

Governance

Directors, Audit & Supervisory Board Members, and Executive Officers

(as of June 19, 2020)

Directors



Misao Fudaba

Chairperson of Board of Directors, Member of the Nomination and Compensation Committee

- April 1979 Joined the Company
- June 2006 Executive Officer
Deputy Head of Corporate Support Center
- June 2008 Head of Raw Material Purchasing Center
- June 2010 President and CEO
- June 2019 Chairperson of Board of Directors



Kotaro Sugimoto

Representative Director, Senior Managing Executive Officer, Member of the Nomination and Compensation Committee, Member of the Management Advisory Committee, Head of Corporate Support Headquarters, Responsible for Corporate Compliance Program

- April 1984 Joined the Company
- June 2011 Head of Raw Material Purchasing Center
- June 2014 Executive Officer, President of Daicel Logistics Service Co., Ltd.
- June 2017 Managing Executive Officer
- June 2019 Representative Director
- June 2020 Senior Managing Executive Officer



Masafumi Nogimori*2

Outside Director and Chairperson of the Nomination and Compensation Committee

- April 2005 Executive Vice President and Representative Director of Astellas Pharma Inc.
- June 2006 President & CEO and Representative Director of Astellas Pharma Inc.
- June 2011 Chairperson and Representative Director of Astellas Pharma Inc.
- June 2016 Retired from Astellas Pharma Inc.
- June 2017 Director of Daicel Corporation



Toshio Asano*2

Outside Director and Member of the Nomination and Compensation Committee

- April 2010 President & Representative Director, Presidential Executive Officer of Asahi Kasei Pharma Corporation
- April 2014 Presidential Executive Officer of Asahi Kasei Corporation
- June 2014 President & Representative Director and Presidential Executive Officer of Asahi Kasei Corporation
- April 2016 Director and Standing Advisor of Asahi Kasei Corporation
- June 2016 Standing Advisor of Asahi Kasei Corporation
- June 2019 Director of Daicel Corporation



Yoshimi Ogawa

President and CEO, Member of the Nomination and Compensation Committee, and Chairperson of the Management Advisory Committee

- April 1983 Joined the Company
- April 2002 Head of Business Process Innovation
- June 2006 Executive Officer, Vice President of Aerospace & Defense Systems/Safety Systems Company
- June 2009 Head of Production Technology
- June 2011 Director
- June 2013 Managing Executive Officer
- April 2014 General Manager of Production Technology Headquarters
- June 2017 Senior Managing Executive Officer
- June 2019 President and CEO



Yasuhiro Sakaki

Director, Senior Managing Executive Officer, Member of the Management Advisory Committee, Head of Strategic Planning Headquarters, Responsible for Safety SBU, and Healthcare SBU, Chairperson of Daicel Safety Systems Americas, Inc.*1

- April 1984 Joined the Company
- June 2012 President of Organic Chemical Products Company
- June 2014 Executive Officer
- June 2016 President of Aerospace & Defense Systems/Safety Systems Company
- June 2017 Managing Executive Officer
- June 2019 Senior Managing Executive Officer
- June 2020 Director



Teisuke Kitayama*2

Outside Director and Member of the Nomination and Compensation Committee

- June 2005 Director President (Representative Director) of Sumitomo Mitsui Financial Group, Inc., Chairperson of the Board (Representative Director) of Sumitomo Mitsui Banking Corporation
- April 2011 Retired from Director of Sumitomo Mitsui Financial Group, Inc., Chairperson 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 Daicel Corporation
- October 2018 Honorary Advisor of Sumitomo Mitsui Banking Corporation



Takeshi Furuichi*2

Outside Director and Member of the Nomination and Compensation Committee

- March 2010 Representative Director and Senior Managing Executive Officer of Nippon Life Insurance Company
- March 2012 Representative Director and Executive Vice President of Nippon Life Insurance Company
- July 2016 Representative Director and Vice Chairperson of Nippon Life Insurance Company
- June 2020 Director of Daicel Corporation



