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Stock Exchange Code: 4997

June 1, 2022

**To Shareholders with Voting Rights:**

Yosuke Tomoi  
Representative Director, President  
NIHON NOHYAKU CO., LTD.  
19-8, Kyobashi 1-Chome, Chuo-ku,  
Tokyo, Japan

**NOTICE OF  
THE 123RD ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

We would like to express our appreciation for your continued support and patronage.

The 123rd Ordinary General Meeting of Shareholders of NIHON NOHYAKU CO., LTD. (hereinafter referred to as the “Company”) will be held for the purposes as described below.

To prevent the spread of COVID-19, **we hereby kindly but firmly ask shareholders to exercise your voting rights in writing or via the Internet wherever possible, rather than to attend the General Meeting, regardless of health condition.**

**Please review the attached Reference Documents for the General Meeting of Shareholders and, following the instruction hereinafter described, exercise your voting rights by 5:25 p.m. on Tuesday, June 21, 2022, Japan time.**

- 1. Date and Time:** Wednesday, June 22, 2022 at 10:00 a.m. Japan time  
**2. Place:** Banquet hall Ariake on the 2nd floor of Royal Park Hotel  
located at 1-1, Nihonbashi-Kakigara-cho 2-Chome, Chuo-ku, Tokyo, Japan

As part of the infection control measures against the novel coronavirus, we will arrange wider distance between seats, resulting in far fewer seats this year than normally available in ordinary years, as was the case the last year. As such, some of shareholders may not be accommodated in the venue, for which your kind understanding would be appreciated.

- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company’s 123rd Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company’s 123rd Fiscal Year (April 1, 2021 - March 31, 2022)

**Proposals to be resolved:**

- Proposal 1:** Appropriation of Surplus  
**Proposal 2:** Partial Amendment to the Articles of Incorporation  
**Proposal 3:** Election of 10 Directors (Excluding Directors Serving as the Audit & Supervisory Committee Members)  
**Proposal 4:** Election of 5 Directors Serving as the Audit & Supervisory Committee Members  
**Proposal 5:** Election of 1 Substitute Director Serving as the Audit & Supervisory Committee Member

#### 4. Instruction for Exercising Voting Rights:

<b>If you are attending the General Meeting of Shareholders</b>
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Please submit the enclosed Voting Rights Exercise Form at the reception desk.

<b>Date and Time of the Meeting</b>	Wednesday, June 22, 2022 at 10:00 a.m. Japan time
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<b>If you are not attending the General Meeting of Shareholders, please exercise your voting rights either via postal mail or the Internet.</b>
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##### Exercise of voting rights by postal mail

Please indicate your approval or disapproval of the proposals on the attached Voting Rights Exercise Form and return it by the deadline.

<b>Deadline of Exercise</b>	Tuesday, June 21, 2022 at 5:25 p.m. Japan time
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##### Exercise of voting rights via the Internet

Please access the Company's designated voting rights exercise website (<https://www.web54.net>) and use the "voting rights exercise code" and "password" indicated on the enclosed Voting Rights Exercise Form, and follow the instructions on the screen to enter your vote for or against the proposals by the deadline.

For details, please refer to page 3 of the Japanese version of this document.

<b>Deadline of Exercise</b>	Tuesday, June 21, 2022 at 5:25 p.m. Japan time
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If you exercise your voting rights using a smartphone, please use "Smart Voting."

\* Please refer to the enclosed flier for details.

If your voting rights are exercised in duplicate both in writing and via the Internet, etc., the vote via the Internet, etc. shall be deemed valid. When voting rights are exercised multiple times via the Internet, etc., or in duplicate using a PC or smartphone, the last vote shall be deemed valid.

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<Requests to our shareholders>

- The aforementioned procedures may be changed depending on the latest development concerning the COVID-19 pandemic, or on the announcement by the government and other authorities. Shareholders are asked to check the latest information posted on the Company's website (<https://www.nichino.co.jp/>) (Japanese only).
- Exercise of voting rights by mail should involve infection risk in the processes including returning by post and aggregation at the Company. Therefore, we would like to ask you to exercise your voting rights via the Internet, etc. wherever possible, if you opt for voting in advance.
- Hand sanitizers shall be placed for shareholders at the entrance to the venue.
- Shareholders attending the meeting are kindly asked to bring and wear a face mask.
- We will be checking your body temperatures at the entrance to the venue. Shareholders found to have a fever of 37.5 degrees Celsius or higher, those not feeling well, and those having returned from overseas in the past 7 days may be asked not to enter the venue and go home. Shareholders having returned from overseas in the past 7 days would be requested to report to the reception.
- Staff at the venue for organizing the General Meeting will be checked for their body temperature and physical condition in advance and will be wearing a face mask.
- With a view to reducing the time of the meeting thereby minimizing the risk of infection, we decided not to present detailed explanation about the proposals for the General Meeting. As such, shareholders attending the General Meeting in person are asked to go through this notice in advance.

- ◎ If you are exercising your voting rights by proxy, you can delegate the exercise of your voting rights to another shareholder, who also owns voting rights. In such a case, please have your proxy submit a written power of attorney.
- ◎ The following matters are provided on the Company's website (<https://www.nichino.co.jp/>) pursuant to laws and regulations and Article 15 of the Company's Articles of Incorporation, and are thus not included with this notice.
  - (1) "III. Structures and policies of the company" and "IV. Other significant matters regarding the current status of the corporate group" of the Business Report
  - (2) "Consolidated Statement of Changes in Equity" and "Notes to the Consolidated Financial Statements" of the Consolidated Financial Statements
  - (3) "Non-consolidated Statement of Changes in Equity" and "Notes to the Non-consolidated Financial Statements" of the Non-consolidated Financial Statements
- ◎ Should the attached documents and Reference Documents for the General Meeting of Shareholders of this convocation notice require revisions, the revised versions will be posted on the Company's website (<https://www.nichino.co.jp/>) (Japanese only).
- ◎ A video recording of the proceedings of the General Meeting is planned to be posted on the Company's website ([https://www.nichino.co.jp/ir/page\\_10094.html](https://www.nichino.co.jp/ir/page_10094.html)) (Japanese only) about one week after the day of the event.

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### **Proposal 1:** Appropriation of Surplus

The Company's basic policy is to distribute stable and continuous dividend of profits to shareholders through enhancing the corporate value by expanding the business revenue and strengthening financial standing from the long-term perspective.

In the "Ensuring Growing Global 2 (EGG2)" medium-term management plan, the Company has the dividend policy of aiming for a dividend payout ratio of 30% or more under the basic policy of a stable dividend payment.

Taking into account the above policy and performance during the current fiscal year, the appropriation of surplus for the 123rd fiscal year is proposed as follows.

Matters concerning the year-end dividend:

(1) Kind of dividend property:

Cash

(2) Matters concerning the allotment of dividend property to shareholders and total amount thereof:

7.50 yen per share of the Company's common stock, in a total amount of 590,803,013 yen

Furthermore, as an interim dividend of 7.50 yen per share was provided, the annual dividend will be 15 yen per share in total.

(3) The effective date of the dividend of surplus

Thursday, June 23, 2022

**Proposal 2: Partial Amendment to the Articles of Incorporation**

1. Reasons for the amendment

The amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019) will be enforced on September 1, 2022. Accordingly, in order to prepare for the introduction of the system for electronic provision of materials for general meetings of shareholders, the Articles of Incorporation of the Company shall be amended as follows.

- (1) The proposed Article 15, Paragraph 1 provides that information contained in the reference documents for the General Meeting of Shareholders, etc. shall be provided electronically.
- (2) The purpose of the proposed Article 15, Paragraph 2 is to establish a provision to limit the scope of matters to be included in the paper copy to be sent to shareholders who have requested it.
- (3) The provisions related to the Internet disclosure and deemed provision of the reference documents for the General Meeting of Shareholders, etc. (Article 15 of the current Articles of Incorporation) will become unnecessary and will therefore be deleted.
- (4) In line with the above establishment and deletion of the provisions, Article 2 of the supplementary provisions related to the effective date, etc. shall be established.

2. Details of amendments

Details of the amendment are as follows.

(Amended parts are underlined)

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Proposed amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Article 1. to 14. (Omitted)<br/> <u>(Internet disclosure and deemed provision of reference documents for the General Meeting of Shareholders, etc.)</u><br/> <u>Article 15. The Company may, when convening a General Meeting of Shareholders, deem that it has provided information to shareholders pertaining to matters to be described or indicated in the reference documents for the General Meeting of Shareholders, business report, non-consolidated financial statements, and consolidated financial statements, by disclosing such information through the Internet in accordance with the provisions provided in the Ministry of Justice Order.</u></p> <p style="text-align: center;">(Newly established)</p> | <p>Article 1. to 14. (Unchanged)</p> <p style="text-align: center;">(Deleted)</p> <p><u>(Measures for electronic provision, etc.)</u><br/> <u>Article 15. The Company shall, when convening a General Meeting of Shareholders, provide information contained in the reference documents for the General Meeting of Shareholders, etc. electronically.</u><br/> <u>2. Among the matters to be provided electronically, the Company may choose not to include all or part of the matters stipulated in the Ministry of Justice Order in the paper copy to be sent to shareholders who have requested it by the record date for voting rights.</u></p> |
| <p>Article 16. to 34. (Omitted)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | <p>Article 16. to 34. (Unchanged)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

| Current                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Proposed amendment                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p style="text-align: center;">Supplementary provisions</p> <p>(Transitional measure regarding the exemption of the Audit &amp; Supervisory Board Members from liability)</p> <p>The Company may, by the resolution of the Board of Directors, exempt the Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act, to the extent stipulated by laws and regulations, insofar as such liability arises out of their conduct before conclusion of the adjourned meeting of the Ordinary General Meeting of Shareholders for the 121st fiscal year.</p> <p style="text-align: center;">(Newly established)</p> | <p style="text-align: center;">Supplementary provisions</p> <p>(Transitional measure regarding the exemption of the Audit &amp; Supervisory Board Members from liability)</p> <p><u>Article 1.</u> The Company may, by the resolution of the Board of Directors, exempt the Audit &amp; Supervisory Board Members (including former Audit &amp; Supervisory Board Members) from liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act, to the extent stipulated by laws and regulations, insofar as such liability arises out of their conduct before conclusion of the adjourned meeting of the Ordinary General Meeting of Shareholders for the 121st fiscal year.</p> <p><u>(Transitional measure regarding measures for electronic provision, etc.)</u></p> <p><u>Article 2.</u> The deletion of Article 15 (Internet disclosure and deemed provision of reference documents for the General Meeting of Shareholders, etc.) of the unamended Articles of Incorporation and the new establishment of amended Article 15 (Measures for electronic provision, etc.) shall come into effect on the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the supplementary provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (the “Effective Date”).</p> <p><u>2. Notwithstanding the provisions of the preceding paragraph, Article 15 of the unamended Articles of Incorporation shall remain in force with respect to a General Meeting of Shareholders to be held until the end of February 2023.</u></p> <p><u>3. Article 2 of these supplementary provisions shall be deleted after the lapse of six months from the Effective Date or the lapse of three months from the date of the General Meeting of Shareholders set forth in the preceding paragraph, whichever is later.</u></p> |

**Proposal 3:** Election of 10 Directors (Excluding Directors Serving as the Audit & Supervisory Committee Members)

The terms of office of all 10 Directors (excluding Directors serving as the Audit & Supervisory Committee Members; hereinafter the same) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the Company proposes the election of 10 Directors.

The Audit & Supervisory Committee deliberated this proposal and expressed its opinion that there are no matters to be pointed out.

The candidates for Director are as follows:

| No. | Name                | Current positions and responsibilities                                                                                                                                                                                                                                                                               | Attributes  |         |             | Attendance rate at Board of Directors meetings |
|-----|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|---------|-------------|------------------------------------------------|
| 1   | Yosuke Tomoi        | Representative Director, President                                                                                                                                                                                                                                                                                   | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 2   | Koji Shishido       | Representative Director and Senior Managing Executive Officer, Division Manager of Production Division, and in charge of Environment Safety Dept.                                                                                                                                                                    | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 3   | Hirohisa Yano       | Director and Managing Executive Officer, Division Manager of Administration Division, responsible for CSR Promotion Dept. and General Manager of CSR Promotion Dept., responsible for Osaka Plant and General Manager of Osaka Plant, in charge of Market Development Division, and responsible for special missions | Re-election |         |             | 94%<br>(17 out of 18 meetings)                 |
| 4   | Kozo Machiya        | Director and Managing Executive Officer, and Division Manager of Research Division                                                                                                                                                                                                                                   | Re-election |         |             | 100%<br>(15 out of 15 meetings)                |
| 5   | Hiroshi Yamanoi     | Director and Senior Executive Officer, and Division Manager of Industrial & Pharmaceuticals Sales Division                                                                                                                                                                                                           | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 6   | Hideo Yamamoto      | Director and Senior Executive Officer, and Division Manager of Domestic Sales Division                                                                                                                                                                                                                               | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 7   | Hiroyuki Iwata      | Director and Senior Executive Officer, Division Manager of Corporate Planning Division, and in charge of Overseas Division                                                                                                                                                                                           | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 8   | Akio Kohri          | Director                                                                                                                                                                                                                                                                                                             | Re-election |         |             | 100%<br>(18 out of 18 meetings)                |
| 9   | Yasunori Matsui     | Director                                                                                                                                                                                                                                                                                                             | Re-election | Outside | Independent | 100%<br>(18 out of 18 meetings)                |
| 10  | Kazuyoshi Tachibana | Director                                                                                                                                                                                                                                                                                                             | Re-election | Outside | Independent | 100%<br>(18 out of 18 meetings)                |

|                                                                          |                                 |                                                                                                    |                               |                                                                     |                            |                                                                         |                                                         |
|--------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|---------------------------------------------------------|
| <span style="border: 1px solid black; padding: 2px;">New election</span> | New election Director candidate | <span style="background-color: #cccccc; border: 1px solid black; padding: 2px;">Re-election</span> | Reelection Director candidate | <span style="border: 1px solid black; padding: 2px;">Outside</span> | Outside Director candidate | <span style="border: 1px solid black; padding: 2px;">Independent</span> | Independent officer stipulated by stock exchanges, etc. |
|--------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|---------------------------------------------------------|

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Name<br>(Date of birth)                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions | Number of<br>shares of the<br>Company held                                                                                                                                                                                                      |        |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Yosuke Tomoi<br>(January 12, 1956)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings)   | April 1980                                                                           | Joined the Company                                                                                                                                                                                                                              | 38,288 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2006                                                                        | Executive Officer and General Manager of Corporate Planning Dept., Corporate Office Division                                                                                                                                                    |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2007                                                                        | Director and Executive Officer, General Manager of Corporate Office Division, General Manager of Corporate Planning Dept., Corporate Office Division, and General Manager of Legal & Auditorial Dept., Corporate Office Division of the Company |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2008                                                                        | Director and Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., and General Manager of Secretarial Dept.                                                                                       |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2009                                                                        | Director and Executive Officer, and Deputy Division Manager of Sales Division                                                                                                                                                                   |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | August 2010                                                                          | Director and Executive Officer, Deputy Division Manager of Sales Division, and General Manager of Sales Dept. 2, Sales Division                                                                                                                 |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2011                                                                        | Director and Managing Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., and General Manager of Secretarial Dept.                                                                              |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2014                                                                        | Director and Senior Managing Executive Officer, General Manager of Corporate Office Division, responsible for Secretarial Dept., in charge of Administration Division, and General Manager of Secretarial Dept.                                 |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | December 2015                                                                                                                                            | Representative Director, President (current position)                                |                                                                                                                                                                                                                                                 |        |
| [Reason for election as a candidate for Director]<br>Mr. Yosuke Tomoi assumed the office of Representative Director, President of the Company in 2015 after having served as Director of the Company from 2007. He has designed the Nichino Group vision and implemented growth strategies to realize that vision. The Company expects him to contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.                                                                                                                                                                                                                      |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                                 |        |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Yosuke Tomoi and the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                                 |        |
| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Koji Shishido<br>(December 20, 1959)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings) | April 1983                                                                           | Joined Asahi Denka Co., Ltd. (current ADEKA Corporation)                                                                                                                                                                                        | 21,223 |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | June 2004                                                                            | General Manager of Food Production Dept., Kashima Plant, Asahi Denka Co., Ltd.                                                                                                                                                                  |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | June 2010                                                                            | Plant Manager of Kashima Plant, ADEKA Corporation                                                                                                                                                                                               |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | June 2014                                                                            | General Manager of Production Management Dept., ADEKA Corporation                                                                                                                                                                               |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | June 2016                                                                            | Operating Officer and General Manager of Environmental Protection Division, General Manager of Environmental Safety & Quality Assurance Dept., ADEKA Corporation                                                                                |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | April 2017                                                                           | Operating Officer and General Manager of Environmental Protection Division, ADEKA Corporation                                                                                                                                                   |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | December 2018                                                                        | Representative Director and Senior Managing Executive Officer, and Division Manager of Production Division                                                                                                                                      |        |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                          | June 2020                                                                            | Representative Director and Senior Managing Executive Officer, Division Manager of Production Division, and in charge of Environment Safety Dept. (current position)                                                                            |        |
| [Reason for election as a candidate for Director]<br>Mr. Koji Shishido has engaged in the management of ADEKA Corporation, the Company's parent company, as its Operating Officer. In addition, he has a wealth of experience serving many years as head of the production and environmental protection segments and broad insight. He assumed the office of Representative Director of the Company in 2018, and is currently engaged in strengthening the Group's production structure as Division Manager of the Production Division. The Company expects him to contribute to revitalizing the Board of Directors by drawing on these experiences and achievements. |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                                 |        |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Koji Shishido and the Company.<br>For the past 10 years, Mr. Koji Shishido served as an executive of ADEKA Corporation, the Company's parent company as described in past experience, positions, responsibilities and significant concurrent positions.                                                                                                                                                                                                                                                                                                             |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                                 |        |



| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Name<br>(Date of birth)                                                                                                                             | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                       | Number of<br>shares of the<br>Company held |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 3                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Hirohisa Yano<br>(July 16, 1958)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>94%<br>(17 out of 18<br>meetings) | April 1982<br>Joined the Company                                                                                                                                                                                                                           | 9,457                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | August 2007<br>General Manager of Secretarial Dept.                                                                                                                                                                                                        |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | December 2008<br>General Manager of Marketing Dept., Sales Division                                                                                                                                                                                        |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | December 2011<br>Executive Officer, Deputy Division Manager of Sales Division,<br>General Manager of Marketing Dept., Sales Division, and<br>General Manager of Sales Dept. 2, Sales Division                                                              |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | August 2013<br>Executive Officer, Deputy Division Manager of Sales Division,<br>and General Manager of Marketing Dept., Sales Division                                                                                                                     |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | December 2015<br>Director and Senior Executive Officer, and Division Manager of<br>Sales Division                                                                                                                                                          |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | August 2017<br>Director and Senior Executive Officer, and Division Manager of<br>Domestic Sales Division                                                                                                                                                   |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | December 2018<br>Director and Senior Executive Officer, and Division Manager of<br>Market Development Division                                                                                                                                             |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                     | June 2020<br>Director and Managing Executive Officer, Division Manager of<br>Administration Division, responsible for Osaka Plant and<br>General Manager of Osaka Plant, in charge of Market<br>Development Division, and responsible for special missions |                                            |
| August 2021<br>Director and Managing Executive Officer, Division Manager of<br>Administration Division, responsible for CSR Promotion Dept.<br>and General Manager of CSR Promotion Dept., responsible for<br>Osaka Plant and General Manager of Osaka Plant, in charge of<br>Market Development Division, and responsible for special<br>missions (current position)                                                                                                        |                                                                                                                                                     |                                                                                                                                                                                                                                                            |                                            |
| [Reason for election as a candidate for Director]                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                     |                                                                                                                                                                                                                                                            |                                            |
| Mr. Hirohisa Yano has broad experience and knowledge gained by serving in the Company's sales segment, market development segment, and others. He assumed the office of Director of the Company in 2015 and is currently engaged in strengthening the administration segment as Division Manager of the Administration Division. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements. |                                                                                                                                                     |                                                                                                                                                                                                                                                            |                                            |
| [Special notes regarding the candidate for Director]                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                     |                                                                                                                                                                                                                                                            |                                            |
| There are no special interests between Mr. Hirohisa Yano and the Company.                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                     |                                                                                                                                                                                                                                                            |                                            |

| No.                                                                                                                                                                                                                                                                                                                                                                            | Name<br>(Date of birth)                                                                                                                                | Past experience, positions, responsibilities<br>and significant concurrent positions                     | Number of<br>shares of the<br>Company held                                                                                                                                                       |       |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------|
| 4                                                                                                                                                                                                                                                                                                                                                                              | Kozo Machiya<br>(January 17, 1958)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(15 out of 15<br>meetings) | October 1985                                                                                             | Joined the Company                                                                                                                                                                               | 9,103 |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | December 2008                                                                                            | Licensing Manager of Research & Development Strategy<br>Promotion Dept., Research & Development Division                                                                                         |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | December 2012                                                                                            | Exploratory Manager of Research Center, Research &<br>Development Division                                                                                                                       |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | August 2014                                                                                              | General Manager of Research & Development Strategy<br>Promotion Dept., Research & Development Division                                                                                           |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | December 2014                                                                                            | Executive Officer, General Manager of Research &<br>Development Strategy Promotion Dept., Research &<br>Development Division                                                                     |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | December 2016                                                                                            | Executive Officer, Deputy Division Manager of Research<br>Division and General Manager of Research Center, Research<br>Division and Exploratory Manager of Research Center, Research<br>Division |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | December 2018                                                                                            | Senior Executive Officer, Division Manager of Research<br>Division                                                                                                                               |       |
|                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                        | June 2020                                                                                                | Managing Executive Officer, Division Manager of Research<br>Division                                                                                                                             |       |
|                                                                                                                                                                                                                                                                                                                                                                                | June 2021                                                                                                                                              | Director and Managing Executive Officer, and Division Manager<br>of Research Division (current position) |                                                                                                                                                                                                  |       |
| [Reason for election as a candidate for Director]<br>Mr. Kozo Machiya who assumed the office of Director of the Company in 2021 is currently working to enhance drug<br>discovering capability as Division Manager of the Research Division. The Company expects him to contribute to revitalizing<br>the Board of Directors by drawing on these experiences and achievements. |                                                                                                                                                        |                                                                                                          |                                                                                                                                                                                                  |       |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Kozo Machiya and the Company.                                                                                                                                                                                                                                               |                                                                                                                                                        |                                                                                                          |                                                                                                                                                                                                  |       |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | Name<br>(Date of birth)                                                                                                                                   | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Number of<br>shares of the<br>Company held |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Hiroshi Yamanoi<br>(January 22, 1958)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings) | April 1981    Joined Adeka Argus Chemical Co., Ltd. (current ADEKA Corporation)<br>June 2007    General Manager of Additives Solution Dept., Polymer Additives R&D Laboratory, ADEKA Corporation<br>October 2010    General Manager of Additives Solution Dept., Polymer Additives R&D Laboratory, ADEKA Corporation<br>May 2011    General Manager of Overseas Business Promotion Office, Corporate Planning Dept., ADEKA Corporation<br>June 2014    General Manager of Affiliated Companies Support Office, Corporate Planning Dept., ADEKA Corporation<br>October 2016    Joined the Company<br>Executive Adviser of Chemical Products Division<br>December 2016    Director and Senior Executive Officer, and Division Manager of Chemical Products Division<br>December 2018    Director and Senior Executive Officer, and responsible for Pharmaceuticals Dept.<br>August 2019    Director and Senior Executive Officer, and Division Manager of Industrial & Pharmaceuticals Sales Division<br>April 2020    Director and Senior Executive Officer, Division Manager of Industrial & Pharmaceuticals Sales Division and General Manager of Pharmaceuticals Dept., Industrial & Pharmaceuticals Sales Division<br>April 2021    Director and Senior Executive Officer, and Division Manager of Industrial & Pharmaceuticals Sales Division (current position) | 9,616                                      |
| [Reason for election as a candidate for Director]<br>Mr. Hiroshi Yamanoi has worked to promote and support overseas businesses in the corporate planning department of ADEKA Corporation, in addition to having engaged in research and development of additives solution at that company. He assumed the office of Director of the Company in 2016, and is currently engaged in strengthening the industrial and pharmaceuticals sales business including agrochemicals as Division Manager of the Industrial & Pharmaceuticals Sales Division. The Company expects him to continuously contribute to revitalizing the Board of Directors by drawing on these experiences and achievements. |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                            |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Hiroshi Yamanoi and the Company.<br>In the past, Mr. Hiroshi Yamanoi served for 10 years as an executive of ADEKA Corporation, the Company's parent company as described in past experience, positions, responsibilities and significant concurrent positions.                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                            |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Name<br>(Date of birth)                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions |                                                                                                                                                                                                                                | Number of<br>shares of the<br>Company held |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 6                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Hideo Yamamoto<br>(August 10, 1962)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings)  | April 1985                                                                           | Joined the Company                                                                                                                                                                                                             | 8,256                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | August 2006                                                                          | General Manager of Sales Dept. 1, Sales Division                                                                                                                                                                               |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2013                                                                        | General Manager of Accounting and System Dept.,<br>Administration Division                                                                                                                                                     |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2015                                                                        | Executive Officer, Deputy Division Manager of Sales Division,<br>and General Manager of Marketing Dept., Sales Division                                                                                                        |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2016                                                                        | Executive Officer, Deputy Division Manager of Sales Division,<br>and General Manager of Technical Service & Promotion Dept.,<br>Sales Division                                                                                 |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2017                                                                        | Executive Officer, Deputy Division Manager of Domestic Sales<br>Division, General Manager of Technical Service & Promotion<br>Dept., Domestic Sales Division, and General Manager of Sales<br>Dept. 1, Domestic Sales Division |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | August 2018                                                                          | Executive Officer and Deputy Division Manager of Domestic<br>Sales Division                                                                                                                                                    |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2018                                                                        | Director and Senior Executive Officer, and Division Manager of<br>Domestic Sales Division                                                                                                                                      |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | April 2020                                                                           | Director and Senior Executive Officer, and Division Manager of<br>Domestic Sales Division, General Manager of Smart Agriculture<br>Promotion Dept., Domestic Sales Division                                                    |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | April 2021                                                                           | Director and Senior Executive Officer, and Division Manager of<br>Domestic Sales Division (current position)                                                                                                                   |                                            |
| [Reason for election as a candidate for Director]<br>Mr. Hideo Yamamoto has broad experience and knowledge gained by serving in the domestic sales and administration segments of the Company. He assumed the office of Director of the Company in 2018, and is engaged in strengthening the domestic businesses as Division Manager of the Domestic Sales Division. The Company expects him to contribute to revitalizing the Board of Directors by drawing on these experiences and achievements.                                                                            |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                |                                            |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Hideo Yamamoto and the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                |                                            |
| 7                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Hiroyuki Iwata<br>(November 3, 1963)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings) | April 1986                                                                           | Joined the Company                                                                                                                                                                                                             | 9,724                                      |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2013                                                                        | General Manager of Sales Dept. 1, Sales Division                                                                                                                                                                               |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | August 2016                                                                          | General Manager attached to Division Manager of Overseas<br>Division                                                                                                                                                           |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2016                                                                        | Executive Officer, Deputy Division Manager of Overseas<br>Division, and General Manager of Sales Dept. Asia, Overseas<br>Division                                                                                              |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2017                                                                        | Executive Officer and Division Manager of Overseas Division                                                                                                                                                                    |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | December 2018                                                                        | Director and Senior Executive Officer, and Division Manager of<br>Overseas Division                                                                                                                                            |                                            |
|                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                          | June 2020                                                                            | Director and Senior Executive Officer, and Division Manager of<br>Corporate Planning Division                                                                                                                                  |                                            |
| June 2021                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Director and Senior Executive Officer, Division Manager of<br>Corporate Planning Division, and in charge of Overseas Division<br>(current position)      |                                                                                      |                                                                                                                                                                                                                                |                                            |
| [Reason for election as a candidate for Director]<br>Mr. Hiroyuki Iwata has broad experience and knowledge gained by serving in the domestic and overseas sales segments of the Company. He assumed the office of Director of the Company in 2018, and is currently engaged in creating and advancing growth strategies to realize the Nichino Group vision as Division Manager of the Corporate Planning Division. The Company expects him to steer the ongoing group management of the Company as a business administrator by drawing on these experiences and achievements. |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                |                                            |
| [Special notes regarding the candidate for Director]<br>There are no special interests between Mr. Hiroyuki Iwata and the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                             |                                                                                                                                                          |                                                                                      |                                                                                                                                                                                                                                |                                            |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Name<br>(Date of birth)                                                                                                                                            | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of<br>shares of the<br>Company held |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 8                                                                                                                                                                                                                                                                                                                                                                                                                                                              | <p>Akio Kohri<br/>(December 21, 1948)</p> <p>Reelection</p> <p>Attendance rate at<br/>Board of Directors<br/>meetings<br/>100%<br/>(18 out of 18<br/>meetings)</p> | <p>April 1971      Joined Asahi Denka Co., Ltd. (current ADEKA Corporation)</p> <p>June 2008      Director and Operating Officer, Division Manager of Food<br/>Division, and General Manager of China Food Business<br/>Promotion Dept., ADEKA Corporation</p> <p>June 2010      Director and Managing Operating Officer, General Manager of<br/>Corporate Planning Dept., responsible for New Business<br/>Promotion Office, and Chairman of Facility Investment<br/>Committee, ADEKA Corporation</p> <p>June 2012      President of ADEKA Corporation</p> <p>December 2013    Director of the Company (current position)</p> <p>June 2018      Chairman and Chief Executive Officer of ADEKA Corporation</p> <p>June 2020      Advisor, ADEKA Corporation (current position)</p> <p>(Significant concurrent positions)</p> <p>Advisor of ADEKA Corporation</p> <p>Outside Audit &amp; Supervisory Board Member of Zeon Corporation</p> | —                                          |
| <p>[Reason for election as a candidate for Director]</p> <p>Mr. Akio Kohri has served as Chairman and President of ADEKA Corporation, the Company's parent company. He has engaged in business administration in the manufacturing industry for many years and has a wealth of experience and broad insight. The Company has continuously selected him as a candidate for Director, because the Company believes that he is adequate to serve as Director.</p> |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |
| <p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Mr. Akio Kohri to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>                                                                                           |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |
| <p>[Special notes regarding the candidate for Director]</p> <p>There are no special interests between Mr. Akio Kohri and the Company.</p> <p>For the past 10 years to the present, Mr. Akio Kohri has been serving as an executive of ADEKA Corporation, the Company's parent company as described in past experience, positions, responsibilities and significant concurrent positions.</p>                                                                   |                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | Name<br>(Date of birth)                                                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of<br>shares of the<br>Company held |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 9                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Yasunori Matsui<br>(March 3, 1956)<br><br>Reelection<br><br>Outside<br><br>Independent<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings) | April 1984 Full-time lecturer of Department of Commerce, Faculty of<br>Commerce at Takachiho University of Commerce (current<br>Takachiho University)<br>April 1987 Associate professor of Department of Commerce, Faculty of<br>Commerce, Takachiho University of Commerce<br>April 1990 Visiting researcher of the University of Exeter, U.K.<br>April 1994 Associate professor of Business Department, College of<br>Economics, Rikkyo University<br>April 2006 Professor of Global Business Department, College of Business,<br>Rikkyo University<br>March 2007 PhD (Accounting) (Rikkyo University)<br>April 2008 President of Graduate School of Business Administration<br>(MBA), Rikkyo University<br>April 2012 Dean, College of Business, Rikkyo University<br>December 2014 CPA Examination Committee Member<br>December 2014 Director of the Company (current position)<br>March 2021 Professor Emeritus of Rikkyo University (current position)<br>April 2021 Professor of Ohara Graduate School of Accounting (current<br>position)<br>(Significant concurrent positions)<br>Professor Emeritus of Rikkyo University<br>Professor of Ohara Graduate School of Accounting | —                                          |
| [Reason for election as a candidate for Outside Director and overview of expected roles]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>Mr. Yasunori Matsui has broad knowledge and insight in business administration gained through many years of experience as a university professor (in accounting and business administration), and by providing the Company with opinions and advice on the Company's overall management from an objective perspective, he has contributed to improving the effectiveness of the Company's Board of Directors. Although he has no experience in being involved in corporate management except as an outside officer, the Company has continuously selected him as a candidate for Outside Director, because, in addition to the reasons mentioned above, the Company believes that he is capable of adequately executing duties relevant to the position based on his solid track record of fulfilling the responsibilities as Outside Director of the Company. The Company expects him to continue to fulfill the above roles.</p> <p>He will have served as Outside Director for 7 years and 6 months at the conclusion of this Ordinary General Meeting of Shareholders.</p> |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| [Matters concerning independence]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>Mr. Yasunori Matsui satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated him as an independent officer and notified the Exchange to that effect. Subject to the approval of his election as Outside Director, the Company will notify the Exchange of his ongoing designation as an independent officer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| [Liability limitation agreement]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>The Company has entered into an agreement with Mr. Yasunori Matsui to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| [Special notes regarding the candidate for Director]                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>There are no special interests between Mr. Yasunori Matsui and the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | Past experience, positions, responsibilities<br>and significant concurrent positions |                                                                                                                                                 | Number of<br>shares of the<br>Company held |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
|     | Kazuyoshi Tachibana<br>(January 21, 1956)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | April 1978                                                                           | Joined Kyowa Hakko Kogyo Co., Ltd. (current Kyowa Kirin Co., Ltd.)                                                                              | 2,000                                      |
|     | Reelection                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | July 2002                                                                            | President of Kyowa Pharmaceuticals Inc.                                                                                                         |                                            |
|     | Outside                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | April 2005                                                                           | General Manager of Pharmaceutical Strategic Planning Division and Pharmaceutical Manufacturing Strategy Department, Kyowa Hakko Kogyo Co., Ltd. |                                            |
|     | Independent                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | June 2005                                                                            | Executive Officer of Kyowa Hakko Kogyo Co., Ltd.                                                                                                |                                            |
|     | Attendance rate at Board of Directors meetings<br>100%<br>(18 out of 18 meetings)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | October 2008                                                                         | Executive Officer of Kyowa Hakko Kirin Co., Ltd. (current Kyowa Kirin Co., Ltd)                                                                 |                                            |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | April 2009                                                                           | Managing Executive Officer of Kyowa Hakko Kirin Co., Ltd.                                                                                       |                                            |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | June 2009                                                                            | Director of the Board and Managing Executive Officer of Kyowa Hakko Kirin Co., Ltd.                                                             |                                            |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | March 2018                                                                           | Retired from the office of Director of the Board and Managing Executive Officer of Kyowa Hakko Kirin Co., Ltd.                                  |                                            |
|     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         | June 2020                                                                            | Director of the Company (current position)                                                                                                      |                                            |
| 10  | <p>[Reason for election as a candidate for Outside Director and overview of expected roles]<br/>Mr. Kazuyoshi Tachibana has a wealth of experience and broad-based insight as operating officer of a listed company as well as manager of an overseas business entity, and by providing the Company with opinions and advice on the Company's overall management from an objective perspective, he has contributed to improving the effectiveness of the Company's Board of Directors. The Company has selected him as a candidate for Outside Director, because, in addition to the reasons mentioned above, the Company believes that he is capable of adequately executing duties relevant to the position based on his solid track record of fulfilling the responsibilities as Outside Director of the Company. The Company expects him to continue to fulfill the above roles.</p> <p>He will have served as Outside Director for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.</p> |                                                                                      |                                                                                                                                                 |                                            |
|     | <p>[Matters concerning independence]<br/>Mr. Kazuyoshi Tachibana satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated him as an independent officer and notified the Exchange to that effect. Subject to the approval of his election as Outside Director, the Company will notify the Exchange of his ongoing designation as an independent officer.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |                                                                                      |                                                                                                                                                 |                                            |
|     | <p>[Liability limitation agreement]<br/>The Company has entered into an agreement with Mr. Kazuyoshi Tachibana to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Director, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                      |                                                                                                                                                 |                                            |
|     | <p>[Special notes regarding the candidate for Director]<br/>There are no special interests between Mr. Kazuyoshi Tachibana and the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                      |                                                                                                                                                 |                                            |

(Note) To secure talented personnel and support proactive and bold business decision making toward growth, the Company entered into a directors and officers liability insurance contract, an outline of which is provided below. Candidates for the Directors nominated in this Proposal are already insured under said contract, and will continue to be insured upon reelection.

