

Corporate Governance Report

CORPORATE GOVERNANCE

Tosoh Corporation.

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Tosoh Corporation

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Securities code: 4042

<https://www.tosoh.com/>

The corporate governance of Tosoh Corporation (the “Company”) is described below.

This report was translated into English from its original Japanese version. In the event of a conflict between the two versions, the Japanese version will prevail.

I. Basic views on corporate governance, capital structure, corporate profile and other basic information

1. Basic views

With the aim of continuously increasing corporate value, the Company will strive to build an efficient organizational structure capable of an agile response to changes in the business environment and to conduct fair, transparent, and sound corporate management.

Reasons for non-compliance with the principles of the corporate governance code

The Company complies with all of the principles set forth in the corporate governance code.

Disclosure based on the principles of the corporate governance code

Principle 1.4: Cross-shareholdings

The Company holds shares of business partners for the purpose of maintaining and developing business relationships. The board of directors conducts an annual assessment of the appropriateness of the purpose of such shareholdings, and whether the associated benefits and cost of capital are commensurate with the purpose. As a result of this review, the Company considers selling shares that are not expected to be profitable or to strengthen business relationships in the future and that are not seen enhancing the Company's corporate value. During the fiscal 2026 verification, some issues will be considered for sale, and the results will be reported at the following year's board of directors meeting. Of the shares considered for sale in fiscal 2025, the Company sold all holdings of four (4) stocks and a portion of holdings of one (1) stock.

Regarding the exercise of voting rights related to shares held by the Company as cross-shareholdings, the Company has established standards for the exercise of voting rights and takes actions in accordance with such standards. Specifically, for each individual proposal, the Company will exercise its voting rights after comprehensively considering whether or not the proposal will contribute to the maintenance and development of business relations with the Company and enhance the medium- to long-term corporate value of the Company and investees. In exercising voting rights over shares deemed to be held, the Company will also consider whether it is in the interests of the beneficiaries.

Principle 1.7: Related party transactions

Regarding conflict-of-interest transactions, the approval of the Company's board of directors is obtained, and the results of such transactions are reported to the board. The board also approves related party transactions.

Supplementary principle 2.4.1: Disclosure on diversity in the appointment of core personnel

The Company believes that "human capital," which forms the foundation and core of management resources, is the most important factor in sustainably enhancing corporate value and continuously earning the trust of stakeholders. In the Tosoh Group Sustainability Basic Policy, the Company has set forth the "inheritance and development of a free and open corporate culture" and have designated "promotion of human capital management" as a materiality issue. The Company has also set target values as key performance indicators (KPIs) and are working toward their achievement.

Employees are the source of corporate value creation and are indispensable in tackling the challenging goal of "achieving both growth and decarbonization" as stated in our medium- to long-term management policy.

The Company aims to be a company where employees can achieve autonomous growth and fully demonstrate their abilities while balancing work and life. To this end, the Company is working on "developing autonomous human resources who can respond to social changes, accept diverse values, and think and act independently," as well as "fostering a rewarding and diverse, open workplace environment." Going forward, the Company will continue to realize development of a variety of "ease of work" systems and creation of diverse "work satisfaction" through various systems and initiatives.

[Human Resource Development Policy]

In the face of major social changes such as longer working lives (the 100-year life era) and the advancement of digitalization (AI, IoT, etc.), the Company believes that developing human resources who can accept diverse values and think and act independently is essential for sustainable corporate value enhancement. Based on this recognition, our basic policy for human resource development is to foster "autonomous human resources" who can envision their desired future, adapt to environmental changes, and maintain a willingness to learn and persevere towards realization.

Our in-house education system is being revised from passive training to a mechanism for active and continuous learning, aiming to draw out employees' autonomy and initiative.

The Company has also established a career support group within the company to support employees in choosing their ideal careers and lifestyles.

*Definition of autonomous human resources: Individuals who, regardless of internal or external organizational boundaries or environment, create their own work and roles, involve those around them, and deliver results.

[Internal Environment Development Policy]

The Company believes that actively incorporating diverse human resources and values is important for creating new value. For diverse human resources to thrive, it is essential to respect each individual's working style and create an environment where they can work healthily and securely over the long term while balancing work and life. The Company is promoting health management that supports (1) work style reforms to improve efficiency and achieve work-life balance, (2) enhancement of systems to support the balance between diverse lifestyles and work, and (3) employee health promotion.

[Ensuring Diversity]

(1) Regarding women, the Company is focusing on the recruitment and promotion of female employees to encourage their active participation and retention. A key issue for promoting women's advancement is increasing the pool of female executive candidates over the medium to long term. To address this, based on the Act on Promotion of Women's Participation and Advancement in the Workplace, the Company has set a target of 20% or more female hires in new graduate career-track recruitment and are working to achieve this. The Company is also expanding opportunities for female employees by assigning them to manufacturing and sales departments, where they have been underrepresented, taking into account their aptitudes and preferences.

(2) Regarding mid-career recruitment, the Company is expanding hiring to secure talent with diverse expertise in response to specific business needs such as R&D and new product launches, which are expected to drive growth. From FY2026, the Company has set a target of 20% or more mid-career hires among new recruits and are actively working toward this. While the Company has not set a specific target for hiring foreign nationals, the Company aims to enhance international competitiveness by hiring outstanding talent regardless of nationality, race, or ethnicity and promoting business with members from diverse cultural backgrounds.

[Key Management Indicators (KPIs) for Promoting Human Capital Management]

- (1) Overall engagement survey score: Target A rank or higher by FY2028
- (2) Satisfaction with career education in hierarchical training: Target 70% or higher by FY2028
- (3) Percentage of women among new graduate career-track hires: Target 20% or higher by FY2028

- (4) Percentage of mid-career hires: Target 20% or higher by FY2028
- (5) Employment rate of persons with disabilities: Target 2.7% or higher by FY2028
- (6) Childcare leave acquisition rate for male employees: Target 90% or higher by FY2028
- (7) Paid leave acquisition rate: Target 80% or higher by FY2028

Detailed information on the status of initiatives, targets, and related data is disclosed on the Company's website.

[Diversity and Inclusion \(https://www.tosoh.com\)](https://www.tosoh.com)

Principle 2.6: Role of corporate pension funds as asset owners

The Company has adopted a defined-benefit corporate pension plan, and the general manager of Corporate Control & Accounting manages the reserve funds in his or her capacity as executive director of investment management. In addition, an Asset Management Committee consisting of an equal number of company-appointed directors and subscriber-appointed directors has been established. The Asset Management Committee assesses the appropriateness of the basic investment policy and asset mix, evaluates asset management contractors, and strives to appropriately manage conflicts of interest that may arise between the beneficiaries of corporate pension plans and the Company by reflecting the opinions of beneficiaries in the asset management process.

Principle 3.1 i) to v): Full disclosure

i) Company objectives (e.g. business principles), business strategies and business plans

The Company's management philosophy and management policy are disclosed on its website. It has established and announced a medium-term business plan, the outline of which is disclosed on its website. The Company will strive to manage its affairs with the aim of achieving the goals set forth in this plan.

<https://www.tosoh.com/investors/strategy>)

ii) Basic views and guidelines on corporate governance based on each of the principles of the corporate governance code

With the aim of continuously enhancing corporate value, the Company will build an efficient organizational structure that enables an agile response to changes in the business environment and will strive to conduct fair, transparent, and sound corporate management.

iii) Board policies and procedures in determining the compensation of the senior management and directors
As described in "II-1: Directors' compensation - policy for determining the calculation method of the amount of compensation" in this report.

iv) Board policies and procedures in the appointment/dismissal of senior management and the nomination of candidates for directors and corporate auditor

The appointment and dismissal of senior management and nomination of candidates for directors and corporate auditor is comprehensively determined and resolved by the board of directors in accordance with the criteria outlined below. To ensure transparency and fairness in the selection and dismissal of senior management and the nomination of candidates for directors and corporate auditor, the Company obtains reports from the Nomination and Compensation Advisory Committee.