Akihisa Takabe

Director, Managing Executive Officer, Member of the Management Advisory Committee, Head of Innovation and Business Development Headquarters, Responsible for Intellectual Property Center, Responsible for Quality Management Division

- April 1984 Joined the Company
- June 2008 President of Daicel Safety Systems Inc.
- April 2014 Head of Central Research Center
Head of Corporate Research Center of R&D Headquarters
- February 2015 Deputy General Manager of R&D Headquarters
- June 2015 Executive Officer
- June 2019 Director
- June 2020 Managing Executive Officer



Sonoko Hacchoji*2

Outside Director and Member of the Nomination and Compensation Committee

- November 1993 Vice President of IBJ International Plc., UK securities subsidiary of The Industrial Bank of Japan, Ltd.
- March 2002 Executive Officer of IBJ Leasing Co., Ltd.
- January 2006 Director (General Manager of Administration Division) of Yuki Management & Research Co., Ltd.
- March 2011 Managing Director and Managing Executive Officer of FUJITA KANKO INC. (Chief of Planning Group and Deputy Chief of Business Operations Division)
- April 2017 Special Advisor to the President (Chief Strategy Officer) of Tsuda University
- June 2019 Director of Daicel Corporation
- April 2020 Special Advisor to the President of Tsuda University

Standing Audit & Supervisory Board Members

Shinji Fujita

Hisanori Imanaka

Outside Audit & Supervisory Board Members

Ryo Ichida*2

Certified Public Accountant, Tax Accountant of Ryo Ichida Certified Public Accountant Office

Junichi Mizuo*2

Representative Director and Chairperson of the Japan Compliance & Governance Institute, Honorary Professor of Surugadai University; Ph.D. in Business Administration

Hideo Makuta*2

Advisor of Nagashima Ohno & Tsunematsu, Attorney at Law

Senior Managing Executive Officer

Hidekage Kojima

Responsible for Material SBU and Smart SBU

Managing Executive Officers

Dieter Heckmann

President of CPI Company
Chairperson & President of Chiral Technologies Europe S.A.S.
Chairperson of Chiral Technologies, Inc.
Chairperson of Daicel Chiral Technologies (China) Co., Ltd.
Chairperson of Daicel Chiral Technologies (India) Pvt. Ltd.

Naohide Hakushi

General Manager of Himeji Production Sector and Aboshi Plant, Chain Production Company, President of Kyodo Sakusan Co., Ltd., Responsible for MAC-C Plant and 1,3-BG Plant Construction Projects

Takashi Ueno

Head of Production Management Headquarters, President of Chain Production Company

Naotaka Kawaguchi

General Manager of Safety SBU, Chairperson of Daicel Safety Systems (Jiangsu) Co., Ltd., Chairperson of Daicel Safety Technologies (Jiangsu) Co., Ltd.

Executive Officers

Yukio Yoshino

Responsible for Corporate Sustainability

Yasuo Tsuji

General Manager of Arai Plant, Chain Production Company, President of Daicel Arai Chemical Ltd.

Mikio Yagi

Responsible for Aerospace & Defense Systems of Safety SBU

Koichi Maruyama

Assistant to Director Responsible for Material SBU, President of Daicel Polymer Ltd.*3, Chairperson of Shanghai Daicel Polymers, Ltd.

Hitoshi Hayashi

General Manager of Material SBU, Chairperson of Daicel Nanning Food Ingredients Co., Ltd.

Ikuo Takahashi

General Manager of Innovation Park, Deputy General Manager of Innovation and Business Development Headquarters, Head of Corporate Research Center, Innovation and Business Development Headquarters

Masaaki Fujio

Head of Responsible Care

Takashi Iiyama

Responsible for Digital Strategy Division, Responsible for Responsible Care, Responsible for Engineering Center, Deputy General Manager of Production Management Headquarters, Assistant General Manager of Innovation and Business Development Headquarters

Akio Kojima

General Manager of Smart SBU

Haruyoshi Tashika

General Manager of Ohtake Plant, Chain Production Company

Seiji Yamakado

Head of Customer Center

Hiroyasu Yamaguchi

Head of Engineering Center

Nobuhiko Ikeda

President of Multiple Production Company, General Manager of Harima Plant, Multiple Production Company, Division Manager of Global Operation Management, Mobility BU and Safety SBU

Kazuya Kurosawa

President of Daicel FineChem Ltd.*4

*1 Yasuhiro Sakaki retired as Chairperson of Daicel Safety Systems Americas, Inc. and was succeeded by Naotaka Kawaguchi, effective July 1, 2020.