The Company plans to renew said contract with the same contents during their terms of office.

[Outline of content of directors and officers liability insurance contract]

(1) Actual ratio of premiums paid by the insured

Premiums, including riders, are paid by the Company, and the insured do not bear the actual premiums.

(2) Outline of events insured against

The policy, together with riders, will cover damages and legal fees, etc., that may arise due to the insured directors and officers assuming liability for the execution of duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.

(3) Measures to ensure that the appropriateness of directors' and officers' duties are not impaired

The insurance contract contains stipulations regarding the amount of exemptions, and damages up to said exemption amount will not be covered.

**Proposal 4:** Election of 5 Directors Serving as the Audit & Supervisory Committee Members

The terms of office of all 5 Directors serving as the Audit & Supervisory Committee Members will expire at the conclusion of this Ordinary General Meeting of Shareholders.

Accordingly, the Company proposes the election of 5 Directors serving as the Audit & Supervisory Committee Members.

The Audit & Supervisory Committee has given its approval to this proposal.

The candidates for Directors serving as the Audit & Supervisory Committee Members are as follows:

| No. | Name               | Current positions and responsibilities                     | Attributes  |         |             | Attendance rate at Board of Directors meetings | Attendance rate at Audit & Supervisory Committee meetings |
|-----|--------------------|------------------------------------------------------------|-------------|---------|-------------|------------------------------------------------|-----------------------------------------------------------|
| 1   | Yoshiaki Higashino | Director<br>Full-time Audit & Supervisory Committee Member | Re-election |         |             | 100%<br>(18 out of 18 meetings)                | 100%<br>(8 out of 8 meetings)                             |
| 2   | Haruhiko Tomiyasu  | Director<br>Audit & Supervisory Committee Member           | Re-election |         |             | 100%<br>(18 out of 18 meetings)                | 100%<br>(8 out of 8 meetings)                             |
| 3   | Iwao Toigawa       | Director<br>Audit & Supervisory Committee Member           | Re-election | Outside | Independent | 100%<br>(18 out of 18 meetings)                | 100%<br>(8 out of 8 meetings)                             |
| 4   | Chizuko Nakata     | Director<br>Audit & Supervisory Committee Member           | Re-election | Outside | Independent | 100%<br>(18 out of 18 meetings)                | 100%<br>(8 out of 8 meetings)                             |
| 5   | Yoshiko Oshima     | Director<br>Audit & Supervisory Committee Member           | Re-election | Outside | Independent | 100%<br>(18 out of 18 meetings)                | 100%<br>(8 out of 8 meetings)                             |

|                                                                          |                                 |                                                                                                    |                               |                                                                     |                            |                                                                         |                                                         |
|--------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|---------------------------------------------------------|
| <span style="border: 1px solid black; padding: 2px;">New election</span> | New election Director candidate | <span style="background-color: #cccccc; border: 1px solid black; padding: 2px;">Re-election</span> | Reelection Director candidate | <span style="border: 1px solid black; padding: 2px;">Outside</span> | Outside Director candidate | <span style="border: 1px solid black; padding: 2px;">Independent</span> | Independent officer stipulated by stock exchanges, etc. |
|--------------------------------------------------------------------------|---------------------------------|----------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------------------------------------------|----------------------------|-------------------------------------------------------------------------|---------------------------------------------------------|



| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Name<br>(Date of birth)                                                                                                                                                                                                                                          | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of<br>shares of the<br>Company held |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| 1                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Yoshiaki Higashino<br>(May 12, 1958)<br><br>Reelection<br><br>Attendance rate at<br>Board of Directors<br>meetings<br>100%<br>(18 out of 18<br>meetings)<br><br>Attendance rate at<br>Audit & Supervisory<br>Committee meetings<br>100%<br>(8 out of 8 meetings) | April 1984<br><br>October 2002<br><br>December 2008<br><br>December 2013<br><br>December 2015<br><br>December 2016<br><br>December 2018<br><br>June 2020 | Joined Mitsubishi Kasei Corporation (current Mitsubishi<br>Chemical Corporation)<br>Joined the Company<br>General Manager of Corporate Planning Dept., Corporate Office<br>Division<br>Executive Officer and General Manager of Corporate Planning<br>Dept., Corporate Office Division<br>Senior Executive Officer, Division Manager of Corporate<br>Planning Division, General Manager of Corporate Planning<br>Dept., Corporate Planning Division, and responsible for<br>Secretarial Dept.<br>Director and Senior Executive Officer, and Division Manager of<br>Market Development Division<br>Director and Senior Executive Officer, and Division Manager of<br>Administration Division, responsible for Osaka Plant and<br>General Manager of Osaka Plant, and responsible for special<br>missions<br>Director and Full-time Audit & Supervisory Committee Member<br>(current position) | 10,137                                     |
| [Reason for election as a candidate for Director serving as the Audit & Supervisory Committee Member]<br>Mr. Yoshiaki Higashino has broad knowledge and experience gained by serving in the corporate planning and market development segments of the Company. He has also experience as management of the Company as Director since 2016, along with expertise in finance and accounting gained through his career as Division Manager of Administration Division since 2018. The Company has selected Mr. Higashino as a candidate for Director, because the Company believes that he is adequate to serve as Director serving as the Audit & Supervisory Committee Member. |                                                                                                                                                                                                                                                                  |                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                            |
| [Special notes regarding the candidate for Director serving as the Audit & Supervisory Committee Member]<br>There are no special interests between Mr. Yoshiaki Higashino and the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                  |                                                                                                                                                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                            |

| No.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Name<br>(Date of birth)                                                                                                                                                                                                                                                              | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     | Number of<br>shares of the<br>Company held |
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| 2                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | <p>Haruhiko Tomiyasu<br/>(July 7, 1956)</p> <p>Reelection</p> <p>Attendance rate at<br/>Board of Directors<br/>meetings<br/>100%<br/>(18 out of 18<br/>meetings)</p> <p>Attendance rate at<br/>Audit &amp; Supervisory<br/>Committee meetings<br/>100%<br/>(8 out of 8 meetings)</p> | <p>April 1979      Joined The Dai-Ichi Kangyo Bank, Limited (current Mizuho Financial Group, Inc.)</p> <p>July 2005      General Manager of Administration Division, Mizuho Bank, Ltd.</p> <p>June 2007      Full-time Audit and Supervisory Board Member, ADEKA Corporation</p> <p>June 2009      Director and Operating Officer, responsible for Legal &amp; Public Relations Dept. and Financial &amp; Accounting Dept., and Chairman of Internal Control Promotion Committee, ADEKA Corporation</p> <p>December 2009      Audit &amp; Supervisory Board Member of the Company</p> <p>June 2010      Director and Operating Officer, responsible for Information Systems Dept., ADEKA Corporation</p> <p>June 2012      Director and Operating Officer, responsible for Human Resources Dept., Financial &amp; Accounting Dept. and Information Systems Dept., ADEKA Corporation</p> <p>June 2014      Director and Managing Operating Officer, responsible for Human Resources Dept., Financial &amp; Accounting Dept. and Information Systems Dept., and Chairman of Internal Control Promotion Committee, ADEKA Corporation</p> <p>June 2015      Director and Managing Operating Officer, responsible for Human Resources Dept., Financial &amp; Accounting Dept. and Procurement &amp; Logistics Dept., and Chairman of Internal Control Promotion Committee, ADEKA Corporation</p> <p>June 2018      Director and Senior Managing Operating Officer, Assistant to President, responsible for Secretarial Dept., Human Resources Dept., and Procurement &amp; Logistics Dept., and Chairman of Internal Control Promotion Committee, ADEKA Corporation</p> <p>June 2020      Director and Audit &amp; Supervisory Committee Member of the Company (current position)<br/>Representative Director and Senior Managing Operating Officer, Assistant to President, responsible for Secretarial Dept., Human Resources Dept., and Procurement &amp; Logistics Dept., and Chairman of Internal Control Promotion Committee, ADEKA Corporation (current position)</p> <p>(Significant concurrent positions)<br/>Representative Director and Senior Managing Operating Officer of ADEKA Corporation</p> | —                                          |
| <p>[Reason for election as a candidate for Director serving as the Audit &amp; Supervisory Committee Member]<br/>Mr. Haruhiko Tomiyasu is a Representative Director and Senior Managing Operating Officer of ADEKA Corporation, the Company's parent company. The Company has selected him as a candidate for Director because the Company believes that he is adequate to serve as Director serving as the Audit &amp; Supervisory Committee Member based on his wealth of experience and broad insight gained as an executive officer of a listed company.</p> |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |
| <p>[Liability limitation agreement]<br/>The Company has entered into an agreement with Mr. Haruhiko Tomiyasu to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Director serving as the Audit &amp; Supervisory Committee Member, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p>                                                                                                                                 |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |
| <p>[Special notes regarding the candidate for Director serving as the Audit &amp; Supervisory Committee Member]<br/>For the past 10 years to the present, Mr. Haruhiko Tomiyasu has been serving as an executive of ADEKA Corporation, the Company's parent company, as described in past experience, positions, responsibilities and significant concurrent positions.</p>                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |                                            |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                              | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of<br>shares of the<br>Company held |
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|     | <p>Iwao Toigawa<br/>(August 22, 1953)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Attendance rate at<br/>Board of Directors<br/>meetings<br/>100%<br/>(18 out of 18<br/>meetings)</p> <p>Attendance rate at<br/>Audit &amp; Supervisory<br/>Committee meetings<br/>100%<br/>(8 out of 8 meetings)</p> | <p>April 1991 Registered as attorney-at-law (Tokyo Bar Association) and<br/>joined Watanabe Kijuro Law Office</p> <p>July 2001 Established Toigawa Law Office</p> <p>April 2005 Part-time lecturer, Graduate School of Law (Law School) of<br/>Keio University</p> <p>May 2006 Established Hibiya T&amp;Y Law Office (current position)</p> <p>December 2011 Audit &amp; Supervisory Board Member of the Company</p> <p>December 2015 Director of the Company</p> <p>June 2020 Director and Audit &amp; Supervisory Committee Member (current<br/>position)</p> <p>(Significant concurrent positions)<br/>Attorney-at-law</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | <p>—</p>                                   |
| 3   |                                                                                                                                                                                                                                                                                                                      | <p>[Reason for election as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member and overview of expected roles]<br/>Mr. Iwao Toigawa has expertise as an attorney-at-law, and a wealth of experience and broad insight in corporate legal affairs, and by providing the Company with opinions and advice on the Company's overall management from an objective perspective, he has contributed to improving the effectiveness of the Company's Board of Directors. Although he has no experience in being involved in corporate management except as an outside officer, the Company has selected him as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member because, in addition to the reasons mentioned above, the Company believes that he is capable of adequately executing duties relevant to the position based on his solid track record of fulfilling the responsibilities as Outside Director of the Company. The Company expects him to continue to fulfill the above roles. He will have served as Outside Director for 6 years and 6 months and as Outside Director serving as the Audit &amp; Supervisory Committee Member for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Matters concerning independence]<br/>Mr. Iwao Toigawa satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated him as an independent officer and notified the Exchange to that effect. Subject to the approval of his election as Outside Director serving as the Audit &amp; Supervisory Committee Member, the Company will notify the Exchange of his ongoing designation as an independent officer.</p> <p>[Liability limitation agreement]<br/>The Company has entered into an agreement with Mr. Iwao Toigawa to limit his liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of his election as Director serving as the Audit &amp; Supervisory Committee Member, the Company intends to continue the agreement to limit his liability to the amount stipulated by laws and regulations.</p> <p>[Special notes regarding the candidate for Director serving as the Audit &amp; Supervisory Committee Member]<br/>There are no special interests between Mr. Iwao Toigawa and the Company.</p> |                                            |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Number of<br>shares of the<br>Company held |
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|     | <p>Chizuko Nakata<br/>(September 29, 1956)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Attendance rate at<br/>Board of Directors<br/>meetings<br/>100%<br/>(18 out of 18<br/>meetings)</p> <p>Attendance rate at<br/>Audit &amp; Supervisory<br/>Committee meetings<br/>100%<br/>(8 out of 8 meetings)</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>November 1981    Joined Coopers &amp; Lybrand Accounting Office</p> <p>March 1984        Established Nakata Certified Public Accountant Office (current<br/>position)</p> <p>July 1996          Established Nakata Business Consulting LPC (current Nakata<br/>Business Consulting Co., Ltd.) as Representative Director<br/>(current position)</p> <p>December 2015    Audit &amp; Supervisory Board Member of the Company</p> <p>June 2020         Director and Audit &amp; Supervisory Committee Member (current<br/>position)</p> <p>(Significant concurrent positions)</p> <p>Certified public accountant</p> <p>Certified public tax accountant</p> <p>Representative Director of Nakata Business Consulting Co., Ltd.</p> <p>Supervisory Director of Daiwa Securities Living Investment Corporation</p> | <p>—</p>                                   |
| 4   | <p>[Reason for election as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member and overview of expected roles]</p> <p>Ms. Chizuko Nakata has broad-based knowledge and insight in corporate management gained through her years of experience as certified public accountant, and by providing the Company with opinions and advice on the Company's overall management from an objective perspective, she has contributed to improving the effectiveness of the Company's Board of Directors. The Company has selected her as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member because, in addition to the reasons mentioned above, the Company believes that she is capable of adequately executing duties relevant to the position based on her solid track record of fulfilling the responsibilities as Outside Director of the Company. The Company expects her to continue to fulfill the above roles. She will have served as Outside Director serving as the Audit &amp; Supervisory Committee Member for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Matters concerning independence]</p> <p>Ms. Chizuko Nakata satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated her as an independent officer and notified the Exchange to that effect. Subject to the approval of her election as Outside Director serving as the Audit &amp; Supervisory Committee Member, the Company will notify the Exchange of her ongoing designation as an independent officer.</p> <p>[Liability limitation agreement]</p> <p>The Company has entered into an agreement with Ms. Chizuko Nakata to limit her liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of her election as Director serving as the Audit &amp; Supervisory Committee Member, the Company intends to continue the agreement to limit her liability to the amount stipulated by laws and regulations.</p> <p>[Special notes regarding the candidate for Director serving as the Audit &amp; Supervisory Committee Member]</p> <p>There are no special interests between Ms. Chizuko Nakata and the Company.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                            |

| No. | Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                  | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Number of<br>shares of the<br>Company held |
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|     | <p>Yoshiko Oshima<br/>(November 10, 1956)</p> <p>Reelection</p> <p>Outside</p> <p>Independent</p> <p>Attendance rate at<br/>Board of Directors<br/>meetings<br/>100%<br/>(18 out of 18<br/>meetings)</p> <p>Attendance rate at<br/>Audit &amp; Supervisory<br/>Committee meetings<br/>100%<br/>(8 out of 8 meetings)</p> | <p>April 1988 Registered as attorney-at-law (Dai-Ichi Tokyo Bar Association) and joined Nishimura &amp; Sanada (current Nishimura &amp; Asahi)</p> <p>May 1989 Joined Legal Affairs Department, Esso Sekiyu K.K. (current ENEOS Corporation)</p> <p>July 1991 Joined Blakemore &amp; Mitsuki</p> <p>August 1994 Joined Atsumi &amp; Usui (current Atsumi &amp; Sakai)</p> <p>July 1995 Joined Coudert Brothers LLP (New York)</p> <p>May 1997 Established Oshima Law Office (current position)</p> <p>July 2013 Started practice as a certified public tax accountant (current position)</p> <p>September 2018 Audit &amp; Supervisory Board Member of the Company</p> <p>June 2020 Director and Audit &amp; Supervisory Committee Member (current position)</p> <p>(Significant concurrent positions)<br/>Attorney-at-law<br/>Certified public tax accountant</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          | <p>—</p>                                   |
| 5   |                                                                                                                                                                                                                                                                                                                          | <p>[Reason for election as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member and overview of expected roles]<br/>Ms. Yoshiko Oshima has expertise as an attorney-at-law and a certified public tax accountant, along with the legal knowledge and experience developed over the years through her professional career, and by providing the Company with opinions and advice on the Company's overall management from an objective perspective, she has contributed to improving the effectiveness of the Company's Board of Directors. Although she has no experience in being involved in corporate management except as an outside officer, the Company has selected her as a candidate for Outside Director serving as the Audit &amp; Supervisory Committee Member because, in addition to the reasons mentioned above, the Company believes that she is capable of adequately executing duties relevant to the position based on her solid track record of fulfilling the responsibilities as Outside Director of the Company. The Company expects her to continue to fulfill the above roles. She will have served as Outside Director serving as the Audit &amp; Supervisory Committee Member for 2 years at the conclusion of this Ordinary General Meeting of Shareholders.</p> <p>[Matters concerning independence]<br/>Ms. Yoshiko Oshima satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company has designated her as an independent officer and notified the Exchange to that effect. Subject to the approval of her election as Outside Director serving as the Audit &amp; Supervisory Committee Member, the Company will notify the Exchange of her ongoing designation as an independent officer.</p> <p>[Liability limitation agreement]<br/>The Company has entered into an agreement with Ms. Yoshiko Oshima to limit her liability under Article 423, Paragraph 1 of the Companies Act. Subject to the approval of her election as Director serving as the Audit &amp; Supervisory Committee Member, the Company intends to continue the agreement to limit her liability to the amount stipulated by laws and regulations.</p> <p>[Special notes regarding the candidate for Director serving as the Audit &amp; Supervisory Committee Member]<br/>There are no special interests between Ms. Yoshiko Oshima and the Company.</p> |                                            |

(Note) To secure talented personnel and support proactive and bold business decision making toward growth, the Company entered into a directors and officers liability insurance contract, an outline of which is provided below. Candidates for the Directors serving as the Audit & Supervisory Committee Members nominated in this Proposal are already insured under said contract, and will continue to be insured upon reelection.