○ Criteria for the appointment of senior management and nomination of candidates for the board of directors

- 1) Be in good physical and mental health
- 2) Possess good character, dignity, and ethics
- 3) Possess leadership skills as a member of the management team
- 4) Possess the will and ability necessary to perform duties faithfully
- 5) Possess the ability to make objective judgments regarding management
- 6) External directors should have a proven track record and deep insight in their respective fields of expertise

○ Nomination criteria for corporate auditors

- 1) Be in good physical and mental health
- 2) Possess good character, dignity, and ethics
- 3) Possess a wide range of experience and insight in all aspects of management
- 4) Be able to provide useful advice and recommendations to the board of directors
- 5) External auditors should have a proven track record and deep insight in their respective fields of expertise

○ Criteria for dismissal of management executives

- 1) When a member of the executive management team no longer meets any of the criteria for selection during his

or her term of office

2) When an executive officer satisfies the dismissal criteria (such as when an executive officer is found to have committed wrongful or unfair acts or is found to be unqualified to serve as an executive officer) as described in the Executive Officer Regulations

v) Explanations with respect to the individual appointments/dismissals and nominations based on iv)
Based on iv) above, the Company's board of directors nominates candidates for directors and corporate auditor, and the reasons for individual nominations are stated in the reference documents for the Notice of the Ordinary General Meeting of Shareholders

Supplemental Principle 3.1.3: Disclose the company's sustainability initiatives

The Company is committed to the proactive disclosure of information on its management strategies and plans to enhance its corporate value over the medium to long term. It discloses its approach, policies and initiatives on its website. (<https://www.tosoh.com/investors/strategy>)

The Company believes that its greatest asset is its human resources and that its identity as a company that is rewarding to work for is vital. It is endeavoring to create a work environment in which all employees can demonstrate their abilities and remain highly motivated, and to reform the way they work toward improving work-life balance and productivity.

As a chemical manufacturer, the Company aims to create innovative products and technologies with new and unprecedented value for the realization of a sustainable and prosperous society, and as such is actively investing in R&D to resolve social issues with the SDGs in mind. Moreover, the Legal & Patents team strives to secure and utilize the technologies obtained as a result of R&D as indisputable rights, and is working to respond to research and business strategies.

With regard to the risks and opportunities associated with climate change, the Company has positioned the reduction of CO₂ emissions as its most important issue, and is pursuing it primarily through the CO₂ Reduction and Effective Use Promotion Committee with a view to improving production processes, creating innovative processes, and effectively utilizing CO₂ emissions as chemical raw materials in its own operations. In line with the framework of the Task Force on Climate-Related Financial Disclosures (TCFD), the Company is committed to analyzing and proactively disclosing risks and opportunities related to climate change, while focusing on developing new technologies and products that can contribute to resolving climate change issues.

Supplemental Principle 4-1.1: Disclose a summary of the board's judgments, decisions, and scope of delegation to management.

The matters to be resolved by the board of directors at the Company are those stipulated by laws, regulations, and the Articles of Incorporation, as well as other important matters, which are judged and decided by the board of directors. Of important management matters other than those to be resolved as stipulated in Japan's Companies Act, matters that fall below a certain level are subject to delegation of decision-making authority by establishing specific criteria in the board of directors Regulations and the Company's rules for approval of documents, etc.

Principle 4.9: Independence standards and qualification for independent external directors

The Company considers a person to be independent if none of the following criteria for determining external independence apply to him or her.

- Criteria for determining the independence of external directors / corporate auditors
 - 1) Persons who have held the position of executive director, executive officer, vice president, or other employee of the Company or its subsidiaries within the past 10 years
 - 2) Executive directors, executive officers, or vice presidents of an entity that is a major customer of the Company (a customer that provides products or services to the Company where the transaction amount is equivalent to more than 2% of said customer's annual consolidated sales in the most recent fiscal year)
 - 3) Executive directors, executive officers, or vice president of the Company's major business partners (business partners to whom the Company provides products or services where the transaction amount is equivalent to more than 2% of the Company's annual consolidated sales in the most recent fiscal year)
 - 4) Persons who receive monetary or other financial benefits of ¥10 million or more per year from the Company as consultants, accounting experts, or legal experts other than compensation for their services

- as directors or corporate auditors of the Company
- 5) Those to whom 2) through 4) above have applied within the past three years
- 6) Second-degree relatives of those to whom 1) through 5) above apply

Moreover, the Company endeavors to appoint independent external directors who can provide appropriate management oversight through decisions on important matters and provide useful advice that will contribute to the Group's sustainable growth and enhancement of corporate value.

Supplemental Principle 4.10.1: Establishment of an independent nominating and compensation committee; committee involvement and advice

The board of directors has established the Nomination and Compensation Advisory Committee as an advisory body to ensure fair and transparent procedures for the nomination and compensation of directors, corporate auditors, and executive officers. The Rules of the Nomination and Compensation Advisory Committee stipulate that this committee shall consist of at least three members, including the president, and those independent external directors shall comprise the majority. The committee consists of six members: two internal directors and four independent external directors from the perspective of gender and other diversity and skills. The committee chair is selected from among the independent external directors. As stated in Principle 4.9, an independent external director is one who has notified the Tokyo Stock Exchange of his or her status as an independent director in accordance with the criteria for determining external independence. The matters to be deliberated, secretariat, and frequency of meetings of the committee are as outlined below, and the results of these deliberations are then reported to the board of directors.

○ Matters to be deliberated

- 1) Matters to be proposed at the Ordinary General Meeting of Shareholders concerning nomination of candidates for directors and corporate auditor
- 2) Matters concerning the selection and dismissal of representative directors
- 3) Matters concerning the selection and dismissal of directors with special titles
- 4) Matters concerning the selection and dismissal of executive directors
- 5) Matters concerning the selection and dismissal of vice presidents
- 6) Matters concerning the selection and dismissal of executive officers with special titles
- 7) Matters concerning succession planning (including training) of the representative director and president
- 8) Matters related to compensation for directors and executive officers
- 9) Other matters related to nomination and compensation

○ Composition of committee members

Committee Chairman (external director): Yoshihiro Honbo

Members (external directors): Mariko Hidaka, Yukimasa Nakano, Yukiko Hashitera

(Internal directors): Mamoru Kuwada, Toru Adachi

○ Secretariat

- Corporate Secretariat

○ Frequency of meetings

- 9 times in FY2025

Main topics: Formulation of director candidate proposals, matters related to compensation for directors, etc.

Supplemental principle 4.11.1: Approach to and disclosure of balance, diversity, and size of the board of directors as a whole in terms of knowledge, experience, and capabilities

Matters concerning the Company's directors and board of directors are set forth in the Articles of Incorporation and disclosed on the Company's Japanese website. (<https://www.tosoh.co.jp/ir/stocks/articles/>)

In the case of directors, the Company makes decisions based on comprehensive consideration of performance of duties, business experience, leadership skills, personality, ability, and other factors from the viewpoint of securing personnel capable of managing and supervising all divisions of the Company.

Each director has expertise in the areas of corporate planning, manufacturing and research, sales, and finance and accounting, and the Company believes that the board of directors as a whole has a well-balanced composition.

In the case of external directors and corporate directors, independence is ensured, and decisions are made based on comprehensive consideration of their abundant experience and track record in corporate management and other

areas, as well as their broad-ranging knowledge and insight. The reasons for nominating candidates for directors and corporate directors are stated in the Reference Materials for the General Meeting of Shareholders in the Notices of the Ordinary General Meeting of Shareholders. With respect to the balance of knowledge, experience, and abilities of directors and auditors required for the Company's management policies and plans, the Company discloses the skills matrix of its directors and auditors on its website and elsewhere.

Supplemental Principle 4.11.2: Disclosure of concurrent directorships in other listed companies

To properly fulfill their respective roles and responsibilities, the Company's directors and corporate auditors must always devote sufficient time and effort to their work.

Moreover, when directors and corporate auditors concurrently serve as officers of other listed companies, such positions should be limited to a reasonable extent.

The Company discloses concurrent directorships with other listed companies in the business report and annual securities report.

Supplementary Principle 4.11.3: Analysis and evaluation of the effectiveness of the board of directors as a whole and disclosure of results summary

In order to ensure objectivity and transparency, the effectiveness of the board of directors is evaluated by a questionnaire survey, which is conducted on items such as the composition and operation of the board of directors, with the advice of external organizations. As a result of analysis and evaluation based on the responses to the questionnaire, the effectiveness of the Company's board of directors as a whole is ensured, as the composition, operation, discussion, monitoring, function, etc. of the Company's board of directors were generally positively evaluated.

Reasons for judging that the board of directors is effectively fulfilling its roles and responsibilities:

- Continuation of a balanced composition of the board of directors, both within and outside the Company, with diversity in terms of knowledge, experience, expertise, career, gender, etc.
- Continuation of appropriate risk management and monitoring and supervision of business execution based on sufficient reporting
- Continuation of appropriate operation of the board of directors (frequency of meetings, scope of agenda items, deliberation time, volume and timing of distribution of materials, etc.)

