management.- Further discussion on initiatives related to the promotion of group governance.(3) Board operation issues<ul style="list-style-type: none">- Further consideration regarding the provision of information that contributes to appropriate decision-making (technical terms, in-house jargon, etc.)- Discussions on the ideal way to serve as chairperson of the Board of Directors.
Actions to be taken	It was confirmed that the Company will further enhance effectiveness through discussions on the above issues at the Board of Directors for FY2026/3 and ongoing initiatives going forward.