

[Provisional Translation Only]

The Company provides this English translation of the original Japanese document solely for information purposes, and in the event of any discrepancy between this translation and the Japanese original, the latter shall prevail.

Corporate Governance Report

Last Update: June 26, 2026

DAICEL CORPORATION

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Securities Code: 4202

<https://www.daicel.com/en/>

The corporate governance of DAICEL CORPORATION (the “Company”) is described below.

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

1. Basic Views

The Company recognizes that the reinforcement of corporate governance is an important management issue to improve corporate value and fulfill the Company’s social mission and responsibility as a listed company. By clarifying the division of roles among each organization, the Company ensures mobility and institutes a management system that can promptly make decisions and implement them. As well, the Company actively incorporates external opinions into company management and improves both the transparency and fairness of management. Thus, the Company strives to maintain the soundness of its management.

[The Reason not to Disclose Based on the Principles of the Corporate Governance Code]

The Company implements all of the principles set forth in the Corporate Governance Code.

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

Principle 1-4

<Policy Regarding Cross-Shareholdings>

The Company will hold strategic shareholdings only when it is determined that such holdings will contribute to the medium- to long-term enhancement of corporate value for the Company and the Group, from the perspective of strengthening business relationships, maintaining stable transactions with financial institutions, and maintaining and strengthening cooperative business relationships.

Furthermore, for stocks that no longer meet the holding objectives due to changes in the business environment or for which economic rationality is no longer recognized, we will seek to reduce our holdings sequentially.

In addition, when seeking to reduce holdings, for stocks that no longer meet the holding objectives due to changes in the business environment or for which economic rationality is no longer recognized, we plan to

proceed with sales after considering various factors, such as the impact on the market and the issuer's financial strategy.

The ratio of the balance of Cross-Shareholdings (including unlisted shares) to consolidated net assets is expected to be less than 10% as of the end of FY2026/3 based on the balance sheet carrying amount, and less than 20% as of the end of FY2025/3 and less than 10% as of the end of FY2030/3, respectively, on a basis that includes deemed holdings.

<Contents of the Board of Directors' Review>

For all held stocks, we report the results of periodic reviews regarding the appropriateness of the holding purpose, the quantitative and qualitative benefits arising from business transactions, and the economic rationality of the risks associated with holding them to the Board of Directors, which then scrutinizes the content.

As a result of these reviews and scrutiny, in FY2025/3, we sold all shares of five stocks and a portion of one stock.

<Standards for Exercising Voting Rights Related to Cross-Shareholdings>

When exercising voting rights for Cross-Shareholdings, we exercise such rights based on criteria such as ensuring that the exercise does not significantly affect the holding objectives of the Company and the Group, contributing to the sustainable growth and medium- to long-term enhancement of corporate value of the investee companies, and contributing to the common interests of the shareholders of the companies in which we hold shares.

Principle 1-7

In order to monitor transactions between related parties, the Company conducts an annual questionnaire survey regarding the existence of transactions between the Company Group and Directors, Audit & Supervisory Board Members, executive officers, and their close relatives, as well as the existence of transactions between the Company Group and companies in which Directors, Audit & Supervisory Board Members, executive officers, and their close relatives effectively hold a majority of voting rights. Regarding relevant related-party transactions, we review them at planning meetings based on the significance and nature of the transaction, such as whether the transaction amount is substantial or whether it is a non-routine transaction.

Furthermore, the Company requires deliberation and resolution by the Board of Directors (resolutions at the Board of Directors meeting once every six months and ex post facto reporting) for transactions involving conflicts of interest with Directors.

Supplementary Principle 2-4-1

(1) Policy

The Group has established a "Sustainable Management Policy," under which it promotes "people-centered management" whereby all diverse employees can grow with a sense of purpose and accomplishment. In addition, the Group has established the "Diversity, Equity & Inclusion Declaration" (DE&I Declaration), which calls for respect for diversity, including the active participation of women, and the provision of fair opportunities. Based on these concepts, the Group is promoting various initiatives, including support for employee growth, the promotion of diversity, equity and inclusion, and the fostering of a workplace culture in which employees can work comfortably.

<Daicel Group Human Resources Policy>

Sustainable People

We will advance "people-centered management," under which all diverse employees can grow with a sense of purpose and accomplishment.

I will refine my skills and character, make use of the company as a place for growth, achieve self-fulfillment, and attain happiness.

Working together with my colleagues, I will engage in creative work as a team, and together we will achieve happiness.

In this way, we will create and provide new value, realize a more prosperous society, and bring happiness to people.

<Policy on Human Resource Development>

The Group supports employees' autonomous career development so that all diverse employees can grow

with a sense of purpose and accomplishment. Underlying this policy is the desire that each employee will refine his or her skills and mindset, make use of the company as a place for growth, and achieve self-fulfillment. In the process of pursuing self-fulfillment, employees will contribute to the happiness of people in society by taking pride in their work and delivering valuable products and services to society.

<Policy on Improvement of the Internal Work Environment>

In order to achieve the Mid-Term Strategy, the Group is strongly promoting not only improvements in productivity but also “the strengthening of safety and quality” and “the elimination of the sense of excessive workload at worksites through operational improvements.” By thoroughly implementing investments and initiatives to ensure workplace safety and improve working conditions, the Group seeks to further strengthen safety, quality and compliance, which form the foundation of the Company, while also creating an environment in which each employee can fully demonstrate his or her abilities and experience the happiness of working.

(2) Ensuring Diversity

<Recruitment>

The Company is working on the recruitment of new graduates with a target diversity ratio (women and foreign nationals) of 30% or higher. The Company also actively hires mid-career employees with diverse professional backgrounds, and in FY2026/3, mid-career hires accounted for 64.7% of all hires.

<Promotion of Women to Management Positions> The Company is promoting the appointment of female employees to management positions. As of the end of March 2026, the ratio of female managers was 7.6%. The Company has also introduced a system under which managers serve as mentors to young female employees and provide regular opportunities for consultation on careers and working life (Young Employee Mentoring Program).

<Promotion of Foreign National Employees to Management Positions> The Company expects diverse employees to thrive regardless of nationality or gender. As of the end of March 2026, 26 foreign national employees were employed by the Company, six of whom held management positions or above. In addition, across the Group, local employees in each country account for more than half of managerial and supervisory positions, supporting Group management.

<Promotion of Mid-Career Hires to Management Positions> As the Company has actively recruited personnel with diverse professional backgrounds, the ratio of mid-career hires in management positions stood at 37.7% as of the end of March 2026.

<Promotion of Employment of Persons with Disabilities> As of May 1, 2026, the Company’s employment rate for persons with disabilities was 2.74%, exceeding the statutory employment rate of 2.7%. The Company will continue to maintain an employment rate above the statutory level.

Principle 2-6

The Company has established the Daicel Defined Benefit Corporate Pension Asset Management Committee, which is composed of personnel selected from the Human Resources and General Affairs Group and the Accounting Group of the Business Support Division, as well as other relevant departments, who possess appropriate qualifications for managing corporate pension reserve funds. The Committee formulates the basic investment policy for reserve funds, and based on that policy, the Company takes appropriate personnel and operational measures, including monitoring asset management institutions.

To achieve stable and efficient management of pension assets, the Company is reviewing the management of such assets with the assistance of highly specialized external consultants. Furthermore, by continuing to receive support from external consultants with extensive expertise, the Company will receive advice on specific measures, avoid risks to the greatest extent possible, and strive to achieve stable asset management as an asset owner.

In light of recent trends regarding cross-shareholdings, there is a growing tendency to seek reductions even in deemed shareholdings. The Company will proceed with the sale of shares held as part of its pension

assets.

Principle 3-1

(i) The Company posts on its website an overview of its Basic Philosophy, the Sustainable Management Policy, the Long-Term Vision, and the Medium-Term Management Strategy.

(ii) The Company's basic approach to corporate governance is posted on its website and described in the Corporate Governance Report and the Annual Securities Report. Please refer to those documents.

(iii) The policies and procedures for determining remuneration for Directors and Audit & Supervisory Board Members are described in the Annual Securities Report, the Corporate Governance Report, and the Notice of Convocation of the General Meeting of Shareholders. Please refer to those documents.

(iv) With respect to the appointment of senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members, the Company nominates persons who are suitable to lead the Company and who possess the character, insight, motivation, ethical standards, and business acumen required for such roles, based on the following principles: endorsement of and commitment to the Daicel Group Basic Philosophy, the Daicel Group Code of Conduct, and the Daicel Group Code of Ethics; and possession of the qualifications and experience necessary to achieve the Company's medium- to long-term enhancement of corporate value. Decisions on such appointments and nominations are made based on the recommendations of the Nomination and Compensation Committee (Chairperson: Outside Director), which is composed of Outside Directors and Representative Directors, with Outside Directors constituting a majority.

Based on the above policy, candidates for Executive Officers are selected from among eligible persons who have a medium- to long-term management perspective and the ability to demonstrate strong leadership, taking into account their evaluations and performance. In nominating candidates for Director, the Board of Directors makes the final decision, taking into account the balance of knowledge, experience, and abilities and the diversity of the Board of Directors as a whole, while considering the Company's size and other factors. In nominating candidates for Audit & Supervisory Board Member, the Board of Directors makes the decision with the consent of the Audit & Supervisory Board, taking into account the knowledge, experience, and abilities necessary to conduct accurate, fair, and efficient audits of the execution of duties by the Company's Directors, while considering the Company's size and other factors.

Decisions regarding removal are made in consideration of the following removal criteria and based on the recommendations of the Nomination and Compensation Committee.

[Criteria for Removal]

1. In the event of conduct in violation of laws, regulations, or the Articles of Incorporation, or other antisocial conduct
2. In the event that the Company's corporate value is materially impaired due to neglect of duties
3. In the event that the person is no longer deemed to possess the qualities required to lead the Company, including where the person fails to respect the Daicel Group Basic Philosophy, the Daicel Group Code of Conduct, or the Daicel Group Code of Ethics

For the Daicel Group Basic Philosophy, the Daicel Group Code of Conduct, and the Daicel Group Code of Ethics, please refer to the following website:

<https://www.daicel.com/en/corporate/philosophy/>

(v) The reasons for the individual nomination and election of candidates for Director and Audit & Supervisory Board Member are stated in the Notice of Convocation of the General Meeting of Shareholders. Please refer to that document. In addition, the reasons for the individual nomination and election of

candidates for Outside Director and Outside Audit & Supervisory Board Member are also stated in the Annual Securities Report and the Corporate Governance Report.

No information regarding removal is disclosed because no removal has occurred to date.

Supplementary Principle 3-1-3

<Regarding Sustainability>

The Company systematically discloses information on its sustainability initiatives with the aim of improving transparency and promoting constructive dialogue with stakeholders. Specifically, the Company continuously discloses its sustainability policies, initiatives, progress and results through its primary disclosure channels, including the Annual Securities Report, the Integrated Report (Daicel Report), and the sustainability website.

The content of these disclosures is being progressively enhanced to address key sustainability issues (materiality), including climate change. With regard to climate change in particular, the Company endorsed the TCFD recommendations in October 2021 and has conducted and disclosed scenario analyses in its major business areas in line with the framework of “Governance,” “Strategy,” “Risk Management,” and “Metrics and Targets.” As part of its other initiatives, the Company introduced an Internal Carbon Pricing (ICP) system in FY2026/3, and the greenhouse gas (GHG) emission reduction targets set by the Group were certified in April 2026 by the Science Based Targets initiative (SBTi), an initiative aimed at limiting the increase in global average temperature to 1.5°C.

These disclosures have contributed to a better understanding of sustainability and improved the quality of dialogue. In addition, through external evaluations and feedback, the Company is making progress in enhancing the effectiveness of its initiatives and integrating them into management.

