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Securities code: 4078

May 31, 2024

To our shareholders:

Toshiyuki Yagura  
President  
**Sakai Chemical Industry Co., Ltd.**  
5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

## NOTICE OF THE 129TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 129th Ordinary General Meeting of Shareholders of Sakai Chemical Industry Co., Ltd. (the “Company”), which will be held as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format, and has posted the information on each of the following websites. Please access either of the websites to view the information.

The Company’s website:

[https://www.sakai-chem.co.jp/jp/ir/general\\_meeting/](https://www.sakai-chem.co.jp/jp/ir/general_meeting/) (in Japanese)



(in Japanese)

In addition to posting items subject to measures for electronic provision on the Company website, the Company also posts this information on the website of the Tokyo Stock Exchange (TSE). Access the TSE website by using the internet address shown below, enter “Sakai Chemical Industry” in “Issue name (company name)” or the Company’s securities code “4078” in “Code,” and click “Search.” Then, click “Basic information” and select “Documents for public inspection/PR information.” Under “Filed information available for public inspection,” click “Click here for access” under “[Notice of General Shareholders Meeting /Informational Materials for a General Shareholders Meeting].”

TSE website (Listed Company Search):

<https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show> (in Japanese)



(in Japanese)

If you will not be attending this General Meeting of Shareholders in person, you may exercise your voting rights either via the Internet, etc. or in writing (by postal mail). Please review the Reference Documents for the General Meeting of Shareholders and, exercise your voting rights no later than 5:40 p.m., Tuesday, June 25, 2024 (Japan standard time).

- 1. Date and Time:** Wednesday, June 26, 2024 at 10:00 a.m. (Reception opens at 9:00 a.m.) (Japan Standard Time)
- 2. Venue:** Auditorium on the 3rd floor of the Company's head office  
5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

**3. Purposes:**

**Items to be reported:**

1. Business Report and Consolidated Financial Statements for the 129th Term (from April 1, 2023 to March 31, 2024), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditors
2. Non-Consolidated Financial Statements for the 129th Term (from April 1, 2023 to March 31, 2024)

**Items to be resolved:**

- Proposal 1:** Reduction in Legal Capital Surplus
- Proposal 2:** Election of Eight (8) Directors
- Proposal 3:** Election of Three (3) Corporate Auditors

- Of items for which the measures for providing information in electronic format will be taken, "Systems to Ensure Appropriate Operations and Status of Operation of the Systems," "Consolidated Statements of Changes in Equity," "Notes to the Consolidated Financial Statements," "Non-consolidated Statements of Changes in Equity" and "Notes to Non-Consolidated Financial Statements" are not included in the document in accordance with the provisions of laws and regulations as well as the Company's Articles of Incorporation. The Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements in the document are included in the scope of audit conducted by the Corporate Auditors and the Accounting Auditor in preparing the audit report.
- If revisions to the items subject to measures for electronic provision arise, a notice of the revisions and the details of the items before and after the revisions will be posted on the Company's aforementioned website and the TSE website.
- Shareholders who will be attending the meeting in person are requested to take note of their health condition.
- Furthermore, gifts will not be prepared for the shareholders who attend the meeting in person, and we ask for your understanding.

## Regarding Questions Sent in Advance

Before the convening of the General Meeting of Shareholders, we would like to receive questions from shareholders in advance as follows.

- We plan to post responses to received questions on the Company's website ([https://www.sakai-chem.co.jp/jp/ir/general\\_meeting/](https://www.sakai-chem.co.jp/jp/ir/general_meeting/); Japanese only) by the day before this General Meeting of Shareholders. Please note that it may not be possible to answer all questions. Please also note that we cannot provide individual responses to questions.
- We may not respond to questions that are unrelated to items to be reported or to be resolved at the General Meeting of Shareholders.

### Receipt of advance questions

#### [1] For questions sent via the Internet

- Please access the special website from the following URL or using the QR code, and enter the required information.

\* Internet Explorer cannot be used. Please use a browser such as Google Chrome or Microsoft Edge.

