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Securities code: 4078

June 3, 2022

To our shareholders:

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

## NOTICE OF THE 127TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to announce the 127th Ordinary General Meeting of Shareholders of Sakai Chemical Industry Co., Ltd. (the “Company”), which will be held as described below.

To prevent the spread of COVID-19 contagion, shareholders are encouraged to exercise voting rights prior to the meeting by using the Internet or in writing if at all possible, and 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., Monday, June 27, 2022 (Japan Standard Time).

**1. Date and Time:** Tuesday, June 28, 2022 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 127th Term (from April 1, 2021 to March 31, 2022), 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 127th Term (from April 1, 2021 to March 31, 2022)

#### Items to be resolved:

- Proposal 1:** Amendment to the Articles of Incorporation  
**Proposal 2:** Election of Nine (9) Directors  
**Proposal 3:** Election of One (1) Substitute Corporate Auditor  
**Proposal 4:** Payment of Directors’ Bonuses

The Company’s website: <https://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 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. Details are noted on page 3.

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 again 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. We ask that shareholders bring and wear masks as well.
- (v) We will have significantly fewer chairs than pre-pandemic 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 (<https://www.sakai-chem.co.jp/>).

## About Questions and Answers at the General Meeting of Shareholders

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

Accordingly, 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.

© We plan to post responses to received questions on the Company's website ([https://www.sakai-chem.co.jp/jp/ir\\_general\\_meeting.php](https://www.sakai-chem.co.jp/jp/ir_general_meeting.php)) 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 matters 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.)

Advance questions website

Advance questions

website URL:

[2] For questions sent by postal mail (paper-based documents)

© 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

5-2, Ebisujima-cho, Sakai-ku, Sakai-shi, Osaka, 590-8502, Japan

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 Tuesday, June 21, 2022

Reference Documents for the General Meeting of Shareholders

**Proposals and Reference Information**

**Proposal 1:** Amendment to the Articles of Incorporation

1. Reasons for the Proposal

- (1) Introduction of measures for providing reference documents for the general meeting of shareholders, etc. in electronic format

The amendment to the Companies Act allows for measures for providing reference documents for the general meeting of shareholders, etc. in electronic format. From the enforcement date of the amended Companies Act concerning measures for providing information in electronic format, companies issuing book-entry transfer shares (listed companies) are obligated to stipulate in their articles of incorporation that they will take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format. Accordingly, the Company intends to make necessary amendments to the Articles of Incorporation.

- (2) Establishment of provisions concerning substitute Corporate Auditors

In preparation for cases in which the number of Corporate Auditors fails to meet the number stipulated by laws and regulations, necessary changes will be made in order to establish a new provision concerning substitute Corporate Auditors to provide for an expiration date for resolutions that elect substitute Corporate Auditors, and to clarify the term of office when a substitute Corporate Auditor has assumed the position of Corporate Auditor.

2. Content of Amendments

The content of amendments is as follows:

(Amended portions are indicated by underlining.)