The Company plans to renew said contract with the same contents during their terms of office.

[Outline of content of directors and officers liability insurance contract]

(1) Actual ratio of premiums paid by the insured

Premiums, including riders, are paid by the Company, and the insured do not bear the actual premiums.

(2) Outline of events insured against

The policy, together with riders, will cover damages and legal fees, etc., that may arise due to the insured directors and officers assuming liability for the execution of duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.

(3) Measures to ensure that the appropriateness of directors' and officers' duties are not impaired

The insurance contract contains stipulations regarding the amount of exemptions, and damages up to said exemption amount will not be covered.

(Reference)

Skills Matrix of Directors (Plan after the conclusion of this Ordinary General Meeting of Shareholders)

| Name                | Positions                                                           | Independence            | Expertise and experience |                    |                   |                        |     |                      |                              |
|---------------------|---------------------------------------------------------------------|-------------------------|--------------------------|--------------------|-------------------|------------------------|-----|----------------------|------------------------------|
|                     |                                                                     | (Outside Director only) | Corporate management     | Industry knowledge | Overseas business | Research & development | CSR | Finance & accounting | Governance & risk management |
| Yosuke Tomoi        | Director, Chairman                                                  |                         | •                        | •                  | •                 |                        | •   |                      | •                            |
| Hiroyuki Iwata      | Representative Director, President                                  |                         | •                        | •                  | •                 |                        |     |                      | •                            |
| Koji Shishido       | Representative Director, Vice President                             |                         | •                        | •                  |                   | •                      | •   |                      |                              |
| Hirohisa Yano       | Director and Managing Executive Officer                             |                         |                          | •                  |                   | •                      | •   | •                    | •                            |
| Kozo Machiya        | Director and Managing Executive Officer                             |                         |                          | •                  |                   | •                      |     |                      |                              |
| Hideo Yamamoto      | Director and Managing Executive Officer                             |                         |                          | •                  |                   |                        |     | •                    |                              |
| Hiroshi Yamanoi     | Director and Senior Executive Officer                               |                         |                          | •                  | •                 | •                      |     |                      |                              |
| Akio Kohri          | Director                                                            |                         | •                        |                    | •                 |                        | •   |                      | •                            |
| Yasunori Matsui     | Director (Outside Director)                                         | •                       |                          |                    |                   |                        |     | •                    |                              |
| Kazuyoshi Tachibana | Director (Outside Director)                                         | •                       | •                        |                    | •                 |                        |     | •                    |                              |
| Yoshiaki Higashino  | Director<br>Full-time Audit & Supervisory Committee Member          |                         | •                        | •                  |                   | •                      |     | •                    | •                            |
| Haruhiko Tomiyasu   | Director<br>Audit & Supervisory Committee Member                    |                         | •                        |                    |                   |                        |     | •                    | •                            |
| Iwao Toigawa        | Director (Outside Director)<br>Audit & Supervisory Committee Member | •                       |                          |                    |                   |                        |     |                      | •                            |
| Chizuko Nakata      | Director (Outside Director)<br>Audit & Supervisory Committee Member | •                       |                          |                    |                   |                        |     | •                    | •                            |
| Yoshiko Oshima      | Director (Outside Director)<br>Audit & Supervisory Committee Member | •                       |                          |                    |                   |                        |     | •                    | •                            |

**Proposal 5:** Election of 1 Substitute Director Serving as the Audit & Supervisory Committee Member

The Company proposes the election of 1 substitute Director serving as the Audit & Supervisory Committee Member to fill in the gap where such gap arises between the statutorily required number and actual number of Directors serving as the Audit & Supervisory Committee Members.

Effectiveness of the resolution for election may, subject to the consent of the Audit & Supervisory Committee, be withdrawn by the resolution of the Board of Directors, insofar as such procedure of withdrawal takes place prior to the appointment of the Audit & Supervisory Committee Member concerned.

The Audit & Supervisory Committee has given its approval to this proposal.

The candidate for substitute Director serving as the Audit & Supervisory Committee Member is as follows.

| Name<br>(Date of birth)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | Past experience, positions, responsibilities<br>and significant concurrent positions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | Number of<br>shares of the<br>Company held |
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| <p style="text-align: center;">Isao Murakami<br/>(November 23, 1956)</p> <p style="text-align: center;">Outside<br/>Independent</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | <p>April 1979      Joined Mitsubishi Corporation</p> <p>October 1993      EVP and Treasurer, Mitsubishi Foods (MC), Inc.</p> <p>March 1996      CFO, MC Machinery Systems, Inc.</p> <p>April 2000      Team Leader of Infrastructure and Business Development Team,<br/>Machinery Management Department, Mitsubishi Corporation</p> <p>July 2004      Deputy General Manager of Audit &amp; Supervisory Board<br/>Members Office, Mitsubishi Corporation</p> <p>March 2010      Senior Vice President, vice in charge of Corporate Planning and<br/>Skill Development, Mitsubishi Corporation Technos</p> <p>April 2010      Member of the Board, Senior Vice President, in charge of<br/>Corporate Planning and Skill Development, and Chief<br/>Compliance Officer, Mitsubishi Corporation Technos</p> <p>April 2011      Member of the Board, Executive Vice President, in charge of<br/>Corporate Planning and Skill Development, and Chief<br/>Compliance Officer, Mitsubishi Corporation Technos</p> <p>June 2016      Member of the Board, Executive Vice President, in charge of<br/>Skill Development, and Chief Compliance Officer, Mitsubishi<br/>Corporation Technos</p> <p>June 2017      Full-time Corporate Auditor, Mitsubishi Corporation Technos</p> <p>June 2019      Retired from the office of Full-time Corporate Auditor,<br/>Mitsubishi Corporation Technos</p> <p>(Significant concurrent positions)</p> <p style="text-align: center;">—</p> | —                                          |
| <p>[Reason for election as a candidate for substitute Outside Director serving as the Audit &amp; Supervisory Committee Member and overview of expected roles]</p> <p>Mr. Isao Murakami has a wealth of experience and insight in corporate management. The Company has selected him as a candidate for substitute Outside Director serving as the Audit &amp; Supervisory Committee Member, because the Company believes that he is capable of carrying out audit of the Company by capitalizing on such experience and insight. He is expected to contribute to improving the effectiveness of the Company's Board of Directors by providing the Company with opinions and advice on the Company's overall management from an objective perspective.</p> |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>[Matters concerning independence]</p> <p>Mr. Isao Murakami satisfies the requirements for independent officer stipulated by the Tokyo Stock Exchange and Independence Standards for Appointment of Independent Officers set forth by the Company. The Company intends, subject to his election as originally proposed followed by his appointment as Outside Director serving as the Audit &amp; Supervisory Committee Member, to designate him as an independent officer and notify the Exchange to that effect.</p>                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>[Liability limitation agreement]</p> <p>Subject to his election as originally proposed followed by his appointment as Director serving as the Audit &amp; Supervisory Committee Member, the Company intends to enter into an agreement with Mr. Isao Murakami to limit his liability for damages stipulated under Article 423, Paragraph 1 of the Companies Act, to the extent stipulated by laws and regulations.</p>                                                                                                                                                                                                                                                                                                                                  |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |
| <p>[Special notes regarding the candidate for substitute Director serving as the Audit &amp; Supervisory Committee Member]</p> <p>There are no special interests between Mr. Isao Murakami and the Company.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                            |



(Note) To secure talented personnel and support proactive and bold business decision making toward growth, the Company entered into a directors and officers liability insurance contract, an outline of which is provided below. If the candidate assumes the office of Director serving as the Audit & Supervisory Committee Member, he will be included in the insured under said contract.

The Company plans to renew said contract with the same contents during his term of office.

[Outline of content of directors and officers liability insurance contract]

(1) Actual ratio of premiums paid by the insured

Premiums, including riders, are paid by the Company, and the insured do not bear the actual premiums.

(2) Outline of events insured against

The policy, together with riders, will cover damages and legal fees, etc., that may arise due to the insured directors and officers assuming liability for the execution of duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.

(3) Measures to ensure that the appropriateness of directors' and officers' duties are not impaired

The insurance contract contains stipulations regarding the amount of exemptions, and damages up to said exemption amount will not be covered.

(Reference)

### Independence Standards for Appointment of Independent Officers

1. In order to serve as an independent officer of the Company, he/she shall not fall under any of the following categories of persons.
  - (1) A person who is an executive director, executive officer, manager, or other employee (hereinafter collectively referred to as an “Executive Director, etc.”) of the Company or any of its subsidiaries, or a person who was an Executive Director, etc., of the Company during the past 10 years prior to assuming the office of independent officer (if the person has, at any time during those past 10 years, served as a non-executive director [meaning a director who does not fall under the criteria of an executive director; hereinafter the same shall apply], audit & supervisory board member or accounting advisor of the Company or any of its subsidiaries, during the past 10 years prior to assuming the office of such position).
  - (2) A major shareholder of the Company (meaning a shareholder holding 10% or more of the voting rights; hereinafter the same shall apply). If such major shareholder is a corporation, a person who is an executive director, executive officer, corporate officer, manager or other employee of such corporation, or the parent company or any of the major subsidiaries of such corporation (hereinafter collectively referred to as an “Executive Person”), or an Executive Person thereof during the last three years.
  - (3) A person whose major business partner is the Company or any of its subsidiaries (meaning a person who received payment equivalent to 2% or more of the Company’s consolidated annual sales for the most recent fiscal year from the Company or any of its subsidiaries; hereinafter the same shall apply). If such person is a corporation, a person who is an Executive Person of such corporation, or has been an Executive Person at any time during the three fiscal years prior to the most recent fiscal year.
  - (4) A major business partner of the Company (meaning a person who made payments equivalent to 2% or more of the Company’s consolidated annual sales for the most recent fiscal year to the Company; hereinafter the same shall apply). If such person is a corporation, a person who is an Executive Person of such corporation, or has been an Executive Person at any time during the three fiscal years prior to the most recent fiscal year.
  - (5) A person who is a director (limited to those who are responsible for the business execution) of an organization (for example, public interest incorporated foundation, public interest incorporated association, non-profit corporation, etc.), which received donations or grants exceeding ¥10 million per year on average over the past three fiscal years, from the Company or any of its subsidiaries, or a person who is an officer, corporate member or employee who executes business of such organization.
  - (6) A person who is an Executive Person of a corporation which has accepted director(s) (either full-time or part-time) from the Company or any of its subsidiaries, or of the parent company or any of the subsidiaries of such corporation.
  - (7) A person who is an Executive Person, or has been an Executive Person in the last three years, of a financial institution or other major creditor (hereinafter referred to as a “Major creditor, etc.”) that is essential to the Company’s financing and is relied upon by the Company to the extent that there is no substitute, or the parent company or any of major subsidiaries of such major creditor, etc.
  - (8) A person who is currently an accounting auditor, certified public accountant (or tax accountant) who serves as accounting advisor, or a member, partner or employee of an auditing firm (or tax accountant office) for the Company or any of its subsidiaries.

- (9) A person who has been an accounting auditor, certified public accountant (or tax accountant) who served as accounting advisor, or a member, partner or employee of an auditing firm (or tax accountant office) who has actually engaged in the auditing operations (excluding assisting involvement) for the Company or any of its subsidiaries over the last three years (including those who are currently retired from or have left the relevant organization).
  - (10) A person who is an attorney-at-law, certified public accountant, tax accountant or any other consultant that does not fall under items (8) or (9) above, and has received monetary or any other financial benefits of ¥10 million or more per year on average over the past three years, in addition to directors' remuneration, from the Company or any of its subsidiaries.
  - (11) A person who is a member, partner, associate or employee of a law firm, audit firm, tax accountant office, consulting firm or any other professional advisory firm which does not fall under items (8) or (9) above, and has received payment of ¥10 million or more per year on average over the past three years, from the Company or any of its subsidiaries.
  - (12) Any person who was an Executive Person, non-executive director or audit & supervisory board member of the parent of the Company in the period of 10 years prior to his/her appointment.
  - (13) Any person who is, or was in the last 10 years, an Executive Person in a sister company of the Company (a company that has the same parent as the Company).
  - (14) A spouse, a relative within the second degree, or a relative living in the same household of the person listed hereunder.
    - A. Person listed above
    - B. Executive Person, non-executive director, accounting advisor or audit & supervisory board member of the parent of the Company
2. In order to serve as an independent officer of the Company, it is required that he/she be free from risk of developing a substantive conflict of interest on a constant basis with the Company's general shareholders for reasons other than those covered by Paragraph 1 above.
  3. Even if he/she falls under any of the categories set forth in Paragraph 1 above, when the Company believes that the individual is appropriate to be appointed as an independent officer of the Company based upon his/her personal quality and insight, it may appoint such individual as an independent officer on the condition that it explains to the public that he/she satisfies the requirements for outside director set forth by the Companies Act, and provides reasons why it considers he/she be appropriate for its independent officer.

## Business Report

(April 1, 2021 - March 31, 2022)

### I. Overview of the corporate group

#### 1. Business progress and results

During the fiscal year under review, Japan's economy saw signs toward normalization of economic and social activities as manufacturing activities of companies have recovered and consumer spending has remained steady in line with the spread of vaccination against the novel coronavirus (COVID-19). However, we remain unable to see when the infection will end, as new variants continue to spread and furthermore, due to higher geopolitical risk with the Ukraine situation and rising raw material prices, future economic prospects are uncertain.

In the environment surrounding agriculture, farm production is expected to continue growing since demand for agricultural products will expand on the background of an increasing global population and economic development of emerging markets. The agrochemical market worldwide is returning to an upward trend thanks to increasing demand in the Americas and other regions despite slower growth for the past few years.

Looking at sales territories of the Group, the agrochemical market in North America has remained steady, benefiting from continued warm weather. In Central and South America, demand has grown in Brazil thanks to expanded soy bean and maize planted areas and other factors. In Asia, demand has grown in the Southeast Asia and other regions where weather has improved. Furthermore, in Europe, demand in the overall market turned to growth since distribution inventories in the past years have been digested.

In domestic agriculture, structural problems such as an aging population of agricultural workers, a worsening shortage of successors and increasing abandoned farmland continue to remain unsolved. For addressing these problems, the Headquarters on Creating Dynamism through Agriculture, Forestry and Fishery Industries and Local Communities under the national government set an export goal of 5 trillion yen by 2030 in the strategy for expanding the export of agricultural, forestry and fishery products and foods, aiming to expand profits for agriculture, forestry and fishery operators.

Under such circumstances, the Group has executed the new three-year "Ensuring Growing Global 2 (EGG2)" medium-term management plan starting from the current fiscal year and worked for improving profitability, building innovative technologies and next-generation businesses and improving corporate value in a sustainable manner. Net sales of the Group amounted to 81,910 million yen (an increase of 10,385 million yen or 14.5% year on year) for the fiscal year under review. In terms of profits, operating profit and ordinary profit amounted to 6,642 million yen (a decrease of 339 million yen or 4.9% year on year) and 5,768 million yen (an increase of 46 million yen or 0.8% year on year), respectively and profit attributable to owners of parent amounted to 4,502 million yen (an increase of 157 million yen or 3.6% year on year).

An overview of each business segment is as follows:

(1) Agrochemical business

Regarding agrochemical sales in Japan, the Group has struggled to spread our core internally developed products such as fungicide pyraziflumid for horticultural use (product name: “Parade”) while expanding sales of this product. In addition, in order to increase our share in the domestic agrochemical market, the Company entered into a sales agreement in Japan in May 2021 with Corteva Agriscience Japan Limited and Dow AgroSciences Japan Limited (hereinafter collectively referred to as “Corteva”) and began sales of Corteva products in October of the same year. As a result, net sales of the overall domestic agrochemical sales have exceeded that of the previous fiscal year.

For overseas agrochemical sales, net sales of Sipcam Nichino Brasil S.A. have grown as the agrochemical demand is on upward trend in Brazil which is the world largest market and furthermore, sales of insecticide flubendiamide which started from the previous fiscal year remained strong. In North America, net sales of Nichino America, Inc. increased, driven by sales of herbicide pyraflufen-ethyl, etc. which took away market shares from competing products. In Europe, sales of flubendiamide active ingredients for Bayer have remained strong. Furthermore in Asia, sales of the tolfenpyrad insecticide for horticultural use have remained strong in India.

Regarding benzpyrimoxan (product name: “Orchestra”), a novel insecticide for paddy rice, for which application of agrochemical registration was filed in India by Nichino India Pvt. Ltd. in February 2019, agrochemical registration was acquired on February 3, 2022.

As a result of the above, net sales of the agrochemical business amounted to 76,801 million yen (an increase of 11,414 million yen or 17.5% year on year) and operating profit amounted to 6,240 million yen (an increase of 241 million yen or 4.0% year on year).