Moreover, while there is some opinion that the board of directors have been able to discuss responses to ESG and efforts to address CSR, there are other opinions that further discussion is needed on initiatives to realize management that is conscious of the cost of capital and stock price, and the Company will continue to consider these opinions. The board of directors is asked for its opinions on topics that should be discussed in light of changes in the corporate environment and social demands on the board. The Company will select themes for discussion in consideration of what are deemed to be the most pressing issues. Regarding the business portfolio policy, which has been raised as a theme so far, discussions advanced in formulating the medium-term business plan, divided into the Chemical Chain Business and the Advanced Technologies Business, and announced as a business portfolio strategy.

The Company will continue to work based on the results of the board's analysis and evaluation to contribute to the sustainable growth and enhancement of the Group's corporate value.

Supplemental Principle 4.14.2: Disclosure of training policies for directors and corporate auditors

To ensure sound management and comprehensive compliance with laws and regulations, the Company regularly holds lectures by lawyers and other experts to provide directors and corporate auditors with opportunities to fully understand the roles and responsibilities required of them. The contents of the meeting include the authority and responsibilities of directors and corporate auditors, legal risks, and matters related to internal control. The Company holds lectures by lawyers for newly appointed directors and corporate auditors. In addition, directors and corporate auditors have the opportunity to participate in outside seminars at the Company's expense to acquire necessary knowledge and update it appropriately.

Principle 5.1: Policy for constructive dialogue with shareholders

1. Basic Policy

- To contribute to sustainable growth and medium- to long-term enhancement of corporate value, the Company shall establish a system for timely and appropriate disclosure to shareholders, investors, and securities analysts (hereinafter referred to as "shareholders and investors") of information on

management strategies, financial and business performance, and other relevant matters.

- The Company aims to gain the trust and appropriate evaluation from shareholders and investors by engaging in dialogue to enable them to clearly understand the Company's management strategies.
- The Company will refer to the opinions and requests received from shareholders and investors in corporate management toward improving corporate value.

2. System for information disclosure and dialogue

- The executive officers responsible for investor relations (IR) will be in charge of IR activities.
- The director in charge of IR is appointed as the general manager, and the department in charge of IR activities is placed under his or her control.
- The department in charge of IR shall exchange information with the corporate strategy, accounting, finance, legal, general affairs, and other related departments in a timely manner, establish a system of organic cooperation, consider methods and content of dialogue, and disclose information appropriately.
- The contents shall be reviewed and information disclosed appropriately. Moreover, the management team responsible for each department will work together to oversee and promote these activities.

3. Upgrading methods of conducting dialogue

The Company will implement the following initiatives as means to enhance dialogue. In addition, it will strive to conduct IR activities in an interactive manner, emphasizing fairness, accuracy, and continuity when engaging in dialogue.

- i) Implementation of analyst and institutional investor briefings, and conducting plant tours and small-scale meetings
- ii) Implementation of individual meetings for analysts and institutional investors, and information sessions for individual investors
- iii) Conducting company briefings utilizing domestic and international securities company conferences
- iv) Conducting plant tours for individual shareholder
- v) Disclosing information to investors in Japan and overseas on the website and providing opportunities to post opinions
- vi) Conducting questionnaires for shareholders on the website

4. IR quiet period

- The period from the day after the fiscal year-end to each earnings announcement date is designated as the IR quiet period, during which time the Company will refrain from responding to financial results inquiries and from holding individual meetings. If there is a possibility that earnings may deviate significantly from the company's forecasts, however, information will be disclosed as appropriate.

5. Methods of feedback

- Opinions and concerns identified through dialogue with shareholders and investors shall be reported in a timely manner at meetings of the board of directors, and feedback shall be provided to management and relevant departments.

6. Management of insider information

- The Company shall thoroughly manage undisclosed material facts in accordance with insider trading prevention regulations.
- When discussing with shareholders and investors, the Company will take the utmost care to prevent the leakage of insider information.
- It will conduct periodic training to ensure thorough management of insider information.

7. Understanding of shareholder structure

- The Company conducts periodic surveys of substantial shareholders to better understand the shareholder structure.

【Measures for realizing management that is conscious of the cost of capital and stock price】

Against the backdrop of declining profit margins since FY2023 and continued growth in equity capital, ROE has remained below 10%. Although the PER has recovered to the 10x range in recent years, it remains at a level that suggests there is still room for further market revaluation. As a result, since FY2023, the PBR has been consistently evaluated below 1x, which indicates that our capital profitability is below market expectations and that the growth path of our businesses is not clearly defined.

In this context, our ROE target is set at 10% or higher, which the Company considers to be above the assumed

cost of equity capital. To achieve this target, the Company will work to improve ROE not only by increasing profits but also by controlling the scale of equity capital from the perspective of capital efficiency. In addition, by enhancing disclosure of information on the growth potential of each business in our group, the Company aims to reduce the cost of equity capital and gain understanding and trust from the stock market regarding our growth, thereby improving PER. The Company recognizes that improving PER will take time, but the Company will strive to maintain a PER of 10x and, together with the ROE target of 10%, aim to eliminate the PBR below 1x.

Specifically, under the medium-term business plan announced in May 2025, covering FY2026 to FY2028, the Company will implement the following initiatives:

- Redefine our business segments, enhance disclosure to increase the resolution of each business's characteristics, growth potential, and challenges, and seek understanding of each business's growth potential through communication with the stock market.
- Based on the business strategies outlined in the medium-term management plan, the Company will work to recover and expand the profit levels of each business and build a track record, thereby gaining market trust in growth potential.
- The Company will clarify its shareholder return policy and plan to implement additional share buybacks, aiming to improve capital efficiency while controlling the pace of equity capital expansion.

*For details of the FY2026–2028 medium-term management plan, please refer to the explanatory materials on our website.

(<https://www.tosoh.com>)

【Status of Dialogue with Shareholders】

The following is a summary of the main activities of dialogue between our management and shareholders and investors.

<Implemented in FY2025>

- 1) Methods of conducting dialogue
Small-scale meetings, management briefings, briefings on each business, individual interviews
- 2) The Company's attendees
president, executive vice presidents, and senior general managers of divisions under their charge
- 3) Dialogue partner
Major domestic and overseas institutional investors
- 4) Main themes of dialogue
Medium-term business plan, growth strategy, decarbonization measures, ESG related, etc.
- 5) Feedback to the board of directors, etc.
Periodically report and share opinions and suggestions obtained from the dialogue

2. Capital structure

Foreign shareholding ratio	20% or more and less than 30%
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Status of major shareholders

Name or company name	Number of shares owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	51,404,500	16.14
Custody Bank of Japan, Ltd. (Trust account)	21,504,350	6.75
Northern Trust Co. (AVFC) Re Silchester International Investors International Value Equity Trust	9,936,700	3.12
Mizuho Bank, Ltd.	7,046,755	2.21
Sumitomo Mitsui Trust Bank, Limited	6,702,000	2.10
Nippon Life Insurance Company	6,683,337	2.10
Tosoh Employee Shareholding Association	5,593,800	1.76
Northern Trust Co. (AVFC) Re U.S. Tax Exempted Pension Funds	5,500,286	1.73

Mitsui Sumitomo Insurance Company, Limited	5,486,000	1.72
The Nomura Trust and Banking Co., Ltd. (Investment Trust Account)	5,130,500	1.61

Name of controlling shareholder, if applicable (excluding parent company)	Not applicable
Name of parent company, if applicable	Not applicable

Supplementary explanation

Silchester International Investors LLP hold 22,947,300 shares as of March 17, 2025, according to a substantial shareholding report submitted on March 24, 2025 by Silchester International Investors LLP.

Nomura Securities Co., Ltd. and two other companies hold 19,833,919 shares as of April 30, 2025, according to a substantial shareholding report submitted on May 7, 2025 by Nomura Securities Co., Ltd.

3. Corporate attributes

Listed stock exchange and market segment (updated)	Prime Market
Fiscal year-end	March
Business sector	Chemicals
Number of employees (consolidated) as of the end of the previous fiscal year	1,000 or more
Net sales (consolidated) as of the end of the previous fiscal year	¥1 trillion or more
Number of consolidated subsidiaries as of the end of the previous fiscal year	50 or more and less than 100

4. Policy on measures to protect minority shareholders in conducting transactions with controlling shareholder

Not applicable

5. Other special circumstances which may have material impact on corporate governance

[The group management policies, and the significance of having a listed subsidiary]

The Tosoh Group businesses consist of the “Chemical Chain Business,” which comprises highly efficient product chains starting from salt electrolysis and naphtha cracking, and the “Advanced Technologies Business,” made up of advanced technologies and products with independent facilities. The Chemical Chain Business plays such essential roles as generating cash, which forms the foundation of management, and providing infrastructure to the Advanced Technologies Business. Meanwhile, the Advanced Technologies Business expands business domains in targeted growth markets and aims to expand our profit base. Based on a business portfolio that positions the Chemical Chain Business as the management foundation and the Advanced Technologies Business as the growth driver, the Company is working to enhance corporate value across the Group.

