

(Note) The following documents have been translated from the Japanese original for reference purposes only. In the event of any discrepancy between this translation and the Japanese original, the original shall prevail.

Securities Code 4228

June 2, 2022

To Our Shareholders

Masato Kashiwabara
Representative Director
President and Chief Executive Officer

Sekisui Kasei Co., Ltd.

2-4-4 Nishitenma, Kita-ku, Osaka

Notice of the 78th Annual General Meeting of Shareholders

Dear Shareholders,

This is to notify you that the 78th Annual General Meeting of Shareholders for the fiscal year 2021 (from April 1, 2021 to March 31, 2022) will be held as described below:

Instead of attending the meeting in person, it is possible to exercise your voting right by mail or through the Internet. Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting right by 5:15 p.m. on Wednesday, June 22, 2022 (Japan Time) according to instructions described in this Notice.

- 1. Date and time:** 10:00 a.m. on Thursday, June 23, 2022
- 2. Place:** ANA Crowne Plaza Osaka Hotel, Manyo no Ma Room, 3rd Floor,
1-3-1 Dojimahama, Kita-ku, Osaka

3. Agenda for the Meeting:

<Matters for Reporting>

- Report on the Business Report, the Consolidated and Non-consolidated Financial Statements for the fiscal year 2021
- The audit reports of the Accounting Auditor and the Audit & Supervisory Board on the Consolidated Financial Statements

<Matters for Resolution>

- Proposal 1:** Appropriation of Surplus
Proposal 2: Partial Amendments to the Articles of Incorporation
Proposal 3: Election of Eight (8) Directors
Proposal 4: Election of One (1) Audit & Supervisory Board Member

4. Instructions for Exercising Voting Rights by Mail or through the Internet

To prevent the spread of COVID-19, we request that you exercise your voting rights beforehand in writing or via the internet as far as possible.

(1) By mail:

Please indicate your approval or disapproval of the proposals on the enclosed Form of Exercising the Voting Right, and return the Form to us by mail without stamps as soon as possible so that it may arrive by the deadline.

Deadline The Form must arrive by 5:15 p.m. on Wednesday, June 22, 2022 (Japan Time).

(2) Through the Internet

Please access the Internet voting website (<https://evote.tr.mufg.jp/>), enter the “Login ID” and “Temporary password” described in the enclosed Form of Exercising the Voting Right and indicate your approval or disapproval of the proposals according to instructions displayed on the website.

You are also able to indicate your approval or disapproval of the proposals by scanning the QR code shown on the right side of the Form of Exercising the Voting Right.

Deadline You have to finish the exercise of your voting right by 5:15 p.m. on Wednesday, June 22, 2022 (Japan Time).

* In case of duplication of voting right exercise by mail and through the Internet, the vote exercised through the Internet will only be accepted as valid.

* If your voting right is exercised more than once through the Internet, the last vote will only be accepted as valid.

* Institutional investors may exercise their voting rights using the Voting Rights Electronic Exercise Platform for institutional investors operated by ICJ, Inc.

5. Internet Disclosure

Pursuant to the applicable laws and regulations, and the provision of Article 16 of the Articles of Incorporation, the following documents are disclosed and available on our website and not attached to this Notice. (<https://www.sekisuiikasei.com/>)

- (i) “Systems for ensuring properness of business activities and summary of the outline of the operation of the system” in the Business Reports section
- (ii) “Consolidated statement of changes in net assets” in the Consolidated Financial Statements section
- (iii) “Notes to consolidated financial statements” in the Consolidated Financial Statements section
- (iv) “Statement of changes in net assets” in the Non-consolidated Financial Statements section
- (v) “Notes to non-consolidated financial statements” in the Non-consolidated Financial Statements section

6. Notification Method for Revisions and Changes

If there are any revisions and/or changes in the Notice or any other related documents, we will notify you on our website. (<https://www.sekisuiikasei.com/>)

7. Notification Method for Changes in the Way the Meeting Is Convened

Depending on the circumstances going forward, we will give a notice on the Company’s website if there are any changes in the way the meeting is convened. (<https://www.sekisuiikasei.com/>)

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- For shareholders attending the meeting, please submit the enclosed Form of Exercising the Voting Right to us at the reception desk. To prevent the spread of COVID-19, we will arrange the seating to leave as much space as possible between shareholders within the venue. Therefore, please be aware that we will restrict entry if a large number of shareholders come to the venue.

