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Securities Code: 4215
June 6, 2023

To our shareholders:

Yuji Fukuda
Representative Director President
C.I. TAKIRON Corporation
3-1-3, Umeda, Kita-ku, Osaka

Notice of the 128th Ordinary General Shareholders' Meeting

We are pleased to announce the 128th Ordinary General Shareholders' Meeting of C.I. TAKIRON Corporation ("the Company"), which will be held as described below.

Shareholders are kindly requested to exercise their voting rights after reviewing the Reference Documents for the General Shareholders' Meeting.

- 1. Date and time** Wednesday, June 28, 2023 at 10:00 a.m.
- 2. Venue** Naniwa Room, 20F, HOTEL GRANVIA OSAKA
3-1-1, Umeda, Kita-ku, Osaka

3. Purpose of the Meeting

Matters to be reported:

1. Report on the Business Report, the Consolidated Financial Statements and the audit results of the Consolidated Financial Statements by the Accounting Auditors and the Audit & Supervisory Board for the 128th fiscal year (from April 1, 2022 to March 31, 2023)
2. Report on the Non-consolidated Financial Statements for the 128th fiscal year (from April 1, 2022 to March 31, 2023).

Matters to be resolved:

- | | |
|-----------------------|------------------------------------------------------------------------------------------|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Election of Seven Directors |
| Proposal No. 3 | Election of One Substitute Audit & Supervisory Board Member |
| Proposal No. 4 | Partial Revision of the Performance-linked Stock-based Remuneration System for Directors |

When convening this general meeting of shareholders, the Company takes measures for providing the information that constitutes the contents of the reference documents for the general meeting of shareholders, etc. (items for which measures for providing information in electronic format are to be taken) in electronic format and posts this information as the “Notice of the 128th Annual General Meeting of Shareholders” on the following websites.

The Company’s website:	https://www.takiron-ci.co.jp/ir/stock/meeting.html (in Japanese)
TSE website:	https://www2.jpx.co.jp/tseHpFront/JJK010010Action.do?Show=Show (in Japanese) Search by entering “C.I. TAKIRON” in the “Issue name (company name)” field or the Company’s securities code “4215” in the “Code” field, select “Basic information,” and then “Documents for public inspection/PR information” and check the column “Notice of General Shareholders Meeting/Informational Materials for a General Shareholders Meeting” under “Filed information available for public inspection.”
The Portal of Shareholders’ Meeting: (Sumitomo Mitsui Trust Bank, Limited)	https://www.soukai-portal.net (in Japanese) Please access the URL above, and enter the ID and the initial password printed on the voting form.

Should any revisions be made to the “Notice of the 128th Ordinary General Shareholders’ Meeting,” we will post a notice on each of the aforementioned websites, as well as the items before and after the revisions.

[To shareholders who did not request the delivery of paper-based documents]

Shareholders who did not request the delivery of paper-based documents by the record date will receive a summary of the Reference Documents for the General Meeting of Shareholders (agenda and reference items) posted on the aforementioned websites.

Shareholders who wish to receive paper-based documents in the future and have not yet completed the procedures for requesting the delivery of paper-based documents are kindly asked to submit a request by the record date. Please contact our shareholder registry administrator, Sumitomo Mitsui Trust Bank, Limited, or your securities company for details on the procedures for requesting delivery of the documents.

[To shareholders who have requested the delivery of paper-based documents]

Shareholders who have requested the delivery of paper-based documents by the record date will receive such documents containing items for which measures for providing information in electronic format are to be taken, in accordance with laws and regulations and the Company’s Articles of Incorporation.

The items in (i) and (ii) below are not included in the document to be delivered but are posted on the aforementioned websites in accordance with the provisions of laws and regulations and Article 16, paragraph 2 of the Company’s Articles of Incorporation. When preparing the audit report, the Audit & Supervisory Board Members and Accounting Auditors have audited these

items together as part of the consolidated financial statements and the non-consolidated financial statements.

- (i) Notes to Consolidated Financial Statements
- (ii) Notes to Non-consolidated Financial Statements

Reference Documents for the General Shareholders' Meeting

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

In line with its medium-term management plan, "Commit to Transformation 2023," which started in April 2021, the C.I. TAKIRON Group is striving to steadily and promptly implement the following six priority measures: 1) Solve social issues; 2) Acquire new businesses, new products, and new technologies; 3) Accelerate borderlessness; 4) Adopt digital technology; 5) Restructure group management; and 6) Further improve our management base.

Furthermore, as a measure for shareholder returns, the Company's basic policy is to pay stable dividends with a target payout ratio of 40%, based on comprehensive consideration of business performance and medium- to long-term business plans.

In consideration of the policy above and consolidated financial results, the Company proposes to pay a year-end dividend for the fiscal year ended March 31, 2023, of ¥4 per share. Accordingly, including the interim dividend of ¥11 per share, the annual dividend will be ¥15 per share.

Year-end dividends

(1) Type of dividend property

Cash

(2) Allotment of dividend property to shareholders and their aggregate amount

¥4 per common share of the Company

Total payment: ¥390,126,956

(3) Effective date of dividends of surplus

June 29, 2023

Proposal No. 2 Election of Seven Directors

The terms of office of all seven Directors will expire at the conclusion of this meeting. In that regard, the Company proposes the election of seven Directors.

In order to enhance the objectivity and transparency of the election process, this proposal has passed through the deliberation process of the Nomination and Remuneration Committee.