Organo Corporation (hereafter “Organo”), listed on the Prime Market of the Tokyo Stock Exchange, is a consolidated subsidiary of Tosoh Corporation. Organo is engaged in the water treatment engineering business and has established a strong position, particularly in supplying ultrapure water production equipment for the electronics industry, a growth area. Due to its profitability and high growth potential, Organo is positioned as an important part of the Advanced Technologies Business portfolio, and the Company is working to solve issues by utilizing the Group’s management resources to support Organo’s further growth.

On the other hand, Organo maintains its listing due to the uniqueness of its business domain, corporate culture, the need to maintain and enhance brand recognition, and the recruitment of highly specialized talent. Tosoh Corporation believes that maintaining Organo’s listing and autonomous management while engaging with diverse stakeholders contributes to its growth and, consequently, to the enhancement of the Group’s overall corporate

value. The Company will continue to consider the optimal capital relationship from the perspective of the growth and corporate value enhancement of both companies.

While we regularly share management policies and issues with Organo's management, Organo does not require prior approval from the Company in performing its business activities. In addition, Organo's business has almost no overlap in products and services with the Company or other Group companies, and there is no competition for business opportunities within the Group. In addition, there are no contracts or group financial management structures restricting management between Organo and the Company.

[Measures to ensure the effectiveness of the governance system of listed subsidiaries]

Organo has established and operates a governance system independent of the Company's. Organo's executive candidates are decided by its board of directors after obtaining the opinion of its Nomination and Compensation Committee, and the independence of its executive nomination process is ensured because the majority of the members of both its Nomination and Compensation Committee and the Board of Directors are independent outside directors.

With regard to proposals related to the appointment of Organo's executives, the Company exercises its voting rights while fully respecting the judgment of Organo's Nomination and Compensation Committee, which has the function of nominating and taking into consideration the qualities of executive candidates. In addition, when an executive of the Company becomes president of Organo, they resign from the Company and is nominated and elected according to the process described above before taking office.

II. Business management organization and other corporate governance systems regarding decision-making, execution of business, and oversight in management

1. Organizational composition and operation

Corporate governance system

Company with corporate auditor*

*Referred to in the corporate governance code reference translation as "Company with *Kansayaku* Board"

Directors

Number of directors stipulated in articles of incorporation	Twelve 12
Directors' term of office stipulated in articles of incorporation	One (1) year
Chairperson of the board	President
Number of directors	Nine (9)
Election of external directors	Elected
Number of external directors	Four (4)
Number of independent directors	Four (4)

External directors' relationship with the Company (1)

Name	Attributes	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Yoshihiro Hombo	From another company					△						
Mariko Hidaka	CPA											
Yukimasa Nakano	From another company								△	△		
Yukiko Hashitera	From another company											

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under

the category in the past; “●” when a close relative of the director presently falls or has recently fallen under the category; and “▲” when a close relative of the director fell under the category in the past.)

- a. Person who executes business of the Company or a subsidiary
- b. Person who executes business or a non-executive director of a parent company
- c. Person who executes business of a fellow subsidiary
- d. Person/entity for which the Company is a major client or a person who executes business for such person/entity
- e. Major client of the Company or a person who executes business for such client
- f. Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/corporate auditor compensation from the Company
- g. Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- h. Person who executes business for a client of the Company (excluding persons categorized as any of d, e, or f above) (applies to self only)
- i. Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- j. Person who executes business for an entity receiving contributions from the Company (applies to self only)
- k. Other

External directors' relationship with the Company (2)

Name	Designation as independent director	Supplementary explanation of the applicable relationship	Reasons for appointment
Yoshihiro Hombo	○	<p>Mr. Yoshihiro Hombo retired as director, vice chairman of Valqua, Ltd in June 2025. The Company has no business relationship with Valqua, Ltd. and Mitsubishi Pencil Company, Limited where he concurrently holds a position. Mr. Hombo retired as counselor of Mitsui & Co., Ltd., Limited in March 2019. Currently he is not an executive of the said company. The Company has a business relationship involving sale of products and purchase of raw materials, etc. with said company, and the scale of such transactions is approximately two percent of the annual consolidated sales of the Company. The Company believes that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief Personal History Apr. 1979: Joined Mitsui & Co., Ltd. Apr. 2010: Executive officer Apr. 2012: Managing executive officer Apr. 2014: Senior executive managing officer Jun. 2014: Representative director; senior executive managing officer Apr. 2017: Representative director; executive vice president Apr. 2018: Director Jun. 2018: Counselor Apr. 2019: Vice president and executive officer of Valqua, Ltd. Jun. 2019: Representative director, president & COO Jun. 2020: External director of the Company (current position) Jun. 2024: Director, vice chairman of Valqua, Ltd. Mar. 2025: External director of</p>	<p>Mr. Hombo has extensive experience such as in sales and marketing, overseas operations, business supervision and corporate management, and he provides useful advice and appropriate management supervision, taking an objective view of the Tosoh Group. Going forward the Company believes he will provide appropriate management supervision through decision-making on important matters, has deemed that he will provide useful advice for sustainable growth of the group and raising corporate value, and therefore proposes him as a candidate for external Director.</p> <p>In addition, since all of the items listed in the Company's independence of external directors/corporate auditors do not apply to him, the Company has determined that he has independence that is unlikely to cause any conflict of interest with general shareholders and has designated him as an independent director.</p>

		Mitsubishi Pencil Company, Limited (current position)	
Mariko Hidaka	○	<p>Ms. Mariko Hidaka retired as senior partner of Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) in July 2020. Currently she is not an executive of the said company. There is no business relationship between Ernst & Young ShinNihon and the Company. In addition, although the Company has business relationship with Kyokuto Boeki Kaisha, Ltd., where she concurrently holds a position, there is no special relationship. There is no business relationship between Hidaka CPA Office, which she represents, or SBI Sumishin Net Bank, Ltd., where she holds a concurrent position, and the Company. The Company believes that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief Personal History Apr. 1984: Joined Chuo Audit Corporation Apr. 1987: Registered as certified public accountant Jul. 2000: Partner of Chuo Audit Corporation Jul. 2006: Senior partner of ChuoAoyama Audit Corporation Aug. 2007: Senior partner of Ernst & Young ShinNihon (currently Ernst & Young ShinNihon LLC) Jun. 2020: External director of the Company (current position) Aug. 2020: Representative of Hidaka CPA Office (current position) Jan. 2021: External corporate auditor of SBI Sumishin Net Bank, Ltd. (current position) Jun. 2021: External director (Audit and Supervisory Committee member) of Kyokuto Boeki Kaisha, Ltd. (current position)</p>	<p>Ms. Hidaka has extensive experience such as in accounting and auditing as well as supporting corporate management, and she provides useful advice and appropriate management supervision, taking an objective view of the Tosoh Group. Going forward, the Company believes she will provide appropriate management supervision through decision-making on important matters, has deemed that she will provide useful advice for sustainable growth of the group and raising corporate value, and therefore proposes her as a candidate for External Director. She has never been directly involved in the management of a company, except as an external officer. However, the Company judges she will appropriately fulfill her duties as an External Director based on the above reasons.</p> <p>In addition, since all of the items listed in the Company's criteria for determining the independence of external directors/corporate auditors do not apply to her, the Company has determined that she has independence that is unlikely to cause any conflict of interest with general shareholders and has designated her as an independent director.</p>
Yukimasa Nakano	○	<p>Mr. Yukimasa Nakano retired as Director of Taiheiyo Cement Corporation in June 2023. Currently he is not an executive of the said company. The Company has a business relationship involving sale of products and purchase of raw materials, etc. with said company, and the scale of such transactions is approximately one percent of the annual consolidated sales of the Company. The Company believes that there is no risk of a conflict of interest with general shareholders. Moreover, Mr. Shingo Tsutsumi, a former employee of the Company, has been appointed as an external director of Taiheiyo Cement Corporation in June 2024.</p> <p>Brief Personal History</p>	<p>Mr. Nakano has extensive experience in accounting, sales and marketing, business coordination, corporate management, and other areas. He provides useful advice and appropriate management supervision, taking an objective view of the Tosoh Group. The Company believes he will provide appropriate management supervision through decision-making on matters important for the group, has deemed that he will provide advice beneficial for the sustainable growth of the group and raising corporate value, and therefore proposes him as a candidate for External Director.</p> <p>In addition, since all of the items listed in the Company's independence of external directors/corporate auditors do not apply to him, the Company has</p>