<Investment in Human Resources>

Based on its Sustainable Management Policy, the Company discloses in its Integrated Report and on its website its initiatives aimed at realizing “People-Centered Management” and “Sustainable People (Employee Well-being).”

The Company aims to create an environment in which each diverse employee can grow with a sense of purpose and accomplishment, and supports employees’ autonomous career development and self-fulfillment driven by high motivation.

Effective April 1, 2026, following its integration with Polyplastics Co., Ltd., a former Group company, the Company fundamentally revised its human resources system, including abolishing the previous person-based allowances and shifting to a system that places greater emphasis on performance and ability.

In addition, to support employees’ skill development and reskilling, the Company has introduced a subsidy of up to JPY 30,000 per year (tax included) for all employees as career support expenses. The Company has also established the “Next-Generation Leaders Academy” for management candidates and young managers and is focusing on the development of next-generation talent.

In terms of work styles, employees may choose a work style centered on remote work according to their life stage. In the office environment as well, the Company has introduced a free-address system, creating an environment in which employees can choose the most suitable space according to their work duties, while promoting a workplace that is comfortable for a diverse range of employees, including persons with disabilities and LGBT employees.

<Regarding Intellectual Property Investment>

The Company discloses information on intellectual property investment with due regard to consistency with its management strategy and business strategy, with the aim of promoting dialogue with stakeholders. Specifically, the Company uses its website, the Integrated Report and other media as disclosure channels to communicate its approach to intellectual property investment and details of its initiatives.

Based on its fundamental philosophy of being “a company that brings happiness to people through value co-creation,” the Company aims to realize a Cross Value Chain model, under which it provides value jointly with others while sharing its philosophy across company and industry boundaries, in business fields where it can leverage its strengths to address social needs such as health, safety and security, convenience and comfort, and the environment. To strengthen competitiveness in each of these business fields, the Company positions intellectual property investment as an important management resource and continues to make such investments.

Specifically, based on the utilization and analysis of intellectual property “information” by the Intellectual Property Activities Team (“a compass for management, business and research” = IP Landscape), the Company is engaged in policy-making to strengthen business competitiveness, acquiring intellectual property rights based on such policies, building an intellectual property network, optimizing its portfolio, and appropriately utilizing patented technologies, including the standardization of patented technologies and licensing based on the RAND Declaration*.

*RAND (Reasonable and Non-Discriminatory) Declaration: A commitment made by the holder of a standard-essential patent to a standardization body to grant licenses to third parties on reasonable and non-discriminatory terms.

Supplementary Principle 4-1-1

The Board of Directors makes decisions on important matters as provided for in laws and regulations, the Articles of Incorporation, and the Board of Directors Regulations. Decision-making on other matters and their execution are delegated to the Management Committee, which is a decision-making body at the business execution level, and to Executive Officers. The results of decision-making by the Management Committee, the content of important meetings such as the Management Committee and the Management Strategy Committee, and the status of business execution, including the duties of Executive Officers, are reported to the Board of Directors. Through such reports, the Board of Directors supervises decision-making and business execution by the Management Committee and Executive Officers.

Principle 4-9

Regarding the standards for the independence of Outside Directors and outside Audit & Supervisory Board Members from the Company, we have established the “Standards for the Independence of Outside Officers,” which are disclosed in the notice of convocation for the Annual General Meeting of Shareholders, the Annual Securities Report, the Corporate Governance Report, and on the Company’s website; please refer to these documents.

Supplementary Principle 4-10-1

The Company has appointed five independent Outside Directors. Each of these independent Outside Directors, drawing on his or her extensive experience and high level of expertise, actively expresses opinions at meetings of the Board of Directors and other important meetings from an independent and objective standpoint and from a fair and impartial perspective, and provides advice as necessary.

Although independent Outside Directors do not constitute a majority of the Board of Directors, the Company has established the Nomination and Compensation Committee to ensure fair and highly transparent procedures for important matters concerning the appointment and compensation of senior management and Directors. The Committee currently consists of nine members: three internal Directors, including two Representative Directors, and six Outside Directors. The chairperson is an Outside Director. When the Board of Directors makes decisions regarding the treatment of Directors and Officers, including the nomination of Director candidates; the appointment of Representative Directors, the Chairman, the President, and Executive Officers in charge of business execution; the allocation of duties; matters related to succession planning; and compensation for Directors, Audit & Supervisory Board Member and Executive Officers, it consults the Committee in advance and receives its recommendations.

An outline of the Committee’s composition, authority, and roles is provided in the Notice of Convocation of the General Meeting of Shareholders and the Annual Securities Report.

Supplementary Principle 4-11-1

The Company's policy is for the Board of Directors to be composed of Directors who possess the abilities and insight required of Directors, as well as diverse knowledge, experience and expertise. In addition, the Board of Directors is to maintain a size that enables it to make decisions swiftly and efficiently while ensuring sufficient and appropriate discussion, and the Company currently considers a board of no more than 12 members to be appropriate.

The nomination of Director candidates is determined based on the recommendations of the Nomination and Compensation Committee (Chairperson: Outside Director), which is composed of Outside Directors, the Chairman of the Board and the Representative Director, with Outside Directors constituting a majority.

Of the Company's Outside Directors, five have been registered with the Tokyo Stock Exchange as Independent Directors, and all of them possess extensive management experience or experience in managing business divisions in the Company's business fields or other business fields.

In addition, a skills matrix listing the skills that Directors should possess in light of the Company's management strategy, as well as the knowledge, experience and abilities of each Director, is provided in the Notice of Convocation of the Annual General Meeting of Shareholders and on the Company's website.

Supplementary Principle 4-11-2

Information regarding the concurrent positions held by Outside Directors and Outside Audit & Supervisory Board Members at other companies is disclosed annually through the notice of convocation of the General Meeting of Shareholders and on the Company's website; please refer to those sources.

Supplementary Principle 4-11-3

To maintain and enhance the effectiveness of the Board of Directors, the Company conducts an analysis and evaluation of the Board's effectiveness once each year through methods such as self-assessments by Directors and Audit & Supervisory Board Members.

Specifically, the Company conducts individual questionnaires and interviews with Directors and Audit & Supervisory Board Members regarding the composition of the Board of Directors, the content of deliberations, resolutions and reports, and the methods of Board operation. Based on the results, the Company conducts an analysis and evaluation and confirms that the Board of Directors is functioning effectively.

In addition, based on the opinions of Directors and Audit & Supervisory Board Members, the Company will make improvements as appropriate so that the Board of Directors will become even more effective in the future, including through further discussion of the process for selecting and appointing senior management as an issue relating to Board composition, the need to establish in advance an annual agenda of matters to be discussed by the Board of Directors as an issue relating to deliberations, and due consideration for the use of technical and internal terminology as well as discussion on the role of the chair of the Board of Directors as issues relating to Board operations.

Supplementary Principle 4-14-2

Directors and Audit & Supervisory Board Members attend external seminars and training programs, as appropriate, to acquire and update the knowledge necessary for the performance of their duties, and the Company bears the related costs.

The Company requires newly appointed Directors and Audit & Supervisory Board Members, excluding Outside Directors and outside Audit & Supervisory Board Members, to attend external seminars.

In addition, the Company provides annual compliance training for Directors, Audit & Supervisory Board Members, executive officers, and other senior executives, excluding Outside Directors and outside Audit & Supervisory Board Members. The Company also takes measures to deepen understanding of the Group, including business presentations at Board of Directors meetings and factory tours for Outside Directors and outside Audit & Supervisory Board Members.

Principle 5-1

The Company has designated the officer in charge of the Corporate Strategy Office as the executive officer responsible for IR and the IR Team within the Corporate Strategy Office as the department in charge of IR. The Company holds quarterly financial results briefings for shareholders and investors. At the full-year and second-quarter financial results briefings, the President and the executive officers responsible for IR and each business division give presentations.

In light of its shareholder composition, the Company also endeavors to promote dialogue with overseas investors by participating in conferences organized by securities companies and by visiting overseas investors. When in-person participation or visits are difficult, the Company seeks to maintain such dialogue through alternative means, including web conferences.

Status of Dialogue with Shareholders, etc.

Information regarding the status of dialogue with shareholders is posted on the Company's website (<https://www.daicel.com/en/sustainability/governancereport/>).

[Action to Implement Management That Is Conscious of Cost of Capital And Stock Price]

Status of Action to Implement Management That Is Conscious of Cost of Capital and Stock Price	Disclosure of initiatives (update)
Existence of English Disclosure	Available
Date of Update (Updated)	June 26, 2026

Note for Action to Implement Management That Is Conscious of Cost of Capital and Stock Price (Updated)

In its long-term vision, “DAICEL VISION 4.0,” and its mid-term strategy, “Accelerate 2025,” both formulated in 2020, the Company set forth management that emphasizes ROIC, established targets for capital profitability metrics such as ROE, ROIC and ROA, and has worked to improve these metrics. Furthermore, in May 2023, the Company announced the “Accelerate 2025 Mid-Term Strategy (Update),” outlining the status of its business strategies and initiatives for the latter half of the mid-term strategy period.

In May 2024, with the aim of steadily strengthening shareholder returns, the Company added a new target of “DOE (Dividend on Equity) of 4% or higher” to the existing targets set forth in its medium-term strategy—“a minimum dividend of 32 yen per share and a total payout ratio of 40% or higher”—in order to implement a more stable dividend policy.

Furthermore, in May 2026, the Company announced a new mid-term management strategy beginning with the FY2027/3. As part of this strategy, the Company disclosed its shareholder return policy for the next five years, which aims to “achieve stable and progressive dividends by targeting a DOE of 5% or higher and a total payout ratio of 60% or higher.”

For the FY2026/3, the Company continuously analyzed and reported on its capital profitability, cost of capital, and stock price-related indicators at meetings of the Board of Directors and the Management Committee. The Company also disclosed the status of capital profitability and stock price-related indicators in its financial results presentation materials. In these materials, with regard to capital profitability and cost of capital, the Company calculated the cost of equity and WACC (weighted average cost of capital) and analyzed whether ROIC, ROE and ROA consistently exceeded their respective costs of capital. For the most recent fiscal year ended March 2026, however, ROIC and ROE fell significantly below the cost of capital due to the recognition of extraordinary losses; however, the Company expects this situation to be resolved within a single fiscal year and is considering initiatives to further improve ROIC going forward. With regard to stock price-related indicators, based on its analysis of the current status of PBR, PER and ROE, the Company’s policy is to explain its growth strategy more clearly and to further strengthen shareholder returns.

In accordance with this policy, for the FY2026/3, although profit decreased significantly, the Company maintained its annual dividend at JPY 60 per share as in previous years and continued to provide stable shareholder returns.

The Company will continue to strive to strengthen shareholder returns in a balanced manner while maintaining a sound equity ratio to ensure a stable financial foundation.

These financial results presentation materials and mid-term strategy documents are available on the Company’s website.

Financial Results Presentation Materials: <https://www.daicel.com/en/ir/library/financial/>

Mid-Term Strategy Materials: <https://www.daicel.com/en/corporate/plan/>

2. Capital Structure

Foreign Shareholding Ratio	More 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)	35,294,800	13.81
Custody Bank of Japan, Ltd. (Trust Account)	26,472,900	10.36
Nippon Life Insurance Company	17,402,214	6.81
NORTHERN TRUST CO. (AVFC) RE SILCHESTER INTERNATIONAL INVESTORS INTERNATIONAL VALUE EQUITY TRUST	11,548,859	3.79
FUJIFILM Holdings Corporation	9,689,400	3.28
Daicel Group Employee Shareholding Associations	8,390,740	2.65
NORTHERN TRUST CO. (AVFC) RE U.S. TAX EXEMPTED PENSION FUNDS	6,791,926	2.49
Daicel Shareholdings Ownership Association	6,359,700	2.39
STATE STREET BANK AND TRUST COMPANY 505223	6,104,289	2.22
Sumitomo Mitsui Banking Corporation	5,679,899	2.08

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

Supplementary Explanation (Updated)

Large Shareholdings Report is provided for public inspection as follows. However, the Company cannot confirm the number of shares actually held as of March 31, 2026, therefore these are not included in the Status of Major Shareholders table above.

