

This document is an unofficial translation of the Japanese original version of Notice of Convocation of the 109th Ordinary General Meeting of Shareholders, and is provided for reference purposes only. In the event of any discrepancy between this document and the Japanese original version, the original version shall prevail.

Securities code: 4008

June 3, 2022

To our shareholders:

346-1 Miyanishi, Harima-cho, Kago-gun, Hyogo Prefecture, Japan

Sumitomo Seika Chemicals Company, Limited.

OGAWA Ikuzo,  
President

## Notice of Convocation of the 109th Ordinary General Meeting of Shareholders

We are pleased to advise you that the 109th ordinary general meeting of shareholders of the Company is going to be held as follows. In order to prevent the spread of the COVID-19 infection, we sincerely request that you refrain from attending the meeting on the date of the meeting. We therefore recommend that you exercise your voting rights by mail or via the internet by following the guidance set out on the next page. Thank you very much for your cooperation.

|   |  |
|---|--|
| 1. Date and time:                         | 10:00 a.m., Friday, June 24, 2022 (to be opened at 9:30 a.m.)  |
| 2. Place:                                 | Main conference room, 11th floor of the Sumitomo Building, 4-5-33 Kitahama, Chuo-ku, Osaka City, Japan   |
| 3. Subject matter/Matters to be reported: | <p>(1) 109th fiscal term (from April 1, 2021, to March 31, 2022):<br/>Business report, consolidated financial statements, and the report on the results of the audit of the consolidated financial statements by the Accounting Auditors and the Audit and Supervisory Committee</p> <p>(2) 109th fiscal term (from April 1, 2021, to March 31, 2022):<br/>Report on the non-consolidated financial statements</p> |
| Proposals to be resolved:                 |  |
| 1st Proposal:                             | Partial Revision to the Articles of Incorporation  |
| 2nd Proposal:                             | Election of Seven Directors (Excluding Directors (Audit and Supervisory Committee Members))  |

## Guidance about how to exercise voting rights

» When attending the general meeting of shareholders:



Date and  
time of the  
meeting

10:00 a.m., Friday, June 24, 2022

Please submit the voting form to the reception desk. (Affixing a seal is not required.) In addition, please note that a proxy, accompanying person, or any other person who is not a shareholder or any person other than a voting shareholder is not allowed to enter (except for a person accompanying a physically challenged person).

» When exercising voting rights in writing:



Deadline for  
exercise

The voting form needs to arrive not later than 5:00 p.m.,  
Thursday, June 23, 2022.

Please indicate your vote for or against the proposals on the enclosed voting form and send it back so that it will reach the shareholder registry administrator of the Company by the deadline.

» When exercising voting rights through the Internet:



Deadline for  
exercise

Indication of your vote needs to be submitted not later than  
5:00 p.m., Thursday, June 23, 2022.

Please access the site for exercising voting rights (<https://www.web54.net>) and, by using the voting code and the password indicated on the lower left side of the back of the enclosed voting form, register the indication of your vote for or against the proposals by the deadline according to the guidance on the screen.

In exercising voting rights, please note the following matters in advance:

- When a voting right has been exercised through the Internet multiple times (including the exercise of voting rights via a personal computer and a smartphone in an overlapping manner), the last exercise shall be treated as the effective exercise of the voting right.
- When the exercise of voting rights by mail and the exercise of voting rights through the Internet overlap each other, the exercise through the Internet shall be treated as the effective exercise of voting rights.
- When using the site for exercising voting rights, connecting fees payable to a provider and communication fees payable to a telecommunications carrier shall be borne by the shareholder.

\*Please be noted that some of descriptions on voting methods, documents, reminders in attending the meeting and other descriptions, which are not applicable to residents out of Japan, are omitted.

### Use of Electronic Voting Platforms (for Institutional Investors)

As for nominee shareholders, such as trust banks, specialized in managing properties (including standing proxies), when having applied in advance for the use of electronic voting platforms operated by a joint venture company (ICJ, Inc.) that was established by Tokyo Stock Exchange, Inc., as a means to electromagnetically exercise voting rights at the general meeting of shareholders of the Company, in addition to the above-mentioned exercise of voting rights through the Internet, the said platforms may be used.