*2 Independent Director or Independent Audit & Supervisory Board Member

*3 Kouichi Maruyama retired as President of Daicel Polymer Ltd., as the company was dissolved after transferring its sales operations to Daicel Miraizu Ltd. and its manufacturing operations to Daicel Corporation, effective July 1, 2020.

*4 Daicel FineChem Ltd. changed its name to Daicel Miraizu Ltd., effective July 1, 2020.

Governance

Corporate Governance

Basic Approach

Strengthening corporate governance is a key management initiative that enables us to enhance corporate value and achieve our social mission and responsibilities as a listed company.

Daicel maintains its agility by clarifying the responsibilities of each part of its organization and by adopting a management system that supports timely decision-making and implementation. Moreover, by actively soliciting external opinions to improve management transparency and fairness, Daicel will strive to maintain the soundness of its corporate management.

History of Strengthening Corporate Governance

Date	Initiative	Purpose
June 1999	Introduced the Executive Officer System	To separate supervisory and business execution functions clearly
June 2000	Appointed Outside Directors	To strengthen decision-making and supervisory functions and ensure transparency in management
	Established the Nomination and Compensation Committee	To improve objectivity and transparency in the nomination and compensation assessment process
April 2002	Established the Management Advisory Committee	To strengthen decision-making functions through deliberation of important matters
June 2003	Shortened the term of Directors from two years to one	To clarify management responsibilities of Directors to shareholders
March 2006	Established the Information Disclosure Committee	To ensure reliability of the information to be disclosed
April 2006	Established the Risk Management Committee	To accurately understand and appropriately manage risks
August 2010	Established the Internal Control Council	To build an internal control system and ensure the adequateness of its operation
June 2015	Increased the ratio of Outside Directors to 50%	To ensure further transparency of decision-making and supervisory functions and management
January 2016	Started to evaluate the effectiveness of the Board of Directors	To maintain and improve the effectiveness of the Board of Directors
January 2020	Improved the method for evaluating the effectiveness of the Board of Directors	To introduce individual interviews in addition to surveys

Corporate Governance Framework

The Company has established a corporate framework under which its Board of Directors makes management decisions in an efficient manner and fulfills its supervisory functions, and its Audit & Supervisory Board accomplishes its auditing and supervisory functions. Such a framework has enabled us to keep reinforcing our corporate governance.

Specifically, by welcoming Outside Directors and allowing them to provide opinions and advice based on their expertise, Daicel is working to ensure that the decisions made by its Board of Directors are appropriate and the execution of Director duties is effectively supervised. Moreover, we have adopted an Executive Officer System that has enabled us to clearly separate our decision-making, supervisory, and business execution functions. Such a clear division of roles has allowed us to bolster our business management structure and, consequently, corporate activities.