Name

The date provided for public inspection

The number of share possession (the proportion of possession of stock certificate)

Silchester International Investors LLP

March 21, 2025

21,829 thousand shares (7.88%)

Nippon Life Insurance Company

December 22, 2025

17,402 thousand shares (6.52%)

Nissei Asset Management Corporation

December 22, 2025

613 thousand shares (0.23%)

Taiju Life Insurance Company Limited

December 22, 2025

1,276 thousand shares (0.48%)

Sumitomo Mitsui DS Asset Management Co., Ltd.

February 7, 2025

14,215 thousand shares (5.13%)
Sumitomo Mitsui Banking Corporation February 7, 2025
5,322 thousand shares (1.92%)
Nomura Asset Management Corporation April 6, 2026
15,280 thousand shares (5.72%)

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Prime
Fiscal Year-End	March
Type of Business	Chemicals
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000 employees
Sales (consolidated) as of the End of the Previous Fiscal Year	More than 100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	More than 50 to less than 100

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

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

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 & Supervisory Board Members
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[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	12
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	Chairperson of the Board of Directors (excluding those serving concurrently as President & CEO)
Number of Directors	11
Appointment of Outside Directors	Appointed
Number of Outside Directors	6
Number of Independent Directors (Updated)	5

Outside Directors' Relationship with the Company (1) (Updated)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Toshio Asano	From another company								△			
Yuriya Komatsu	From another company											
Mari Okajima	Academic											
Keita Nishiyama	From another company											
Seiji Kito	From another company								△			
Sayu Ueno	From another company								△			

* 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/Audit & Supervisory Board Member

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/Audit & Supervisory Board Member 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	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Toshio Asano	○	<p>Mr. Asano was an executive at Asahi Kasei Corporation until March 2016. Although Daicel sells its products to and supplies raw materials from, this company, sales of Daicel Group to this company Group are less than 1% of consolidated net sales of Daicel Group, and Daicel Group's purchases from this company group are less than 1% of consolidated net sales of this company group, and Daicel does not expect this to affect his independence as an Outside Director of Daicel.</p> <p>In addition, Mr. Asano serves as Chairman of Japanese Foundation for Cancer Research. The Company makes a certain amount of donations to Japanese Foundation for Cancer Research, but the amount is immaterial and does not exceed the level provided in the Company's "Standards for Independence of Outside Directors / Audit & Supervisory Board Members." Accordingly, this will not impact the independence of Mr. Asano as Outside Director.</p>	<p>From the insight and experience Mr. Asano has gained as an executive of operating companies that manufacture and sell chemical goods, he has spoken out proactively regarding mainly matters related to product-specific quality control in investments in production facilities; the basic philosophy and appropriate positioning regarding the absorption-type split of subsidiaries; matters related to the proportion of products imported from overseas manufacturing sites; and measures to prevent recurrence of workplace accidents that take into account human behavior and psychological factors.</p> <p>He is thus fully capable of fulfilling his supervisory duties. Moreover, he meets the Company's "Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members stipulated by the Company" described in [Independent Directors/ Audit & Supervisory Board Members]..</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed him as an Independent Director.</p>
Yuriya Komatsu	○	-----	<p>From the insight and experience Ms. Komatsu has gained as an executive of investment companies and information and telecommunications companies in and outside Japan, she has spoken out proactively regarding matters such as the impact of U.S. tariff policies on each business segment; ways to improve operational efficiency through the absorption-type split of subsidiaries; the restructuring of the global production system from a medium-to long-term perspective; and decisions regarding business withdrawal or continuation based on changes in the business</p>

			<p>environment since the time the capital investment decision was made.</p> <p>She is thus fully capable of fulfilling her supervisory duties. Moreover, she meets the Company's "Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members" stipulated by the Company described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed her as an Independent Director.</p>
Mari Okajima	○	-----	<p>From the insight and experience of aviation industry, Ms. Okajima has gained as an employee of a major Japanese airline, and an academic expert who conducts various research on customer satisfaction and social issues such as SDGs, she has spoken out proactively regarding matters related to the approach to PMI in connection with the absorption-type spin-off of subsidiaries; the approach to mental health support for employees in the event of a workplace accident; the approach to discussions regarding the formulation of the next medium-term strategy; the impact of international trends on sustainability strategy; and matters related to human rights due diligence.</p> <p>She is thus fully capable of fulfilling her supervisory duties. Moreover, she meets the Company's "Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members" described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and</p>

			has thus appointed her as an Independent Director.
Keita Nishiyama	○	-----	<p>From the insight and experience Mr. Nishiyama has gained at the Ministry of Economy, Trade and Industry about economic and industrial policies and IT policies cultivated through his duties, and his abundant knowledge as a manager of electric power companies and investment companies, he has spoken out proactively regarding mainly explanation to investors of the evolution of our business portfolio and the value our products create for the market; explanation of the value-creation effects of the absorption-type company split of subsidiaries; matters related to the use of generative AI; and ex post verification of the market assumptions underlying capital expenditure decisions.</p> <p>He is thus fully capable of fulfilling his supervisory duties. Moreover, he meets the Company's "Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members" described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed him as an Independent Director.</p>
Seiji Kito	○	Mr. Kito was an executive at Nippon Life Insurance Company until June 2023. This company is a lender to Daicel and holds an insurance contract with Daicel. However, Daicel Group borrows from this company, which accounts for less than 1% of Daicel Group's consolidated total assets, and Daicel has paid to this company, which accounts for less than 1% of net premium income of this company. Therefore, Daicel does not expect above situation to affect his independence as an Outside Director.	<p>From the insight and experience he has gained as an executive well-versed in the management of financial institutions, he has spoken out proactively regarding mainly communicating the purpose behind revisions to the human resources system throughout the company; matters related to talent development and recruitment policies; matters related to employee engagement; matters related to responding to unforeseen risks in the businesses of our portfolio companies; matters related to information security measures across the entire group, including outsourced service</p>

			<p>providers; and clarifying safety and quality rules and ensuring their thorough implementation at all business sites.</p> <p>He is thus fully capable of fulfilling his supervisory duties. Moreover, he meets the Company's "Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members" described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed him as an Independent Director.</p>
Sayu Ueno			<p>Mr. Ueno has been involved in formulating management strategies at a major general trading company, as well as in developing global sales strategies and promoting sales activities for chemical products, which are one of the Company's principal businesses, with due consideration for sustainability. In addition, he has management experience as an Executive Officer of the said company and possesses extensive business experience and a professional network in the United States, one of the Company's key markets. Based on these qualifications, the Company has determined that he is an appropriate person to serve as an Outside Director of the Company. The Company wishes to utilize the unique perspective derived from his insight and experience to contribute to the management of the Company and thus requests his election as Outside Director. The Company expects Mr. Ueno to fulfill the abovementioned roles following his appointment.</p>

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established
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Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	Nomination and Compensation Committee	Nomination and Compensation Committee
All Committee Members	9	9
Full-time Members	0	0
Inside Directors	3	3
Outside Directors	6	6
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation (Updated)

Nomination and Compensation Committee is established as a body that report on the nomination of Directors and Executive Officers and make recommendations on their compensation, under the consultation of the chairperson of the Board of Directors or the Audit & Supervisory Board.

As of June 19, 2026, the members of the committee are as follows:

- Chairperson: Toshio Asano, Outside Director
- Member: Komatsu Yuriya, Outside Director
- Member: Mari Okajima, Outside Director
- Member: Keita Nishiyama, Outside Director
- Member: Seiji Kito, Outside Director
- Member: Sayu Ueno
- Member: Yoshimi Ogawa, Director
- Member: Yasuhiro Sakaki, Representative Director
- Member: Kotaro Sugimoto, Representative Director

Nomination and Compensation Committees were held whenever there is an issue to be discussed concerning the personnel and compensation of Officers and Directors. In FY2026/3, Nomination and Compensation Committees were held nine times to discuss the appointment of officers and division of duties, the amount of individual compensation for each Director and Officer and the performance-based bonus, and submit reports to the Board of Directors.

[Audit & Supervisory Board]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	5
Number of Audit & Supervisory Board Members (Updated)	5

Cooperation among Audit & Supervisory Board Members, Accounting Auditors and Internal Audit Departments (Updated)

Audit & Supervisory Board Members regularly receive reports from the External Auditor and the internal audit divisions and, as necessary, exchange information and opinions with them, thereby coordinating with each other in conducting audits.

<Collaboration with the External Auditor>

To strengthen cooperation with the External Auditor, Audit & Supervisory Board Members hold meetings approximately a dozen times a year, exchange audit plans, receive explanations from the External Auditor regarding the status of the development of systems to ensure the proper performance of duties (Article 131

of the Ordinance on Company Accounting), and discuss key audit matters. They also receive reports on interim reviews of the interim consolidated financial statements, reports on the status of audits after the year-end closing, and reports on the status of internal control audits. In addition, Audit & Supervisory Board Members explain to the External Auditor the status of audits conducted by them.

The Audit & Supervisory Board gives consent to decisions on the audit remuneration of the External Auditor and also decides whether to reappoint the External Auditor.

<Collaboration with the Audit Department>

Audit & Supervisory Board Members receive quarterly reports from the Audit Department on the status of internal audits and the status of the development and evaluation of internal controls across the Daicel Group, and also share information with the Department as necessary.

<Collaboration with the Safety and Quality Audit Department of the Assessment Headquarters>

Audit & Supervisory Board Members regularly receive reports from the Safety and Quality Audit Department of the Assessment Headquarters on the progress of activities related to safety and quality management across the Group.

<Collaboration with the Corporate Ethics Office>

Audit & Supervisory Board Members hold regular meetings with the Corporate Ethics Office and receive quarterly reports on the status of internal whistleblowing reports and other matters. In addition, Standing Audit & Supervisory Board Members attend top management reviews on corporate ethics and training for officers responsible for corporate ethics.