## Reference documents for a general meeting of shareholders

### 1st Proposal: Partial Revision to the Articles of Incorporation

#### (1) Reason for the Proposal

##### (i) Revision related to the convocation of a general meeting of shareholders

On June 16, 2021, the Act for Partially Amending the Industrial Competitiveness Enhancement Act and Other Related Acts (Act No. 70 of 2021) was enforced, which enables listed companies convene a general meeting of shareholders with its venue undesignated (a so-called virtual-only general meeting of shareholders) by defining such in their articles of incorporation. In order for the Company to respond flexibly to the occurrence of large-scale disasters, including infectious diseases and natural disasters, the Company believes that expanding choices for the method of holding a general meeting of shareholders will contribute to the interests of our shareholders, and thus revises Article 11 of the current Articles of Incorporation. The revision to the Articles of Incorporation with respect to Article 11 takes effect subject to the confirmation by the Minister of Economic, Trade and Industry and the Minister of Justice in accordance with the provisions of the Order of the Ministry of Economic, Trade and Industry and the Order of the Ministry of Justice, in addition to a resolution adopted at this general meeting of shareholders.

##### (ii) Revision related to the electronic provision system for materials for a general meeting of shareholders

The revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions to the Act Partially Amending the Companies Act (Act No. 70 of 2019) will be enforced on September 1, 2022. To prepare for the implementation of the electronic provision system for materials for a general meeting of shareholders, the Company proposes the following revisions to its Articles of Incorporation.

- 1) The proposed revision to Paragraph 1 of Article 14 provides that measures for electronic provision shall be implemented with respect to the information contained in the reference documents for a general meeting of shareholders.
- 2) The proposed revision to Paragraph 2 of Article 14 limits the scope of the matters to be listed in the documents to be delivered to the shareholders who have requested the delivery of documents in paper form.
- 3) The provisions related to the Internet disclosure of the reference documents for a general meeting of shareholders (Article 14 of the current Articles of Incorporation) will no longer be required and will be deleted.
- 4) In association with the above new additions and deletions, supplementary provisions concerning the effective date will be established.

#### (2) Contents of the Changes

The contents of the changes are as follows:

(Underlined portions represent revisions.)

| Current Articles of Incorporation   | Proposed Revision   |
|---|---|
| Articles 1 to 10<br>(Provisions omitted)  | Articles 1 to 10<br>(Same as at present)  |
| (Timing of Convocation)<br>Article 11 An ordinary general meeting of shareholders of the Company shall be convened in June of each year.<br><br>(Newly added) | (Convocation)<br>Articles 11 (Same as at present)<br><br>(ii) <u>A general meeting of shareholders of the Company may be convened without designating a location.</u> |

