

This document is an unofficial translation of the Japanese original version of Notice of Convocation of the 110th 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 2, 2023

(Commencement date of measures for  
electronic provision: May 31, 2023)

To our shareholders:

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

Sumitomo Seika Chemicals  
Company, Limited.

OGAWA Ikuzo,  
President

## Notice of Convocation of the 110th Ordinary General Meeting of Shareholders

We are pleased to advise you that the 110th ordinary general meeting of shareholders of the Company is going to be held as follows. When convening this general meeting of shareholders, the Company implements measures for electronic provision and posts the matters subject to measures for electronic provision on the following Internet website as the Notice of Convocation of the 110th Ordinary General Meeting of Shareholders.

Website of Sumitomo Seika Chemicals(\*)

<https://www.sumitomoseika.co.jp/ir/kabunusisokai/>



In addition to the above website, the matters subject to measures for electronic provision are also posted on the Internet website of the Tokyo Stock Exchange.

Website of the Tokyo Stock Exchange(\*)

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

Please access the above website, perform a search by entering the Company's name or the security code (Sumitomo Seika: 4008), select "Basic information" and then "Documents for public inspection/PR information," and view the information.



\*Please be noted that the matters subject to measures for electronic provision are only available in Japanese original version.

When you do not attend the meeting in person, we recommend that you exercise your voting rights by mail or via the internet by following the guidance set out on page 3. Thank you very much for your cooperation.

1. Date and time: 10:00 a.m., Friday, June 23, 2023 (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. Purposes of the Meeting
  - Matters to be reported:
    - (1) 110th fiscal term (April 1, 2022, to March 31, 2023)  
Report on the contents of the business report, consolidated financial statements, and unconsolidated financial statements
    - (2) Report on the results of the audit of the consolidated financial statements for the 110th fiscal term by the Accounting Auditors and the Audit and Supervisory Committee
  - Proposals to be resolved:
    - 1st Proposal: Election of Seven Directors (Excluding Directors (Audit and Supervisory Committee Members))
    - 2nd Proposal: Election of Four Directors (Audit and Supervisory Committee Members)
    - 3rd Proposal: Determination of Remuneration for Granting Transfer-Restricted Shares to Directors (Excluding Directors (Audit and Supervisory Committee Members), External Directors, and Non-Executive Directors)

## 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 23, 2023

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 22, 2023.

Please indicate your vote for or against the respective proposals on the enclosed voting form and send it back so that it will reach the shareholder registry administrator of the Company by the above deadline. If neither your vote for nor against the respective proposals is indicated, it shall be deemed the intention of approval.



» 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 22, 2023.

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 institutional investors (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.

#### Announcement on the company's website

- When the need arises to amend the matters subject to electronic provision, such amendments will be announced on each website.

#### Contents of documents to be sent to shareholders

- For shareholders who have not requested the delivery of documents in a paper-based format, we have also sent the reference documents for the general meeting of shareholders together with this notice.
- For shareholders who have requested the delivery of documents in a paper-based format, we have sent documents excluding part of the matters subject to measures for electronic provision pursuant to laws and regulations and the provisions of Article 14 of the Articles of Incorporation of the Company.

## Reference documents for a general meeting of shareholders

### 1st Proposal:

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

As the terms of office of all seven 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  | 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,<br>and Physical Distribution and Procurement, General Manager<br>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 Functional Materials Sector, General Manager of<br>Functional Materials 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<br>Systems and Business Reform Promotion, General Manager<br>of Corporate Planning and Accounting Office                              | 13 times out of 13 times<br>(100%) |
| 6                | SHIGEMORI<br>Takashi | Reappointed                                | Director (Non-Executive Director)  | 11 times out of 13 times<br>(85%)  |
| 7                | MIURA Kunio          | Newly-appointed<br>External<br>Independent | External Director (Audit and Supervisory Committee Member)   | 12 times out of 13 times<br>(92%)  |