		<p>Apr. 1982: Joined Onoda Cement Co., Ltd.</p> <p>Apr. 2016: General manager of Kyushu Branch, Taiheiyo Cement Corporation</p> <p>Apr. 2017: Executive officer</p> <p>Apr. 2020: Managing executive officer</p> <p>Apr. 2022: Senior executive officer</p> <p>Jun. 2022: Director, senior executive officer</p> <p>Apr. 2023: Director</p> <p>Jun. 2023: External director of the Company (current position)</p>	<p>determined that he has independence that is unlikely to cause any conflict of interest with general shareholders and has designated him as an independent director.</p>
Yukiko Hashitera	○	<p>Ms. Yukiko Hashitera is CEO of Phoenixi Co Ltd. The Company has no business relationship with Phoenixi Co Ltd. In addition, the Company has no business relationship with Nissha Co., Ltd., where she concurrently holds a position. The Company believes that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief Personal History</p> <p>Apr. 1989: Joined Ueno Fine Chemicals Industry, Ltd.</p> <p>Apr. 2001: Joined R-Tech Ueno, Ltd.</p> <p>Apr. 2006: CEO of R-Tech Ueno, Ltd.</p> <p>Jul. 2013: Joined Lucas LLC</p> <p>Mar. 2018: CEO and Founder of Phoenixi Co Ltd (current position)</p> <p>Mar. 2024: External director of Nissha Co., Ltd. (current position)</p> <p>Jun. 2024: External director of the Company (current position)</p>	<p>Ms. Hashitera has extensive experience in R&D, quality control, human resource development, and other areas. The Company believes she will provide appropriate management supervision through decision-making on matters important for the group, has deemed that she will provide advice beneficial for the sustainable growth of the group and raising corporate value, and therefore proposes her as a candidate for External Director.</p> <p>In addition, since all of the items listed in the Company's independence of external directors/corporate auditors do not apply to her, the Company has determined that she has independence that is unlikely to cause any conflict of interest with general shareholders and has designated her as an independent director.</p>

Voluntary establishment of committee(s) equivalent to nomination committee or compensation committee

Established

Status of voluntarily established committee(s), attributes of members constituting the committee and the committee chair (chairperson)

	Committee's name	All members	Full-time members	Internal directors	External directors	External experts	Other	Chairperson
Voluntarily established committee equivalent to nomination committee	Nomination and Compensation Advisory Committee	6	0	2	4	0	0	External director
Voluntarily established committee equivalent to compensation committee	Nomination and Compensation Advisory Committee	6	0	2	4	0	0	External director

Supplementary explanation

The board of directors has established the Nomination and Compensation Advisory Committee as its advisory body, and the board of directors obtains reports from the Committee on important matters such as nomination and compensation of directors, corporate auditors, and executive officers.

- The status of the establishment of the Nomination and Compensation Advisory Committee and matters discussed by the Committee are described in "I-1: Disclosure based on the principles of the corporate governance code" of this report in supplementary principle 4.10.1.

Corporate auditors*

*Referred to in corporate governance code reference translation as "*kansayaku*"

Establishment of Audit and Supervisory Board	Established
Number of corporate auditors Stipulated in Articles of Incorporation	Five (5)
Number of corporate auditors	Four (4)

Cooperation among corporate auditors, accounting auditors and internal audit departments

- Corporate auditors coordinate the audit methods, audit plans, and related matters of the accounting auditor and hear reports from the accounting auditor on the implementation of the accounting audit. Moreover, meetings are held as appropriate for the purpose of exchanging information.
- Corporate auditors regularly hear individual internal audit reports and exchange information with the auditing department. They also receive reports on, review, and discuss internal audit plans.

Appointment of external corporate auditors	Appointed
Number of external corporate auditors	Three (3)
Number of independent corporate auditors	Three (3)

External corporate auditors' relationship with the Company (1)

Name	Attributes	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Takefumi Matake	From another company										△			
Tetsuya Teramoto	From another company										△			
Tsuneyasu Ozaki	Lawyer										△			

*Categories for "Relationship with the Company".

(Use "○" when the director presently falls or has recently fallen under the category; "△" when the director fell under the category in the past; "●" when a close relative of the director presently falls or has recently fallen under the category; and "▲" when a close relative of the director fell under the category in the past.)

- Person who executes business of the Company or a subsidiary
- A non-executive director or an accounting advisor of the Company or its subsidiaries
- Person who executes business or a non-executive director of a parent company
- A corporate auditor of a parent company of the Company
- Person who executes business of a fellow subsidiary
- Person/entity for which the Company is a major client or a person who executes business for such person/entity
- Major client of the Company or a person who executes business for such client
- Consultant, accounting expert, or legal expert who receives large amounts of cash or other assets in addition to director/Audit and Supervisory Board Member compensation from the Company
- Major shareholder of the Company (in cases where the shareholder is a corporation, a person who executes business of the corporation)
- Person who executes business for a client of the Company (excluding persons categorized as any of f, g, or h above) (applies to self only)
- Person who executes business for another company holding cross-directorships/cross-auditorships with the Company (applies to self only)
- Person who executes business for an entity receiving contributions from the Company (applies to self only)

m. Other

External directors' relationship with the Company (2)

Name	Designation as independent director	Supplementary explanation of the applicable relationship	Reasons for appointment
Takafumi Matake	○	<p>Mr. Matake was advisor of Japan Investor Relations and Investor Support, Inc. and retired as advisor of Japan Investor Relations and Investor Support, Inc. in June 2025. There is no business relationship between Japan Investor Relations and Investor Support, Inc. The Company believes that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief personal history: Apr. 1986: Joined The Industrial Bank of Japan, Limited Apr. 2010: General manager of Human Resources Division, Mizuho Securities Co., Ltd. Apr. 2015: Executive officer Apr. 2017: Managing executive officer Apr. 2018: Senior managing executive officer of Mizuho Financial Group, Inc. and managing executive officer of Mizuho Securities Co., Ltd. Apr. 2020: Director and senior managing executive officer of Japan Investor Relations and Investor Support, Inc. July 2021: Representative director and senior managing executive officer Apr. 2025: Advisor Jun. 2025: Full-time corporate auditor of the Company (external) (current position)</p>	<p>Mr. Matake has abundant experience in finance and human resource management, and the Company believes that he will be able to properly audit the execution of duties by the directors from a neutral and fair standpoint based on such experience.</p> <p>In addition, since all of the items listed in the Company's criteria for determining the independence of external directors/corporate auditors do not apply to him, the Company has determined that he has independence that is unlikely to cause any conflict of interest with general shareholders and has designated him as an independent director.</p>
Tetsuya Teramoto	○	<p>Mr. Tetsuya Teramoto served as director, and then president and chief executive officer, and finally chairman of Eiken Chemical Co., Ltd., and retired from the company's board of directors in June 2018. Currently, he is not an executive officer of the company. Although the Company has a business relationship with the company including product sales, which account for less than 1% of the Company's total annual consolidated sales. The Company believes that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief Personal History Mar. 1970: Joined Eiken Chemical Co., Ltd. Jun. 1996: Director Jun. 2005: Director, managing executive officer Jun. 2006: Director, senior managing executive officer Apr. 2007: Director, representative executive officer president & CEO Jun. 2014: Director, representative</p>	<p>Mr. Teramoto has abundant experience in corporate management, etc., and the Company has elected him because it believes that he will be able to properly audit the execution of duties by the directors from a neutral and fair standpoint based on such experience.</p> <p>In addition, since all of the items listed in the Company's criteria for determining the independence of external directors/corporate auditors do not apply to him, the Company has determined that he has independence that is unlikely to cause any conflict of interest with general shareholders and has designated him as an independent director.</p>

