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Securities code: 4078

June 2, 2021

To our shareholders:

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

## NOTICE OF THE 126TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 126th 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 exercise your voting rights no later than 5:40 p.m., Thursday, June 24, 2021 (Japan Standard Time).

- 1. Date and Time:** Friday, June 25, 2021 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 126th Term (from April 1, 2020 to March 31, 2021), 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 126th Term (from April 1, 2020 to March 31, 2021)

#### Items to be resolved:

- Proposal:** Election of Nine (9) Directors

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

- Of the documents to be provided in this Notice, “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 posted on the 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 document. The above items are included in the scope of audit conducted by the Corporate Auditors and the Accounting Auditor in preparing the Audit Report.
- 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.

Therefore, we would like to accept questions in advance from shareholders who are not attending this General Meeting of Shareholders to ensure that they will have opportunities to ask questions regarding items to be reported and items to be resolved.

**Please access the website [REDACTED] and submit any questions that you may have.** We plan to post the answers to your questions on our website by the day before the General Meeting of Shareholders.

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) When you arrive, your temperature will be taken at the reception desk. We may refuse admission to people who are found to have fever, people who appear to be unwell and people who have returned from overseas within 14 days of the meeting.
- (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) There may be a limit on the number of and time spent on questions to shorten the meeting duration. Please send us questions in advance.
- (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:** Election of Nine (9) 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 nine (9) Directors (including three (3) Outside Directors). Directors Yasuhiro Okamoto, Toshinori Yoshida, Masayuki Yagishita, and Yumi Sano will retire from office upon the conclusion of this General Meeting of Shareholders.

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	9 years	President Representative Director In charge of Internal Control over Financial Reporting	17 times / 17 times (100%)
2	[Reappointment]	Akira Yoshioka	7 years	Senior Managing Director In charge of Production Technology, Sakai Manufacturing Site	17 times / 17 times (100%)
3	[Reappointment]	Atsuya Nakanishi	6 years	Managing Director In charge of Management Strategy, Overseas Business, Information Systems, Investor Relations	17 times / 17 times (100%)
4	[Reappointment]	Shinji Nakahara	1 year	Director In charge of Research & Development, Intellectual Property	14 times / 14 times (100%)
5	[Reappointment]	Hiroyuki Hattori	1 year	Director In charge of Accounting & Finance, Compliance, Legal, Risk Management	14 times / 14 times (100%)
6	[Reappointment]	Toshiyuki Yagura	1 year	Director In charge of Human Resources and General Affairs, Quality Assurance & Environmental Management, Safety & Health	14 times / 14 times (100%)
7	[Reappointment]	Kazumi Sasai	6 years	Outside Director Independent Officer	17 times / 17 times (100%)
8	New Appointment [Outside] [Independent]	Yoshikazu Itou	-	-	-
9	New Appointment [Outside] [Independent]	Hiromi Wada	-	-	-

Notes: In addition to the number of meetings of the Board of Directors shown above, there was one written resolution deemed to have been resolved by the Board of Directors in accordance with Article 370 of the Companies Act and the Articles of Incorporation.