Reference Documents for the Annual General Meeting of Shareholders

Details of Proposals

Proposal 1: Appropriation of Surplus

The Board of Directors proposes that the appropriation of surplus be resolved as follows:

The year-end dividend

Sekisui Kasei Co., Ltd. (the Company) regards profit distribution to shareholders as an important managerial issue. Our basic policy on profit distribution is to carry out stable dividend payment that is in line with the trend of consolidated operating results while ensuring that sufficient retained earnings are allocated to strengthen the operating structure and future business development. For the dividend policy, the Company's target for the consolidated dividend payout ratio is 30-40%.

The Company reported a huge amount of losses by reporting impairment losses on fixed assets, goodwill, etc. However, it decided to pay year-end dividends for the fiscal year under review of 7 yen per share to maintain stable dividend payment.

(1) Type of dividend property:

Cash

(2) Allocation of the dividend property and the total amount thereof:

The proposed dividend amount: 7 yen per common share

The total dividend amount: 316,356,901 yen

Following the interim dividend of 5 yen per share paid on December 2, 2021, the annual dividend for this term will amount to 12 yen per share, a decrease of 9 yen per share from the previous term.

(3) Effective date of distributing dividends from surplus:

June 24, 2022

Proposal 2: Partial Amendments to the Articles of Incorporation

1. Reason for Amendments

Since the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to make the following changes to its Articles of Incorporation in preparation for the introduction of the system for providing informational materials for the general meeting of shareholders in electronic format.

- (1) Article 16, paragraph 1 in “Proposed amendments” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposed amendments” below will establish the provision to limit the scope of the items to be stated in paper-based format to be delivered to shareholders who requested the delivery of paper-based format to the scope as designated by the applicable Ministry of Justice Order.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. in Article 16 of the current Articles of Incorporation will no longer be required as a result of amendments above, they will be deleted.
- (4) Accompanying the aforementioned establishment and deletion of provisions, supplementary provisions regarding the effective date, etc. will be established.

2. Details of Amendments

Details of the amendments are as follows.

(Underlined parts indicate the amendments)

Current Articles of Incorporation	Proposed Amendments
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u></p> <p><u>Article 16 When the Company convenes a general meeting of shareholders, if it discloses information that is to be stated or presented in the reference documents for the general meeting of shareholders, business report, non-consolidated financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>(Newly established)</p>	<p>(Deleted)</p> <p><u>(Measures, etc. for Providing Information in Electronic Format)</u></p> <p><u>Article 16 When the Company convenes a general meeting of shareholders, it shall take measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. in electronic format.</u></p> <p><u>② Among items for which the measures for providing information in electronic format will be taken, the Company shall not be required to state all or some of those items designated by the Ministry of Justice Order from statements in paper-based format to be delivered to</u></p>

Current Articles of Incorporation	Proposed Amendments
(Newly established)	<p data-bbox="948 183 1353 264"><u>shareholders who requested the delivery of paper-based format by the record date of voting rights.</u></p> <p data-bbox="810 266 1082 295"><u>(Supplementary Provisions)</u></p> <p data-bbox="810 306 1331 387"><u>(Transitional Measures for Providing Informational Materials for the General Meeting of Shareholders in Electronic Format)</u></p> <p data-bbox="887 389 1353 857">① <u>The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) in the pre-amended Articles of Incorporation and the establishment of the new Article 16 (Measures, etc. for Providing Information in Electronic Format) in the amended Articles of Incorporation shall be effective from September 1, 2022, which is the date of enforcement of the revised provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p data-bbox="887 860 1353 1133">② <u>Notwithstanding the provision(s) of the preceding paragraph, Article 16 of the pre-amended Articles of Incorporation (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) shall remain effective regarding any general meeting of shareholders held on a date within six months from the Date of Enforcement.</u></p> <p data-bbox="887 1135 1353 1328">③ <u>These Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the general meeting of shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal 3: Election of Eight (8) Directors

The term of office of all 8 Directors (including 3 Outside Directors) expires at the conclusion of this Annual General Meeting of Shareholders. Accordingly, it is proposed that 8 Directors, including 3 Outside Directors, be elected.

