

Corporate Governance Report

Last Update: June 19, 2026

Denka Company Limited

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Securities Code: 4061

<https://www.denka.co.jp>

The corporate governance of Denka Company Limited (the “Company”) is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

In order to fulfill the expectations and trust of its many stakeholders, including shareholders, customers, local society, and employees, based on the Denka's Vision (a vision of the future) comprising the Core Value that is the Company's DNA to serve as the foundation to support the tiers above, Purpose that serves as the North Star to guide the Company, and the Mission that the Company aspires to accomplish by 2030, the Company strives to strengthen its business foundation by improving its earnings power and expanding the scope of operations, while also working to improve corporate value by making every effort to continue being a company that can win the trust and sympathy of society.

The Company considers corporate governance as the foundation for the above, and so we have striven to strengthen governance, in order to fulfill the responsibilities we owe to all our stakeholders, and ensure the transparency and soundness of our management.

Specifically, it has introduced an Executive Officer System to speed up its decision-making, and by delegating powers and roles in the execution of business to the Executive Officers, clearly separates the execution of business by Executive Officers and the overseeing and supervision of such execution by the Directors.

Furthermore, it has endeavored to strengthen corporate governance by abolishing special titles for Directors (Senior Managing Director, Managing Director etc.) in principle, thus establishing a system where all Directors can engage in the monitoring and supervision of business execution from an equal standing.

With regard to its outside officers system, the Company appoints Outside Directors who are sufficiently independent and have extensive knowledge in their respective areas. In addition to carrying out supervision of management from an external perspective, they have established places for regular exchanges of opinions with top management. This enables them to provide sufficient advice through exchanges outside the Board of Directors meetings and enables the Company to monitor its management from an external perspective.

In terms of the design of its corporate governance system, the Company has chosen to transition to a Company with Audit Committee. This step is aimed at further strengthening the supervisory function of the Board of Directors, through measures such as placing the Board of Directors' decision rights with Directors who are Audit Committee Members.

The Company has also established the Nomination & Remuneration Advisory Committee composed of a majority of Outside Directors and chaired by an Outside Director, as an advisory body to the Board of Directors. This has been done to promote transparent and objective management decisions, as the Board of Directors receives diverse opinions and advice from Outside Directors on important management issues such as those concerning governance, including nominations and remuneration.

These changes will enable the Company to bolster its management structure possessing both proactiveness and prevention.

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

The Company complies with all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code] Updated

Information described below is based on the Corporate Governance Code as revised on June 11, 2021.

[Principle 1.4 Strategic Shareholdings]

○ Policy concerning strategic shareholdings

The Company holds no strategic shareholdings from the perspective of enhancing capital efficiency, in principle. However, the Company may hold such shares in cases where it judges that such shareholding will lead to the establishment of stable business relationships, help maintain and strengthen business alliances in line with growth strategies, and contribute to the enhancement of corporate value over the medium- to long-term.

○ Examination on strategic shareholdings at the Board of Directors

The Company comprehensively reviews the shares at the Board of Directors meeting in compliance with the above policies from a variety of perspectives, including the financial condition of the issuer of said shares, the value of transactions with the Company and its economic rationality and a comparison with the Company's capital cost. The purpose of holding said shares are stated in the securities report. The Company will continue to review them annually.

As a result of the review of the purpose for such shareholdings, including from the perspective of enhancing capital efficiency, and further progress with reductions, the number of issues of strategic shareholdings as of March 31, 2026 decreased by 12 from the end of the previous fiscal year to 33, and the ratio to consolidated net assets decreased by 0.09 percentage points to 6.33% from the end of the previous fiscal year.

○ Standards for exercise of voting rights as to strategic shareholdings

Regarding the exercising of voting rights in relation to shares held as strategic shareholdings, in principle, the Company respects the business policies and strategies of the issuing company. After consideration of the issuing company's management situation by the department in charge of the management of those shares, the Company carefully examines proposals individually from the perspective of whether they will ultimately contribute to increased shareholder value before making its decision for or against the proposals. In the following cases in particular, the Company will enter into dialog with the issuing company as necessary and make a careful decision as to whether or not it will vote for the proposals:

- (1) in the event that a marked deterioration in the business performance continues for a set period of time;
- (2) in the event of a serious scandal;
- (3) in the event of any other proposal that could cause damage to shareholder value.

[Principle 1.7 Related Party Transactions]

The Company requires, in the Board of Directors Regulations, that the prior consent of the Board of Directors must be obtained for any competing transactions and dealing with the company by Directors and the results must be reported afterwards. In the case of continuing transactions, the results of competing transactions and dealing with the company in the previous fiscal year are reported to the Board of Directors once a year, and prior approval for the current fiscal year is sought. Also, related party transactions are determined in the same way as general transaction terms, and are disclosed in the notes to financial statements and securities reports in accordance with laws and regulations.

[Supplementary Principle 2.4.1 Policies for ensuring diversity in the appointment of core human resources]

The Company positions "Human Resources Value Creation" as one of the growth strategies in the management plan "Mission 2030," and will realize human resource investment and system reforms, aiming to become a company where each and every employee can gain experience self-realization and personal growth.

Specifically, under the policies of "Strengthening of HR development systems," "Promotion of Diversity, Equity & Inclusion" and "Health and Productivity Management and Work Style Reform," the Company is cultivating future executive manager candidates, building company-wide, integrated education framework, and fostering a self-directed learning culture, while fostering workplace environments, systems, and culture that will empower individuals with diverse ways of thinking to demonstrate their capabilities, and promoting system reforms to create workplaces that employees will "want to come to work again tomorrow."

With regard to "Promotion of Diversity, Equity & Inclusion," the Company sets a target of 50% for the ratio of women, foreign nationals, and mid-career hires in managerial positions by 2030.

[Principle 2.6 Roles of Corporate Pension Funds as Asset Owners]

The Company has adopted a defined benefit corporate pension plan, and management of the reserve for the corporate pension fund is based on the regulations.

Specifically, the Company determines the asset composition ratio in order to achieve the necessary management objectives in accordance with the basic policy for management, and also decides the most appropriate management trustee institution.

The department in charge of managing the corporate pension fund appropriately monitors the management trustee institution with regard to management performance, conflicts of interest and exercise of voting rights.

[Principle 3.1 Full Disclosure]

- (i) Company objectives (e.g. business principles), business strategies and management plans (Corporate Philosophy)

The Company formulated in November 2022 its New Vision and a management plan “Mission 2030,” which covers the 8-year period from fiscal 2023 to fiscal 2030.

1. Vision

Based on these four future worlds and three megatrends, the Company created the new vision based on the candid views of its younger employees, who will form the core of the Company moving forward, while also adding the thoughts of the executives.

Based on Denka’s “Core Value,” which is the Company’s DNA, and by combining its “Purpose” - Denka’s guiding principle - with its “Mission” - the duties it aims to fulfill by 2030 - the Company has set out a new Vision (view of the future) that will allow all employees to make the Vision directly relevant to them as individuals.

2. Management Plan “Mission 2030” Phase 2 (fiscal 2026-fiscal 2028)

The Company is promoting its management plan “Mission 2030” to achieve the Mission, which is upheld in our Vision – “By 2030, we will increase the value of our human resources and management, and we will focus on creating business value that combines the three elements of specialty, megatrends, and sustainability.”

In Phase 1 (fiscal 2023-fiscal 2025), the Company aimed for both short-term growth and the strengthening of long-term growth foundations through upfront investments in growth areas, as well as the restructuring of unprofitable businesses and business structure reforms. However, we failed to respond adequately to sudden changes in the business environment, such as sluggish demand for electrical materials and delays in recouping our upfront investments due to fluctuations in the EV market, resulting in a decline in profitability.

In light of these circumstances, the Company has designated Phase 2 (fiscal 2026-fiscal 2028) as a period “to rebuild our earning power and strengthen foundations for a new growth stage,” and has set achieving a record-high operating income and an ROE of 8% as our highly realistic targets. Furthermore, during and beyond Phase 3, we will pursue sustainable enhancement of corporate value by establishing “the best mix of ICT & Energy and Healthcare, which have different growth trends,” based on our rebuilt earning power. As for the progress on “Mission 2030,” the initiatives of Phase 2, and other details, please refer to “Mission 2030 (fiscal 2023-fiscal 2030, Management Plan)” on the Company website.

<https://www.denka.co.jp/eng/vision/>

- (ii) Basic views and guidelines on corporate governance based on each of the principles of the Code
Please refer to 1.1 “Basic Views” in this report.

- (iii) Board policies and procedures in determining the remuneration of the senior management and Directors
1. Directors

Remuneration for Directors (excluding Directors who are Audit Committee) shall be in accordance with each Director’s roles and responsibilities, and shall be determined by the Board of Directors after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations, in order to enhance objectivity and transparency.

The structure of Directors’ remuneration (excluding Directors who are Audit Committee) shall, in addition to a fixed monthly amount of basic remuneration, consist of performance-linked cash remuneration, designed to increase motivation to improve the financial results for each fiscal year, and stock remuneration, designed to increase motivation to contribute to improving medium- and long-term performance and enhancing corporate value. These function as sound incentives to maintain growth. However, in view of the duties performed by Outside Directors and non-executive Directors, remuneration for these Directors shall consist solely of basic remuneration.

Performance-linked remuneration consists of Company-wide performance-linked remuneration and individual performance-linked remuneration. However, the Chairman and President receive only Company-wide performance-linked remuneration, excluding the Chairman without representative rights (non-executive Director).

The amount of Company-wide performance-linked remuneration paid is determined with reference to consolidated operating income for each fiscal year. If consolidated operating income is below a certain level, or a massive amount of extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment shall be made, or the payment amount is reduced.