| Current Articles of Incorporation   | Proposed Revision  |
|---|--|
| <p>Articles 12 to 13<br/>(Provisions omitted)</p> <p><u>(Internet Disclosure of Reference Documents for the General Meeting of Shareholders)</u></p> <p><u>Article 14 The Company may disclose the information related to the matters that shall be described or indicated in the reference documents for a general meeting of shareholders, financial statements, consolidated financial statements, and business reports through the internet pursuant to the provisions of the Order of the Ministry of Justice.</u><br/>(Newly added)</p> | <p>Articles 12 to 13<br/>(Same as at present)</p> <p>(Deleted)</p> <p><u>(Measures for Electronic Provision)</u></p> <p><u>Article 14 In convening a general meeting of shareholders, the Company shall implement measures for the electronic provision of information contained in the reference documents for a general meeting of shareholders.</u><br/>(ii) <u>Of the matters for which the measures for electronic provision will be implemented, the Company may omit to list all or part of those as stipulated in the Order of the Ministry of Justice in the document that will be delivered to shareholders who have requested the delivery of the documents in paper form by the record date of voting rights.</u></p>  |
| <p>Articles 15 to 28<br/>(Provisions omitted)</p> <p>(Newly added)</p>  | <p>Articles 15 to 28<br/>(Same as at present)</p> <p><u>(Supplementary Provisions)</u></p> <p><u>Article 1 Subject to the condition that the revision to Article 11 (Timing of Convocation) of the current Articles of Incorporation is confirmed by the Minister of Economy, Trade and Industry and the Minister of Justice in accordance with the provisions of the Order of the Ministry of Economy, Trade and Industry and the Order of the Ministry of Justice with respect to the satisfaction of the requirements provided for in the said Orders as a case in which the revision contributes to the enhancement of industrial competitiveness with due regard for the procurement of the interests of shareholders, the revision will take effect as of the day on which the confirmation is duly obtained.</u><br/>(ii) <u>This article shall be deleted after the revision takes effect.</u></p> <p><u>Article 2 The deletion of Article 14 (Internet Disclosure of Reference Documents for the General Meeting of Shareholders) of the current Articles of Incorporation and new addition of Article 14 (Measures for Electronic Provision) of the proposed revision shall take effect from September 1, 2022, the day on which the revised provisions provided for in the proviso to Article 1 of Supplement Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) takes effect (hereinafter the “Effective Date”).</u><br/>(ii) <u>Notwithstanding the provisions of the preceding paragraph, Article 14 of the current Articles of Incorporation shall still remain in effect with respect to a general meeting of shareholders that is scheduled to be held on a day within six (6) months from the Effective Date.</u><br/>(iii) <u>This article shall be deleted on the day on which six (6) months have elapsed from the Effective Date or the day on which three (3) months have elapsed from the day of the general meeting of shareholders referred to in the preceding paragraph, whichever comes later.</u></p> |

## 2nd Proposal:

## Election of Seven Directors (Excluding Directors (Audit and Supervisory Committee Members))

As the terms of office of all eight directors (excluding any director who are Audit and Supervisory Committee Members; the same shall apply hereinafter in this proposal) shall expire at the conclusion of this general meeting of shareholders, we would like to hereby propose the election of seven directors. Candidates for director are as follows.

| Candidate number | Name                 |  | Current post and duties in the Company   | Board of Directors attendance (%)  |
|------------------|----------------------|--|--|------------------------------------|
| 1                | OGAWA<br>Ikuzo       | Reappointed                            | Representative Director, President & CEO<br>Chief of Sustainability Promotion, Technical, Intellectual Property, and Research Laboratories   | 13 times out of 13 times<br>(100%) |
| 2                | HAMATANI<br>Kazuhiro | Reappointed                            | Representative Director, Senior Managing Executive Officer,<br>Chief of General Affairs and Personnel, Legal, Internal Audit, and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office | 13 times out of 13 times<br>(100%) |
| 3                | MURAKOSHI<br>Masaru  | Reappointed                            | Director, Managing Executive Officer,<br>Chief of the Gases Sector, General Manager of Gases Division  | 13 times out of 13 times<br>(100%) |
| 4                | TOYA<br>Takehiro     | Reappointed                            | Director, Managing Executive Officer,<br>Chief of Super Absorbent Polymers Sector  | 13 times out of 13 times<br>(100%) |
| 5                | MACHIDA<br>Kenichiro | Reappointed                            | Director, Managing Executive Officer,<br>Chief of Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office                              | 13 times out of 13 times<br>(100%) |
| 6                | SHIGEMORI<br>Takashi | Reappointed                            | Director (Non-Executive Director)  | 10 times out of 10 times<br>(100%) |
| 7                | KATSUKI<br>Yasumi    | Reappointed<br>External<br>Independent | External Director  | 13 times out of 13 times<br>(100%) |

