

Corporate Governance Guidelines

1. Purpose

SEKISUI KASEI CO., LTD. (“Company”), based on a resolution of its Board of Directors, has established these Corporate Governance Guidelines stating its basic concept and basic policy for realizing the best practice of corporate governance to achieve its sustainable growth and improvement of its long-term corporate value, with a view to enhancing long-term value for the Company’s shareholders.

All revisions to these Corporate Governance Guidelines will be notified in an appropriate and timely manner.

2. Basic Concept

The Company aims to be “a new chemical solutions company that cares for people and the planet as it creates new value” while fulfilling its social responsibility to all stakeholders. The Company recognizes and understands that ensuring its effective corporate governance brings to the Company both management transparency and a management system capable to promptly adapt to changes in business environment, which is crucial for achieving the aim.

3. Basic Policy

- (1) The Company at all times pursues the best practice of corporate governance and continuously makes its best efforts to enhance its corporate governance.
- (2) The Company understands, in terms of ensuring its sustainable growth and long-term improvements in corporate value, that the key to sound corporate governance is to ensure transparency and fairness in decision-making, to make full and effective utilization of management resources, and to increase management vitality through quick and decisive management decision-making. Based on the above understanding, the Company engages in enhancing its corporate governance in line with the followings:
 - (i) Respect the rights and ensure equality of shareholders, as well as provide an appropriate environment for the exercise of their rights at the General Meeting of Shareholders.
 - (ii) Consider the interests of various stakeholders, including shareholders, and work with them appropriately.
 - (iii) Actively address sustainability issues.
 - (iv) Properly disclose company information to the public and ensure transparency.
 - (v) Fully reflect opinions of its independent Outside Directors in order to make the Board of Directors more effective in overseeing business execution.
 - (vi) Conduct constructive dialogue with shareholders who have investment policies consistent with the medium- and long-term shareholder’s interests.