

NOTICE OF THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

1. **Date and time:** Thursday, June 25, 2026, at 10:00 a.m. (Reception will open at 9:00 a.m.)
2. **Venue:** Large Conference Room, 4th Floor General Office Building, Chiba Site 25 Kitasode, Sodegaura-shi, Chiba
3. **Agenda**

Matters to be reported:

Report on the contents of the Business Report and Financial Statements for the 165th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be resolved:

Proposal 1: Approval of the Share Exchange Agreement between the Company and Sumitomo Chemical Co., Ltd.

Proposal 2: Election of four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members)

Proposal 3: Election of four (4) Directors who are Audit & Supervisory Committee Members

Koei Chemical Company, Limited

The share exchange described in this document involves securities of a Japanese company. The share exchange is subject to disclosure requirements of Japan that are different from those of the United States. Financial information included in this document, if any, was excerpted from financial statements prepared in accordance with foreign accounting standards that may not be comparable to the financial statements of United States companies.

It may be difficult for you to enforce your rights and any claim you may have arising under the U.S. federal securities laws, since the issuer is located in Japan and some or all of its officers and directors reside outside of the United States. You may not be able to sue a Japanese company or its officers or directors in a Japanese court for violations of the U.S. securities laws. It may be difficult to compel a Japanese company and its affiliates to subject themselves to a U.S. court's judgment. You should be aware that the issuer may purchase securities otherwise than under the share exchange, such as in the open market or through privately negotiated purchases.

This document has been translated from the Japanese-language original for reference purposes only. In the event of any conflict or discrepancy between this document and the Japanese-language original, the Japanese-language original shall prevail in all respects.

Securities Code: 4367

June 8, 2026

(Date of commencement of electronic provision
measures: June 1, 2026)

25 Kitasode, Sodegaura-shi, Chiba

Koei Chemical Company, Limited

Yasuaki Sasaki

Representative Director & President

To Our Shareholders:

NOTICE OF THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We would like to take this opportunity to thank you for your continued support.

Please take notice that the 165th Ordinary General Meeting of Shareholders of the Company will be held as described below.

To convene this General Meeting of Shareholders, the Company has adopted electronic provision measures and posted the items subject to electronic provision measures on the website listed below.

Company website:

https://www.koeichem.com/en/ir/annual_meeting.html

In addition to the above, the information is also posted on the website listed below.

Tokyo Stock Exchange website:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

Please access the above website, enter and search for the Company's name ("Koei Chemical") or securities code ("4367"), and then select "Basic Information" and "Documents for public inspection/PR information" in that order to view the information.

If you do not attend the meeting in person, you may exercise your voting rights either in writing or by electronic means (via the Internet). Please review the Reference Documents for the General Meeting of Shareholders below and exercise your voting rights by 5:00 p.m. on Wednesday, June 24, 2026.

Details

Date and Time: Thursday, June 25, 2026, at 10:00 a.m.

Venue: Large Conference Room, 4th Floor General Office Building, Chiba Site 25 Kitasode, Sodegaura-shi, Chiba

Agenda

Matters to be reported: Report on the contents of the Business Report and Financial Statements for the 165th fiscal year (from April 1, 2025 to March 31, 2026)

Matters to be resolved: Proposal 1: Approval of the Share Exchange Agreement between the Company and Sumitomo Chemical Co., Ltd.
Proposal 2: Election of four (4) Directors (excluding Directors who are Audit & Supervisory Committee Members)
Proposal 3: Election of four (4) Directors who are Audit & Supervisory Committee Members

- ◎ If you attend the meeting in person, please submit the enclosed voting form to the reception desk at the venue.
- ◎ If a voting form does not indicate either approval or disapproval of a proposal, the Company will treat it as an indication of approval.
- ◎ In case where the items subject to electronic provision measures are amended, the Company will post the amended matters on each of the websites on which they are posted.
- ◎ The documents sent to shareholders also serve as the documents stating the items subject to electronic provision measures based on requests for delivery of documents. However, in accordance with applicable laws and regulations and Article 14 of the Articles of Incorporation of the Company, the matters listed below are excluded. Accordingly, the documents constitute part of the documents audited by the Audit & Supervisory Committee and the Accounting Auditor in preparing their audit reports.
 - Among the matters under “Proposal 1: Approval of the Share Exchange Agreement between the Company and Sumitomo Chemical Co., Ltd.,” the “Provisions of the Articles of Incorporation of Sumitomo Chemical Co., Ltd.” and the “Contents of financial statements for the most recent fiscal year of Sumitomo Chemical Co., Ltd.”
 - “Statement of Changes in Shareholders’ Equity” and “Notes to Non-consolidated Financial Statements” in the Financial Statements

Proposal 1: Approval of the Share Exchange Agreement between the Company and Sumitomo Chemical Co., Ltd.

Koei Chemical Company, Limited (the “**Company**”) and Sumitomo Chemical Co., Ltd. (“**Sumitomo Chemical**”; the Company and Sumitomo Chemical are hereinafter collectively referred to as the “**Two Companies**”) decided, by resolutions of their respective Boards of Directors at meetings held on May 13, 2026, to implement a share exchange through which the following will occur (the “**Share Exchange**”) and executed a share exchange agreement (the “**Share Exchange Agreement**”) on the same day: (a) Sumitomo Chemical will become a wholly owning parent company resulting from a share exchange; and (b) the Company will become a wholly owned subsidiary resulting from a share exchange.

Accordingly, under this proposal, the Company hereby requests your approval of the Share Exchange Agreement. The Share Exchange is expected to be implemented, in the case of Sumitomo Chemical, by way of a simplified share exchange that does not require approval by a resolution of a general meeting of shareholders as prescribed in Article 796, paragraph (2) of the Companies Act (Act No. 86 of 2005, as amended; the same applies hereinafter), and in the case of the Company, with the Share Exchange Agreement being approved by a resolution of this ordinary general meeting of shareholders. The effective date of the Share Exchange is scheduled to be August 1, 2026. Prior to the effective date of the Share Exchange (August 1, 2026 (scheduled)), common stock of the Company (“**Company Shares**”) will be delisted from the Standard Market of the Tokyo Stock Exchange, Inc. (“**TSE**”) on July 30, 2026 (with a final trading date of July 29, 2026).

The reasons for conducting the Share Exchange, the outline of the contents of the Share Exchange Agreement, and other matters regarding this proposal are as follows.

1 Reasons for conducting the Share Exchange

As of March 31, 2026, Sumitomo Chemical operates businesses in the agro & life solutions sector, the ICT & mobility solutions sector, the advanced medical solutions sector, and the essential & green materials sector, among others.

Sumitomo Chemical was established in June 1925 and has, in accordance with its corporate philosophy, including the Sumitomo spirit of “*jiri rita koshi ichinyo*” (“harmony between the individual, the nation and society”), put forth the following as its basic policies in the Corporate Business Plan for FY 2025 to FY 2027, “Leap Beyond: Return to a Growth Trajectory,” with the long-term vision to become an “Innovative Solution Provider”: (i) upgrading Sumitomo Chemical’s business portfolio through a new growth strategy; (ii) increasing resilience through the continuous implementation of structural reforms; (iii) improving financial and capital efficiency; (iv) an R&D strategy centered on Sumitomo Chemical’s three X’s (BX (biotechnological transformation), DX

(digital transformation), and GX (green transformation)); and (v) enhancing its management foundation to support Sumitomo Chemical's new growth strategy.

On the other hand, the Company was established in June 1917 and, as a pioneer of nitrogen-containing compounds, has engaged in the manufacture and sale of gas-phase products and amine products among other core products, as well as agrochemical-related chemical products and functional chemical products. By further advancing the core technologies it has cultivated over many years, the Company has been providing high-value-added, high-performance products. The capital relationship between Sumitomo Chemical and the Company began in 1951, when Sumitomo Chemical (then named *Sumitomo Kagaku Kogyou KK* in Japanese) made a capital investment as a shareholder in the Company (then named *Koei Kagaku Kogyou KK* in Japanese) for the purpose of supporting management, followed by an additional investment by Sumitomo Chemical in 1954, as a result of which the Company became a consolidated subsidiary of Sumitomo Chemical. The Company was listed on the Second Section of the Osaka Securities Exchange in October 1997, and, as of the end of March 1998, the number of Company Shares held by Sumitomo Chemical was 13,647,093 shares (shareholding ratio (Note 1): 55.70%). Thereafter, the Company conducted a share consolidation at a ratio of one share for every five shares of common stock in October 2017, and, as of the end of March 2018, Sumitomo Chemical came to hold 2,731,400 Company Shares (shareholding ratio: 55.74%), and there has been no change in the number of Company Shares held by Sumitomo Chemical or in the shareholding ratio as of May 13, 2026.

(Note 1) "Shareholding ratio" means the ratio to the number of issued shares of the Company at each point in time, rounded to the nearest second decimal place (however, as it is difficult to ascertain the number of treasury shares at each point in time, treasury shares have not been deducted from the number of issued shares).

Since Sumitomo Chemical's capital participation in the Company in 1951, the Two Companies have collaborated in the business domain of agrochemical-related chemical products and functional chemical products. In recent years, collaboration has progressed especially in optical materials and pharmaceutical-related fields. To date, Sumitomo Chemical has respected the independence of the Company as a listed company, while promoting integrated group management and the realization of synergies. At the same time, in addition to the challenging industry environment, exemplified by rising resource and energy prices and supply shortages, the business environment facing the Two Companies has gone through significant change, including expanding needs for sustainability-related responses, as well as technological innovation in advanced medical fields, such as gene therapy using therapeutic oligonucleotides and regenerative and cell-based medicines.

