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Securities code: 4078

June 3, 2020

To our shareholders:

Masaaki Yabe
President
Sakai Chemical Industry Co., Ltd.
5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka

NOTICE OF THE 125TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 125th Ordinary General Meeting of Shareholders of Sakai Chemical Industry Co., Ltd. (the “Company”), which will be held as described below.

Recently, the Government of Japan and prefectural governors have been strongly requesting that people voluntarily stay at home to prevent the spread of the novel coronavirus disease (COVID-19). After careful consideration given the current situation, the Company has decided to hold this General Meeting of Shareholder, taking appropriate measures beforehand to avoid infection.

Under these circumstances, in order to prevent the spread of infection, you are strongly encouraged to exercise your voting rights prior to the meeting by using the Internet or in writing if at all possible. Regardless of your own state of health, you are strongly urged to refrain from attending this General Meeting of Shareholders.

Please review the Reference Documents for the General Meeting of Shareholders and after referring to the “Information about Exercise of Voting Rights” (Japanese only), exercise your voting rights no later than 5:40 p.m., Thursday, June 25, 2020 (Japan Standard Time).

1. Date and Time: Friday, June 26, 2020 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 125th Term (from April 1, 2019 to March 31, 2020), as well as the results of audit of the Consolidated Financial Statements by the Accounting Auditor and the Board of Corporate Auditor
2. Non-Consolidated Financial Statements for the 125th Term (from April 1, 2019 to March 31, 2020)

Items to be resolved:

- Proposal 1:** Election of Eleven (11) Directors
Proposal 2: Election of Three (3) Corporate Auditors
Proposal 3: Payment of Directors’ Bonuses

The Company’s website: <http://www.sakai-chem.co.jp/>

- Notes to the Consolidated Financial Statements and Notes to the Non-Consolidated Financial Statements are posted on the above Company’s website in accordance with the provisions of laws and regulations as well as Article 14 of the Company’s Articles of Incorporation; therefore, they are not included in the documents attached to this Notice. The Consolidated Financial Statements and the Non-Consolidated Financial Statements audited by the Corporate Auditors and the Accounting Auditor consist of the Notes to the Consolidated Financial Statements and the Notes to the Non-Consolidated Financial Statements posted on the aforementioned website as well as each document provided in this Notice.
- If any modification is made to the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements, the Company will post such modification on the Company’s website.

Requests to Shareholders

We strongly request that shareholders refrain from attending the General Meeting of Shareholders in order to prevent the spread of COVID-19.

We ask for your understanding as we plan to implement the following measures this year with the aim of preventing the spread of infection.

- (i) Exercise of voting rights with the voting card carries the risk of infection due to the process to return it and the work to tally the votes. We ask you to use the Internet when exercising voting rights prior to the meeting if at all possible.
- (ii) We will inquire about your health at the reception desk upon arrival at the venue. We will take temperature as needed, and people who are found to have fevers, people who appear to be unwell and people who have returned from overseas within 14 days of the meeting may be refused entry.
- (iii) Staff members at the General Meeting of Shareholders will also be wearing masks and gloves, and have their temperature and health checked.
- (iv) Alcohol disinfectant will be placed at the reception desk. And we ask that shareholders bring and wear masks as well.
- (v) We will have significantly fewer chairs than normal at this year's meeting because we will need to space them out. As a result, it is possible that not everyone who comes to the meeting will be able to enter the venue.
- (vi) We ask that you look over this notice prior to the meeting as the items to be reported and detailed explanations of the proposals at the assembly hall will be omitted from the perspective of shortening the meeting's duration. Furthermore, there may be a limit on the number of and time spent on questions.
- (vii) We will refrain from providing drinks.
Furthermore, gifts will not be prepared for the General Meeting of Shareholders. We ask for your understanding.
- (viii) We may revise the measures outlined above depending on the situation regarding the spread of the virus and announcements by the Government or other institutions ahead of the General Meeting of Shareholders. We would therefore ask that you check for information regarding this on the Company's website (<http://www.sakai-chem.co.jp/>).