Corporate Governance Framework details

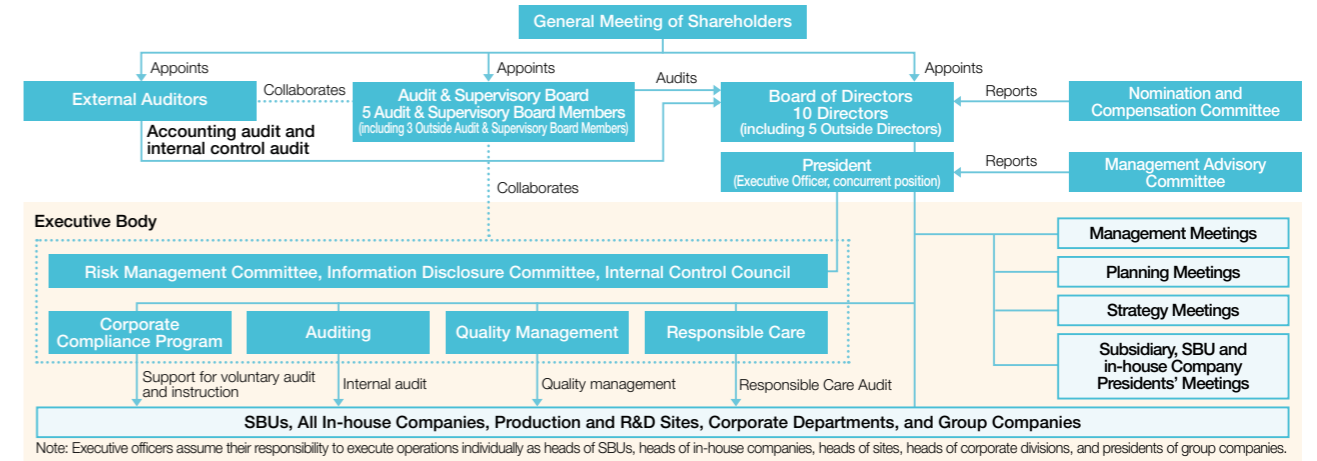
<https://www.daicel.com/en/sustainability/governance/>

Outline of the Corporate Governance Framework (as of June 19, 2020)

Item	Content
Type of organizational structure	Company with Audit & Supervisory Board
Chairperson of the Board of Directors	Chairperson
Number of Directors	10
Number of Outside Directors (number of Independent Directors)	5 (5)
Number of Audit & Supervisory Board Members	5
Number of Outside Audit & Supervisory Board Members (number of Independent Directors)	3 (3)
Number of Executive Officers (number of Officers concurrently serving as Directors)	23 (4)
FY2020/3 Number of Board of Director meetings held (average attendance rate of Outside Directors / Outside Audit & Supervisory Board Members)	14 in FY2020/3 (100% /100%)
Term of Directors	1 year
Voluntary advisory body to the Board of Directors	Nomination and Compensation Committee
Body that deliberates important corporate matters and reports to the President	Management Advisory Committee
Compensation system for Directors and Audit & Supervisory Board Members	1. Monthly compensation 2. Performance-linked remuneration (excluding Outside Directors and Outside Audit & Supervisory Board Members) 3. Restricted Stock Compensation (excluding Outside Directors and Audit & Supervisory Board Members)
Auditor	Deloitte Touche Tohmatsu LLC

*The compensation system also applies to executive officers and others. The ratio between the three types of compensations (1, 2, and 3) is roughly maintained at 65:20:15.

Corporate Governance Framework (as of June 19, 2020)



Nomination and Compensation Committee

The Nomination and Compensation Committee was established as an advisory body on the nomination of directors and executive officers and make recommendations on their compensation in response to consultation by either the chairperson of the Board of Directors or the Audit & Supervisory Board. To ensure transparency, validity, and objectivity regarding decisions on personnel and compensation, the committee is chaired by an Outside Director, and five Outside Directors represent the majority of the committee's eight members.

Management Advisory Committee

The Management Advisory Committee is in charge of deliberating on such important corporate matters as the formulation of Group strategies and business restructuring based on such strategies. By doing so, the committee serves as an advisory body for the president. The committee comprises the president, Directors (excluding Outside Directors) and executive officers designated by the president, and the committee convenes these members on an as-needed basis.

Effectiveness Evaluation of the Board of Directors

To maintain or improve the effectiveness of the Board of Directors, its performance is evaluated by Daicel. In addition to using questionnaires, we held individual interviews in the third quarter of FY2020/3 to ensure that our effectiveness

evaluations are more effective and more appropriate than ever before. We would like to establish an effectiveness evaluation method that is appropriate for Daicel by considering a variety of options such as conducting individual interviews and introducing third-party evaluation.