		<p>executive officer Chairman of the board Jun. 2014: External corporate auditor of the Company (current position) Jun. 2016: Director, chairman of the board of Eiken Chemical Co., Ltd.</p>	
Tsuneyasu Ozaki	○	<p>Mr. Tsuneyasu Ozaki is the Lawyer at Ozaki Business Law Office. There is no business relationship between the Company and Ozaki Business Law Office. He was retired as the head of Nishimura & Asahi LPC's Fukuoka branch in Dec. 2025. The Company requests legal services from this Firm on an as-needed basis, and transactions account for less than 1% of the Firm's annual transaction volume. There is no business relationship between the Company and CellSource Co., Ltd., where he concurrently holds a position. The Company has determined that there is no risk of a conflict of interest with general shareholders.</p> <p>Brief Personal History</p> <p>Apr. 1996: Appointed as public prosecutor Jul. 2004: Assistant division chief, Administrative Management Bureau of the Ministry of Internal Affairs and Communications Jul. 2005: Resigned as public prosecutor Aug. 2005: Registered as an attorney at law Jan. 2008: Partner of Nishimura & Asahi Jul. 2013: Representative partner of Nishimura & Asahi, Fukuoka Branch Jun. 2014: External corporate auditor of the Company (current position) Sept. 2016: Chairperson, Corporate Governance Committee of Takada Corporation Jan. 2019: External corporate auditor of CellSource Co., Ltd. Jan. 2023: External director (Audit and Supervisory Committee member) of CellSource Co., Ltd. (current position) Jan. 2023: Lawyer at Ozaki Business Law Office (current position)</p>	<p>Mr. Ozaki has professional knowledge and extensive experience as an attorney at law. Based on this experience, the Company believes that he will be able to properly audit the execution of duties by the directors from a neutral and fair standpoint and has therefore elected him as a director. Although he has never been directly involved in corporate management in any way other than as an external officer, for the reasons stated above, the Company has determined that he will be able to appropriately perform his duties as an external Audit and Supervisory Board member of the Company.</p> <p>In addition, since all of the items listed in the Company's criteria for determining the independence of external directors/corporate auditors do not apply to him, the Company has determined that he has independence that is unlikely to cause any conflict of interest with general shareholders and has designated him as an independent director.</p>

Matters concerning independent directors and independent corporate auditors

Number of independent directors and independent corporate auditors

Seven (7)

Other matters concerning independent directors and independent corporate auditors

The Company designates all of its external directors and external corporate auditors as independent directors and corporate auditors.

Incentives

Implementation status of measures related to incentives granted to directors

Introduction of performance-linked compensation scheme

Supplementary explanation for applicable items

As described in "II-1 Directors' Compensation - Policy for determining the calculation method of the amount of compensation" in this report.

Persons eligible for stock options

Supplementary explanation for applicable items

Not applicable

Director compensation

Status of disclosure of individual directors' compensation

Disclosure for only partial directors' compensation

Supplementary explanation for applicable items

- The total amount of compensation, etc. for directors and corporate auditors for the fiscal year ending March 31, 2025 is as follows
1) Ten (10) directors, total amount of compensation ¥434 million (including five (5) external directors, total amount of compensation ¥58 million)
2) Four (4) corporate auditors, total amount of compensation ¥80 million (including three (3) external auditors, total amount of compensation ¥51 million)
The above includes one (1) external director who retired at the conclusion of the 125nd Ordinary General Meeting of Shareholders held on June 21, 2024.
- Total amount of compensation, etc. per director/officer
Individuals with total compensation of ¥100 million or more are disclosed separately in the Annual Securities Report.

Policy on determining compensation amounts and the calculation methods thereof

Established

Disclosure of policy on determining compensation amounts and the calculation methods thereof

1. Policy for determining the calculation method of the amount of compensation
The Company's basic policy is to design the compensation system to sustainably improve corporate performance and value, and to secure excellent human resources. Compensation for directors is determined within the range of the total amount of compensation resolved at the General Meeting of Shareholders. The date of the resolution of the general meeting of shareholders regarding the compensation, etc. of directors of the Company is June 21, 2024, and the content of the resolution is that the total amount of compensation, etc. of directors shall be within ¥670 million per year (this amount is broken down as follows: (1) the cash compensation portion is ¥590 million (of which, ¥80 million or less for external directors), and (2) the stock-based compensation portion for directors excluding external directors is ¥80 million, not including salaries and bonuses for officers who also serve as employees). The number of directors at the end of this general meeting of shareholders is nine (including four external directors).
2. Policy for determining individual director compensation, etc.
Specific details in accordance with the basic policy are as follows.
 - 1) Policy on determining how to calculate the amount of fixed compensation
Fixed compensation is regarded as consideration for the position and is determined for each position in consideration of the compensation level in the survey results of the management compensation compiled by an external organization.
 - 2) Policy on determining the content of performance indicators related to performance-based compensation and the method of calculating the amount of performance-based compensation
Performance-linked compensation is structured as follows: it includes performance-linked compensation using the consolidated ordinary profit of the previous fiscal year as a performance indicator reflecting the overall results of the business, which combines regular business activities and financial activities; performance-linked compensation

using the annual dividend per share based on the previous fiscal year's financial results as a performance indicator reflecting returns to shareholders; and performance-linked compensation using the achievement level of our company's materiality KPIs in the previous fiscal year as a performance indicator to promote contributions to a sustainable society. The amount for each is determined for each position based on the ratio to fixed compensation, which is set in consideration of executive compensation levels and other survey results compiled by external organizations, as well as the range of performance linkage.
(No specific targets are set for the indicators used in determining compensation amounts.)

3) Policy on determining the content of non-monetary compensation (stock-based compensation) and the method of calculating the amount of non-monetary compensation
The allotment of restricted shares, which is non-monetary compensation, will be decided for each position by comprehensively considering various matters such as the degree of contribution.

4) Policy on determining the ratio of the amount of fixed compensation, performance-based compensation, and non-monetary compensation to the amount of individual compensation, etc. for directors
The ratio of fixed compensation, performance-based compensation, and non-monetary compensation (stock-based compensation) to the amount of individual compensation, etc. shall be determined for each position, in consideration of the compensation level in the survey results of the management compensation compiled by an external organization.
Moreover, external directors shall receive only fixed compensation from the perspective of their role and independence.

5) Policy on determining the timing or conditions for giving compensation, etc. to directors
Fixed compensation and performance-based compensation are paid monthly. Fixed compensation based on the position of the current fiscal year and performance-based compensation based on the performance and achievement of the previous fiscal year are paid monthly as the compensation for the current fiscal year. As for the restricted share compensation, which is a non-monetary compensation, restricted shares are allotted annually in accordance with the allotment agreement, and the transfer restriction will be removed upon retirement.

6) How to determine the content of individual compensation, etc. for directors other than the above
Individual compensation, etc. for directors will be decided by the Board of Directors based on a report of the Nomination and Compensation Advisory Board, the majority of whose members are independent external directors.

Support system for external directors and/or external corporate auditors

If deemed necessary, a system of communication is established for external directors from the secretariat of the board of directors and for external corporate auditors from a dedicated person in charge of the secretariat of the audit and supervisory board. Explanations are provided by distributing materials in advance for matters to be resolved by the board of directors. Periodic reports are provided on the deliberations of important meetings.

Statuses of persons who have retired as representative director and president, etc.

Information on persons holding advisory positions (*sodanyaku*, *komon*, etc.) after retiring as representative director and president, etc.

Name	Job title/ position	Responsibilities	Terms and conditions of employment (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
-	-	-	-	-	-

Number of persons holding advisory positions (*Sodanyaku*, *Komon*, etc.) After retiring as representative director and president, etc.

-

Other related matters

- Appointment of advisors is determined by the board of directors.

- The Company has established bylaws concerning advisors, special advisors, and honorary advisors.
- The Company has established bylaws concerning the corporate advisors, special advisors, and honorary advisors, and the corporate advisors, special advisors, and honorary advisors may provide advice on management and business matters, but are not involved in the execution or supervision of business.

2. Matters concerning functions of business execution, auditing and supervision, nomination, and compensation decisions (Overview of current corporate governance system)

1) Corporate governance structure

- Directors, board of directors

The board of directors of the Company consists of nine (9) directors (including four (4) external directors) and in principle meets at least once a month to make decisions on important management matters and to supervise the execution of duties by directors and executive officers (held 15 times in fiscal 2025). In addition, the selection and dismissal of executive officers and the division of duties are determined through resolution of the board of directors. Moreover, with the aim of accelerating the decision-making process, the executive board meeting convenes weekly in principle to deliberate important management issues. Furthermore, a management liaison meeting consisting of directors, corporate auditors, general managers of business divisions, and general managers of related departments is held twice a month in principle to report on the business status of each division, explain matters to be approved, and communicate other important matters.

- Corporate auditors and audit and supervisory board

The Company has adopted an audit and supervisory board system, and the audit and supervisory board (which meets once a month in principle) consists of four (4) members (including three (3) external members) who are well versed in corporate management or have considerable knowledge of legal, financial, and accounting matters. Specifically, they attend meetings of the board of directors and other important meetings, receive reports from directors, and inspect important approval documents. With regard to vital matters affecting management and business performance, a liaison meeting of directors and corporate auditors is established, and the latter receive reports in a timely and accurate manner. The Company also exchanges information and opinions with the Auditing department, the Internal Control Committee, and the accounting auditor as appropriate to improve audit efficiency and effectiveness. Moreover, the Company cooperates with the auditors of Group companies and exchanges information and opinions with them on a regular basis. The Audit and Supervisory Board has also established a secretariat to support the corporate auditors in the execution of their duties.