Current Articles of Incorporation	Proposed amendment
<p>Article 1 to Article 13 (Article text omitted)  <u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u>                      Article 14  <u>When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements, and consolidated financial statements through the Internet in accordance with the provisions prescribed by Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u>                      (Establishment)</p>	<p>Article 1 to Article 13 (no change)                      (Deletion)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u>                      Article 14                      (i) <u>When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u>                      (ii) <u>Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by Ministry of Justice Order from statements in paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed amendment
<p>Article 15 to Article 29 (Article text omitted) (Election of Corporate Auditors)</p> <p>Article 30</p> <p>(i) Corporate Auditors shall be elected by resolution of the General Meeting of Shareholders.</p> <p>(ii) A resolution to elect a Corporate Auditor shall be passed by a majority of the voting rights at a meeting attended by shareholders possessing no less than one-third (1/3) of the voting rights of shareholders who are able to exercise voting rights.</p> <p style="text-align: center;">(Establishment)</p> <p style="text-align: center;">(Establishment)</p> <p>(Term of Office of Corporate Auditors)</p> <p>Article 31</p> <p>(i) The term of office of a Corporate Auditor shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within four (4) years following election.</p> <p>(ii) The term of office of a Corporate Auditor elected as a substitute for a Corporate Auditor who retired from office before the expiration of his or her term of office shall be until the expiration of the term of office of the retired Corporate Auditor.</p>	<p>Article 15 to Article 29 (no change) (Election of Corporate Auditors)</p> <p>Article 30</p> <p>(i) Corporate Auditors shall be elected by resolution of the General Meeting of Shareholders.</p> <p>(ii) A resolution to elect a Corporate Auditor shall be passed by a majority of the voting rights at a meeting attended by shareholders possessing no less than one-third (1/3) of the voting rights of shareholders who are able to exercise voting rights.</p> <p><u>(iii) In accordance with the provisions of Article 329, paragraph (3) of the Companies Act, in preparation for cases in which the number of Corporate Auditors fails to meet the number stipulated by law or by the Articles of Incorporation, the Company may elect substitute Corporate Auditors by resolution of the General Meeting of Shareholders.</u></p> <p><u>(iv) The period for which a resolution concerning the election of a substitute Corporate Auditor in the preceding paragraph remains in effect shall be until the start of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within four (4) years following the resolution.</u></p> <p>(Term of Office of Corporate Auditors)</p> <p>Article 31</p> <p>(i) The term of office of a Corporate Auditor shall be until the conclusion of the Ordinary General Meeting of Shareholders for the last fiscal year that ends within four (4) years following election.</p> <p>(ii) The term of office of a Corporate Auditor elected as a substitute for a Corporate Auditor who retired from office before the expiration of his or her term of office shall be until the expiration of the term of office of the retired Corporate Auditor.</p> <p><u>However, when a substitute Corporate Auditor elected pursuant to paragraph (iii) of the preceding Article has assumed the position of Corporate Auditor, the term of office may not exceed the conclusion of the Ordinary General Meeting of Shareholders for the last business year that ends within four (4) years following election as a substitute Corporate Auditor.</u></p>

Current Articles of Incorporation	Proposed amendment
<p>Article 32 to Article 44 (Article text omitted) (Establishment)</p>	<p>Article 32 to Article 44 (no change)</p> <p><u>Supplementary Provisions</u></p> <p><u>(i) The deletion of Article 14 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 14 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>(ii) The provision of the preceding paragraph notwithstanding, Article 14 of the pre-amended Articles of Incorporation shall remain effective regarding any general meeting of shareholders held on a date within six (6) months from the Date of Enforcement.</u></p> <p><u>(iii) These Supplementary Provisions shall be deleted on the date when six (6) months have elapsed from the Date of Enforcement or three (3) months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

## Reference

Supplementary Explanation Concerning “Proposal 1: Amendment to the Articles of Incorporation”

A system for electronic provision of information will be enacted on September 1, 2022.

In line with this, from the next General Meeting of Shareholders (in June 2023), reference materials for General Meetings of Shareholders will be posted on the Company’s website, etc., and only notices of convocation (notices of publication on the Company’s website and containing the URL, etc.) will be delivered to shareholders.

For the next and subsequent General Meetings of Shareholders, shareholders who wish to receive reference materials for General Meetings of Shareholders as paper-based documents may follow the procedures for “Request for Issuance of Paper-Based Documents.”

For an overview of the system for electronic provision of information and the procedures for “Request for Issuance of Paper-Based Documents,” please contact the securities company at which you possess your account, see the enclosed leaflet, or visit the Mitsubishi UFJ Trust and Banking Corporation website below concerning the system for electronic provision of information.