All candidates for Directors are determined by the Board of Directors based on consultations of the “Nominating and Compensation Advisory Committee” with a majority of the Company’s Independent Outside Officers.

The candidates for Director are as follows:

Candidates for Director

Candidate #	Name	Current Position and Duties at the Company	
1	Masato Kashiwabara	Representative Director President and Chief Executive Officer	Reelection
2	Katsumi Sasaki	Director Senior Managing Executive Officer	Reelection
3	Tetsuharu Hirota	Director Managing Executive Officer	Reelection
4	Hideyuki Asada	Director Managing Executive Officer	Reelection
5	Yasunobu Furubayashi	Director Managing Executive Officer	Reelection
6	Morio Kubota	Outside Director	Candidate for Independent Outside Director Reelection
7	Naoto Kitagawa	Outside Director	Candidate for Independent Outside Director Reelection
8	Michiko Uehara		Candidate for Independent Outside Director New election

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
1	(Reelection) Masato Kashiwabara 62 years old (June 29, 1959) (Attendance rate) 100% at meetings of the Board of Directors	April 1983: Joined the Company June 2008: Director June 2011: Managing Director June 2013: Vice President and Representative Director, Vice-chief Executive Officer June 2014: Representative Director, President and Chief Executive Officer (current position) (Significant Concurrent Positions outside the Company) Chairman of Japan Polystyrene Foamed Sheet Industry Association Chairman of Japan Expanded Polystyrene Association	215,411
<p>Reason for nomination as candidate for Director</p> <p>Mr. Masato Kashiwabara has been properly supervising management as the President and Representative Director. At meetings of the Board of Directors, he provides sufficient and appropriate explanations about important issues in management, thus improving the decision-making functions of the Board of Directors. In addition, as Chief Executive Officer, he takes command of management and strives to improve sustainable corporate value. Because of the above, the Company judges him to be an appropriate person as a leader for realization of its long-term vision, and requests his continuous election as Director.</p> <p>Number of years in office since first appointment as Director</p> <p>Mr. Masato Kashiwabara is currently a Director of the Company. His term of office as Director will have been 14 years at the conclusion of this Annual General Meeting of Shareholders.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
2	(Reelection) Katsumi Sasaki 62 years old (May 5, 1960) (Attendance rate) 100% at meetings of the Board of Directors	<p>April 1983: Joined the Company</p> <p>June 2012: Director</p> <p>June 2013: Resigned from post of Director Executive Officer General Manager of Planning Department, The 2nd Business Headquarters General Manager of Planning Department, The 3rd Business Headquarters</p> <p>April 2014: General Manager of Planning Department, The 2nd Business Headquarters</p> <p>February 2017: Head of Corporate Planning Center, Strategic Management Headquarters</p> <p>June 2017: Managing Executive Officer</p> <p>June 2018: Director, Managing Executive Officer Head of Corporate Strategic Headquarters</p> <p>June 2021: Senior Managing Executive Officer (current position)</p>	102,655

Reason for nomination as candidate for Director

Mr. Katsumi Sasaki currently plays a role in management as Head of Corporate Strategic Headquarters, which is the core of the corporate planning division. Before then, he was engaged in the corporate planning divisions, and served as president of significant subsidiaries, and as General Manager of the Planning Department of the Business Headquarters, and he therefore has wide-ranging experience and abundant knowledge. Because of the abundant experience he has cultivated so far, the Company judges him to be an appropriate person for realizing sustainable improvement of corporate value, and requests his continuous election as Director.