<Relationship with the Internal Control Division>

Audit & Supervisory Board Members attend meetings of the Board of Directors, receive reports from the officer in charge of the internal control division as appropriate, and express opinions as necessary. In addition, Standing Audit & Supervisory Board Members attend meetings of the Internal Control Council, receive reports from the Internal Control Division on the status of its activities, conduct hearings with the Internal Control Division as appropriate, and report the results thereof to the Audit & Supervisory Board.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	3
Number of Independent Audit & Supervisory Board Members	3

Outside Audit & Supervisory Board Member's Relationship with the Company (1)

Name	Attribute	Relationship with the Company*													
		a	b	c	d	e	f	g	h	i	J	k	l	m	
Hideo Makuta	Lawyer											○			
Hisae Kitayama	CPA														
Koji Hasegawa	Academic														

* 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 subsidiary
- b. Non-executive director or accounting advisor of the Company or its subsidiaries
- c. Non-executive director or executive of a parent company of the Company
- d. Audit & Supervisory Board Member of a parent company of the Company

- e. Executive of a fellow subsidiary company of the Company
- f. A party whose major client or supplier is the Company or an executive thereof
- g. Major client or supplier of the Company or an executive thereof
- h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an Audit & Supervisory Board Member
- i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
- j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the Audit & Supervisory Board Member himself/herself only)
- k. Executive of a company, between which and the Company Outside Directors/Audit & Supervisory Board Member are mutually appointed (the Audit & Supervisory Board Member himself/herself only)
- l. Executive of a company or organization that receives a donation from the Company (the Audit & Supervisory Board Member himself/herself only)
- m. Others

Outside Audit & Supervisory Board Member's Relationship with the Company (2) (Updated)

Name	Designation as Independent Audit & Supervisory Board Members	Supplementary Explanation of the Relationship	Reasons of Appointment
Hideo Makuta	○	<p>Until February 2023, Mr. Makuta was a lawyer of Nagashima Ohno & Tsunematsu legal office which Daicel receive legal advice. Daicel has paid to this company, which accounts for less than 2% of net sales of this company. In addition, while the Company has retained him to provide legal advisory services, the fees paid for such services are nominal—not exceeding the amounts specified in our “Standards for the Independence of Outside Directors”</p> <p>Therefore, the Company does not expect above situation to affect his independence as an Outside Director.</p>	<p>Mr. Makuta fulfills his auditing function by proactively speaking from a fair and impartial standpoint, based on his advanced expertise and profound insight as a lawyer, as well as his experience as Director, Criminal Affairs Division of Supreme Public Prosecutors Office, member of Japan Fair Trade Commission and Outside Director, when making important decisions on the Board of Directors and in formulating audit policies and other resolutions and consultations on the Audit & Supervisory Board. He has spoken out proactively such as integration of audit functions following the absorption-type company split of a subsidiary; root cause analysis of workplace accidents and measures to prevent recurrence; public disclosure; the growth story underlying the medium-term strategy; and the impact of changes in the international situation on the Company's overseas operations and future outlook. He meets the Company's “Standards for Independence of Outside Directors/Outside Audit & Supervisory Board Members” described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed him as an Independent Audit & Supervisory Board Member.</p>
Hisae Kitayama	○	-----	<p>Ms. Kitayama fulfills her auditing function by proactively speaking from a fair and equitable standpoint from an expert standpoint, based on her expert knowledge,</p>

			<p>insight and experience as an accountant regarding important decisions in the Board of Directors and the formulation of audit policies and other resolutions and consultations in the Audit & Supervisory Board. She has spoken out proactively regarding the appropriate disclosure of progress on the medium-term strategy; a review of measures to prevent workplace accidents; the details of investments in and accounting treatment of cross-shareholdings; and plans for recovering investments in large-scale capital expenditures.</p> <p>Thus, she fully carries out her audit responsibilities and meets the Company's "Standards for Independence of Outside Directors/ Outside Audit & Supervisory Board Members" described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed her as an Independent Audit & Supervisory Board Member.</p>
Koji Hasegawa	○	-----	<p>Mr. Hasegawa has experience in corporate management at an information systems-related company and also has advanced specialized knowledge and wide insights as an academic who conducts various areas of studies primarily relating to corporate governance, business administration, sustainability management, and risk management. The Company has determined that he is an appropriate person as Outside Audit & Supervisory Board Member, and thus requests his election.</p> <p>He meets the Company's "Standards for Independence of Outside Audit & Supervisory Board Members" described in [Independent Directors/ Audit & Supervisory Board Members].</p> <p>In light of these facts, the Company has determined that no possibility of a conflict of interest exists with regard to general shareholders and has thus appointed him as an Independent Audit & Supervisory Board Member.</p>

[Independent Directors/ Audit & Supervisory Board Members]

Number of Independent Directors/ Audit & Supervisory Board Members (Updated)	8
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Matters relating to Independent Directors/ Audit & Supervisory Board Members

Standards for Independence of Outside Directors/ Outside Audit & Supervisory Board Members is as follows.

The independence of Outside Directors/Outside Audit & Supervisory Board Members of the Company refers to such a person being independent from the Company's management without falling under any of the following:

1. A person executing the business, etc. ("Executing Person") of the Company (*1) and its affiliates (hereinafter, "the Group") and their relatives, etc. (*2);
2. A party for which the Group is a principal business partner (*3) or an Executing Person thereof;
3. A principal business partner of the Group (*4) or an Executing Person thereof;
4. A major shareholder of the Company (*5) or an Executing Person thereof;
5. A Director and other Executing Person of an organization (*6) that has received a certain amount or more of donations or subsidies from the Group;
6. A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than Director/Audit & Supervisory Board Member compensation from the Group (*7) (if the party receiving such consideration is a corporation, association or other entity, a person belonging to the said entity or a person who has belonged to the said entity in the past three years).

(*1) An Executing Person refers to those who conduct business operations or conducted business operations within the past three years, including Directors (excluding Outside Directors), executive officers and employees.

(*2) Relatives refer to relatives within the second degree of kinship of those who conduct important business operations, including Directors (excluding Outside Directors), executive officers and division managers.

(*3) A party for which the Group is a principal business partner refers to a business partner group (which means entities that belong to the consolidated group to which the direct business partner belongs; the same shall apply hereinafter) that supplies products and services to the Group, where the business partner group's trading amount with the Group exceeds 2% of the consolidated sales of the business partner group in the any of the recent past three fiscal year.

(*4) A principal business partner of the Group refers to those who fall under either of the following:

(1) A business partner group to whom the Group supplies products and services, where the Group's trading amount with such group exceeds 2% of the Group's consolidated sales in the any of the recent past three fiscal years.

(2) A financial institution group (which means entities that belong to the consolidated group to which the direct lender belongs) from which the Group has borrowed funds, where the total amount of the Group's borrowings from the financial institution group exceeds 2% of the Group's consolidated total assets at the end of the any of the recent past three fiscal year.

(*5) A major shareholder of the Company refers to those who directly or indirectly hold voting interests of 10% or more.

(*6) An organization that has received a certain amount or more of donations or subsidies from the Group refers to public interest incorporated foundations, public interest incorporated associations, non-profit organizations, etc. which receive donations or subsidies of over 10 million yen per year within any of the past three years from the Group.

(*7) A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than Director/Audit & Supervisory Board Member compensation from the Group refers to those who received such consideration other than Director/ Audit & Supervisory Member compensation of over 10 million yen from the Group in any of the recent past three fiscal year or those who belong to an entity which receives such consideration from the Group in amount exceeding 2% of the said entity's consolidated sales or gross income.

The Company has designated all Outside Directors /Outside Audit & Supervisory Board Members meetings the qualifications for Independent Directors / Audit & Supervisory Board Members as Independent Directors / Audit & Supervisory Board Members.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration / Other
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Supplementary Explanation

The Company has decided to introduce performance-based bonuses as a short-term incentive. It will, therefore, pay bonuses in accordance with the accomplishment of performance indicators designated by the Board of Directors as of July 2018.

From July 2018 onward, the Company has also introduced a Restricted Stock Compensation System as a mid- and long-term incentive for Directors (excluding Outside Directors), Executive Officers (excluding those serving concurrently as Director) and Subordinate Directors, aiming to step up value-sharing with shareholders and motivate them to contribute more to the improvement in corporate value in the mid- and long-term.

For details regarding this performance-based bonuses and Restricted Stock Compensation System please refer to “Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods” under [Director Remuneration]. Details of this Stock Compensation Scheme are disclosed in the Securities Registration Statement.

Recipients of Stock Options	-----
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Supplementary Explanation

[Director Remuneration]

Disclosure of Individual Directors' Remuneration	Partial Individual Disclosure
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Supplementary Explanation (Updated)

Amounts of compensation, etc., for Directors and Audit & Supervisory Board Members of the Company for FY2026/3 are as follows:

1. Total Amount of Compensation, etc., Per Executive Category, Total Amount of Compensation, etc., by Type and Number of Executives
 - Directors (excluding Outside Directors) five persons, 375 million yen (including monthly compensation of 270 million yen, performance-based bonus of 39 million yen and stock compensation of 65 million yen)
 - Audit & Supervisory Board Member (excluding Outside Audit & Supervisory Board Members) two persons, 45 million yen (monthly compensation only)
 - Outside Director: seven persons, 87 million yen (monthly compensation only)
 - Outside Audit & Supervisory Board Members: three persons, 43 million yen (monthly compensation only)

Notes:

- (1) The above figures include one Director who retired at the conclusion of the 159th Annual General Meeting of Shareholders held on June 20, 2025 and an Audit & Supervisory Board Member who stepped down following his passing on June 22, 2025.
- (2) A resolution of the 158th Annual General Meeting of Shareholders held on June 21, 2024, set the amount of compensation for Directors to a maximum of 640 million yen annually (including for Outside Directors to a maximum of 140 million yen). As of the date of the resolution, the number of Directors was eleven (including six Outside Directors). In addition, a resolution of the 152nd Annual General Meeting of Shareholders held on June 22, 2018, set the amount of restricted stock compensation for Directors (excluding Outside Directors) to a maximum of 100 million yen annually. As of the date of the resolution, the number of Directors was eight (including four Outside Directors). In addition, regarding the restricted stock compensation for Directors (excluding Outside Directors), a resolution of the 158th Annual General Meeting of Shareholders held on June 21, 2024, set the terms of the agreement for allocation of restricted stock to be concluded with Directors upon the allocation of the restricted stock (hereinafter, the “Allocation Agreement”). In the Allocation Agreement, the Company changed the Service Requirements from “posts as Directors, Executive Officers who do not serve concurrently

as Directors, Audit & Supervisory Board Members, Corporate Officers, Senior Advisors, Advisors, Counselors, or other equivalent positions of the Company” to “posts predetermined by the Board of Directors of the Company among the positions of officers and employees of the Company or its subsidiaries.” As of the date of the resolution of the Annual General Meeting of Shareholders, the number of Directors was eleven (including six Outside Directors).

(3) A resolution of the 158th Annual General Meeting of Shareholders held on June 21, 2024, set the amount of compensation for Audit & Supervisory Board Members to a maximum of 130 million yen annually. As of the date of the resolution, the number of Audit & Supervisory Board Members was five (including three Outside Audit & Supervisory Board Members).

(4) The amount of stock compensation (non-monetary compensation) above is the amount recorded as an expense during the current fiscal year out of the amount of compensation paid to the Directors as restricted stock compensation.

2. Total amount of remuneration, etc. for persons whose total remuneration, etc. is 100 million yen or more
Yasuhiro Sakaki, 101 million yen (including monthly compensation of 72 million yen, performance-based bonus of 9 million yen and stock compensation of 19 million yen)

Note: The amount of stock compensation (non-monetary compensation) above represents the portion of restricted stock compensation granted to Directors that was recognized as an expense for the current fiscal year.

Policy on Determining Remuneration Amounts and Calculation Methods	Established
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Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Approach regarding Compensation

(1) Compensation of Directors and Audit & Supervisory Board Members shall be determined by Board of Directors’ resolution for Directors, and Audit & Supervisory Board Members’ discussion for Audit & Supervisory Board Members, within the scope of the total amount of compensation etc. approved by the general meeting of shareholders.

(2) Compensation of Directors shall consist of monthly compensations, performance-based bonuses and stock compensation. Their compensation system shall be closely linked with the Company’s performance and reflect their duties. Currently, the ratio of monthly compensation, performance-linked bonus and stock compensation for Directors (excluding Outside Directors) is approximately 50: 30: 20, and this ratio varies according to position. Compensation of Audit & Supervisory Board Members shall consist of monthly compensations, and their compensation system shall reflect their duties.

(3) To ensure transparency and fairness with regard to compensation, the Company will establish opportunities for the exchange of opinions at the Nomination and Compensation Committee, which is an advisory body, and the Board of Directors.

(4) Bonuses and stock compensations will not be paid to Outside Directors and Outside Audit & Supervisory Board Members.

2. Method of calculating monthly compensation

In principle, the monthly compensation of Directors and Audit & Supervisory Board Members is a fixed amount paid in accordance with internal rules that are determined by the Directors’ duties and job titles in business execution and as to whether or not the Audit & Supervisory Board Members are full-time. Regarding monthly compensation, the Company has revised the compensation to an appropriate and fair level reflective of its business performance, accomplishment of mid- and long-term business plans, and social situation, among other factors.