The candidates for Director are as follows:

6 males, 1 female

Candidate No.	Name	Current position and responsibility in the Company	Attendance at Board of Directors meetings
1	Kazuya Saito	Director Chairman Reelection	100% (17/17)
2	Yuji Fukuda	Representative Director President Reelection	100% (13/13)
3	Toshio Tamaki	Managing Executive Officer Chief Operating Officer of the Corporate Planning Division Responsible for the Recycling Adaptive Materials Promotion Department CCO New election	—
4	Noboru Fukushima	Managing Executive Officer Chief Operating Officer of the Corporate Administration Division CIO New election	—
5	Kenichi Hatano	Director Reelection Outside Independent	100% (17/17)
6	Yoshiko Kosaka	Director Reelection Outside Independent	100% (17/17)
7	Takeshi Kaide	Director Reelection Outside Independent	100% (13/13)

Note: The name of Yoshiko Kosaka in the family register is Yoshiko Miyabata.

Reelection

Candidate for Director to be reelected

New election

Candidate for Director to be newly elected

Outside

Candidate for outside Director

Independent

Candidate registered at the Tokyo Stock Exchange as an Independent Officer

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
1	<p style="text-align: center;">Reelection</p> <p style="text-align: center;">Kazuya Saito (January 18, 1959)</p> <p>Attendance at Board of Directors meetings 100% (17/17)</p>	<p>Apr. 1981 Joined ITOCHU Corporation</p> <p>Apr. 2012 Executive Officer Chief Operating Officer of Chemicals Division</p> <p>June 2014 Executive Officer of the Company Assistant to President</p> <p>Nov. 2014 General Manager of the High Functional Materials Department and Branch Manager of Tokyo Branch</p> <p>June 2015 Director and Executive Officer</p> <p>Apr. 2016 Responsible for Logistics, High Functional Materials Business and Overseas Business</p> <p>June 2016 Director and Managing Executive Officer</p> <p>Apr. 2017 Director and Senior Managing Executive Officer Chief Operating Officer of the High Functional Materials Division</p> <p>Apr. 2018 Chief Operating Officer of the Environmental Materials Division</p> <p>Apr. 2019 Representative Director President & COO</p> <p>Apr. 2020 Representative Director President</p> <p>Apr. 2023 Director Chairman (current position)</p>	82,144
<p>[Reasons for nomination as candidate for Director]</p> <p>The Company appointed Kazuya Saito as the Director Chairman in April 2023 after serving as the Representative Director President in 2020 based on his many years of service to the ITOCHU Corporation in the Chemicals Division and after his appointment as Director, Chief Operating Officer of the High Functional Materials Division, Chief Operating Officer of the Environmental Materials Division since 2015, and Representative Director President & COO in 2019. The Company nominated Kazuya Saito because it can expect him to further the expansion of business and greater profitability as Chairman and for his continued execution of decision making and supervision of management based on his wealth of experience and expertise in overall business, including the overseas fields of the Company.</p>			

- Notes: 1. There is no special interest between Kazuya Saito and the Company.
2. The above "Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company" includes Kazuya Saito's current and past positions and responsibilities as a person who executes business at ITOCHU Corporation, the owners of parent of the Company, in the past 10 years.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
2	<p style="text-align: center;">Yuji Fukuda (January 21, 1957)</p> <p style="text-align: center;">Reelection</p> <p style="text-align: center;">Attendance at Board of Directors meetings 100% (13/13)</p>	<p>Apr. 1979 Joined ITOCHU Corporation</p> <p>Jan. 2005 General Manager of the Corporate Planning & Administration Division</p> <p>May 2006 Chief Operating Officer of Chemicals Division</p> <p>June 2006 Executive Officer</p> <p>Apr. 2008 Executive Vice President of Chemicals, Forest Products & General Merchandise Company and Chief Operating Officer of Chemicals Division</p> <p>Apr. 2009 Managing Executive Officer</p> <p>Apr. 2012 President of Energy & Chemicals Company</p> <p>June 2012 Representative Director, Managing Executive Officer</p> <p>Apr. 2015 Representative Director, Senior Managing Executive Officer</p> <p>Apr. 2016 Senior Managing Executive Officer</p> <p> CEO of Asia & Oceania Bloc, President & CEO of ITOCHU Singapore Pte Ltd and Executive Advisory Officer of CP & CITIC Operations</p> <p>Apr. 2019 Executive Vice President</p> <p> CEO of East Asia Bloc, CEO of Asia & Oceania Bloc and Executive Advisory Officer of CP & CITIC Operations</p> <p>June 2019 Representative Director, Executive Vice President</p> <p>Apr. 2022 Councilor</p> <p>June 2022 Representative Director, Executive Vice President of the Company</p> <p> Assistant to President Responsible for Corporate Planning Department, R&D Department, and Overseas Business Operations</p> <p>Apr. 2023 Representative Director President (current position)</p>	46,190
<p>[Reasons for nomination as candidate for Director]</p> <p>Yuji Fukuda spent his many years of service at ITOCHU Corporation in the Chemicals Division. He was appointed Representative Director in 2012 and Representative Director, Executive Vice President in 2019. The Company appointed him as Representative Director President in April 2023 after serving as the Representative Director and Executive Vice President in 2022 based on his many years of service at ITOCHU Corporation. The Company nominated Yuji Fukuda because it can expect him to further the expansion of business and greater profitability as the highest authority in management business execution currently and for his continued execution of decision making and supervision of management based on his wealth of experience and expertise in business, including overseas operating companies.</p>			