In light of such environmental changes, the Company recognizes that its key challenges are to continue growth initiatives across each product field aimed at improving utilization of existing facilities, while accurately ascertaining business opportunities and further refining its proprietary

technologies to expand its functional products and new business areas. In addition, while Sumitomo Chemical's advanced small-molecule APIs CDMO business has thus far grown primarily in the domestic market, Sumitomo Chemical understands that strengthening its ability to respond to overseas projects will be important for further business expansion in the future.

Under these circumstances, as it becomes increasingly important for the Two Companies to accurately capture global business opportunities and execute their management strategies swiftly and flexibly, Sumitomo Chemical believes that collaboration involving the Company's technologies, know-how, human resources, and multi-purpose facilities to establish a production system that meets the needs of major overseas pharmaceutical companies and other global clientele will enable the fulfillment of diverse domestic and international needs and enable expansion in the scale of business. Sumitomo Chemical has come to recognize that the current parent-subsidiary relationship on a consolidated basis that is premised on maintaining the Company's listing is, on its own, inadequate for the further acceleration of the aforementioned initiatives and promotion of integrated business operations while achieving sustainable growth by the Two Companies, and that a more integrated group management framework is necessary. Accordingly, by making the Company a wholly owned subsidiary of Sumitomo Chemical, Sumitomo Chemical aims to further strengthen the collaborative relationship, while enabling prompt and flexible decision-making and thorough implementation of policies within the Sumitomo Chemical group, and thereby contributing to the enhancement of the Two Companies' corporate value, so Sumitomo Chemical made, on November 4, 2025, a proposal to the Company regarding the Share Exchange (the "**Proposal**").

The Company, in response to the Proposal from its parent company Sumitomo Chemical, decided to begin detailed consideration of the Share Exchange. Upon commencing that detailed consideration of the Share Exchange, and prior to deliberation by the Company's Board of Directors of the pros and cons of the Share Exchange and adoption of any resolution in that regard, on November 17, 2025 the Company established, as one of its measures to ensure the fairness of the Share Exchange, a framework for conducting that detailed consideration, including the creation of a special committee composed of members who are independent from Sumitomo Chemical and independent from whether the Share Exchange is consummated (the "**Special Committee**"; for details, please see "3(4) Matters considered to avoid harming the interest of the Company's shareholders" below) (a) because structural conflicts of interest could arise in the Share Exchange, (b) for the purpose of protecting the general shareholders of the Company, and (c) from the perspectives of ensuring the fairness of the exchange ratio in the Share Exchange, eliminating arbitrariness in the decision-making process, and avoiding conflicts of interest.

The following are envisaged as specific measures and synergies realized based on those measures after the Share Exchange.

(i) Technological advancement through the combination of the Company's and Sumitomo Chemical's technological capabilities

Leveraging a diverse product range, accumulated technological capabilities, and custom synthesis capabilities, the Company, in addition to its foundational products, has developed functional products and new businesses and has built an established position as a leading company in the field of nitrogen-containing compounds. The Two Companies believe that combining the technological capabilities that are the source of the Company's competitive advantage with Sumitomo Chemical's technological capabilities will enable the pursuit of further technological advancement, including through collaborative exploration of new market needs. In particular, the Two Companies believe that combining the distinctive technologies of low-temperature curing catalysts and ionic liquids held by the Company with Sumitomo Chemical's technologies will enable expansion into new markets and new product development.

(ii) Expansion of Sumitomo Chemical's advanced small-molecule APIs CDMO business in Japan and abroad by leveraging the Company's multi-purpose facilities

Partly due to a decrease in the demand for organometallic catalysts and the like, the Company's group of multi-purpose facilities continues to be underutilized. In contrast, Sumitomo Chemical believes that, following the Share Exchange, it will be able to leverage the Company's multi-purpose facilities into an expansion of the advanced small-molecule APIs CDMO business that Sumitomo Chemical is pursuing. Specifically, by leveraging Sumitomo Chemical's management resources to convert the Company's multi-purpose facilities into facilities that are GMP compliant both in Japan and abroad and by establishing a production system aligned with the needs of major overseas pharmaceutical companies and other global clientele in its advanced small-molecule APIs CDMO business, Sumitomo Chemical aims to handle diverse demand in Japan and abroad and expand the scale of its business.

(iii) Acceleration and optimization of business activities through integrated operation of the Two Companies

In addition to the synergies illustrated in (i) and (ii) above, the Two Companies believe that making the Company a wholly owned subsidiary of Sumitomo Chemical in the Share Exchange and thus enabling the Two Companies to operate in an integrated manner will result in swifter decision-making and enable even more extensive and flexible mutual leveraging of both parties' information, human resources, and other management resources, leading to increased profitability across the Sumitomo Chemical group.

Further, the Two Companies believe that, after the Share Exchange, the general shareholders of the Company will, as shareholders of Sumitomo Chemical, be able to enjoy the economic benefits of increased corporate value resulting from the synergy between the Two Companies. In addition, the Two Companies believe that, in circumstances where the burden of responding to the development of systems required for listed companies and the costs of doing so are increasing, the Share Exchange will also contribute to a reduction in the operational burden and costs associated with maintaining a listing for the Company.

Since the Company will be delisted as a result of the Share Exchange, it is possible that the Company will no longer obtain certain advantages that listed companies are generally able to enjoy, such as the securing of diverse funding methods through equity financing, the positive impact on recruitment activities associated with the improvement in social creditworthiness and name recognition, and the improvement in financial data reliability through accounting audits. However, the Two Companies believe that the impact associated with delisting will be kept to a minimum taking into account the following, among other factors: with respect to funding needs, alternative means to conduct financing in the equity markets exist, such as financial support from the parent company to its subsidiaries; the Company's name recognition is already ample due to its long history, and even if the Company were to become a non-listed company, it will continue being able to benefit from the name recognition of the Sumitomo Chemical group as a wholly owned subsidiary of Sumitomo Chemical by further strengthening its connections within the Sumitomo Chemical group, so it is believed that any negative impact on new staff recruitment and the like will be minor; and, further, it will be possible to maintain the financial reliability of the company because it will still be subject to Sumitomo Chemical's consolidated accounting audit even after becoming a wholly owned subsidiary of Sumitomo Chemical.

In addition, the Two Companies have determined that selecting the Share Exchange as the method for making the Company a wholly owned subsidiary would be preferable. This determination has been reached because, by delivering shares of common stock of Sumitomo Chemical ("**Sumitomo Chemical Shares**") to the general shareholders of the Company as consideration for the Share Exchange, the general shareholders of the Company will be provided with an opportunity to benefit from business expansion and increased earnings within the Sumitomo Chemical group and other similar advantages through the creation of anticipated synergies, and, in turn, an increase in the share price of Sumitomo Chemical. In addition, because Sumitomo Chemical Shares possess high liquidity and can be converted into cash at any time through market transactions, the Two Companies believe the Share Exchange to be appropriate.

As a result of comprehensive examination of these points by the Two Companies, the Two Companies reached the conclusion that making the Company a wholly owned subsidiary of

Sumitomo Chemical would contribute to the improvement of the corporate value of the Two Companies. Upon reaching that conclusion, and after discussing various terms and conditions, including the allotment ratio, for the Share Exchange, the Two Companies have reached an agreement, and on May 13, 2026, at their Board of Directors meetings, the Two Companies resolved to implement the Share Exchange with the purpose of making the Company a wholly owned subsidiary of Sumitomo Chemical and also executed the Share Exchange Agreement.

2 Outline of the contents of the Share Exchange Agreement

The contents of the Share Exchange Agreement executed on May 13, 2026 by and between the Company and Sumitomo Chemical are as follows.

Share Exchange Agreement

Sumitomo Chemical Co., Ltd. (“Sumitomo Chemical”) and Koei Chemical Company, Limited (“Koei Chemical”) hereby enter into this Share Exchange Agreement (the “Agreement”) as follows.

Article 1 (Share Exchange)

Subject to the terms and conditions contained herein, Sumitomo Chemical and Koei Chemical will implement a share exchange as a result of which Sumitomo Chemical will be the wholly-owning parent company resulting from the share exchange and Koei Chemical will be the wholly-owned subsidiary resulting from the share exchange (the “Share Exchange”). As a result of the Share Exchange, Sumitomo Chemical will obtain all issued shares of Koei Chemical (excluding the shares of Koei Chemical held by Sumitomo Chemical).

Article 2 (Trade Name and Address)

The trade names and addresses of Sumitomo Chemical and Koei Chemical are as follows.

- (1) Sumitomo Chemical (wholly-owning parent company resulting from the share exchange)

Trade name: Sumitomo Chemical Co., Ltd.

Address: 2-7-1, Nihonbashi, Chuo-ku, Tokyo

- (2) Koei Chemical (wholly-owned subsidiary resulting from the share exchange)

Trade name: Koei Chemical Company, Limited

Address: 25 Kitasode, Sodegaura-shi, Chiba

Article 3 (Shares to Be Delivered in the Share Exchange and Their Allotment)

1. In the Share Exchange, Sumitomo Chemical will deliver to Koei Chemical’s

shareholders as at the time immediately preceding the time at which the Share Exchange becomes effective (the “Record Time”) (excluding Sumitomo Chemical; the “Allottee Shareholders”) such number of shares of common stock of Sumitomo Chemical as is calculated by multiplying the total number of shares of Koei Chemical held by the Allottee Shareholders by 4.91.

2. In the Share Exchange, Sumitomo Chemical will allot shares of common stock of Sumitomo Chemical to each Allottee Shareholder at the rate of 4.91 shares of Sumitomo Chemical per share of common stock of Koei Chemical held by such Allottee Shareholder.
3. Any fraction of less than one share of Sumitomo Chemical that should otherwise be delivered to an Allottee Shareholder pursuant to the provisions of the preceding paragraphs shall be disposed of by Sumitomo Chemical in accordance with Article 234 of the Companies Act and other applicable laws and regulations.