Candidate number | 1 |

# OGAWA Ikuzo

Date of birth: February 5, 1957

Reappointed



Number of shares of the Company owned:  
9,100 shares

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

|            |  |               |  |
|------------|--|---------------|--|
| April 1981 | Joined Sumitomo Chemical Company, Limited.   | June 2018     | Representative Director, President & CEO of the Company  |
| 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   | June 2021     | Representative Director, President & CEO of the Company, Chief of Technical Affairs, Intellectual Property, and Research & Development                           |
| 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 | December 2021 | Representative Director, President & CEO of the Company, Chief of Sustainability Promotion, Technical Affairs, Intellectual Property, and Research & Development |
| April 2016 | Senior Managing Executive Officer of the said company, Chief of Technology/Research & Planning, Intellectual Property, Industrial Technology & Research Laboratory, Environmental Health Science Laboratory and Advanced Materials Development Laboratory  | June 2022     | Representative Director, President & CEO of the Company, Chief of Technical Affairs and Intellectual Property  |
| April 2018 | Advisor to the Company   | January 2023  | Representative Director, President & CEO of the Company, Chief of Sustainability Promotion (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 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:  
6,900 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     | 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

## MURAKOSHI Masaru

Date of birth: December 28, 1958

Reappointed



Number of shares of the Company owned:  
7,000 shares

### 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   |
| October 2007 | General Manager of Planning and Coordination Dept. of Functional Chemicals Division | June 2022     | Director, Managing Executive Officer, Chief of Functional Materials Sector, General Manager of Functional Materials Division (up to the present) |
| 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 2022, he has been striving as the chief of the Functional Materials 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

# TOYA Takehiro

Date of birth: April 25, 1961

Reappointed



Number of shares of the  
Company owned:  
3,700 shares

## 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. & Managing Director of 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:  
6,700 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 Ohe 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 2019 | Senior Managing Executive Officer of the said company, Chief of Planning, Business Management, IT Innovation, Accounting and Finance   |
| July 2009     | General Manager of the Rabigh Planning Operation Office & General Manager of Petrochemical Planning and Coordination Office of the said company          | June 2019  | Director, 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   | April 2020 | Director, Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation   |
| April 2012    | Executive Officer of the said company working Rabigh Refining & Petrochemical Company  | June 2021  | Senior Managing Executive Officer of the said company, Chief of Corporate Planning and IT Innovation<br>Director (Non-Executive Director) of the Company (up to the present) |
| April 2016    | Managing Executive Officer of the said company   | April 2023 | Advisor of Sumitomo Chemical Company, Limited (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 | June 2023  | Director of the Inabata & Co., Ltd. (scheduled to be appointed)  |
| April 2018    | Managing Executive Office of the said company in charge of Planning Dept., Business Management Dept., and IT Innovation Dept.                            |            |  |

## 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 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 business management, 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 |

# MIURA Kunio

Date of birth: February 13, 1953

Newly-appointed External Independent



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

|            |  |           |   |
|------------|--|-----------|---|
| April 1979 | Appointed as a judge.  | June 2008 | External Auditor of Asahi Intelligence Service Co., Ltd. (up to the present)                      |
| March 1988 | Retired as judge.  | June 2010 | External Auditor of the Company   |
| April 1988 | Registered as an attorney. Worked at Seiki Hisayoshi Law Office. | June 2020 | External Director(Audit and Supervisory Committee Member) of Kobe Steel, Ltd. (up to the present) |
| April 1997 | Set up Kawamoto/Miura Law Office. (up to the present)            | June 2021 | External Director (Audit and Supervisory Committee Member) of the Company (up to the present)     |
| June 2003  | External Auditor of Yamaha Corporation                           |           |   |

Number of shares of the Company owned:  
0 share

Term of service as External Director (Audit and Supervisory Committee Member): 2 years

Term of service as External Auditor: 11 years

### Reason for election:

Based on many years of experience as a judge and an attorney, he has not only highly technical legal knowledge and wide-ranging discernment but also served as an external director and external auditor at other companies. On the basis of such abundant knowledge and experience, since becoming an external auditor of the Company and an external director (Audit and Supervisory Committee Member) of the Company, 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 Company's management from a fair and neutral standpoint. We, therefore, decided to nominate him as a candidate for external director who is not a member of the Audit and Supervisory Committee. 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 him able to appropriately fulfill his duties as an external director of the Company.

