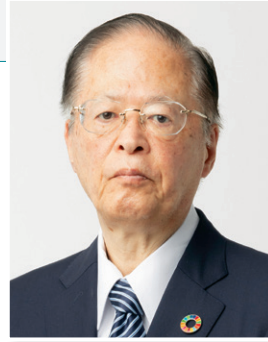


Directors and Audit & Supervisory Board Members

Officers appointed during the 154th General Meeting of Shareholders held on June 26, 2024.



KINOSHITA Kojiro
(Representative Director, Chairman & CEO)

Reason for appointment

1977 Joined the Company
2002 Director, Head of Corporate Planning Department
2006 Managing Director, Head of Corporate Planning Department
2008 Representative Director, President & CEO
2021 Representative Director, Chairman & CEO (to the present)

Mr. KINOSHITA served as General Manager of the Business Strategy Department, Chemicals General Headquarters and also as Head of the Corporate Planning Department. In addition, as President & CEO of the Company since June 2008, and as Chairman & CEO since April 2021, he has been promoting strategies to enhance the corporate value of the Company group. Considering his wide-ranging experience, achievements, and insights, the Company judges that Mr. KINOSHITA is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 8/8



ISHIKAWA Motoaki
(Director, Senior Managing Executive Officer)

Reason for appointment

1986 Joined the Company
2009 General Manager of Display Materials Department, Electronic Materials Division
2012 General Manager of Display Materials Research Department, Electronic Materials Research Laboratories
2015 General Manager of Business Strategy Department, Performance Materials Division
2016 Executive Officer, Deputy Head of Performance Materials Division, General Manager of Business Strategy Department, Performance Materials Division
2020 Managing Executive Officer, Head of Performance Materials Division
2022 Senior Managing Executive Officer, Head of Performance Materials Division
Director, Senior Managing Executive Officer, Head of Performance Materials Division (to the present)

Mr. ISHIKAWA has been engaged in the performance materials business focused on display materials for many years. He has served as General Manager of the Business Strategy Department, a Division Head, and as head of the Company's overseas business locations, and since April 2022, he has been managing all of the Company's performance materials business and research, which is a driver of the Company group's growth. The Company judges that Mr. ISHIKAWA is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12



YAGI Shinsuke
(Representative Director, President & COO)

Reason for appointment

1985 Joined the Company
2013 Deputy Plant Manager of Onoda Plant
2016 Executive Officer, Plant Manager of Sodegaura Plant
2018 Managing Executive Officer, Head of Production Technology Department
2020 Senior Managing Executive Officer, Head of Production Technology Department
Director, Senior Managing Executive Officer, Head of Production Technology Department
2021 Representative Director, President & COO (to the present)

Mr. YAGI has been engaged in production technology for many years, and served as the Deputy Plant Manager of the Onoda Plant and the Plant Manager of the Sodegaura Plant. He has been contributing to the improvement of production systems for the Company group's products and to their stable supply. In addition, as President & COO of the Company since April 2021, he has been promoting strategies to enhance the corporate value of the Company group. Considering his wide-ranging experience, achievements, and insights, the Company judges that Mr. YAGI is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 8/8



DAIMON Hideki
(Director, Senior Managing Executive Officer)

Reason for appointment

1988 Joined the Industrial Bank of Japan, Ltd. (current Mizuho Bank, Ltd.)
2014 General Manager of Trust Business Department IV of Mizuho Trust & Banking Co., Ltd.
2016 Executive Officer, General Manager of Corporate & Institutional Coordination Department of Mizuho Trust & Banking Co., Ltd.
2018 Managing Executive Officer in charge of Trust & Banking of Mizuho Trust & Banking Co., Ltd.
2020 Executive Officer, Head of Finance & Accounting Department of the Company
2022 Managing Executive Officer, Head of Sustainability Promotion & IR Department
Director, Managing Executive Officer, Head of Sustainability Promotion & IR Department
2023 Director, Senior Managing Executive Officer, Head of Sustainability Promotion & IR Department
2024 Director, Senior Managing Executive Officer, Head of Finance & Accounting Department (to the present)

Mr. DAIMON, while leveraging his abundant experience and wide-ranging insight cultivated at financial institutions in Japan and abroad, has been overseeing the formulation of financial strategy, conducting active IR activities, and leading sustainability promotion across the entire Company since joining the Company in April 2020. In addition, since April 2024, he has made contributions to enhancing the Company's corporate value from a variety of perspectives as Head of Finance & Accounting Department. The Company judges that Mr. DAIMON is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12



HONDA Takashi
(Director, Senior Executive Vice President)

Reason for appointment

1981 Joined the Company
2012 General Manager of Planning & Development Department, Agricultural Chemicals Division
2014 Executive Officer, Deputy Head of Agricultural Chemicals Division, General Manager of Planning & Development Department, Agricultural Chemicals Division
2017 Managing Executive Officer, Head of Agricultural Chemicals Division, Director, Managing Executive Officer, Head of Agricultural Chemicals Division
2021 Director, Senior Managing Executive Officer, Head of Agricultural Chemicals Division
2022 Director, Senior Executive Vice President (to the present)