Article 4 (Amount of Capital and Reserves of Sumitomo Chemical)

The amounts by which the capital and reserves of Sumitomo Chemical will increase in connection with the Share Exchange shall be the amounts separately and appropriately determined by Sumitomo Chemical pursuant to the provisions of Article 39 of the Rules of Corporate Accounting.

Article 5 (Effective Date)

The Share Exchange shall become effective as of August 1, 2026 (the “Effective Date”); provided, however, that Sumitomo Chemical and Koei Chemical may change the Effective Date upon consultation and agreement if necessary to accommodate the procedures for the Share Exchange or for any other reason.

Article 6 (General Meeting of Shareholders)

1. Pursuant to the provisions of Article 796, paragraph (2) of the Companies Act, Sumitomo Chemical will implement the Share Exchange without obtaining approval of this Agreement at a general meeting of shareholders as set forth in Article 795, paragraph (1) of the Companies Act; provided, however, that if Sumitomo Chemical is required, pursuant to the provisions of Article 796, paragraph (3) of the Companies Act, to obtain approval of this Agreement by a resolution of its general meeting of shareholders, Sumitomo Chemical shall convene a general meeting of shareholders no later than the day before the Effective Date and seek resolutions for approval of this Agreement and other matters necessary for the Share Exchange.

2. Koei Chemical shall, no later than the day before the Effective Date, seek resolutions for approval of this Agreement and other matters necessary for the Share Exchange at a general meeting of shareholders as set forth in Article 783, paragraph (1) of the Companies Act.

Article 7 (Management of Corporate Assets, Etc.)

1. After the execution of this Agreement and until the Effective Date, Sumitomo Chemical and Koei Chemical shall conduct their business and manage and operate their assets with the due care of a prudent manager. If either Sumitomo Chemical or Koei Chemical intends to conduct any act that may have a material effect on its assets or rights and obligations, or any act that may have a material effect on the implementation of the Share Exchange or the terms and conditions of the Share Exchange, including, but not limited to, distribution of dividends of surplus with a record date prior to the Effective Date, acquisition of treasury shares with an acquisition date prior to the Effective Date, and share splits or share consolidations, Sumitomo Chemical and Koei Chemical shall conduct such act only after prior consultation and agreement between them.
2. Notwithstanding the preceding paragraph, Sumitomo Chemical may distribute dividends of surplus up to 7.5 yen per share to shareholders entered or recorded in the final shareholder registry as of March 31, 2026, and Koei Chemical may distribute dividends of surplus up to 50 yen per share to shareholders entered or recorded in the final shareholder registry as of March 31, 2026.

Article 8 (Cancellation of Treasury Shares of Koei Chemical)

Koei Chemical shall, by a resolution of its Board of Directors adopted no later than the day before the Effective Date, cancel at the Record Time all treasury shares held by Koei Chemical at the Record Time (including treasury shares acquired by Koei Chemical through the purchase of shares subject to a share purchase demand by dissenting shareholders as prescribed in Article 785, paragraph (1) of the Companies Act that is exercised in relation to the Share Exchange).

Article 9 (Amendment of the Conditions of the Share Exchange and Termination of this Agreement)

If, during the period from the execution date of this Agreement until the Effective Date, there is any material change in the assets or business condition of Sumitomo Chemical or Koei Chemical due to a natural disaster or any other reason, any event arises that materially hinders

the implementation of the Share Exchange, or it otherwise becomes difficult to achieve the purpose of this Agreement, Sumitomo Chemical and Koei Chemical may, upon consultation and agreement, amend the conditions of the Share Exchange or terminate this Agreement.

Article 10 (Validity of this Agreement)

This Agreement shall cease to be effective if any of the following applies:

- (1) approval by a resolution of the general meeting of shareholders of Koei Chemical as set forth in Article 6, paragraph (2) is not obtained by the day before the Effective Date;
- (2) in the case set forth in the proviso to Article 6, paragraph (1), approval by a resolution of the general meeting of shareholders of Sumitomo Chemical as set forth in that proviso is not obtained by the day before the Effective Date;
- (3) any approval, etc. of the relevant authorities legally required for the Share Exchange, if any, is not obtained by the day before the Effective Date; or
- (4) this Agreement is terminated in accordance with the provisions of the preceding Article.

Article 11 (Governing Law and Jurisdiction)

1. This Agreement shall be governed by, and construed in accordance with, the laws of Japan.
2. The parties agree that the Tokyo District Court shall have exclusive jurisdiction as the court of first instance over any dispute arising in connection with this Agreement.

Article 12 (Matters for Consultation)

In addition to the matters set forth in this Agreement, any matters necessary for the Share Exchange shall be determined upon good-faith consultation and agreement between Sumitomo Chemical and Koei Chemical in accordance with the spirit of this Agreement.

In witness whereof, this Agreement has been executed in duplicate, with Sumitomo Chemical and Koei Chemical to retain one copy each after both have affixed their respective names and seals.

May 13, 2026

Sumitomo Chemical:
2-7-1 Nihonbashi, Chuo-ku, Tokyo
Sumitomo Chemical Co., Ltd.
Nobuaki Mito,
Representative Director & President

Koei Chemical:
25 Kitasode, Sodegaura-shi, Chiba
Koei Chemical Company, Limited
Yasuaki Sasaki,
Representative Director & President

3 Matters relating to the appropriateness of the consideration for the exchange

(1) Matters relating to the appropriateness of the total amount, and allotment, of the consideration for the exchange

(A) Allotments in connection with the Share Exchange

	Sumitomo Chemical (wholly owning parent company resulting from a share exchange)	The Company (wholly owned subsidiary resulting from a share exchange)
Allotment ratio in connection with the Share Exchange	1	4.91
Number of shares to be delivered in the Share Exchange	Sumitomo Chemical Shares: 10,603,734 shares (scheduled)	

(Note 1) Allotment ratio of shares

Sumitomo Chemical will allot and deliver 4.91 Sumitomo Chemical Shares per one Company Share. However, no shares will be allotted in the Share Exchange for Company Shares held by Sumitomo Chemical as of the Record Time (as defined below). The above allotment ratio for the Share Exchange (the “**Share Exchange Ratio**”) might be changed upon discussions and agreement between the Two Companies if a significant change occurs in various terms and conditions that constitute the bases for the relevant calculations.

(Note 2) Number of Sumitomo Chemical Shares to be delivered in a share exchange, etc.

Upon the Share Exchange, Sumitomo Chemical plans to allot and deliver to the shareholders of the Company (excluding Sumitomo Chemical) as of the time immediately prior to Sumitomo Chemical’s acquisition through the Share Exchange of all the issued shares of the Company (excluding Company Shares held by Sumitomo Chemical; that time immediately prior to the time of acquisition, the “**Record Time**”) the number of Sumitomo Chemical Shares calculated by multiplying the total number of Company Shares held by each shareholder by the Share Exchange Ratio. Sumitomo Chemical plans to use a portion of the treasury shares it holds (6,000,000 shares) and the shares to be newly issued by Sumitomo Chemical as the shares to be delivered by Sumitomo Chemical. The Company plans to cancel, at the Record Time, all of the treasury shares that it holds as of the Record Time (including treasury shares acquired by the Company through a share purchase in response to a share purchase demand made by dissenting shareholders in relation to the Share Exchange under the provisions of Article 785, paragraph 1 of the Companies Act) by a resolution at its Board of Directors meeting held on or before the day preceding the effective date of the Share Exchange.

(Note 3) Handling of shares less than one unit

Shareholders of the Company who come to hold shares less than one unit (stock of less than 100 shares) of Sumitomo Chemical as a consequence of the Share Exchange may participate in either of the following programs concerning Sumitomo Chemical Shares in accordance with the provisions of the Articles of Incorporation and the Share Handling Regulations of Sumitomo Chemical. Shares less than one unit may not be sold on a financial instruments exchange market.

(A) Additional purchase program for shares less than one unit (additional purchase to enable holding of 100 shares)

Under this program, any shareholder who holds shares less than one unit of Sumitomo Chemical may, in accordance with the provisions of Article 194, paragraph 1 of the Companies Act and the Articles of Incorporation of Sumitomo Chemical, purchase from Sumitomo Chemical shares that, when combined with the shares less than one unit held by that shareholder, will constitute one unit.

(B) Demand for purchase from holders of shares less than one unit (sale of shares less than one unit)

Under this program, any shareholder who holds shares less than one unit of Sumitomo Chemical may, in accordance with the provisions of Article 192, paragraph 1 of the Companies Act, demand Sumitomo Chemical to purchase shares less than one unit held by that shareholder.

(Note 4) Handling of fractions of less than a single share

In relation to shareholders of the Company who will be delivered Sumitomo Chemical Shares that are fractional shares less than a single share as a consequence of the Share Exchange, Sumitomo Chemical will, in accordance with the provisions of Article 234 of the Companies Act and other relevant laws and ordinances, sell Sumitomo Chemical Shares equal to the total number of those fractions of less than a single share (any fractions of less than a single share in such total number being rounded down to the nearest whole number) and pay the sales proceeds to each of those shareholders in proportion to the value of such fractions of less than a single share.

(B) Basis for allotments in connection with the Share Exchange

i. Basis and reason for allotments

In order to ensure that the calculation of the Share Exchange Ratio described in “(A) Allotments in connection with the Share Exchange” above is fair and appropriate, the Company and Sumitomo Chemical have each separately decided (a) to request third-party valuation firms that are independent of the Two Companies to conduct share exchange ratio calculations and (b) to receive legal advice

from legal advisors that are independent of the Two Companies. Sumitomo Chemical commenced its examination of matters concerning the Share Exchange Ratio upon Sumitomo Chemical appointing Nomura Securities Co., Ltd. (“**Nomura Securities**”) as its financial advisor and third-party valuation firm and Mori Hamada & Matsumoto (“**Mori Hamada**”) as its legal advisor, and the Company appointing Daiwa Securities Co., Ltd. (“**Daiwa Securities**”) as its financial advisor and third-party valuation firm and Shimada Hamba & Osajima as its legal advisor.