Candidate number | 1 |

## OGAWA Ikuzo

Date of birth: February 5, 1957

Reappointed



Number of shares of the Company owned:  
8,500 shares

### Career summary, post, duties and significant concurrent post status

|            |  |               |  |
|------------|--|---------------|--|
| April 1981 | Joined Sumitomo Chemical Company, Limited.   | April 2016    | Senior Managing Executive Officer of the said company,<br>Chief of Technology/Research & Planning, Intellectual Property, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory and Advanced Materials Development Laboratory |
| April 2010 | Executive Officer of the said company in charge of the Technology/Management Planning Office (Technology/Research & Development) and Commercialization Promotion Office, General Manager of the Commercialization Promotion Office   | April 2018    | Advisor to the Company   |
| April 2012 | Managing Executive Officer of the said company in charge of Technology/Management Planning Office (Technology/Research & Development) and Commercialization Promotion Office, Intellectual Property Dept., Process Production Technology Center, Organic Synthesis Laboratory, Environmental Health Science Laboratory, Tsukuba Development Laboratory, Advanced Materials Search Laboratory and Organic EL Commercialization Office | June 2018     | Representative Director, President & CEO of the Company  |
|            |  | June 2021     | Representative Director, President & CEO of the Company,<br>Chief of Technical, Intellectual Property, and Research Laboratories   |
|            |  | December 2021 | Representative Director, President & CEO of the Company,<br>Chief of Sustainability Promotion, Technical, Intellectual Property, and Research Laboratories (up to the present)   |

### Reason for election

Having engaged in technology, research and development, and commercialization promotion at Sumitomo Chemical Company, Limited, he has experience in supervising the technology/research and development sector at the said company. In 2018, he became the president of the Company and, since then, has been promoting the medium-term management plan to achieve the business structure that enables all three business sectors to drive company growth and has actively played a leading role to enhance the corporate value of the Company. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate number | 2 |

## HAMATANI Kazuhiro

Date of birth: March 7, 1959

Reappointed



Number of shares of the Company owned:  
6,300 shares

### Career summary, post, duties and significant concurrent post status

|              |  |               |   |
|--------------|--|---------------|---|
| April 1981   | Joined the Company.  | November 2019 | Director, Managing Executive Officer, Chief of Legal, Internal Audit and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office   |
| June 2005    | General Manager of Functional Chemicals Dept., Fine Chemicals Division   | June 2020     | Director, Managing Executive Officer, Chief of General Affairs and Personnel, Legal and Internal Audit and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office   |
| October 2007 | General Manager of Functional Chemicals Division   | June 2021     | President of Seika Techno Service Co., Ltd. Representative Director, Senior Managing Executive Officer, Chief of General Affairs and Personnel, Legal, Internal Audit, and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office (up to the present) |
| June 2008    | General Manager of General Affairs and Personnel Office  |               |   |
| June 2012    | Associate Director, General Manager of General Affairs and Personnel Office  |               |   |
| June 2013    | Executive Officer, General Manager of General Affairs and Personnel Office   |               |   |
| June 2015    | Director, Executive Officer, Chief of Internal Audit and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office          |               |   |
| June 2017    | Director, Managing Executive Officer, Chief of Internal Audit and Physical Distribution and Procurement, General Manager of General Affairs and Personnel Office |               |   |

### Reason for election

After engaging in the production, sale, and research of products, he had the experience of taking charge of the personnel sector. In 2015, he became a director and supervised general affairs/personnel affairs, legal affairs, internal audits, and physical distribution and procurement and has been striving to enhance corporate value primarily by developing human resources, promoting compliance, and strengthening corporate governance. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate number | 3