- Notes: 1. There is no special interest between Yuji Fukuda and the Company.
2. The above "Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company" includes Yuji Fukuda's current and past positions and responsibilities as a person who executes business at ITOCHU Corporation, the owners of parent of the Company, in the past 10 years.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
3	<div style="border: 1px solid black; display: inline-block; padding: 2px;">New election</div> Toshio Tamaki (November 30, 1961)	Apr. 1984 Joined the Company Apr. 2012 General Manager of the Tokyo High Functional Materials Sales Department Apr. 2016 General Manager of the High Functional Materials Department and Branch Manager of Tokyo Branch June 2016 Executive Officer General Manager of the High Functional Materials Department Apr. 2018 Managing Executive Officer (current position) Chief Operating Officer of the High Functional Materials Division Apr. 2021 Chief Operating Officer of the Corporate Planning Division Oct. 2021 Chief Operating Officer of the Corporate Planning Division Responsible for the Recycling Adaptive Materials Promotion Department Apr. 2023 Chief Operating Officer of the Corporate Planning Division Responsible for the Recycling Adaptive Materials Promotion Department CCO (current position)	34,769
<p>[Reasons for nomination as candidate for Director]</p> <p>The Company appointed Toshio Tamaki as CCO responsible for overseeing the Company's compliance after serving as the Chief Operating Officer of the Corporate Planning Division in 2021. He served as General Manager of the Tokyo High Functional Materials Sales Department and General Manager of the High Functional Materials Department, was then appointed Executive Officer in 2016, and after he served as Managing Executive Officer in 2018 and was appointed Chief Operating Officer of the High Functional Materials Division the same year. The Company nominated Toshio Tamaki because it can expect him to execute the decision making and supervision of management based on his wealth of experience and expertise in management and the overall business operations of the Company.</p>			

Note: There is no special interest between Toshio Tamaki and the Company.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
4	<p>Noboru Fukushima (December 7, 1963)</p> <p><u>New election</u></p>	<p>Apr. 1987 Joined ITOCHU Corporation</p> <p>May 2012 Deputy CFO of Machinery Company General Manager of Business Accounting and Control Section</p> <p>May 2014 General Manager, Planning & Control Department, General Accounting Control Division</p> <p>Apr. 2015 Deputy General Manager, General Accounting Control Division General Manager, Planning & Control Department, General Accounting Control Division</p> <p>May 2016 CFO of General Products & Realty Company</p> <p>May 2018 Vice President of ITOCHU East Asia Bloc responsible for Corporate Administration, Manager of East Asia Bloc Corporate Administration Group Seconded to ITOCHU SHANGHAI LTD</p> <p>May 2022 Executive Officer of the Company Chief Operating Officer of the Corporate Administration Division</p> <p>Apr. 2023 Managing Executive Officer (current position) Chief Operating Officer of the Corporate Administration Division CIO (current position)</p>	0
<p>[Reasons for nomination as candidate for Director]</p> <p>Noboru Fukushima spent many years of service at ITOCHU Corporation in the Finance and General Accounting Control divisions. He served as CFO of General Products & Realty Company of ITOCHU Corporation in 2016 and was appointed Vice President of ITOCHU East Asia Bloc responsible for Corporate Administration in 2018. He assumed office as Executive Officer of the Company in 2022, and in the same year, he began serving as Chief Operating Officer of the Corporate Administration Division of the Company. He was appointed Managing Executive Officer in April 2023 and currently serves as CIO with overall responsibility for information strategy. The Company nominated Noboru Fukushima because it can expect him to carry out management decision-making and supervision because of his extensive experience and knowledge, particularly in the areas of finance and accounting, including his experience at several overseas operating companies.</p>			

- Notes:
1. There is no special interest between Noboru Fukushima and the Company.
 2. The above "Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company" includes Noboru Fukushima's current and past positions and responsibilities as a person who executes business at ITOCHU Corporation, the owners of parent of the Company, in the past 10 years.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
5	<div style="text-align: center;"> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block;">Independent</div> </div> <p>Kenichi Hatano (December 28, 1947)</p> <p>Attendance at Board of Directors meetings 100% (17/17)</p>	<p>Mar. 1966 Joined Sumitomo Chemical Co., Ltd. (current SUMITOMO CHEMICAL COMPANY, LIMITED)</p> <p>June 1998 General Manager of Osaka Industrial Chemicals Department, Inorganic Industrial Chemicals Division</p> <p>Apr. 2001 General Manager of Osaka Industrial Chemicals Department, Industrial Chemicals Division</p> <p>June 2001 General Manager of Industrial Chemicals Department I, Industrial Chemicals Division</p> <p>June 2003 General Manager of Industrial Chemicals Division and General Manager of Industrial Chemicals Department I, Industrial Chemicals Division</p> <p>June 2005 Executive Officer General Manager of Industrial Chemicals Division</p> <p>Oct. 2007 Managing Executive Officer</p> <p>June 2009 Representative Director, Managing Executive Officer</p> <p>Apr. 2010 Representative Director, Senior Managing Executive Officer</p> <p>Apr. 2013 Retired from Representative Director & Senior Managing Executive Officer</p> <p>June 2013 Retired from Director External Director of Sumitomo Seika Chemicals Company, Limited.</p> <p>June 2015 Retired from External Director</p> <p>June 2018 Director of the Company (current position)</p>	14,244
<p>[Reasons for nomination as candidate for outside Director and summary of expected role]</p> <p>The Company nominated Kenichi Hatano as outside Director because it expects him to utilize his wealth of experience and expertise cultivated through his involvement in management of a comprehensive chemicals manufacturer in the management of the company. In addition, Kenichi Hatano has actively provided advice from an independent standpoint since his appointment as outside Director of the Company in 2018, and the Company expects him to continue to execute the proper decision making and supervision of management as an outside Director of the Company. At the conclusion of this meeting, Kenichi Hatano's tenure as outside Director of the Company will have been five years.</p>			
<p>[Independence of the candidate]</p> <p>Kenichi Hatano was an executive officer of SUMITOMO CHEMICAL COMPANY, LIMITED until April 2013. The Company has transactions with this company for the purchase of raw materials, etc., but as the percentage of transaction amount is less than 2%, SUMITOMO CHEMICAL COMPANY, LIMITED is not a major business partner of the Company.</p> <p>Kenichi Hatano satisfies the "Independence Standards for Outside Officers" established by the Company, and has been designated as an independent officer in accordance with the provisions of the Tokyo Stock Exchange. If the reelection of Kenichi Hatano is approved as proposed, the Company plans to continue the said designation.</p>			