- Internal auditing

Tosoh Auditing was established as a department specializing in internal audits and currently has 18 employees. Auditing evaluates the effectiveness and efficiency of compliance with applicable laws and regulations, company regulations, and the development and operation of internal control systems based on an annual audit plan. The results of such audits are reported to the president and representative director and the corporate auditors, and the status of audits is regularly reported to the board of directors. Auditing conducts interviews with departments with internal control functions and business divisions of Group companies to identify risks to improve the efficiency and effectiveness of audits. 100 divisions (including manufacturing departments, laboratories, branches, and domestic and overseas group companies) are subject to regular audits. The auditing department also exchanges information and opinions with the accounting auditors as appropriate.

- Others

Tosoh has established the Sustainability Promotion Committee, Compliance Committee, Fair Trade Compliance Committee, Export Supervision Committee, RC Committee, CO₂ Reduction and Effective Use Promotion Committee, Cyber Security Committee, and Internal Control Committee, as well as the Tosoh Group Code of Conduct. In addition, the Company seeks advice from attorneys and other professionals as necessary. And, to enhance management transparency, the Company strives to disclose information proactively and promptly by, for instance, accelerating the announcement of financial results, and also discloses a wide range of information via the Internet. In response to the internal control reporting system for financial reporting, the Internal Control Committee formulates evaluation plans and conducts effectiveness evaluations in cooperation with the Auditing department.

2) Status of accounting audits

Kentaro Yamamoto, and Takashi Watanabe were the certified public accountants who performed the accounting audit of the Company in fiscal 2025, and belong to KPMG AZSA LLC. In addition, seventeen (17) certified public accountants and twenty-six(26) other assistants were assigned to the accounting audit.

3) Outline of the contents of the liability limitation agreement

The Company and its directors (excluding those who are executive directors, etc.) and corporate auditors have entered into a liability limitation agreement for damages under Article 423, Paragraph 1 of the Companies Act, pursuant to Article 427, Paragraph 1 of the Companies Act and the Company's Articles of Incorporation. The maximum amount of liability for damages under such agreements is the minimum liability amount stipulated in Article 425, Paragraph 1 of the Companies Act.

3. Reasons for adoption of current corporate governance system

The Company believes that the appointment of external directors and external corporate auditors, who are independent and have a wide range of experience and insight, will ensure an appropriate governance system by providing a neutral and objective oversight function of the Company's business execution.

III. Implementation of measures for shareholders and other stakeholders

1. Measures to vitalize the general shareholder meetings and facilitate exercise of voting rights

	Supplementary explanation
Early posting of notice of the general shareholders meeting	Sent three weeks prior to the General Meeting of Shareholders
Electronic exercise of voting rights	Effective from the 113th General Meeting of Shareholders (held on June 28, 2012)
Participation in a platform for the electronic exercise of voting rights and other initiatives to enhance environment for institutional investors to exercise voting rights	Participated in the electronic voting platform from the 113th General Meeting of Shareholders (held on June 28, 2012)
Provision of notice (or summary of notice) of the general shareholders meeting in English	Notice of Convocation posted on the Company's website in English
Other	Accessibility of the Notice of Convocation and Business Report Posting of the convocation notice on the Company's website prior to the date of dispatch

2. Status of IR-related activities

	Supplementary explanation	Explanation by a representative director or a representative executive officer
Regular investor briefings held for analysts and institutional investors	The medium-term business plan management briefings are held at least once a year (video of the briefings are available on the website). Conference calls are held immediately after the announcement of quarterly and year-end financial results (audio recordings of the conference calls are available on the Company's Japanese website).	Held
Online disclosure of IR information	Financial results, financial results briefing materials, annual and quarterly securities reports, business reports, annual reports, electronic public notices, etc. are posted on the "IR Information" section of the website. Are accessible from the INVESTORS pull-down menu on the top page of the Tosoh English website (www.tosoh.com).	
Establishment of department and/or placement of a manager in charge of IR	Responsible department is Corporate Communications & IR	

3. Status of measures to ensure due respect for stakeholders

	Supplementary explanation
Implementation of environmental preservation activities and CSR activities, etc.	1) Environmental preservation activities Recognizing that environmental preservation and assurance of safety and health are the most important management issues, the Company has established the Basic Principles Regarding the Environment, Safety and Health and Action Guidelines and each complex has its own environmental policy. In addition, the Company is engaged in Responsible Care (RC), a voluntary management activity to implement environmental and safety measures and

improvements from product development to manufacturing, use, and disposal.

2) Implementation of sustainability activities

With the transition to sustainability management, the Company have formulated the "Tosoh Group Sustainability Policy," and, based on the Tosoh Group's corporate philosophy, the Company expresses its purpose in a sustainable society as "a partner for comfortable living for the Earth and people."

In addition, the Sustainability Promotion Committee, chaired by the president, formulates policies for sustainability activities and monitors the progress of materiality, which are then presented to the board of directors. For the purpose of reporting on these activities, the Company publishes the Tosoh Report once a year and discloses it on the Company's website.

IV. Matters concerning the internal control system

1. Basic views on internal control system and status of development

The Company believes that the establishment of an internal control system is essential for corporate governance to function effectively. The basic policy on the development of internal control systems adopted by the board of directors is as follows

- 1) System to ensure that the execution of duties by directors and employees complies with laws, regulations, and the Articles of Incorporation
 - The Company shall establish rules and regulations concerning compliance, establish a code of conduct for directors and employees, and a Compliance Committee to ensure the thorough implementation of such rules and regulations, as well as to conduct internal education and other company-wide efforts.
 - The Company shall work to establish a whistleblower system and strive to ensure its effectiveness at all times.
 - The Auditing department will audit the status of compliance implementation.
- 2) System for storage and management of information related to execution of duties by directors
 - The Company shall appropriately store and manage documents and other information related to the execution of duties by directors in accordance with the internal rules.
 - Directors and corporate auditors shall have access to these documents at all times.
- 3) Regulations and other systems for managing risk of loss
 - The Company shall establish rules and regulations and develop a risk management system to deal with various risks associated with the performance of manufacturing and sales activities.
 - Each department shall operate independently under the supervision of the director in charge for the management of individual risks in daily business activities.
- 4) System to ensure the efficient execution of duties by directors
 - Important matters related to business operations shall be deliberated at the executive board meeting in accordance with internal rules, and executive decisions shall be made by the board of directors.
 - At the executive board meeting consisting of directors, corporate auditors, general managers of business divisions, general managers of related departments, and others, reports on the business status of each division, explanations in advance of approval requests, and other important matters shall be communicated.
- 5) System to ensure the appropriateness of business operations of the Group
 - The Company shall establish rules for subsidiary management and operation and ensure their proper operation.
 - The Company shall request reports from subsidiaries regarding their business operations on a regular or as-needed basis.
 - The Company shall also dispatch directors and auditors to subsidiaries to provide advice and guidance for risk management and efficient business execution.
 - The Tosoh Group shall establish and disseminate its compliance-related action guidelines.
 - Administrative & Legal Affairs shall conduct group-wide compliance and Responsible Care (RC) activities.
 - Auditing shall conduct audits of subsidiaries.

- 6) Matters concerning employees requested by corporate auditors to assist them in their duties, independence of such employees from directors, and ensuring the effectiveness of instructions given by corporate auditors to such employees
 - The secretariat shall be established under the audit and supervisory board and full-time employees shall be assigned to the secretariat to assist the members in the performance of their duties.
 - The secretariat shall receive instructions and orders directly from the corporate auditors.
 - Personnel matters related to the secretariat shall be discussed in advance with, and approved by, the audit and supervisory board.
- 7) System for directors and employees to report to corporate auditors and other systems related to reporting to corporate auditors
 - Directors and employees shall report the status of execution of duties and related matters to corporate auditors in an appropriate and timely manner through the board of directors and other important meetings.
 - Important approval documents and minutes of various meetings shall be forwarded to the corporate auditors.
 - Directors and employees shall make necessary reports to the corporate auditors on a regular or timely basis as requested by the members.
 - The content of reports received by the contact point of the internal reporting system shall be reported to the corporate auditors.
 - Corporate auditors shall be one of the reporting parties under the whistleblowing system.
 - The Company shall stipulate in its regulations that whistleblowers shall not be subject to any disadvantageous treatment due to having submitted a report.
- 8) System for reporting to corporate auditors by directors, Corporate auditors, and employees of subsidiaries or those who receive reports from them
 - The Company shall report to the corporate auditors as appropriate on reports received from subsidiaries concerning their business operations.
 - The Company shall request directors and other members of subsidiaries to report to the Company's corporate auditors as appropriate.
 - The whistleblowing system accepts reports related to subsidiaries as well as reports from subsidiaries.
- 9) Matters concerning procedures for prepayment or reimbursement of expenses incurred in the execution of duties by corporate auditors and other policies concerning the treatment of expenses or liabilities incurred in the execution of such duties
 - Corporate auditors may request the Company to settle expenses or debts deemed necessary for the execution of their duties.
- 10) Other systems to ensure that audits by corporate auditors are conducted effectively
 - The Company's corporate auditors and representative directors will meet regularly to exchange opinions on matters concerning overall management.
 - The Company shall ensure information is regularly exchanged between the Audit and Supervisory Board and the Audit department to ensure mutual cooperation.