As a result of careful deliberation and examination taking into consideration the share exchange ratio calculation report dated May 12, 2026 obtained from Sumitomo Chemical’s financial advisor and third-party valuation firm Nomura Securities, advice from Sumitomo Chemical’s legal advisor Mori Hamada, results of due diligence conducted by Sumitomo Chemical on the Company, and the like as described in “(4) Matters considered to avoid harming the interest of the Company’s shareholders” below, Sumitomo Chemical reached the determination that the Share Exchange Ratio is appropriate and will contribute to the interests of the shareholders of Sumitomo Chemical. Accordingly, Sumitomo Chemical determined that the implementation of the Share Exchange at the Share Exchange Ratio is appropriate.

At the same time, the Company conducted careful deliberation and examination taking into consideration the share exchange ratio calculation report dated May 12, 2026 obtained from the Company’s financial advisor and third-party valuation firm Daiwa Securities, advice from the Company’s legal advisor Shimada Hamba & Osajima, results of due diligence conducted by the Company on Sumitomo Chemical, instructions and advice from the Special Committee composed of members who are independent from the controlling shareholder Sumitomo Chemical and independent from whether the Share Exchange is consummated, and the contents of the written report received on May 12, 2026 from the Special Committee (the “**Written Report**”); for contents of the Written Report, please refer to the “Report” dated May 12, 2026, which is a material attached to the “Notice Regarding Execution of Share Exchange Agreement (Simplified Share Exchange) to Make Koei Chemical Company, Limited a Wholly Owned Subsidiary of Sumitomo Chemical Co., Ltd.” (the “**Share Exchange Press Release**”) published by the Company and Sumitomo Chemical on May 13, 2026) as described in “(4) Matters considered to avoid harming the interest of the Company’s shareholders” below. As a result, the Company reached the determination that the Share Exchange Ratio is appropriate and will contribute to the interests of the general shareholders of the Company. As announced in the “Notice Regarding the Recording of Impairment Losses and the Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2026” dated March 31, 2026 and the “Notice Regarding the Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2026” dated April 21, 2026, the Company has revised its full-year earnings forecast for the fiscal year ending March 31, 2026 (the “**Forecast Revision**”); however, as stated in “(C) Establishing at the Company an independent special committee and obtaining a written report from that special

committee” of “(4) Matters considered to avoid harming the interest of the Company’s shareholders,” the Special Committee has confirmed the following, among other matters: (a) that the Forecast Revision was made based on appropriate accounting judgments by the Company, was conducted independently of the examination of the Share Exchange, and was not influenced by Sumitomo Chemical; and (b) whether or not any revision to the business plan was necessary. As described above, the Company and Sumitomo Chemical repeatedly held negotiations and consultations after a careful examination based on the results of due diligence conducted by the Company and Sumitomo Chemical on each other while referring to the share exchange ratio calculation results submitted by their respective third-party valuation firms and comprehensively taking into account various elements related to the Two Companies, including financial conditions, asset statuses, future outlooks, and synergistic effects expected to be realized through the implementation of the Share Exchange. As a result, the Company and Sumitomo Chemical have reached the determination that the Share Exchange Ratio is appropriate and will contribute to the interests of their respective shareholders. Accordingly, the Two Companies determined that the implementation of the Share Exchange at the Share Exchange Ratio is appropriate. The Share Exchange Ratio may, in accordance with the Share Exchange Agreement, be changed upon consultation and agreement between the Two Companies if there are any material changes to the various terms and conditions constituting the basis of the calculations.

ii. Matters relating to calculations

(A) Names of the valuation firms and relationships with the Two Companies

Sumitomo Chemical’s third-party valuation firm Nomura Securities is a valuation firm independent of the Two Companies, is not a related party of either the Company or Sumitomo Chemical, and does not have a material interest that must be stated in relation to the Share Exchange. Compensation for Nomura Securities includes a success fee that will be paid subject to the successful completion of the Share Exchange and the like; however, Sumitomo Chemical believes that the independence of Nomura Securities is not negated by the fact that the success fee to be paid subject to the successful completion of the Share Exchange and the like is included, taking into account the general practices of similar transactions and other such factors.

The Company’s third-party valuation firm Daiwa Securities is a valuation firm independent of the Two Companies, is not a related party of either the Company or Sumitomo Chemical, and does not have a material interest that must be stated in relation to the Share Exchange. Compensation for Daiwa Securities includes a success fee that will be paid subject to the successful completion of the Share Exchange and the like; however, the Company believes that the independence of Daiwa Securities is not negated by the fact that the success fee to be paid

subject to the successful completion of the Share Exchange and the like is included, taking into account the general practices of similar transactions and the appropriateness of a compensation structure that would result in the Company incurring a significant financial burden if the Share Exchange were not to be completed, and other such factors.

(B) Outline of calculations

a) Calculations by Nomura Securities

With respect to Sumitomo Chemical, because the shares of Sumitomo Chemical are listed on the Prime Market of the TSE and have a market price, Nomura Securities performed its calculations using the average market price method (the valuation reference date was set as May 12, 2026, and each of the following closing prices were used for the calculations: the closing price on the TSE on the valuation reference date, and the simple average closing prices for the last five business days, one-month, three-month, and six-month periods to the valuation reference date).

With respect to the Company, Nomura Securities performed its calculations using the following methods: (i) average market price method because the shares of the Company are listed on the Standard Market of the TSE and have a market price (the valuation reference date was set as May 12, 2026, and each of the following closing prices were used for the calculations: the closing price on the TSE on the valuation reference date, and the simple average closing prices for the last five business days, one-month, three-month, and six-month periods to the valuation reference date); (ii) the comparable company comparison method because there are multiple listed companies comparable to the Company, and it is possible to estimate the Company's share value by the comparable company comparison method; and (iii) the discounted cash flow method (the “**DCF Method**”) in order to reflect the status of future business activities in the valuation.

The share exchange ratio calculation results are as follows, based on the assumption that, under each valuation method, the share value per share of Sumitomo Chemical is one.

	Share exchange ratio calculation results
Average market price method	4.15–4.43
Comparable company comparison method	1.15–4.63
DCF Method	3.17–5.89

In conducting its share exchange ratio calculations, Nomura Securities has assumed that publicly available information and any information provided to Nomura Securities is accurate and complete, and Nomura Securities has not made any independent study of the accuracy or

completeness thereof. Nomura Securities has not made any independent valuation, appraisal, or assessment and has not requested any third-party institution to conduct any appraisal or assessment, in connection with any relevant assets or liabilities (including financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities) of Sumitomo Chemical, the Company, or any of their affiliates, including any analysis or valuation of their respective assets or liabilities. Nomura Securities has also proceeded on the assumption that the financial projections of the Company and other forward-looking information have been reasonably examined or prepared by the management of the Company based on the best forecasts and judgments available at that time. Nomura Securities' calculations are based on the information obtained by Nomura Securities and the economic conditions as of May 12, 2026. The sole purpose of Nomura Securities' calculations is to serve as a reference for the Board of Directors of Sumitomo Chemical to deliberate the Share Exchange Ratio.

The financial projections of the Company that Nomura Securities used as a basis for the calculation by the DCF Method include a fiscal year in which a significant increase or decrease in profit and free cash flow compared to the previous year is expected. Specifically, details are as follows.

- (a) Primarily due to, among other factors, a decrease in depreciation expenses in future periods resulting from the recording of impairment losses announced by the Company on March 31, 2026, operating income for the fiscal year ending March 2027 is expected to increase significantly compared to the previous year. Further, primarily due to, among other factors, growth in sales of optical materials, recovery from the recent deterioration in market conditions in the contracted business for organometallic catalysts, and expansion in the products provided by the Company, a significant increase in operating income is expected in the fiscal years ending March 2028 and March 2029 compared to the respective previous years.
- (b) While, in the fiscal year ending March 2027, a significant decrease in free cash flow is expected primarily due to an increase in working capital for the expansion of sales scale and an increase in capital investments in existing businesses, a significant increase in free cash flow is expected in the fiscal years ending March 2028 and March 2029 compared to the respective previous years primarily due to an increase in operating income stated in (a) above.

These financial projections do not reflect the implementation of the Share Exchange.

b) Calculations by Daiwa Securities

With respect to Sumitomo Chemical, because the shares of Sumitomo Chemical are listed on the Prime Market of the TSE and have a market price, Daiwa Securities performed its

calculation using market price analysis.

With respect to the Company, Daiwa Securities performed its calculation using market price analysis because the shares of the Company are listed on the Standard Market of the TSE and have a market price, and the DCF Method was also used in order to reflect the status of future business activities in the valuation.

The share exchange ratio calculation results are as follows, based on the assumption that, under each valuation method, the share value per share of Sumitomo Chemical is one.