Number of shares of the Company owned:  
6,300 shares

## MURAKOSHI Masaru

Date of birth: December 28, 1958

Reappointed

### Career summary, post, duties and significant concurrent post status

|              |   |               |  |
|--------------|---|---------------|--|
| April 1982   | Joined the Company.   | June 2016     | Director, Executive Officer, Chief of Information Systems, General Manager of the Corporate Planning and Accounting Office |
| January 2005 | CEO of Sumisei Taiwan Technology Co., Ltd.  | June 2018     | Director, Managing Executive Officer, Chief of Gases Sector  |
| June 2007    | General Manager of Planning and Coordination Dept. of Functional Polymers Division  | February 2021 | Director, Managing Executive Officer, Chief of Gases Sector, General Manager of the Gases Division (up to the present)     |
| October 2007 | General Manager of Planning and Coordination Dept. of Functional Chemicals Division |               |  |
| April 2008   | General Manager of Accounting Dept.   |               |  |
| August 2012  | General Manager of Corporate Planning and Accounting Office                         |               |  |
| June 2015    | Associate Director, General Manager of Corporate Planning and Accounting Office     |               |  |

### Reason for election

He has experience in the business management of the subsidiary in Taiwan and the business sector of the Company and taking charge of the corporate planning and accounting sector of the Company. In 2016, he became a director, and after supervising the information systems and corporate planning and accounting sectors, since 2018, he has been striving as the chief of the gases sector to enhance corporate value primarily through the production of high-quality products and sales activities appropriately focusing on customer needs. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate number | 4



Number of shares of the Company owned:  
3,400 shares

## TOYA Takehiro

Date of birth: April 25, 1961

Reappointed

### Career summary, post, duties and significant concurrent post status

|               |   |            |  |
|---------------|---|------------|--|
| May 1993      | Joined the Company.   | June 2015  | Associate Director, General Manager of Super Absorbent Polymers Division and Sales Dept.   |
| April 2008    | General Manager of the Super Absorbent Polymers Division  | June 2016  | Executive Officer, General Manager of Super Absorbent Polymers Division  |
| February 2010 | Managing Director of Sumitomo Seika Asia Pacific Pte. Ltd.                                      | June 2020  | Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector, General Manager of Super Absorbent Polymers Division |
| June 2010     | Managing Director of Sumitomo Seika Singapore Pte. Ltd. & Sumitomo Seika Asia Pacific Pte. Ltd. | March 2021 | Director, Managing Executive Officer, Chief of Super Absorbent Polymers Sector (up to the present)                                   |
| May 2015      | General Manager of Sales Dept., Super Absorbent Polymers Division                               |            |  |

### Reason for election

After engaging in the manufacture and sales of super absorbent polymers at overseas subsidiaries of the Company, he took charge of product development and sales at the Super Absorbent Polymers Division of the Company. In 2020, he became a director of the Company and has been striving as the chief of the Super Absorbent Polymers Sector to enhance corporate value primarily through the production of high-quality products and sales activities appropriately focusing on customer needs. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.



Candidate number | 5 |

## MACHIDA Kenichiro

Date of birth: January 29, 1963

Reappointed



Number of shares of the  
Company owned:  
5,700 shares

### Career summary, post, duties and significant concurrent post status

|              |   |              |  |
|--------------|---|--------------|--|
| April 1985   | Joined Sumitomo Chemical Company, Limited.  | April 2017   | General Manager of Corporate Planning and Accounting Office of the Company   |
| June 2009    | General Manager of Internal Control Promotion Dept. of the said company   | June 2017    | Associate Director, General Manager of Corporate Planning and Accounting Office of the Company   |
| April 2010   | General Manager of Internal Control/Audit Dept. of the said company   | June 2018    | Director, Executive Officer of the Company, Chief of Information Systems, General Manager of Corporate Planning and Accounting Office  |
| March 2012   | General Manager of Technology/Management Planning Office (Related business) & General Manager of Technology/Management Planning Office (China strategy) of the said company | June 2020    | Director, Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems, General Manager of Corporate Planning and Accounting Office   |
| October 2012 | General Manager of Technology/Management Planning Office (Related business) & General Manager of the China Business Office of the said company                              | January 2021 | Director, Executive Officer of the Company, Chief of Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office               |
| June 2014    | General Manager of Secretarial Dept. of the said company  | June 2021    | Director, Managing Executive Officer, Chief of Corporate Planning and Accounting, Information Systems and Business Reform Promotion, General Manager of Corporate Planning and Accounting Office (up to the present) |
| April 2015   | General Manager of General Affairs/Legal Affairs Office (Secretarial Work) & General Manager of General Affairs/Legal Affairs Office (Public Relations) of the said company |              |  |
| April 2016   | Deputy General Manager of Ehime Works & General Manager of General Affairs Dept. of Oe Works of the said company  |              |  |