The amount of individual performance-linked remuneration is determined by the President, who has been delegated this authority, after individual evaluation for each Director of the achievement and others of financial and non-financial targets in accordance with the internal regulations determined by the Board of Directors. In order to ensure that the President exercises this authority appropriately, the Board of Directors shall establish in advance the amount of remuneration linked to individual evaluations in the internal regulations and shall receive reports on the details of such remuneration.

Remuneration for Directors who are Audit Committee Members consists only of a fixed monthly amount,

determined within the total amount resolved by the General Meeting of Shareholders.

2. Executive Officers

Remuneration for Executive Officers shall be in accordance with each Executive Officer's roles and responsibilities, and shall be determined by the Board of Directors after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations, in order to enhance objectivity and transparency.

The structure of Executive Officers' remuneration shall, in addition to a fixed monthly amount of basic remuneration, consist of performance-linked cash remuneration, designed to increase motivation to improve the Company-wide and individual performance for each fiscal year, and stock remuneration, designed to increase motivation to contribute to improving medium- and long-term performance and enhancing corporate value. These function as sound incentives to maintain growth.

Performance-linked remuneration consists of Company-wide performance-linked remuneration and individual performance-linked remuneration. However, the President receives only Company-wide performance-linked remuneration.

The amount of Company-wide performance-linked remuneration paid is determined with reference to the consolidated operating income for each fiscal year. If consolidated operating income is below a certain level, or a massive amount of extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment shall be made, or the payment amount is reduced.

The amount of individual performance-linked remuneration is determined by the President, who has been delegated this authority, after individual evaluation for each Executive Officer of the achievement and others of financial and non-financial targets in accordance with the internal regulations determined by the Board of Directors. In order to ensure that the President exercises this authority appropriately, the Board of Directors shall establish in advance the amount of remuneration linked to individual evaluations in the internal regulations and shall receive reports on the details of such remuneration.

(iv) Board policies and procedures in the appointment and dismissal of the senior management and the nomination of candidates for Directors

The Company, in nominating candidates for Directors, selects personnel who have abundant experience and great insight in their respective fields and also are expected to contribute to enhancing the Company's corporate value. Those candidates are proposed by the President who is the Representative Director, and deliberated and decided by the Board of Directors after having received reports and suggestions from the Nomination & Remuneration Advisory Committee.

In appointing Executive Officers, candidates are proposed by the President who is the Representative Director

and the Board of Directors then deliberates on the candidates and decides in accordance with the appointment

criteria set out in the Executive Officers Regulations (1. Abundant business experience and familiarity with the business of the Company; 2. Excellent management sense; 3. Superior guidance, leadership, vitality and planning abilities; 4. Personality and insight suited to an Executive Officer; and 5. Good physical and mental

health) and dismissal of Executive Officers will be deliberated and determined by the Board of Directors, with a draft prepared by the Representative Director in accordance with each of the dismissal criteria set out in the Executive Officers Regulations (1. when there is an act that damages the Company's credibility and honor; 2. when the Company's trade secrets or technical secrets have been leaked; 3. when the Company has been damaged as the result of willful intent or gross negligence; 4. when the President's instructions are not followed for no logical reason; 5. when there is a sharp slump in business results; and 6. when there is any other adverse act equivalent to the preceding 1. to 5.), after having received reports and suggestions from the Nomination & Remuneration Advisory Committee.

[Supplementary Principle 3.1.3 Initiatives on sustainability]

The Company discloses its initiatives on sustainability in materials it distributes to announce a plan, the Integrated Report and other documents.

In addition to investments in human capital and intellectual properties, we also disclose the impact of climate change-related risks and earning opportunities on our business activities and profits based on the TCFD framework. The information is available in the Company's Integrated Report and ESG information website. The Company has established the Denka Group ESG Basic Policy as its basic policy for sustainability, details of which are shown in Attachment 1.

[Supplementary Principle 4.1.1 Scope of Delegation to Management]

After review of the role of the Board of Directors, the Company clearly positioned the role of Board of

Directors as a body with decision-making function and supervisory function for management. The execution of business has been delegated to the respective Executive Officers, except for important business executions. Matters to be resolved by the Board of Directors, including basic policies regarding corporate management and other important matters relating to business execution, are clearly set forth in the Board of Directors Regulations. In accordance with the Regulations, the Board of Directors oversees and supervises the execution of business. In addition, the Board of Directors resolves on the assignment of duties and authority of the Executive Officers responsible for business execution. As well as delegating business execution to Executive Officers within that scope, the Board of Directors receives reports on the status of their execution of business.

The Company has also established the Management Committee composed of Directors (including Directors who are Audit Committee Members) and some Executive Officers, with the aim of engaging in deliberation and discussion on important management issues. With the Executive Officer responsible for each item participating in discussions on that item, the Company is pursuing more efficient discussions and swifter decision-making on important management matters.

[Principle 4.8 Effective Use of Independent Outside Directors]

The Company considers that it is necessary to appoint Independent Outside Directors to comprise at least one-third of the Board of Directors, in light of the factors such as the progressive globalization and computerization of the management environment. Based on this policy, currently four (44.4%) of the Company's 9 Directors are Outside Directors (including Outside Directors who are Audit Committee Members).

All four Outside Directors have been designated as independent directors pursuant to the rules of the Tokyo Stock Exchange and registered with the Exchange.

[Principle 4.9 Independence Standards and Qualification for Independent Outside Directors]

For independent Outside Directors, the Board of Directors of the Company selects candidates for appointment as independent officers based on judgment focused on substantiality, such as whether they can be expected to contribute to increasing the Company's corporate value. Details are specified as follows and are based on the externality requirements prescribed in the Companies Act and the independence standards set by the Tokyo Stock Exchange.

○Independence standards for Outside Directors

The independence standards for the Company's Outside Directors are that they must be persons who do not fall under any of items (1) to (5) below.

(1) An operating officer(*1) of a main customer(*2), main supplier(*3) or main lender(*4) that is a main business partner of the Company.

(2) A consultant, accountant, lawyer or the like who has received money or other property from the Company

exceeding a yearly amount of 10 million yen, other than officer's remuneration, in the most recent fiscal year.

(3) In the event that the party receiving the property referred to in item (2) above is an organization, a person belonging to an organization in which the amount paid by the Company to that organization in the most recent fiscal year comprised 2% or more of that organization's net sales or gross revenue.

(4) A person who fell under items (1) to (3) above within the period of the past year.

(5) A person who is the spouse or a relative within the second degree of kinship of a person listed below

(excluding immaterial persons):

1. A person falling under items (1) to (4) above;

2. A person who is currently, or was within the period of the past year, an operating officer at the Company or a subsidiary of the Company;

*1 Operating officer: an Executive Director, Operating Executive, Executive Officer, or other employee or the like.

*2 Main customer: a customer that paid to the Company an amount that comprised 2% or more of the Company's net sales in the most recent fiscal year.

*3 Main supplier: a supplier to which the Company paid an amount that comprised 2% or more of that supplier's net sales in the most recent fiscal year.

*4 Main lender: a lender that, at the end of the most recent fiscal year, was essential to the Company's financing and is relied upon by the Company to the extent that there is no substitute.

[Supplementary Principle 4.10.1 Nomination Committee and Remuneration Committee]

The Company has established the Nomination & Remuneration Advisory Committee as a voluntary

nomination/remuneration committee. For the composition of the Committee and our policy regarding its independence, as well as its mandates and roles, etc., please refer to “Supplementary Explanation” for II. 1. [Voluntary Establishment of Nomination/Remuneration Committee] in this report.

[Supplementary Principle 4.11.1 View on Diversity and Size of the Board of Directors]

The Company’s Board of Directors is currently composed of 9 Directors, including five Directors from within the Company (of whom one is Audit Committee Member) and four Outside Directors (of whom three are Audit Committee Members). However, in terms of the transparency and soundness of management, the Company considers it appropriate to increase the number of Directors to 15 (including six Directors who are Audit Committee Members). The Company believes it is important for the Board of Directors as a whole to have an appropriate size and to be diverse in terms of gender, international background, work experience, and other factors by electing persons with a variety of knowledge, experience, and abilities in a well-balanced manner. This will be achieved by appointing Directors who possess sufficient specialized knowledge and practical experience in each of the Company’s business and support divisions from within the Company, as well as Outside Directors who possess specialization required for improvement in corporate value of the Company and broad knowledge based on a wealth of business experience and management experience at other companies.

The members of the Company’s Board of Directors have been selected based on the idea stated above. Their skills matrix is as shown in Attachment 2.

Going forward, in selecting Director candidates, the Company will give full consideration to the balance between knowledge, experience and skills, as well as diversity, and the selection will also be based on whether or not each candidate is expected to contribute to enhancing corporate value, before submitting the related proposal to an Ordinary General Meeting of Shareholders.

[Supplementary Principle 4.11.2 Status of Concurrent Position of Officers held at Other Listed Companies by Directors]

The status of concurrent positions of officers held at other listed companies by the Company’s Directors are stated in the Reference Documents and Business Reports for General Meeting of Shareholders every year.

[Supplementary Principle 4.11.3 Analyzation and Evaluation of the Effectiveness of the Board of Directors]
(1) Method of Evaluation

Following last year, the Company analyzed and evaluated the effectiveness of the Board of Directors by having individual Directors and Audit Board Members to complete the “Self Evaluation Questionnaire,” which covers items related to the effectiveness of the Board of Directors, such as scale, composition, operation, and 21 items, and discussing the results at Board of Directors meetings.