	Share exchange ratio calculation results
Market price method	4.18–4.43
DCF Method	3.55–5.27

In the market price analysis, Daiwa Securities set the valuation reference date as May 12, 2026, and each of the following closing prices were used for the calculation: the simple average closing prices for the last one-month, three-month, and six-month periods to the reference date. In calculating the share exchange ratios above, Daiwa Securities has, in principle, used materials and information provided to it by the Company and Sumitomo Chemical and publicly available information as presented and assumed that all of the materials and information under analysis and consideration are accurate and complete, and Daiwa Securities has not made any independent study of the accuracy or completeness of those materials and information and is not obligated to do so. Daiwa Securities has assumed that there is no information left undisclosed to Daiwa Securities that would have a significant impact on the calculation of the share exchange ratio. Daiwa Securities has not made any independent valuation, appraisal, or assessment and has not requested any third-party institution to conduct any valuation, appraisal or assessment, in connection with any relevant assets or liabilities (including, but not limited to, financial derivatives, off-balance-sheet assets and liabilities, and other contingent liabilities) of the Company, Sumitomo Chemical, or any of their affiliates, including any analysis or valuation of their respective assets or liabilities. Daiwa Securities has assumed that the business plan for the period from the fiscal year ending March 2026 to the fiscal year ending March 2030 prepared by the Company (including any amendments to that business plan; the “**Business Plan**”) and other forward-looking information have been reasonably confirmed and examined by the management of the Company based on the best forecasts and judgments available at that time. The sole purpose of the calculation results of the share exchange ratios submitted by Daiwa Securities are to serve as a reference for the Board of Directors of the Company to deliberate the Share Exchange Ratio, and those calculation results do not constitute an expression of any opinion on the fairness of the Share Exchange Ratio.

In the DCF Method, Daiwa Securities calculated the Company’s corporate value and share value by discounting free cash flow expected to be generated by the Company from the fiscal

year ending March 2026 and onwards, which is based on financial projections in the Business Plan, financial information as of the end of the third quarter of the fiscal year ending March 2026, publicly available information, and various other factors, at a certain discount rate to the present value. The weighted average cost of capital was used for the discount rates in the range of 9.7% to 10.7%, and the discount rate was calculated with the inclusion of a size premium, taking into account the size of the Company. In evaluating the going-concern value, the constant growth rate model was used and the perpetual growth rate of 0.5% to 1.5% was used, taking into account domestic and international inflation rates as well as the growth rate of the industry to which the Company belongs, and the going-concern value was calculated to be from 20,280 million yen to 25,226 million yen.

The Special Committee has approved the Business Plan prepared by the Company after confirming the contents and the preparation process thereof (including any amendments to the Business Plan and the process of such amendments; the same applies hereinafter), as described in “(C) Establishing at the Company an independent special committee and obtaining a written report from that special committee” in “(4) Matters considered to avoid harming the interest of the Company’s shareholders” below.

The financial projections of the Company that are based on the Business Plan and that Daiwa Securities used as a basis for the calculation by the DCF Method are as presented in the table below, and these financial projections include a fiscal year in which a significant increase or decrease in profit and free cash flow compared to the previous year is expected. Specifically, details are as follows:

- (a) due to, among other factors, a decrease in depreciation expenses in future periods resulting from the recording of impairment losses announced by the Company on March 31, 2026, operating income has increased, and operating income for the fiscal year ending March 2027 is expected to increase significantly compared to the previous year;
- (b) growth in sales of optical materials, recovery from the recent deterioration in market conditions in the contracted business for organometallic catalysts, and expansion in the products provided by the Company, are expected to contribute to significant ongoing increases in sales and operating income from the fiscal year ending March 2028 through the fiscal year ending March 2030;
- (c) while sales growth is expected in the fiscal year ending March 2030 in connection with the launch of the business for products related to carbon neutrality positioned as a medium- to long-term growth driver, capital investments in new facilities for that business are planned for the fiscal years ending March 2028 and March 2029, and depreciation expenses associated with those investments are expected to arise thereafter, which are expected to affect operating income and free cash flow; and

- (d) while, in the fiscal years ending March 2027 and March 2028, in addition to the factors stated in (a) through (c) above, a significant decrease in free cash flow is expected due to an increase in working capital for the expansion of sales scale and an increase in capital investments in existing businesses, a significant increase in free cash flow is expected (i) in the fiscal year ending March 2029 (compared to the previous year), due to an increase in operating income, and (ii) in the fiscal year ending March 2030 (compared to the previous year), due to the completion of capital investments for products related to carbon neutrality.

These financial projections do not reflect the implementation of the Share Exchange.

(Unit: million yen)

	Fiscal year ending March 2026 (three months)	Fiscal year ending March 2027	Fiscal year ending March 2028	Fiscal year ending March 2029	Fiscal year ending March 2030
Sales revenue	6,180	18,724	20,310	22,770	25,918
Operating income	372	970	1,236	2,548	3,566
EBITDA	1,091	2,971	3,568	4,835	5,721
Free cash flow	2,764	(101)	(321)	760	1,445

(2) **Matters relating to the appropriateness of the amounts of stated capital and reserves of Sumitomo Chemical**

The amounts of stated capital and reserves of Sumitomo Chemical to be increased upon the Share Exchange will be amounts to be separately and properly determined by Sumitomo Chemical in accordance with the provisions of Article 39 of the Regulation on Corporate Accounting. The Company has judged that such treatment is appropriate, because the aforementioned determination will be made within the scope permitted by laws and ordinances after comprehensive consideration and examination of Sumitomo Chemical's financial condition, capital policy, and other circumstances.

(3) **Reasons for selecting Sumitomo Chemical Shares as the consideration for the exchange**

The Company and Sumitomo Chemical have selected shares of Sumitomo Chemical, which will become a wholly owning parent company resulting from a share exchange, as consideration for the Share Exchange.

The Company believes that the above selection is appropriate, taking into consideration that (i) Sumitomo Chemical Shares are listed on the Prime Market of the TSE, and trading

opportunities in that market will continue to be secured even after the effective date of the Share Exchange, and (ii) the Company's shareholders are also expected to be able to enjoy the synergies from the Share Exchange described in "1 Reasons for conducting the Share Exchange" above.

As a result of the Share Exchange, the Company will become a wholly owned subsidiary of Sumitomo Chemical on August 1, 2026 (scheduled), which is the effective date of the Share Exchange, and Company Shares are scheduled to be delisted as of July 30, 2026 (with a final trading date of July 29, 2026) in accordance with the delisting criteria of the TSE. If the current effective date of the Share Exchange is changed, the delisting date will also be changed.

Even after Company Shares are delisted, given that Sumitomo Chemical Shares that are allotted to the shareholders of the Company in the Share Exchange will continue to be listed on the TSE Prime Market and that it will be possible to trade those Sumitomo Chemical Shares on a financial instruments exchange market even on or after the effective date of the Share Exchange, it is believed that shareholders of the Company who are allotted not less than 100 shares of Sumitomo Chemical Shares, which is the number of shares constituting one unit of Sumitomo Chemical Shares, will continue to be provided with share liquidity.

On the other hand, the shareholders of the Company who are allotted less than 100 Sumitomo Chemical Shares in the Share Exchange, which is the number of shares constituting one unit of Sumitomo Chemical Shares, may not sell those shares less than one unit on a financial instruments exchange market, but may demand that Sumitomo Chemical purchase the shares less than one unit that the shareholder in question holds. Each of those shareholders may purchase from Sumitomo Chemical shares that, when combined with the shares less than one unit held by that shareholder, will constitute one unit. For details, please refer to (Note 3) "Handling of shares less than one unit" in "(A) Allotments in connection with the Share Exchange" in "(1)" above. With respect to details regarding the handling of fractional shares less than a single Sumitomo Chemical Share that arise as a consequence of the Share Exchange, please refer to (Note 4) "Handling of fractions of less than a single share" in "(A) Allotments in connection with the Share Exchange" in "(1)" above.

Shareholders of the Company may continue to trade Company Shares they hold until July 29, 2026 (scheduled), which is the last trading date, on the TSE Standard Market and may also exercise their legal rights provided for in the Companies Act and other related laws and ordinances until the Record Time.

- (4) Matters considered to avoid harming the interest of the Company's shareholders
Since Sumitomo Chemical already holds 2,731,400 Company Shares (55.85% of the number

of shares resulting (4,891,020 shares) when the number of the Company's treasury shares (8,980 shares) is deducted from the number of issued shares of the Company as of March 31, 2026 (4,900,000 shares)) and the Company constitutes a consolidated subsidiary of Sumitomo Chemical, the Two Companies determined that it is necessary to avoid conflicts of interest and ensure fairness in the Share Exchange, and they have taken the following measures to ensure fairness (including measures to avoid conflicts of interest).

(A) Obtaining calculations reports from third-party valuation firms independent from the Two Companies

Sumitomo Chemical appointed Nomura Securities, which is a third-party valuation firm that is independent from the Two Companies, and the Company appointed Daiwa Securities, which is a third-party valuation firm that is independent from the Two Companies, as their respective third-party valuation firms, and the Two Companies each obtained share exchange ratio calculation reports.

Please refer to "ii. Matters relating to calculations" in "(B)" in "(1)" above for an outline of each calculation report. Neither the Company nor Sumitomo Chemical has obtained from either of those third-party valuation firms an opinion stating that the Share Exchange Ratio is appropriate or fair from a financial perspective (a fairness opinion).

(B) Advice from independent law firms

Sumitomo Chemical appointed Mori Hamada as its legal advisor for the Share Exchange and obtained advice from a legal perspective concerning various procedures for the Share Exchange, the decision-making method and processes, and the like. Mori Hamada is independent from, and has no material interests in, the Two Companies.

At the same time, the Company appointed Shimada Hamba & Osajima as its legal advisor for the Share Exchange and obtained advice from a legal perspective concerning various procedures for the Share Exchange, the decision-making method and processes, and the like. Shimada Hamba & Osajima is independent from, and has no material interests, in the Two Companies.

(C) Establishing at the Company an independent special committee and obtaining a written report from that special committee

i. Process of establishment, etc.