- (Notes)1. No material conflict of interest exists between the above candidates and the Company.
2. The Company appointed MIURA Kunio as an independent officer provided for by the Tokyo Stock Exchange and submitted notification to the said stock exchange.
  3. The Company has concluded contracts with SHIGEMORI Takashi and MIURA Kunio 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.
  4. 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.
  5. 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.

## 2nd Proposal:

## Election of Four Directors (Audit and Supervisory Committee Members)

As the terms of office of all four directors (Audit and Supervisory Committee Members) shall expire at the conclusion of this general meeting of shareholders, we would like to hereby propose the election of four directors (Audit and Supervisory Committee Members).

The Audit and Supervisory Committee has given its consent to this proposal.

Candidates for director (Audit and Supervisory Committee Member) are as follows:

| Candidate number | Name             |  | Current post and duties in the Company                      | Board of Directors attendance (%) | Audit and Supervisory Committee attendance (%) |
|------------------|------------------|--|---|-----------------------------------|--|
| 1                | MICHIBATA Mamoru | Reappointed                                | Director (Full-time Audit and Supervisory Committee Member) | 13 times out of 13 times (100%)   | 14 times out of 14 times (100%)                |
| 2                | KAWASAKI Masashi | Reappointed<br>External<br>Independent     | External Director (Audit and Supervisory Committee Member)  | 12 times out of 13 times (92%)    | 13 times out of 14 times (93%)                 |
| 3                | KISHIGAMI Keiko  | Reappointed<br>External<br>Independent     | External Director (Audit and Supervisory Committee Member)  | 13 times out of 13 times (100%)   | 14 times out of 14 times (100%)                |
| 4                | YOSHIIKE Fujio   | Newly-appointed<br>External<br>Independent | —   | —                                 | —  |

Candidate number

1

# MICHIBATA Mamoru

Date of birth: March 28, 1959

Reappointed



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

- April 1982 Joined the Company.
- June 2008 General Manager of the General Affairs and Personnel Office (Legal Affairs)
- June 2016 Auditor (Full-time)
- June 2021 Director (Full-time Audit and Supervisory Committee Member) (up to the present)

Number of shares of the Company owned: 5,000 shares

### Reason for election:

After engaging in general affairs and corporate legal affairs, he served as head of the legal department and has a proven record of promoting compliance and corporate governance. Since becoming an auditor (full-time) of the Company in 2016, he has been committed to audits of the Company's management utilizing his abundant knowledge and experience in the field of corporate legal affairs. He is adept in the entire operations of the Company group and expected to conduct appropriate audits and supervision of the Company's management. We, therefore, decided to nominate him as a candidate for director (Audit and Supervisory Committee Member).

Candidate number

2

# KAWASAKI Masashi

Date of birth: July 21, 1949

Reappointed

External

Independent



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

- April 1978 Registered as an attorney. Worked at Sugao Law Office.
- April 1982 Set up Kawasaki Law Office. (up to the present)
- June 2010 External Auditor of Taoka Chemical Company, Limited
- June 2015 External Director of the said company External Director of the Company
- June 2016 External Director (Audit and Supervisory Committee Member) of Taoka Chemical Company, Limited
- June 2021 External Director (Audit and Supervisory Committee Member) of the Company (up to the present)

Number of shares of the Company owned: 0 share

Term of service as External Director: 8 years (which includes term of service as External Director (Audit and Supervisory Committee Member) of 2 years)

### Reason for election:

Based on many years of experience as an attorney, he has not only highly technical legal knowledge and wide-ranging discernment but also the experience of having served as an external director and external auditor at other companies. On the basis of such abundant knowledge and experience, since becoming an external director of the Company, he has been providing the Board of Directors with frank, active, and constructive opinions and proposals and is expected to strengthen the audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to nominate him as a candidate for external director (Audit and Supervisory Committee Member). 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 an external director of the Company.