3. Method of calculating performance-based bonuses

Bonuses for Directors shall be paid based on the degree of achievement of performance indicators determined by the Board of Directors, with the aim of further sharing value with shareholders and further enhancing Directors’ motivation to contribute to improved business performance by strengthening the linkage between bonuses and business performance. For performance-based bonuses for fiscal years beginning on or after April 1, 2025, the Company has adopted net sales, EBITDA, and ROIC as performance

indicators, on the grounds that net sales and EBITDA most clearly reflect business growth, market expansion, and the earning power of the core business from an international perspective. The amount to be paid is determined by multiplying the base amount for each position by the payment rate based on the degree of achievement of such indicators (ranging from 0% to 200%). The weighting of each indicator and the payment rate based on the degree of achievement are determined in accordance with the table at the end of this document.

Since July 2020, the amount calculated as described above has been subject to an individual evaluation from the perspectives of the status of implementation of the Sustainable Management Policy and the status of achievement of the Mid-Term Strategy, and the final amount of performance-based bonuses is determined after adjustment within a range of plus or minus 20%.

The target indicator values fixed for FY2026/3 were net sales of 6,000 billion yen, EBITDA of 970 billion yen and ROIC of 5.4%. By comparison, the actual results were net sales of 5,796 billion yen, EBITDA of 854 billion and ROIC of 4.2%.

4. Regarding stock-based compensations

As stock-based compensation for Directors, the Company has introduced a restricted stock compensation plan and a performance-based stock compensation plan (Performance Share Units) in order to further align the interests of Directors with those of shareholders and further incentivize Directors to contribute to the enhancement of corporate value over the medium to long term. Under the restricted stock compensation plan, the transfer restriction period is set at 30 years. The Board of Directors determines the amount for each eligible Director under the plan, and shares are granted in a number calculated by dividing such amount by the share price at a specified point in time. Under the performance-based stock compensation plan, the Board of Directors determines the amount for each eligible Director under the plan and grants the right to receive a number of shares calculated by dividing such amount by the share price at a specified point in time. The number of shares that vest and are delivered is determined based on the degree of achievement of key management indicators and other targets set forth in the Company's medium-term management plan. The shares delivered under the performance-based stock compensation plan are subject to the same transfer restriction period as those granted under the restricted stock compensation plan.

5. The name of the person who has the authority to make decisions on the policy, the content of authority, and the scope of discretion

The compensation policy for Directors and Officers has been determined by a resolution of Board of Directors for Directors, and by discussions of Auditors for Auditors, based on the deliberations of and reports from the Nomination and Compensation Committee. The amount of monthly remuneration, performance-linked bonus and stock remuneration for each Director is determined by resolution of Board of Directors, and the amount of monthly remuneration for each Audit & Supervisory Board Member is determined by consultation of Audit & Supervisory Board.

6. Nomination and Compensation Committee

To ensure transparency, validity and objectivity, the amount of compensation of Directors and Audit & Supervisory Board Members is determined in accordance with the report by the Nomination and Compensation Committee (chaired by an Outside Director), the majority of which is represented by Outside Directors. When the Committee is consulted by the Chairperson of the Board of Directors or the Chairperson of Audit & Supervisory Board with respect to remuneration of Directors or Audit & Supervisory Board Members, the Committee will deliberate on the matter and report to Board of Directors or Audit & Supervisory Board.

7. Details of activities of Board of Directors and Nomination and Compensation Committee in the process of determining the amount of remuneration for officers for FY2026/03

With regard to the determination of remuneration for Directors and Officers for FY2026/03, the Nomination and Compensation Committee met five times and engaged in thorough discussions on revisions to the compensation policy and the specific remuneration amounts for each Director and Officer. Thereafter, the Board of Directors met four times and deliberated on the matter from various perspectives based on the

Committee's recommendations and resolved the remuneration policy and the specific remuneration amounts for each Director and Officer.

[Supporting System for Outside Directors and/or Audit & Supervisory Board Members] (Updated)

At meetings of the Board of Directors, which are also attended by Audit & Supervisory Board Members, the Company provides Outside Directors with explanations at each meeting regarding matters relating to business execution, audits and supervision, nominations, and compensation decisions, including matters discussed and resolved at important meetings relating to the Company's business operations, such as management meetings and planning meetings.

With respect to particularly important matters to be decided, the responsible executive officer and relevant personnel provide Outside Directors with advance explanations of the details and endeavor to furnish sufficient information to enable them to make appropriate judgments at meetings of the Board of Directors.

If an Outside Director or Outside Audit & Supervisory Board Member is absent from a meeting of the Board of Directors, the Company sends such person the minutes of the meeting and, for important matters, an executive officer subsequently provides an explanation.

[Retired presidents/CEOs holding advisory positions]

Information on retired presidents/CEOs holding advisory positions

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
Daisuke Ogawa	Honorary advisor	1. External activities such as maintaining business relationships with customers 2. Advice based on knowledge and experience on the Company's business	part time, with no compensation	June 20, 2014	1 year
Misao Fudaba	Honorary advisor	1. External activities such as maintaining business relationships with customers 2. Advice based on knowledge and experience on the Company's business	part time, with no compensation	June 22, 2022	1 year

Number of retired presidents/CEOs holding advisory positions	2
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Others

The Honorary advisor does not attend any meeting body including the Board of Directors. In addition, the Honorary advisor is not involved in any decision on management and business execution.

The appointment of Honorary advisors and its remuneration are decided by the Board of Directors upon the receipt of recommendation issued at the Nomination and Compensation Committee, which is accounted for a majority by Outside Directors and whose chairperson is served by an Outside Director.

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

Basic Policy on Corporate Governance

Based on its Basic Philosophy of being “a company that brings happiness to people through value co-creation,” the Company recognizes the strengthening of corporate governance as an important management issue in order to contribute to the interests of diverse stakeholders through enhancing corporate value. While developing an efficient and agile organizational structure capable of responding swiftly to changes in the business environment, the Company strives to maintain and strengthen a highly effective corporate governance system in order to realize the sustainable enhancement of corporate value by ensuring the transparency and legality of management.

Corporate Governance Structure

Organizational Form

The Company is a company with an Audit & Supervisory Board.

Overview of the Corporate Governance Structure

The Company has appointed Outside Directors who constitute a majority of the Board of Directors, and strengthens the appropriateness of management decisions and the supervisory function of the Board of Directors by receiving opinions and comments based on their insight and experience. At the same time, by adopting an Executive Officer system, the Company clearly separates decision-making and supervisory functions from business execution functions. Through strengthening an agile business execution structure capable of responding promptly to changes in the management environment, the Company strives for the sustainable enhancement of corporate value while giving appropriate consideration to stakeholders.

An outline of the Company’s institutions under the current structure is as follows.

[Supervisory Bodies]

Board of Directors

The Company recognizes the role of the Board of Directors as determining the direction the Company should pursue, formulating concrete strategies toward that direction, and supervising the status of execution thereof from an objective standpoint. To ensure the effectiveness of these roles, the Board of Directors is composed of five internal Directors who are well versed in the Company’s businesses and six Outside Directors with diverse attributes and extensive experience in the field of corporate management. Their attributes are as described in “1.(2)⑤(c) Relationship with the Company.” Of these Outside Directors, five satisfy the Company’s “Standards for Independence of Outside Directors / Outside Audit & Supervisory Board Members,” and the Board is structured so that they may express opinions to management from an independent and objective standpoint.

As a general rule, the Board of Directors meets once a month. In accordance with the Board of Directors Regulations, it makes decisions on important management matters and supervises the execution of duties and business operations. In addition, five Audit & Supervisory Board Members, including three Outside Audit & Supervisory Board Members, attend meetings of the Board of Directors and express their opinions as appropriate when they deem it necessary.

To further enhance corporate governance by clarifying the management responsibilities of Directors and increasing opportunities for shareholders to express their confidence in Directors, the term of office of Directors is one year.

In addition, in order to ensure effective supervision of business execution, it is necessary for each Director to deepen his or her knowledge of the Company’s business. Accordingly, outside the agenda of Board of Directors meetings, the Company provides opportunities mainly for Outside Directors and Outside Audit & Supervisory Board Members to visit the Company’s production sites and receive explanations regarding its divisions, products and technologies.

The members are as follows:

Chairperson of the Board of Directors: Yoshimi Ogawa
Representative Director, President and Chief Executive Officer: Yasuhiro Sakaki
Representative Director, Senior Managing Executive Officer: Kotaro Sugimoto
Director, Senior Managing Executive Officer: Toshio Shiwaku
Director, Senior Managing Executive Officer: Naotaka Kawaguchi
Outside Director: Toshio Asano
Outside Director: Yuriya Komatsu
Outside Director: Mari Okajima
Outside Director: Keita Nishiyama
Outside Director: Seiji Kito
Outside Director: Sayu Ueno
Standing Audit & Supervisory Board Member: Mikio Yagi
Standing Audit & Supervisory Board Member: Shinji Tatsukawa
Outside Audit & Supervisory Board Member: Hideo Makuta
Outside Audit & Supervisory Board Member: Hisae Kitayama
Outside Audit & Supervisory Board Member: Koji Hasegawa

In addition to regular Board of Directors meetings held once a month in principle under an annual schedule, extraordinary meetings of the Board of Directors are also held as necessary. In FY2026/3, 15 regular meetings of the Board of Directors were held, at which the Company mainly deliberated on management strategy, sustainability, financial results and budgets, organizational changes, personnel and remuneration, investor relations, the state of corporate governance, large-scale capital investment, M&A projects, compliance, and other matters.

Audit & Supervisory Board

The Audit & Supervisory Board is composed of five members, including three Outside Audit & Supervisory Board Members, and reports, deliberates on, and resolves important matters relating to audits. Standing Audit & Supervisory Board Members attend important internal meetings such as the Management Committee, the Management Strategy Committee, the Planning Committee, and the Risk Management Committee, and conduct audits of business execution and other matters.

In addition to attending meetings of the Board of Directors, Audit & Supervisory Board Members regularly receive reports from the External Auditor and internal audit divisions and conduct audits in coordination with them through exchanges of information and opinions as necessary. The specific status of such coordination is as described in “Collaboration Status of Audit & Supervisory Board Members, the External Auditor, and Internal Audit Divisions.”

The Company’s three Outside Audit & Supervisory Board Members have each been designated as Independent Audit & Supervisory Board Members and have each entered into a liability limitation agreement with the Company.

Mr. Hideo Makuta, Outside Audit & Supervisory Board Member, has served as a prosecutor of the Supreme Public Prosecutors Office and as a member of the Japan Fair Trade Commission, and possesses a high level of specialized knowledge and insight as an attorney-at-law.

Ms. Hisae Kitayama, Outside Audit & Supervisory Board Member, is a certified public accountant and possesses considerable knowledge of finance and accounting.

Mr. Koji Hasegawa, Outside Audit & Supervisory Board Member, has management experience at an information systems company and also possesses a high level of specialized knowledge and experience as a researcher in areas such as corporate governance, business administration, sustainability management, and risk management.

Mr. Mikio Yagi, Standing Audit & Supervisory Board Member, has served as the head of departments directly involved in the Company’s management and possesses broad knowledge and insight regarding the overall management of the Group.

Mr. Shinji Tatsukawa, Standing Audit & Supervisory Board Member, has served as the head of one of the Company’s production sites and possesses broad knowledge and insight regarding the production activities of resin products, which are the Company’s founding business.

As a structure supporting audits by Audit & Supervisory Board Members, the Company has established the Office of the Audit & Supervisory Board as an organization independent from the business execution divisions and has secured dedicated staff for the Office.

Nomination and Compensation Committee

With regard to the personnel matters and remuneration of Directors, Executive Officers and other officers, the Company has established the Nomination and Compensation Committee as a body that, upon consultation by the Chairperson of the Board of Directors or the Chairperson of the Audit & Supervisory Board, submits recommendations from the standpoint of ensuring transparency, validity and objectivity in the decision-making process. The Committee is chaired by an Outside Director and is composed of Representative Directors and Outside Directors, with Outside Directors constituting a majority.