(2) Summary of Evaluation Results and Future Efforts

The Company confirmed the appropriateness of the frequency, duration, and composition (in terms of achieving the right balance of expertise, experience, and ability, and proportion of Independent Outside Directors, as well as diversity) of the Board of Directors, and that the Board of Directors engages in appropriate monitoring and supervision of business execution.

In terms of the need to strengthen monitoring and follow-up on management issues, including long-term business strategies and large-scale investment projects, which the Board of Directors identified last year, key topics were reported at an early stage during the D&A Round Table and Board of Directors meetings, leading to in-depth discussions. In addition, it was confirmed that appropriate monitoring is being conducted for some major investment projects. On the other hand, in terms of countermeasures for issues arising from changes in the business environment after the board resolutions, as well as revisions to business strategies and the like, the Board of Directors shared the view that it is necessary to further bolster its follow-up efforts.

Additionally, regarding the further utilization of the D&A Round Table and the flexible operations of the Board of Directors, the Board of Directors confirmed that timely responses to key projects and quick decision-making were being implemented through such measures as the flexible convening of ad-hoc board meetings in response to changing circumstances. Meanwhile, in terms of medium- to long-term challenges, such as human resource strategies, corporate culture, new business strategies, etc., opinions were expressed calling for opportunities for more systematic discussions going forward.

Furthermore, in terms of enhancing the operations of the Nomination & Remuneration Advisory Committee and facilitating discussions, the Board of Directors agreed that the framework for operating the committee had been strengthened and the content of the discussions had improved, through the involvement of the CHRO and the committee meetings being convened at a greater frequency. On the other hand, regarding succession planning, the development of management talent, the skill set required of the Board of Directors in light of long-term business strategies, etc., it was confirmed that to deepen discussions on these topics, further improvements in terms of operations were needed, such as organizing these topics and systematically setting

the agenda.

Looking ahead, in light of these constructive opinions, we will take steps to further improve the effectiveness of the Board of Directors, aiming to improve medium-to-long-term corporate value, and respond to the expectations and trust of our shareholders and numerous other stakeholders.

[Supplementary Principle 4.14.2 Training policy for Directors]

The Company conducts tours of its offices and plants and training sessions about the Company's business, particularly for newly-appointed Outside Directors, to enable them to gain information about the Company. Also, all newly appointed Directors, including outside officers, are encouraged to participate in external seminars to learn necessary legal and other knowledge for the purpose of increasing their understanding of the roles and responsibilities required of them. In addition to providing and arranging these opportunities and assisting with the costs, the Company has a policy to provide training in the same way to incumbent officers as necessary in order to continually update their knowledge.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]

In order to promote constructive dialogue with shareholders and investors, the Company has formulated management plans aimed at sustainable growth and increased corporate value over the medium- to long-term

and works to gain the understanding of shareholders and investors by setting up various opportunities and endeavoring to provide explanations.

- (i) The Corporate Communications Department, the Corporate Planning Department and the Administrative Department are the points of contact for dialogue with shareholders and investors, and actions are taken under the supervision of the Executive Officer in charge. The Company's basic stance is to have Directors, including Outside Directors, and Executive Officers engage in dialogue with shareholders and investors to the extent reasonable, in light of the requests of shareholders and investors, themes for the dialogue, and other factors.
- (ii) Related departments actively cooperate in information sharing and other measures in order to provide timely and appropriate disclosure of information.
- (iii) Results briefings for share analysts and institutional investors, as well as business briefings and tours of the Company's plants are held as appropriate to promote fuller understanding of its business structures, management plans and results by shareholders and investors. Also, yearly corporate briefings are held for individual investors.
- (iv) Opinions and matters of concern communicated during dialogue with shareholders and investors are reported as appropriate to the Executive Officers in charge and, if necessary, to the Board of Directors.
- (v) The Company has established Regulations on Insider Information Management and Prevention of Insider Trading as measures for the management of insider information, and conducts appropriate information management based on these regulations.

Action to Implement Management That Is Conscious of Cost of Capital and Stock Price

Content of Disclosure Updated	Disclosure of Initiatives (Update)
Availability of English Disclosure Updated	Available
Date of Disclosure Update Updated	June 19, 2026

Explanation of Actions **Updated**

[Action to Implement Management that is Conscious of Cost of Capital and Stock Price]

In Our management plan, "Mission 2030", we set ROE and ROIC (return on invested capital) as KPIs to further promote cost-conscious management and enhance corporate value. Our aim is to increase ROE to 15% or higher and ROIC to 10% or higher by fiscal 2030. In addition to enhancing profitability and capital efficiency and transforming our portfolio by applying ROIC as indicator to evaluate business performance, we aim to pursue an optimal capital structure and improve ROE by utilizing financial leverage under financial discipline that is conscious of ratings.

For details, please refer to Financial Strategy of Denka Report 2025
(<https://www.denka.co.jp/eng/ir/report/>)

[Status of Dialogue with Shareholders]

As for the status of dialogue with shareholders, please refer to Dialogue with Stakeholders of Denka Report 2025
(<https://www.denka.co.jp/eng/ir/report/>)

2. Capital Structure

Foreign Shareholding Ratio Updated	From 20% to less than 30%
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[Status of Major Shareholders] **Updated**

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	15,757,500	18.27
Custody Bank of Japan, Ltd. (Trust Account)	11,085,400	12.85
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Account re-entrusted by Custody Bank of Japan, Ltd.	3,215,800	3.73
STATE STREET BANK AND TRUST COMPANY 505001	2,674,035	3.1
TAIJU LIFE INSURANCE COMPANY LIMITED	2,381,600	2.76
The Nomura Trust and Banking Co., Ltd. (Trust Account)	2,178,000	2.52
Custody Bank of Japan, Ltd. (Trust Account 4)	1,962,400	2.27
STATE STREET BANK AND TRUST COMPANY 505223	1,585,907	1.84
Denka Employee Stockholding Association	1,582,897	1.83
J.P. Morgan Chase and Co.	1,267,371	1.47

Controlling Shareholder (except for Parent Company)	—
Parent Company	None

Supplementary Explanation **Updated**

- 2,287,826 shares of treasury stock have been excluded from the above list of major shareholders.
- Although a Change Report regarding Large-Volume Holdings which include two joint holder companies was filed with the Director-General of the Kanto Finance Bureau on December 5, 2025 (the date on which reporting obligations accrue: November 28, 2025) by Mizuho Bank, Ltd., as the actual holding status as of the end of the current fiscal year has not been confirmed, such holdings are not included in the above Status of Major Shareholders.
- Although a Change Report regarding Large-Volume Holdings which include two joint holder companies was filed with the Director-General of the Kanto Finance Bureau on March 19, 2026 (the date on which reporting obligations accrue: March 13, 2026) by Sumitomo Mitsui Trust Asset Management Co., Ltd., as the actual holding status as of the end of the current fiscal year has not been confirmed, such holdings are not included in the above Status of Major Shareholders.
- Although a Change Report regarding Large-Volume Holdings which include three joint holder companies was filed with the Director-General of the Kanto Finance Bureau on April 3, 2026 (the date on which reporting obligations accrue: March 30, 2026) by Nomura Securities Co., Ltd., as the actual holding status as of the end of the current fiscal year has not been confirmed, such holdings are not included in the above Status of Major Shareholders.

3. Corporate Attributes

Listed Stock Market and Market Section	Prime Market of the Tokyo Stock Exchange
Fiscal Year-End	March
Type of Business	Chemicals
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1000
Sales (consolidated) as of the End of the Previous Fiscal Year	From ¥100 billion to less than ¥1 trillion
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

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5. Other Special Circumstances which may have Material Impact on Corporate Governance

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II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with Audit Committee
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	15
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairman (except when concurrently serving President)
Number of Directors	9
Number of Outside Directors	4
Number of Independent Directors	4

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Rumiko Nakata	From another company											
Toshio Kinoshita	CPA											
Akio Yamamoto	From another company					△						
Miyuki Matoba	Lawyer											

* Categories for "Relationship with the Company"

* "○" 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;

"▲" when a close relative of the director fell under the category in the past

- a. Executive of the Company or its subsidiaries
- b. Non-executive director or executive of a parent company of the Company
- c. Executive of a fellow subsidiary company of the Company
- d. A party whose major client or supplier is the Company or an executive thereof
- e. Major client or supplier of the listed company or an executive thereof
- f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director
- g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
- i. Executive of a company, between which and the Company outside directors are mutually appointed (the director himself/herself only)
- j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
- k. Others