(2) Chemicals other than agrochemicals business

In the chemicals business, AgriMart Corporation experienced strong sales of the termiticide segment due mainly to growth of housing starts in 2021 for the first time in five years. On the other hand, in the pharmaceutical business, the topical antifungal drug luliconazole experienced stagnant sales due mainly to decreased outpatient visits to medical institutions amid the spread of COVID-19.

As a result of the above, net sales of the chemicals other than agrochemicals business amounted to 3,465 million yen (a decrease of 813 million yen or 19.0% year on year) and operating profit amounted to 960 million yen (a decrease of 510 million yen or 34.7% year on year).

| Business                                    | Net sales          | Composition |
|---------------------------------------------|--------------------|-------------|
| Agrochemical business                       | 76,801 million yen | 93.8%       |
| Chemicals other than agrochemicals business | 3,465 million yen  | 4.2%        |
| Other business                              | 1,643 million yen  | 2.0%        |

## 2. Research and development activities

### (1) Research activities

During the fiscal year under review, as the first fiscal year of the “Ensuring Growing Global 2 (EGG2)” medium-term management plan, the Company continually worked to enrich and step up pipeline compounds and create new lead compounds in exploratory research, in an effort to create new chemicals in a sustainable manner. Additionally, in research and development, the Company promoted strategic and global research activities through cooperation between group companies, working to maximize value of new chemicals and maintaining and expanding value of existing chemicals.

#### 1) Creation of new compounds

In the crop science field, with the goal of “launching one agent every three years,” the Company qualitatively and quantitatively improved exploratory research by unifying the three segments of chemistry, biology, and safety, while advancing diverse medicine creation through open innovation with universities and public research institutions, etc. Among these, for several promising candidate compounds, the Company made steady progress toward development and commercialization. Furthermore, in parallel with this effort, the Company actively promoted research of biotic pesticides and crop protection material. Meanwhile, the Company also promoted research in the fields of animal health care products and pharmaceuticals in an effort to strengthen the life sciences field.

#### 2) Promotion of new chemical development and maintaining and expanding existing chemicals

By strengthening global cooperation among group companies, the Company continued performance evaluations and information sharing to develop new chemicals and maintain and expand value of existing chemicals, while also considering cost reductions for ingredients in an effort to improve profitability. Application research was pursued for launching the full-scale sale of general fungicide pyraziflumid (product name: “Parade”) and benzpyrimoxan (product name: “Orchestra”), a novel insecticide for paddy rice, in the domestic and overseas markets.

#### 3) Promoting consideration of new businesses

The Company achieved the full-scale sale of a frost damage prevention chemical that makes use of supercooling acceleration substances by accumulating implementation effectiveness data. Considerations are also continuing in cooperation with external institutions for evaluating other new business themes from a technical perspective and establishing business models.

### (2) Development activities

As the first fiscal year of the EGG2 medium-term management plan, the Company worked to maximize the proprietary active ingredients in the global market, strengthen marketing functions focused on customers’ voice and perspectives and respond to market changes. For maximizing the proprietary active ingredients, the Company promoted registration and development in cooperation with the group companies. For strengthening marketing functions, the Company built a global marketing structure and strengthened collection and analysis of the global market information and for responding to market changes, the Company began development of biotic pesticides and crop protection materials.

#### 1) Newly developed products

In the fiscal year under review, the Company launched domestic development of a novel general insecticide (development code: NNI-2101). This is a new active ingredient having excellent general applicability, as it displays a broader insecticidal spectrum including lepidopterous and coleopteran pests, with excellent systemic action and high efficacy against existing insecticide-resistant pests. Therefore, contract tests are planned for various kinds of target pests and treatment methods and the Company will promote domestic development to make it a convenient insect pest control material. Also, the Company is considering its expansion to the global market and will launch development, at first in countries and regions where registrability and profitability are expectable. Furthermore, the Company is considering the development of one insecticide and one fungicide as candidates for new chemical pipelines.

For benzpyrimoxan, a novel insecticide for paddy rice for which agrochemical registration was acquired in Japan and India, sales of Orchestra Flowable began in May 2021 as a controlling agent against rice planthopper nymphs and *Nephotettix cincticeps* nymphs. In 2022, the Company plans to begin sales of Orchestra Starkle Air which also targets *Pentatomorpha* and Orchestra Romdan Moncut Air and Dust Formulation targeting lepidopterous pests and sheath blight disease, establishing a brand as a spraying agent for paddy rice fields, enriching the product lineup. Active ingredients of this chemical are manufactured by Nichino India Pvt. Ltd., which we believe will contribute to expansion of business of the entire Group. In India, the sale is planned to begin in 2022 and the Company will make efforts to maximize business of this chemical in the broader Asian region where wet-rice cultivation is popular.

For the novel general fungicide pyraziflumid, the Company worked to spread Parade 15 Flowable for

fruit trees, Parade 20 Flowable for vegetables, and Decide Flowable for turf. Particularly for Parade 20 Flowable, the Company acquired registration for many kinds of crops to enable it to be used in wider opportunities, in addition to development in a new treatment field (cell seedling irrigation treatment). Global development of this chemical is also underway, and application for registration were filed in the United States (including California), Canada, Mexico, Colombia, and Vietnam. In the United States, registration is expected to be approved for fruit trees, nuts, and turf in 2022. The Company is also considering possibilities for development in Europe, Brazil, and other countries and regions.

#### 2) New domestic products

With the objective of enriching the domestic product portfolio, the Company began sales of the Twin Barrier Water-Soluble Powder which is a proprietary product of horticultural fungicides. In addition, the Company began sales of the Dunk Shot Flowable paddy herbicides introduced from SDS Biotech K.K. Furthermore, the Company introduced 32 of Corteva's chemicals to increase our lineup.

For existing chemicals, the Company is actively expanding applications for unmanned aerial dispersion via drones, etc., in the horticultural field, and registrations were newly acquired for the PHOENIX Water-Soluble Powder, AXEL Flowable, COLT Water-Soluble Powder, Nomolt Emulsion, Parade 20 Flowable, and Z-Bordo.

In addition, the Company is actively introducing products other than agrochemicals and began the full-scale sale of a frost damage prevention chemical that makes use of natural extract from coffee (product name: Frost Buster).

#### 3) Overseas products

For the pyflubumide acaricide, an application for registration has completed in Israel. Evaluations are also ongoing to determine development possibilities in other countries.

Sales of the pyrifluquinazon insecticide began newly in Colombia. Furthermore, registration was acquired in India, Algeria, and Oman and it is under review in Israel, Saudi Arabia, the UAE, and Taiwan. Also for the future, measures will be taken to expand the number of countries and regions where it is registered.

Sales of the tolfenpyrad insecticide have begun newly in Brazil, Guatemala, and Myanmar. Registration was also acquired in Algeria and Oman and in Tunisia, Saudi Arabia, and Vietnam, registration is under review.

For flubendiamide insecticide, the Company promoted development in regions where Bayer CropScience has conducted sales and the sales began in the large Brazil market. Registration is under review in Argentina, Colombia, and Philippines and the Company intends to expand the market steadily.

Isoprothiolane has been spread and sold as a method to combat paddy rice blast and development is progressing for its applications to the banana field in Central and South America, the Philippines, and other regions.

For orthosulfamuron herbicide, in the United States, sales began in the tree nut and vine fields.

For the insecticide buprofezin, insecticide and acaricide fenpyroximate, fungicide flutolanil and herbicide pyraflufen-ethyl, the Company is working to expand and maintain the business by maintaining and expanding their registrations globally.

To contribute to a society as a research and development-oriented company, the Company will continue to offer new products that are environmentally friendly and considerate of safety and health to the market through technological innovation and strive to enhance customer value, in compliance with the letter and the spirit of laws and regulations. Additionally, the Company will accelerate global expansion under the medium-term management plan EGG2, continuously creating new active ingredients that are complying with regulations of each country, while strengthening revolutionary and well-planned activities in anticipation of the future market environment.

### **3. Status of capital investment**

The total amount of capital investment for the fiscal year under review was 1,665 million yen, primarily comprising expenses associated with updating existing facilities at the Kashima Plant and increasing capacity of a Nichino India Pvt. Ltd. plant for manufacturing active ingredients.

### **4. Status of fund procurement**

There were no matters of note during the fiscal year under review.

## 5. Status of business transfers to and from the Company

There were no matters of note during the fiscal year under review.

## 6. Status of stock holdings in other companies or acquisition or disposal of stock acquisition rights, etc.

There were no matters of note during the fiscal year under review.

## 7. Medium to long term management strategy and issues to be addressed

The environment surrounding the agrochemical business, which is the Group's core business, is seeing an expansionary trend in the global agrochemical market, owing to heightened demand for food stemming from factors including an increasing global population and economic development in emerging markets. Meanwhile, in Japan, the agrochemical market is projected to continue on a declining trend against a backdrop of an aging population of agricultural workers, a decrease in farming land due to a worsening shortage of successors, and government policies that seek to reduce agricultural materials costs. Additionally, creating new chemicals is becoming increasingly complex and hurdles for registration of new agrochemicals are becoming stricter, leading to an increase in new chemical development cost and development time. Furthermore, increasingly strict requirements for agrochemical registration in various countries, price competition with generic agrochemicals, higher raw materials expenses and outsourced manufacturing expenses, and effects of irregular weather on agricultural products, etc., are creating an increasingly strict business environment for the Group.

In addition, concerning the future outlook, we assume that unstable and uncertain conditions will continue mainly due to impact on the global economy of the prolonged COVID-19 infection and emerging geopolitical risk. As the agrochemical business, which is the Group's core business, is a business associated with the roots of agricultural products in its role supporting a safe and stable food supply, it can be thought that the effects will be limited relative to other industries, but there may be direct effects on production and procurement, or indirect effects due to changes in the agricultural environment.

Amid such a business environment and under the "Nichino Group - Growing Global" Group Vision, during the fiscal year under review which served as the first fiscal year of the "Ensuring Growing Global 2 (EGG2)" medium-term management plan, the Group was able to achieve a certain level of results in strengthening its business foundations, including acquiring registrations and promoting development for key chemicals in target markets, enriching the drug pipeline, promoting development of the next-generation business, strengthening sales structures in India, responding to smart agriculture, and promoting operational reforms and workstyle reforms. Additionally, activities were promoted to create and manifest synergies at an early stage from the capital and business alliance with ADEKA Corporation.

The Group will continue to maximize contributions to revenue from previous investments and M&A projects, while planning to expand business content through progress in further growth strategies moving toward targeting net sales of 100.0 billion yen.

### **[Nichino Group Vision]**

"Nichino Group – Growing Global"

- Supporting agricultural production and healthy lifestyles by providing advanced technologies that meet customer needs, such as new agrochemicals, pharmaceuticals, and animal health care products.
- Contributing to a sustainable society by expanding products and services that contribute to the SDGs, such as environmentally friendly products and labor-saving technologies.



**[Medium-term management plan (Year ended March 31, 2022 to year ending March 31, 2024)]**

1) Name: “Ensuring Growing Global 2 (EGG2)”

2) Numerical plans

|                          | Year ending<br>March 31, 2024 plan<br>(Final fiscal year)    |
|--------------------------|--------------------------------------------------------------|
| Consolidated net sales   | 89.0 billion yen<br>(Target net sales:<br>100.0 billion yen) |
| Operating profit         | 6.4 billion yen                                              |
| Overseas net sales       | 57.1 billion yen                                             |
| Overseas net sales ratio | 64%                                                          |

(Note) The planned figures, earnings forecasts, and other forward-looking statements indicated in this document are based on currently available information as well as certain assumptions that the Company deems to be reasonable but actual earnings may differ significantly due to various factors.

3) Basic policy

Toward achievement of the Group Vision, the Company has established the new corporate statement of “Global Innovator for Crop & Life” to strengthen foundations for creating a robust global structure, continuing the initiatives of the previous medium-term management plan. To strengthen foundations, in addition to improving profitability through expanding group synergies, the Company will have a basic policy of innovating technologies, establishing next-generation businesses, and sustainably improving corporate value, supporting agricultural production and healthy lifestyles via advanced technologies and aiming to become a corporate group that can contribute to a sustainable society.

i) Improve profitability

- Expansion of priority products
- Cost reduction through optimal active ingredient manufacturing system
- Expansion of group synergy

ii) Technological innovation and establishment of next-generation businesses

- Promotion and global expansion of research and development
- Expansion of biotic pesticides and crop protection material areas
- DX initiatives

iii) Sustainable growth in corporate value

- Strengthening CSR activities and ESG management
- Promotion of business reform and work style reform

Specifically, the Company will steadily implement the following measures.

**<Expansion of priority products>**

By defining benzpyrimoxan, pyrifluquinazon, pyraflufen-ethyl, and flubendiamide as priority products, the Company will work to expand sales areas and promote sales through simultaneous development within and outside Japan and promoting acquisition of overseas registrations. Additionally, by defining Brazil and India as primary strategic areas, the Company will expand its business scale with overseas group companies as growth drivers.

**<Cost reduction through optimal active ingredient manufacturing system>**

Establishing the optimal global production system of active ingredients and reducing costs, the Company will aim to improve efficiency of production through smart factories.

**<Expansion of group synergy>**

Various measures that will lead to stronger sales expansion will be steadily implemented by business divisions and group companies. The Company will also ascertain dealer sales and inventory levels to work toward timely product selection and sales campaign support.

**<Promotion and global expansion of research and development>**

As difficulty in creating new chemicals increases, steady progress is being made in enriching pipeline compounds. The Company will realize early stage development of such compounds. Additionally, for new chemical currently under development, by continuing with strategic research and development expense

investment (about 10% of net sales), the Company will steadily proceed toward commercialization. By strengthening global registration and development capabilities, the Company will strengthen cooperation within the Group with the objective of optimal commercialization.

**<Expansion of biotic pesticides and crop protection material areas>**

Through applying technologies and experience gained in the agrochemical business, the Company will provide new value to society that will contribute to healthy lifestyles via the life sciences, including development of pharmaceuticals and animal health care products, introduction of biotic pesticides and biostimulants that will aid in healthy plant growth, businesses that make use of half-fermented production technologies using natural ingredients, and creating crops that contain specified functional components. The Company will also consider business expansion through M&A and incorporating external value, etc., as opportunities arise.

**<DX initiatives>**

Beginning with the promotion of energy efficiency through smart agriculture, the Company will promote transfer to smart factories, and make use of social networking services and webinars in its promotion activities, using digital and IT technologies to work toward improving customer service and corporate value by innovating in business and operational ideals.

**<Strengthening CSR activities and ESG management>**

With a basic policy of “Contributing to food, the environment, and society through technological innovation,” the Company will engage in the seven priority issues of enriching compliance and risk management, raising the level of environmental management, enriching human rights management, promoting a corporate culture of safety, development of technologies and products in response to societal needs, participation in communities, and strengthening corporate and organizational governance. To steadily implement these issues, the Company will strengthen CSR management via measures including strengthening corporate governance, promoting diversity management, and positioning the CSR Committee on the same level as the Management Committee to further improve the CSR activities of the Group.

**<Promotion of business reform and work style reform>**

The Company will increase employee motivation by fundamentally revising existing structures in areas such as personnel appraisal systems and work benefits, in addition to establishing an office environment where employees can work regardless of the time and place, creating a work environment that improves productivity of employees from both soft and hard perspectives. Furthermore, by strengthening measures in diversity and inclusion, the Company will promote personnel development of employees that can work on the global stage.

**4) Dividend policy**

The Company aims dividend payout ratio of 30% or more under a basic policy of a stable dividend payment.

The Group will further develop technologies that it has gained in the agrochemical business, continuously provide advanced technologies in new agricultural, pharmaceutical, and animal health care products, and contribute to society by supporting agricultural production and healthy living. Aiming to become a corporate group that contributes to the future of humanity, the Group will expand business activities as a research and development-oriented company that fulfills its social responsibilities in strict compliance with laws and regulations.

The Company thanks shareholders for their continued support.

## 8. Trends in assets and income

| Item                                       | Fiscal year ended<br>September 30, 2019<br>120th fiscal year | Fiscal year ended<br>March 31, 2020<br>121st fiscal year | Fiscal year ended<br>March 31, 2021<br>122nd fiscal year | Fiscal year ended<br>March 31, 2022<br>123rd fiscal year<br>(Fiscal year under<br>review) |
|--------------------------------------------|--------------------------------------------------------------|----------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Net sales                                  | 63,260 million yen                                           | 35,674 million yen                                       | 71,525 million yen                                       | 81,910 million yen                                                                        |
| Ordinary profit                            | 2,984 million yen                                            | 4,004 million yen                                        | 5,722 million yen                                        | 5,768 million yen                                                                         |
| Profit attributable to<br>owners of parent | 2,684 million yen                                            | 1,477 million yen                                        | 4,344 million yen                                        | 4,502 million yen                                                                         |
| Earnings per share                         | 34.07 yen                                                    | 18.75 yen                                                | 55.23 yen                                                | 57.32 yen                                                                                 |
| Total assets                               | 94,464 million yen                                           | 102,214 million<br>yen                                   | 107,969 million<br>yen                                   | 118,247 million<br>yen                                                                    |
| Net assets                                 | 58,198 million yen                                           | 58,372 million yen                                       | 62,071 million yen                                       | 66,956 million yen                                                                        |
| Net assets per share                       | 713.99 yen                                                   | 716.47 yen                                               | 774.76 yen                                               | 836.39 yen                                                                                |

- (Notes)
1. Earnings per share is calculated based on the average number of outstanding shares during the period, excluding treasury shares.
  2. Net assets per share is calculated based on number of outstanding shares at the end of the period, excluding treasury shares.
  3. The 121st fiscal year is the six-month period from October 1, 2019 to March 31, 2020, due to a change in the closing date.