### Reason for election

He has a career of having engaged in a broad range of operations, such as internal control, management planning, general affairs, and accounting, at Sumitomo Chemical Company, Limited. Since he became a director of the Company in 2018, he served as the chief of information systems, corporate planning and the accounting, and business reform sectors and has been striving to enhance corporate value primarily through the improvement of productivity by internal IT infrastructure building, strengthening of information security, appropriate accounting, and the formulation of management plans. In view of such experiences and achievements, we decided to continuously elect him as a candidate for director.

Candidate number | 6 |

## SHIGEMORI Takashi

Date of birth: October 3, 1958

Reappointed



Number of shares of the  
Company owned:  
0 share

### Career summary, post, duties and significant concurrent post status

|               |  |            |  |
|---------------|--|------------|--|
| April 1983    | Joined Sumitomo Chemical Company, Limited.   | April 2018 | Managing Executive Office of the said company in charge of Planning Dept., Business Management Dept., and IT Innovation Dept.  |
| July 2009     | General Manager of the Rabigh Planning Operation Office & General Manager of Petrochemical Planning and Coordination Office of the said company          | April 2019 | Senior Managing Executive Officer of the said company, Chief of Planning, Business Management, IT Innovation, Accounting and Finance   |
| February 2010 | Temporarily transferred to Rabigh Refining & Petrochemical Company   | June 2019  | Director, Senior Managing Executive Officer of the said company, Chief of Planning, Business Management, IT Innovation, Accounting and Finance   |
| April 2012    | Executive Officer of the said company working Rabigh Refining & Petrochemical Company  | April 2020 | Director, Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation   |
| April 2016    | Managing Executive Officer of the said company   | June 2021  | Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation (up to the present)<br>Director (Non-Executive Director) of the Company (up to the present) |
| April 2017    | Managing Executive Officer of the said company in charge of Planning Dept., Business Management Dept. and Petrochemical Planning and Coordination Office |            |  |



#### Reason for election

He engaged primarily in the operation of the administrative sectors, such as planning, at Sumitomo Chemical Company, Limited and has approximately 20 years of overseas work experience, including posting to the University of Virginia in the USA, as well as experience in Singapore and Saudi Arabia (Rabigh Planning). After that, he, as an executive officer of the said company, has supervised the administrative sectors, such as corporate planning, IT promotion, and accounting. Since he became a director of the Company in 2021, he has been providing the Board of Directors with frank, active, and constructive opinions and proposals and is expected to strengthen the supervision of the management of the Company. We, therefore, decided to continuously elect him as a candidate for director.

Candidate  
number

7

## KATSUKI Yasumi

Date of birth: November 29, 1947

Reappointed External Independent



Number of shares of the  
Company owned:  
0 share

Term of service: 9 years

#### Career summary, post, duties and significant concurrent post status

|                |  |            |  |
|----------------|--|------------|--|
| October 1973   | Joined Asahi & Co. (currently KPMG AZSA LLC) (the "audit corporation")                             | June 2011  | External Auditor of West Japan Railway Company (scheduled to retire from office as of June 23, 2022) |
| September 1977 | Registered as a certified public accountant  |            | External Auditor of Sakata Inx Corporation   |
| August 1995    | Representative Partner of the said audit corporation   | June 2013  | External Director of the Company (up to the present)   |
| May 2001       | Representative Senior Executive Partner, Manager of the Osaka Office of the said audit corporation | March 2016 | External Director of Sakata Inx Corporation (up to the present)                                      |
| May 2006       | Partner, Head Office of KPMG AZSA & Co. (currently KPMG AZSA LLC)                                  |            |  |
| June 2010      | Resigned from the said audit corporation   |            |  |
| July 2010      | Set up Katsuki Office (up to the present)  |            |  |