Outside Directors' Relationship with the Company (2) **Updated**

Name	Membership of Audit Committee	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Rumiko Nakata		○	Not applicable	Ms. Rumiko Nakata, having consistently held positions in charge of human resources departments for many years, has abundant management experience in human capital strategies, such as human resources system reform and promotion of diversity and inclusion. In addition, she has a deep knowledge of human capital management, including having served as a member of a study group on human capital organized by the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare. In order to receive recommendations and supervision of the Company's management based on her deep insight, her election as Outside Director designated her an independent officer is requested. The Company deems that her independence as an independent officer is not questionable because 1) none of the categories above (a through k) applies to her; 2) the Company considers that there is no risk that conflict of interest will arise with other general shareholders.
Toshio Kinoshita	○	○	Not applicable	Mr. Toshio Kinoshita has experience and rich accounting knowledge gained as a certified public accountant who practiced in Japan and the U.S. for many years and is well versed in international accounting. The Company has appointed Mr. Kinoshita as an Outside Director who is an Audit Committee Member, and designated him an independent officer, in the

				expectation that he will utilize his knowledge in supervision and audit of the Company's management. The Company deems that his independence as an independent officer is not questionable because 1) none of the categories above (a through k) applies to him; 2) the Company considers that there is no risk that conflict of interest will arise with other general shareholders.
Akio Yamamoto	○	○	Mr. Akio Yamamoto served as an operating officer (President and Chief Executive Officer) at Mitsui & Co. Plastics Ltd. until June, 2014, which is one of our main business partners. The Company engages in product sales transactions with the said company, and the transaction amount accounts for 6.7% of the Company's total sales.	Mr. Akio Yamamoto has abundant experience and great insight as a manager in Japan and overseas through his involvement in corporate management for many years. His career includes serving as a Managing Officer at MITSUI & CO., LTD., and the President and Chief Executive Officer at Mitsui & Co. Plastic Ltd. He also has abundant international experience, including serving as a vice president at global enterprises. The Company has elected him as an Outside Director who is an Audit Committee Member, and designated him an independent officer, in the expectation that he will utilize his knowledge in supervision and audit of the Company's management. Although the category "e" above applies to him, the Company deems that his independence as an independent officer is not questionable because 1) more than ten years have passed since he ceased to be an executive of that company; 2) although the Company's sales to the said company account for 6.7% of the Company's total sales, substantial transactions between the Company and the said company are payments of commission by the Company to the said company for services offered by its trading company function and the amount of commission paid is modest (less than 2% of the said company's net sales); 3) he satisfies the Company's "Standards of Independence for Outside Directors"; 4) currently no material interest exists between the said company and Mr. Akio Yamamoto, and thus, the Company considers that the said company has no special impact on the Company's decision-making by the Board of Directors etc.; and 5) the Company considers that there is no risk that conflict of interest will arise with other general shareholders.
Miyuki Matoba	○	○	Not applicable	Ms. Miyuki Matoba has abundant legal knowledge acquired over many years as a lawyer. The Company has

				appointed Ms. Matoba be elected as an Outside Director who is an Audit Committee Member, and designated her an independent officer, in the expectation that she will utilize her knowledge in supervision and audit of the company's management. The Company deems that her independence as an independent officer is not questionable because 1) none of the categories above (a through k) applies to her; 2) the Company considers that there is no risk that conflict of interest will arise with other general shareholders.
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[Audit Committee]

Committee's Composition and Attributes of Chairperson

	All Committee Members	Full-time Members	Inside Directors	Outside Directors	Chairperson
Audit Committee	4	1	1	3	Inside Director

Appointment of Directors and/or Staff to Support the Audit Committee **Updated**

Appointed

Matters Related to the Independence of Such Directors and/or Staff from Executive Directors **Updated**

The Company establishes the Audit Committee Department as an agency to assist the Audit Committee in performing its duties, and assigns at least one employee to the Office full-time, after prior consultation with the Audit Committee. As of the report's submission date, three full-time staff members are assigned to the Audit Committee Department.

The Audit Committee Department functions as secretariat for the Audit Committee, and receives orders directly from the Audit Committee.

Evaluations of employees assigned to the Audit Committee Department, and decisions on other related personnel matters, are carried out after prior consultation with the Audit Committee.

Cooperation among Audit Committee, Accounting Auditors and Internal Audit Departments

The Audit Committee strives to enhance the effectiveness and efficiency of the audit function by receiving regular briefings and reports from the Accounting Auditor on the details of the accounting audit, as well as exchanging information and opinions with the Accounting Auditor as necessary. It also strives to enhance the effectiveness and efficiency of the audit function by auditing the operational execution of the Internal Control Department, as well as exchanging information and opinions with the Internal Control Department as necessary.

[Voluntary Establishment of Nomination/Remuneration Committee]

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee

Established

Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
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Committee's Name	Nomination & Remuneration Advisory Committee	Nomination & Remuneration Advisory Committee
All Committee Members	6	6
Full-time Members	0	0
Inside Directors	2	2
Outside Directors	4	4
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation **Updated**

The Company has established the Nomination & Remuneration Advisory Committee composed of a majority of Outside Directors and chaired by an Outside Director, as an advisory body to the Board of Directors. This has been done to promote transparent and objective management decisions, as the Board of Directors receives diverse opinions and advice from Outside Directors on important management issues such as those concerning governance, including nominations (including succession plans) of Directors and Executive Officers and remuneration.

In fiscal 2025, the Committee received inquiries from the Board of Directors regarding succession planning and the executive framework that included Outside Directors, and made recommendations and proposals based on the results of repeated and continuous discussions with the attendance of the CHRO.

[Independent Directors]

Number of Independent Directors

4

Matters relating to Independent Directors

The Company has appointed all outside officers who are eligible for independent directors (four Outside Directors) as independent directors.

[Incentives]

Incentive Policies for Directors

Performance-linked Remuneration

Supplementary Explanation

The Company has adopted a performance-linked remuneration program to provide incentives to Directors (Excluding Directors who are Audit Committee Members). Please refer to II .1 [Director Remuneration].

Recipients of Stock Options

Supplementary Explanation

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[Director Remuneration]

Disclosure of Individual Directors' Remuneration

No Individual Disclosure

Supplementary Explanation **Updated**

Remuneration for Directors of the Company is disclosed in the Business Report.

Category			Breakdown
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	Number of persons	Amount of remuneration, etc. (Millions of yen)	Cash remuneration				Stock remuneration	
			Basic remuneration		Performance-linked remuneration		Number of persons	Total (Millions of yen)
			Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)		
Directors (excluding Directors who are Audit Committee Members) (of which Outside Directors)	7 (1)	274 (13)	7 (1)	184 (13)	4 (-)	63 (-)	6 (-)	26 (-)
Directors (Audit Committee Members) (of which Outside Directors)	4 (3)	78 (39)	4 (3)	78 (39)	- (-)	- (-)	- (-)	- (-)
Total (of which Outside Directors)	11 (4)	352 (52)	11 (4)	352 (52)	4 (-)	63 (-)	6 (-)	26 (-)

Notes: 1. The maximum amount of cash compensation remuneration for Directors (excluding Directors who are Audit Committee Members) is ¥490 million per year (of which the maximum amount of remuneration for Outside Directors is ¥40 million, excluding the portions of their salaries as employees) as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors (excluding Directors who are Audit Committee Members), including 1 Outside Director, as of the conclusion of the 162nd Ordinary General Meeting of Shareholders.

2. The maximum amount of remuneration for Directors who are Audit Committee Members is ¥166 million per year as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 4 Directors who are Audit Committee Members as of the conclusion of the 162nd Ordinary General Meeting of Shareholders.

3. Regarding the amount of stock remuneration for Directors (excluding Directors who are Audit Committee Members or Outside Directors), the maximum amount of cash to be contributed by the Company is ¥40 million per year, and the maximum number of points to be awarded to Directors is 110,000 points per year, as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors (excluding Directors who are Audit Committee Members or Outside Directors) as of the conclusion of the 162nd Ordinary General Meeting of Shareholders.

4. There were 9 Directors as of March 31, 2026. The above table shows the different number because it includes 2 Directors who retired at the conclusion of the 166th Ordinary General Meeting of Shareholders held on June 20, 2025.

5. The total amount of stock remuneration is the amount of expenses recorded for the fiscal year under review for the stock remuneration plan that allots shares of the Company (a stock remuneration plan wherein a trust established by the Company makes acquisitions using funds contributed by the Company, and shares of the Company and cash equivalent to the disposal conversion amount of the Company's shares are allotted to Directors (excluding Directors who are Audit Committee Members and Outside Directors) through said trust).

6. The amount of Company-wide performance-linked component of the performance-linked remuneration paid is determined with reference to the consolidated operating income for each fiscal year. If consolidated operating income is below a certain level, or massive amount of extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment is made, or the payment amount is reduced. The reason why consolidated operating income has been selected as an index is because it is a key indicator in the Company's management plan.

The amount of individual performance-linked remuneration is determined, in accordance with the internal regulations, by President & CEO Ikuo Ishida, who has been delegated this

authority, after individual evaluation. The delegation of this authority is based on the judgement that the President & CEO, who oversees the overall execution of the company's business, is appropriate for assessing the achievement and others of individual Directors' financial and non-financial targets. In addition, the Board of Directors receives reports on the evaluation content and has confirmed that it aligns with the policy for the determination of remuneration.

Policy on Determining Remuneration Amounts and Calculation Methods

Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

The Board of Directors (excluding Directors who are Audit Committee) of the Company has decided on the following policy for determining remuneration and other payments to individual Directors (hereinafter referred to as the "Decision Policy"), after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee.

Remuneration for Directors who are Audit Committee Members consists only of a fixed monthly amount, determined within the total amount resolved by the General Meeting of Shareholders.

1. Basic Policy

Remuneration for individual Directors (excluding Directors who are Audit Committee Members; the same applies hereinafter) shall be in accordance with each Director's roles and responsibilities, and shall be determined by the Board of Directors after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations, in order to enhance objectivity and transparency.

The structure of Directors' remuneration shall, in addition to a fixed monthly amount of basic remuneration, consist of performance-linked cash remuneration, designed to increase motivation to improve the Company-wide and individual performance for each fiscal year, and stock remuneration, designed to increase motivation to contribute to improving medium- and long-term performance and enhancing corporate value. These function as sound incentives to maintain growth. However, in view of the duties performed by Outside Directors and non-executive Directors, remuneration for these Directors shall consist solely of basic remuneration.

2. Policy on the determination of remuneration and other payments to individual Directors

i) Policy on the determination of the amount and calculation method of basic cash remuneration

Basic remuneration shall be determined in accordance with each Director's roles and responsibilities, taking into consideration factors such as the level of employee pay. It shall be paid in a fixed amount every month.

ii) Policy on the determination of the performance indicators, amount and calculation method of performance-linked cash remuneration

Performance-linked remuneration shall consist of Company-wide performance-linked remuneration and individual performance-linked remuneration. However, the Chairman and President receive only Company-wide performance-linked remuneration, excluding the Chairman without representative rights (non-executive Director).