Number of years in office since first appointment as Director

Mr. Katsumi Sasaki is currently a Director of the Company. His term of office as Director will have been 4 years at the conclusion of this Annual General Meeting of Shareholders.

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
3	(Reelection) Tetsuharu Hirota 63 years old (January 24, 1959) (Attendance rate) 100% at meetings of the Board of Directors	<p>April 1984: Joined the Company</p> <p>June 2011: Director</p> <p>June 2013: Resigned from post of Director Executive Officer</p> <p>September 2013: Deputy Head of The 2nd Business Headquarters General Manager of Global Division Chief of Global Business Planning Department Deputy Head of The 3rd Business Headquarters</p> <p>April 2014: Deputy Head of The 2nd Business Headquarters General Manager of Automotive Components & Shipping Systems Business Division</p> <p>March 2015: Deputy Head of The 2nd Business Headquarters</p> <p>June 2015: Managing Executive Officer</p> <p>May 2016: Head of The 2nd Business Headquarters</p> <p>June 2016: Director, Managing Executive Officer</p> <p>April 2019: Head of The 2nd Business Headquarters, Supervising Information System Department</p> <p>May 2022: Head of The 2nd Business Headquarters In charge of PX Development Department and Information Systems Department (current position)</p>	123,643
<p>Reason for nomination as candidate for Director</p> <p>Mr. Tetsuharu Hirota currently plays a role in management as Head of The 2nd Business Headquarters, placing him in control of new businesses and global business. Before then, he was engaged in business divisions and served as General Manager of business divisions, and he therefore has wide-ranging experience and abundant knowledge. Because of the abundant experience he has cultivated so far, the Company judges him to be an appropriate person for realizing sustainable improvement of corporate value, and requests his continuous election as Director.</p> <p>Number of years in office since first appointment as Director</p> <p>Mr. Tetsuharu Hirota is currently a Director of the Company. His term of office as Director will have been 6 years at the conclusion of this Annual General Meeting of Shareholders.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
4	(Reelection) Hideyuki Asada 55 years old (March 17, 1967) (Attendance rate) 100% at meetings of the Board of Directors	<p>April 1989: Joined the Company</p> <p>March 2016: Head of Global Technical Center, The 2nd Business Headquarters</p> <p>June 2016: Executive Officer</p> <p>April 2019: Head of Research & Development Center General Manager of Development Department</p> <p>April 2020: Head of Research & Development Center General Manager of Basic Research Laboratory</p> <p>June 2020: Director, Managing Executive Officer</p> <p>April 2022: Head of Research & Development Center General Manager of GX Development Department (current position)</p>	42,449
<p>Reason for nomination as candidate for Director</p> <p>Mr. Hideyuki Asada currently plays a role in management as Head of the Research & Development Center and General Manager of GX Development Department, placing him in control of operations concerning the development of new products, research, intellectual property, and environmental contribution. Before then, he headed up technical divisions of business divisions, and he therefore has wide-ranging experience and abundant knowledge. Because of the abundant experience he has cultivated so far, the Company judges him to be an appropriate person for realizing sustainable improvement of corporate value, and requests his continuous election as Director.</p> <p>Number of years in office since first appointment as Director</p> <p>Mr. Hideyuki Asada is currently a Director of the Company. His term of office as Director will have been 2 years at the conclusion of this Annual General Meeting of Shareholders.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
5	(Reelection) Yasunobu Furubayashi 54 years old (June 30, 1967) (Attendance rate since he became Director on June 24, 2021) 100% at meetings of the Board of Directors	<p>April 1992: Joined the Company</p> <p>February 2017: President and Representative Director of Sekisui Plastics Chubu Co., Ltd. (currently Sekisui Kasei Chubu Co., Ltd.) (Resigned from post in November 2018)</p> <p>June 2018: Executive Officer</p> <p>November 2018: General Manager of Corporate Planning Department, Corporate Strategic Headquarters</p> <p>May 2021: Head of The 1st Business Headquarters, Supervising Business Research Department</p> <p>June 2021: Director, Managing Executive Officer</p> <p>April 2022: Head of The 1st Business Headquarters (current position)</p>	44,973