Candidate number | 3

# KISHIGAMI Keiko

Date of birth: January 28, 1957

Reappointed External Independent



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

|   |  |  |   |
|---|--|--|---|
| <p>October 1985</p> <p>August 1989</p> <p>December 1997</p> <p>May 2004</p> <p>September 2018</p> | <p>Joined Peat Marwick Minato (currently Ernst &amp; Young ShinNihon LLC).</p> <p>Registered as a certified public accountant.</p> <p>Partner of Century Audit Corporation (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Representative Partner (Senior Partner) of Ernst &amp; Young ShinNihon (currently Ernst &amp; Young ShinNihon LLC)</p> <p>Board Member of the Public Interest Incorporated Foundation for World Wide Fund for Nature (WWF) Japan (up to the present)</p> | <p>June 2019</p> <p>June 2020</p> <p>June 2021</p> <p>March 2023</p> | <p>Resigned from Ernst &amp; Young ShinNihon LLC. External Auditor of Okamura Corporation (up to the present)</p> <p>External Director (Audit Committee Member) of Sony Corporation (currently Sony Group Corporation) (up to the present)</p> <p>External Auditor of the Company</p> <p>External Director (Audit and Supervisory Committee Member) of the Company (up to the present)</p> <p>External Auditor of DIC Corporation (up to the present)</p> |
|---|--|--|---|

Number of shares of the Company owned:  
0 share

Term of service as External Director (Audit and Supervisory Committee Member): 2 years

Term of service as External Auditor: 1 year

**Reason for election:**

Based on many years of experience as a certified public accountant, she not only has expert knowledge and wide-ranging discernment in terms of finance, accounting, and auditing but also served as an external director and external auditor at other companies. On the basis of such abundant knowledge and experience, she has served as an external auditor of the Company and an external director (Audit and Supervisory Committee Member) of the Company providing the Board of Directors with frank, active, and constructive opinions and proposals and is expected to strengthen the audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to nominate her as a candidate for external director. Although she has not been involved in company management in a way other than the function of external officer, for the reasons stated above, we consider that she will be able to appropriately fulfill her duties as an external director of the Company.

Candidate  
number

4

# YOSHIIKE Fujio

Date of birth: January 15, 1953

Newly-  
appointed

External

Independent



Number of shares of the  
Company owned:  
0 share

Term of service

—

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

|              |   |           |  |
|--------------|---|-----------|--|
| April 1976   | Joined Toyo Sash Industry Co., Ltd. (currently LIXIL Corporation).                                  | July 2016 | Executive Officer of Iida Group Holdings Co., Ltd.                         |
| October 2009 | Representative Director, President of JS Supply Corporation (currently LIXIL Logistics Corporation) | June 2020 | Representative Director of Yoshiike Office Corporation (up to the present) |
| April 2011   | Managing Executive Officer, General Manager of Purchasing & Logistics of LIXIL Corporation          | June 2021 | Director of Shibaura Institute of Technology (up to the present)           |
| October 2013 | Senior Managing Executive Officer of LIXIL Corporation  |           |  |
| April 2014   | Senior Managing Executive Officer, Chief Global Procurement Officer (CGPO) of LIXIL Corporation     |           |  |

## Reason for election:

After serving as a plant manager in Japan and overseas and an executive officer in charge of material divisions at Tostem Corporation (currently LIXIL Corporation), he became the representative director and president of JS Supply Corporation (currently LIXIL Logistics Corporation) and, since then, has been supervising global purchasing as senior managing executive officer at LIXIL Corporation. He also served as an executive officer at Iida Group Holdings Co., Ltd. He is expected to utilize such experience, anticipate environmental changes, and reflect such experience and anticipation in the management strategy and to conduct appropriate audit and supervision of the Company's management from a fair and neutral standpoint. We, therefore, decided to nominate him as a candidate for external director (Audit and Supervisory Committee Member).