The total amount of Company-wide performance-linked remuneration shall be determined with reference to consolidated operating income, a key indicator under the Company's management plan. It shall then be allotted in accordance with each Director's roles and responsibilities, and paid promptly after the financial results are finalized. However, if consolidated operating income is below a certain level, or a massive extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment shall be made, or the payment amount shall be reduced.

Individual performance-linked remuneration shall be linked to each Director's individual evaluation of the achievement and others of financial and non-financial targets, and shall be paid promptly after the financial results are finalized in accordance with internal regulations determined by the Company in advance.

iii) Policy on the determination of the details, amount and calculation method of stock remuneration

The stock remuneration scheme shall utilize a trust structure. Points shall be granted to Directors each month in accordance with rank, based on stock delivery regulation established by the Company, and shares of the Company's stock shall be delivered to Directors through the trust on retirement, based on the number of points they have accumulated. The maximum amount of money to be contributed by the Company to the trust for the purpose of delivering the Company's shares to Directors shall be ¥40 million per year.

iv) Policy on the determination of the proportions of the total amount of remuneration paid as basic remuneration, performance-linked remuneration, and stock remuneration

No policy is established specifically to determine the proportion of Directors' remuneration to be paid as

basic remuneration, performance-linked remuneration, and stock remuneration. However, if the operating income target under the management plan is achieved, then the proportions will be approximately 60%, 30% and 10% respectively.

v) Method used to determine remuneration and other payments to individual Directors

The individual performance-linked component of the remuneration for Directors shall be determined by the President, who has been delegated this authority, after individual evaluation in accordance with the internal regulations determined by the Board of Directors.

In order to ensure that the President exercises this authority appropriately, the Board of Directors shall establish in advance the amount of remuneration linked to individual evaluations in the internal regulations and shall receive reports on the details of such remuneration.

[Supporting System for Outside Directors]

The Company has established the Audit Committee Department as an agency to assist Outside Directors who are Audit Committee members in performing their duties, and assigns at least one employee to the Office full-time, after prior consultation with the Audit Committee. As of the report's submission date, three full-time staff members are assigned to the Audit Committee Department.

And then, to allow sufficient time for examination so that vigorous debate can take place on the day of the meeting, materials for Board of Directors meetings are distributed in advance. This includes ensuring that materials relating to agenda items to be resolved are distributed to Directors including Outside Directors.

In addition, the Company explains to Outside Officers in advance.

[Retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)]

Information on retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.) **Updated**

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Yoshitaka Shinsuke	Honorary Advisor	• Advice in response to requests from the current management team • External activities, including maintaining relationships with customers and other business partners and conducting activities at industry associations.	Part time without compensation	March 31, 2021	specified
Manabu Yamamoto	Senior Corporate Advisor	• Advice in response to requests from the current management team • External activities, including maintaining relationships with customers and other business partners and conducting activities at industry associations.	Part time with compensation	March 31, 2025	specified

Number of retired presidents/CEOs holding advisory positions (sodanyaku, komon, etc.)

2

Updated

- Advisors and Counselors are not involved in any management decision-making.
- Regulations relating to Advisors and Counselors are decided by the Nomination & Remuneration Advisory Committee comprising mainly Outside Officers.
- The Company decided to abolish the office of Counselor as of April 1, 2021 after advising by the Nomination & Remuneration Advisory Committee held at February 2021.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) **Updated**

The Company's current system of governance structure that involves the execution of business and methods of auditing and supervision is formed in a system where the Board of Directors, Audit Committee and organizations conducting internal auditing and internal control, such as the Internal Control Office and the Legal Department, collaborate. The roles of each function in supervision, business execution and auditing in the system are as follows.

1. Supervising function (Directors, Outside Directors, and the Board of Directors)

As of the date this report was submitted, nine Directors (including four Outside Directors) are appointed.

To strengthen corporate governance, executive roles for Directors (such as senior managing directors or managing directors) have been abolished in principle, focusing on carrying out the overseeing and supervising of the execution of business from an equal position.

All four Outside Directors are appointed as independent directors, and elected with expectation of further enhancing the supervising function at the Board of Directors through their opinions regarding overall management that is based on their expertise and external viewpoint.

In addition, pursuant to Article 427, Paragraph 1 of the Companies Act, the Company has entered into liability limitation agreements with four Outside Directors that limit liability of damages in the event that he/she failed to perform his/her duties to the higher of the amount that is set forth in advance over 5 million yen or the amount specified by laws and regulations.

The Board of Directors meetings are held once a month, making important decisions related to business execution, and supervising the business execution of Directors and Executive Officers, in accordance with laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations.

The Company has established the Nomination & Remuneration Advisory Committee composed of a majority of Outside Directors and chaired by an outside director, as an advisory body to the Board of Directors. This has been done to promote transparent and objective management decisions, as the Board of Directors receives diverse opinions and advice from Outside Directors on important management issues such as those concerning governance, including nominations and remuneration.

2. Business execution function (Executive Officer System, committees, deliberative councils, and others)

To strengthen corporate governance, the powers and roles in the execution of business which were formerly held by Directors were transferred to Executive Officers. With a purpose of a distinct separation of business execution from the overseeing and supervising function of such execution, the Company has adopted the Executive Officer System.

As of the date this report was submitted, twenty Executive Officers (including three Executive Officers concurrently serving as Directors) were elected, reporting the status of the business execution at the Board of Directors meetings and being overseen and supervised by Directors.

The Company has also established the Management Committee composed of Directors (including Directors who are Audit Committee Members) and some Executive Officers, with the aim of engaging in deliberation and discussion on important management issues. With the Executive Officer responsible for each item participating in discussions on that item, the Company is pursuing more efficient discussions and swifter decision-making on important management matters.

Concerning individual important matters, such as budget formulation and capital investment, the Company set up deliberative councils or special committees by function, where professional and efficient discussion is held.

3. Auditing function (Audit Committee, Internal Control Department, and Accounting Audits)

As of the filing day of this report, the Company has appointed four Directors who are Audit Committee Members (of whom three are Outside Directors) to compose the Audit Committee.

The Audit Committee audits the execution of duties by Directors from an independent position, including the completeness and implementation of internal control systems, through investigations into the status of the execution of duties such as attending important Company and other meetings, receiving reports from Directors, and inspecting important documents.

The three Outside Directors who are Audit Committee Members are all designated as independent officers, and have been appointed in the expectation that in their roles they will utilize their professional insight and external perspectives in the Company's audit structure.

The Audit Committee meetings are held once each month to audit the business execution of Directors (excluding Directors who are Audit Committee Members). In addition, divisional report meetings are held as required to audit the status of business execution.

The Company establishes the Audit Committee Department as an agency to assist the Audit Committee in performing its duties, and assigns at least one employee to the Office full-time, after prior consultation with the Audit Committee. As of the report's submission date, three full-time staff members are assigned to the Audit Committee Department.

For fiscal 2025, the Audit Committee, continuing from the previous fiscal year, assessed its own effectiveness by reviewing internal audit activities. The purpose of the Audit Committee's fiscal 2025 effectiveness evaluation was to identify issues for incorporation into the fiscal 2026 audit plan, thereby enhancing audit quality.

In the evaluation, the Audit Committee assessed 20 evaluation items across five key perspectives, including Committee composition, operations, audit activities, and collaboration among internal control departments, accounting auditors, and similar bodies.

Consequently, the majority of the evaluation items were assessed to be "appropriate" or "mostly appropriate," leading the Audit Committee to conclude that it functioned effectively overall in fiscal 2025.

In terms of Committee composition, it was confirmed that expertise and a balance of internal and outside officers had been secured, and that a system was in place capable of discussions from multiple perspectives. As for operations, discussions go beyond mere formalities and involve a free, open, and substantive exchange of views. Additionally, in terms of audit activities, internal audits of departments, business locations, and domestic and overseas affiliates are being conducted at appropriate frequencies and levels of depth in accordance with the audit plan, and the operation status of the internal control system has also been verified. Furthermore, it has been confirmed that necessary information is being shared and that a generally favorable relationship of collaboration between internal control departments and the accounting auditors has been maintained.

Meanwhile, as far as the collaboration with the Audit & Supervisory Board Members of the Group companies is concerned, information sharing and opinions exchanged through the Group Audit & Supervisory Board Members Liaison Committee have revealed that there is room for improvement in the audit framework and audit procedures of each company. Accordingly, the Audit Committee proposed improvements to the Board of Directors that would raise the effectiveness of audits by the Group Audit & Supervisory Board Members. To raise the effectiveness of audits and strengthen governance throughout the Group, the Audit Committee will continue to maintain close collaboration with the internal control departments, the accounting auditors, and the Audit & Supervisory Board Members of all Group companies.

With regard to internal audits, the Company has established the Internal Control Department with seventeen staff members as a dedicated department that conducts comprehensive internal auditing.

As to accounting audits, the Company has appointed Ernst & Young ShinNihon LLC as its Accounting Auditor, and has been audited by the accounting corporation for 47 years. (The length of continuous audit may be longer, due to extreme difficulty in investigations). In addition, assistants engaging in the accounting audits for the Company comprise six certified public accountants and twenty other staff.

Designated Limited Liability Partner: Certified Public Accountant Takao Maruyama

Designated Limited Liability Partner: Certified Public Accountant Takahiro Kawagishi

Designated Limited Liability Partner: Certified Public Accountant Yuki Nakano

3. Reasons for Adoption of Current Corporate Governance System

The Company's current system of governance structure that involves the methods of execution of business and auditing and supervision is described in 2. above.