Mr. HONDA has been engaged in the agricultural chemicals business focused on agricultural chemicals development and business development for many years. He served as General Manager of the Planning & Development Department, and Division Head, and after that, he had not only led the agricultural chemicals business but also managing all of the Company's life science business and research since April 2022. Since April 2024, he has been leading the healthcare business and research, and as the person responsible for business development, involved in formulating the Company's strategies. Considering his wide-ranging experience, achievements, and insights, the Company judges that Mr. HONDA is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12



MATSUOKA Takeshi
(Director, Managing Executive Officer)

Reason for appointment

1996 Joined the Company
2017 General Manager of CSR & Public Relations Office, Corporate Planning Department
2019 Executive Officer, Head of Internal Audit Department
2021 Executive Officer, Head of Chemicals Division
2022 Managing Executive Officer, Head of Corporate Planning Department
Director, Managing Executive Officer, Head of Corporate Planning Department (to the present)

Mr. MATSUOKA joined the Company with wide-ranging business and planning experience in the chemicals industry. He has been involved in formulating major strategies not only in the Chemicals Division, but also in operational divisions including the Corporate Planning Department, CSR & Public Relations Office, and Internal Audit Department. Since April 2022, he has been focusing on assessing the status of operations across the entire Company and achieving group-wide targets as Head of the Corporate Planning Department. The Company judges that Mr. MATSUOKA is qualified to be a director that performs decision-making on business operations and oversees the execution of duties by directors.

Attendance at meetings of the Board of Directors 12/12



OBAYASHI Hidehito Outside
(Director)

Reason for appointment

- 1969 Joined Hitachi, Ltd.
- 2001 Director of Hitachi High-Technologies Corporation (current Hitachi High-Tech Corporation)
- 2003 Vice President and Executive Officer of Hitachi High-Technologies Corporation
- 2006 Representative Executive Officer, Senior Vice President and Executive Officer of Hitachi High-Technologies Corporation
- 2007 Director, Representative Executive Officer, President and Chief Executive Officer of Hitachi High-Technologies Corporation
- 2011 Chairman of the Board of Hitachi High-Technologies Corporation
- 2013 Consultant of Hitachi High-Technologies Corporation
- 2015 Honorary Consultant of Hitachi High-Technologies Corporation (to the present)
- 2019 Outside Director of the Company (to the present)

After having served as director of Hitachi High-Tech Corporation, Mr. OBAYASHI serves as Honorary Consultant for the same company. As an experienced manager of a corporate group active in diverse sectors of global business, Mr. OBAYASHI has reflected his abundant experience and wide-ranging insight in the management of the Company from an outside perspective and from an objective standpoint. The Company judges that Mr. OBAYASHI will appropriately perform his duties as outside director. In addition, he has contributed to the selection of candidates for the Company's directors and the determination of director compensation, etc., from an independent standpoint as a member of the Nomination and Remuneration Advisory Committee.

Attendance at meetings of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 8/8



TAKEMOTO Shuichi Outside
(Audit & Supervisory Board Member)

Reason for appointment

- 1982 Joined the Fuji Bank, Limited (current Mizuho Bank, Ltd.)
- 2002 Deputy General Manager, IT & Systems Control Department of Mizuho Bank, Ltd.
- 2004 General Manager, Human Resources Division of Mizuho Information & Research Institute, Inc. (current Mizuho Research & Technologies, Ltd.)
- 2008 General Manager, Fukuoka Branch of Mizuho Bank, Ltd.
- 2009 General Manager, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2010 Executive Officer, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2011 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
- 2013 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd., and Managing Executive Officer of Mizuho Financial Group, Inc.
- 2014 Deputy President of Mizuho Private Wealth Management Co., Ltd.
- 2017 Advisor of Mizuho Trust & Banking Co., Ltd.
Outside Audit & Supervisory Board Member of the Company (to the present)

Mr. TAKEMOTO has a wide range of knowledge, including extensive experience and finance expertise those are cultivated through many years of business at financial institutions. We believe that he has reflected his knowledge in our corporate audit with objective and neutral standpoint, and will fulfill the duties appropriately.