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal 1: Election of Eleven (11) Directors

The terms of office of all eleven (11) Directors (including two (2) Outside Directors) in their present positions will expire upon the conclusion of this General Meeting. In that regard, the Company proposes the election of eleven (11) Directors (including two (2) Outside Directors). Directors Yoshiyuki Yoshikawa, Megumu Sado, and Toshiaki Sano will retire from office upon the conclusion of this General Meeting.

The candidates for Directors are as follows:

No.		Name	Tenure	Current position and responsibilities in the Company	Attendance Status of the Board of Directors
1	[Reappointment]	Masaaki Yabe	8 years	President Representative Director	17 times / 17 times (100%)
2	[Reappointment]	Akira Yoshioka	6 years	Senior Managing Director In charge of Group-wide Research & Development, Intellectual Property, Quality Assurance & Environmental Management, Safety & Health, Corporate Governance	17 times / 17 times (100%)
3	[Reappointment]	Atsuya Nakanishi	5 years	Director In charge of Management Strategy, Overseas Business, New Business, Accounting & Finance, Information Systems	17 times / 17 times (100%)
4	[Reappointment]	Yasuhiro Okamoto	5 years	Director In charge of Group-wide Production Section, Onahama Manufacturing Site	16 times / 17 times (94%)
5	[Reappointment]	Toshinori Yoshida	4 years	Director In charge of Sales & Marketing in general, Sales Management, Logistics	17 times / 17 times (100%)
6	[Reappointment]	Masayuki Yagishita	4 years	Director In charge of Sales for Inorganic Chemicals, Purchasing	17 times / 17 times (100%)
7	New Appointment	Shinji Nakahara	-		-
8	New Appointment	Hiroyuki Hattori	-		-
9	New Appointment	Toshiyuki Yagura	-	General Manager, Human Resources and General Affairs Department	-
10	[Reappointment]	Kazumi Sasai	5 years	Outside Director Independent Officer	17 times / 17 times (100%)
11	[Reappointment]	Yumi Sano	3 years	Outside Director Independent Officer	17 times / 17 times (100%)

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
1	Masaaki Yabe (August 9, 1959) [Reappointment]	Apr. 1982 Joined the Company Sept. 2006 General Manager, Sales & Marketing Department, Inorganic Chemicals Division Sept. 2009 General Manager, Sales & Marketing Department, Titanium Dioxide Division Sept. 2010 General Manager, Electronic Materials Division and Sales & Marketing Department June 2012 Director June 2014 President Representative Director (to present)	22,061
	Reasons for nomination: Masaaki Yabe is familiar with the sales section and other sections and has a wealth of experience and a proven record of accomplishment. He assumed the position of Director of the Company in June 2012, and he has been carrying out business affairs inside and outside the Company as President since June 2014. He has great skills and knowledge especially in the marketing and management areas and has been in charge of the overall group management in the Company exhibiting strong leadership and decisiveness. Therefore, the Company determined that he should continue to be a candidate for Director.		
2	Akira Yoshioka (November 23, 1957) [Reappointment]	Apr. 1982 Joined Mitsubishi Metal Corporation (Currently, Mitsubishi Materials Corporation) Apr. 2014 Adviser of the Company June 2014 Director Oct. 2014 Director; General Manager, Research & Development Division June 2015 Managing Director; General Manager, Research & Development Division Apr. 2019 Managing Director; General Manager, Research & Development Division and Corporate Governance Division June 2019 Senior Managing Director; General Manager, Research & Development Division and Corporate Governance Division (to present) Currently in charge of Group-wide Research & Development, Intellectual Property, Quality Assurance & Environmental Management, Safety & Health, Corporate Governance	9,888
	Reasons for nomination: Akira Yoshioka 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. In addition, he was involved mainly in the technology and research and development areas while he was working at a major material manufacturer, Mitsubishi Materials Corporation and gained a wealth of experience and has a proven record of accomplishments. After joining the Company, he has been taking the initiative in the product development with his extensive knowledge and skills. Therefore, the Company determined that he should continue to be a candidate for Director.		