- Notes: 1. There is no special interest between Kenichi Hatano and the Company.
2. Kenichi Hatano is a candidate for outside Director.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned	
6	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 2px;">Independent</div> Yoshiko Kosaka (September 20, 1976) Attendance at Board of Directors meetings 100% (17/17)	Oct. 2003	Registered as an attorney at law Joined Nishimura Law & Accounting Office	5,955
		July 2007	Termination of attorney at law registration (due to childcare leave, etc.)	
		Jan. 2013	Re-registered as an attorney at law Joined Takagi Law Office	
		Apr. 2016	Joined Irokawa Law Office (current Irokawa Legal Professional Corporation) (current position)	
		June 2020	Director of the Company (current position)	
		June 2022	Outside Auditor of KANEMITSU Corporation (current position)	
[Reasons for nomination as candidate for outside Director and summary of expected role] Yoshiko Kosaka has served as outside Director of the Company since 2020, leveraging her advanced expertise as an attorney and extensive knowledge related to corporate legal affairs, and the Company expects her to continue speaking actively from an independent perspective, and to continue fulfilling her role in appropriate management decision-making and supervision. Yoshiko Kosaka has never been involved in the management of a company except for serving as outside officer so far. However, the Company judges she will continue to appropriately fulfill her duties as an outside Director based on the above reasons. At the conclusion of this meeting, Yoshiko Kosaka's tenure as outside Director of the Company will have been three years.				
[Independence of the candidate] Yoshiko Kosaka satisfies the "Independence Standards for Outside Officers" established by the Company, and has been designated as an independent officer in accordance with the provisions of the Tokyo Stock Exchange. If the reelection of Yoshiko Kosaka is approved as proposed, the Company plans to continue the said designation.				

- Notes:
1. There is no special interest between Yoshiko Kosaka and the Company.
 2. Yoshiko Kosaka is a candidate for outside Director.
 3. The name of Yoshiko Kosaka in the family register is Yoshiko Miyabata.

Candidate No.	Name (Date of birth)	<<Career summary, position and responsibility in the Company, and significant concurrent positions outside the Company>>	Number of the Company's shares owned
7	<div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Reelection</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Outside</div> <div style="border: 1px solid black; padding: 2px; display: inline-block; margin-bottom: 5px;">Independent</div> <p>Takeshi Kaide (March 16, 1955)</p> <p>Attendance at Board of Directors meetings 100% (13/13)</p>	<p>Apr. 1979 Joined Mitsui Petrochemical Industries, Ltd. (current Mitsui Chemicals, Inc.)</p> <p>Jan. 2003 Deputy Managing Director of Mitsui Chemicals Asia, Ltd. (Singapore)</p> <p>Oct. 2004 Deputy Managing Director of Mitsui Chemicals Shanghai, China Responsible for China PTA sales</p> <p>June 2005 Deputy General Manager of Mitsui Chemicals, Inc. PTA & PET Division</p> <p>Oct. 2010 General Manager of PTA & PET Division Managing Director, Siam Mitsui PTA Co., Ltd (THAILAND)</p> <p>Apr. 2013 Representative in the Americas President & CEO, Mitsui Chemicals America Inc.</p> <p>Apr. 2015 Chief Senior Director Representative Director and President of Prime Polymer Co., Ltd.</p> <p>Apr. 2018 Representative Director President & CEO Mitsui Chemicals Tohcello, Inc.</p> <p>Apr. 2021 Senior Advisor</p> <p>Mar. 2022 Retired from Senior Advisor</p> <p>June 2022 Director of the Company (current position)</p>	1,911
<p>[Reasons for nomination as candidate for outside Director and summary of expected role]</p> <p>The Company nominated Takeshi Kaide as outside Director because it expects him to utilize his wealth of experience and expertise cultivated through his involvement in business management of comprehensive chemical manufacturers and management of multiple operating companies, including overseas companies. In addition, Takeshi Kaide has actively provided advice from an independent standpoint since his appointment as outside Director of the Company in 2022, and the Company expects him to continue to execute the proper decision making and supervision of management as an outside Director of the Company. At the conclusion of this meeting, Takeshi Kaide's tenure as outside Director of the Company will have been one year.</p>			
<p>[Independence of the candidate]</p> <p>Takeshi Kaide was an executive officer of Mitsui Chemicals, Inc. until March 2015 and of Prime Polymer Co., Ltd. until March 2018. The Company has transactions with each company for the purchase of raw materials, etc., but as the percentage of transaction amount is less than 2%, respectively, SUMITOMO CHEMICAL COMPANY, LIMITED and Prime Polymer Co., Ltd. are not major business partners of the Company. In addition, he was an executive officer of Mitsui Chemicals Tohcello, Inc. until March 2021. The C.I. TAKIRON Group has transactions with this corporate group for the purchase of raw materials, etc., but as the percentage of transaction amount is less than 2%, Mitsui Chemicals Tohcello, Inc. is not a major business partner of the Company.</p> <p>Takeshi Kaide satisfies the "Independence Standards for Outside Officers" established by the Company, and has been designated as an independent officer in accordance with the provisions of the Tokyo Stock Exchange. If the reelection of Takeshi Kaide is approved as proposed, the Company plans to continue the said designation.</p>			