<p>Reason for nomination as candidate for Director</p> <p>Mr. Yasunobu Furubayashi currently plays a role in management as Head of The 1st Business Headquarters, placing him in charge of the Company's core businesses. Before then, he served as General Manager of the business divisions, as president of a significant subsidiary, and as General Manager of Corporate Planning Department, and he therefore has wide-ranging experience and abundant knowledge. Because of the abundant experience he has cultivated so far, the Company judges him to be an appropriate person for realizing sustainable improvement of corporate value, and requests his continuous election as Director.</p> <p>Number of years in office since first appointment as Director</p> <p>Mr. Yasunobu Furubayashi is currently a Director of the Company. His term of office as Director will have been 1 year at the conclusion of this Annual General Meeting of Shareholders.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
6	(Candidate for Independent Outside Director) (Reelection) Morio Kubota 69 years old (November 23, 1952) (Attendance rate) 100% at meetings of the Board of Directors	<p>April 1977: Joined Okura & Co., Ltd.</p> <p>March 1996: Director of ORBCOMM Japan Planning Limited (currently ORBCOMM Japan Limited)</p> <p>August 1998: Resigned from Okura & Co., Ltd.</p> <p>June 2002: Representative Director, Managing Director of ORBCOMM Japan Limited</p> <p>October 2007: Resigned from post of Managing Director of ORBCOMM Japan Limited</p> <p>September 2017: Resigned from post of Representative Director of ORBCOMM Japan Limited</p> <p>October 2017: Counselor of ORBCOMM Japan Limited (Resigned from post in August 2018)</p> <p>June 2018: Director of the Company (current position)</p>	3,328
<p>Reason for nomination as candidate for Outside Director and outline of expected role</p> <p>Mr. Morio Kubota has engaged in corporate management for many years and has abundant knowledge and experience on global businesses. Expecting that he will provide supervision of and advice on the Company's business execution using his insight, the Company requests his continuous election as Outside Director.</p> <p>Number of years in office since first appointment as Outside Director</p> <p>Mr. Morio Kubota is currently an Outside Director of the Company. His term of office as Outside Director will have been 4 years at the conclusion of this Annual General Meeting of Shareholders.</p> <p>Other matters concerning the candidate for Outside Director</p> <p>(1) Mr. Morio Kubota has been reported as an Independent Officer to the Tokyo Stock Exchange. The Company plans that he will continue to be an Independent Officer if his reelection is approved.</p> <p>(2) Mr. Morio Kubota served as Representative Director of ORBCOMM Japan Limited up until 2017. There are no business relationships between ORBCOMM Japan Limited and the Sekisui Kasei Group. He also fulfills the "Criteria for Election and Independence of Outside Board Members" prescribed by the Company. Based on the above, the Company judges that he has sufficient independence from the Company.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
7	(Candidate for Independent Outside Director) (Reelection) Naoto Kitagawa 68 years old (December 8, 1953) (Attendance rate) 100% at meetings of the Board of Directors	<p>April 1976: Joined Toyota Motor Co., Ltd. (currently Toyota Motor Corporation)</p> <p>June 2006 Resigned from Toyota Motor Corporation Executive Officer of Daihatsu Motor Co., Ltd.</p> <p>June 2008: Director, Senior Executive Officer of Daihatsu Motor Co., Ltd.</p> <p>June 2010: Director, Senior Managing Executive Officer of Daihatsu Motor Co., Ltd.</p> <p>June 2015: Resigned from post of Director, Senior Managing Executive Officer of Daihatsu Motor Co., Ltd.</p> <p>June 2020: Director of the Company (current position)</p>	1,374
<p>Reason for nomination as candidate for Outside Director and outline of expected role</p> <p>Mr. Naoto Kitagawa has engaged in corporate management for many years and has abundant knowledge and experience on research and development and technologies. Expecting that he will provide supervision of and advice on the Company's business execution using his insight, the Company requests his continuous election as Outside Director.</p> <p>Number of years in office since first appointment as Outside Director</p> <p>Mr. Naoto Kitagawa is currently an Outside Director of the Company. His term of office as Outside Director will have been 2 years at the conclusion of this Annual General Meeting of Shareholders.</p> <p>Other matters concerning the candidate for Outside Director</p> <p>(1) Mr. Naoto Kitagawa has been reported as an Independent Officer to the Tokyo Stock Exchange. The Company plans that he will continue to be an Independent Officer if his reelection is approved.</p> <p>(2) Mr. Naoto Kitagawa served as Director of Daihatsu Motor Co., Ltd. up until 2015. There are no business relationships between Daihatsu Motor Co., Ltd. and the Sekisui Kasei Group. He also fulfills the "Criteria for Election and Independence of Outside Board Members" prescribed by the Company. Based on the above, the Company judges that he has sufficient independence from the Company.</p>			