The Company, upon commencing detailed consideration of the Share Exchange in response to the Proposal from Sumitomo Chemical, and prior to deliberation by the

Company's Board of Directors of the pros and cons of the Share Exchange and adoption of any resolution in that regard, established on November 17, 2025 a special committee composed of three members, namely Mr. Ken Takiguchi (Outside Director (Audit & Supervisory Committee Member) and independent director of the Company), Ms. Yoko Hatta (Outside Director (Audit & Supervisory Committee Member) and independent director of the Company), and Ms. Ryoko Ueda (Outside Director and independent director of the Company), for the purposes of ensuring careful decision-making by the Company's Board of Directors in relation to the Share Exchange, eliminating arbitrariness and avoiding conflicts of interest in the decision-making process by the Company's Board of Directors, and ensuring the fairness of the Share Exchange, as well as to obtain an opinion on whether or not it would be fair for the Company's general shareholders if a decision were made by the Company's Board of Directors to conduct the Share Exchange. Mr. Ken Takiguchi was selected as chairperson of the Special Committee of the Company by a mutual vote of the committee members.

The compensation for the members of the Special Committee is composed solely of a fixed amount of compensation in consideration of their duties, regardless of the successful completion of the Share Exchange and the matters stated in the contents of the report and does not include any success fees payable subject to the successful completion of the Share Exchange.

The Company's Board of Directors inquired with the Special Committee in relation to the following (collectively, the "**Inquiries**"): (1) the legitimacy and reasonableness of the purposes of the Share Exchange (including whether the Share Exchange will contribute to the enhancement of the corporate value of the Company); (2) the legitimacy and appropriateness of the procedures for the Share Exchange; (3) the legitimacy and appropriateness of the terms and conditions of the Share Exchange (including the share exchange ratio); (4) taking into account the foregoing, whether or not it would be fair for the Company's general shareholders if a decision were made by the Company's Board of Directors to conduct the Share Exchange; and (5) other matters related to the Share Exchange that are deemed necessary and were the subject of inquiry by the Company's Board of Directors, in consideration of the purpose of the establishment of the Special Committee. In addition, the Company's Board of Directors resolved to position the Special Committee as a meeting body independent from the Board of Directors, to ensure that its decision-making regarding the Share Exchange would respect the determinations of the Special Committee to the maximum extent, and, in particular, to refuse approval of the implementation of the Share Exchange if the Special Committee determines that the implementation of the Share

Exchange or its terms and conditions would not be appropriate.

The Company's Board of Directors also resolved to grant to the Special Committee the authority to do the following: (a) be substantively involved in the process of negotiations conducted by the Company in connection with the Share Exchange (including, as necessary, issuing instructions or requests regarding negotiation policies and conducting negotiations by itself); (b) when conducting examination or making decisions regarding the Inquiries, appoint, as necessary, advisors with respect to financial, legal, or other matters pertaining to the Special Committee (in which case, the fees will be borne by the Company) or nominate or approve (including ex post facto approval of) any advisor with respect to financial, legal, or other matters pertaining to the Company; and (c) receive, as necessary, from employees or officers of the Company or any other person deemed necessary by the Special Committee any information necessary for examining, and making determinations regarding, the Inquiries.

ii. Process of examination

The Special Committee carefully examined the Inquiries by holding meetings of the Special Committee 14 times in total during the period from November 17, 2025 to May 12, 2026, in addition to collecting information, and having discussions from time to time and taking other actions as necessary.

Specifically, the Special Committee confirmed that there were no issues regarding the independence and expertise of each of Daiwa Securities, which is the financial advisor and third-party appraiser appointed by the Company, and Shimada Hamba & Osajima, which is the legal advisor appointed by the Company, and approved those appointments. Subsequently, the Special Committee received from the Company and Sumitomo Chemical explanations regarding, and held question-and-answer sessions with each of the Company and Sumitomo Chemical in relation to, the following, among other matters: the purposes of the Share Exchange; the background of, and course of events that led to, the Share Exchange; the details of the synergies to be created by the Share Exchange; and the management policy and treatment of employees after the Share Exchange. The Special Committee also received from the Company explanations regarding, and held question-and-answer sessions with the Company in relation to, the contents of, and the preparation process for, the Business Plan that was used as the basis for the calculation of the Share Exchange Ratio. After confirming, among other matters, that there were no circumstances that would cast doubt on the reasonableness of the contents of, or the fairness of the preparation process for, the Business Plan, the Special Committee approved the Business Plan at the third meeting of the Special

Committee. Although the Business Plan differs in certain respects from the Company's "Corporate Business Plan for FY 2025 to FY 2027 'Striving for Transformation' KX2027" (the "Corporate Business Plan") published on March 7, 2025, the Special Committee determined that the differences between the Business Plan and the Corporate Business Plan are reasonable in light of changes in the business environment and customer circumstances that have arisen since the announcement of the Corporate Business Plan, and actual results to date for the fiscal year 2025, among other factors, based on explanations from, and question-and-answer sessions with, the Company. Subsequently, the Company revised the Business Plan to incorporate (i) revenue generated from products related to large-scale carbon neutrality, because the increased likelihood of such revenue generation made it necessary and reasonable to reflect such revenue in the Business Plan, as well as (ii) the downward revision of the full-year earnings forecast for the fiscal year ending March 31, 2026 that was announced in the "Notice Regarding the Recording of Impairment Losses and the Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2026" dated March 31, 2026 (the "**Downward Forecast Revision**"). The eighth Special Committee approved the revision of the Business Plan after confirming that the Downward Forecast Revision was made based on appropriate accounting judgments by the Company, was conducted independently of the examination of the Share Exchange, and was not influenced by Sumitomo Chemical, and in light of (i) the fact that it was deemed necessary and reasonable to revise the business plan, including in relation to the impact of the increased likelihood of revenue generated from the aforementioned products related to large-scale carbon neutrality and (ii) the fact that there was no involvement by or influence from Sumitomo Chemical, or any other similar circumstance, in the process of such revision. Furthermore, as announced in the "Notice Regarding the Revision of Earnings Forecast for the Fiscal Year Ending March 31, 2026" dated April 21, 2026, the Company made an upward revision to the full-year earnings forecast for the fiscal year ending March 31, 2026 that was announced on March 31, 2026 (such revision, the "**Upward Forecast Revision**"); however, the Special Committee confirmed that there was no need to further revise the Business Plan after the revision that had been approved at the eighth Special Committee, because the Upward Forecast Revision was made based on appropriate accounting judgments by the Company, was conducted independently of the Share Exchange, and was not influenced by Sumitomo Chemical, and the impact of the Upward Forecast Revision on the Business Plan for the fiscal year ending March 31, 2027 and onwards is extremely limited. Furthermore, the Special Committee received explanations from Daiwa Securities, which is the financial advisor

and third-party appraiser for the Company, in relation to the methods and results of the calculation of the share exchange ratio and held question-and-answer sessions with Daiwa Securities regarding these matters. Moreover, the Special Committee received advice from Shimada Hamba & Osajima, which is the legal advisor for the Company, on the method, process, and the like of decision-making by the Company's Board of Directors with respect to the Share Exchange, and other measures to ensure the fairness of the operation of the Special Committee and other procedural aspects related to the Share Exchange, and measures to avoid conflicts of interest.

The Special Committee received, in a timely manner, reports on the process and details of discussions and negotiations between the Two Companies in relation to the Share Exchange; based on these reports, the Special Committee discussed with the Company the policy for negotiation and the like multiple times until the receipt of a final proposal regarding the share exchange ratio from Sumitomo Chemical, and, by providing its opinions to the Company, was substantially involved in the process of negotiation with Sumitomo Chemical.

After careful discussions and examination of the Inquiries through the processes stated above, on May 12, 2026, the Special Committee, with the unanimous approval of the committee members, submitted to the Company's Board of Directors a written report to the effect that the decision to implement the Share Exchange would be fair for the general shareholders of the Company. For contents of the Written Report, please refer to the attached "Report" dated May 12, 2026, which is a material attached to the Share Exchange Press Release.

(D) Approval of all disinterested directors (including directors who are Audit & Supervisory Committee Members) at the Company

As a result of careful deliberation and examination of whether the Share Exchange by Sumitomo Chemical would contribute to the enhancement of the Company's corporate value and whether the terms and conditions of the Share Exchange, including the share exchange ratio, are fair, based on the legal advice obtained from Shimada Hamba & Osajima, financial advice obtained from Daiwa Securities, the contents of the share exchange ratio calculation report obtained from Daiwa Securities, the Written Report received from the Special Committee, and other relevant materials, the Company resolved, at its Board of Directors meeting held on May 13, 2026, to enter into the Share Exchange Agreement.

In light of the fact that the Company is a subsidiary of Sumitomo Chemical and the fact that the Share Exchange is a type of transaction in which there are typically problems

with structural conflicts of interests and problems with information asymmetry, and from the perspective of eliminating the possibility that deliberation and decisions by the Company's Board of Directors would be affected by these problems, the Company's Board of Directors unanimously adopted the above resolution at the aforementioned meeting after deliberation by seven of the nine directors of the Company, excluding Mr. Yasuaki Sasaki, who had served as Representative Director of Taoka Chemical Co., Ltd., a subsidiary of Sumitomo Chemical, until June 2025, and Mr. Masao Shimizu, who concurrently serves as a Managing Executive Officer of Sumitomo Chemical. In addition, of the directors of the Company, Mr. Yasuaki Sasaki and Mr. Masao Shimizu did not participate in the deliberation or resolution of the Board of Directors relating to the Share Exchange, including the aforementioned Board of Directors meeting, nor did they participate in the discussions or negotiations regarding the Share Exchange from the standpoint of the Company.