FY2020/3 Effectiveness Evaluation of the Board of Directors

Evaluated	10 Directors and 5 Audit & Supervisory Board Members
Evaluation methods	• Questionnaire • Individual interview
Main themes	• Composition of the Board of Directors • Contents of deliberation, resolutions, reports, etc. • Operating methods of the Board of Directors
Overview of evaluation results	• The Board of Directors engaged in productive discussions with Outside Directors and actively offered their opinions, and we were able to confirm that the board is effective.
Future tasks	On the other hand, there were some issues that needed to be addressed to improve the board's effectiveness. (1) Board composition issues • Determining the ratio of inside and outside directors • Addressing diversity in the Board of Directors (including the necessity of foreign directors) (2) Board deliberation issues • Setting the themes that are particularly appropriate for board deliberations • Sharing information with the Board of Directors in an appropriate way (3) Board operation issues • Properly allocating time and providing clear rules and procedures for deliberation and reporting • Making technical/internal terms easy to understand especially for Outside Directors

Governance

Corporate Compliance

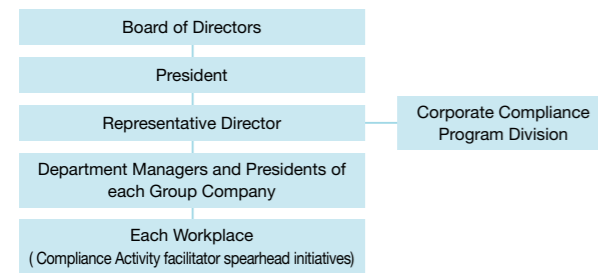
Basic Approach

Our code of corporate compliance contributes to the foundation of sustainable management. Also, each department and Group company in the Daicel Group systematically conducts a number of corporate compliance activities. Instilling a sense of corporate compliance in every employee is considered to be just as vital, and therefore we promote corporate compliance Group-wide.

Corporate Compliance Management System

The Daicel Group's corporate compliance activities aim to ensure that we remain compliant with the Daicel Group Conduct Policy and each Group company's Code of Conduct. To promote corporate compliance activities further, the Group has established a Corporate Compliance Program Division with a representative director assigned as the officer. Every Daicel department and Group company appoints a facilitator to spearhead activities related to corporate compliance for each workplace. Within their respective areas they take the lead in executing the Corporate Compliance Management System, based on a Check-Act-Plan-Do (CAPD) cycle. Through this proactive approach and activities involving the participation of all employees, we strive to maintain and improve our corporate compliance activities.

Promotion System for Corporate Compliance



Daicel Group Conduct Policy

<https://www.daicel.com/en/sustainability/governance/compliance/policy.html>

Daicel Code of Conduct

<https://www.daicel.com/en/sustainability/governance/compliance/standard.html>

Fair Business Practices

We are determined to conduct honest trade in accordance with the basic principles of fair and free competition, as expressed in the Daicel Group Conduct Policy. Therefore, we comply with antitrust laws and develop internal rules for anti-corruption while raising awareness of the issue. Additionally, our training of employees posted overseas emphasizes the key requirements for complying with local laws and regulations.

Compliance

We have established a Legal Compliance System, in which certain

corporate department is designated as organization in charge of ensuring compliance with laws and regulations relating to their respective operations and managing information on the latest legal developments. Under the system, 11 corporate departments, including the Legal Group, are responsible for providing the relevant departments with information about revisions to laws, regulations, and guidelines as well as educational materials. All departments and Group companies in Japan complete an annual compliance self-evaluation checklist to review the status of compliance at each workplace and clarify any issues. Any non-compliance or possible non-compliance issues are addressed through the appropriate measures.

Education and Training Programs

Daicel systematically provides corporate compliance training tailored to each position and role for new graduate recruits, recently promoted employees, managers, directors, presidents of Group companies, employees posted to out of Japan Group companies, and others. We also organize seminars on specific topics as and when deemed appropriate.

Reporting and Consultation

With the intent of Whistleblower Protection Act, Daicel has put in place the Compliance Help Line System, a report and consultation system. A whistleblower can use Help Line via internal and external (independent third party) contact points and the same goes for employee working at group companies in Japan. We also established additional Help Line system, in which the employee of the group company can report to and consult with Daicel by their local language to make more accessible.