[https://www.sakai-chem.co.jp/fc/inquiry\\_fc/129th\\_ogmos20240626-roqia.html](https://www.sakai-chem.co.jp/fc/inquiry_fc/129th_ogmos20240626-roqia.html) (in Japanese)



(in Japanese)

#### [2] For questions sent in writing (by postal mail)

- Questions will also be accepted in writing. Please fill in the required information and the content of questions, and mail these to the following address early enough to arrive by the deadline.

##### Required information

(1) Shareholder number (see your voting card form) (2) Name (3) Zip code (4) Address (5) Content of questions

##### Mailing address

590-8502

5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

Sakai Chemical Industry Co., Ltd., Administration Division, Human Resources and General Affairs Department

Deadline for receipt of questions: Arrival by 5:40 p.m. on Wednesday, June 19, 2024

**Proposals and Reference Information**

**Proposal 1:** Reduction in Legal Capital Surplus

1. Reason for a reduction in legal capital surplus

In order to prepare for future flexible capital policies and to ensure resilience in financial strategies, the Company proposes to reduce legal capital surplus and transfer the equivalent to other capital surplus in accordance with Article 448, paragraph (1) of the Companies Act.

2. Details of a reduction in legal capital surplus

(1) Amount of a reduction in legal capital surplus

Out of legal capital surplus of 16,311,931,134 yen, we will reduce it by 8,311,931,134 yen, and transfer the entire amount of the reduction to other capital surplus, so that the remaining amount of legal capital surplus after the reduction will be 8,000,000,000 yen.

(2) Effective date of a reduction in legal capital surplus

August 1, 2024

**Proposal 2:** Election of Eight (8) Directors

The terms of office of all eight (8) Directors in their present positions will expire upon the conclusion of this General Meeting. In light of the business environment surrounding the Group, and in order to continue to achieve sustainable profit growth and increase corporate value over the medium to long term, the Company proposes the election of eight (8) Directors (including four (4) Outside Directors) by increasing the number of Outside Directors by one to further enhance and strengthen corporate governance. Director Masaaki Yabe and Director Shinji Nakahara will retire from office upon the conclusion of this General Meeting.

The candidates for Directors are as follows:

No.		Name	Gender	Tenure	Current position and responsibilities in the Company	Attendance Status of the Board of Directors
1	[Reappointment]	Toshiyuki Yagura	Male	4 years	President Representative Director and Executive Officer In charge of Internal Control over Financial Reporting	16 times / 16 times (100%)
2	[Reappointment]	Yasuhiro Okamoto	Male	8 years	Director and Executive Officer General Manager, Onahama Manufacturing Site; Deputy General Manager, Production Technology Division	16 times / 16 times (100%)
3	[Reappointment]	Hiroyuki Hattori	Male	4 years	Director and Executive Officer In charge of Compliance, Legal Affairs, Risk Management; General Manager, Corporate Strategy Division; General Manager, Accounting & Finance Department	16 times / 16 times (100%)
4	[New Appointment]	Koichiro Magara	Male	-	Executive Officer In charge of New Business (sales and development) and Cosmetics; Deputy General Manager of Research & Development Division	-
5	[Reappointment] [Outside] [Independent]	Yoshikazu Itou	Male	3 years	Outside Director Independent Officer	16 times / 16 times (100%)
6	[Reappointment] [Outside] [Independent]	Hiromi Wada	Female	3 years	Outside Director Independent Officer	16 times / 16 times (100%)
7	[Reappointment] [Outside] [Independent]	Mitsunori Matsuda	Male	2 years	Outside Director Independent Officer	16 times / 16 times (100%)
8	[New Appointment] [Outside] [Independent]	Hisao Miyagawa	Male	-	-	-