Candidate #	Name (Date of Birth)	Brief History and Position and Duties at the Company (Significant Concurrent Positions outside the Company)	Number of shares of the Company held
8	(Candidate for Independent Outside Director) (New election) Michiko Uehara 72 years old (December 24, 1949)	<p>April 1976: Assistant Judge at Kobe District Court</p> <p>April 1979: Assistant Judge at Kobe District Court Amagasaki Branch</p> <p>April 1982: Assistant Judge at Osaka District Court</p> <p>April 1986: Judge at Fukuoka District Court</p> <p>March 1989: Resigned from post</p> <p>May 1989: Registered as Attorney at Law Joined The Miyake Joint Partnership Law Office (currently Miyake & Partners)</p> <p>March 1992: Established The Uehara Joint Partnership Law Office</p> <p>June 2016: Outside Audit & Supervisory Board Member, Sumitomo Electric Industries, Ltd.</p> <p>February 2017: Outside Audit & Supervisory Board Member, The Japan Wool Textile Co., Ltd. (current position) (Significant concurrent positions outside the Company) Attorney at Law (The Uehara Joint Partnership Law Office) Outside Audit & Supervisory Board Member, Sumitomo Electric Industries, Ltd. Outside Audit & Supervisory Board Member, The Japan Wool Textile Co., Ltd.</p>	0
<p>Reason for nomination as candidate for Outside Director and outline of expected role</p> <p>Ms. Michiko Uehara has engaged in legal practices for many years and has abundant knowledge and experience on legal affairs, governance, and personnel labor management. Expecting that she will provide supervision of and advice on the Company's business execution using her insight, the Company requests her election as Outside Director. Although she has no experience in corporate management other than by serving as an outside officer, for the above reasons, the Company believes she will properly execute her duties as Outside Director.</p> <p>Other matters concerning the candidate for Outside Director</p> <p>(1) With the condition that this proposal be approved, Ms. Michiko Uehara has been reported as an Independent Officer to the Tokyo Stock Exchange.</p> <p>(2) The Company had concluded a legal advisory agreement with Ms. Michiko Uehara until February 2022. Moreover, the Company has concluded a legal advisory agreement with attorneys at law other than Ms. Michiko Uehara of The Uehara Joint Partnership Law Office. The compensation amount for each of the agreements is not more than 10 million yen per year, so she fulfills the "Criteria for Election and Independence of Outside Board Members" prescribed by the Company. Based on the above, the Company judges that she has sufficient independence from the Company.</p> <p>(3) Ms. Michiko Uehara serves as Outside Audit & Supervisory Board Member of Sumitomo Electric Industries, Ltd. and as Outside Audit & Supervisory Board Member of The Japan Wool Textile Co., Ltd. There are no business relationships between Sumitomo Electric Industries, Ltd. and the Sekisui Kasei Group and between The Japan Wool Textile Co., Ltd. and the Sekisui Kasei Group.</p>			

- Notes
1. There are no special interests existing between each of the candidates and the Company.
 2. In accordance with the Company's Articles of Incorporation, the Company concluded a limited liability agreement with Mr. Morio Kubota and Mr. Naoto Kitagawa to limit the liability for damages provided in Article 423, paragraph (1) of the Companies Act. If their reelection is approved, the Company plans to continue the limited liability agreement with them. Moreover, if the election of Ms. Michiko Uehara is approved, the Company plans to enter into the agreement limiting liability with her.