Attendance at meetings of the Board of Directors 12/12
Attendance at meetings of the Audit & Supervisory Board 12/12



KATAOKA Kazunori Outside
(Director)

Reason for appointment

- 1979 Research Associate of Institute of Biomedical Engineering at Tokyo Women's Medical University
- 1988 Associate Professor of Institute of Biomedical Engineering at Tokyo Women's Medical University
- 1994 Professor of Faculty of Industrial Science and Technology at Tokyo University of Science
- 1998 Professor of Graduate School of Engineering at The University of Tokyo
- 2004 Professor of Graduate School of Medicine at The University of Tokyo
- 2015 Director General of Innovation Center of NanoMedicine, Kawasaki Institute of Industrial Promotion (to the present)
- 2016 Project Professor at The University of Tokyo
Professor Emeritus at The University of Tokyo (to the present)
Deputy Chairman of Kawasaki Institute of Industrial Promotion (to the present)
- 2020 Outside Director of the Company (to the present)
Outside Director of NanoCarrier Co., Ltd. (current NANO MRNA Co., Ltd.) (to the present)

Mr. KATAOKA has been engaged in research involving the application of nanotechnologies in the fields of biomedical engineering and biomaterial engineering for many years and is currently serving as the Director General of Innovation Center of NanoMedicine, Kawasaki Institute of Industrial Promotion. As a doctor of engineering, Mr. KATAOKA has reflected his expertise, abundant experience, and wide-ranging knowledge in the management of the Company from an outside perspective and from an objective standpoint. The Company judges that Mr. KATAOKA will appropriately perform his duties as outside director. In addition, he has contributed to the selection of candidates for the Company's directors and the determination of director compensation, etc., from an independent standpoint as a member of the Nomination and Remuneration Advisory Committee.

Attendance at meetings of the Board of Directors 12/12
Nomination and Remuneration Advisory Committee 8/8



OHRAI Kazuhiko
(Audit & Supervisory Board Member)

Reason for appointment

- 1987 Joined the Company
- 2007 General Manager of Pharmaceutical Research Department, Chemical Research Laboratories
- 2016 Executive Officer, Head of Pharmaceuticals Division
- 2021 Executive Officer, Head of Internal Audit Department
- 2022 Audit & Supervisory Board Member (to the present)

Mr. OHRAI has extensive expertise in the Company groups business based on many years of involvement in research and development, particularly of pharmaceuticals, and experience serving as the General Manager of the Pharmaceutical Research Department, Head of the Pharmaceuticals Division, and Head of the Internal Audit Department. Considering his abundant work experience and specialized knowledge, the Company judges that Mr. OHRAI is qualified to be an Audit & Supervisory Board member with responsibility for ensuring the appropriateness of Directors' execution of duties.

Attendance at meetings of the Board of Directors 12/12
Attendance at meetings of the Audit & Supervisory Board 12/12



NAKAGAWA Miyuki Outside
(Director)

Reason for appointment

- 1990 Prosecutor, Tokyo District Public Prosecutors Office
- 2008 Counselor, Judicial System Department, Minister's Secretariat, Ministry of Justice
- 2011 Counselor, Cabinet Secretariat, Assistant Chief Cabinet Secretary Office
- 2013 Prosecutor, Tokyo High Public Prosecutors Office
General Manager of General Administration Department, Saitama District Public Prosecutors Office
- 2015 Specially Appointed Professor and Public Prosecutor, Chuo Law School, Chuo University
- 2019 Retired as Prosecutor
Qualified for attorney-at-law Professor
Chuo Law School, Chuo University (to the present)
Established Kousui Law Office (to the present)
Outside Director of NITTO KOGYO CORPORATION (to the present)
- 2021 Outside Director of the Company (to the present)
Outside Audit & Supervisory Board Member of FANCL CORPORATION (to the present)
- 2022 Outside Audit & Supervisory Board Member of Shinsei Bank, Limited (current SBI Shinsei Bank, Limited) (to the present)
Outside Audit & Supervisory Board Member of ASKUL Corporation (to the present)

Ms. NAKAGAWA worked for many years as a prosecutor in the Tokyo District Public Prosecutors Office and the Tokyo High Public Prosecutors Office and she has abundant practical experience in legal circles. She has reflected her legal expertise, abundant experience, and wide-ranging insight in the management of the Company from an outside perspective and from an objective standpoint. The Company judges that Ms. NAKAGAWA will appropriately perform her duties as outside director. In addition, she has contributed to the selection of candidates for the Company's directors and the determination of director compensation, etc., from an independent standpoint as a member of the Nomination and Remuneration Advisory Committee.

Attendance at meetings of the Board of Directors 11/12
Nomination and Remuneration Advisory Committee 8/8



KATAYAMA Noriyuki Outside
(Audit & Supervisory Board Member)

Reason for appointment

- 1990 Qualified for attorney-at-law, Joined Nagashima & Ohno (current Nagashima Ohno & Tsunematsu)
- 1996 Qualified for attorney-at-law in New York State, USA
Joined Tokyo City Law & Tax Partners
- 2003 Joined City-Yuwa Partners (to the present)
- 2004 Statutory Auditor of Deutsche Asset Management (Japan) Limited (to the present)
- 2014 Outside Audit & Supervisory Board Member of the Company (to the present)
- 2017 Supervisory Director of HEIWA REAL ESTATE REIT, Inc. (to the present)
- 2018 Outside Director of Nippon Denka, Ltd. (to the present)
- 2019 Outside Corporate Auditor of Livesense Inc. (to the present)
- 2021 External Statutory Auditor of AIDA ENGINEERING, LTD. (to the present)
- 2022 Outside Director of create restaurants holdings inc. (to the present)

Mr. KATAYAMA has an extensive experience including the experience of outside director/auditor at several companies and expertise as attorney-at-law. We believe that he has reflected his knowledge in our corporate audit and will fulfill the duties appropriately.