- Notes: 1. No material conflict of interest exists between the above candidates and the Company.
2. The Company appointed KAWASAKI Masashi and KISHIGAMI Keiko as independent officers provided for by the Tokyo Stock Exchange and submitted the notification to the said stock exchange.
3. YOSHIIKE Fujio is a candidate for an independent officer provided for by the Tokyo Stock Exchange.
4. There are contracts between each of KAWASAKI Masashi and KISHIGAMI Keiko and the Company that stipulate that the maximum amount of liability for damages set out in Paragraph 1 of Article 423 of the Companies Act shall be limited to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act. When each of KAWASAKI Masashi and KISHIGAMI Keiko has been elected as director (Audit and Supervisory Committee Member), the Company intends to continue the above-mentioned contracts for the limitation of liability with between each of KAWASAKI Masashi and KISHIGAMI Keiko and the Company.
5. When YOSHIIKE Fujio has been elected as director (Audit and Supervisory Committee Member), a contract for the limitation of liability that stipulates that the maximum amount of liability for damages set out in Paragraph 1 of Article 423 of the Companies Act shall be limited to the total of the amounts set out in each item of Paragraph 1 of Article 425 of the said Act is going to be concluded between YOSHIIKE Fujio and the Company.
6. The Company shall conclude an officer liability contract insurance in which each of the directors 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 related to the pursuit of the relevant liability. In addition, when this proposal has been approved as drafted, all the candidates for director (Audit and Supervisory Committee Member) shall be the insureds of the insurance contract, and the relevant insurance contract is going to be renewed during their terms of service.
7. 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 proposals 1 and 2 are 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  | Executive            | ●                    | ●                                  |                                |                     |                             | ●                   |
| HAMATANI Kazuhiro  | "                    | ●                    |                                    |                                |                     | ●                           |                     |
| MURAKOSHI Masaru   | "                    | ●                    |                                    |                                | ●                   | ●                           |                     |
| TOYA Takehiro  | "                    | ●                    |                                    |                                |                     | ●                           |                     |
| MACHIDA Kenichiro  | "                    |                      |                                    |                                | ●                   |                             |                     |
| SHIGEMORI Takashi  | Non-Executive        | ●                    |                                    |                                | ●                   |                             |                     |
| MIURA Kunio  | Independent External |                      |                                    | ●                              |                     |                             |                     |
| MICHIBATA Mamoru<br>(Audit and Supervisory Committee Member) | Full-time Audit      |                      |                                    | ●                              |                     |                             |                     |
| KAWASAKI Masashi<br>(Audit and Supervisory Committee Member) | Independent External |                      |                                    | ●                              |                     |                             |                     |
| KISHIGAMI Keiko<br>(Audit and Supervisory Committee Member)  | Independent External |                      |                                    |                                | ●                   |                             | ●                   |
| YOSHIIKE Fujio<br>(Audit and Supervisory Committee Member)   | Independent 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

### 3rd Proposal:

## Determination of Remuneration for Granting Transfer-Restricted Shares to Directors (Excluding Directors (Audit and Supervisory Committee Members), External Directors, and Non-Executive Directors)

It was approved at the 108th ordinary general meeting of shareholders, which was held on June 25, 2021, that the annual amount of remuneration for the Company's directors (excluding directors [members of the Audit and Supervisory Committee]) shall be an amount not more than 360 million yen per annum (of which an amount for external directors to be not more than 20 million yen).

On this occasion, as part of reviewing the Officer Remuneration System, the Company proposes that the Company pay new remuneration for granting transfer-restricted shares to the Company's directors (excluding directors [members of the Audit and Supervisory Committee], external directors, and non-executive directors; hereinafter, "Eligible Directors") within the range of the above amount, with the aim of providing Eligible Directors with incentives to continuously enhance the Company's corporate value and promoting the further sharing of value with shareholders to enhance the Company's corporate value over the medium to long term.

The remuneration to be paid for granting transfer-restricted shares to Eligible Directors under this proposal shall be monetary claims, and the total amount thereof shall be the amount not more than 90 million yen per annum. In addition, the specific timing of payment and allocation to each Eligible Director shall be determined by the Board of Directors after deliberations by the Nomination and Compensation Committee.

At present, there are seven directors (excluding directors [members of the Audit and Supervisory Committee]) including one external director and one non-executive director. If the 1st Proposal (Election of Seven Directors [Excluding Directors (Audit and Supervisory Committee Members)]) is approved and passed as originally proposes, there will be seven Directors (excluding directors [members of the Audit and Supervisory Committee]) including one external director and one non-executive director.

In addition, Eligible Directors shall, pursuant to a resolution of the Board of Directors of the Company, pay all monetary claims paid to them under this proposal as property contributed in kind and receive the common shares of the Company through issuance or disposal, and the total number of the common shares of the Company to be issued or disposed of in this way shall not exceed 10,000 shares per annum (however, if, on or after the date on which this proposal is approved and passed, a share split [including a gratis allotment of the common shares of the Company] or a reverse share split is conducted with regard to the common shares of the Company, or if any grounds arise that necessitate an adjustment to the total number of the common shares of the Company to be issued or disposed of as transfer-restricted shares, the Company shall adjust the total number of shares within a reasonable range).