The following is an outline of the content of the limited liability agreement.

A Director (excluding Executive Director, etc.), with the agreement limiting liability made, shall be liable for damages up to the minimum liability amount as defined in Article 425, paragraph (1) of the Companies Act, provided that his/her duties are performed in good faith and without gross negligence.

3. The Company has concluded with an insurance company a liability insurance agreement for officers, etc. as defined in Article 430-3, paragraph (1) of the Companies Act, with the aim of making up for damages and judicial costs to be shouldered by the insureds against damages claims arising from the exercise of duties by the insureds.

The candidates for reelection are covered by the insurance agreement and continue to be insureds after their reelection. If the new candidate is elected and assumes the post of Director, she will be covered by the insurance agreement.

At the time of renewal, the agreement is planned to be renewed with the same content.

(Reference)

Please refer to "Criteria for Election and Independence of Outside Board Members" prescribed by the Company, which is posted on the website of the Company.

(<https://www.sekisuiikasei.com/jp/assets/images/company/pdf/policy.pdf>)

(Reference) Knowledge, experience, and ability held by Directors (Planned for as at the conclusion of this Annual General Meeting of Shareholders)

Name	Position and Duties at the Company	Management Strategy Corporate Management	Financial Accounting	Governance Legal Affairs	Human Resource Development Personnel Labor	Overseas Business Internationality	Marketing Sales	Development, Production, Quality	Energy Environment	Insight into Other Industries
Masato Kashiwabara	Representative Director President and Chief Executive Officer	○	○	○	○			○	○	
Katsumi Sasaki	Director Senior Managing Executive Officer	○	○	○	○					
Tetsuharu Hirota	Director Managing Executive Officer	○				○	○	○		
Hideyuki Asada	Director Managing Executive Officer	○				○		○	○	
Yasunobu Furubayashi	Director Managing Executive Officer	○	○		○		○			
Morio Kubota	Independent Outside Director	○	○			○	○			○
Naoto Kitagawa	Independent Outside Director	○				○		○	○	○
Michiko Uehara	Independent Outside Director			○	○					○

The “○” above does not indicate all insights held by each Director.

Proposal 4: Election of One (1) Audit & Supervisory Board Member

At the conclusion of this Annual General Meeting of Shareholders, Audit & Supervisory Board Member Morinobu Nagahama will resign from post. Therefore, the Company requests the election of one Audit & Supervisory Board Member as a substitute.

As provided for in the Company’s Articles of Incorporation, if the candidate for Audit & Supervisory Board Member is elected, his term of office will be until the expiration date of his predecessor’s term of office.

The consent of the Audit & Supervisory Board has been obtained in advance for this proposal. The candidate for the Audit & Supervisory Board Member is as follows:

Name (Date of Birth)	Brief History and Position at the Company (Significant Concurrent Positions outside the Company)		Number of shares of the Company held
(Candidate for Independent Outside Audit & Supervisory Board Member) (New election) Mamoru Akashi 57 years old (October 9, 1964)	April	1988: Joined The Dai-ichi Mutual Life Insurance Company (currently The Dai-ichi Life Insurance Company, Limited)	0
	April	2013: Director of The Dai-ichi Frontier Life Insurance Co., Ltd.	
	April	2015: Director, Managing Executive Officer of The Dai-ichi Frontier Life Insurance Co., Ltd.	
	April	2016: Vice President and Representative Director, Vice-chief Executive Officer of The Dai-ichi Frontier Life Insurance Co., Ltd. (Resigned from post in March 2020)	
	April	2020: Managing Executive Officer of Dai-ichi Life Holdings, Inc. Director, Managing Executive Officer of The Dai-ichi Life Insurance Company, Limited (Resigned from post in March 2022)	
June	2021: Director, Managing Executive Officer of Dai-ichi Life Holdings, Inc. (current position) (Significant concurrent positions outside the Company) Director, Managing Executive Officer of Dai-ichi Life Holdings, Inc.		