Attendance at meetings of the Board of Directors 12/12
Attendance at meetings of the Audit & Supervisory Board 12/12



TAKEOKA Yuko Outside
(Director)

Reason for appointment

- 2001 Assistant Professor of Department of Chemistry, Faculty of Science and Technology, Sophia University
- 2002 PRESTO Researcher of Japan Science and Technology Agency
- 2006 Lecturer of Department of Chemistry, Faculty of Science and Technology, Sophia University
- 2010 Associate Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University
- 2018 Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University (to the present)
- 2023 Director of Center for Research Promotion & Support, Sophia University (to the present)
Outside Director of the Company (to the present)

Ms. TAKEOKA has been engaged in research centered on the synthesis and characterization of functional polymers for many years, and is currently serving as a Professor of Department of Materials and Life Sciences, Faculty of Science and Technology, Sophia University. As a doctor of engineering, Ms. TAKEOKA has reflected her expertise, abundant experience, and wide-ranging knowledge in the management of the Company from an outside perspective and from an objective standpoint. The Company judges that Ms. TAKEOKA will appropriately perform her duties as outside director. In addition, she has contributed to the selection of candidates for the Company's directors and the determination of director compensation, etc., from an independent standpoint as a member of the Nomination and Remuneration Advisory Committee.

Attendance at meetings of the Board of Directors 10/10
Nomination and Remuneration Advisory Committee 7/7



TAKAHAMA Shigeru Outside New
(Audit & Supervisory Board Member)

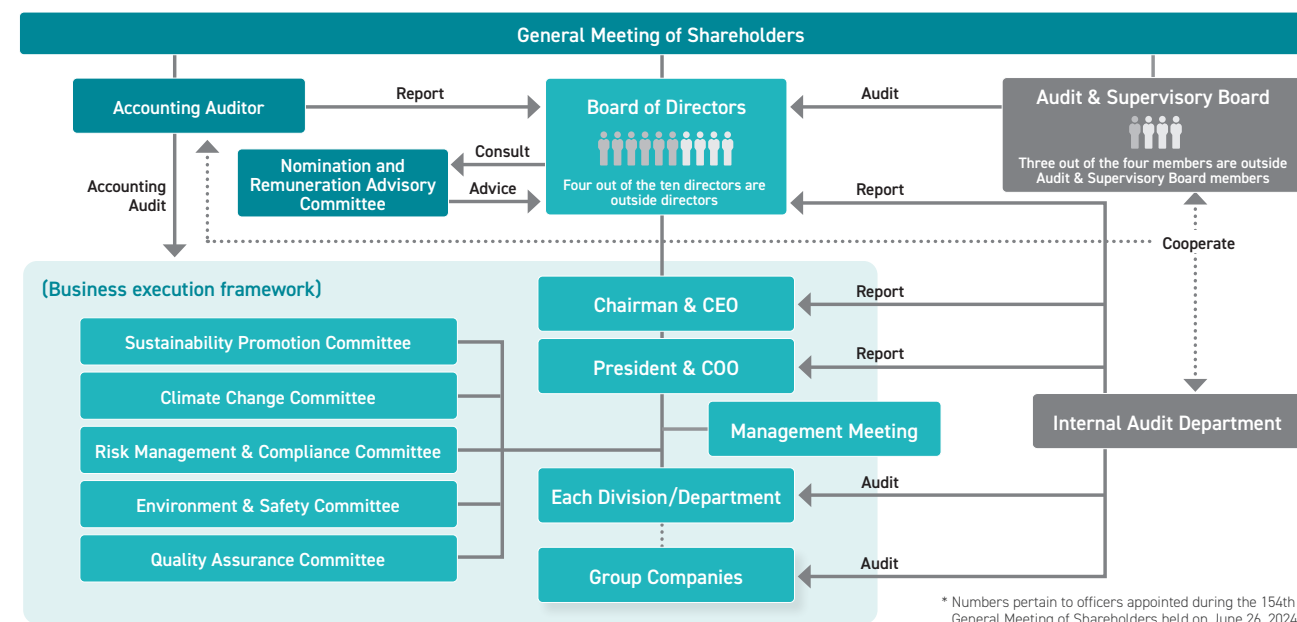
Reason for appointment

- 1986 Joined Aoyama Audit Corporation (ChuoAoyama Audit Corporation)
- 1990 Qualified for certified public accountant
- 2006 Representative Partner (currently Partner) of PricewaterhouseCoopers Arata LLC (currently PricewaterhouseCoopers Japan LLC)
- 2010 General Manager of Osaka office, PricewaterhouseCoopers Arata
- 2013 Chairman of kinki Chapter of the Japanese Institute of Certified Public Accountants
Deputy President of the Japanese Institute of Certified Public Accountants
- 2019 Committee Chair of Ethics Standards Committee of the Japanese Institute of Certified Public Accountants
- 2024 Audit & Supervisory Board Member, the Company (to the present)
Established Takahama CPA Office (to the present)

Mr. TAKAHAMA has been engaged in auditing duties of numerous listed companies for many years as a certified public accountant. We believe that he has reflected his advanced expertise in corporate accounting, abundant experience, and wide-ranging knowledge in our corporate audit from an outside perspective and from an objective and neutral standpoint, and will fulfill the duties appropriately.