## 9. Status of significant parent companies and subsidiaries

### (1) Relationship with parent company

#### Status of parent company

The Company's parent company is ADEKA Corporation, and said company holds 40,176 thousand shares (voting rights ratio: 51.1%) of the Company's shares, including indirect holdings.

The Company has received two concurrently serving officers from the parent company.

The Company has concluded a capital and business alliance agreement with the parent company. An overview is as follows.

#### 1) Objective

While maintaining the independence of the Company's management in principle, the Company and the parent company will cooperate via the capital and business alliance between the two companies, executing and promoting strategic plans and activities concerning the life sciences business beginning with the Company's agrochemical business, with the objective of maximizing the corporate value of both companies.

#### 2) Maintaining listing and maintaining company name

As a basic policy, the parent company and the Company will maintain the Company's listing on the First Section of the Tokyo Stock Exchange and maintain the Company's name of NIHON NOHYAKU CO., LTD.

#### 3) Right to designate officers

Upon deliberation with the Representative Director (excluding Director designated by the parent company) of the Company, the parent company has the right to designate Directors of the Company (Either Directors serving as the Audit & Supervisory Committee Members or other Directors is irrelevant, and the ratio of persons designated as each is also irrelevant. Of which, one shall be a Representative Director. Additionally, if the parent company designates eight Directors, one must be an Independent Outside Director.), in a number determined by multiplying 16 by the ratio of voting rights held by the parent company (However, the upper limit shall be eight. Additionally, numbers less than one shall be rounded down.). Furthermore, the number of Directors of the Company who are not Directors serving as the Audit & Supervisory Committee Members will be 11 or less, and the number of Directors serving as the Audit & Supervisory Committee Members will be 5 or less. However, this may change if advance written approval is obtained from the parent company.

#### 4) Right to receive new share issuance

Excluding cases where advance written approval is obtained from the parent company, the Company will not issue, dispose of, or grant shares, etc. (Defined as rights to acquire the Company's shares, stock acquisition rights, option rights, share transfer rights, or any other shares of the Company.), and if such an issuance, etc., is to be conducted, the parent company has the right to receive a number of shares, etc., required to maintain the voting rights ratio of the tender offeror as of the time immediately before said issuance, etc., is to be conducted at a price identical to the paid-in amount or exercise price of the

shares, etc., concerning said issuance, etc.

5) Content of business alliance

To achieve the goals of this capital and business alliance agreement, etc., the tender offeror and the Company will conduct a business alliance with the following content, and specific content shall be determined via deliberation between both companies.

- (i) Improve development speed through mutual support in the research and development sector
  - (a) Strengthen life sciences field
  - (b) Use compounds database
- (ii) Improve productivity through mutual use of production technologies and process chemistry
- (iii) Expand sales channels through mutual use of global networks
- (iv) Develop highly functional compounds by providing technologies in synthesis reactions, distributed technologies, and analysis technologies, etc.
- (v) Exchange of researchers with knowledge in various fields

6) Termination of this capital and business alliance agreement

This capital and business alliance agreement will be terminated under certain conditions, such as if both parties agree in writing to terminate this agreement.

In addition, the Company has agreed with the parent company about having prior consultation with the parent company and holding meetings for prior explanation and discussion concerning important matters to be resolved by the Company's Board of Directors which may have significant influence on management and results of the entire group of the parent company, from a perspective of balancing control of the group companies by the parent company and independence of the Company's decision making.

(2) Material subsidiaries

| Company name                   | Capital                   | The Company's investment percentage | Principal business                                                                                                                                         |
|--------------------------------|---------------------------|-------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Nichino Ryokka Co., Ltd.       | 160 million yen           | 100.0%                              | Construction, design, contracting, and supervision of greenification gardens, etc., and sales of chemicals/pesticides for gardens and greenification, etc. |
| Nichino Service Co., Ltd.      | 3,400 million yen         | 100.0%                              | Production, order receipt, storage, and transport of agrochemicals, real estate leasing and management, and warehousing, etc.                              |
| Nichino America, Inc.          | 700 thousand U.S. dollars | 100.0%                              | Production, development, and sales of agrochemicals in the United States, etc.                                                                             |
| Nihon Ecotech Co., Ltd.        | 20 million yen            | 100.0%                              | Analysis of agrochemical residue, safety testing of chemical substances, consulting regarding environmental safety, etc.                                   |
| Taiwan Nihon Nohyaku Co., Ltd. | 40 million NT dollars     | 57.0%                               | Development, promotion, and sales of agrochemicals in Taiwan, etc.                                                                                         |
| AgriMart Corporation           | 50 million yen            | 100.0%                              | Sales of termite control agents/devices, pest control agents/devices, etc.                                                                                 |
| Nichino India Pvt. Ltd.        | 3 million rupees          | 99.9% (100.0%)                      | Production, development, and sales of agrochemicals in India, etc.                                                                                         |
| Sipcam Nichino Brasil S.A.     | 223 million reals         | 50.0%                               | Production, promotion, and sales of agrochemicals in Brazil, etc.                                                                                          |
| Nichino Europe Co., Ltd.       | 30 thousand pounds        | 100.0%                              | Production, development, and sales of agrochemicals in Europe, etc.                                                                                        |

(Notes) The Company's investment percentage in parentheses is the ratio including indirect holdings.

## 10. Principal business

| Business                                    | Main products                                                                                                                                      |
|---------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------|
| Agrochemical business                       | Insecticides, fungicides, insect-fungicides, herbicides, and active ingredients for agrochemicals                                                  |
| Chemicals other than agrochemicals business | Wood preservative agents, agricultural materials, turf-related products, pharmaceuticals, animal health care products, others                      |
| Other business                              | Greenification and gardening construction, etc. Real estate leasing, agrochemical logistics operations, warehousing, agrochemical residue analysis |

## 11. Principal offices, research centers, and plants

### (1) Domestic

| Name                                           | Location              | Name                                    | Location                 |
|------------------------------------------------|-----------------------|-----------------------------------------|--------------------------|
| Head office                                    | Chuo-ku, Tokyo        | West Japan Branch, Osaka Sales Office   | Osaka-shi, Osaka         |
| Sapporo Branch                                 | Sapporo-shi, Hokkaido | West Japan Branch, Fukuoka Sales Office | Fukuoka-shi, Fukuoka     |
| Sendai Branch                                  | Sendai-shi, Miyagi    | Research Center                         | Kawachinagano-shi, Osaka |
| Tokyo Branch                                   | Chuo-ku, Tokyo        | Osaka Office                            | Osaka-shi, Osaka         |
| West Japan Branch, Tokai-Hokuriku Sales Office | Osaka-shi, Osaka      |                                         |                          |

(Note) The Company newly established the West Japan Branch on August 1, 2021 by integrating the Osaka Branch, Fukuoka Branch and Tokai-Hokuriku Sales Office, and established the Tokai-Hokuriku Sales Office, Osaka Sales Office and Fukuoka Sales Office under the West Japan Branch.

### (2) Domestic subsidiary offices (Plants)

| Name                                       | Location                  |
|--------------------------------------------|---------------------------|
| Fukushima Plant, Nichino Service Co., Ltd. | Nihonmatsu-shi, Fukushima |
| Kashima Plant, same as above               | Kamisu-shi, Ibaraki       |
| Saga Plant, same as above                  | Miyaki-gun, Saga          |

### (3) Overseas (including subsidiaries and affiliates)

| Name                                        | Location              |
|---------------------------------------------|-----------------------|
| Nichino America, Inc.                       | U.S.A. / Wilmington   |
| Nichino Europe Co., Ltd.                    | UK / Cambridge        |
| Nichino Shanghai Co., Ltd.                  | China / Shanghai      |
| Taiwan Nihon Nohyaku Co., Ltd.              | Taiwan / Taipei       |
| Agricultural Chemicals (Malaysia) Sdn. Bhd. | Malaysia / Penang     |
| Nichino Do Brasil Agroquimicos Ltda.        | Brazil / Sao Paulo    |
| Sipcam Nichino Brasil S.A.                  | Brazil / Uberaba      |
| Nichino India Pvt. Ltd.                     | India / Hyderabad     |
| Sipcam Europe S.p.A.                        | Italy / Milan         |
| Nichino Vietnam Co., Ltd.                   | Vietnam / Ho Chi Minh |
| Nihon Nohyaku Andica S.A.S.                 | Colombia / Bogota     |
| Nichino Korea Co., Ltd.                     | South Korea / Seoul   |

(Notes) 1. Nichino Chemical India Pvt. Ltd. was absorbed and merged with Nichino India Pvt. Ltd. on March 1, 2022.  
2. The Company established Nichino Korea Co., Ltd. on February 9, 2022.

## 12. Employees

| Number of employees | Compared to previous fiscal year-end |
|---------------------|--------------------------------------|
| 1,536 persons       | Increase of 52 persons               |

(Note) The above number of employees does not include 265 persons under temporary employment.

**13. Major lenders**

| Name of lender        | Outstanding loan balance (Millions of yen) |
|-----------------------|--------------------------------------------|
| Mizuho Bank, Ltd.     | 7,835                                      |
| Banco do Brasil       | 1,708                                      |
| The Norinchukin Bank  | 1,672                                      |
| MUFG Bank, Ltd.       | 1,398                                      |
| Resona Bank, Limited. | 1,247                                      |

## II. Matters concerning status of the company (As of March 31, 2022)

### 1. Matters concerning shares

- (1) Total number of shares authorized to be issued 199,529,000 shares  
(2) Total number of shares outstanding 81,967,082 shares  
(3) Number of shareholders 11,091 persons  
(Decrease of 409 persons compared to the previous fiscal year-end)

#### (4) Major shareholders

| Shareholder name                                        | Number of shares held<br>(Thousand shares) | Shareholding ratio (%) |
|---------------------------------------------------------|--------------------------------------------|------------------------|
| ADEKA Corporation                                       | 40,173                                     | 51.00                  |
| The Master Trust Bank of Japan, Ltd.<br>(Trust account) | 6,885                                      | 8.74                   |
| Custody Bank of Japan, Ltd. (Trust account)             | 2,483                                      | 3.15                   |
| Mizuho Bank, Ltd.                                       | 1,997                                      | 2.54                   |
| MSIP CLIENT SECURITIES                                  | 1,636                                      | 2.08                   |
| The Norinchukin Bank                                    | 1,401                                      | 1.78                   |
| Asahi Mutual Life Insurance Company                     | 853                                        | 1.08                   |
| Resona Bank, Limited.                                   | 719                                        | 0.91                   |
| DFA INTL SMALL CAP VALUE PORTFOLIO                      | 643                                        | 0.82                   |
| JP MORGAN CHASE BANK 385781                             | 481                                        | 0.61                   |

- (Notes) 1. Although the Company holds 3,193 thousand shares of treasury shares, it is excluded from the above list of major shareholders.  
2. The shareholding ratio is calculated after excluding treasury shares.

#### (5) Status of shares allotted to the Company's officers as consideration for execution of duties during the fiscal year under review

| Category                                                                                                   | Number of shares | Number of persons<br>subject to allotment |
|------------------------------------------------------------------------------------------------------------|------------------|-------------------------------------------|
| Directors (excluding Directors serving as the Audit & Supervisory Committee Members and Outside Directors) | 9,821 shares     | 1 person                                  |
| Outside Directors (excluding Directors serving as the Audit & Supervisory Committee Members)               | -                | -                                         |
| Directors serving as the Audit & Supervisory Committee Members                                             | -                | -                                         |

#### (6) Other important matters regarding shares Not applicable.

### 2. Matters concerning stock acquisition rights of the company

Not applicable.



### 3. Matters concerning officers of the company

#### (1) Matters concerning Directors

(As of March 31, 2022)

| Name                | Positions and responsibilities                                                                                                                                                                                                                                                                                       | Significant concurrent positions                                                                                                                                                                            |
|---------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yosuke Tomoi        | Representative Director, President                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                             |
| Koji Shishido       | Representative Director and Senior Managing Executive Officer, Division Manager of Production Division, and in charge of Environment Safety Dept.                                                                                                                                                                    |                                                                                                                                                                                                             |
| Hirohisa Yano       | Director and Managing Executive Officer, Division Manager of Administration Division, responsible for CSR Promotion Dept. and General Manager of CSR Promotion Dept., responsible for Osaka Plant and General Manager of Osaka Plant, in charge of Market Development Division, and responsible for special missions |                                                                                                                                                                                                             |
| Kozo Machiya        | Director and Managing Executive Officer, and Division Manager of Research Division                                                                                                                                                                                                                                   |                                                                                                                                                                                                             |
| Hiroshi Yamanoi     | Director and Senior Executive Officer, and Division Manager of Industrial & Pharmaceuticals Sales Division                                                                                                                                                                                                           |                                                                                                                                                                                                             |
| Hideo Yamamoto      | Director and Senior Executive Officer, and Division Manager of Domestic Sales Division                                                                                                                                                                                                                               |                                                                                                                                                                                                             |
| Hiroyuki Iwata      | Director and Senior Executive Officer, Division Manager of Corporate Planning Division, and in charge of Overseas Division                                                                                                                                                                                           |                                                                                                                                                                                                             |
| Akio Kohri          | Director                                                                                                                                                                                                                                                                                                             | Advisor of ADEKA Corporation<br>Outside Audit & Supervisory Board Member of Zeon Corporation                                                                                                                |
| Yasunori Matsui     | Director                                                                                                                                                                                                                                                                                                             | Professor Emeritus of Rikkyo University<br>Professor of Ohara Graduate School of Accounting                                                                                                                 |
| Kazuyoshi Tachibana | Director                                                                                                                                                                                                                                                                                                             |                                                                                                                                                                                                             |
| Yoshiaki Higashino  | Director<br>Full-time Audit & Supervisory Committee Member                                                                                                                                                                                                                                                           |                                                                                                                                                                                                             |
| Haruhiko Tomiyasu   | Director<br>Audit & Supervisory Committee Member                                                                                                                                                                                                                                                                     | Representative Director and Senior Managing Operating Officer, ADEKA Corporation                                                                                                                            |
| Iwao Toigawa        | Director<br>Audit & Supervisory Committee Member                                                                                                                                                                                                                                                                     | Attorney-at-law                                                                                                                                                                                             |
| Chizuko Nakata      | Director<br>Audit & Supervisory Committee Member                                                                                                                                                                                                                                                                     | Certified public accountant<br>Certified public tax accountant<br>Representative Director of Nakata Business Consulting Co., Ltd.<br>Supervisory Director of Daiwa Securities Living Investment Corporation |
| Yoshiko Oshima      | Director<br>Audit & Supervisory Committee Member                                                                                                                                                                                                                                                                     | Attorney-at-law<br>Certified public tax accountant                                                                                                                                                          |

(Notes) 1. Directors Mr. Yasunori Matsui, Mr. Kazuyoshi Tachibana, Mr. Iwao Toigawa, Ms. Chizuko Nakata, and Ms. Yoshiko Oshima are Outside Directors.

2. Mr. Yoshiaki Higashino has been selected as a Full-time Audit & Supervisory Committee Member to increase the effectiveness of information collection and other auditing processes and strengthen audit and supervisory functions.

3. The Company has designated Directors Mr. Yasunori Matsui, Mr. Kazuyoshi Tachibana, Mr. Iwao Toigawa, Ms. Chizuko Nakata, and Ms. Yoshiko Oshima as Independent Directors pursuant to the stipulations of the Tokyo Stock Exchange, and has notified the Exchange of said designation.
4. Full-time Audit & Supervisory Committee Member, Mr. Yoshiaki Higashino, has significant expertise in finance and accounting from serving as Division Manager of Administration Division of the Company.
5. Audit & Supervisory Committee Member, Mr. Haruhiko Tomiyasu, is Representative Director and Senior Managing Operating Officer of ADEKA Corporation, and has significant expertise in finance and accounting from serving as the officer responsible for finance and accounting departments at said company.
6. Audit & Supervisory Committee Member, Ms. Chizuko Nakata, is a certified public accountant and certified public tax accountant, and has significant expertise in finance and accounting.
7. Audit & Supervisory Committee Member, Ms. Yoshiko Oshima, is an attorney-at-law and certified public tax accountant, and has significant expertise in finance and accounting.
8. ADEKA Corporation is the Company's parent company. Additionally, although the Company has purchasing and sales transactions with said company, the ratio of transactions within the Group is immaterial.
9. There are no other special relationships between companies at which Directors hold concurrent positions and the Company.

(2) Outline of content of liability limitation agreements

The Company has concluded agreements to limit the liability for damages under Article 423, Paragraph 1 of the Companies Act with Directors Mr. Akio Kohri, Mr. Yasunori Matsui, Mr. Kazuyoshi Tachibana, Mr. Haruhiko Tomiyasu, Mr. Iwao Toigawa, Ms. Chizuko Nakata, and Ms. Yoshiko Oshima. The limit of liability for damages under said agreement is the limit stipulated by laws and regulations.

(3) Outline of content of directors and officers liability insurance contract

To secure talented personnel and support proactive and bold business decision making toward growth, the Company concluded a directors and officers liability insurance contract in December 2021, an outline of which is provided below.

1) Scope of the insured

Directors, Audit & Supervisory Committee Members and Executive Officers of the Company and directors and audit & supervisory board members of Nichino Ryokka Co., Ltd., Nichino Service Co., Ltd., Nihon Ecotech Co., Ltd. and AgriMart Corporation

2) Actual ratio of premiums paid by the insured

Premiums, including riders, are paid by the Company, and the insured do not bear the actual premiums.

3) Outline of events insured against

The policy, together with riders, will cover damages and legal fees, etc., that may arise due to the insured directors and officers assuming liability for the execution of duties or receiving a claim related to the pursuit of such liability. However, there are certain exemptions, such as in case of actions taken with the knowledge that such actions are in violation of laws and regulations.

4) Measures to ensure that the appropriateness of directors' and officers' duties are not impaired

The insurance contract contains stipulations regarding the amount of exemptions, and damages up to said exemption amount will not be covered.