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	<p>Atsuya Nakanishi (February 24, 1959) [Reappointment]</p>	<p>Apr. 1982 Joined The Sanwa Bank, Ltd. (Currently, MUFG Bank, Ltd.)</p> <p>Sept. 2011 Manager, Corporate Planning Department of the Company</p> <p>Jan. 2013 General Manager, Overseas Sales & Marketing Department, Plastic Additives Division</p> <p>June 2013 General Manager, Plastic Additives Division</p> <p>June 2015 Director; General Manager, Plastic Additives Division</p> <p>June 2016 Director; General Manager, Corporate Strategy Division</p> <p>June 2017 Director; General Manager, Corporate Strategy Division and Accounting & Finance Department (to present)</p> <p>June 2019 Part-time Director of Sakai Trading Co. Ltd. (to present)</p> <p>Currently in charge of Management Strategy, Overseas Business, New Business, Accounting & Finance, Information Systems</p>	5,992
	<p>Reasons for nomination: Atsuya Nakanishi 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. In addition, he has a proven record of business accomplishments with respect to finance and accounting, and overseas work experience, which he cultivated while working at MUFG Bank, Ltd., as well as extensive knowledge and skills based on his experience giving direction for overseas business in the Plastic Additives Division of the Company. Therefore, the Company determined that he should continue to be a candidate for Director.</p>		
4	<p>Yasuhiro Okamoto (June 30, 1963) [Reappointment]</p>	<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 (to present)</p> <p>Currently in charge of Group-wide Production section, Onahama Manufacturing Site</p>	7,197
	<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. In addition, he has extensive knowledge of production technology and a wealth of experience and a proven record of accomplishments as the person in charge at major production sites. Therefore, the Company determined that he should continue to be 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
5	Toshinori Yoshida (June 4, 1959) [Reappointment]	<p>Apr. 1982 Joined the Company</p> <p>Sept. 2007 General Manager, Sales & Marketing Department, Plastic Additives Division</p> <p>Oct. 2010 General Manager, Sales & Marketing Department and Overseas Sales & Marketing Department, Plastic Additives Division</p> <p>June 2011 President Representative Director of SC Organic Chemical Co., Ltd.</p> <p>June 2016 Director; General Manager, Sales Promotion Division of the Company</p> <p>Sept. 2016 Director; General Manager, Sales Management Department</p> <p>May 2018 Director; General Manager, Catalysts Division and Sales Management Department</p> <p>Apr. 2019 Director; General Manager, Sales & Marketing Division (to present)</p> <p>Currently in charge of Sales & Marketing in general, Sales Management, Logistics</p>	5,117
<p>Reasons for nomination: Toshinori Yoshida 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 also has a wealth of experience and a proven record of accomplishments in the sales section and other sections. In addition, he has acquired advanced knowledge and skills through his experience of serving as the President Representative Director of SC Organic Chemical Co., Ltd., which is a subsidiary of the Company. Therefore, the Company determined that he should continue to be 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	
6	Masayuki Yagishita (November 14, 1963) [Reappointment]	Apr. 1986	Joined the Company	6,953
		Oct. 2011	General Manager, Sales & Marketing Department, Titanium Dioxide Division	
Sept. 2013	General Manager, Titanium Dioxide Division and Sales & Marketing Department			
Oct. 2014	General Manager, Inorganic Chemicals Division			
Apr. 2016	General Manager, Inorganic Chemicals Division and Sales Planning Department, Sales Promotion Division			
June 2016	Director; General Manager, Sales Planning Department, Sales Promotion Division			
Sept. 2016	Director; General Manager, Sales Planning Department, Corporate Strategy Division			
June 2017	Director; General Manager, Inorganic Chemicals Division			
Apr. 2019	Director; Deputy General Manager, Sales & Marketing Division (to present) Currently in charge of Sales for Inorganic Chemicals, Purchasing			
Reasons for nomination: Masayuki Yagishita 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 also has a wealth of experience and a proven record of accomplishments in the sales section and other sections as well as extensive knowledge and skills cultivated through his experience of serving as the General Manager, Inorganic Chemicals Division and Sales Planning Department, Sales Promotion Division. Therefore, the Company determined that he should continue to be a candidate for Director.				
7	Shinji Nakahara (July 22, 1958) New Appointment	Apr. 1981	Joined the Company	1,559
		June 2007	General Manager, Corporate Research Laboratories	
Feb. 2012	President Representative Director of Katayama Seiyakusyo Co., Ltd. (to present)			
Reasons for nomination: Shinji Nakahara has a wealth of achievements related to new product development and mass production in the Research & Development section as well as having experience with taking the lead of overall management for many years as President Representative Director of Katayama Seiyakusyo Co., Ltd., which is a subsidiary of the Company. Therefore, the Company determined that he should be a candidate for Director.				
8	Hiroyuki Hattori (June 11, 1964) New Appointment	Apr. 1988	Joined the Company	444
		June 2014	General Manager, Administration & Management Department, Kaigen Pharma Co., Ltd.	
Apr. 2015	General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd.			
June 2017	Director; General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd.			
		Oct. 2018	Director; General Manager, General Affairs Department, Kaigen Pharma Co., Ltd. (to present)	
Reasons for nomination: Hiroyuki Hattori has extensive experience in accounting and finance, and a proven record of contributing to smooth PMI (Post Merger Integration) at acquired companies through M&A, and has cultivated knowledge and skills in overall management as a Director of Kaigen Pharma Co., Ltd., which is a subsidiary of the Company. Therefore, the Company determined that he should be a candidate for Director.				