- (E) Establishment of an independent examination framework within the Company
- The Company established an internal framework to conduct examination and negotiations and make determinations with respect to the Share Exchange from a standpoint independent of Sumitomo Chemical. Specifically, after receiving the Proposal from Sumitomo Chemical on November 4, 2025, the Company established a framework to conduct examination of the Share Exchange (including the preparation of the business plan used as the basis for calculation of the Share Exchange Ratio) and to conduct discussions and negotiations with Sumitomo Chemical.
- At the first meeting of the Special Committee held on November 17, 2025, the Special Committee confirmed, based on the advice of Shimada Hamba & Osajima, that in conducting internal examination and negotiations and making determinations with respect to the Share Exchange, the following persons do not currently, and would not in the future, participate in any examination of, or discussions or negotiations with Sumitomo Chemical regarding, the Share Exchange because they are considered to have interests in Sumitomo Chemical and the Share Exchange: Mr. Yasuaki Sasaki, who had served as Representative Director of Taoka Chemical Co., Ltd., a subsidiary of Sumitomo Chemical, until June 2025; Mr. Masao Shimizu, who concurrently serves as a Managing Executive Officer of Sumitomo Chemical; and employees seconded from Sumitomo Chemical to the Company. The Special Committee has approved that there are no issues from the perspective of the independence and fairness of the Company's examination framework, including this manner of handling the relevant circumstances.

- (F) Ensuring opportunities for other potential acquirers to make proposals (market checks)
The Company and Sumitomo Chemical have not entered into any agreement containing transaction protection provisions that would prohibit the Company from contacting any potential acquirer other than Sumitomo Chemical (each such potential acquirer, a “**Competing Offeror**”) or any other agreement that would otherwise restrict a Competing Offeror from contacting the Company.

In addition, the ordinary general meeting of shareholders of the Company to approve the Share Exchange Agreement is scheduled to be held on June 25, 2026, which is just over one month later than the announcement of the execution of the Share Exchange Agreement, and it has been ensured that sufficient opportunity has been provided for the offers of competing acquisition proposals even when compared to other similar cases of acquisition.

Although the Company has not conducted an active market check, an indirect market check is considered to have been conducted for the Share Exchange as described above. Furthermore, in light of the fact that other sufficient measures to ensure fairness have been taken as stated in (A) through (E) above, it is believed that the absence of an active market check itself would not impair the fairness of the procedures for the Share Exchange.

4 Matters of reference concerning the Share Exchange

- (1) Provisions of the Articles of Incorporation of Sumitomo Chemical
Pursuant to laws and regulations and Article 14 of the Articles of Incorporation of the Company, the Articles of Incorporation of Sumitomo Chemical are not included in the documents that are delivered to shareholders who request paper copies of reference materials (i.e., they are not included in the documents setting out electronically available information); please access each website on which the electronically available information is posted and review the articles of incorporation there.
- (2) Matters concerning the means of realizing the shares delivered as consideration for the exchange
- (A) Market on which the shares delivered as consideration for the exchange are traded
Sumitomo Chemical Shares are traded on the Prime Market of the Tokyo Stock Exchange.
- (B) Persons acting as intermediary, broker, or agent in the trading of shares delivered as consideration for the exchange
Financial instruments business operators (securities firms and others) throughout Japan provide intermediation, brokerage, etc. for the trading of Sumitomo Chemical Shares.
- (C) Details of any restrictions on transfer or other disposal of shares delivered as consideration for the exchange

Not applicable

- (3) Matters concerning the market price of the shares delivered as consideration for the exchange
Using the business day preceding the date on which the execution of the Share Exchange Agreement was announced (May 13, 2026) as the record date, the average closing prices of Sumitomo Chemical Shares on the Prime Market of the Tokyo Stock Exchange over the previous one month, three months, and six months were 516 yen, 521 yen, and 496 yen, respectively.
The market price of Sumitomo Chemical Shares and other such information can be viewed on the Tokyo Stock Exchange's website (<https://www.jpx.co.jp/>) and elsewhere.

- (4) Details of Sumitomo Chemical's balance sheets for each business year whose end date fell during the past five years
Since Sumitomo Chemical has submitted securities reports in all of the business years in question pursuant to Article 24, paragraph (1) of the Financial Instruments and Exchange Act, they are not included here.

5 Matters concerning the appropriateness of provisions on stock options in connection with the Share Exchange

Not applicable

6 Matters concerning financial statements and other documents

- (1) Details of Sumitomo Chemical's financial statements and other documents for its most recent business year
Pursuant to laws and regulations and Article 14 of the Articles of Incorporation of the Company, the details of Sumitomo Chemical's financial statements and other documents for its most recent business year (April 1, 2025 through March 31, 2026) are not included in the documents that are delivered to shareholders who request paper copies of reference materials (i.e., they are not included in the documents setting out electronically available information); please access each website on which the electronically available information is posted and review the relevant information there.
- (2) Matters concerning the disposal of material assets, the bearing of significant obligations, and any other event materially affecting the status of the Company's and Sumitomo Chemical's assets that has occurred after the end of each company's most recent business year
- (A) The Company
- (i) At its Board of Directors meeting held May 13, 2026, the Company resolved to implement the Share Exchange with Sumitomo Chemical, through which the following will occur, and

executed the Share Exchange Agreement on that day: (a) Sumitomo Chemical will become a wholly owning parent company resulting from a share exchange; and (b) the Company will become a wholly owned subsidiary resulting from a share exchange. The details of the Share Exchange Agreement are given above, in “2 Overview of the terms of the Share Exchange Agreement.”

(ii) At the Record Time, the Company plans to cancel all of the treasury shares it holds as of the Record Time (including shares it acquires in response to dissenting shareholders’ exercise of appraisal rights in connection with the Share Exchange pursuant to Article 785, paragraph (1) of the Companies Act) through a resolution at a Board of Directors meeting that will be held no later than the day before the effective date of the Share Exchange.

(B) Sumitomo Chemical
Not applicable

Financial Statements

Balance Sheet

Item	Current Fiscal Year As of March 31, 2026	Previous Fiscal Year As of March 31, 2025
Assets		
Current assets	14,307,955	13,039,523
Cash and deposits	433,043	324,825
Accounts receivable - trade	4,277,229	4,617,256
Merchandise and finished goods	5,013,162	4,244,944
Work in process	2,023,928	1,662,263
Raw materials and supplies	2,320,618	2,052,341
Prepaid expenses	32,876	33,225
Other	207,096	104,665
Non-current assets	15,561,068	22,179,099
Property, plant and equipment	13,903,519	21,531,932
Buildings	4,501,287	8,314,382
Structures	2,010,922	2,729,398
Machinery and equipment	4,663,435	8,671,612
Vehicles	775	3,159
Tools, furniture and fixtures	487,727	490,446
Land	9,337	29,219
Lease assets	932,878	971,878
Construction in progress	1,297,155	321,835
Intangible assets	101,966	105,924
Software	97,635	101,593
Facility utilization rights	4,330	4,330
Investments and other assets	1,555,581	541,241
Investment securities	96	96
Shares of subsidiaries and associates	10,000	10,000
Long-term prepaid expenses	73,564	79,485
Guarantee deposits	327,744	372,865
Deferred tax assets	1,113,041	47,648
Other	35,706	35,716
Allowance for doubtful accounts	-4,571	-4,571
Total assets	29,869,023	35,218,622

(Unit: Thousands of yen)

Item	Current Fiscal Year As of March 31, 2026	Previous Fiscal Year As of March 31, 2025
Liabilities		
Current liabilities	8,737,152	7,265,787
Accounts payable - trade	1,733,003	2,097,897
Short-term borrowings	4,118,000	3,316,000
Lease liabilities	27,999	27,325
Accounts payable - other	1,134,763	897,413
Accrued expenses	3,054	2,669
Income taxes payable	71,705	114,532
Contract liabilities	2,629	328
Provision for bonuses	159,000	164,000
Provision for loss on orders received	-	20,904
Deposits received	23,606	22,416
Accounts payable - facilities	1,463,390	602,299
Non-current liabilities	5,042,056	6,336,690
Long-term borrowings	1,900,000	3,168,000
Provision for retirement benefits	2,016,158	2,016,277
Lease liabilities	933,804	961,804
Long-term deposits received	189,196	187,603
Other	2,898	3,006
Total liabilities	13,779,209	13,602,477
Net assets		
Shareholders' equity	16,089,813	21,616,144
Share capital	2,343,000	2,343,000
Capital surplus	1,551,049	1,551,049
Capital reserve	1,551,049	1,551,049
Retained earnings	12,210,138	17,736,469
Legal retained earnings	341,210	341,210
Other retained earnings	11,868,928	17,395,259
Reserve for advanced depreciation of non-current assets	1,608,186	1,715,937
General reserve	10,402,000	10,402,000
Retained earnings brought forward	-141,258	5,277,321
Treasury shares	-14,374	-14,374

Total net assets	16,089,813	21,616,144
Total liabilities and net assets	29,869,023	35,218,622

Statement of Income

(Unit: Thousands of yen)

Item	Current Fiscal Year From April 1, 2025 to March 31, 2026	Previous Fiscal Year From April 1, 2024 to March 31, 2025
Net sales	17,009,185	20,018,256
Cost of sales	12,019,462	15,319,637
Gross profit	4,989,723	4,698,619
Selling, general and administrative expenses	4,625,245	4,132,360
Operating profit	364,477	566,258
Non-operating income	30,819	7,468
Interest and dividend income	541	498
Foreign exchange gains	19,334	-
Insurance claim income	5,004	-
Other income	5,939	6,970
Non-operating expenses	139,793	217,482
Interest expenses	114,447	88,601
Expenses related to idle assets	15,322	25,910
Foreign exchange losses	-	94,848
Other expenses	10,023	8,122
Ordinary profit	255,504	356,244
Extraordinary income	6,762	5,801
Gain on sale of non-current assets	6,762	-
Gain on sale of investment securities	-	5,801
Extraordinary losses	6,431,708	28,066
Impairment losses	6,395,208	-
Expenses related to share exchange	24,682	-
Loss on disposal of non-current assets	11,818	23,726
Loss on sale of investment securities	-	4,340
Profit before income taxes or net loss before income taxes	-6,169,442	333,979
Income taxes - current	31,000	120,000
Income taxes - deferred	-1,065,393	-74,403
Net profit or net loss	-5,135,049	288,382

Audit Reports

Accounting Auditor's Audit Report

Independent Auditor's Report

May 12, 2026

To the Board of Directors of Koei Chemical Company, Limited:

KPMG AZSA LLC

Tokyo Office

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Kentaro Yamamoto

Designated Limited Liability Partner

Engagement Partner

Certified Public Accountant

Hiroataka Matsuo

Audit Opinion

Pursuant to Article 436, paragraph (2), item 1 of the Companies Act, our audit corporation has audited the Financial Statements of Koei Chemical Company, Limited for the 165th fiscal year, from April 1, 2025 to March 31, 2026, namely the Balance Sheet, Statement of Income, Statement of Changes in Shareholders' Equity, and Notes to Non-consolidated Financial Statements, as well as the supplementary schedules thereto (the "Financial Statements, etc.>").