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Toshiyuki Yagura (June 24, 1964) [Reappointment]	<p>Apr. 1988      Joined the Company</p> <p>June 2014      General Manager, Corporate Planning Department</p> <p>Sept. 2019      General Manager, Human Resources and General Affairs Department</p> <p>June 2020      Director; General Manager, Administration Division</p> <p>June 2021      Director and Executive Officer; General Manager, Administration Division</p> <p>June 2022      President Representative Director and Executive Officer In charge of Internal Control over Financial Reporting (to present)</p>	17,236 shares
<p>Reasons for nomination: Toshiyuki Yagura has extensive experience in human resources and corporate planning, and has a proven record of establishment and operation of personnel systems as well as successful conclusion of M&amp;A. Since his tenure as General Manager of the Administration Division, he has led ESG initiatives including reshaping the personnel system and strengthening quality assurance and health and safety management systems. He has exhibited strong leadership skills since assuming the position of President Representative Director in June 2022 and has been leading the Group's management. Therefore, we have determined that he is an essential person to enhance the corporate value of the Group and have again nominated him as a candidate for Director.</p>			
2	Yasuhiro Okamoto (June 30, 1963) [Reappointment]	<p>Apr. 1987      Joined the Company</p> <p>Dec. 2011      General Manager, Manufacturing Department, Inorganic Chemicals Division</p> <p>Oct. 2014      General Manager, Production Department 2, Inorganic Chemicals Division</p> <p>June 2015      Director; General Manager, Production Technology Division and Sakai Manufacturing Site</p> <p>Sept. 2019      Director; General Manager, Onahama Manufacturing Site</p> <p>June 2021      Executive Officer; General Manager, Onahama Manufacturing Site</p> <p>June 2022      Director and Executive Officer General Manager, Onahama Manufacturing Site; Deputy General Manager, Production Technology Division</p> <p>May 2023      Director and Executive Officer General Manager, Onahama Manufacturing Site; General Manager, Otsurugi Factory; Deputy General Manager, Production Technology Division</p> <p>Oct. 2023      Director and Executive Officer General Manager, Onahama Manufacturing Site; Deputy General Manager, Production Technology Division (to present)</p>	13,562 shares
<p>Reasons for nomination: Yasuhiro Okamoto is involved in the decision making at the Board of Directors, properly supervises the duties of Directors and carries out business affairs for which he is responsible. He has held positions as the General Manager of both the Onahama Manufacturing Site and the Sakai Manufacturing Site, and has a wealth of experience and a proven record of accomplishments related to factory management as the person in charge of a manufacturing site. Currently, he has built a proven record of leading the strengthening of manufacturing technologies and quality control. Therefore, we have determined that he is an essential person to enhance the corporate value of the Group and have again nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Hiroyuki Hattori (June 11, 1964) [Reappointment]	<p>Apr. 1988      Joined the Company</p> <p>June 2014      General Manager, Administration &amp; Management Department, Kaigen Pharma Co., Ltd.</p> <p>Apr. 2015      General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd.</p> <p>June 2017      Director; General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd.</p> <p>Oct. 2018      Director; General Manager, General Affairs Department, Kaigen Pharma Co., Ltd.</p> <p>June 2020      Director; Deputy General Manager, Corporate Strategy Division; General Manager, Accounting &amp; Finance Department; General Manager, Compliance and Risk Management Promotion Department of the Company</p> <p>May 2021      Director; Deputy General Manager, Corporate Strategy Division; General Manager, Accounting &amp; Finance Department</p> <p>June 2021      Director and Executive Officer; Deputy General Manager, Corporate Strategy Division; General Manager, Accounting &amp; Finance Department In charge of Compliance, Legal Affairs, Risk Management</p> <p>June 2023      Director and Executive Officer; General Manager, Corporate Strategy Division; General Manager, Accounting &amp; Finance Department In charge of Compliance, Legal Affairs, Risk Management (to present)</p>	6,230 shares