<https://www.tr.mufg.jp/daikou/denshi.html>

**Proposal 2: Election of Nine (9) Directors**

The terms of office of all nine (9) Directors in their present positions will expire upon the conclusion of this General Meeting. Accordingly, the Company proposes the election of nine (9) Directors. Director Akira Yoshioka and Director Kazumi Sasai 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]	Masaaki Yabe	Male	10 years	President Representative Director and Executive Officer In charge of Internal Control over Financial Reporting	18 times / 18 times (100%)
2	[Reappointment]	Atsuya Nakanishi	Male	7 years	Managing Director and Executive Officer In charge of Management Strategy, Overseas Business, Information Systems, Investor Relations	18 times / 18 times (100%)
3	[Reappointment]	Shinji Nakahara	Male	2 years	Director and Executive Officer In charge of Research & Development, Intellectual Property	18 times / 18 times (100%)
4	[Reappointment]	Hiroyuki Hattori	Male	2 years	Director and Executive Officer In charge of Accounting & Finance, Compliance, Legal Affairs, Risk Management	18 times / 18 times (100%)
5	[Reappointment]	Toshiyuki Yagura	Male	2 years	Director and Executive Officer In charge of Human Resources and General Affairs, Quality Assurance & Environmental Management, Safety & Health	18 times / 18 times (100%)
6	[New Appointment]	Yasuhiro Okamoto	Male	*	Executive Officer In charge of Onahama Manufacturing Site	*
7	[Reappointment] [Outside] [Independent]	Yoshikazu Ito	Male	1 year	Outside Director Independent Officer	14 times / 14 times (100%)
8	[Reappointment] [Outside] [Independent]	Hiromi Wada	Female	1 year	Outside Director Independent Officer	14 times / 14 times (100%)
9	[New Appointment] [Outside] [Independent]	Mitsunori Matsuda	Male	-	-	-

\* Yasuhiro Okamoto served as a Director of the Company from June 2015 to June 2021.



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 June 2021    President Representative Director and Executive Officer (to present) Currently in charge of Internal Control over Financial Reporting	33,952 shares
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 well-versed in 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.			
2	Atsuya Nakanishi (February 24, 1959) [Reappointment]	Apr. 1982    Joined The Sanwa Bank, Ltd. (Currently, MUFG Bank, Ltd.) Sept. 2011    Manager, Corporate Planning Department of the Company Jan. 2013    General Manager, Overseas Sales & Marketing Department, Plastic Additives Division June 2013    General Manager, Plastic Additives Division June 2015    Director; General Manager, Plastic Additives Division June 2016    Director; General Manager, Corporate Strategy Division June 2017    Director; General Manager, Corporate Strategy Division and Accounting & Finance Department June 2019    Part-time Director of Sakai Trading Co. Ltd. (to present) June 2020    Managing Director; General Manager, Corporate Strategy Division of the Company June 2021    Managing Director and Executive Officer; General Manager, Corporate Strategy Division (to present) Currently in charge of Management Strategy, Overseas Business, Information Systems, Investor Relations	12,787 shares
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.			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
3	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</p> <p>June 2021      Director and Executive Officer; General Manager, Research &amp; Development Division; Deputy General Manager, Production Technology Division (to present)</p> <p>                         Currently in charge of Research &amp; Development, Intellectual Property</p>	5,237 shares
<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>			
4	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 (to present)</p> <p>                         Currently in charge of Accounting &amp; Finance, Compliance, Legal Affairs, Risk Management</p>	3,288 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 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>			

No.	Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company's shares owned
5	Toshiyuki Yagura (June 24, 1964) [Reappointment]	Apr. 1988    Joined the Company June 2014    General Manager, Corporate Planning Department Sept. 2019    General Manager, Human Resources and General Affairs Department June 2020    Director; General Manager, Administration Division June 2021    Director and Executive Officer; General Manager, Administration Division (to present) Currently in charge of Human Resources and General Affairs, Quality Assurance & Environmental Management, Safety & Health	4,801 shares
	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&A. Currently as General Manager of the Administration Division, he has built a proven record of reshaping personnel systems, strengthening quality assurance and occupational health and safety management frameworks, and otherwise facilitating 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.		
6	Yasuhiro Okamoto (June 30, 1963) [New Appointment]	Apr. 1987    Joined the Company Dec. 2011    General Manager, Manufacturing Department, Inorganic Chemicals Division Oct. 2014    General Manager, Production Department 2, Inorganic Chemicals Division June 2015    Director; General Manager, Production Technology Division and Sakai Manufacturing Site Sept. 2019    Director; General Manager, Onahama Manufacturing Site June 2021    Executive Officer; General Manager, Onahama Manufacturing Site (to present) Currently in charge of Onahama Manufacturing Site	9,228 shares
	Reasons for nomination: As a manufacturer in the chemical industry, we believe that it is essential to enhance the competitiveness of our products by enhancing our production technology and quality control. Yasuhiro Okamoto is well-versed in plant management and extensive experience and a proven record of accomplishments as the person in charge at the Onahama Manufacturing Site, a core manufacturing site. Based on his considerable knowledge and capabilities, 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
7	Yoshikazu Itou (March 19, 1960) [Reappointment] [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. (scheduled to retire June 2022)</p> <p>June 2021      Outside Director of the Company (to present)</p>	210 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 focused on enhance 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.</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 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: 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	<p style="text-align: center;">Hiromi Wada (July 24, 1960) [Reappointment] [Outside] [Independent]</p>	<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</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</p> <p>June 2021      Outside Director, Imasen Electric Industrial Co., Ltd. (to present)</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. (to present)</p>	210 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 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 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
9	Mitsunori Matsuda (March 20, 1959) [New Appointment] [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>	100 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 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:
- There are no special interests between any of the above candidates and the Company.  
From April 2021 to March 2022, Mitsunori Matsuda has provided technical guidance and other advice under a technical advisory agreement with the Company. The amount of remuneration was 2.4 million yen, which is not in conflict with the Standards for Selecting Independent Outside Officers set by the Company.
  - Yoshikazu Itou, Hiromi Wada, and Mitsunori Matsuda are candidates for Outside Director.
  - Yoshikazu Itou's and Hiromi Wada's terms of office as Outside Directors will be one (1) year at the conclusion of this General Meeting.
  - 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 2022. 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.
  - The number of the Company's shares owned by each candidate 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