Reason for nomination as candidate for Outside Audit & Supervisory Board Member

Mr. Mamoru Akashi has been engaged in corporate management for many years, and the Company requests his election as an Outside Audit & Supervisory Board Member, to make use of the abundant knowledge and experience for auditing of the Company.

Other matters concerning the candidate for Outside Audit & Supervisory Board Member

- (1) With the condition that this proposal be approved, Mr. Mamoru Akashi has been reported as an Independent Officer to the Tokyo Stock Exchange.
- (2) Although the Group has concluded insurance agreements with The Dai-ichi Life Insurance Company, Limited, which is a subsidiary of Dai-ichi Life Holdings, Inc., where Mr. Mamoru Akashi serves as Director, the amount of payments including insurance premiums from the Group to The Dai-ichi Life Insurance Company, Limited was less than 0.01% of consolidated ordinary revenue of Dai-ichi Life Holdings, Inc. in FY 2021. In addition, Dai-ichi Life Holdings Inc. Group does not correspond to a major lender of the Company. He also fulfills the “Criteria for Election and Independence of Outside Board Members” prescribed by the Company. Based on the above, the Company judges that he has sufficient independence from the Company.
- (3) In June 2020, it was found that a former employee of The Dai-ichi Life Insurance Company, Limited, where Mr. Mamoru Akashi served as Director from April 2020 to March 2022, had illegally acquired a large amount of money from customers. Although he was not aware of this fact until it came to light, he had regularly made recommendations from the perspective of legal compliance to thoroughly promote compliance on several occasions, including at the meetings of the Board of Directors of The Dai-ichi Life Insurance Company, Limited. After he became aware of this fact, he was engaged in the further strengthening of compliance and the establishment of preventive measures.

- Notes
1. There are no special interests existing between the candidate and the Company.
 2. In accordance with the Company’s Articles of Incorporation, if the election of the candidate is approved, the Company plans to enter into a limited liability agreement with the candidate, limiting the candidate’s liability for damages provided in Article 423, paragraph (1) of the Companies Act.

The following is an outline of the content of the limited liability agreement.

An Audit & Supervisory Board Member, with the agreement limiting liability made, shall be liable for damages up to the minimum amount of liability as defined in Article 425, paragraph (1) of the Companies Act, provided that his/her duties are performed in good faith and without gross negligence.

3. The Company has concluded with an insurance company a liability insurance agreement for officers, etc. as defined in Article 430-3, paragraph (1) of the Companies Act, with the aim of making up for damages and judicial costs to be shouldered by the insured against damages claims arising from the exercise of duties by the insured.

If the candidate is elected and assumes the post of Audit & Supervisory Board Member, he will be covered by the insurance agreement.

At the time of renewal, the agreement is planned to be renewed with the same content.

4. If this proposal is approved, the Audit & Supervisory Board is scheduled to be comprised of the following.

Name (Date of Birth)	Position at the Company	Term of office (at the conclusion of this Annual General Meeting of Shareholders)
Kojiro Takekoshi (December 16, 1959)	Full-time Audit & Supervisory Board Member	2 years
Osamu Matsumoto (May 29, 1960)	Full-time Audit & Supervisory Board Member	1 year
Toshitaka Fukunaga (April 7, 1956)	Outside Audit & Supervisory Board Member	2 years
Mamoru Akashi (October 9, 1964)	Outside Audit & Supervisory Board Member	(New election)

Name (Date of Birth)	Position at the Company	Term of office (at the conclusion of this Annual General Meeting of Shareholders)
Keizo Kosaka (December 11, 1945)	Outside Audit & Supervisory Board Member <u>Independent Outside</u> <u>Audit & Supervisory</u> <u>Board Member</u>	10 years