<p>Reasons for nomination: Hiroyuki Hattori is involved in the decision making at the Board of Directors, properly supervises the duties of Directors, and carries out business affairs for which he is responsible. He has extensive experience in accounting and finance, and has been engaged in corporate management as a director of a subsidiary of the Company. Currently as General Manager of the Corporate Strategy Division, he is in charge of accounting and finance and has built a proven record of leading the reinforcement of compliance and risk management systems. Therefore, we have determined that he is an essential person to enhance the corporate value of the Group and have again nominated him as a candidate for Director.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
4	Koichiro Magara (August 9, 1966) [New Appointment]	Apr. 1990    Joined the Company Sept. 2018    General Manager, Advanced Materials Department Apr. 2019    General Manager, Matsubara Factory, Onahama Manufacturing Site June 2022    Executive Officer; Deputy General Manager, Research & Development Division In charge of New Business (sales and development) Sept. 2023    Executive Officer; Deputy General Manager, Research & Development Division In charge of New Business (sales and development) and Cosmetics (to present)	1,203 shares
<p>Reasons for nomination:            Koichiro Magara has a wealth of experience and has a proven record of accomplishments in the research and development areas. In the cosmetic raw materials business, which we position as a growth business and on which we are focusing our efforts, he planned and implemented a large-scale capital investment to expand sales as Executive Officer in charge of the business. Therefore, we have determined that he has deep knowledge and ability and have nominated him as a candidate for Director.</p>			
5	Yoshikazu Itou (March 19, 1960) [Reappointment] [Outside] [Independent]	Apr. 1983    Joined Ajinomoto Co., Inc. Apr. 2005    Deputy President, Ajinomoto U.S.A., Inc. Aug. 2006    Deputy General Manager, Kawasaki Plant, Ajinomoto Co., Inc. Oct. 2008    General Manager, Production & Technology Administration Center, Ajinomoto Co., Inc. July 2013    Corporate Fellow, General Manager, Kawasaki Administration & Coordination Office and Kawasaki Plant, Ajinomoto Co., Inc. July 2017    Representative Director and President, Knorr Foods Co., Ltd. Apr. 2019    Senior Managing Director, Ajinomoto Food Manufacturing Co., Ltd. July 2020    Advisor, Ajinomoto Co., Inc. June 2021    Outside Director of the Company (to present) Mar. 2023    Outside Director, Kanro Inc. (to present)	840 shares
<p><b>Matters Related to Candidacy for Outside Director</b>            Reasons for nomination as candidate for Outside Director and outline of expected roles:            The Company is focused on enhancing corporate governance and developing high-quality, high-profit businesses such as electronic materials and cosmetics. Yoshikazu Itou has engaged in production technology and quality control for many years for a food manufacturing company that requires strict quality control, and has extensive management experience in top management. Therefore, the Company expects him to give advice and supervise from an independent viewpoint, and determined that he should continue to be a candidate for Outside Director.            Information on the Independent Officer:            The Company designated him as an Independent Officer specified by the Tokyo Stock Exchange and registered him with the stock exchange, based on the judgment that no issue regarding conflict of interests is likely to occur with the general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Officers specified by the Company.            If his reappointment is approved, the Company plans for his appointment as an Independent Officer to continue.            Outline of terms and conditions of limited liability agreement:            The Company has, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, concluded with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement will be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act. If his reappointment is approved, said agreement will continue to be in effect.</p>			