- Notes: 1. There is no special interest between Takeshi Kaide and the Company.
2. Takeshi Kaide is a candidate for outside Director.

■ **Summary of details of limited liability agreement**

The Company has entered into an agreement with Kenichi Hatano, Yoshiko Kosaka and Takeshi Kaide to limit their liability for damages under Article 423, paragraph (1) of the Companies Act in accordance with the provisions of Article 427, paragraph (1) of the same Act. If their reelection is approved as proposed, the Company plans to renew this agreement with them. The maximum amount of liability for damages based on this agreement is the minimum liability amount stipulated in Article 425, paragraph (1) of the said Act. The said limitation of liability is allowed only when the concerned Directors perform the duties that caused the liability in good faith and without any gross negligence.

■ **Summary of details of contract for directors and officers liability insurance**

The Company concluded a liability insurance contract for directors and officers with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act, whereby insured persons are covered under said insurance contract for any damages and litigation costs incurred in the event a claim for damages is filed by a shareholder or a third party.

Each candidate will be included as an insured person under the insurance contract.

(Reference) “Independence Standards for Outside Officers”

In selecting candidates for outside officers, the Company selects candidates who satisfy the following unique standard of the Company in addition to the criteria set forth in the Companies Act and the Tokyo Stock Exchange.

In order for the Company to determine that an outside officer is independent, the said outside officer must be independent and neutral from the Company’s management without coming under any of the following.

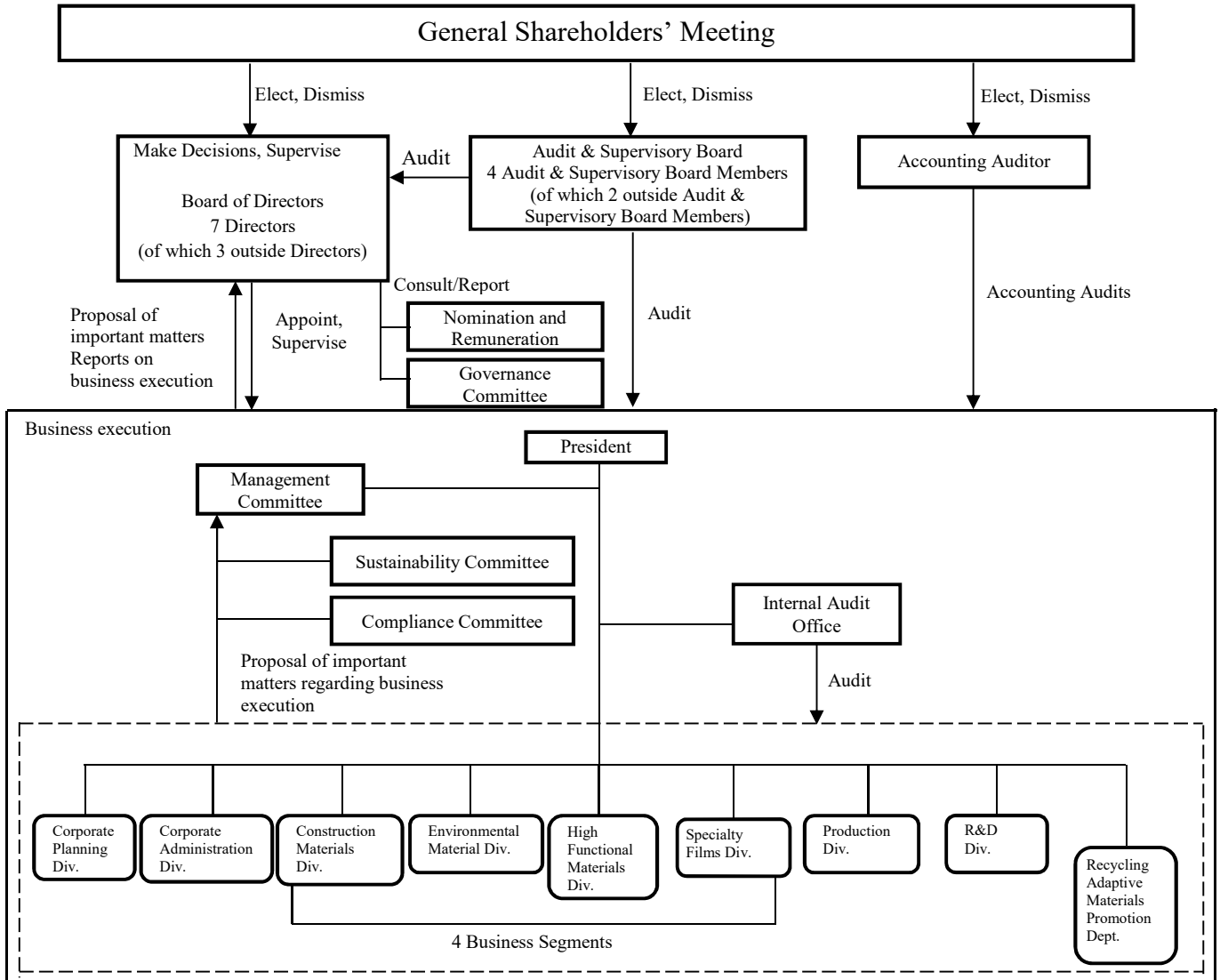
1. A person or a person who executes business (“executive”) who has the C.I. TAKIRON Group as a major business partner (sales to the C.I. TAKIRON Group account for 2% or more of the consolidated sales of the relevant business partner group)
2. A major business partner of the C.I. TAKIRON Group or such an executive (sales to the relevant business partner group account for 2% or more of the consolidated sales of the C.I. TAKIRON Group)
3. A person who belongs to the Company’s main bank, to a lead managing securities company, or to an auditing firm that is the Company’s financial auditor
4. Attorneys at law, consultants, etc. who receive a certain amount of money (¥10 million per year) or more in monetary or other financial benefits from the Company in addition to the remuneration for officers (including those who belong to corporations, partnerships, or other organizations if the person receiving such benefits is a member of such organization)
5. A Director who is not an executive or an executive of the owners of parent of the Company, an Audit & Supervisory Board Member of the owners of parent of the Company, or an executive of a brother company, at any time within 10 years prior to the assumption of office
6. Major shareholders of the Company (persons who directly or indirectly hold 10% or more of the total voting rights, excluding the owners of parent of the Company) or their business executors
7. Spouse, relative within the second degree of kinship, or relative living in the same household of a person who is an executive of the C.I. TAKIRON Group or of a person who falls under 1 through 6 above
8. A person who has come under 1 to 4, 6, or 7 above in the last 5 years
9. A person who has been in office as an outside Director for a total of more than 8 years