The Committee is operated in accordance with the Nomination and Compensation Committee Regulations. It has the authority to express opinions, in the form of recommendations in response to consultations from the Chairperson of the Board of Directors, regarding the determination of candidates for Director and Audit & Supervisory Board Member, the appointment of Executive Officers and others, and the determination of remuneration for such officers. The Chairperson of the Board of Directors is required to report the Committee's recommendations to the Board of Directors with respect to the determination of officer candidates and remuneration, and the Board of Directors makes decisions on such matters in consideration of the Committee's recommendations.

The members are as follows:

Chairperson of the Board of Directors: Yoshimi Ogawa

Representative Director, President and Chief Executive Officer: Yasuhiro Sakaki

Representative Director, Senior Managing Executive Officer: Kotaro Sugimoto

Outside Director: Toshio Asano

Outside Director: Yuriya Komatsu

Outside Director: Mari Okajima

Outside Director: Keita Nishiyama

Outside Director: Seiji Kito

Outside Director: Sayu Ueno

[Business Execution]

Executive Officers

The Company has adopted an Executive Officer system in order to clearly separate decision-making and supervisory functions from business execution functions and to further vitalize corporate management through strengthening the business execution structure by means of prompt decision-making. Currently, the Company has 21 Executive Officers, four of whom concurrently serve as Directors. Each Executive Officer is engaged in the execution of the Group's business as an officer in charge of an SBU, head of an SBU, head of a site, head of a corporate division, president of a Group company, or in another similar capacity.

Each Executive Officer is granted a certain level of decision-making authority in accordance with the ringi regulations (regulations concerning authority and approval procedures), and endeavors to make prompt decisions that accurately capture business opportunities. In addition, in some meetings, Executive Officers designated by the President and Chief Executive Officer serve as chairpersons, thereby fostering personnel who possess the independence and sense of responsibility expected of managers through the delegation of authority in promoting the Mid-Term Management Strategy and the long-term vision. On the other hand, important matters relating to such business execution are reported monthly to the Board of Directors in accordance with the Board of Directors Regulations, and through comments and advice from Directors and Audit & Supervisory Board Members as appropriate, the business execution carried out by Executive Officers is subject to the supervision of the Board of Directors.

Management Committee

The Company has established the Management Committee as a body that deliberates on and decides important business plans, other business execution plans, and individual business execution matters in connection with the execution by the President and Chief Executive Officer of the basic management policies determined by the Board of Directors. The Committee is composed of the President and Chief

Executive Officer, Directors designated by the President and Chief Executive Officer (excluding Outside Directors), and Executive Officers designated by the President and Chief Executive Officer. As a general rule, it meets twice a month. One Standing Audit & Supervisory Board Member also attends the meetings and expresses opinions as appropriate when he or she deems it necessary.

The proceedings and results of the Committee are also reported monthly to the Board of Directors in accordance with the Board of Directors Regulations, and through comments and advice from Directors and Audit & Supervisory Board Members as appropriate, business execution based on the Committee's decisions is subject to the supervision of the Board of Directors.

Group Administration Meetings

The Company has established the Group Administration Meetings as a forum for management to receive reports from heads of SBUs and presidents of major Group companies on the current status of their businesses and management issues, to grasp the status of each business, and to provide support for such businesses and resolve issues as necessary. As a general rule, these meetings are held once a year.

Audit Department

The Company has established the Audit Department as its internal audit function, and the Department conducts regular internal audits of each business execution division and Group company.

The Audit Department is composed of 16 members. In order to conduct rational and highly effective audits at the many Group companies in Japan and overseas, the Company has also established internal audit divisions at major Group companies, and, based on unified Group internal audit regulations, conducts audits of the appropriateness of operations across the entire Group and shares information throughout the Group. With respect to audit results based on the above, the Company has established a dual reporting line under which the Department directly reports periodically to the Board of Directors and the Audit & Supervisory Board, thereby striving to strengthen cooperation with Directors and Audit & Supervisory Board Members. A diagram of the Company's corporate governance structure is provided at the end of this report.

Liability Limitation Agreement

The Company's Articles of Incorporation provide that the Company may enter into liability limitation agreements with Directors (excluding Directors who are Executive Officers) and Audit & Supervisory Board Members in order to invite appropriate and capable persons and enable them to fully perform the roles expected of them in the execution of their duties. The Company has entered into liability limitation agreements with Outside Directors and Outside Audit & Supervisory Board Members. An outline of such agreements is as follows:

- In the event that a covered person is liable to the Company for damages under Article 423, Paragraph 1 of the Companies Act, such person shall be liable for damages up to the higher of JPY 15 million or the minimum liability amount prescribed in Article 425, Paragraph 1 of the Companies Act.
- The above limitation of liability shall apply only where the person acted in good faith and without gross negligence in the performance of the duties giving rise to such liability.
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Indemnification Agreements

For the purpose of providing incentives for the proper execution of duties by providing indemnification to Directors and Audit & Supervisory Board Members (the persons subject to indemnification) to the extent necessary from the standpoint of maintaining and improving corporate value, the Company has entered into indemnification agreements with all Directors and Audit & Supervisory Board Members as provided in Article 430-2, Paragraph 1 of the Companies Act. Under these agreements, the Company indemnifies the expenses set forth in Item 1 of said paragraph and the losses set forth in Item 2 of said paragraph within the scope prescribed by laws and regulations. However, in order to ensure that the appropriateness of the execution of duties by the persons subject to indemnification is not impaired by these agreements, any indemnification for losses under Item 2 of said paragraph requires prior approval by a resolution of the Board of Directors.

Directors and Officers Liability Insurance

The Company has entered into a directors and officers liability insurance policy with an insurance company as provided in Article 430-3, Paragraph 1 of the Companies Act. Under this policy, damages that may arise from an insured person bearing liability in connection with the execution of his or her duties or receiving a claim seeking to pursue such liability are covered. However, there are exclusions from coverage, such as

damages arising from a criminal act of the insured person or from an act committed while recognizing that it violated laws or regulations.

The insured persons under this policy are the Company's Directors, Audit & Supervisory Board Members and Executive Officers, and the insured persons do not bear the insurance premiums.

3. Reasons for Adoption of Current Corporate Governance System

The Company has established a corporate framework under which the Board of Directors makes management decisions in an efficient manner and fulfills supervisory functions, and Audit & Supervisory Board accomplishes auditing and supervisory functions. Such a framework has enabled the Company to continue reinforcing its corporate governance.

In light of the "Study Group Report on the Internationalization of Japanese Financial and Capital Markets," released on June 17, 2009 by the Financial Subcommittee of the Financial System Council, the Company has determined that its current governance structure falls under the category of "Election of Outside Directors and Cooperation with the Audit and Supervisory Board."

III. Implementation of Measures for Shareholders and Other Stakeholders

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

(Updated)

	Supplementary Explanations
Early Notification of General Shareholder Meeting	The Company sends notification about 28 days prior to the date of the General Meeting of Shareholders. In the FY2026/3, the 160th Annual General Meeting of Shareholders was held on June 19, 2026, and the Notice of Convocation was sent on May 21, 2026.
Scheduling AGMs Avoiding the Peak Day	160th Annual General Meeting of Shareholders was held on June 19, 2026.
Allowing Electronic Exercise of Voting Rights	As of the Company's 150th Annual General Meeting of Shareholders held on June 17, 2016, voting rights could be exercised via the Internet. In addition, from the 154th Annual General Meeting of Shareholders held on June 19, 2020, the Company has introduced "smart exercise" that allows shareholders to log in to the voting website by reading the QR code
Participation in Electronic Voting Platform	Beginning with the Company's 150th Annual General Meeting of Shareholders held on June 17, 2016, voting rights could be exercised with the Voting Rights Exercise Form provided by ICJ, Inc.
Providing Convocation Notice in English	An English-language translation of the convocation notice (a condensed version of a convocation notice and reference document) was posted on the Tokyo Stock Exchange and on the Company's websites.
Other	Beginning with the 150th Annual General Meeting of Shareholders held on June 17, 2016, the notice of convocation was posted on the websites of the Tokyo Stock Exchange and the Company before the scheduled mailing date for the notice.

2. IR Activities

	Supplementary Explanations	Explanation by representative members of the board
Preparation and Publication of Disclosure Policy	The Company website (https://www.daicel.com/en/) displays the policy on information disclosure stipulated in the Information Disclosure Regulations, specifically, that information be disclosed (1) voluntarily and proactively, (2) with continuity and consistency, (3) quickly and in a timely manner, (4) accurately and in a useful and easy-to-understand manner, and (5) while ensuring fair information disclosure by the Company.	
Regular Investor Briefings for Analysts and Institutional Investors	The President & CEO held a financial results briefing for the first half of FY2026/03 on November 7, 2025, a financial results briefing for FY2026/03 on May 13, 2026, and a briefing on the new Mid-Term Management Strategy on May 25, 2026. In addition, for the announcements of the first-quarter and third-quarter financial results for FY2026/03, the IR department held conference calls and web briefings.	Correspondence
Posting of IR Materials on Website	Financial results and other timely disclosure materials, materials and videos from earnings briefings, the Integrated Report (Daicel Report), and mid-term strategy presentations are available on the Company's website (https://www.daicel.com).	
Establishment of Department and/or Manager in Charge of IR	We have established the IR Team within the Corporate Strategy Office to serve as our IR department.	

3. Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Internal Rules for Respecting the Position of Stakeholders	Daicel Group stipulate respect for stakeholders' viewpoints in the Daicel Group Code of Conduct and the Ethical Standards of Daicel Group Ethical Standards of Daicel Group. The Daicel Group Code of Conduct and the Ethical Standards of Daicel Group are also posted on the Company website. (https://www.daicel.com/en/sustainability/governance/compliance/policy.html)
Implementation of Environmental Activities, CSR Activities etc.	<p>To remain an entity that makes people happy by co-creating values represented in its basic principle, Daicel Group established a Sustainable Management Policy to guide us in achieving sustainable development of the global environment, people's lives, and our Group.</p> <p>To materialize this management policy, we have reaffirmed the basic code of conduct for all officers and employees in the Group and established the Daicel Group Code of Conduct, a set of behavioral guidelines that every one of us must always keep in mind and practice in all we do, and the Ethical Standards of Daicel Group, which contains universally applicable norms in all areas of corporate activity as a prerequisite for surviving in an increasingly diverse global community. Based on these principles, with safety, quality, and compliance as our top priorities, we seek to achieve a sustainable society and expand the Group's business through our integrity, steady efforts, and reforms.</p> <p>Sustainable Management Policy</p> <ul style="list-style-type: none"> -We create and provide people with new values to achieve better quality of life -We construct a circular process with all our stakeholders to make harmonious coexistence with the environment -We promote "human-centered business management" that enables to grow while establishing their own presence and achieving fulfillment. <p>Details of the Company's initiatives are disclosed in the Daicel Report (Integrated Report) and on the Company website (https://www.daicel.com/en) in detail. Daicel Reports (Annual reports) are also available on the Company website.</p>
Development of Policies on Information Provision to Stakeholders	According to the Information Disclosure Regulations, information is to be disclosed (1) voluntarily and proactively, (2) with continuity and consistency, (3) quickly and in a timely manner, (4) accurately and in a useful and easy-to-understand manner, and (5) while ensuring fair information disclosure by the Company.
Others	<p>Health and Productivity Management</p> <p>Convinced that employees' health and well-being at work are crucial for ensuring each employee's happiness while achieving continuous development within the Company, we launched the Daicel Group Health Management Declaration in 2018. Our Employee Wellness Promotion Center opened as an organization dedicated to health management. In cooperation with the Central and Local Healthcare Committees composed of members from labor and management and the health insurance association, occupational health staff (such as industrial physicians and public health nurses), psychiatrists, and other experts, we have developed a system to implement measures to promote mental and physical health for each employee at four levels: on a company-wide basis, by office, by workplace, and by individual.</p> <p>In addition, sporting and other events are organized to promote the physical and mental health of people, including our employees and their families, our business partners, and local community members.</p> <p>Furthermore, in January 2026, we reorganized the "Group Health Support Center" into the "Health and Sports Yell Center" in order to further promote health through sports, strengthen internal and external engagement, and contribute to the local community.</p>

IV. Matters Related to the Internal Control System

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

The Company's Basic Policy for Establishing its Internal Control System is as follows.