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	27,597
		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) Currently in charge of Internal Control over Financial Reporting	
<p>Reasons for nomination: Masaaki Yabe has a wealth of experience and a proven record of accomplishment in the sales section and other sections and is familiar with the Company's business in general. Since assuming the position of President Representative Director of the Company in June 2014, he has a proven record of leading the Group with his high level of management ability and strong leadership. Therefore, he has been nominated again as a candidate for Director.</p>				
2	Akira Yoshioka (November 23, 1957) [Reappointment]	Apr. 1982	Joined Mitsubishi Metal Corporation (Currently, Mitsubishi Materials Corporation)	13,564
		Apr. 2012	Director of Materials Eco-Refining Co., Ltd.	
		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	
		June 2020	Senior Managing Director; General Manager, Production Technology Division and Sakai Manufacturing Site (to present) Currently in charge of Production Technology, Sakai Manufacturing Site	
<p>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. He gained a wealth of experience and has a proven record of accomplishments in the technology and research and development areas over many years. Since joining the Company in 2014, he has led the review of the research and development and quality assurance systems and has built a proven record. 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	Atsuya Nakanishi (February 24, 1959) [Reappointment]	<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 &amp; 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 &amp; Finance Department</p> <p>June 2019    Part-time Director of Sakai Trading Co. Ltd. (to present)</p> <p>June 2020    Managing Director; General Manager, Corporate Strategy Division of the Company (to present)</p> <p>Currently in charge of Management Strategy, Overseas Business, Information Systems, Investor Relations</p>	9,156
<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 to his business accomplishments with respect to finance and accounting, and overseas work experience, which he cultivated while working at a financial institution, he has a proven record of accelerating overseas business in the Plastic Additives Division of the Company. Currently as General Manager of the Corporate Strategy Division, he is in charge of corporate strategy and leads the enhancement of Investor Relations and IT promotion. 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>			
4	Shinji Nakahara (July 22, 1958) [Reappointment]	<p>Apr. 1981      Joined the Company</p> <p>June 2007    General Manager, Corporate Research Laboratories</p> <p>Feb. 2012    President Representative Director of Katayama Seiyakusyo Co., Ltd.</p> <p>June 2020    Director; General Manager, Research &amp; Development Division; Deputy General Manager, Production Technology Division of the Company (to present)</p> <p>Currently in charge of Research &amp; Development, Intellectual Property</p>	3,263
<p>Reasons for nomination: Shinji Nakahara 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 gained a wealth of experience and has a proven record of accomplishments in the research and development areas, and has long led corporate management as President Representative Director of a subsidiary of the Company. Currently as General Manager of the Research &amp; Development Division, he leads the acceleration of research and development themes primarily through industry-academia collaboration. Therefore, we have determined that he is an essential person to enhance the corporate value of the Group, nominating him again 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	
5	Hiroyuki Hattori (June 11, 1964) [Reappointment]	Apr. 1988 June 2014	Joined the Company General Manager, Administration & Management Department, Kaigen Pharma Co., Ltd.	1,782
		Apr. 2015 June 2017 Oct. 2018 June 2020 May 2021	General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd. Director; General Manager, General Affairs Department and Management Department, Kaigen Pharma Co., Ltd. Director; General Manager, General Affairs Department, Kaigen Pharma Co., Ltd. Director; Deputy General Manager, Corporate Strategy Division; General Manager, Accounting & Finance Department; General Manager, Compliance and Risk Management Promotion Department of the Company Director; Deputy General Manager, Corporate Strategy Division; General Manager, Accounting & Finance Department (to present) Currently in charge of Accounting & Finance, Compliance, Legal, Risk Management	
<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 Deputy 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>				
6	Toshiyuki Yagura (June 24, 1964) [Reappointment]	Apr. 1988 June 2014	Joined the Company General Manager, Corporate Planning Department	3,353
		Sept. 2019 June 2020	General Manager, Human Resources and General Affairs Department Director; General Manager, Administration Division (to present) Currently in charge of Human Resources and General Affairs, Quality Assurance & Environmental Management, Safety & Health	
<p>Reasons for nomination: Toshiyuki Yagura 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 the 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. Currently as General Manager of the Administration Division, he has built a proven record of reshaping the personnel systems and facilitating the ESG initiatives. 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
7	Kazumi Sasai (January 11, 1960) [Reappointment] [Outside] [Independent]	<p>Apr. 2008 Professor, Graduate School of Osaka Prefecture University (Currently, Osaka Prefecture University, University Public Corporation Osaka) (to present)</p> <p>June 2011 Auditor, Osaka Prefecture Veterinary Medical Association (to May 2021)</p> <p>Apr. 2012 Director of Academic Affairs, School of Veterinary Science, Osaka Prefecture University (Currently, Osaka Prefecture University, University Public Corporation Osaka) (to March 2017)</p> <p>Apr. 2015 Professor in residence, Graduate School of Osaka University (to present)</p> <p>June 2015 Director of the Company (to present)</p> <p>Apr. 2017 Department Chair, Department of Veterinary Medicine, Osaka Prefecture University (Currently, Osaka Prefecture University, University Public Corporation Osaka) (to May 2018)</p> <p>May 2017 Technical Advisor, Osaka District Court and Osaka High Court (to present)</p> <p>May 2021 Vice Chairman, Osaka Prefecture Veterinary Medical Association (to present)</p>	1,596