(Reference) Skills Matrix (if Proposal No. 2 is approved as originally proposed)

The “Skills Matrix” defines the skills required of the Directors and Audit & Supervisory Board Members of the Company in order to realize the C.I. TAKIRON Group’s corporate philosophy, implement the business portfolio strategy, and promote SDGs management, among others. If Proposal No. 2 is approved as originally proposed, the Skills Matrix for each Director and each Audit & Supervisory Board Member will be as follows.

	Skill	Corporate Management	Environment/Social	Finance/Accounting	Talent Development	Legal/Governance	Sales/Marketing	Technology/R&D	Global
Directors	Kazuya Saito	•	•			•	•		•
	Yuji Fukuda	•		•	•	•	•		•
	Toshio Tamaki	•	•				•		
	Noboru Fukushima	•		•	•	•			•
	Kenichi Hatano	•			•		•	•	
	Yoshiko Kosaka			•		•			
	Takeshi Kaide	•					•		•
Audit & Supervisory Board Members	Toshiro Okajima		•		•	•		•	
	Masamichi Kanatomi	•		•		•			•
	Masako Osuna	•	•		•		•		•
	Takashi Araki	•		•		•			

(Reference) Corporate Governance Framework (if Proposal No. 2 is approved as originally proposed)



(Reference) Advisory Organizations to the Board of Directors

Nomination and Remuneration Committee

The Nomination and Remuneration Committee is established as an advisory body to the Board of Directors with more than half of the members made up of Independent Outside Directors in order to heighten the independence, objectivity and transparency of the Board of Directors in the nomination of Directors, Audit & Supervisory Board Members and Executive Officers as well as in the remuneration of Directors and Executive Officers. Any important matters related to nomination or remuneration are evaluated under this committee before approval by the Board of Directors.

Main Committee Agenda

- Selection criteria for Director, Audit & Supervisory Board Members, and Executive Officer candidates
- Examination of independent election proposals for Directors, Audit & Supervisory Board Members, and Executive Officers
- Matters related to the appointment and dismissal of representative and Executive Officers
- Remuneration policies for Directors and Executive Officers
- Examination of processes to determine remuneration for Directors and Executive Officers

Composition of Committee (as of April 1, 2023)

Committee Chairperson	Yoshiko Kosaka, Independent Outside Director
Members	Yuji Fukuda, Director President Kenichi Hatano, Independent Outside Director

Governance Committee

With the aim of further enhancing corporate governance, the Company has established a Governance Committee, the majority of whose members are Independent Outside Directors, to deliberate on important governance-related matters and other material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders, as required by Japan's Corporate Governance Code (Supplementary Principles 4.8.3).

Main Committee Agenda

- Important governance matters
- Effectiveness evaluation of the Board of Directors
- Material transactions or actions that conflict with the interests of the controlling shareholder and minority shareholders*

*Deliberations only involve Independent Outside Directors

Composition of Committee (as of April 1, 2023)

Committee Chairperson	Kenichi Hatano, Independent Outside Director
Members	Yuji Fukuda, Director President Yoshiko Kosaka, Independent Outside Director Takeshi Kaide, Independent Outside Director Takashi Araki, Independent Outside Audit & Supervisory Board Member

(Reference) Effectiveness Evaluation of the Board of Directors

The Company analyzes and evaluates the effectiveness of the Board of Directors every year and strives to address challenges discovered as a result for the purpose of improving Board of Directors functions. The effectiveness evaluation conducted in fiscal 2022 is shown below.