2. Basic Views on Measures for Eliminating Anti-Social Forces and Status of Development

- Basic policy on elimination of antisocial forces

1) Basic approach for eliminating antisocial forces

The company have instituted the Tosoh Group Code of Conduct, which is distributed to all employees. The Code states that we resolutely respond to antisocial forces and will not engage with them, and if we receive an improper demand from such forces, we will not resolve the situation by paying them money or the like.

2) How the system is developed to eliminate antisocial forces

As to the elimination of antisocial forces, the department in charge is designated as Administrative & Legal Affairs, and the department has a system in which the department cooperates with external specialized institutions such as lawyers and the police to take concrete measures. The department also gather information regarding antisocial forces from these specialized external organizations, and convey it, as necessary, to the associated departments and the subsidiaries and affiliated companies.

V. Other

1. Adoption of anti-takeover measures

Adoption of anti-takeover measures

Not adopted

Supplementary explanation for applicable items

At a meeting of the board of directors held on February 28, 2006, the Company resolved to adopt the "Policy on Large-Scale Purchases of the Company's Shares and Other Securities" (hereinafter referred to as the "Policy"). The Company's shareholders approved the Policy at the 107th Ordinary General Meeting of Shareholders held on June 29, 2006, and the Company has continued to follow the Policy by having the proposal for the selection of directors approved at subsequent Ordinary General Meetings of Shareholders. However, following a review of the Policy, the Company determined that the business environment has changed compared to when the Policy was adopted, and that the significance of continuing it has relatively decreased in terms of further improving the Group's corporate value. The Company will continue to work group-wide to ensure and enhance its corporate value and the common interests of shareholders over the medium to long term. Even after the abolition of the Policy, the Company will take appropriate measures to the extent permitted by the Financial Instruments and Exchange Law, the Companies Act, and other applicable laws and regulations. This includes requesting that any person who intends to conduct a large-scale purchase of the Company's shares provide necessary and sufficient information to allow shareholders to make an appropriate judgment as to whether the large-scale purchase is appropriate as well as disclosing the opinions of the board of directors of the Company to give shareholders time to consider the proposal.

2. Other matters concerning the corporate governance system

1. A diagram of the corporate governance structure, including an overview of the internal control system, is shown in attachment 1.

2. Outline of timely disclosure system

The status of the Company's internal system for timely disclosure of corporate information is as follows.

Regarding timely disclosure, Corporate Control and Accounting is responsible for information handling, while Corporate Communications & IR handles disclosure.

1) Disclosure of decisions

Of the decisions made by the board of directors, those deemed by the officer in charge of Corporate Control and Accounting to fall under the category of timely disclosure shall be disclosed in a timely manner through Corporate Communications & IR.

2) Disclosure of occurrence

In the event of the occurrence of a fact that is deemed to be material fact, each relevant department that becomes aware of the occurrence shall report it to the officer in charge of the Corporate Control and Accounting department and, if necessary, to the board of directors. as in the case of a decision, the officer in charge of Corporate Control and Accounting will disclose the fact in a timely manner through Corporate Communications & IR if it is deemed to be related to timely disclosure.

3) Disclosure of financial results

After the resolution of the board of directors, financial information is promptly disclosed in a timely manner through Corporate Communications & IR under the direction of the officer in charge of Corporate Control and Accounting.

4) Disclosure of information related to subsidiaries

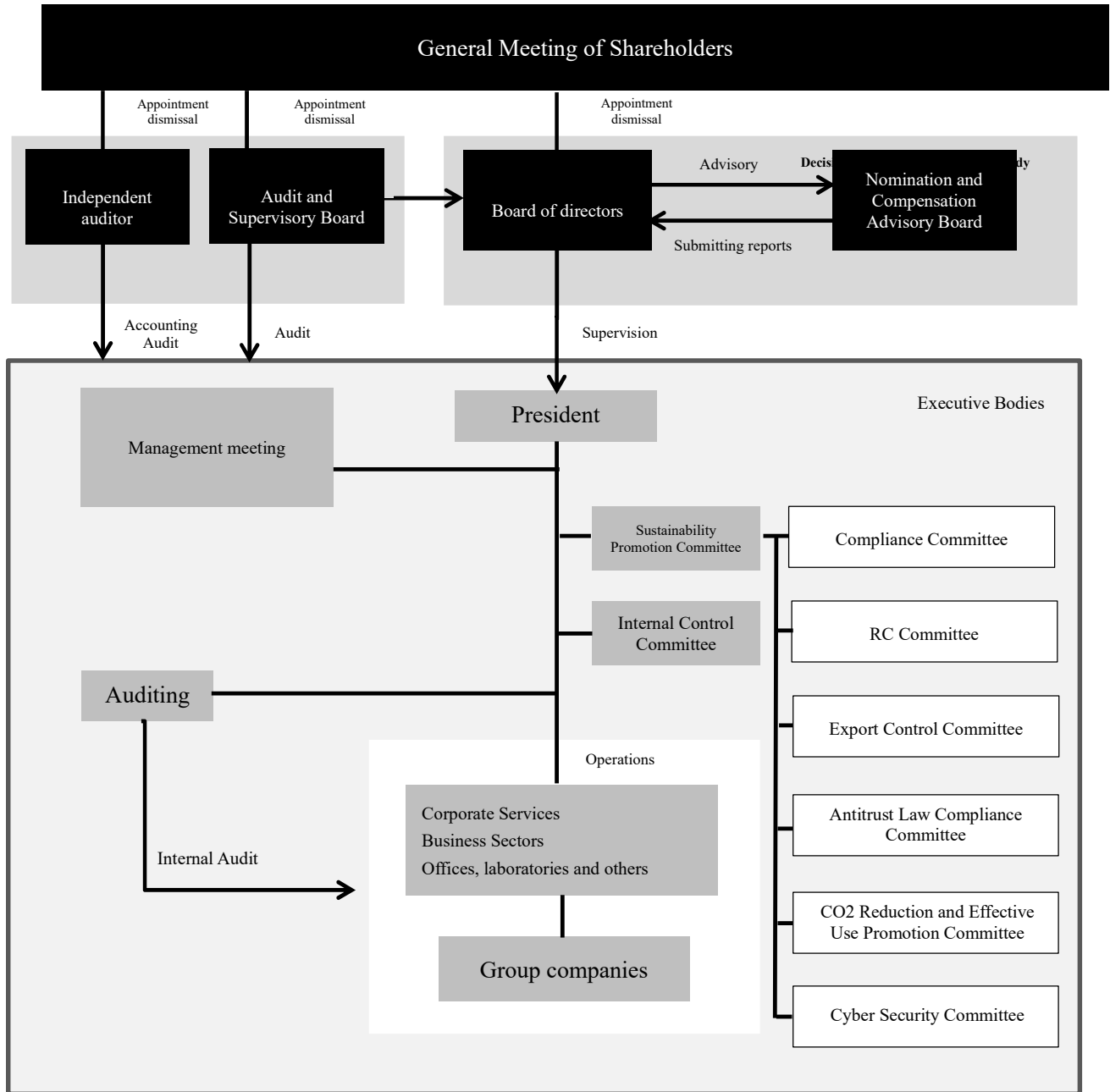
Each relevant department that recognizes the possibility that information concerning a subsidiary may also fall under the category of material facts shall report such information to the director in charge of Corporate Control and Accounting. If this director determines that the information is subject to timely disclosure, Corporate Control and Accounting will disclose the information in a timely manner through Corporate Communications & IR.

5) Management of internal information

The Company ensures the management of internal information by its officers and employees through the operation of its internal regulations for the prevention of insider trading. A diagram regarding the outline of the timely disclosure system is shown in attachment 2.

Attachment 1

Diagram of corporate governance system of the Company



Attachment 2

Timely disclosure workflow