In addition, we have set up an online consultation contact that can be reached by external parties on our website (available 24 hours).

These Help Line systems are rigorously operated under rules established to ensure that whistleblowers and those who request consultation can be confident that: (1) Their personal information and privacy will be protected, (2) No disadvantage treatment will be permitted, and (3) Results related to investigations will be shared with them. Reported cases are tracked with appropriate follow through, including the implementation of corrective measures or other actions. The status of our response as well as the outcome for each case are regularly reported to the Board of Directors and Audit & Supervisory Board.

There were no cases in FY2020/3 that significantly affected management.

Risk Management

Basic Approach

Daicel recognizes the vital role of risk management and adheres to its Risk Management Regulations so that it responds appropriately to the risks inherent in its corporate activities and minimizes the impact should any such risks materialize.

Risk Management System

The Risk Management Committee, chaired by the corporate compliance officer (representative director), coordinates and promotes Company-wide risk management activities while also periodically reviewing the status of risk awareness in each department and Group company and offering advice and support on countermeasures and initiatives. At the end of each fiscal year, the committee conducts an assessment on the activities carried out by departments and Group companies based on the activity reports they submit.

The status of the management of the "focused points" set at the beginning of each fiscal year, as well as critical risks and the risk management policies for the following fiscal year, are reported to the Management Meeting and Board of Directors' Meeting at the end of the fiscal year, and discussions are carried out accordingly.

Risk Management Initiatives

The Daicel Group maintains an inventory of potential risks that could have a major impact on its ability to achieve its business targets. Potential risks are entered into an intranet database together with countermeasures and initiatives designed to prevent the incidence of risk or to reduce any subsequent impact. The countermeasures are revised in consultation with the risk managers of corporate departments. Each department and Group company assigns a priority level to each risk and carries out countermeasures accordingly while also regularly updating the status and progress of the countermeasures in the database. Each department and Group company also pursues its respective risk management activities by making use of the database and following a Check-Act-Plan-Do (CAPD) cycle.

In FY2020/3, we focused on identifying the risks of potential information leakage etc. risk when handling removal media and using SNS(Social Networking Service). With the results, we intend to implement the following risk countermeasures in FY2021/3.

1. Take more stringent steps to prohibit the use of personal devices for work purposes
2. Strengthen the prevention of data leakage from USB flash drives for internal use
3. Strengthen the detection of illegal copying of data
4. Continue to raise risk awareness of employees and business social media account management staff

Strengthening BCP Management

Daicel formulates and manages business continuity plans (BCPs) to minimize damage in the event of emergencies such as major disasters or a pandemic caused by a new virus as well as to maintain business operations or ensure the early resumption of business in the event of such contingencies. In FY2020/3, to prevent the recurrence of past accidents, we continued to re-inspect for risks related to substances with self-degradation or thermal polymerization properties. And to prevent the spread of damage, we promoted the introduction of (1) remote monitoring cameras as corporate standards and (2) a disaster information sharing system.

Information Security Initiatives

The Daicel Group implements information security initiatives encompassing the IT operations of the entire Group under its Information Systems Security Policy. With respect to cyberattacks, we have introduced a system that instantly detects security anomalies.

We also consign third parties to regularly conduct vulnerability assessment and systematically address any issues that arise. As of the publishing of this report, every issue had been addressed.

As a measure to prevent the spread of the novel coronavirus, we have expanded teleworking (working from home) arrangements for our employees. Accordingly, we have enhanced our remote access environment and strengthened the monitoring of any suspicious access and email attacks targeting the remote environment. Furthermore, we are diligent about reminding our employees of precautions being taken in terms of teleworking.

Measures Against the Spread of the Novel Coronavirus

In response to the global spread of the novel coronavirus, we established the Daicel Group Countermeasures Headquarters, headed by the president, on February 5, 2020, followed by local countermeasures headquarters at each business site. Our countermeasures headquarters are working together to ensure the safety and well-being of our employees and their family members and to maintain stable, continued operations at our plants and businesses. To do so, we have taken the measures to prevent the spread of the coronavirus based on government information on the disease.