### 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	Masaaki Yabe	●		●				●
2	Atsuya Nakanishi			●	●			●
3	Shinji Nakahara	●	●					
4	Hiroyuki Hattori				●		●	
5	Toshiyuki Yagura	●				●	●	●
6	Yasuhiro Okamoto		●					●
7	Yoshikazu Itou	●	●		●	●		
8	Hiromi Wada		●	●		●		●
9	Mitsunori Matsuda	●	●			●		

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.

**Proposal 3:** Election of One (1) Substitute Corporate Auditor

On the condition that Proposal 1 “Amendment to the Articles of Incorporation” is approved and passed, the Company proposes the election of one (1) substitute Corporate Auditor as follows, in preparation cases in which the number of Corporate Auditors fails to meet the number stipulated by law.

The Company may revoke an election under this proposal with the consent of the Board of Corporate Auditors and by resolution of the Board of Directors, only prior to the individual’s assumption of the position of Corporate Officer.

In addition, the consent of the Board of Corporate Auditors has been obtained for this proposal.

Name (Date of birth)	Career summary, position, responsibilities and significant concurrent positions outside the Company	Number of the Company’s shares owned
Hiroshi Morita (July 26, 1977) Candidate for substitute Corporate Auditor [Outside] [Independent]	Apr. 2000      Joined Matsushita Electric Industrial Co., Ltd. (currently Panasonic Corporation) Mar. 2004      Retired from Matsushita Electric Industrial Co., Ltd. Mar. 2007      Graduated Kobe University Law School Dec. 2008      Registered as Attorney (Osaka Bar Association) Joined Yodoyabashi & Yamagami LPC Apr. 2014      Partner, Yodoyabashi & Yamagami LPC (to present)	0 shares
Reasons for nomination as candidate for substitute Outside Corporate Auditor: As an attorney, Hiroshi Morita is well-versed in particularly in the fields of corporate law, antitrust law, and corporate governance. In terms of character, too, the Company expects that he will conduct audits of the business execution of Directors of the Company in strict conformance with law, and determined that he should be a candidate for substitute Outside Corporate Auditor. Although he does not have experience involving the management of companies, for the above reasons, the Company has determined that he will be able to properly execute the duties of Outside Corporate Auditor.		

- Notes:
1. There are no special interests between the above candidate and the Company.
  2. Hiroshi Morita is a candidate for substitute Outside Corporate Auditor.
  3. If Hiroshi Morita assumes the position of 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.
  4. If Hiroshi Morita assumes the position of 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.
  5. 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 2022. 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 Hiroshi Morita assumes the position of Corporate Auditor, he will be included as an insured person in the policy.



## 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 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 4:** Payment of Directors' Bonuses

The Company wishes to pay Directors' bonuses of sixty-two million six-hundred thousand (62,600,000) yen in total to the six (6) Directors excluding Outside Directors who are incumbent at the end of the fiscal year under review.

The specific amount, timing, method, etc. of payment to Directors will be resolved by the Board of Directors based on the "policy concerning the determination of remuneration for officers."

The Company has deemed this proposal as appropriate as it was decided by the Board of Directors after consulting with the Nomination and Remuneration Committee while giving general consideration to company performance, the results of each Director, etc.