



June 17, 2021

Company name: Sakai Chemical Industry Co., Ltd.
Representative: President and Representative
Director, Masaaki Yabe
(Code number: 4078 TSE First Section)
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Our View Regarding the ISS Report

The Company has nominated Mr. Kazumi Sasai for appointment as an outside Director at the 126th Ordinary General Meeting of Shareholders to be held on June 25, 2021 (hereinafter, the “Ordinary General Meeting of Shareholders”). The Company has confirmed that Institutional Shareholder Services, Inc. (hereinafter, “ISS”), a voting advisory firm, has issued a report (hereinafter, the “Report”) which states that although ISS recommends that Mr. Sasai’s nomination be approved, they cannot confirm his independence.

The contents of this agenda are as described in the Reference Documents for the General Meeting of Shareholders for this Ordinary General Meeting of Shareholders, and we would like to explain our view on the Report as follows.

1. The Reasons for ISS’s Decision

ISS has determined that Mr. Kazumi Sasai, a candidate for outside director, is not independent, saying that it is not possible to determine his independence because the specific amounts of transactions are not listed in the under “Status of Significant Concurrent Positions and Relationships with the Company” in the Business Report (page 33) for the Ordinary General Meeting of Shareholders.

2. The Company’s View

As stated under “Status of Significant Concurrent Positions and Relationships with the Company” in the Business Report (page 33) for the Ordinary General Meeting of Shareholders, the Company has made donations to Osaka University, a national university corporation, where Kazumi Sasai is an invited professor, but the actual amount for the past three years is zero yen. In addition, the Company has conducted joint research with Osaka Prefecture University, a public university corporation, where Mr. Sasai is a graduate school professor, but the actual amount of donations for the past three years is as small as 1 million yen.

Therefore, we have judged that he is independent.

(Note) The purpose of this document is to provide supplementary information on the agenda, in addition to the legally required reference documents for the general meeting of shareholders.

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