Furthermore, the amount to be paid per share shall be an amount determined by the Board of Directors within a range that will not be an amount particularly advantageous to the Eligible Director who will receive such common shares based on the closing price of the common shares of the Company on the Tokyo Stock Exchange on the business day before the date of each resolution by the Board of Directors (if such date is a non-trading day, the closing price of the immediately preceding trading day). In addition, the issuance or disposal of the common shares of the Company thereby and the payment of monetary claims as property contributed in kind shall be subject to the conclusion of a transfer-restricted share allotment agreement (hereinafter, the "Allotment Agreement") between the Company and Eligible Directors containing the following contents. In addition, the upper limit of remuneration, the total number of the common shares to be issued or disposed of, and other conditions for granting transfer-restricted shares of the Company to Eligible Directors under this proposal have been determined taking into consideration the above purposes, the Company's business conditions, and the policies for determining the contents of remuneration for an individual director of the Company (if this proposal is approved and passed, such polices will be amended as

described in the “Reference” section below so that they will be consistent with the approved contents), and other various circumstances, which are therefore considered reasonable.

If the proposal regarding the System is approved and passed as originally proposed at this general meeting of shareholders, the Company will introduce the similar Transfer-Restricted Share Remuneration System also to executive officers who do not concurrently serve as directors of the Company.

#### **【Contents of the Allotment Agreement】**

##### **(1) Transfer restriction period**

Eligible Directors (including executive officers; this applies hereinafter) may not transfer, create security interests on, or otherwise dispose of (hereinafter, the “Transfer Restrictions”) the common shares of the Company allotted (hereinafter, “Allotted Shares”) pursuant to the Allotment Agreement for a period from the date on which Eligible Directors receive such allotment pursuant to the Allotment Agreement to the time immediately after the resignation or retirement from any position predetermined by the Board of Directors of the Company from among positions of executives and employees of the Company (hereinafter, the “Transfer Restriction Period”).

##### **(2) Treatment of Allotted Shares upon resignation or retirement**

If an Eligible Director resigns or retires from any position predetermined by the Board of Directors of the Company from among positions of executives and employees of the Company prior to the termination of the period predetermined by the Board of Directors of the Company (hereinafter, the “Service Provision Period”), the Company shall automatically acquire the Allotted Shares without consideration, excluding cases where the resignation or retirement is due to the expiration of the term of office, death, or any other justifiable reason.

##### **(3) Conditions for removing Transfer Restrictions**

On the condition that an Eligible Director has continuously remained in any position predetermined by the Board of Directors of the Company from among positions of executives and employees of the Company during the Service Provision Period, the Company shall remove Transfer Restrictions on all Allotted Shares upon the expiration of the Transfer Restriction Period.

However, (i) if the Eligible Director resigns or retires from any position predetermined by the Board of Directors of the Company from among the positions of executives and employees of the Company prior to the expiration of the Service Provision Period for a justifiable reason or (ii) if the Eligible Director resigns or retires from any position predetermined by the Board of Directors of the Company from among positions of executives and employees of the Company after the expiration of the Service Provision Period but prior to the expiration of the Transfer Restriction Period for any reason other than a justifiable reason, the Company shall adjust the number of Allotted Shares whose Transfer Restrictions are to be removed.

In addition, the Company shall automatically acquire without consideration any Allotted Shares whose Transfer Restrictions have not been removed immediately after the removal of Transfer Restrictions in accordance with the above provisions.

Moreover, if an Eligible Director falls under any of the certain grounds provided for in the Allotment Agreement, such as cases where the Board of Directors of the Company finds that the Eligible Director materially violates laws and regulations, internal rules, or the Allotment Agreement, the Company may acquire, without consideration, all or part of the Allotted Shares, including those whose Transfer Restrictions have been removed.