(4) Remuneration, etc., for Directors for the fiscal year under review

1) Matters regarding policies concerning determination of content of remuneration, etc., for individual Directors

Policies concerning determination of content of remuneration, etc., for individual Directors are determined at the Board of Directors after it receives opinions from the Governance Committee which is a voluntary advisory body of the Board of Directors on officers' remuneration. The overview of such policies is described below. In determination of content of remuneration for individual Directors, the Governance Committee makes an examination on the draft plan from various aspects such as consistency with such policies. Therefore, the Board of Directors basically considers that it is in line with such policies, respecting opinions from the Governance Committee.

(i) Basic policy on remuneration, etc., for Directors (excluding Audit & Supervisory Committee Members)

(a) Remuneration, etc., for Directors shall be connected with business results and the long-term interests of shareholders, while being appropriate, fair, and balanced to enable further desire to maximize sustainable corporate value and shareholder value.

(b) Remuneration, etc., for Directors (excluding Audit & Supervisory Committee Members) shall have a basic structure consisting of basic remuneration and bonuses, and for Executive Directors, in addition to the above, performance-linked stock-based remuneration shall be provided. Additionally, remuneration, etc., for Outside Directors and Non-executive Directors shall not include performance-linked components.

(ii) Policy on amount of remuneration, etc., of basic remuneration for individual Directors, timing of allotment, and determining conditions

Basic remuneration for Directors (excluding Audit & Supervisory Committee Members) shall be fixed monthly remuneration in cash. Basic remuneration for Executive Directors shall be determined based on duties and positions of business execution for Executive Directors, and based on responsibilities and whether or not the person serves full-time for Outside Directors and Non-executive Directors. Additionally, regarding Executive Directors, targets will be set for areas of responsibility after consultation with the Representative Director and President at the beginning of the fiscal year, and the level of achievement of said duties and business results will be reflected in remuneration for the following fiscal year. The Company shall strive to revise remuneration levels as appropriate in consideration of business results, standards at other companies, and social trends, etc.

(iii) Policy on amount of remuneration, etc., of bonuses for individual Directors, timing of allotment, and determining conditions

Bonuses for Directors (excluding Audit & Supervisory Committee Members) shall be allotted annually in cash at a certain time after the end of the fiscal year to which it applies. Bonuses for Directors (excluding Audit & Supervisory Committee Members) shall have the objective of increasing motivation to contribute toward improving business results for a single year. Similarly to fixed remuneration, the amount of bonuses for individual Executive Directors shall be determined by reflecting the level of achievement of duties and business results, and the amount of bonuses for Outside Directors and Non-executive Directors shall be allotted within the total amount of remuneration approved at a General Meeting of Shareholders.

(iv) Performance-linked stock-based remuneration

Performance-linked stock-based remuneration is a remuneration system for Directors (excluding Directors serving as the Audit & Supervisory Committee Members, Outside Directors, and Non-executive Directors) utilizing a share grant trust with the objective of furthering a sense of shared value with shareholders while increasing motivation for medium to long term improvement in business results and expanding corporate value. Under this system, a trust established and funded by the Company (hereinafter the "Share Grant Trust") acquires shares of the Company, and in accordance with the Share Grant Regulations established by the Company's Board of Directors, a number of shares of the Company equivalent to the number of points it has awarded each Director shall be granted through the Share Grant Trust at the time of the retirement of each Director, in principle.

Additionally, the applicable period for performance-linked stock-based remuneration shall be, in principle, identical to the applicable period of the medium-term management plan, established every three fiscal years. Performance-linked stock-based remuneration is categorized into a fixed portion and a variable portion, and the performance-based index for variable portions shall be key performance indicators (KPIs) for the applicable medium-term management plan. Points for the

fixed portion shall be granted at a certain time after the end of the fiscal year to which it applies. Points for the variable portion shall be granted at a certain time after the end of the medium-term management plan. If standard business results in the performance-based index are achieved, the ratio between the fixed portion and the variable portion of performance-linked stock-based remuneration for the applicable period shall be about 45:55. Points in the variable portion will vary within a range of 0% to 150% of the predefined standard amount, based on the level of achievement of business results of the performance-based index.

- (v) Policy on determining ratio between amount of basic remuneration, amount of bonuses, and amount of performance-linked stock-based remuneration in amount of remuneration for individual Directors

The ratio of type of remuneration for Executive Directors shall be determined in consideration of factors including the Company's business characteristic that it is long-term research and development-oriented, the Director's position, duties, standards at other companies, and social trends. The ratio between basic remuneration, bonuses, and performance-linked stock-based remuneration during the period to which a medium-term management plan applies will be about 8:1:1.

- (vi) Matters regarding procedures to determine content of remuneration, etc., for individual Directors (excluding Audit & Supervisory Committee Members)

Distribution of remuneration, etc., for individual Directors (excluding Audit & Supervisory Committee Members) shall be based on consultation with the Board of Directors, followed by an evaluation by the Governance Committee regarding factors including the duties, responsibilities, business results, and level of contribution in areas assigned to the Executive Director, after which reports are made regarding an increase or decrease in basic remuneration, total amount of bonuses to be granted, and content of distribution of bonus amounts.

The amount of remuneration, etc., for individual Directors (excluding Audit & Supervisory Committee Members) shall be entrusted to the Representative Director and President by resolution of the Board of Directors, and determined by the Representative Director and President based on reports from the Governance Committee. The content of the authority of the Representative Director and President is the amount of basic remuneration for each Director, the total amount of bonuses to be granted, and the distribution of the amount of bonuses.

Furthermore, performance-linked stock-based remuneration shall be determined in accordance with the Share Grant Regulations resolved by the Board of Directors.

- 2) Matters regarding resolution of the General Meeting of Shareholders concerning remuneration, etc., for Directors

The maximum annual aggregate amount of remuneration, etc., for Directors (excluding Audit & Supervisory Committee Members) was resolved to be 330 million yen (including the maximum annual aggregate amount of remuneration for Outside Directors of 30 million yen; excluding the portion of employees' salary) at the 121st Ordinary General Meeting of Shareholders held on June 26, 2020. The number of Directors (excluding Audit & Supervisory Committee Members) was 10 (including 2 Outside Directors) at the recess of said Ordinary General Meeting of Shareholders. Separately from said cash remuneration, the same Ordinary General Meeting of Shareholders resolved to allow Directors (excluding Directors serving as the Audit & Supervisory Committee Members, Outside Directors, and Non-executive Directors) to receive allotment of shares through a trust (hereinafter the "Trust") established and funded by the Company which acquires shares of the Company, and within a maximum aggregate amount of remuneration based on a performance-linked stock-based remuneration system in which the Company's shares are granted to each Director through the Trust according to the number of points granted to each Director. In principle, Directors will be granted the Company's stock at the time of retirement according to the number of points granted, and the resolution was made for the maximum aggregate amount of funding by the Company to be 75 million yen, and the maximum aggregate amount of points to be allotted to allottees to be 250,000 points (1 point is 1 share of the Company) for the applicable period (from the fiscal year ended on March 31, 2020 to the fiscal year ended on March 31, 2021 (18 months)). Additionally, a resolution was also made such that at the expiration of each applicable period, the Board of Directors may determine to extend the applicable period every three fiscal years, and if the trust period for the Trust is also extended, the Company may, during the applicable period of said extension as required additional funds for acquisition of the Company's stock for allotment to Directors under the system, provide additional cash funding to the Trust in a maximum aggregate amount of 150 million yen for each applicable period of said extension, with the maximum aggregate amount of points to be granted to allottees to be 500,000. The number of

Directors (excluding Directors serving as the Audit & Supervisory Committee Members, Outside Directors, and Non-executive Directors) as of the recess of said Ordinary General Meeting of Shareholders was seven.

The amount of remuneration, etc., for Directors serving as the Audit & Supervisory Committee Members was resolved to be a maximum annual aggregate amount of 60 million yen at the 121st Ordinary General Meeting of Shareholders held on June 26, 2020. The number of Directors serving as the Audit & Supervisory Committee Members at the recess of said Ordinary General Meeting of Shareholders was five.

3) Matters concerning entrustment of authority for determining content of remuneration, etc., for individual Directors

Based on the policy in “3. (4) 1) (vi) Matters regarding procedures to determine content of remuneration, etc., for individual Directors (excluding Audit & Supervisory Committee Members)” and pursuant to an entrustment resolution by the Board of Directors, Representative Director and President Yosuke Tomoi determines the specific content of remuneration for individual Directors.

The reason why said authority was transferred is because the Representative Director and President is the most suitable position to evaluate duties and performance achievements of each Director, watching the Company’s current status from a higher perspective.

To ensure that said authority is appropriately exercised by the Representative Director and President, the Board of Directors has implemented measures such as consulting with the Governance Committee and receiving reports regarding an increase or decrease in basic remuneration, total amount of bonuses to be granted, and content of distribution of bonus amounts based on evaluations that contain the basic elements of assigned duties, responsibilities, business results, and level of contribution, etc., for Executive Directors, and as amounts of remuneration for individual Directors are determined after undergoing said procedures, the Board of Directors has judged that said contents are in line with the policy for determination.

4) Matters concerning performance-linked remuneration, etc.

By further clarifying the link between Director remuneration and the Company’s business results and shareholder value and having Directors share the benefits and risks of fluctuations in share price with shareholders, the Company has introduced a performance-linked stock-based remuneration system for Directors (excluding Directors serving as the Audit & Supervisory Committee Members, Outside Directors, and Non-executive Directors), with the objective of increasing motivation to contribute to improving business results and expanding corporate value over the medium to long term.

The amount of performance-linked remuneration and the content of business results indices selected to serve as the basis for calculation for this system are the level of achievement of KPIs (consolidated operating profit and consolidated net sales for the final year of the medium-term management plan) of the medium-term management plan, and the reason that said business results indices were selected was to increase motivation for Directors to contribute to improving business results and expanding corporate value over the medium to long term.

Targets for business results indices selected to serve as the basis for calculation for the amount or number of performance-linked remuneration for this system in the medium-term management plan “Ensuring Growing Global 2 (EGG 2)” are consolidated operating profit of 6.4 billion yen and consolidated net sales of 89.0 billion yen for the fiscal year ending March 31, 2024.

5) Total amounts, etc., of remuneration, etc., for Directors

| Officer category                                                                                | Total amount of remuneration, etc.<br>(Millions of yen) | Total amount of remuneration, etc., by type<br>(Millions of yen) |           |                            | Number of applicable officers<br>(Persons) |
|-------------------------------------------------------------------------------------------------|---------------------------------------------------------|------------------------------------------------------------------|-----------|----------------------------|--------------------------------------------|
|                                                                                                 |                                                         | Basic remuneration                                               | Bonuses   | Noncash remuneration, etc. |                                            |
| Directors (excluding Audit & Supervisory Committee Members)<br>(Of which, Outside Directors)    | 251<br>(11)                                             | 211<br>(9)                                                       | 20<br>(1) | 19<br>(—)                  | 11<br>(2)                                  |
| Directors serving as the Audit & Supervisory Committee Members<br>(Of which, Outside Directors) | 47<br>(16)                                              | 41<br>(14)                                                       | 5<br>(2)  | —                          | 5<br>(3)                                   |

- (Notes)
- The amount of bonuses above is the provision for bonuses for directors (and other officers) concerning the fiscal year under review.
  - Stock-based remuneration based on a performance-linked stock-based remuneration system is granted to Directors (excluding Directors serving as the Audit & Supervisory Committee Members, Outside Directors, and Non-executive Directors) as noncash remuneration. The content of said stock-based remuneration is as stated in “2) Matters regarding resolution of the General Meeting of Shareholders concerning remuneration, etc., for Directors” and the status of allotment is as stated in “1. Matters concerning shares.”
  - The amount of noncash remuneration, etc., above is the provision for share awards concerning the fiscal year under review.

(5) Matters concerning outside officers

1) Relationships between significant companies at which Company officers hold concurrent positions and the Company

As stated in “3. (1) Matters concerning Directors.”

2) Status of key activities during the fiscal year under review

| Name<br>(Position)                        | Status of key activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|-------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Yasunori Matsui<br>(Outside Director)     | Mr. Yasunori Matsui has broad knowledge and insight in business administration gained through many years of experience as a university professor (in accounting and business administration), and his expected role is to contribute to improving the effectiveness of the Company’s Board of Directors by providing the Company with opinions and advice on the Company’s overall management from an objective perspective. He has attended meetings such as the Board of Directors and Governance Committee meetings and expressed opinions in the form of appropriate advice and recommendations, etc. on overall management of the Company.<br>He attended all 18 Board of Directors meetings held during the fiscal year under review. |
| Kazuyoshi Tachibana<br>(Outside Director) | Mr. Kazuyoshi Tachibana has a wealth of experience and broad-based insight as operating officer of a listed company as well as manager of an overseas business entity, and his expected role is to contribute to improving the effectiveness of the Company’s Board of Directors by providing the Company with opinions and advice on the Company’s overall management from an objective perspective. He has attended meetings such as the Board of Directors and Governance Committee meetings and expressed opinions in the form of appropriate advice and recommendations, etc. based on deep insight as a manager.<br>He attended all 18 Board of Directors meetings held during the fiscal year under review.                          |

| Name<br>(Position)                                                          | Status of key activities                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Iwao Toigawa<br>(Outside Director (Audit & Supervisory Committee Member))   | <p>Mr. Iwao Toigawa has expertise as an attorney-at-law and wealth of experience and broad knowledge of corporate legal affairs and his expected role is to strengthen the Company's audit functions, etc. and contribute to improving the effectiveness of the Company's Board of Directors based on these insights. He has attended meetings such as the Board of Directors, Governance Committee and Compliance Committee meetings and expressed opinions in the form of appropriate advice and recommendations, etc., while performing audit duties and providing advice to ensure the appropriateness of the execution of Directors' duties.</p> <p>He attended all 18 Board of Directors meetings held during the fiscal year under review</p> <p>He attended all 8 Audit &amp; Supervisory Committee meetings held during the fiscal year under review, and made comments as necessary to ensure highly effective audits.</p>                      |
| Chizuko Nakata<br>(Outside Director (Audit & Supervisory Committee Member)) | <p>Ms. Chizuko Nakata has deep insight in business administration as a certified public accountant and certified public tax accountant and her expected roles is to strengthen the Company's audit functions, etc. and contribute to improving the effectiveness of the Company's Board of Directors based on these insights. She has attended meetings such as the Board of Directors and Governance Committee meetings and expressed opinions in the form of appropriate advice and recommendations, etc., while performing audit duties and providing advice to ensure the appropriateness of the execution of Directors' duties.</p> <p>She attended all 18 Board of Directors meetings held during the fiscal year under review.</p> <p>She attended all 8 Audit &amp; Supervisory Committee meetings held during the fiscal year under review, and made comments as necessary to ensure highly effective audits.</p>                                |
| Yoshiko Oshima<br>(Outside Director (Audit & Supervisory Committee Member)) | <p>Ms. Yoshiko Oshima has expertise as an attorney-at-law and certified public tax accountant and wealth of experience and broad knowledge of corporate legal affairs and her expected roles is to strengthen the Company's audit functions, etc. and contribute to improving the effectiveness of the Company's Board of Directors based on these insights. She has attended meetings such as the Board of Directors and Governance Committee meetings and expressed opinions in the form of appropriate advice and recommendations, etc., while performing audit duties and providing advice to ensure the appropriateness of the execution of Directors' duties.</p> <p>She attended all 18 Board of Directors meetings held during the fiscal year under review.</p> <p>She attended all 8 Audit &amp; Supervisory Committee meetings held during the fiscal year under review, and made comments as necessary to ensure highly effective audits.</p> |



#### 4. Matters concerning Accounting Auditor

(1) Name of Accounting Auditor  
Kyowa Audit Corporation

(2) Overview of content of liability limitation agreement  
Not applicable.

(3) Amount of remuneration, etc., for the Accounting Auditor during the fiscal year under review

| Category                                                                                                | Amount paid         |
|---------------------------------------------------------------------------------------------------------|---------------------|
| Amount of remuneration, etc., as Accounting Auditor for the fiscal year under review                    | 37,000 thousand yen |
| Total amount of money and other property benefits payable by the Company and the Company's subsidiaries | 39,400 thousand yen |

(Notes) 1. Under the audit agreement between the Company and Kyowa Audit Corporation, no clear distinction is made between the remuneration for audits pursuant to the Companies Act and that for audits pursuant to the Financial Instruments and Exchange Act, and since a substantial distinction cannot be made, the amount presented above is the total remuneration.

2. Of the Company's significant subsidiaries, Nichino America, Inc., Taiwan Nihon Nohyaku Co., Ltd., Nichino India Pvt. Ltd., Sipcam Nichino Brasil S.A., and Nichino Europe Co., Ltd. receive audits from audit corporations other than the Company's Accounting Auditor.

(4) Content of non-audit services  
Not applicable.

(5) Matters concerning audits of subsidiaries  
Each of five consolidated subsidiaries of the Company is audited by an audit firm or other party other than the Company's Accounting Auditor.

(6) Reasons the Audit & Supervisory Committee approved remuneration, etc., for the Accounting Auditor  
The Audit & Supervisory Committee of the Company, in consideration of the "Practical Guidelines on Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, confirmed the audit plan, status of audit implementation, and basis for calculation as shown in remuneration estimates of the Accounting Auditor, and upon consideration, agreed to the remuneration, etc., of the Accounting Auditor as prescribed under Article 399, Paragraph 3 of the Companies Act.

(7) Policies for determining dismissal or non-reappointment of the Accounting Auditor

The Audit & Supervisory Committee of the Company shall determine the content of a proposal for the dismissal or non-reappointment of the Accounting Auditor to be submitted to a General Meeting of Shareholders if it has judged that it is necessary to do so, such as in cases where there are issues with the execution of duties by the Accounting Auditor.