No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
6	<p style="text-align: center;">Hiromi Wada (July 24, 1960) [Reappointment] [Outside] [Independent]</p>	<p>Apr. 1983      Joined Matsushita Electric Industrial Co., Ltd. (current Panasonic Holdings Corporation)</p> <p>Apr. 2010      Corporate Fellow, Panasonic Holdings Corporation</p> <p>Apr. 2012      Director, System Engineering Center, Tokyo R&amp;D Center of Panasonic Holdings Corporation</p> <p>Mar. 2016      Board member, Linux Foundation, Non-profit standards body</p> <p>Apr. 2017      Director, Platform Development Center, Automotive R&amp;D Division, Automotive &amp; Industrial Systems Company of Panasonic Corporation</p> <p>Aug. 2020      Advisor, R&amp;D Division, Automotive Company, Panasonic Corporation</p> <p>June 2021      Outside Director, Imasen Electric Industrial Co., Ltd. (scheduled to retire June 2024)</p> <p>June 2021      Outside Director of the Company (to present)</p> <p>Apr. 2022      Advisor, R&amp;D Planning Center, Panasonic Automotive Systems Co., Ltd.</p> <p>June 2022      Representative Director, i-Golf studio Co., Ltd. (to present)</p> <p>Oct. 2022      Outside Advisor, Panasonic Automotive Systems Co., Ltd. (to present)</p> <p>Mar. 2023      Outside Director, Shimano Inc. (to present)</p>	840 shares
<p><b>Matters Related to Candidacy for Outside Director</b></p> <p>Reasons for nomination as candidate for Outside Director and outline of expected roles: The Company is working on enhancing corporate governance, improving operational efficiency by utilizing IT, and promoting diversity. Hiromi Wada has been engaged in software development and quality control for a general electric manufacturer and has management experience, including serving as Director of the Development Center. Therefore, the Company expects her to give appropriate advice on and supervise management issues facing the Company from an independent viewpoint, and determined that she should continue to be a candidate for Outside Director.</p> <p>Information on the Independent Officer: The Company designated her as an Independent Officer specified by the Tokyo Stock Exchange and registered her with the stock exchange, based on the judgment that no issue regarding conflict of interests is likely to occur with the general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Officers specified by the Company.</p> <p>If her reappointment is approved, the Company plans for her appointment as an Independent Officer to continue.</p> <p>Outline of terms and conditions of limited liability agreement: The Company has, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, concluded with her an agreement to limit her liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement will be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act. If her reappointment is approved, said agreement will continue to be in effect.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
7	Mitsunori Matsuda (March 20, 1959) [Reappointment] [Outside] [Independent]	<p>Apr. 1982      Joined Fujisawa Pharmaceutical Co., Ltd. (current Astellas Pharma Inc.)</p> <p>Apr. 2005      Global Product II Group Leader, Supply Chain Management Department, Technology, Astellas Pharma Inc.</p> <p>Apr. 2006      SVP, Head of Kerry Plant, Astellas Ireland Co., Ltd.</p> <p>Apr. 2008      Vice President Strategy &amp; Administration, Technology, Astellas Pharma Inc.</p> <p>June 2009      Corporate Executive, Vice President Strategy &amp; Administration, Technology, Astellas Pharma Inc.</p> <p>Apr. 2010      Corporate Executive, SVP &amp; President, Technology, Astellas Pharma Inc.</p> <p>June 2015      Senior Corporate Executive, SVP and President, Technology, Astellas Pharma Inc.</p> <p>Apr. 2017      Senior Corporate Executive, SVP and President, Pharmaceutical Technology, Astellas Pharma Inc.</p> <p>Apr. 2019      Senior Corporate Executive, Assistant to President, Astellas Pharma Inc.</p> <p>June 2019      Mandatory retirement from Astellas Pharma Inc.</p> <p>Jan. 2021      Sole proprietor (consulting) (to present)</p> <p>June 2022      Outside Director of the Company (to present)</p>	1,192 shares
<p><b>Matters Related to Candidacy for Outside Director</b></p> <p>Reasons for nomination as candidate for Outside Director and outline of expected roles: The Company focuses on strengthening corporate governance and developing high-quality, high-profit businesses such as organic chemicals for pharmaceuticals. Mitsunori Matsuda has engaged in CMC (Chemistry, Manufacturing, and Control) management and organizational management for many years at a pharmaceutical company that requires strict quality control, and possesses abundant management experience. Therefore, the Company expects him to give advice and supervise from an independent viewpoint, and determined that he should continue to be a candidate for Outside Director.</p> <p>Information on the Independent Officer: The Company designated him as an Independent Officer specified by the Tokyo Stock Exchange and registered him with the stock exchange, based on the judgment that no issue regarding conflict of interests is likely to occur with the general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Officers specified by the Company.</p> <p>If his reappointment is approved, the Company plans for his appointment as an Independent Officer to continue.</p> <p>Outline of terms and conditions of limited liability agreement: The Company has, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, concluded with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement will be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act. If his reappointment is approved, said agreement will continue to be in effect.</p>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Hisao Miyagawa (April 7, 1960) [New Appointment] [Outside] [Independent]	Apr. 1985      Joined Nomura Securities Co., Ltd. Sept. 2001     Senior Director, U.S. Thompson Financial Consulting Group Aug. 2007     Executive Manager, Senior Specialist, IB Consulting Dept., Nomura Securities Co., Ltd. Apr. 2010     Full-time Lecturer, Graduate School of Business, Osaka City University (current Osaka Metropolitan University) Oct. 2010     Associate Professor, Graduate School of Business, Osaka City University Apr. 2014     Professor, Graduate School of Business, Osaka City University (to present) Mar. 2015     Visiting Scholar, University of Washington June 2015     Director, SUGIMURA WAREHOUSE CO., LTD. Apr. 2020     Visiting Scholar, School of Business Administration, Hitotsubashi Business School, Hitotsubashi University June 2022     Director (Audit and Supervisory Committee Member), SUGIMURA WAREHOUSE CO., LTD. (to present)	0 shares
<p><b>Matters Related to Candidacy for Outside Director</b></p> <p>Reasons for nomination as candidate for Outside Director and outline of expected roles:  To enhance corporate value, we are working to improve capital profitability and strengthen governance. Hisao Miyagawa has many years of business experience in the capital market and has deep knowledge and an extensive track record of research in the corporate finance theory. Therefore, the Company expects him to give appropriate advice on and supervise management issues facing the Company from an independent viewpoint, and determined that he should be a candidate for Outside Director.</p> <p>Information on the Independent Officer:  The Company judges that he has no possibility of having conflict of interest with general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Directors specified by the Company.</p> <p>If he is elected as Director, the Company plans to designate him as an Independent Officer specified by the Tokyo Stock Exchange and register him with the stock exchange.</p> <p>Outline of terms and conditions of limited liability agreement:  If he is elected as Director, the Company, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, plans to conclude with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement is planned to be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act.</p>			