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Toshiyuki Yagura (June 24, 1964) New Appointment	Apr. 1988 Joined the Company June 2014 General Manager, Corporate Planning Department Sept. 2019 General Manager, Human Resources and General Affairs Department (to present)	2,048
Reasons for nomination: Toshiyuki Yagura has extensive experience in the human resources section and corporate planning section, and has a proven record of establishing and managing personnel systems, achievements with M&A, and has cultivated knowledge and skills in overall management as a Corporate Auditor of subsidiaries of the Company. Therefore, the Company determined that he should be a candidate for Director.			
10	Kazumi Sasai (January 11, 1960) [Reappointment] [Outside] [Independent]	Apr. 2001 Associate Professor, Graduate School of Osaka Prefecture University (Currently, Osaka Prefecture University, University Public Corporation Osaka) Apr. 2007 Associate Professor Apr. 2008 Professor (to present) June 2011 Auditor, Osaka Prefecture Veterinary Medical Association (to present) Apr. 2012 Director of Academic Affairs, School of Veterinary Science, Osaka Prefecture University (Currently, Osaka Prefecture University, University Public Corporation Osaka) Apr. 2015 Professor in residence, Graduate School of Osaka University (to present) June 2015 Director of the Company (to present) May 2017 Technical Advisor, Osaka District Court and Osaka High Court (to present)	1,277
Matters related to his candidacy for Outside Director Reasons for nomination as candidate for Outside Director: Although Kazumi Sasai has never been engaged in managing a company except as an Outside Director of the Company, he proactively addresses his opinions in the Board of Directors by utilizing his wealth of experience and broad knowledge he gained at Graduate School of Osaka Prefecture University, Graduate School of Osaka University and other entities. He properly fulfills his role to give accurate advice on and supervise the management of the Company from an independent viewpoint. Therefore, the Company determined that he should continue to be a candidate for Outside Director. Information on 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 unlikely 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 Directors 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 the said agreement will be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the said agreement will continue to be in effect.			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
	Yumi Sano (August 20, 1961) [Reappointment] [Outside] [Independent]	Apr. 1984 Joined Shikishima Boseki Ltd. (Currently, Shikibo Ltd) Apr. 1997 Joined Kansai Employers' Association (Currently, Kansai Economic Federation) Apr. 2004 General Manager, Membership Administration of Kansai Employers' Association (Currently, Kansai Economic Federation) Apr. 2013 Joined Japan Institute for Women's Empowerment & Diversity Management Apr. 2014 General Manager, Kansai Office, Japan Institute for Women's Empowerment & Diversity Management (to present) June 2017 Director of the Company (to present)	608
11	<p>Matters related to her candidacy for Outside Director</p> <p>Reasons for nomination as candidate for Outside Director: Although Yumi Sano has never been engaged in managing a company except as an Outside Director of the Company, she has extensive expertise and experience related to industry and labor economy gained through her career and offers opinions concerning the overall group management based on her expertise and experience. She properly fulfills her role to give accurate advice on and supervise the management of the Company from an independent viewpoint. Therefore, the Company determined that she should continue to be a candidate for Outside Director.</p> <p>Information on 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 unlikely 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 Directors 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 the said agreement will be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If her reappointment is approved, the said agreement will continue to be in effect.</p>		