#### Reason for election:

Based on many years of experience as a certified public accountant, he not only has expert knowledge and wide-ranging discernment but also served as an external director and an external auditor at other companies. Since he became an external director of the Company in 2013, he has been providing the Board of Directors with frank, active, and constructive opinions and proposals and is expected to strengthen the supervision of the management of the Company. We, therefore, decided to continuously elect him as a candidate for independent external director. Although he has not been involved in company management in a way other than the function of an external officer, for the reasons stated above, we consider that he will be able to appropriately fulfill his duties as external director of the Company.

(Notes)1. No material conflict of interest exists between the above candidates and the Company.

- The Company appointed KATSUKI Yasumi as an independent officer provided for by the Tokyo Stock Exchange and submitted notification to the said stock exchange.
- Although KATSUKI Yasumi had been conducting audits of the Company until June 2009 as managing partner of KPMG AZSA & Co. (currently KPMG AZSA LLC) as the Accounting Auditor of the Company, he resigned from the said audit corporation in June 2010.
- The Company has concluded contracts with SHIGEMORI Takashi and KATSUKI Yasumi that limit their liability for damages set out in Paragraph 1 of Article 423 of the Companies Act up to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act. When they are elected as directors, the Company intends to continue the said contract for the limitation of liability with them.
- The Company has concluded an officer liability contract insurance in which each Director is the insured and shall assume such liability for the execution of duties that is to be borne by the insured or shall compensate for the damage and litigation expenses that may be incurred by receiving the claim relating to the pursuit of the relevant liability. In addition, when this proposal has been resolved to approve as drafted, all the candidates for Director shall be the insureds of said insurance contract, and the relevant insurance contract is going to be renewed during their terms of service.
- The term of service shall be the one as of the point of time of conclusion of the ordinary general meeting of shareholders at this time.

<Reference 1 - Skills and experience of candidates for director (Skills matrix)>

To enable the Board of Directors to drive sustained growth and enhancement of corporate value, the Company appoints a person as a candidate for director who has personal quality that satisfies the criteria for the selection of the Company's directors as well as higher management ability (skills). In addition, to enable the Board of Directors to respond adequately to the formulation and implementation of the Company's business strategies and business plans, as well as to its future challenges, the Company selected the skills (knowledge, experience, ability) that the Board of Directors as a whole should have as follows:

| Skills (knowledge, experience, ability) | Reason for selecting skills   |
|---|---|
| Corporate management                    | The roles of the Board of Directors are to make important managerial decisions and oversee management. To undertake these roles, the Company needs directors who have experience and achievements concerning corporate management.  |
| Technology/research & development       | To enable the Company, a chemical manufacturer, to enhance its corporate value on a sustainable basis, the improvement of existing products and the development of new products and technologies that satisfy demands from users and markets are absolutely necessary. Therefore, the Company needs directors who have knowledge and experience in the fields of technology and research & development. |
| Legal affairs/risk management           | Ensuring appropriateness in corporate activities is the foundation of management, and appropriate risk management is necessary to enhance corporate value under sound risk taking. Therefore, the Company needs directors who have knowledge and experience in the fields of legal affairs and risk management.   |
| Finance/accounting                      | To promote corporate activities in a stable manner not only by disclosing appropriate information to shareholders with accurate financial reports but also by securing the financial foundation, the Company needs directors who have knowledge and experience in the fields of finance and accounting.   |
| Sales & marketing/business              | To expand the business scale and enhance profitability by promoting the sales strategy and marketing strategy, the Company needs directors who have knowledge and experience in the fields of the sales & marketing and business of chemical goods.   |
| Sustainability/ESG                      | To ensure that the Company acts as a member of society, responds to the expectations of stakeholders, and makes efforts toward the realization of sustainable society, including dealing with climate issues, such as the realization of a carbon cycling society, the Company needs directors who have knowledge and experience in the fields of sustainability and the ESG.                           |