<p><b>Matters related to his candidacy for Outside Director</b></p> <p>Reasons for nomination as candidate for Outside Director and outline of expected roles</p> <p>Although Kazumi Sasai has never been engaged in managing a company except as an Outside Director of the Company, he has held positions at the top of organizations such as Director of Academic Affairs and Department Chair of the university. In addition, he proactively addresses his opinions in the Board of Directors from a broad perspective based on his wealth of experience and extensive knowledge in various organizations. Therefore, the Company expects him to give advice on and supervise the management of the Company from an independent viewpoint, and determined that he should be a candidate for Outside Director.</p> <p>Information on independent officer:</p> <p>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.</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:</p> <p>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, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
8	Yoshikazu Itou (March 19, 1960) New Appointment [Outside] [Independent]	<p>Apr. 1983      Joined Ajinomoto Co., Inc.</p> <p>July 1999      General Manager, Isolation and Purification Technology Group, Technology Department, Kawasaki Plant, Ajinomoto Co., Inc.</p> <p>July 2001      Section Manager, Isolation &amp; Purification Technology Laboratory, Process Technology Development Department, Fermentation &amp; Biotechnology Laboratories, Ajinomoto Co., Inc.</p> <p>July 2003      General Manager, Amino Acid Technology Department, International Production &amp; Technology Center, Ajinomoto Co., Inc.</p> <p>Apr. 2005      Deputy President, Ajinomoto U.S.A., Inc</p> <p>Aug. 2006      Deputy General Manager, Kawasaki Plant, Ajinomoto Co., Inc.</p> <p>Oct. 2008      General Manager, Production &amp; Technology Administration Center, Ajinomoto Co., Inc.</p> <p>July 2013      Corporate Fellow, General Manager, Kawasaki Administration &amp; Coordination Office and Kawasaki Plant, Ajinomoto Co., Inc.</p> <p>July 2017      Representative Director and President, Knorr Foods Co., Ltd.</p> <p>Apr. 2019      Senior Managing Director, Ajinomoto Food Manufacturing Co., Ltd.</p> <p>July 2020      Advisor, Ajinomoto Co., Inc. (to present)</p>	0
<p><b>Matters related to his 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. Yoshikazu Itou has been 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 as top management. Therefore, the Company expects him to give advice and supervise from an independent viewpoint, and determined that he should be a candidate for Outside Director.</p> <p>Information on 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 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, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
9	Hiromi Wada (July 24, 1960) New Appointment [Outside] [Independent]	<p>Apr. 1983      Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation)</p> <p>Oct. 2008      General Manager, Engineering Center, Panasonic Advanced Technology Development Co., Ltd. (seconded)</p> <p>Feb. 2009      General Manager, Quality Control Center, Panasonic Mobile Communications Co., Ltd. (seconded)</p> <p>Apr. 2010      Corporate Fellow, Panasonic Corporation and same as above</p> <p>Apr. 2012      Director, System Engineering Center, Tokyo R&amp;D Center of Panasonic Corporation</p> <p>Mar. 2016      Board member, Linux Foundation, Non-profit standards body (to present)</p> <p>Apr. 2017      Director, Platform Development Center, Automotive R&amp;D Division, Automotive &amp; Industrial Systems Company of Panasonic Corporation</p> <p>Oct. 2019      Deputy General Manager, R&amp;D Division, Automotive Company, Panasonic Corporation</p> <p>Aug. 2020      Advisor, R&amp;D Division, Automotive Company, Panasonic Corporation (to present)</p>	0
<p><b>Matters related to her candidacy for Outside Director</b></p> <p>Reasons for nomination as candidate for Outside Director and outline of expected roles The Company strives to improve operational efficiency through the use of IT and promote 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 be a candidate for Outside Director.</p> <p>Information on independent officer: The Company judges that she 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 she is elected as Director, the Company plans to designate her as an independent officer specified by the Tokyo Stock Exchange and register her with the stock exchange.</p> <p>Outline of terms and conditions of limited liability agreement: If she is elected as Director, the Company, in accordance with the provisions of Article 427, paragraph (1) of the Companies Act, plans to 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 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. Kazumi Sasai, Yoshikazu Itou and Hiromi Wada are candidates for Outside Director.
  3. Kazumi Sasai's term of office as Outside Director will be six (6) years at the conclusion of this General Meeting.
  4. The Company has entered into a directors and officers liability insurance policy as provided for in Article 430-3, paragraph (1) of Amendment of the Companies Act (effective March 1, 2021) with an insurance company, and it plans to renew the policy in December 2021. This insurance policy covers losses such as litigation expenses and claims for damages to be borne by the insureds arising from corporate litigations, third-party litigations, and derivative lawsuits, etc. If each candidate is reelected or elected, each candidate will be included as an insured in the policy.
  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.

**(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