- Notes:
1. There are no special interests between any of the above candidates and the Company. Mitsunori Matsuda served as a member of the Special Investigation Committee of our subsidiary, Kaigen Pharma Co., Ltd. from February 2023 to July 2023, and engaged in committee activities. The amount of his remuneration is less than 3 million yen and does not conflict with the Company's Standards for Selecting Independent Outside Officers.
  2. Yoshikazu Itou, Hiromi Wada, Mitsunori Matsuda, and Hisao Miyagawa are candidates for Outside Director.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Amendment of the Companies Act, and plans to renew the policy in December 2024. This insurance policy covers losses such as litigation expenses and claims for damages to be borne by the insured persons arising from corporate litigation, third-party litigation, derivative lawsuits, etc. If each candidate is reelected or elected, each candidate will be included as an insured person in the policy.
  4. The number of the Company's shares owned by each candidate includes ownership interests in the shareholding association made up of Officers of Sakai Chemical and in the employee shareholding association of Sakai Chemical.

## Reference

### Directors' Skill Matrix

Under the mission of creating a sustainable future through chemistry, our Company aims to solve social issues through the power of chemistry. In order for our people and organizations to grow through our business activities, and in order to transform into an “exciting company” that shares joy with stakeholders as well as to achieve our management plan, we have examined and determined the skills necessary for our Directors and management team. The skill matrix of Directors, if the candidates listed in this convocation notice are elected as proposed, will be as follows:

No.	Name	Corporate management	R&D Production technology	Business strategy Marketing	Accounting Finance	Human resource Organizational management	Legal Risk management	ESG SDGs
1	Toshiyuki Yagura	●		●		●	●	●
2	Yasuhiro Okamoto		●					●
3	Hiroyuki Hattori				●		●	●
4	Koichiro Magara		●	●				●
5	Yoshikazu Itou	●	●		●	●		
6	Hiromi Wada		●	●		●		●
7	Mitsunori Matsuda	●	●			●		
8	Hisao Miyagawa			●	●			●

Definitions of skills are as follows:

Skill	Definition
Corporate management	The individual has experience as the president (CEO) of a subsidiary or other company, or has experience similar to this, and is able to make changes to structures such as business transformation, business expansion, and business sales using foresight.
R&D Production technology	The individual is well-versed in research and development, manufacturing, quality control, etc., and is able to create new businesses.
Business strategy Marketing	The individual is well-versed in business strategy and can serve as a responsible manager.
Accounting Finance	The individual is able to appropriately evaluate company performance, make investment decisions, and engage in communication and dialogue with capital markets.
Human resource Organizational management	The individual is well-versed in human resource and organizational management.
Legal Risk management	The individual is well-versed in legal affairs concerning corporate activities and is able to address emergent business risks and management risks.
ESG SDGs	The individual understands the position and the role of the Company's business in society, and is able to propose and execute management with a focus on sustainability.

## Reference

### <Standards for Selecting Independent Outside Officers>

In principle, if an Outside Officer of the Company does not correspond to any of the following persons, said Outside Officer will be deemed to be an independent person.