Corporate Governance

Based on our culture of “integrity” and “transparency,” we have strengthened our governance system in line with the changing times. We have implemented various initiatives, such as increasing the number of female directors and deliberating on the formulation of succession plans for the President and CEO at the Nomination and Remuneration Advisory Committee. We will continue to strengthen our governance in the future as well.



* Numbers pertain to officers appointed during the 154th General Meeting of Shareholders held on June 26, 2024.

● Execution and Supervision of Operations

By introducing a system with executive officers, we clarify the management's function of prompt decision-making and supervision and the function of executing operations, thereby strengthening both. We also strive to improve management's capabilities to develop and execute our management strategies. In addition, we have set a one-year term for each director and executive officer, thereby clarifying the management responsibility and the responsibility for executing operations.

● Board of Directors

Our Board of Directors members meet monthly in principle, to resolve important management matters. It also supervises the execution of operations by directors and executive officers. We ensure that important management matters are determined through careful deliberations at the Board of Directors or management meetings in our efforts to eliminate or reduce business risks. In addition, the details of decisions made at the management meetings and the results of business executions based on decisions made at the Board of Directors are reported to the Board of Directors to enhance the supervising function of the Board of Directors. We strive to ensure and improve effectiveness in execution of roles and responsibilities of the Board of Directors by conducting the effectiveness evaluation on the overall Board of Directors every year.

● Audit & Supervisory Board

We have established the Audit & Supervisory Board. In accordance with auditing plans formulated by the Audit & Supervisory Board with a majority that consists of independent outside members, the Audit & Supervisory Board members audit the execution of directors' operation by participating in the Board

of Directors and other important meetings, and by regularly visiting each division/department of the Head Office and plant/laboratory to exchange opinions.

● Nomination and Remuneration Advisory Committee

We established a Nomination and Remuneration Advisory Committee mostly consisting of independent outside directors under the Board of Directors for the purpose of strengthening the Board of Directors' independence, objectivity, and accountability in relation to matters such as the nomination and remuneration of directors and further strengthening corporate governance.

● Accounting Audit

We have appointed the Yaesu Audit Company as our accounting auditor. They audit at the end of each fiscal year, and during the fiscal year as necessary.

● Internal Audit

We have established an Internal Audit Department to pursue the achievement of the Group's management objectives effectively. With the object of ensuring the proper duties under the internal control system, the Internal Audit Department conducts internal audits for the Group. The department submits its internal audit activity plan and reports the outcomes to the Chairman & CEO, the President & COO, the directors in charge, and the Board of Directors. It also shares information with our accounting auditor and the Audit & Supervisory Board members to cooperate with them.

● Support for Outside Directors and Outside Audit & Supervisory Board Members

The Corporate Planning Department supports outside directors by providing them with explanations of the contents of the agenda and other matters to be discussed at the Board of Directors in advance and also provides management information necessary for growth strategies, enhancement of governance, etc. For outside Audit &

Supervisory Board members, we have appointed audit assistants from our employees to respond to the requests from them. To enable Audit & Supervisory Board to fulfill their duties efficiently and smoothly, the audit assistants serve as coordinators for holding hearings pertaining to divisions, etc., Audit & Supervisory Board and other meetings, help conduct audits, and collect information.

Indicator	Scope	Unit	FY2020	FY2021	FY2022	FY2023	FY2024
Directors ¹	Inside directors	People	6	6	6	6	6
	Outside directors (Independent)	People	3 (3)	4 (4)	4 (4)	4 (4)	4 (4)
	Total	People	9	10	10	10	10
Audit & Supervisory Board Members ¹	Inside Audit & Supervisory Board members	People	1	1	1	1	1
	Outside Audit & Supervisory Board members (Independent)	People	3 (3)	3 (3)	3 (3)	3 (3)	3 (3)
	Total	People	4	4	4	4	4
Ratio of Independent Outside Directors ¹		%	33	40	40	40	40
Ratio of female directors ¹		%	0	10	10	20	20
Number of executive directors ¹		People	6	6	6	6	6
Average tenure of directors ¹		Years	5.2	5.1	4.0	4.2	5.2
Meetings of the Board of Directors ²		Times	11	12	12	12	—
Attendance of directors at meetings of the Board of Directors ²		%	96	99	98	99	—
Attendance of Audit & Supervisory Board members at meetings of the Board of Directors ²		%	100	100	100	100	—

*1 Data is as of after the General Meeting of Shareholders held in June of each fiscal year. *2 Data from April to March of each fiscal year

View on the Appropriate Balance between Knowledge, Experience and Skills of the Board, and on Diversity

The Company considers the board to be formed by members selected from various viewpoints to make decisions appropriately and expeditiously and oversee the execution of business activities in diverse fields (including chemicals, performance materials, agricultural chemicals, and healthcare). Those points include the balance of knowledge, experience, skills, and other capacity and diversity, including gender, internationality, and practical experience in totality of the board.