In our opinion, the Financial Statements, etc. referred to above present fairly, in all material respects, the financial position and results of operations for the period covered by the Financial Statements, etc., in accordance with accounting principles generally accepted in Japan.

Basis for Audit Opinion

Our audit corporation conducted its audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those auditing standards are described in "Auditor's Responsibilities in the Audit of the Financial Statements, etc.>" Our audit corporation is independent of the Company in accordance with the provisions on professional ethics in Japan, including those applicable to audits of financial statements of public interest entities, and has fulfilled its other

ethical responsibilities as an auditor. Our audit corporation believes that it has obtained sufficient and appropriate audit evidence to provide a basis for its opinion.

Other Information

The other information comprises the Business Report and its supplementary schedules. Management is responsible for preparing and disclosing the other information. The responsibility of the Audit & Supervisory Committee is to monitor the execution of duties by Directors in the development and operation of the reporting process for the other information.

The other information is not included in the scope of our audit opinion on the Financial Statements, etc., and we do not express an opinion on the other information.

In the audit of the Financial Statements, etc., our responsibility is to read through the other information and, in the course of such reading, consider whether there are material inconsistencies between the other information and the Financial Statements, etc. or knowledge obtained by us in the course of the audit, and to pay attention to whether there are indications of material misstatements in the other information other than such material inconsistencies.

If, based on the work performed, we determine that there is a material misstatement in the other information, we are required to report that fact.

We have nothing to report regarding the other information.

Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements, etc.

Management is responsible for preparing and fairly presenting the Financial Statements, etc. in accordance with accounting principles generally accepted in Japan. This includes developing and operating such internal control as management determines is necessary to prepare and fairly present Financial Statements, etc. that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, etc., management is responsible for assessing whether it is appropriate to prepare the Financial Statements, etc. on a going concern basis and, when disclosure of matters related to going concern is required under accounting principles generally accepted in Japan, for disclosing such matters.

The responsibility of the Audit & Supervisory Committee is to monitor the execution of duties by Directors in the development and operation of the financial reporting process.

Auditor's Responsibilities in the Audit of the Financial Statements, etc.

The auditor's responsibility is to obtain reasonable assurance about whether the Financial Statements, etc. as a whole are free from material misstatement, whether due to fraud or error, based on the audit conducted by the auditor, and to express an opinion on the Financial Statements, etc.

from an independent standpoint in the audit report. Misstatements may arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of users of the Financial Statements, etc.

In accordance with auditing standards generally accepted in Japan, the auditor exercises professional judgment and maintains professional skepticism throughout the audit process and performs the following:

- Identifies and assesses the risks of material misstatement due to fraud or error. The auditor also designs and performs audit procedures responsive to the risks of material misstatement. The selection and application of audit procedures are at the auditor's judgment. Furthermore, the auditor obtains sufficient and appropriate audit evidence to provide a basis for the opinion.

- Although the purpose of the audit of the Financial Statements, etc. is not to express an opinion on the effectiveness of internal control, the auditor considers internal control relevant to the audit in performing risk assessments in order to design audit procedures that are appropriate in the circumstances.

- Evaluates the appropriateness of accounting policies adopted by management and their method of application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.

- Concludes whether it is appropriate for management to prepare the Financial Statements, etc. on a going concern basis and, based on the audit evidence obtained, whether a material uncertainty exists regarding events or conditions that may cast significant doubt on the going concern assumption. If a material uncertainty regarding the going concern assumption exists, the auditor is required to draw attention in the audit report to the notes to the Financial Statements, etc., or, if the notes to the Financial Statements, etc. regarding the material uncertainty are inadequate, to express a qualified opinion on the Financial Statements, etc. The auditor's conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluates whether the presentation and notes to the Financial Statements, etc. comply with accounting principles generally accepted in Japan, and also evaluates the presentation, structure, and content of the Financial Statements, etc., including the related notes, and whether the Financial Statements, etc. fairly present the underlying transactions and accounting events.

The auditor reports to the Audit & Supervisory Committee on the planned scope and timing of the audit, significant audit findings, including significant deficiencies in internal control identified during the audit process, and other matters required under auditing standards.

The auditor reports to the Audit & Supervisory Committee that the auditor has complied with the provisions on professional ethics in Japan regarding independence, and reports matters that may reasonably be considered to affect the auditor's independence and, where measures have been taken

to eliminate impediments or safeguards have been applied to reduce impediments to an acceptable level, the details thereof.

Interest

There are no interests between the Company and our audit corporation or its engagement partners that are required to be disclosed under the provisions of the Certified Public Accountants Act.

Audit & Supervisory Committee's Audit Report

Audit Report

The Audit & Supervisory Committee has audited the execution of duties by Directors during the 165th fiscal year, from April 1, 2025 to March 31, 2026. The methods and results of the audit are reported below.

1. Audit methods and details

The Audit & Supervisory Committee received regular reports from Directors, employees, and others on the status of the development and operation of the systems established based on the content of the Board of Directors' resolutions concerning the matters set forth in Article 399-13, paragraph (1), item 1 (b) and (c) of the Companies Act and those resolutions (internal control systems), requested explanations as necessary, expressed opinions, and conducted audits by the following methods.

- (1) In accordance with the audit policy, allocation of duties, and other matters established by the Audit & Supervisory Committee, and in coordination with the Company's internal control divisions, the Audit & Supervisory Committee attended important meetings, received reports from Directors, employees, and others on matters concerning the execution of their duties, requested explanations as necessary, inspected important approval documents and other materials, and investigated the status of operations and assets at the Head Office and business sites.
- (2) With respect to internal control over financial reporting, the Audit & Supervisory Committee received reports from Directors and others, and from the Accounting Auditor, KPMG AZSA LLC, on the status of the evaluation and audit of such internal control, and requested explanations as necessary.
- (3) With respect to transactions with the parent company, etc. stated in the Business Report, the Audit & Supervisory Committee examined the matters taken into consideration so as not to harm the interests of the Company in conducting such transactions, as provided in Article 118, item 5 (a) of the Ordinance for Enforcement of the Companies Act, and the Board of Directors' judgment as to whether such transactions harm the interests of the Company and the reasons for that judgment, as provided in item 5 (b) of the same Article, taking into account the status of deliberations at meetings of the Board of Directors and elsewhere.
- (4) The Audit & Supervisory Committee monitored and verified whether the Accounting Auditor maintained an independent position and conducted appropriate audits, received reports from the Accounting Auditor on the status of execution of its duties, and

requested explanations as necessary. In addition, the Audit & Supervisory Committee received notice from the Accounting Auditor that it had developed “systems to ensure the proper execution of duties” (matters set forth in each item of Article 131 of the Ordinance on Company Accounting) in accordance with the “Quality Control Standard for Auditing” (Business Accounting Council), etc., and requested explanations as necessary.

Based on the above methods, the Audit & Supervisory Committee examined the Business Report and its supplementary schedules, the Financial Statements (Balance Sheet, Statement of Income, Statement of Changes in Shareholders’ Equity, and Notes to Non-consolidated Financial Statements), and the supplementary schedules thereto for the fiscal year under review.

2. Audit results

(1) Audit results for the Business Report, etc.

- (i) The Business Report and its supplementary schedules are deemed to properly present the status of the Company in accordance with laws and regulations and the Articles of Incorporation.
- (ii) No misconduct or material facts in violation of laws and regulations or the Articles of Incorporation were found in relation to the execution of duties by Directors.
- (iii) The content of the Board of Directors’ resolutions concerning the internal control systems is deemed appropriate. In addition, no matters requiring comment were found with respect to the content of the Business Report concerning the internal control systems or the execution of duties by Directors. With respect to internal control over financial reporting, as of the date of preparation of this Audit Report, the Audit & Supervisory Committee has received reports from Directors and others that such internal control is effective, and from the Accounting Auditor, KPMG AZSA LLC, that it is not aware of any deficiencies that it considers to correspond to material weaknesses requiring disclosure.
- (iv) With respect to transactions with the parent company, etc. stated in the Business Report, no matters requiring comment were found regarding the matters taken into consideration so as not to harm the interests of the Company in conducting such transactions, or regarding the Board of Directors’ judgment as to whether such transactions harm the interests of the Company and the reasons for that judgment.

(2) Audit results for the Financial Statements and their supplementary schedules

The methods and results of the audit by the Accounting Auditor, KPMG AZSA LLC, are deemed appropriate.

May 12, 2026

Audit & Supervisory Committee
Koei Chemical Company, Limited

Audit & Supervisory Committee Member (Full-time)
Akihiko Hamabe

Outside Audit & Supervisory Committee
Member
Ken Takiguchi

Outside Audit & Supervisory Committee
Member
Shingo Yoro

Outside Audit & Supervisory Committee
Member
Yoko Hatta

Note: Outside Audit & Supervisory Committee Members Ken Takiguchi, Shingo Yoro, and Yoko Hatta are Outside Directors as provided in Article 2, item 15 and Article 331, paragraph (6) of the Companies Act.

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