Evaluation Method

1. Deliberate over the evaluation process at the Governance Committee
2. Conduct survey for self-assessment by Directors and Audit & Supervisory Board Members.
3. Exchange ideas between Directors and Audit & Supervisory Board Members based on analysis of the survey results.
4. Deliberate over the evaluation results at the Governance Committee
5. Conduct evaluations at the Board of Directors

Evaluation Results

1. Items Improved in Fiscal 2022

Efforts to address the five priority issues for fiscal 2022 established in the previous evaluation resulted in the following improvements.

(1) Expansion of discussions on medium- to long-term plans

While beginning to organize issues and tasks for the establishment of business portfolio management, the Company has improved the operation of the Board of Directors and created a forum for discussion in response to the need to enhance discussion of medium- and long-term strategies and plans and ESG themes at the Board of Directors meetings.

(2) Organizing the basic approach to deepening governance

The Governance Committee deliberated on the Company's basic approach to corporate governance and reported to the Board of Directors.

(3) Enhancement of management support programs

Towards the operation of the program commencing in fiscal 2023, the Company consolidated an information provision system for Board Members and improved systematic and planned training content for prospective Board Members.

(4) Enhancement of initiatives related to sustainability issues

As of April 1, 2022, the Sustainability Committee was established as a body for overall control from a comprehensive and long-term perspective regarding the promotion of sustainability management, and the committee made regular reports to the Board of Directors at each meeting.

(5) Improvement of dialogue with shareholders and investors

As part of efforts to further enhance dialogue with shareholders and investors and further explanations, the Company has continued to hold explanatory meetings and established a page for individual investors, among other measures.

2. Fiscal 2022 Effectiveness Evaluation and Future Initiatives

The Company received an overall positive evaluation determining the Board of Directors functions appropriately and is effective from various initiatives on structure of the Board of Directors and invigorating deliberations at the Board of Directors meetings.

The Company will promote initiatives to improve the three items below as priority issues in an effort to further enhance the effectiveness of the Board of Directors.

- (1) Expansion of discussions on medium- to long-term plans
- (2) Review of system and framework for governance
- (3) Enhancement of management support and human resource development programs

Proposal No. 3 Election of One Substitute Audit & Supervisory Board Member

The Company proposes the election of one substitute outside Audit & Supervisory Board Member in advance to be ready to fill a vacant position should the number of outside Audit & Supervisory Board Members fall below the number required by laws and regulations.

In addition, the consent of the Audit & Supervisory Board has been obtained for this proposal.

In order to enhance the objectivity and transparency of the election process, this proposal has passed through the deliberation process of the Nomination and Remuneration Committee.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Name (Date of birth)	<<Career summary and significant concurrent positions outside the Company>>	Number of the Company's shares owned
Takashi Honda (December 24, 1972)	<p>Oct. 1996 Joined Aoyama Audit Corporation (currently PricewaterhouseCoopers Aarata LLC)</p> <p>Apr. 2001 Registered as a certified public accountant</p> <p>July 2003 Joined Zeirishi-Hojin PricewaterhouseCoopers (current PwC Tax Japan)</p> <p>Oct. 2007 Registered as a certified public tax accountant</p> <p>Oct. 2014 Director of Honda Certified Public Accountant Office Joined EXPERTS LINK LTD., CO.</p> <p>Sept. 2016 Senior Partner</p> <p>Aug. 2020 Director of Takashi Honda Certified Public Accountant & Tax Accountant Office (current position) Senior Partner of Progressive Advisory LLC (current position)</p>	0

[Reasons for nomination as candidate for substitute outside Audit & Supervisory Board Member]
The Company nominated Takashi Honda as a candidate for substitute outside Audit & Supervisory Board Member as he has worked for an audit corporation and a tax accountant corporation for many years and has a wealth of experience and knowledge in these fields as well as a high level of expertise in finance and accounting as a certified public accountant and tax accountant, and it expects him to provide appropriate advice and verification in order to ensure the appropriateness of decision making by the Board of Directors.

[Independence of the candidate]
Takashi Honda satisfies the "Independence Standards for Outside Officers" established by the Company, and if his reelection is approved as proposed and he assumes office as an Audit & Supervisory Board Member, the Company plans to designate him as an independent officer in accordance with the provisions of the Tokyo Stock Exchange.

[Limited liability agreement]
If the election of Takashi Honda is approved as proposed and he assumes office as an Audit & Supervisory Board Member, the Company plans to enter into an agreement with him to limit his liability for damages under Article 423, paragraph (1) of the Companies Act in accordance with the provisions of Article 427, paragraph (1) of the same Act. The maximum amount of liability for damages based on this agreement is the minimum liability amount stipulated in Article 425, paragraph (1) of the said Act. The said limitation of liability is allowed only when the concerned Audit & Supervisory Board Member performs the duties that caused the liability in good faith and without any gross negligence.

[Contract for directors and officers liability insurance]
The Company concluded a liability insurance contract for directors and officers with an insurance company, as stipulated in Article 430-3, paragraph (1) of the Companies Act, whereby insured persons are covered under said insurance contract for any damages and litigation costs incurred in the event a claim for damages is filed by a shareholder or a third party. If Takashi Honda's appointment is approved and he becomes an Audit & Supervisory Board Member, he will be included as an insured person under said insurance contract.

- Notes: 1. There is no special interest between Takashi Honda and the Company.
2. Takashi Honda is a candidate for substitute outside Audit & Supervisory Board Member.