When this proposal is approved as drafted, the composition of the Board of Directors shall be as follows.

| Name   | Attribute     | Corporate management | Technology /research & development | Legal affairs /risk management | Finance /accounting | Sales & marketing /business | Sustainability /ESG |
|--|---------------|----------------------|------------------------------------|--------------------------------|---------------------|-----------------------------|---------------------|
| OGAWA Ikuzo  |               | ●                    | ●                                  |                                |                     |                             | ●                   |
| HAMATANI Kazuhiro  |               | ●                    |                                    |                                |                     | ●                           |                     |
| MURAKOSHI Masaru   |               | ●                    |                                    |                                | ●                   | ●                           |                     |
| TOYA Takehiro  |               | ●                    |                                    |                                |                     | ●                           |                     |
| MACHIDA Kenichiro  |               |                      |                                    |                                | ●                   |                             |                     |
| SHIGEMORI Takashi  | Non-executive | ●                    |                                    |                                | ●                   |                             |                     |
| KATSUKI Yasumi   | External      |                      |                                    |                                | ●                   |                             |                     |
| MICHIBATA Mamoru<br>(Audit and Supervisory Committee Member) |               |                      |                                    | ●                              |                     |                             |                     |
| KAWASAKI Masashi<br>(Audit and Supervisory Committee Member) | External      |                      |                                    | ●                              |                     |                             |                     |
| MIURA Kunio<br>(Audit and Supervisory Committee Member)      | External      |                      |                                    | ●                              |                     |                             |                     |
| KISHIGAMI Keiko<br>(Audit and Supervisory Committee Member)  | External      |                      |                                    |                                | ●                   |                             | ●                   |

< Reference 2 Criteria for Independence of External Directors >

If a person does not fall under any of (1) to (9), the Company may designate such person as an independent officer.

- (1) An executor of the business of the Company or a company of the Company's Group (a director other than an external director, an executive officer, or an employee [by whatever name, any person having an employment relationship with the Company or a company of the Company's Group])
- (2) An executor of the business of a major customer or business partner. A major customer or business partner means a person who falls under any of the following items.
  - (a) A business partner providing products or services to the Company or a customer to whom the Company is providing products or services of which the total amount of such transactions in the most recent business year relevant to intended designation as an independent officer exceeds 2% of the Company's unconsolidated sales or exceeds 2% of their sales to the Company
  - (b) A financial institution providing loans to the Company of which the total amount at the end of the most recent business year relevant to intended designation as an independent officer exceeds 2% of the Company's unconsolidated sales; provided, however, that even if the amount does not exceed 2%, a financial institution stated as a lender to the Company on annual securities reports, business reports, or other public documents shall be included in major business partners
- (3) A consultant, certified public accountant, attorney, or other expert receiving remuneration from the Company other than remuneration for officers of which the total amount of the remuneration paid, other than the remuneration for officers from the Company, in the most recent business year relevant to intended designation exceeds 10 million yen
- (4) A person who belongs to an organization that is a consulting firm, tax accounting firm, law office, other corporate body, or partnership, which has transactions with the Company, and whose sales to the Company in the most recent business year relevant to intended designation as an independent officer exceeds 2% of the organization's total sales or 10 million yen, whichever is larger
- (5) A shareholder of the Company whose share of voting rights at the end of the most recent business year relevant to intended designation as an independent officer is 10% or more (a total of direct and indirect holdings) of the total voting rights or an executor of the business at the shareholder entity
- (6) Of the companies in which the Company holds shares, a company in which the Company's share of the voting rights at the end of the most recent business year relevant to intended designation as an independent officer is 10% or more (a total of direct and indirect holdings) of the total voting rights or an executor of the business at the shareholder entity
- (7) A person who belongs to an auditing firm that conducts statutory audits of the Company
- (8) A person to whom (1) above was applicable in the past or to whom any of (2) to (7) above was applicable in the past five years
- (9) A spouse or a relative (within a second degree of kinship) of a person to whom any of (1) to (8) above applies