In this system, the roles of each function in supervision, business execution, and auditing are defined in each item of 2. above. The Company believes that such system is optimal for said roles to be fulfilled, and suitable to secure the confidence of shareholders, investors, etc.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Smooth Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company sends out the notice by around three weeks before the date of the Ordinary General Meeting of Shareholders.
Scheduling AGMs Avoiding the Peak Day	The Company pays attention to hold Ordinary General Meetings of Shareholders early and therefore the date of the meeting falls on the date other than the peak day.

Allowing Electronic Exercise of Voting Rights	Starting with the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2007, the Company has adopted a method of exercising voting rights via the internet, etc. using computers.
Participation in Electronic Voting Platform	Starting with the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2007, the Company has adopted the Electronic Voting Platform for institutional investors (TSE Platform) operated by ICJ, Inc.
Providing Convocation Notice in English	Starting with the Ordinary General Meeting of Shareholders for the fiscal year ended March 31, 2014, the Company has prepared and provided the notice of convocation in English (full text, including website disclosure items).
Other	As the electronic provision measures, the Company posts materials for General Meeting of Shareholders at the website of the Tokyo Stock Exchange (Listed Company Information Service) and the Company website, in addition to posting them on Arrow Force, a website operated by ICJ, Inc. for institutional investors.

2. IR Activities

	Supplementary Explanations	Explanation by the Company's Representative
Preparation and Disclosure of the Disclosure Policy	The "Denka Group Disclosure Policy" has been prepared and disclosed on the Company website. https://www.denka.co.jp/ir/disclosure_policy/	
Regular Investor Briefings for Individual Investors	Hybrid briefings combining in-person and online briefings are held once a year to present management plans and business overviews.	No
Regular Investor Briefings for Analysts and Institutional Investors	Regular briefings are held every quarter. The briefing results are distributed later on the Company's website.	Yes
Regular Investor Briefings for Overseas Investors	The Company visits institutional investors mainly in North America, Europe, and Asia, twice a year.	Yes
Posting of IR Materials on Website	IR materials posted on the website are as follows. Notices of convocation, reports (former shareholder newsletters), securities reports, summaries of consolidated financial statements ("kessan tanshin"), summaries of consolidated financial results, quarterly reports, and reference materials for results briefings.	
Establishment of Department and/or Manager in Charge of IR	The Company has established the Corporate Communications Department.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	The Denka Group Corporate Ethics Policy provides the policy to pay due respect to the stakeholders.
Implementation of Environmental Activities, CSR Activities etc.	In order to engage more actively in CSR activities, the Company has established the Corporate Planning Department and issues a Denka Report (Integrated Report) once a year, which is posted on the Company's website.

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Progress of System Development

1. Systems to ensure that Directors' and employees' execution of duties complies with laws and regulations and the Articles of Incorporation

The Board of Directors of the Company performs important decision-making concerning business execution in accordance with laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations and oversees Directors' and Executive Officers' execution of duties.

Executive Directors and Executive Officers execute their duties under supervision by the President and oversee employees' execution of duties at divisions for which they are responsible.

The Audit Committee audits the execution of duties by Directors from an independent position, including the completeness and implementation of internal control systems, through investigations such as attending important Company and other meetings, receiving reports from Directors, and inspecting important documents.

The Company establishes the Denka Group Corporate Ethics Policy as a set of action guidelines for all the officers and employees of the Company and its subsidiaries concerning compliance, and corporate rules and regulations are established to ensure compliance with specific laws and regulations and the Articles of Incorporation. In accordance with the provisions of the Denka Group Corporate Ethics Policy, the Company maintains a resolute attitude against antisocial forces and does not provide any payoff. Based on this policy, the Company establishes an internal system.

Regarding internal audits, the Company establishes the Internal Control Department as a dedicated department that conducts comprehensive internal auditing. In addition, regarding specialized or specific fields, business units and various committees provide education on compliance with rules and regulations and audit compliance statuses according to functions and report to the responsible officers, as necessary.

The Internal Control Department also performs assessment of statuses of design and operation of internal controls for the purpose of preparing a "report of internal control over financial reporting" specified by the Financial Instruments and Exchange Act and reports the result to the responsible officer. The Company establishes the Compliance Hotline System to supplement internal audits by the departments described above to swiftly identify and address any violations.

2. Systems for storage and management of information related to Directors' execution of duties

The Company records information related to Directors' execution of duties in accordance with the Board of Directors Regulations, job descriptions, and other internal rules and regulations, and stores and manages such information based on the document retention regulations.

3. Rules and other systems for management of risk of loss

The Company formulates the Risk Management Guidelines to provide policies for responding to incidents that may greatly affect corporate activities.

Regarding such items as the environment, health and safety, and quality control, cross-organizational committees are established to comprehensively manage risks. Regarding items unique to departments, the relevant departments are responsible for managing associated risks.

4. Systems to ensure that Directors' execution of duties is efficient

The Company adopts the executive officer system to optimize the management decision-making function of the Board of Directors and to strengthen each function of business execution and oversight by separating them.

The Company establishes the Management Committee composed of Directors (including Directors who are Audit Committee Members), but distinct from the Board of Directors which is a decision-making body, to enhance the efficiency and speed of debate on important management matters, by including the participation of the Executive Officer responsible for each item in discussions on that item.

For such important matters as budget formulation and capital investment, the Company sets up deliberative councils or special committees by function.

The job descriptions specify basic duties and decision-making authority of Directors, Executive Officers, and employees to enhance efficiency of execution of duties.

5. Systems to ensure the appropriateness of operations of the Group

Regarding management of subsidiaries, the Company specifies organizations responsible for each subsidiary. These supervisory organizations take responsibility for supervising. In addition, they provide guidance, administration, and oversight in accordance with the situation of each subsidiary.

Regarding ordinary operations of subsidiaries, the Company respects the autonomy and independence of each affiliated company. Regarding compliance with laws and regulations and social norms, the Company applies the Denka Group Corporate Ethics Policy and other relevant rules and regulations to affiliated companies and provides education and oversight.

(1) Systems for reporting of matters relating to execution of duties by subsidiaries' directors etc. to the parent company

The Company dispatches directors, etc. to subsidiaries from the organization that is responsible for the subsidiaries and information about important matters for the subsidiaries is exchanged and discussed at meetings of the Company's Board of Directors, etc.

Regarding execution of duties, taking into account the degree of impact on the Group as a whole, subsidiaries report matters of greater importance to the parent company that is the Company, via their supervisory organizations, in accordance with the Job Descriptions for Management of Affiliated Companies.

(2) Subsidiaries' rules and other systems for management of risk of loss

The Company responds to incidents that may greatly affect subsidiaries' corporate activities in accordance with the Risk Management Guidelines.

Regarding such items as the environment, health and safety, and quality control at a subsidiary, directors, etc. dispatched to the subsidiary from the supervisory organization responsible for the subsidiary provide advice and guidance through discussion with specific organizations responsible for each such item.

(3) Systems to ensure that execution of duties by subsidiaries' directors, etc. is efficient

The Company dispatches directors, etc. to subsidiaries from the supervisory organizations responsible for the subsidiaries to facilitate information sharing between the Company and subsidiaries and to execute business systematically and efficiently by the Group as a whole.

Depending on the degree of importance of subsidiaries, the Company has subsidiaries introduce the shared accounting system and provides resources of administrative organizations to enhance efficiency of execution of duties of subsidiaries.

(4) Systems to ensure that execution of duties by subsidiaries' directors, etc. and employees complies with laws and regulations and the Articles of Incorporation

The Company establishes the Denka Group Corporate Ethics Policy applicable to the Group, including to subsidiaries, and encourages all the officers and employees of subsidiaries to ensure compliance with laws and regulations.

At the same time, the Company manages subsidiaries in accordance with the Job Descriptions for Management of Affiliated Companies.

The Company's Internal Control Department is principally responsible for internal audits of subsidiaries and conducts internal auditing, in a timely manner, receiving support of the Company's Legal Department, as necessary.

The Company establishes a whistleblower system for early detection and correction of non-compliant conduct at subsidiaries.

6. Systems related to, items related to securing the effectiveness of instructions given to, and items related to independence of employee from the Company's Directors (excluding Directors who are Audit Committee Members) if the Audit Committee should request the assignment of this employee to assist in its duties,

The Company establishes the Audit Committee Department as an agency to assist the Audit Committee in performing its duties, and assigns at least one employee to the Office full-time, after prior consultation with the Audit Committee.

The Audit Committee Department functions as secretariat for the Audit Committee, and receives orders directly from the Audit Committee.

Evaluations of employees assigned to the Audit Committee Department, and decisions on other related personnel matters, are carried out after prior consultation with the Audit Committee.

7. Systems for reporting to the Audit Committee by Directors (excluding Directors who are Audit Committee Members of the company) and employees etc. of the Company and its subsidiaries, other systems for reporting to the Audit Committee, and systems to ensure that those who report to the Audit committee do not receive unfavorable treatment because of their report

Directors (excluding Directors who are Audit Committee Members), Executive Officers and employees of the Company and its subsidiaries report on the work for which they are responsible, by division or subsidiary, regularly or whenever necessary in accordance with directions or requests from the Audit Committee. In addition, when a situation arises that causes, or may cause, significant damage to the Company Group, they must report it immediately to Audit Committee, either directly or indirectly through the line of command or whistleblower system.

The Internal Control Department regularly reports to the Audit Committee on the results of internal audits of the Company and its subsidiaries.