Basic Approach to the Internal Control Framework

The Company aims to remain "a company that makes people's lives better through value co-creation," as set forth in its Basic Philosophy. Placing the highest priority on safety, quality, and compliance, the Company has identified the strengthening of corporate and group governance, rigorous compliance, and enhanced risk management as key priorities in order to achieve both a sustainable society and the expansion of the Daicel Group's business. The Company has established the Internal Control Council as a body responsible for monitoring the development and operation of internal control systems, reviewing various measures, and promoting effective internal controls throughout the Group, and shall implement the following measures:

1. System to Ensure that the Execution of Duties by Directors and Employees of the Group Complies with Laws and Regulations, the Articles of Incorporation, and Other Social Norms and Ethical Standards (Compliance)

(1) The Company respects not only compliance with laws and regulations but also the social norms and ethical standards broadly expected of corporations, and aims to conduct management in a fair and appropriate manner. In accordance with its Basic Philosophy and Sustainable Management Policy, the Company has established the "Daicel Group Code of Conduct" as guidelines for all officers and employees of the Company and its corporate group as defined under the Companies Act (hereinafter referred to as the "Daicel Group"), in order to ensure that such principles are consistently observed and put into practice in all actions. Furthermore, as a prerequisite for survival in an increasingly diverse global society, the Company has established the "Daicel Group Code of Ethics" as standards universally applicable to all aspects of corporate activities, and monitors the status of its implementation.

(2) With the Compliance Department serving as the driving force, the Company shall implement compliance activities throughout the Daicel Group as follows:

Pursuant to the relevant regulations governing corporate ethics management, the Compliance Department shall cooperate with each corporate department to provide compliance education and awareness training to Directors and employees of the Daicel Group. In addition, the Department shall annually supervise the formulation of activity plans for each department and group company, monitor the results thereof, and report to management and the Board of Directors.

(3) Through the internal whistleblowing system, which includes internal and external reporting channels as stipulated in the regulations governing corporate ethics management, the Company shall establish a framework for the early detection of violations of laws and regulations and social norms and ethical standards within the Daicel Group, while ensuring that whistleblowers are not subjected to any disadvantageous treatment.

(4) To ensure the reliability of financial reporting, the Company shall comply with relevant laws and regulations and shall establish and operate the necessary systems.

(5) The Company shall adopt a resolute stance against anti-social forces throughout the Daicel Group and shall stipulate in the "Daicel Group Code of Ethics" that it shall have no relationship whatsoever with such forces. The Company shall ensure that this policy is thoroughly understood by all employees, collect and accumulate relevant information, and establish and operate systems to exclude anti-social forces.

2. System for the Preservation and Management of Information Related to the Execution of Directors' Duties

(1) Pursuant to the relevant regulations governing document management, the Company shall appropriately manage and preserve the following important documents (including electronic records) related to the execution of Directors' duties and shall ensure that such documents are available for inspection at any time by Directors, Audit & Supervisory Board Members, and employees designated by them.

- 1) minutes of General Shareholders' Meetings;
- 2) minutes of Board of Directors' Meetings;
- 3) financial statements; and
- 4) other important documents related to the execution of duties

(2) Pursuant to the relevant regulations governing information management, the Company shall appropriately manage information in accordance with its type and nature.

3. Regulations and Other Systems for the Management of Risk of Loss within the Company Group

(1) Pursuant to the relevant regulations governing risk management, the Company shall strive to maintain and improve a system capable of appropriately addressing risks inherent in the group's business activities through the operation of the Risk Management Committee.

(2) Pursuant to the relevant regulations governing risk management, the Risk Management Committee shall annually survey and assess the status of risk management within the Daicel Group, report the results to management, and discuss countermeasures as necessary. The Committee shall also report these activities to the Board of Directors.

(3) The Company shall establish relevant regulations governing responses to disasters, accidents, scandals, and other risk events, and shall establish, maintain, and improve reporting systems and other mechanisms that enable prompt and appropriate responses when such events occur within the Daicel Group.

(4) The Company shall formulate a business continuity plan for the Daicel Group and strive to promptly resume business operations following a disaster.

4. System to Ensure the Efficient Execution of Directors' Duties

(1) The Board of Directors shall determine the broad direction of corporate strategy and other matters necessary to promote the Company's sustainable growth, enhance its corporate value over the medium to long term, and improve profitability and capital efficiency. The Board shall also establish an environment that supports appropriate risk-taking by senior management and supervise the effective execution of business operations from an independent and objective standpoint.

(2) Through the executive officer system, the Company shall clearly separate management decision-making and supervisory functions from business execution functions. Except for decisions on important management matters made by the Board of Directors, Executive Officers shall be able under this system to execute business operations promptly in response to changes in the business environment, under the supervision and support of Directors.

(3) To ensure the soundness of decision-making by the Board of Directors, the Company shall appoint a majority of Outside Directors. Furthermore, with a primary focus on ensuring the independence of Directors, the Company shall formulate and disclose criteria for determining independence and clearly identify Independent Directors who satisfy such criteria.

(4) In deciding on the nomination of candidates for Director, the selection of the Representative Director, Chairman, and President, and the appointment of Executive Officers responsible for business execution and the allocation of their duties, the Board of Directors shall establish a Nomination and Compensation Committee chaired by an Outside Director and obtain its recommendations.

(5) The Board of Directors shall define the scope of duties of Executive Officers entrusted with business execution, and Directors shall supervise the efficient execution of business in accordance with the Regulations on the Division of Duties, which set forth the allocation of duties for each major department.

(6) The Company shall promote the clarification of the authority and decision-making procedures of the group's organizations and other bodies in order to enhance the efficiency of the execution of duties.

(7) The Company shall define a long-term vision for the Daicel Group based on the Daicel Group's "Basic Philosophy" and "Sustainable Management Policy" (the "Long-Term Vision"), formulate a "Mid-Term Strategy" setting forth the issues to be addressed and the targets for realizing such vision, and strive to make steady progress toward such targets while enhancing management efficiency through the formulation of annual budgets and the monitoring of their implementation.

(8) The Company shall periodically verify the appropriateness of its organizational structure and division of duties and shall form project teams and other cross-functional bodies to address company-wide or group-wide issues, thereby striving to ensure the efficient execution of business operations.

5. System to Ensure the Proper Conduct of Business within the Corporate Group

(1) In accordance with this Policy, the Company shall strive to ensure the proper conduct of business within the Daicel Group by strengthening corporate governance, ensuring thorough compliance, implementing risk management, and conducting necessary monitoring throughout the Daicel Group.

(2) To strengthen group management, the Company shall appropriately operate the relevant regulations governing the management of group companies, which prescribe procedures for important decision-making, reporting on the business status of group companies, and the departments responsible for supervising them.

(3) The Company shall regularly hold group management meetings attended by Representative Directors, Directors responsible for business execution, Executive Officers and Representative Directors of major group companies, for the purpose of sharing management issues and important information.

(4) Through the standardization of the group's system infrastructure, the Company shall thoroughly implement information management and cybersecurity measures while ensuring the effectiveness of internal controls.

(5) The Internal Audit Department shall strive to ensure the proper conduct of the group's operations through audits conducted throughout the Daicel Group in collaboration with the Safety and Quality Audit Department, the Compliance Department, the Audit & Supervisory Board Members, and the independent auditors.

6. System to Ensure the Effectiveness of Audits by Audit & Supervisory Board Members

(1) In order to ensure the effectiveness of audits by the Audit & Supervisory Board Members, including the system for reporting to the Audit & Supervisory Board Members, the following system shall be established and operated:

① The Representative Director shall, after consultation with the Audit & Supervisory Board Members, establish a system for reporting to the Audit & Supervisory Board Members, including matters to be reported thereto; Directors and employees shall immediately report to the Audit & Supervisory Board Members any fact discovered by them that may cause material damage to the Daicel Group.

② Directors and employees shall report the status of business operations to the Audit & Supervisory Board Members as appropriate during important meetings, such as Board of Directors meetings.

③ The Internal Audit Department, the Safety and Quality Audit Department, the Compliance Department, and the Audit & Supervisory Board Members of group companies shall exchange information and opinions with the Audit & Supervisory Board Members through regular meetings and other means, and report directly to the Audit & Supervisory Board Members regarding the status of the Daicel Group obtained in the course of their duties.

④ The Company shall establish a system under which Audit & Supervisory Board Members may receive and confirm reports from group companies pursuant to the relevant regulations governing the management of group companies.

⑤ The Compliance Department shall periodically report to the Audit & Supervisory Board Members on the operation of the internal whistleblowing system, including the status of reports received through internal and external reporting channels.

⑥ The Company shall ensure that no person who has made a report to an Audit & Supervisory Board Member is subjected to any disadvantageous treatment by reason of having made such report.

⑦ Upon receipt of the annual basic audit plan formulated by the Audit & Supervisory Board, the Representative Director shall endeavor to establish a system to enable Audit & Supervisory Board Members to conduct effective audits of each department and group company in coordination with the Internal Audit Department.

⑧ The Company shall establish and operate a system under which, after confirming with the Audit & Supervisory Board Members, a budget is formulated for expenses necessary for Audit & Supervisory Board Members to perform their duties, and such expenses are reimbursed based on claims submitted by the Audit & Supervisory Board Members after the details thereof have been verified.

(2) The Company shall establish an office to assist the Audit & Supervisory Board Members in the performance of their duties, and shall ensure that the staff members of such office act under the direction and orders of the Audit & Supervisory Board Members.

(3) If an Audit & Supervisory Board Member requests additional staff for the office assisting the Audit & Supervisory Board Members, the Company shall promptly select candidates, and the prior approval of the Audit & Supervisory Board Members shall be obtained with respect to personnel matters concerning such staff, including their appointment, transfer, evaluation, and promotion.

With respect to each item of the Basic Policy for Establishing an Internal Control System described above, the Company conducts surveys on the status of specific initiatives and evaluates their effectiveness. Based on the results thereof, the Internal Control Council confirms the operational status of the Basic Policy and reports to the Board of Directors. An overview of the operational status of the Basic Policy is as follows, and the Company has confirmed that the Basic Policy was appropriately operated during the fiscal year under review.

(Compliance)

- Formulation and implementation of annual compliance activity plans by each department and Group company, and reporting of the results to the Board of Directors
- Conducting ethics and compliance training and other compliance-related training for officers and employees
- Implementation of an appropriate internal whistleblowing system through the promotion and proper operation of the helpline
- Evaluation of internal controls relating to financial reporting and reporting of the results to the Board of Directors

(Information Management)

- Reporting items subject to statutory disclosure to the Information Disclosure Committee and implementing verification procedures
- Proper storage of documents in accordance with the Document Management Regulations

(Risk Management)

- Confirming the status of risk management in each department and Group company through activity reports and other means, and reporting such status and overall risk management activities to the Board of Directors
- Conducting comprehensive disaster prevention drills
- Formulating business continuity plans and confirming the status of their implementation

(Ensuring Efficiency in the Execution of Duties)

- Implementing resolutions of the Board of Directors and reporting to the Board of Directors in accordance with the Board of Directors Regulations
- Consulting with the Nomination and Compensation Committee regarding executive personnel appointments and compensation and receiving reports from the Committee
- Conducting evaluations of the effectiveness of the Board of Directors
- Implementing efficient approval processes for business operations in accordance with the Approval Regulations

(Ensuring the Proper Conduct of Operations within the Group)

- Investigating the Group's specific initiatives relating to the basic policy for establishing an internal control system and assessing the status of implementation of such policy
- Being involved in important decision-making at Group companies pursuant to the relevant regulations governing Group company management, and managing operations through reports on their business status
- Conducting planned audits and safety and quality audits

(Ensuring the Audit Framework and the Effectiveness of Audits by Audit & Supervisory Board Members)

- Confirming the independence of staff members of the Office of Audit & Supervisory Board Members
- Holding meetings with the Representative Director
- Sharing information from the audit department and other relevant units with Audit & Supervisory Board Members
- Implementing budget management and, where necessary, having the Company bear expenses
- Conducting audits in accordance with the audit plan of the Audit & Supervisory Board Members

2. Basic Views on Eliminating Anti-Social Forces

The Company's basic approach to the elimination of anti-social forces and the status of development and operation are outlined below.