To ensure a well-balanced and diverse board composition, based on the company philosophy and management strategy, the Company has identified the expertness and experience required

for its directors (skills requirements): “corporate management,” “research and development/technologies,” “finance and accounting,” “legal/risk management/internal control,” “personnel affairs/personnel strategies,” and “global experience.” And the Company makes the board consist of appropriate persons as its directors, who have met the above-skills requirements appropriately, and who are healthy, physically and mentally, and trusted and respected for their excellent characters, a high level of insight, and a sense of ethics.

We will review the above skills requirements as necessary based on the management strategy and relevant policies.

Director	Director Name	The expertness and experience required for the Company's directors					
		Corporate Management	R&D/Technologies*	Finance & Accounting	Legal/Risk Management/Internal Control	Personnel Affairs/Personnel Strategies	Global Experience
Representative Director, Chairman	KINOSHITA Kojiro	◎		◎	◎	◎	
Representative Director, President	YAGI Shinsuke	◎	◎		◎	◎	
Director, Senior Executive Vice President	HONDA Takashi	◎	◎		◎		◎
Director, Senior Managing Executive Officer	ISHIKAWA Motoaki	◎	◎		◎		◎
Director, Senior Managing Executive Officer	DAIMON Hideki	◎		◎	◎		◎
Director, Managing Executive Officer	MATSUOKA Takeshi	◎		◎	◎	◎	◎
Outside Director	OBAYASHI Hidehito	◎	◎				◎
Outside Director	KATAOKA Kazunori	◎	◎				◎
Outside Director	NAKAGAWA Miyuki				◎		
Outside Director	TAKEOKA Yuko		◎				

* “R&D/Technologies” include the expertness and practical experience in the fields of IT, DX (Digital Transformation), environmental safety, and quality assurance.

Policy and Procedures in the Nomination of Officer Candidates

Proposal of nomination of director and Audit & Supervisory Board member candidates are explained in advance to independent outside directors. After receiving proper guidance from them, the proposal is finalized by the Board of Directors through deliberation/reporting by the Nomination and Remuneration Advisory Committee

and submit to the General Meeting of Shareholders. In addition, nominations of Audit & Supervisory Board member candidates are approved by the Audit & Supervisory Board in advance.

Policy		
Director	Inside Directors	People who have expertise, knowledge and other capacities in each business field such as corporate planning, personnel, finance & accounting, research and development, production technology, environment, safety & quality assurance and others.
	Outside Director	People who are capable of giving opinions proactively, raising questions and giving advice on growth strategies, the enhancement of governance and other issues from the viewpoints of various stakeholders and society. Each outside director may serve up to six terms of one year in total; provided, however, that shall not prevent the director from serving up to eight terms of one year in total under a special circumstance. In addition, each outside director may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle.
Audit & Supervisory Board Members	People with experience and knowledge in a wide range of fields including finance, accounting, and law who are capable of giving opinions and advice to the management from a fair and neutral standpoint, in addition to auditing the execution of operations. Each Audit & Supervisory Board member may serve up to two terms of four years in total; provided however, that shall not prevent the member from serving up to three terms of four years in total under a special circumstance. In addition, each Audit & Supervisory Board member may concurrently serve as a director or Audit & Supervisory Board member of five listed companies, including the Company, at a maximum in principle.	

Overview of Succession Plan for President and CEO

(1) Purpose of Succession Planning

To ensure the Company's sustainable development and enhancement of the mid-to-long term corporate value, we, the Company, recognize that it is indispensable to replace our President and CEO with an adequate successor at an appropriate time. To actualize such replacement, we formulate the "Succession Plan for President and CEO" ("Plan"), which is resolved by the Board of Directors.

(2) Basic Idea

In the Plan, looking at the future replacement of our President and CEO, we select and train potential candidates for succession and develop their knowledge, skills, and abilities as required before identifying a person who perfectly fits, as a principle.

(3) Road Map

We compile a road map of necessary processes to implement the Plan appropriately.

(4) Roles and Functions

In the Plan, the President and CEO, the Nomination and Remuneration Advisory Committee, and the Board of Directors have their respective roles and functions as follows:

- 1) President and CEO
The President and CEO prepares an original draft of the Plan and puts it into practice.
- 2) Nomination and Remuneration Advisory Committee
To enhance its supervisory function in the Plan, the Committee thoroughly reviews and deliberates the original draft of the Plan and its implementation progress and reports it to the Board of Directors to support their proactive engagement in the Plan.
- 3) Board of Directors
Based on the Committee's report, the Board of Directors checks the implementation progress and oversees the whole process so that the Plan is appropriately carried out through its proactive engagement.