1. A person who is currently or in the past ten (10) years has been an Executive Director or employee (hereinafter referred to as “Executive”) of the Company or one of its subsidiaries (hereinafter referred to as the “Group”)
2. A current major shareholder of the Company (meaning a shareholder directly or indirectly holding five percent (5%) or more of voting rights) or its Executive
3. A major partner company of the Company (meaning a partner company for which transactions with the Group in the latest fiscal year provided two percent (2%) or more of the consolidated net sales of the Group or such partner company), or its Executive
4. A financial institution or any other major creditor that the Group requires for its fundraising and that the Group relies on and is irreplaceable for the Group or its Executive
5. A person who has fallen under 2 to 4 in the last three (3) years
6. The Executive of a corporation or any other entity that has received a donation of ten million (10,000,000) yen or more in the past three (3) years from the Group on average
7. A consultant, accounting specialist, or legal specialist (including a person who belongs to a corporation or entity if such consultant or specialist is a corporation or entity) who has received money or any other asset of ten million (10,000,000) yen or more in the past three (3) years from the Group on average, in addition to the officers’ remuneration
8. A person holding an executive position of a company that has appointed Executive of the Group as its Director
9. A spouse or relative (up to second degree) of any of the persons described in 1 to 8 above

**Proposal 3:** Election of Three (3) Corporate Auditors

The terms of office of all three (3) Corporate Auditors in their present positions will expire upon the conclusion of this General Meeting. In that regard, the Company proposes the election of three (3) Corporate Auditors. Corporate Auditors Tadayuki Zushi and Megumu Sado will retire from office upon the conclusion of this General Meeting. In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

The candidates for Corporate Auditors are as follows:

No.		Name	Gender	Tenure	Current position in the Company	Attendance Status of the Board of Directors	Attendance Status of the Board of Corporate Auditors
1	[Reappointment]	Teruya Takamatsu	Male	4 years	Full-time Corporate Auditor Outside Corporate Auditor Independent Officer	16 times / 16 times (100%)	9 times / 9 times (100%)
2	[New Appointment] [Outside] [Independent]	Hiroshi Ushio	Male	-	-	-	-
3	[New Appointment] [Outside] [Independent]	Tomonori Yasuda	Male	-	-	-	-

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Teruya Takamatsu (October 18, 1959) [Reappointment]	<p>Apr. 1983      Joined The Mitsubishi Trust and Banking Corporation (Current Mitsubishi UFJ Trust and Banking Corporation)</p> <p>July 2002      General Manager, Private Banking Promotion Office, Main Branch of The Mitsubishi Trust and Banking Corporation</p> <p>Feb. 2003      General Manager, Main Branch of The Mitsubishi Trust and Banking Corporation</p> <p>June 2005      General Manager, Senju Branch of The Mitsubishi Trust and Banking Corporation</p> <p>June 2007      General Manager, Shibuya Branch and Shibuya-Chuo Branch of Mitsubishi UFJ Trust and Banking Corporation</p> <p>Apr. 2010      General Manager, Sapporo Branch of Mitsubishi UFJ Trust and Banking Corporation</p> <p>Feb. 2012      Managing Director, Mitsubishi UFJ Daiko Business Co., Ltd.</p> <p>Apr. 2020      Advisor, Mitsubishi UFJ Daiko Business Co., Ltd.</p> <p>June 2020      Full-time Outside Corporate Auditor of the Company (to present)</p>	1,139 shares
<p>Reasons for nomination: Teruya Takamatsu, who will retire from office of Outside Corporate Auditor at the conclusion of this General Meeting, has a wealth of business experience such as in finance and accounting, and based on his personality, it is expected that he will be able to properly and strictly audit the compliance and appropriateness of business operations by Directors. Therefore, the Company determined that he should continue to be a candidate for Corporate Auditor.</p> <p>Outline of terms and conditions of limited liability agreement: The Company has, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, concluded with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement will be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act. If his reappointment is approved, said agreement will continue to be in effect.</p>			