As stipulated in the Basic Policy for Establishing its Internal Control System, the Company has adopted the Code of Ethics of Daicel Group and has worked to disseminate it as its basic approach to eliminating contacts with anti-social forces as follows:

"The Company has no affiliation with any criminal syndicates or organized crime groups. Corrupt practices such as bribery, embezzlement, and money laundering are strictly prohibited."

The Company has gathered and compiled information and has developed a mechanism to eliminate anti-social forces.

In addition, the Company has established a specialized department to deal with anti-social forces, responding to cases where there are approaches from anti-social forces, and maintaining close contact with police, lawyers, local companies, and other specialized external organizations. The Company also accumulates

information on useful countermeasures applicable to anti-social forces and has made Directors and employees thoroughly aware of them.

V. Other

1. Adoption of Takeover Response Policies

Adoption of Takeover Response Policies	None
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Supplementary Explanation (Updated)

As a listed company, the Company believes that, in principle, the trading of the Company's shares should be left to the free judgment of shareholders and investors in the market, and that the decision as to whether to accept a large-scale purchase of the Company's shares by a specific party should ultimately be left to the judgment of the shareholders. However, some large-scale purchases of the Company's shares, depending on their purpose and other factors, do not contribute to the Company's corporate value or the common interests of shareholders.

The Company believes that any person who engages in or intends to engage in a large-scale purchase of the Company's shares in a manner that may impair the Company's corporate value or the common interests of shareholders is not appropriate as a person to control decisions on the Company's financial and business policies. Therefore, with respect to any person who conducts or intends to conduct a large-scale purchase of the Company's shares, the Company will take appropriate measures in accordance with the Financial Instruments and Exchange Act, the Companies Act, and other applicable laws and regulations, including requesting such person to provide information necessary and sufficient for shareholders to make an appropriate judgment regarding the merits of such purchase, disclosing the opinion of the Board of Directors, and endeavoring to secure the information and time necessary for shareholders to consider the matter.

2. Other Matters Concerning to Corporate Governance System (Updated)

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

1. Basic Approach and Policy toward Information Disclosure

The Company stipulates in the Ethical Standards of the Daicel Group that it will "disclose accurate corporate information in a timely, appropriate and fair manner, with due consideration for the interests of stakeholders," and that it will "refrain from insider trading and appropriately handle undisclosed material information."

In addition, the Information Disclosure Regulations set forth the Company's basic policy on information disclosure, namely that the Company shall disclose corporate information (1) voluntarily and proactively, (2) with continuity and consistency, (3) promptly and in a timely manner, (4) accurately, usefully and in an easy-to-understand manner, and (5) fairly.

The Company publishes the Ethical Standards of the Daicel Group and the Information Disclosure Regulations on its intranet and ensures that they are thoroughly disseminated through in-house training and other measures.

2. Information Disclosure System

(1) Summaries of Financial Results and Annual Securities Reports, etc. (Information on Financial Results)
With respect to information on financial results, the Accounting Group of the Business Support Headquarters and the IR Team of the Corporate Strategy Office jointly prepare financial statements and other materials based on materials submitted by the heads of each division and the presidents of Group companies.

In preparing Annual Securities Reports and other filings, the Company receives audits by the External Auditor with respect to the financial statements and other materials prepared as described above, and also reflects the opinions of Audit & Supervisory Board Members on other matters.

With respect to summaries of financial results and similar disclosures, the Information Disclosure Committee, which is operated in accordance with the Information Disclosure Regulations and chaired by the Representative Director, President and Chief Executive Officer, determines the specific details of the disclosure. The officer in charge of the Business Support Headquarters reports the matter to the Board of Directors, and the Company discloses it immediately after the Board's resolution.

With respect to Annual Securities Reports and other filings, after deliberation by the Information Disclosure Committee, a management confirmation letter is submitted to the External Auditor. After receiving the audit report from the External Auditor, the Company files the report, upon approval by the President, within the filing deadline and prior to the Annual General Meeting of Shareholders.

(2) Information on Decisions

With respect to material facts arising from decisions made by the Board of Directors (or the Management Committee) of the Company and by the business execution bodies of Group companies, the Company has a system under which such information can be identified in advance through the prior registration of matters to be discussed at various meetings held in accordance with the Company's Ringi Regulations or the Operational Regulations for the Management of Group Companies. After sufficient deliberation at each meeting body, the officer in charge of the Business Support Headquarters, the officer in charge of the Corporate Strategy Office, and the IR Team confirm whether the matter constitutes a material fact under the timely disclosure provisions of the Securities Listing Regulations (the "Timely Disclosure Rules, etc.").

If the matter is judged likely to constitute a material fact, the Information Disclosure Committee deliberates on the specific content, timing and method of disclosure and decides whether disclosure should be made.

Once disclosure of a material fact has been decided, the Company promptly discloses such fact after the relevant matter has been decided by the Board of Directors or other business execution body.

(3) Information on Occurrences

With respect to facts occurring at the Company or its Group companies that may constitute material facts, such facts are to be reported immediately upon occurrence or upon becoming aware thereof to the Representative Director, President and Chief Executive Officer, the relevant officers and department heads, and the officer in charge of the Business Support Headquarters in accordance with the Risk Materialization Response Regulations, the Insider Trading Prevention Regulations and other internal rules.

The officer in charge of the Business Support Headquarters, the officer in charge of the Corporate Strategy Office, and the IR Team confirm whether the relevant matter constitutes a material fact under the Timely Disclosure Rules, etc.

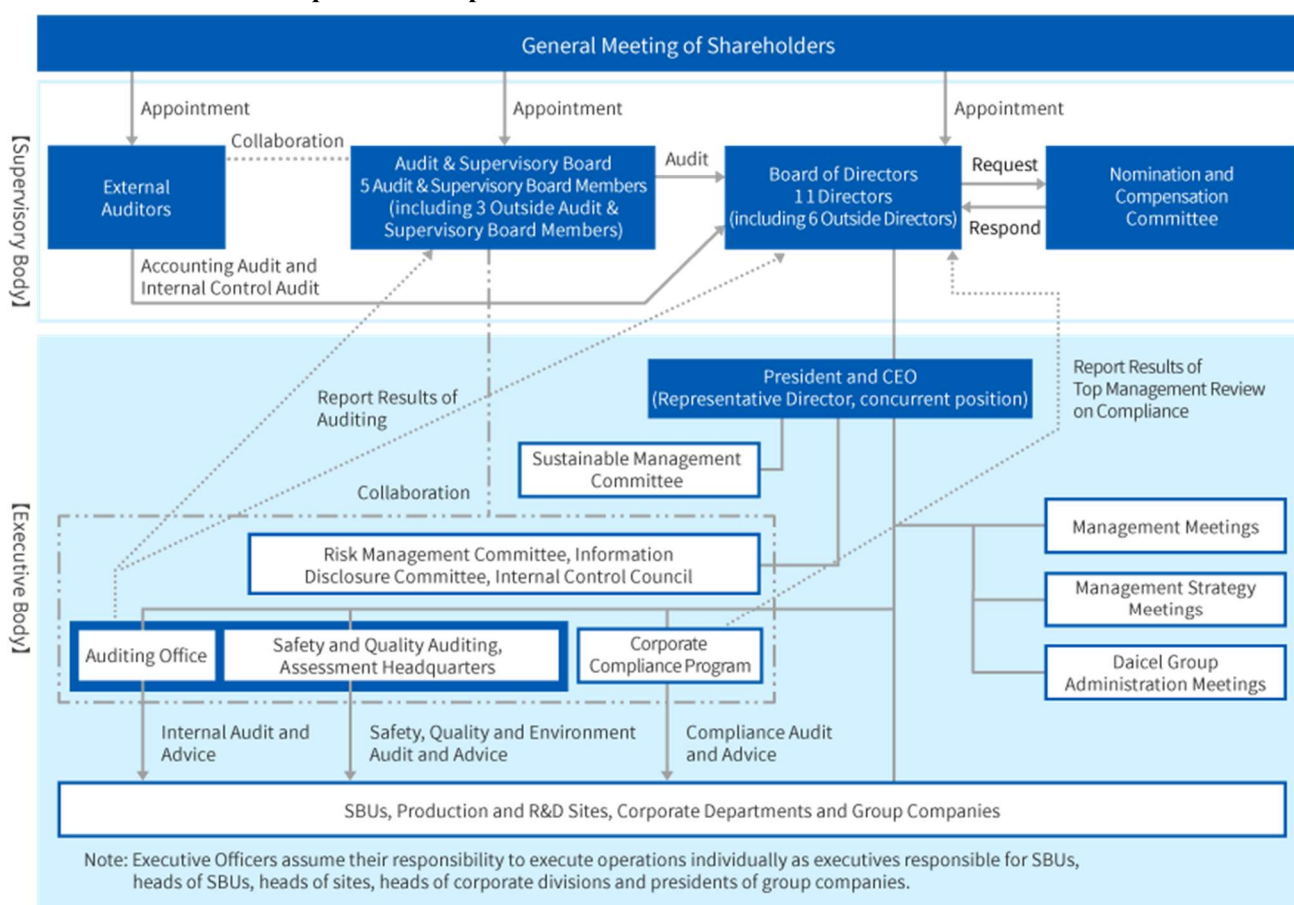
If the matter constitutes a material fact, or if it does not constitute a material fact but is considered useful information for investors, the Information Disclosure Committee deliberates on the matter, decides whether disclosure should be made, and promptly discloses it.

3. Management of Material Facts

With respect to the handling of material facts prior to timely disclosure, the Insider Trading Prevention Regulations prescribe management methods, including restricting the transmission of information relating to material facts (the "Material Information") under the responsibility of the Head of the Business Support Headquarters as the person responsible for its management, and prohibiting officers and employees who are aware of Material Information from trading in shares and other securities before such information is publicly disclosed.

The Company strives to prevent insider trading by officers and employees by ensuring thorough awareness of the Insider Trading Prevention Regulations through in-house training and other measures.

【Reference】 Daicel Corporation Corporate Governance Framework



【Reference】 The Coefficients of Payments Rate for Calculating Performance-based Bonuses

Indicator	Weight	Target achievement rate	Coefficient
Net sales	40%	120% or more	200%
		More than 100% but less than 120%	*1
		100%	100%
		More than 80% but less than 100%	*2
		80% or less	0%
EBITDA	40%	120% or more	200%
		More than 100% but less than 120%	*1
		100%	100%
		More than 80% but less than 100%	*2
		80% or less	0%
ROIC	20%	120% or more	200%
		More than 100% but less than 120%	*1
		100%	100%
		More than 80% but less than 100%	*2
		80% or less	0%

Notes

- *1: Decide the coefficient within the range of 101% to 199% in proportion to the achievement ratio of the actual value to the target value.
- *2: Decide the coefficient within the range of 1% to 99% in proportion to the achievement ratio of the actual value to the target value.