##### **(4) Treatment in case of organizational restructuring**

Notwithstanding the provisions of the above (1), if, during the Transfer Restriction Period, a merger agreement in which the Company will be the absorbed company, a share exchange agreement or a share transfer plan in which the Company will become a wholly owned subsidiary, or other organizational restructuring is approved at the general meeting of shareholders of the Company (however, this shall be the Board of Directors of the Company if the organizational restructuring does not require approval at the general meeting of shareholders of the Company), the Company shall, by a resolution adopted by the Board of Directors of the Company, remove Transfer Restrictions ahead of the effective date of the organizational restructuring on a reasonably determined number of Allotted Shares, taking into consideration the period from the commencement date of the Transfer Restriction Period to the approved date of the Organizational restructuring. In addition, in the case as set forth above, the Company shall automatically acquire without consideration any Allotted Shares whose Transfer Restrictions have not been removed immediately after the removal of Transfer Restrictions.

(5) Other matters

Other matters related to the Allotment Agreement shall be provided for by the Board of Directors of the Company.

**【Reference】** Policies for determining remuneration for directors (excluding directors [members of the Audit and Supervisory Committee]) and senior management

1 Policies for determining remuneration

(1) Basic concepts

- (i) The remuneration system for directors and senior management (meaning executive officers who supervise business operations) shall be designed so that the system motivates the achievement of the performance goal, while contributing to the enhancement of the long-term corporate value avoiding the pursuit of easy gains.
- (ii) The remuneration shall be set at a competitive level in terms of securing and retaining human resources while taking into consideration such factors as the size and contents of the Company's business.
- (iii) The reasonability of the remuneration level shall be verified using objective materials.
- (iv) The amount of remuneration for each individual shall be determined based on the factors of whether directors and executive officers have concurrent positions or not, the rank or position of each executive officer (president, senior managing director, managing director, non-title, etc.), and whether or not the attribute of independence exists.
- (v) When determining remuneration, we ensure the transparency and fairness thereof by making the Nomination and Compensation Committee, with a majority of members being independent external directors, become involved in the determination process.

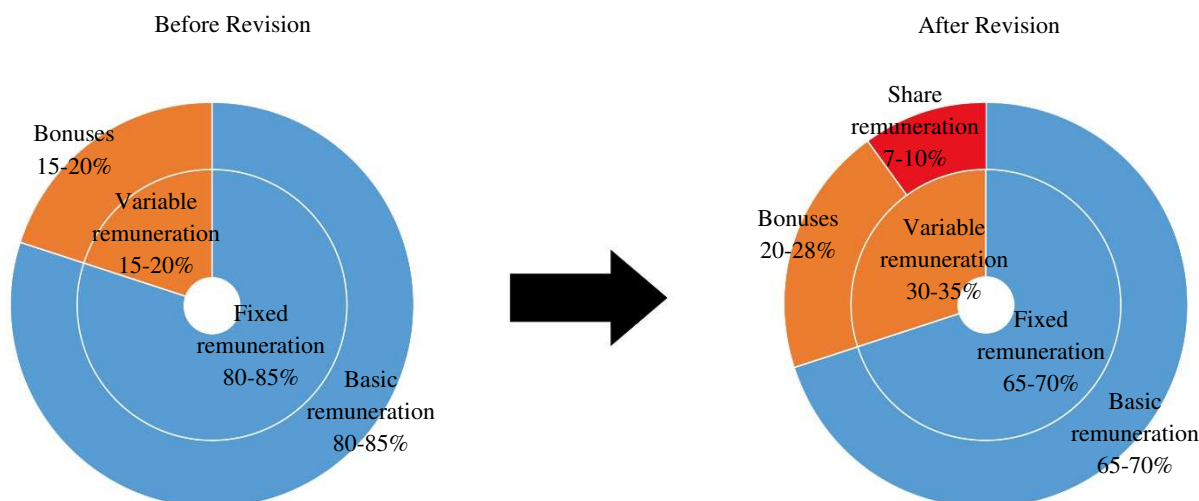
(2) Composition of Remuneration

- (i) Remuneration for directors and senior management shall consist of the basic remuneration as fixed remuneration and bonuses and share remuneration as variable remuneration according to performance (performance-linked remuneration).
- (ii) Only basic remuneration shall be paid to directors who do not execute business operations since they are responsible for overseeing and supervising the management.
- (iii) When 12 billion yen, which is the target performance indicator for the final fiscal year of the Medium-Term Business Plan (FY 2023 to FY 2025), is achieved in the relevant fiscal year, the ratio of basic remuneration and performance-linked remuneration (bonuses and share remuneration) shall be designed

to be the following range according to whether directors and executive officers have concurrent positions or not and the rank of a position of each executive officer (hereinafter, the “Rank”).