Additionally, if the clauses of Article 340, Paragraph 1 of the Companies Act apply to the Accounting Auditor and it deems that there are no prospects of improvement, the Audit & Supervisory Committee shall dismiss the Accounting Auditor conditional upon the unanimous consent of all Audit & Supervisory Committee Members. In such case, an Audit & Supervisory Committee Member selected by the Audit & Supervisory Committee shall report the dismissal of the Accounting Auditor and the reason for it at the first General Meeting of Shareholders held following the dismissal.

(Note) Amounts and numbers of shares presented in this Business Report are rounded down to the nearest unit indicated.

## Consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

| Description                                                | Amount         | Description                                                          | Amount         |
|------------------------------------------------------------|----------------|----------------------------------------------------------------------|----------------|
| <b>(Assets)</b>                                            |                | <b>(Liabilities)</b>                                                 |                |
| <b>Current assets</b>                                      | <b>87,351</b>  | <b>Current liabilities</b>                                           | <b>41,180</b>  |
| Cash and deposits                                          | 12,224         | Notes and accounts payable - trade                                   | 19,406         |
| Notes and accounts receivable - trade, and contract assets | 36,010         | Electronically recorded obligations - operating                      | 1,117          |
| Electronically recorded monetary claims - operating        | 2,077          | Short-term borrowings                                                | 10,477         |
| Merchandise and finished goods                             | 22,395         | Current portion of bonds payable                                     | 202            |
| Work in process                                            | 769            | Accrued expenses                                                     | 4,522          |
| Raw materials and supplies                                 | 9,531          | Income taxes payable                                                 | 955            |
| Other                                                      | 4,709          | Provision for bonuses                                                | 869            |
| Allowance for doubtful accounts                            | (366)          | Provision for bonuses for directors (and other officers)             | 41             |
| <b>Non-current assets</b>                                  | <b>30,895</b>  | Electronically recorded obligations - non-operating                  | 47             |
| <b>Property, plant and equipment</b>                       | <b>14,781</b>  | Liabilities related to charged supplying transactions                | 1,007          |
| Buildings and structures                                   | 4,180          | Other                                                                | 2,533          |
| Machinery, equipment and vehicles                          | 3,682          | <b>Non-current liabilities</b>                                       | <b>10,110</b>  |
| Land                                                       | 5,898          | Bonds payable                                                        | 1,226          |
| Construction in progress                                   | 281            | Long-term borrowings                                                 | 6,128          |
| Other                                                      | 738            | Deferred tax liabilities                                             | 96             |
| <b>Intangible assets</b>                                   | <b>4,218</b>   | Provision for retirement benefits for directors (and other officers) | 56             |
| Goodwill                                                   | 2,794          | Provision for share awards                                           | 76             |
| Software                                                   | 540            | Retirement benefit liability                                         | 839            |
| Other                                                      | 883            | Other                                                                | 1,686          |
| <b>Investments and other assets</b>                        | <b>11,896</b>  | <b>Total liabilities</b>                                             | <b>51,290</b>  |
| Investment securities                                      | 6,955          | <b>(Net assets)</b>                                                  |                |
| Deferred tax assets                                        | 1,499          | <b>Shareholders' equity</b>                                          | <b>67,266</b>  |
| Retirement benefit asset                                   | 1,515          | <b>Share capital</b>                                                 | <b>14,939</b>  |
| Other                                                      | 2,303          | <b>Capital surplus</b>                                               | <b>15,071</b>  |
| Allowance for doubtful accounts                            | (377)          | <b>Retained earnings</b>                                             | <b>39,162</b>  |
|                                                            |                | <b>Treasury shares</b>                                               | <b>(1,906)</b> |
|                                                            |                | <b>Accumulated other comprehensive income</b>                        | <b>(1,673)</b> |
|                                                            |                | <b>Valuation difference on available-for-sale securities</b>         | <b>846</b>     |
|                                                            |                | <b>Foreign currency translation adjustment</b>                       | <b>(3,201)</b> |
|                                                            |                | <b>Remeasurements of defined benefit plans</b>                       | <b>682</b>     |
|                                                            |                | <b>Non-controlling interests</b>                                     | <b>1,363</b>   |
|                                                            |                | <b>Total net assets</b>                                              | <b>66,956</b>  |
| <b>Total assets</b>                                        | <b>118,247</b> | <b>Total liabilities and net assets</b>                              | <b>118,247</b> |

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

## Consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

| Description                                                   | Amount        |
|---------------------------------------------------------------|---------------|
| <b>Net sales</b>                                              | <b>81,910</b> |
| <b>Cost of sales</b>                                          | <b>56,164</b> |
| <b>Gross profit</b>                                           | <b>25,746</b> |
| <b>Selling, general and administrative expenses</b>           | <b>19,103</b> |
| <b>Operating profit</b>                                       | <b>6,642</b>  |
| <b>Non-operating income</b>                                   | <b>892</b>    |
| Interest and dividend income                                  | 168           |
| Share of profit of entities accounted for using equity method | 508           |
| Rental income from real estate                                | 110           |
| Other                                                         | 105           |
| <b>Non-operating expenses</b>                                 | <b>1,766</b>  |
| Interest expenses                                             | 515           |
| Loss on valuation of derivatives                              | 98            |
| Foreign exchange losses                                       | 982           |
| Sales discounts                                               | 64            |
| Other                                                         | 106           |
| <b>Ordinary profit</b>                                        | <b>5,768</b>  |
| <b>Extraordinary income</b>                                   | <b>248</b>    |
| Gain on sale of non-current assets                            | 209           |
| Gain on sale of investment securities                         | 39            |
| <b>Extraordinary losses</b>                                   | <b>198</b>    |
| Loss on disposal of non-current assets                        | 25            |
| Impairment losses                                             | 141           |
| Environmental expenses                                        | 28            |
| Other                                                         | 3             |
| <b>Profit before income taxes</b>                             | <b>5,818</b>  |
| Income taxes - current                                        | 1,809         |
| Income taxes - deferred                                       | (671)         |
| <b>Profit</b>                                                 | <b>4,679</b>  |
| Profit attributable to non-controlling interests              | 177           |
| <b>Profit attributable to owners of parent</b>                | <b>4,502</b>  |

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

## Non-consolidated Balance Sheet

(As of March 31, 2022)

(Millions of yen)

| Description                                           | Amount        | Description                                                  | Amount         |
|-------------------------------------------------------|---------------|--------------------------------------------------------------|----------------|
| <b>(Assets)</b>                                       |               | <b>(Liabilities)</b>                                         |                |
| <b>Current assets</b>                                 | <b>52,006</b> | <b>Current liabilities</b>                                   | <b>20,409</b>  |
| Cash and deposits                                     | 4,040         | Notes payable - trade                                        | 7              |
| Notes receivable – trade                              | 851           | Accounts payable - trade                                     | 8,934          |
| Accounts receivable - trade                           | 19,456        | Electronically recorded obligations - operating              | 1,117          |
| Electronically recorded monetary claims - operating   | 2,020         | Short-term borrowings                                        | 4,244          |
| Merchandise and finished goods                        | 16,356        | Current portion of long-term borrowings                      | 1,073          |
| Work in process                                       | 746           | Accounts payable - other                                     | 264            |
| Raw materials and supplies                            | 4,239         | Accrued expenses                                             | 1,771          |
| Prepaid expenses                                      | 450           | Income taxes payable                                         | 696            |
| Accounts receivable - other                           | 1,948         | Accrued business office tax                                  | 7              |
| Consumption taxes receivable                          | 1,329         | Contract liabilities                                         | 366            |
| Short-term loans receivable                           | 344           | Advances received                                            | 15             |
| Other                                                 | 226           | Provision for bonuses                                        | 485            |
| Allowance for doubtful accounts                       | (4)           | Provision for bonuses for directors (and other officers)     | 40             |
| <b>Non-current assets</b>                             | <b>37,214</b> | Notes payable - facilities                                   | 3              |
| <b>Property, plant and equipment</b>                  | <b>10,994</b> | Electronically recorded obligations - non-operating          | 47             |
| Buildings                                             | 2,788         | Liabilities related to charged supplying transactions        | 990            |
| Structures                                            | 482           | Other                                                        | 343            |
| Machinery                                             | 2,360         | <b>Non-current liabilities</b>                               | <b>5,493</b>   |
| Vehicles                                              | 8             | Long-term borrowings                                         | 4,181          |
| Tools, furniture and fixtures                         | 368           | Long-term deposits received                                  | 958            |
| Land                                                  | 4,951         | Provision for retirement benefits                            | 107            |
| Leased assets                                         | 31            | Provision for share awards                                   | 76             |
| Construction in progress                              | 2             | Other                                                        | 168            |
| <b>Intangible assets</b>                              | <b>474</b>    | <b>Total liabilities</b>                                     | <b>25,902</b>  |
| Patent right                                          | 10            | <b>(Net assets)</b>                                          |                |
| Right to use facilities                               | 12            | <b>Shareholders' equity</b>                                  | <b>62,471</b>  |
| Software                                              | 451           | <b>Share capital</b>                                         | <b>14,939</b>  |
| Other                                                 | 0             | <b>Capital surplus</b>                                       | <b>17,235</b>  |
| <b>Investments and other assets</b>                   | <b>25,744</b> | Legal capital surplus                                        | 12,235         |
| Investment securities                                 | 2,626         | Other capital surplus                                        | 5,000          |
| Shares of subsidiaries and associates                 | 18,766        | <b>Retained earnings</b>                                     | <b>32,202</b>  |
| Investments in capital of subsidiaries and associates | 210           | Legal retained earnings                                      | 1,574          |
| Long-term loans receivable                            | 2,526         | Other retained earnings                                      | 30,627         |
| Prepaid pension costs                                 | 639           | General reserve                                              | 3,145          |
| Deferred tax assets                                   | 77            | Retained earnings brought forward                            | 27,482         |
| Other                                                 | 903           | <b>Treasury shares</b>                                       | <b>(1,906)</b> |
| Allowance for doubtful accounts                       | (4)           | <b>Valuation and translation adjustments</b>                 | <b>846</b>     |
|                                                       |               | <b>Valuation difference on available-for-sale securities</b> | <b>846</b>     |
|                                                       |               | <b>Total net assets</b>                                      | <b>63,317</b>  |
| <b>Total assets</b>                                   | <b>89,220</b> | <b>Total liabilities and net assets</b>                      | <b>89,220</b>  |

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

## Non-consolidated Statement of Income

(April 1, 2021 - March 31, 2022)

(Millions of yen)

| Description                                         | Amount        |
|-----------------------------------------------------|---------------|
| <b>Net sales</b>                                    | <b>47,151</b> |
| <b>Cost of sales</b>                                | <b>32,323</b> |
| <b>Gross profit</b>                                 | <b>14,827</b> |
| <b>Selling, general and administrative expenses</b> | <b>11,450</b> |
| <b>Operating profit</b>                             | <b>3,377</b>  |
| <b>Non-operating income</b>                         | <b>1,202</b>  |
| Interest and dividend income                        | 1,010         |
| Other                                               | 192           |
| <b>Non-operating expenses</b>                       | <b>122</b>    |
| Interest expenses                                   | 71            |
| Other                                               | 50            |
| <b>Ordinary profit</b>                              | <b>4,457</b>  |
| <b>Extraordinary income</b>                         | <b>248</b>    |
| Gain on sale of non-current assets                  | 209           |
| Gain on sale of investment securities               | 39            |
| <b>Extraordinary losses</b>                         | <b>196</b>    |
| Loss on disposal of non-current assets              | 23            |
| Impairment losses                                   | 141           |
| Environmental expenses                              | 28            |
| Other                                               | 3             |
| <b>Profit before income taxes</b>                   | <b>4,509</b>  |
| Income taxes - current                              | 1,037         |
| Income taxes - deferred                             | (86)          |
| <b>Profit</b>                                       | <b>3,557</b>  |

(Note) Figures presented in the financial statements are rounded down to the nearest million yen.

**Independent Auditor's Report**  
(English Translation)

May 10, 2022

To the Board of Directors  
NIHON NOHYAKU CO., LTD.

Kyowa Audit Corporation  
Chiyoda-ku, Tokyo  
Masashige Takayama, CPA  
Representative Partner  
Engagement Partner  
Masashi Ozawa, CPA  
Representative Partner  
Engagement Partner

**Opinion**

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity and the notes to the consolidated financial statements of NIHON NOHYAKU CO., LTD. (the "Company") for the fiscal year from April 1, 2021, through March 31, 2022.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the corporate group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

The other information comprises the information included in the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process of the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management and the Audit & Supervisory Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.



**Independent Auditor's Report**  
(English Translation)

May 10, 2022

To the Board of Directors  
NIHON NOHYAKU CO., LTD.

Kyowa Audit Corporation  
Chiyoda-ku, Tokyo  
Masashige Takayama, CPA  
Representative Partner  
Engagement Partner  
Masashi Ozawa, CPA  
Representative Partner  
Engagement Partner

**Opinion**

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the non-consolidated balance sheet, the non-consolidated statement of income, the non-consolidated statement of changes in equity and the related notes, and the accompanying supplementary schedules of NIHON NOHYAKU CO., LTD. (the "Company") for the 123rd fiscal year from April 1, 2021 through March 31, 2022.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2021, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

**Basis for the Opinion**

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

**Other Information**

The other information comprises the information included in the business report and its supplementary schedules. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process of the other information.

Our opinion on the financial statements and the accompanying supplementary schedules does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements and the accompanying supplementary schedules, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements and the accompanying supplementary schedules or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other

information, we are required to report that fact.

We have nothing to report in this regard.

#### Responsibilities of Management and the Audit & Supervisory Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit & Supervisory Committee is responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

#### Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit & Supervisory Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor reports to the Audit & Supervisory Committee regarding the observance of provisions related to professional ethics in Japan as well as matters that are reasonably considered to have an impact on the auditor's independence and any safeguards that are in place to reduce or eliminate obstacles.

#### Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

## **Audit Report** (English Translation)

The Audit & Supervisory Committee audited the performance of duties by the Directors for the 123rd fiscal year from April 1, 2021 to March 31, 2022, and hereby submits the method and results of the audit.

### 1. Summary of Auditing Methods

The Audit & Supervisory Committee received reports periodically from Directors, employees and other relevant personnel about the details of Board of Directors' resolutions concerning the matters set forth in Article 399-13, Paragraph 1, Item 1 (b) and (c) of the Companies Act, as well as the establishment and application of the internal control systems based on such resolutions, and then sought explanations as necessary, expressed opinions and conducted the audit through the methods described below.

- (1) In conformity with the Auditing Standards, etc. of the Audit & Supervisory Committee established by the Audit & Supervisory Committee, following the auditing policies, allocation of duties and other relevant matters, using means such as the Internet, etc. and cooperating with the internal audit division and other internal control divisions, we participated in important meetings, received reports from the Directors, employees and other relevant personnel regarding performance of their duties, sought explanations as necessary, examined important authorized documents and associated information, and studied the operations and financial positions at the head office and principal business offices. With respect to subsidiaries, using means such as the Internet, etc., we communicated with, and collected information from, Directors, Audit & Supervisory Board Members and other relevant personnel of subsidiaries as well as received reports from subsidiaries on their business as necessary.
- (2) We monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, as well as received reports from the Accounting Auditor regarding the performance of its duties and sought explanations as necessary. In addition, we received notice from the Accounting Auditor that "system to ensure that duties are performed properly" (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) had been prepared in accordance with the "Quality Control Standard for Audit" (issued by the Business Accounting Council on October 28, 2005), JICPA Quality Control Standards Committee Statement No. 1 "Quality Control for Audit Firms" and JICPA Auditing Standards Committee Statements No. 220 "Quality Control for an Audit of Financial Statements," and sought explanations as necessary. Also, with respect to key audit matters, we discussed with the Accounting Auditor and received reports regarding the performance of its audit and sought explanations as necessary.

Based on the above methods, we examined the Business Report and the supplementary schedules thereof, the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in equity, and non-consolidated notes) and the supplementary schedules thereof, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in equity and consolidated notes) related to the relevant fiscal year.

## 2. Results of Audit

### (1) Results of Audit of Business Report and Other Relevant Documents

1. In our opinion, the Business Report and the supplementary schedules are in accordance with the related laws and regulations, and Articles of Incorporation, and fairly represent the Company's condition.
2. We have found no evidence of wrongful action or material violation of related laws and regulations, nor of any violation with respect to the Articles of Incorporation, related to performance of duties by the Directors.
3. In our opinion, the contents of the resolutions of the Board of Directors related to the internal controls system are fair and reasonable. In addition, we have found no matters on which to remark regarding the description in the Business Report and the performance of duties by the Directors related to such internal controls system.

### (2) Results of Audit of Non-consolidated Financial Statements and Supplementary Schedules

In our opinion, the methods and results employed and rendered by Kyowa Audit Corporation are fair and reasonable.

### (3) Results of Audit of Consolidated Financial Statements

In our opinion, the methods and results employed and rendered by Kyowa Audit Corporation are fair and reasonable.

May 11, 2022

Audit & Supervisory Committee, NIHON NOHYAKU CO., LTD.

|                                                   |                    |
|---------------------------------------------------|--------------------|
| Full-time Audit & Supervisory<br>Committee Member | Yoshiaki Higashino |
| Audit & Supervisory Committee<br>Member           | Haruhiko Tomiyasu  |
| Audit & Supervisory Committee<br>Member           | Iwao Toigawa       |
| Audit & Supervisory Committee<br>Member           | Chizuko Nakata     |
| Audit & Supervisory Committee<br>Member           | Yoshiko Oshima     |

(Note) Audit & Supervisory Committee Members, Mr. Iwao Toigawa, Ms. Chizuko Nakata and Ms. Yoshiko Oshima are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Paragraph 6 of the Companies Act.