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
2	Hiroshi Ushio (October 18, 1962) [New Appointment] [Outside] [Independent]	Apr. 1986      Joined Sharp Corporation June 2006      General Manager, Accounting Department, Administration Division, Sharp Electronics (Europe) GmbH Apr. 2008      Director in charge of Administration, Sharp Electronics France S.A. Apr. 2013      General Manager, Administration Department, Home Appliances Sales Division, Sharp Electronics (Europe) Ltd. Jan. 2015      General Manager, Administration Department, Accounting and Finance Division, Sharp Electronics (Europe) Ltd. Oct. 2015      General Manager, Internal Audit Office in Europe, Sharp Electronics (Europe) Ltd. Feb. 2017      General Manager, Overseas Audit Group, Internal Audit Division, Sharp Corporation Mar. 2022      Retired from Sharp Corporation	100 shares
<p><b>Matters related to Candidacy for Outside Corporate Auditor</b>  Reasons for nomination as candidate for Outside Corporate Auditor:  Hiroshi Ushio was engaged in management administration and internal audit operations for many years at a general electric manufacturer and has a wealth of expertise and experience. Based on his personality, it is expected that he will be able to properly and strictly audit the compliance and appropriateness of business operations by Directors of the Company. Therefore, we determined that he should be a candidate for Outside Corporate Auditor.</p> <p>Information on the Independent Officer:  The Company judges that he has no possibility of having conflict of interest with general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Corporate Auditors specified by the Company.</p> <p>If he is elected as a Corporate Auditor, the Company plans to designate him as an independent officer specified by the Tokyo Stock Exchange and register him with the stock exchange.</p> <p>Outline of terms and conditions of limited liability agreement:  If he is elected as a Corporate Auditor, the Company, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, plans to conclude with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement is planned to be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act.</p>			
3	Tomonori Yasuda (September 30, 1969) [New Appointment] [Outside] [Independent]	Oct. 1996      Joined Asahi & Co. (current KPMG AZSA LLC) Apr. 2000      Registered as Certified Public Accountant May 2011      Partner, KPMG AZSA LLC June 2023      Retired from KPMG AZSA LLC July 2023      Partner, Minori Audit Corporation (to present)	0 shares
<p><b>Matters related to Candidacy for Outside Corporate Auditor</b>  Reasons for nomination as candidate for Outside Corporate Auditor:  Tomonori Yasuda was engaged in audit operations for many years at a major audit firm and has a wealth of expertise and experience. Based on his personality, it is expected that he will be able to properly and strictly audit the compliance and appropriateness of business operations by Directors of the Company. Therefore, we determined that he should be a candidate for Outside Corporate Auditor.</p> <p>Information on the Independent Officer:  The Company judges that he has no possibility of having conflict of interest with general shareholders in accordance with the standards for independence prescribed by the Tokyo Stock Exchange and Standards for Selecting Independent Outside Corporate Auditors specified by the Company.</p> <p>If he is elected as a Corporate Auditor, the Company plans to designate him as an independent officer specified by the Tokyo Stock Exchange and register him with the stock exchange.</p> <p>Outline of terms and conditions of limited liability agreement:  If he is elected as a Corporate Auditor, the Company, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, plans to conclude with him an agreement to limit his liability for damages as set forth in Article 423, paragraph (1) of the same Act. In this case, the maximum amount of liability for damages under said agreement is planned to be the minimum amount set forth in Article 425, paragraph (1) of the Companies Act.</p>			



- Notes:
1. There are no special interests between any of the above candidates and the Company. Tomonori Yasuda worked for KPMG AZSA LLC, the Company's Accounting Auditor appointed at the 128th Ordinary General Meeting of Shareholders held on June 28, 2023, but left the firm in June 2023. During his tenure at KPMG AZSA LLC, he has never been involved in the accounting audit of the Company, and there is no risk of a conflict of interest between his past work and his duties as Outside Corporate Auditor of the Company.
  2. Hiroshi Ushio and Tomonori Yasuda are candidates for Outside Corporate Auditor.
  3. The Company has entered into a directors and officers liability insurance policy with an insurance company as provided for in Article 430-3, paragraph (1) of the Amendment of the Companies Act, and plans to renew the policy in December 2024. This insurance policy covers losses such as litigation expenses and claims for damages to be borne by the insured persons arising from corporate litigation, third-party litigation, derivative lawsuits, etc. If each candidate is reelected or elected, each candidate will be included as an insured person in the policy.
  4. The number of the Company's shares owned by each candidate that is shown includes ownership interests in the shareholding association made up of Officers of Sakai Chemical.