- Notes:
1. There are no special interests between any of the above candidates and the Company.
 2. Kazumi Sasai and Yumi Sano are candidates for Outside Director.
 3. Kazumi Sasai's term of office as Outside Director will be five (5) years at the conclusion of this General Meeting.
 4. Yumi Sano's term of office as Outside Director will be three (3) years at the conclusion of this General Meeting.
 5. The number of the Company's shares owned by each candidate that is shown includes ownership interests in the shareholding association made up of Directors of Sakai Chemical and in the employee shareholding association of the Sakai Chemical Group.

Proposal 2: 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. Directors Toyonobu Kimura and Toshiaki Matsuda 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	Tenure	Current position in the Company	Attendance Status of the Board of Directors	Attendance Status of the Board of Corporate Auditors
1	[Reappointment]	Tadayuki Zushi	4 years	Full-time Corporate Auditor Outside Corporate Auditor Independent Officer	17 times / 17 times (100%)	8 times / 8 times (100%)
2	New Appointment	Teruya Takamatsu	-	-	-	-
3	New Appointment	Megumu Sado	6 years	Director	15 times / 17 times (88%)	-

Note: Megumu Sado's tenure and attendance status of the Board of Directors are the number of years he has served as a Director of the Company, and the number of Board of Directors meetings he has attended as a Director of the Company, respectively.