Officers' Remuneration

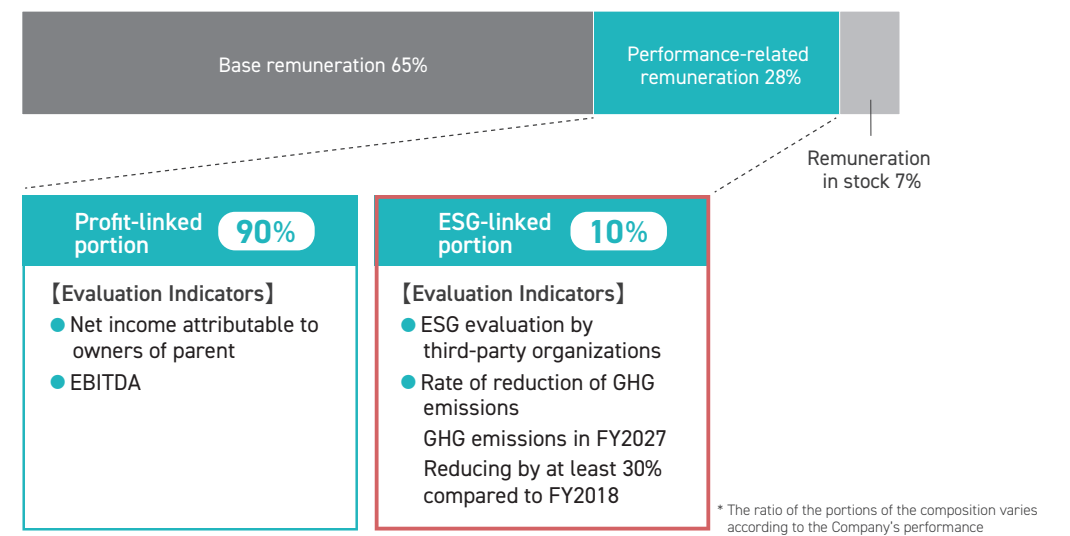
The fundamental principle in directors' remuneration is to maintain its system that is in line with management policy by ensuring that directors contribute to increasing operating performance on a continual basis over the mid- to long-term and toward increasing the overall value of the Group, thereby meeting shareholder expectations. At the same time, the basic policy (Policies on determining details of remuneration, etc. for individual Directors) is to set remuneration at an appropriate level, taking into account such factors as the management environment, operating performance and consistency with the treatment of employees.

The remuneration system for directors consists of monetary

remuneration (base remuneration and performance-related remuneration) and performance-linked stock compensation. However, the outside directors' remuneration package shall consist of only the base remuneration as a monetary payment. In the light of their roles and independence from the Company, their remuneration package does not contain the performance-related remuneration as monetary payment nor the performance-linked stock compensation.

Regarding performance-linked stock compensation, we have adopted in FY2019, with the aim of increasing awareness about improving earning over the mid- to long-term and contributing to enhancing corporate value by clarifying the link between the Company's

● Composition of Officers' Remuneration*



performance and its stock price, and by having directors share with the shareholders not only the benefits of increases in the stock price, but also the risk of decreases in the stock price.

Excluding performance-linked stock compensation, the remunerations of individual directors are determined at the Board of Directors after deliberations of the Nomination and Remuneration Advisory Committee mostly consisting of independent outside directors as well as within the total amount determined by resolution of the General Meeting of Shareholders. The remunerations of individual Audit & Supervisory Board members are determined through discussions among Audit & Supervisory Board members.

Overview of performance-related remuneration

We establish the base amount for each title and determine the annual amount according to the fluctuation of performance indicators. Those indicators consist of the profit indicators for the previous fiscal year (the net income attributable to owners of parent, EBITDA, and the like) and ESG indicators (the third-party evaluation result, the reduction of GHG emissions, and the like).

ESG initiatives are an important management issue that is indispensable for the sustainable growth of the Company. In order to further improve the effectiveness of sustainable management, we have decided to link it with remuneration.

Overview of Performance-linked Stock Compensation Plan

The Company grants its directors points based on its net income attributable to owners of parent (average rate of change over the last three years), EBITDA (average rate of change over the

last three years), ROE (actual result for the current fiscal year), and comparison of rates of year-on-year volatility with respect to the Company's stock price and TOPIX. Each fiscal year, the Company determines whether the points are to be granted or not and the number of points to be granted. Upon their retirement, directors are to be paid performance-linked stock compensation equivalent to their accumulated points. (For details on how to calculate performance-linked stock compensation plan amounts, etc., please refer to P53 "Compensation, etc. for Officers" of the 154th Securities Report.)