The Company establishes a whistleblower system, a system for officers and employees at the Company and its subsidiaries to report non-compliant conduct. The Audit Committee Department is designated as one of the points of contact for reports under the whistleblower system. If non-compliant conduct is reported to the Audit Committee Department or other point of contact, the details are then reported to the Audit Committee. The Denka Group Corporate Ethics Policy stipulates that those who report non-compliant conduct through the whistleblower system or other means shall not receive unfavorable treatment because of their report.

8. Systems for ensuring the effective operation of audits by the Audit Committee, and policies regarding the processing of costs etc. associated with execution of duties by Audit Committee Members

In order to prevent any impediment to the execution of duties by Audit Committee Members, Directors shall not only secure the necessary budget for expenses, but also ensure prompt payment of expenses and debts related to claims made under Article 399-2, Item 4 of the Companies Act, except where it has been recognized that such expenses and debts are not necessary for the execution of duties by the relevant Audit Committee Members.

Company divisions engaged in internal audits, such as the Internal Control Department, shall coordinate with audits by the Audit Committee, and cooperate to enhance their mutual operational efficiency.

2. Basic Views on Eliminating Anti-Social Forces **Updated**

The Denka Group Corporate Ethics Policy states that all officers and employees of the Company and its Group companies comply with laws and regulations in Japan and overseas, as well as internal regulations and that they do not act against social rules and ethics. With regard to antisocial forces, it also stipulates that they take a resolute attitude against such forces and do not provide any payoff. This is the Company's basic approach to eliminate antisocial forces.

Based on this basic approach, the Company has developed an internal structure aiming at elimination of antisocial forces by appointing the Administrative Department as a responsible department for dealing with such forces. The Company also conducts information exchange and consultations with external experts including the police and lawyers concerning information related to antisocial forces as well as holds internal seminars for all officers and employees.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted
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Supplementary Explanation

The following matters were decided at a meeting of the Board of Directors of the Company

Under the new Vision and management plan "Mission 2030" (eight years from fiscal 2023), the Company will enhance human resources and management value, and focus on creating value in businesses that incorporate the three elements of Specialty, Megatrends, and Sustainability. The Company will also set specific financial and non-financial targets for fiscal 2030 and focus on achieving them in order to enhance the corporate value and the common interests of shareholders from a medium- to long-term perspective. The Company has not established so-called takeover defense countermeasures, but certain large scale purchases that may damage corporate value and large scale purchases where sufficient information or time may not be provided to shareholders in order to consider whether it should accept or reject such a purchase attempt, within the scope permitted by laws and regulations, regulations of financial instruments exchanges etc., appropriate interactions are taken in order to prevent damage to the Company's corporate value and the common interests of its shareholders.

2. Other Matters Concerning to Corporate Governance System

The Company's internal corporate structure of Corporate Governance System including Outline of Internal Control System is shown in Attachment 3.

[Outline of Timely Disclosure System]

In order to maintain timely and appropriate disclosure of corporate information to investors, the Company has established a system as follows based on the Financial Instruments and Exchange Act and Regulations on Insider Information Management and Prevention of Insider Trading, which are the Company's internal regulations.

1. Decisions by the Company and Financial Results Information

Gathering information on decisions by the Company and management of internal information are handled by the respective General Managers of Administrative Department, Accounting Department, Finance

Department and Corporate Communications Department. Determination on the materiality and on whether or not the information is required to be timely disclosed is made among Corporate Planning Department, Legal Department, Corporate Communications Department, and the division in charge of the matter, centered on Administrative Department, Accounting Department, and Finance Department. The results are reported to the Director and President, and the person responsible for information handling discloses the decisions without delay after approval of the Board of Directors.

With regard to financial results information, they are reported to the Director and President from the Accounting Department, Finance Department, and the person responsible for information handling discloses the relevant information without delay after approval of the Board of Directors.

2. Facts which occurred for the Company

Concerning facts which occurred for the Company, related information is gathered promptly after the occurrence from the division in charge where the facts occurred, to Departments centered on Administrative Department, Accounting Department, Finance Department and Corporate Communications Department. If necessary, same as the aforementioned decisions by the Company, the information is discussed among Corporate Planning Department, Legal Department, Corporate Communications Department, and the division in charge. The results are reported to the Director and President, and the person responsible for information handling discloses the facts without delay.

The Company's internal corporate structure of Timely Disclosure System is shown in Attachment 4.

(Attachment 1)

Denka Group ESG Basic Policy

August 27, 2018: Established as Denka Group CSR Basic Policy

November 8, 2021: Updated into Denka Group ESG Basic Policy

April 1, 2023: Revised on Denka Group ESG Basic Policy

July 14, 2025: Revised on Denka Group ESG Basic Policy

The Denka Group recognizes that sustainability issues (medium- to long-term sustainability) including consideration for global environmental issues such as climate change, respect for human rights, consideration for employee health and working environments and fair and appropriate treatment, compliance with relevant laws and regulations, fair and appropriate transactions with customers and business partners, and crisis management in the event of natural disasters are important issues that will determine the Group's continued existence. Accordingly, the Denka Group will actively and proactively address these issues.

Furthermore, from the medium- to long-term perspective of enhancing corporate value, we will work together with our business partners and everyone in our supply chain to address the United Nations Sustainable Development Goals (SDGs) toward the realization of a sustainable society and the solving of common issues facing humanity. Through our provision of innovations and solutions as a chemistry-based monozukuri company, we aim to be a company that contributes to society.

Under the vision (core values, purpose, and mission) that expresses Denka's future image and forms the basis of activities for all employees, the Denka Group has established The Denka Group ESG Basic Policy as our basic policy for ESG (environment, society, and governance) in business activities across the Group. We will strive to comply with each principle and enhance corporate value through the establishment of effective corporate governance based on high ethical standards.

This Basic Policy was formulated with reference to the "Charter of Corporate Behavior" of the Japan Business Federation (Keidanren), to which the Company is a member.

In order to respond appropriately to changes in social conditions and diversifying social issues, the Company will conduct timely and appropriate reviews of the contents of this Policy.

Note: The letters "E," "S" and "G" in the left column of the following table refer to Environmental, Social and Governance issues, respectively.

E	Promotion of measures for climate change	The Denka Group is striving to develop and introduce innovative technologies such as expanding the use of clean energy, reviewing our business portfolio, and recovering and utilizing CO₂. By doing so, we aim to reduce greenhouse gas emissions by 60% from the 2013 level by fiscal year 2030 and achieve net zero carbon neutrality by 2050. Through these efforts, we will not only enhance our corporate growth potential and competitiveness, but also contribute to the realization of Green Transformation (GX) across the entire economic and social spectrum.
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E	Reduction of environmental impact and conservation and protection of biodiversity	The Denka Group recognizes that reducing environmental impact is an essential requirement for its existence and activities as a corporate entity. Based on this recognition, the Denka Group promotes the cyclical and efficient use of resources in its business activities, reduces environmental impact on air, water, and soil, and promotes the protection of nature and biodiversity as well as the conservation and reduction of limited water resources.
E/S	Sustainable economic growth and solving social issues	The Denka Group provides products, services, and solutions that contribute to sustainable economic growth and the resolution of social issues through innovation. To reduce environmental impact across the value chain, we will develop environmentally friendly products and technologies and actively promote the establishment of a circular economy.
S	Respect for human rights	The Denka Group respects the human rights of all people involved in the Group's business, including the abolition of forced labor, effective elimination of child labor, prohibition of discrimination and elimination of harassment in employment and the workplace, and recognition of the freedom of association and the right to collective bargaining. The Denka Group also conducts appropriate human rights due diligence and strives to raise awareness of human rights, thereby fulfilling its corporate responsibilities.
S/G	Promotion of diversity, equity & inclusion (DE&I), human resource development, and work style reform	The Denka Group recognizes the diversity and autonomy of all people working in the Group, ensures fairness, understands and utilizes their individuality, and fosters the development of individual capabilities and the transmission of unique technologies. Furthermore, the Denka Group will establish environments that contribute to improving engagement, support diverse ways of working for each individual, and promote work style reforms that achieve a balance between work and life.
S	Creating a safe and easy-to-work workplace	The Denka Group places workplace health and safety and facility security and disaster prevention as its top priority in all production activities and strives to create a workplace environment that is easy to work in and comfortable with consideration for health, free from serious accidents and disasters.
S	Participation in and contribution to the formation of good local	The Denka Group actively participates in the formation of better local communities and contributes to their development as a good corporate citizen, thereby fostering relationships of trust with local communities.

	communities and building of trust	
S	Building trust with customers	The Denka Group strives to provide safe and high-quality products while building trust with all stakeholders through sincere and transparent communication to ensure that all customers are satisfied with our products, services, and solutions.
G	Fair corporate activities	The Denka Group complies with the laws and regulations of each country and region in which it conducts business, and engages in fair and free competition, appropriate transactions, consideration for the global environment, responsible procurement that does not involve human rights violations such as child labor and forced labor, and maintains sound relationships with political and governmental authorities. In its supply chain, the Denka Group is working to strengthen mutually beneficial relationships with its business partners based on its Partnership Building Declaration.
G	Constructive dialogue with stakeholders and information disclosure	The Denka Group actively, effectively, and fairly discloses financial and non-financial information, ensures the reliability of such information, and strives to engage in constructive dialogue with a wide range of stakeholders to enhance corporate value.
G	Risk Management	The Denka Group promotes strategic risk management, including the understanding of risks affecting corporate activities and the strengthening of responses to important risks. Furthermore, the Denka Group will implement organized crisis management in response to serious threats, including the actions of anti-social forces, terrorism, cyber-attacks, and natural disasters.
G	Protecting, managing, and utilizing tangible and intangible assets	The Denka Group recognizes that tangible assets and intangible assets such as confidential information and intellectual property are sources of its competitive strength, and is committed to their appropriate protection and utilization. The Denka Group appropriately protects and manages personal information, respects the legitimate intellectual property of third parties, and promotes digital transformation through the utilization of data.
G	Role of the President and CEO and thorough implementation of this Basic Policy	The Denka Group's management will ensure that this Basic Policy is communicated throughout the Group and will strive to enhance corporate value by establishing an effective Group governance system. In the event that a situation arises in

		which trust from society is lost in contravention of this Basic Policy, the Group management will take the initiative to resolve the issue, identify the cause, and prevent recurrence, thereby fulfilling its responsibility. The Denka Group also requests that supply chain stakeholders act in accordance with the spirit of this Basic Policy.
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(Attachment 2)
(1) Skills matrix of the Board of Directors of the Company