Proposal No. 4 Partial Revision of the Performance-linked Stock-based Remuneration System for Directors

1. Reasons for proposal and justification of the revision

At the 123rd Ordinary General Meeting of Shareholders held on June 27, 2018, the Company received approval for the introduction of a stock-based remuneration system (hereinafter referred to as “the former plan”) for Directors of the Company (excluding non-executive Directors). Subsequently, at the 124th Ordinary General Meeting of Shareholders held on June 26, 2019, the Board of Directors approved the revision of some of the details of the former system (the maximum value of the Company’s shares to be contributed by the Company necessary to deliver the Company’s shares to Directors under the former system and the maximum number of points to be granted which is the basis for calculating the number of shares to be delivered to each Director, etc.). In addition, at the 126th Ordinary General Meeting of Shareholders held on June 25, 2021, the Company has obtained shareholders’ approval to revise the former plan to performance-linked stock-based remuneration system (hereinafter referred to as “the proposed system”) (the resolution of the above approval at the 126th Ordinary General Meeting of Shareholders held on June 25, 2021 is hereinafter referred to as “the previous resolution”) and has been operating the system to date.

The performance-linked indicator (the point award criteria used as the basis for calculating the number of Company shares to be issued to Directors under this system) for the initial period covered by this system (fiscal years ending March 31, 2022, through March 31, 2024) was the percentage of achievement of the performance targets set forth in the Medium-Term Management Plan CX2023 (fiscal years ending March 31, 2022, through March 31, 2024). However, after the previous resolution, there have been rapid changes in the Company’s business environment from when the plan was formulated, and the plan was terminated after being shortened to two years this time, and a new single-year management plan for the fiscal year 2023 was formulated. Thus, the Company requests approval of the change in the performance-linked indexes under the proposed system. The Company proposes to delegate the details to the Board of Directors within the framework in 2. below.

The proposed system further continues to clarify the link between remuneration for Directors and the Company’s business performance and stock value would allow Directors to share the same profits and risks as all shareholders due to fluctuations in the stock price, thereby aiming to raise their awareness to contribute to improving medium- to long-term business performance and increasing corporate value. The Company believes that a partial change in this system because of this proposal is appropriate for achieving these goals as it is necessary to link remuneration with performance-linked indicators in light of the constantly changing business environment.

In addition, the Company deems that this proposal is necessary and reasonable for granting remuneration to Directors in accordance with the policy for determining the content of remuneration for each individual Director, and thus is appropriate in this respect.

If the Proposal No. 2 “Election of 7 Directors” is approved as originally proposed, the number of directors subject to the proposed system (Directors excluding non-executive Directors) will be four.

*The proposed system has also been introduced for executive officers who have concluded a delegation contract with the Company, and if this proposal is approved as originally proposed, the Company plans to make the same change for executive officers by a resolution of the Board of Directors.

2. Details and other after changes to the proposed system

(1) Outline of the Proposed System

The proposed system is a stock-based remuneration system, whereby a trust which the Company established by making a financial contribution (already established, hereinafter the “Trust”) acquires the Company shares, and delivers the Company shares to each Director equivalent to the number of points the Company granted to each Director.

(2) Details of Revisions to the Proposed System

Regarding the previous resolution, for the initial target period, the performance-linked indicator, which is the basis for granting points, was set as “achievement rate of performance targets set forth in the Medium-Term Management Plan CX2023 (fiscal years ending March 31, 2022, through March 31, 2024)”, but for the fiscal year ending March 31, 2024, this will be revised to “achievement rate of performance targets outlined in the single-year management plan for the fiscal year 2023.” In addition, the Company’s Board of Directors will determine the performance-linked indicators following the end of the initial target period.

Overview of the system after the revision is as follows. With the exception of the above change in the performance-linked indicators, there are no changes from the previous resolution.

(i) Persons eligible for the proposed system	Directors of the Company (excluding non-executive Directors)
(ii) Target Period	From the fiscal year ended March 31, 2022 to the fiscal year ending March 31, 2024 (However, the term may be extended for a period not exceeding three fiscal years on a case-by-case basis upon the decision of the Board of Directors.)
(iii) Maximum amount of money the Company will contribute as funds for the acquisition of the Company shares required to be delivered to the persons eligible mentioned in (i) during the target period of three years mentioned in (ii)	Total: ¥90 million (However, in the case of an extended period, the upper limit for the extended period is calculated by multiplying the number of fiscal years in the target period of the extended period by ¥30 million.)
(iv) Method of acquisition of shares of the Company	Either by disposing of treasury shares or by purchasing shares on the exchange market (including after-hours trading)
(v) Upper limit for total number of points that the Company shall grant to the persons eligible mentioned in (i)	30,000 points for each fiscal year (One point shall be worth one share of the Company’s stock. However, in the event of a stock split or reverse stock split of the Company’s shares, the number of shares per point shall be adjusted according to the split ratio or consolidation ratio.)
(vi) Criteria for granting points	[Before revision] For the initial target period, the number of points calculated according to the achievement rate of performance targets set forth in the Medium-Term Management Plan CX2023 (fiscal years ending March 31, 2022, through March 31, 2024) will be granted. [After revision] Of the initial target period, for the fiscal year 2023, the number of points calculated according to the achievement rate of the performance targets set in the single-year

	management plan for the fiscal year 2023 will be granted.
(vii) Time of delivery of the Company shares to persons eligible mentioned in (i)	At the time of retirement from office in principle