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
	Tadayuki Zushi (August 10, 1958) [Reappointment] [Outside] [Independent]	<p>Apr. 1981 Joined The Sanwa Bank, Ltd. (Currently, MUFG Bank, Ltd.)</p> <p>Apr. 2000 General Manager, Shin-Osaka Branch and Shin-Osaka-Ekimae Branch of The Sanwa Bank, Ltd.</p> <p>Jan. 2002 Manager, Corporate Div. 1 of UFJ Bank Ltd. (Currently, MUFG Bank, Ltd.)</p> <p>June 2005 General Manager, Wakayama Branch and Wakayama Corporate Sales Div. of UFJ Bank Ltd.</p> <p>May 2007 General Manager, Corporate Business Transition Office, Corporate Business Planning Div. of The Bank of Tokyo-Mitsubishi, Ltd. (Currently, MUFG Bank, Ltd.)</p> <p>May 2009 General Manager, Sakai Commercial Banking Office of The Bank of Tokyo-Mitsubishi, Ltd.</p> <p>June 2011 Managing Executive Officer; General Manager, Osaka Div. of Mitsubishi UFJ Research and Consulting Co., Ltd.</p> <p>June 2016 Full-time Corporate Auditor of the Company (to present)</p>	1,532
1	<p>Matters related to his candidacy for Outside Corporate Auditor</p> <p>Reasons for nomination as candidate for Outside Corporate Auditor: Tadayuki Zushi has a wealth of business experience such as in finance, accounting, and auditing, and based on his personality, it is expected that he will be able to properly and strictly audit the compliance of business operations by Directors. Therefore, the Company determined that he should continue to be a candidate for Outside Corporate Auditor.</p> <p>Information on independent officer: He previously served as an executive officer of MUFG Bank, Ltd., which is a major business partner of the Company, but the ratio of loans to the bank to total assets was approximately 5.4% (as of the end of March 2020), and the bank's shareholding ratio with the Company is also 2.5% (as of the end of March 2020), so the impact of the said bank on the Company is not significant, and he retired from the said bank in May 2011 and is not in a position to be influenced by the bank. In addition, he served as an executive officer of Mitsubishi UFJ Research & Consulting Co., Ltd., which has a business relationship with the Company, but the Company has not had any business dealings with the said bank during the past three (3) years, and he retired from the said bank in June 2016 and is, therefore, not in a position to be influenced by the bank. Based on the above, the Company determined that there is no issue regarding his independence, and there is no risk of a conflict of interest with general shareholders.</p> <p>The Company designated him as an independent officer specified by the Tokyo Stock Exchange and registered him with the stock exchange. 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 the said agreement will be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act. If his reappointment is approved, the 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	Teruya Takamatsu (October 18, 1959) New Appointment [Outside] [Independent]	<p>Apr. 1983 Joined The Mitsubishi Trust and Banking Corporation (Currently, 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 Adviser (to present)</p>	0
<p>Matters related to his candidacy for Outside Corporate Auditor</p> <p>Reasons for nomination as candidate for Outside Corporate Auditor: Teruya Takamatsu 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 of business operations by Directors. Therefore, the Company determined that he should be a candidate for Outside Corporate Auditor.</p> <p>Information on independent officer: He previously served as an executive officer of Mitsubishi UFJ Trust and Banking Co., Ltd., which is a business partner of the Company, but the average transaction amount during the past three (3) years is less than thirty million (30,000,000) yen. The said bank's shareholding ratio with the Company is 2.5% (as of the end of March 2020), so the impact of the said bank on the Company is not significant. Based on the above, the Company determined that there is no issue regarding his independence, and there is no risk of a conflict of interest with general shareholders.</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 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 the said agreement is planned to be the minimum amount set forth in Article 425, Paragraph 1 of the Companies Act.</p>			

No.	Name (Date of birth)	Career summary, position and significant concurrent positions outside the Company	Number of the Company's shares owned
3	Megumu Sado (April 24, 1959) New Appointment	<p>Apr. 1983 Joined the Company</p> <p>June 2008 General Manager, Administration & Management Department, Onahama Manufacturing Site</p> <p>Sept. 2008 General Manager, Onahama Manufacturing Site</p> <p>Sept. 2010 General Manager, Human Resources Department</p> <p>June 2014 Director; General Manager, Human Resources Department</p> <p>Apr. 2019 Director; General Manager, Administration Division; Deputy General Manager, Corporate Governance Division; General Manager, Human Resources and General Affairs Department</p> <p>Sept. 2019 Director; General Manager, Administration Division; Deputy General Manager, Corporate Governance Division (to present) Currently in charge of Human Resources and General Affairs</p>	7,736
<p>Reasons for nomination: Megumu Sado will retire as a Director at the conclusion of this General Meeting, but as a Director of the Company, he has a wealth of experience participating in the making of management decisions, and based on his personality, it is expected that he will be able to properly and strictly audit the compliance of business operations by Directors. Therefore, the Company determined that he should be a candidate for Corporate Auditor.</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 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 the 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.
 2. Tadayuki Zushi and Teruya Takamatsu are candidates for Outside Corporate Auditor.
 3. Tadayuki Zushi's term of office as Corporate Auditor will be four (4) years at the conclusion of this General Meeting.
 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 Directors of Sakai Chemical.

(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 Director shall 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: Payment of Directors' Bonuses

We wish to pay Directors' bonuses of thirty-one million three-hundred thousand (31,300,000) yen in total to the nine (9) Directors incumbent excluding Outside Directors at the end of the fiscal year ended March 31, 2020, taking into account the business results and other factors in the fiscal year ended March 31, 2020.

With respect to the amount to be paid to each Director and the timing and method of payment thereof, we request that it be left to the discretion of the Board of Directors.