			Attribute				Skills											
			Independent Outside	Age	Number of years in office	Gender	Corporate Management /Corporate Planning	Human Resources Value Creation	Global Business	Financial Strategy / Accounting	Legal/ Compliance	Sustainability/ESG			Business Value Creation and Marketing	Research/ Intellectual property	Technology /Manufacturing	DX
												E (Environment)	S (Society)	G (Governance)				
Chairman and Representative Director	Toshio Imai			67	7	M	○	○	○			○		○	○			
Representative Director	Ikuro Ishida	President and Chief Executive Officer		64	3	M	○	○	○		○			○	○			
Director	Rimiru Hayashida	Senior Managing Executive Officer		64	1	M	○			○				○				
Director	Masanobu Kosaka	Managing Executive Officer		63	1	M			○			○	○			○	○	○
Director	Rumiko Nakata		○	70	2	F		○					○					
Director	Mizuhiro Uchida	Full-time Audit Committee Member		64	3	M				○	○		○	○				○
Director	Toshio Kinoshita	Audit Committee Member	○	77	11	M			○	○				○				
Director	Akio Yamamoto	Audit Committee Member	○	74	11	M	○	○	○						○			
Director	Miyuki Matoba	Audit Committee Member	○	52	5	F					○		○	○		○		

* The matrix above shows the skills that the Board of Directors expects from them among knowledge and experience they possess.
* Age and years of service are shown as of June 19, 2026.
* Gender is represented as F (Female) and M (Male).

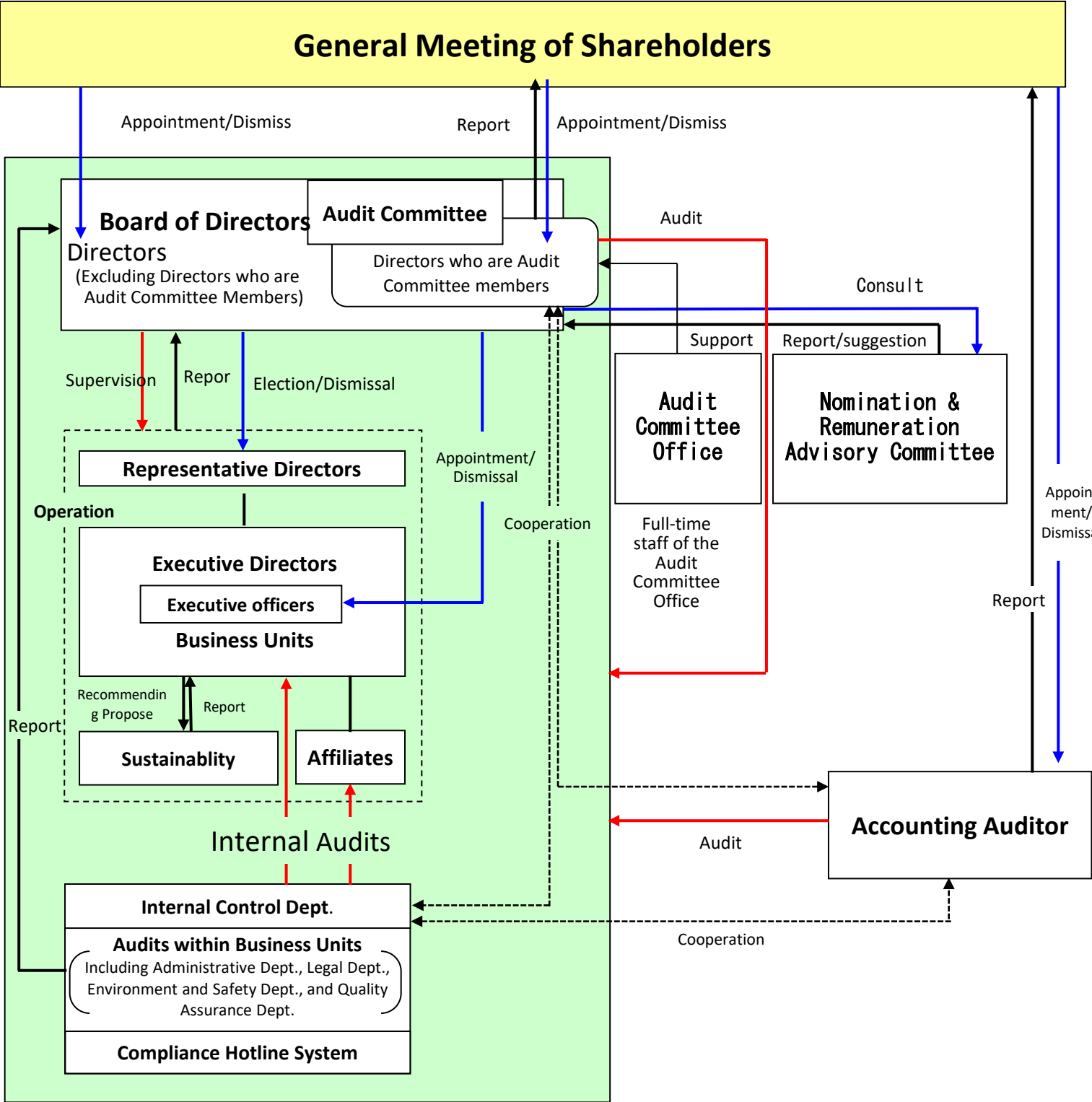
(Reference)
Skill matrix of the Excutive Officers who are not Directors

Managing Executive Officer	Kei Hara			60		M	○	○	○		○		○		○			
Managing Executive Officer	Hiroto Horiuchi			59		M	○		○						○	○		
Managing Executive Officer	Michio Kawamura			61		M	○		○			○	○			○	○	

The skills considered necessary for the Company’s Board of Directors to make important decisions and supervise management under Denka’s vision to reach the goals of the Company’s eight-year management plan “Mission 2030” through fiscal 2030, and to promote ESG management through the priority management (materiality) issues are as follows.

Skills		Reasons for the selection of skills
Corporate Management and Corporate Planning		Directors are needed who have extensive management experience and achievements to establish and review management plans aimed at realizing the Denka’s Vision and supervise the execution of duties to achieve these plans.
Human Resources Value Creation		Directors are needed who have extensive knowledge and experience related to human resources value creation in order to realize human resource investment and system reforms, aiming to become a company where each and every employee can gain experience self-realization and personal growth.
Global Business		Directors are needed who have extensive experience in global business to fulfill our Purpose to “making the world a better place as specialists in chemistry” with an awareness of global megatrends.
Financial Strategy/Accounting		Directors are needed who have extensive knowledge and experience in the financial strategy and the accounting field not only to ensure the accurate disclosure of financial information, but also to drive selection and concentration of businesses, pursue optimal capital structure and improve profitability and efficiency.
Legal/Compliance		Directors are needed who have robust knowledge and experience in the legal and compliance fields to ensure fair and trustworthy corporate activities appropriately responding to increasingly complex legal systems and regulations in Japan and abroad.
Sustain ability and ESG	E (Environment)	Directors with extensive knowledge and experience in E (Environment) are needed to fulfill corporate social responsibility working on the precondition for continuation of business, “Achievement of carbon neutrality,” “Sustainable cities and fulfilling daily lives,” and “Environmental conservation and minimization of environmental footprint.”
	S(Society)	Directors with solid knowledge and experience in S (Society) are needed to fulfill corporate social responsibility through the provision of safe and high-quality products, respect for human rights, and participation in the effort to build a better community.
	G(Governance)	Directors with solid knowledge and experience in G (Governance) are needed to fulfill corporate social responsibility building a more advanced and effective corporate governance system that ensures transparency and fairness based on high ethical standards.
Business Value Creation and Marketing		Directors are needed who have market insight based on a broad perspective, as well as extensive business experience to ensure that all the three business areas, ICT & Energy, Healthcare, and Sustainable Living, will be fully made up of “three-star businesses” that incorporate the three elements of specialty, megatrends, and sustainability, while promoting the transformation of business portfolio, considering also selling or exiting a business that is difficult to convert to a “three-star business”.
R&D/Intellectual Property		Directors are needed who have a track record of promotion of innovation, as well as deep knowledge in science and technology and a wealth of experience in proprietary technologies and intellectual property, in order to create business value in the three business areas of ICT & Energy, Healthcare, and Sustainable Living.
Technology/Manufacturing		Directors are needed who are deeply familiar with technology, and who have extensive practical experience and robust insight into manufacturing in order to create management values through process innovation to improve productivity, ensure trustworthiness in manufacturing, and establish a safe work environment.
DX		Directors are needed with a profound knowledge and extensive experience related to digital technologies and data utilization, as well as the ability to understand and analyze the nature of the Group’s business, and use this insight to transform it, in order to promote transformation of business model and organization through process innovation.

(Attachment 3) Internal corporate structure of Corporate Governance System including Outline of Internal Control System



(Attachment 4) Internal corporate structure of Timely Disclosure System