Performance Evaluation Coefficient

(Mid- to long-term net income attributable to owners of parent coefficient × 30%) + (Mid- to long-term EBITDA coefficient × 30%) + (ROE coefficient × 30%) + (the Company stock price and TOPIX year-on-year volatility comparison coefficient × 10%)

If a director subject to performance-linked stock compensation is dismissed through the General Meeting of Shareholders or the Board of Directors during the period until retirement (excluding dismissal when the director concerned is appointed as an Audit & Supervisory Board member), commits any illegal act during tenure and retires, commits any inappropriate act that causes damage to the Company during tenure, or if the director is found to have violated laws, regulations, articles of incorporation, or internal rules, etc., the director will be unable to acquire the right to receive performance-linked stock compensation.

Major activities of the Nomination and Remuneration Advisory Committee (FY2023)

The Nomination and Remuneration Advisory Committee convened eight times in FY2023. It deliberated matters, such as appointment of candidates as directors and Audit & Supervisory Board members and management executives, succession plans for the President and CEO, and remuneration for directors in response

to consultation from the Board of Directors, and reported the content of their deliberations to the Board of Directors. As other matters, we discuss and examine ways to share deliberations with the Board of Directors at the committee.

Matters pertaining to nomination	<ul style="list-style-type: none"> - Consideration of target ratio of female board members - Deliberations of the draft for formulating the Succession Plan - Deliberations of skills matrix for the Board of Directors, etc.
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Matters pertaining to remuneration	<ul style="list-style-type: none"> - Deliberations on remuneration for individual directors - Consideration of remuneration levels, etc.
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Effectiveness Evaluation of Boards

Nissan Chemical believes that the primary roles and responsibilities of the Company's Board of Directors are defined as: (1) establishing a strategy for achieving sustainable growth and increase in corporate value over the mid- to long-term, and facilitating the execution of the foregoing; (2) establishing an environment that supports risk-taking by the management, including the internal control system and the risk management system; (3) strengthening the swift management decision-making, and oversight function and the execution function through clarification of both functions; and (4) further enhancing management transparency, soundness and objectivity through, among other efforts, appointment of outside officers who monitor and oversee the management from external viewpoints, and from FY2015, the Company performs analysis and evaluation (the "Effectiveness Evaluation") every year to see if the Board of Directors has fulfilled these roles and responsibilities. In addition, we carry out a third-party evaluation every three years using an external organization that holds no relationships of interest with us in order to ensure neutrality and objectivity. The Effectiveness Evaluation for FY2023 was conducted using the third-party evaluation method.

Evaluation Procedure

The evaluation procedure is in the form of a questionnaire answered by all directors and Audit & Supervisory Board members to grasp the current status and identify issues from two perspectives, quantitative evaluation and qualitative evaluation, through a combination of five-grade evaluation and free writing. An external organization is contracted to collect the responses and collate the data in order to ensure anonymity.

In the third-party evaluation for FY2023, based on the questionnaire responses and individual interviews, we had an internal opinion exchange meeting in March 2024. The attendees were independent Officers, the Chairman & CEO, and the President & COO. They discussed, analyzed, and evaluated the issues to address and the measures to be taken. The outcomes of their analysis and the selection of the priority issues to address were further deliberated and confirmed at the Board of Directors held in May 2024.

Issues Identified in the Effectiveness Evaluation for FY2022

(1) To provide a forum for "free discussion" at the Board of Directors to deepen the debate on the roles and responsibilities to be

fulfilled by it.

(2) To consider at the Nomination and Remuneration Advisory Committee the measures to sufficiently share the status of its deliberations with the Board of Directors

Effectiveness Evaluation Result for FY2023

With the object of performing its key roles and responsibilities, the results of the Effectiveness Evaluation for the FY2023 concluded that generally, the Company's Board of Directors was operating appropriately in its totality, and the improvements have been overall made to solve issues identified in the Effectiveness Evaluation for the FY2022. Thus, the effectiveness of the overall Board of Directors was positively assessed and confirmed as being sufficiently ensured.

Points of Future Improvement

Based on the discussions at the opinion exchange meeting, we recognized the following issues to address for further enhancing the effectiveness of the Board of Directors and determined to work on improvements.

- (1) We should deepen our discussions on, among other things, the material issues of each business segment, our business portfolio in the mid-to-long term, and the allocation of management resources.
- (2) We should discuss the future composition of the Board of Directors and what the Board of Directors should be about.
- (3) We should create an enabling environment for all the Directors and Audit & Supervisory Board Members to exchange opinions and discuss the agenda more frankly or openly by explaining the agenda or propositions more sufficiently and improving necessary equipment for the conference. Further, internal Directors should strive to join the discussions from the company-wide perspectives to promote such an environment.

By enabling deeper discussion in the Board of Directors based on the recent evaluation result and continuing to implement measures to improve the effectiveness of the Board of Directors, the Company will ascertain the status of improvement on a regular basis through the Effectiveness Evaluation and further enhance the effectiveness of the Board of Directors in an effort to achieve sustainable growth and increase in corporate value.