Basic remuneration : Bonuses : Share remuneration = 65 : 28 : 7 - 70 : 20 : 10

\*Calculated based on 4,325 yen (per-share price), which is the closing price as of the end of March 2023.



(3) Basic remuneration

- (i) Basic remuneration shall be designed according to the roles and responsibilities to function as basic remuneration for duties.
- (ii) Basic remuneration shall be paid in the form of a pecuniary payment every month.

(4) Performance-linked remuneration

- (i) Bonuses shall be designed to fluctuate according to the consolidated performance of every fiscal year as a short-term incentive for the achievement of performance set forth in the Medium-Term Business Plan and shall be paid in the form of a pecuniary payment at a certain time of every year (planned to be paid at the end of June).
- (ii) Share remuneration shall be designed to be a medium- to long-term incentive to promote the further sharing of value with shareholders and to enhance the sustainable growth of the Company and shall be paid at the time specified by the Board of Directors.

2 Mechanisms of each remuneration element

(1) Basic remuneration

- (i) The amount of basic remuneration shall be fixed during the terms of office (one year).
- (ii) If the company size (sales volume, market capitalization, and number of employees) and earnings capacity (operating income, ROE, and D/E ratio) of the Company fluctuate, the amount of basic remuneration shall be changed from the next term of office.

(2) Performance-linked remuneration - Bonuses (short-term incentive)

- (i) The Company shall pay bonuses on the condition that consolidated operating income for the relevant fiscal year records 5 billion yen or more and shall be determined based on the bonus calculation formula.

Bonus calculation formula: “Performance indicator” x “Coefficient”

- (ii) The performance indicator shall be the combined value of the consolidated operating income and the net financial profit and loss for the relevant fiscal year in order to reflect the consolidated performance of every fiscal year.
  - (iii) The coefficient shall be set by determining the amount of bonuses for each Rank (the amount is set according to the Rank and gets larger in the case of a person concurrently serving as a director and as the Rank of a person gets higher) based on the ratio set forth in the above 1(2)(iii) and dividing such amount of bonuses by the target of 12 billion yen.
  - (iv) It is possible to reflect the result of duties of each person in bonuses within the range of  $\pm 10\%$  of the amount of bonuses for each person determined based on the bonus calculation formula. However, the sum of the amounts of bonuses shall not be changed.
- (3) Performance-linked remuneration – Share remuneration (medium- to long-term incentive)
- (i) The Company shall provide the number of transfer-restricted common shares of the Company determined for each Rank (however, the Company shall provide monetary claims equivalent to the price of such shares and directors and senior management shall pay all of such monetary claims as property contributed in kind and receive the common shares of the Company through issuance or disposal).
  - (ii) The number of shares shall be set based on the ratio referred to in the above 1(2)(iii) and set so that the amount gets larger in the case of a person concurrently serving as a director and as the Rank of a person gets higher.
  - (iii) The person is obliged to hold the shares until the person retires from the position specified by the Company.
- 3 Method of determining individual remuneration for directors and senior management
- (1) The total remuneration for directors shall be determined within the range prescribed by the resolution of 108th ordinary general meeting of shareholders held on June 25, 2021 (not more than 360 million yen per annum, of which an amount for external directors to be not more than 20 million yen per annum).
  - (2) The total amount of remuneration to be paid to directors for granting transfer-restricted shares shall be determined within the range prescribed by the resolution of 110th ordinary general meeting of shareholders to be held on June 23, 2023 (an amount not more than 90 million yen per annum)
  - (3) Individual remuneration for directors in the relevant fiscal year shall be determined by the president and representative director delegated by a resolution adopted by the Board of Directors since company management is conducted under the leadership of the top management.
  - (4) In order to ensure the proper exercise of authority, the delegation shall be subject to the condition that the president consults with the Nomination and Compensation Committee as to whether or not the amount of individual remuneration is appropriate in light of the above policies for determining remuneration and receives a recommendation from the Committee that the amount is appropriate.

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