Note: This document is a translation of a part of the Japanese original. The translation is prepared and provided for the purpose of the readers' convenience only. All readers are strongly recommended to refer to the original Japanese version for complete and accurate information.

(Stock Exchange Code 4980)
May 28, 2021

To Shareholders with Voting Rights:

Yoshihisa Shinya
Representative Director
Dexerials Corporation
1-11-2, Osaki, Shinagawa-ku, Tokyo

NOTICE OF
THE 9TH ANNUAL GENERAL MEETING OF SHAREHOLDERS

Dear Shareholders:

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

We wish to inform you that the 9th Annual General Meeting of Shareholders of Dexerials Corporation (the "Company") will be held as described below.

From the viewpoint of preventing infection by the novel coronavirus, we request that you refrain from attending this General Meeting of Shareholders and instead exercise your voting rights in writing (by submitting the enclosed Voting Rights Exercise Form) or via the Internet etc. in advance.

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Thursday, June 17, 2021, Japan standard time.

Exercise of voting rights in writing

Please indicate your approval or disapproval of the proposals on the enclosed Voting Rights Exercise Form and return it so that it arrives by the cutoff time for exercise of voting rights specified above.

Exercise of voting rights by electromagnetic means (via the Internet etc.)

Please access the voting rights exercise website specified by the Company (https://evote.tr.mufg.jp/) and input your approval or disapproval of the proposals by the cutoff time for exercise of voting rights specified above, following the instructions on screen.

1. **Date and Time:** Friday, June 18, 2021 at 10:00 a.m. Japan standard time
(The reception desk opens at 9:00 a.m.)

2. **Place:** Osaki Bright Core Hall
3rd floor of Osaki Bright Core
5-5-15, Kitashinagawa, Shinagawa-ku, Tokyo, Japan

3. **Meeting Agenda:**

Matters to be reported:

1. The Business Report, Consolidated Financial Statements for the Company's 9th Fiscal Year (April 1, 2020 - March 31, 2021) and results of audits by the Accounting Auditor and the Audit and Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 9th Fiscal Year (April 1, 2020 - March 31, 2021)

Proposals to be resolved:

Proposal 1:	Distribution of Dividends from Surplus
Proposal 2:	Partial Revision of the Articles of Incorporation
Proposal 3:	Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 4:	Election of Three (3) Directors Serving as Audit and Supervisory Committee Members)
Proposal 5:	Election of One (1) Substitute Director Serving as an Audit and Supervisory Committee Member
Proposal 6:	Determination of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)
Proposal 7:	Determination of the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members
Proposal 8:	Partial Revision of Performance-Linked Stock Compensation Plan for Directors (Excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

- The Matters Related to Subscription Rights to Shareholders and the Company's Systems and Policies, which are part of the Business Report, and Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements, and the Notes to the Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements, have been posted on the Company's website in accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company.
- Should matters to be described in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.
- The results of resolutions at this Annual General Meeting of Shareholders will be posted on the Company's website.
- The Company will implement necessary measures to prevent infection according to the situation concerning the novel corona virus on the day of the General Meeting of Shareholders.
If there is any major change in the operation of the Meeting due to future circumstances, we will post it on the Company's website.
If you consider to attend the Meeting, please be sure to check the Company's website in advance.

Company's website: https://www.dexerials.jp/

Reference Documents for the General Meeting of Shareholders

Proposals and References

Proposal 1: Distribution of Dividends from Surplus

With the recognition that increasing corporate value through investment for growth is in the common interests of our shareholders, we have established a basic policy that we should first give priority to business investment leading to sustainable corporate value improvement and then make shareholder returns in line with profit growth with a target total payout ratio to consolidated profit attributable to owners of parent before amortization of goodwill of approximately 40%.

Based on this policy, we propose to pay a year-end dividend of 27 yen per share for the current fiscal year.

*Total payout ratio to consolidated profit attributable to owners of parent before amortization of goodwill

= Total payout amount (Annual total dividends paid + Annual total share buyback) x 100

Consolidated profit attributable to owners of parent + Amortization of goodwill

1. Type of dividend assets
   Cash
2. Allotment of dividend assets to shareholders and the total amount
   27 yen per share of common stock of the Company
   Total amount: 1,727,537,004 yen
3. Effective date of distribution of surplus
   June 21, 2021

Reference
Annual dividend
44 yen per share (interim dividend: 17 yen, year-end dividend: 27 yen)
Total payout ratio*: 42.2%
*Total payout ratio to consolidated profit attributable to owners of parent before amortization of goodwill

Proposal 2: Partial Revision of the Articles of Incorporation

1. Reasons for the revision

(1) Given the dramatic changes in its business environment, the Company plans for the transition to become a company with an Audit and Supervisory Committee to improve the monitoring function of the management and to maintain a constant increase in its corporate value by accelerating decision-making through the further delegation of authority and the continued separation of functions for operation and supervision.

To this end, the Company will revise its Articles of Incorporation as needed for the placement of the Audit and Supervisory Committee, including the establishment of new provisions, the modification of existing provisions, and the deletion of provisions for Audit and Supervisory Board Members and the Audit and Supervisory Board.

(2) The Company will revise the provisions of Article 21 (Convener and Chairperson of the Board of Directors' Meeting) of the current Articles of Incorporation to allow for flexible appointment of the convener and chairperson of the Board of Directors' meeting according to the structure of the Company's Board of Directors, social trends, and other factors.

(3) The Company will relocate its head office to Shimotsuke, Tochigi Prefecture to concentrate its head office functions in the Tochigi office that serves as the center of its business to further increase the efficiency of its business operation.

This revision will take effect on the day of the head office relocation determined at the Board of Directors' meeting held in 2021, which will be provided for in Supplementary Provisions.

2. Details of the revision

The details of the revision are as follows. Excluding the revision to Article 3 of the current Articles of Incorporation related to 1. (3) above, partial revision of the Articles of Incorporation based on the resolution of this proposal will take effect at the conclusion of this General Meeting of Shareholders.

(The underlining indicates a change.)

Current Articles of Incorporation	Proposed revisions
Chapter 1. General Provisions	**Chapter 1. General Provisions**
Article 1 and Article 2 (omitted)	Article 1 and Article 2 (unchanged)
Location of Head Office Article 3. The Company shall have its head office in Shinagawa, Tokyo.	Location of Head Office Article 3. The Company shall have its head office in Shimotsuke, Tochigi Prefecture.
(Organizations) Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) Audit and Supervisory Board Members (3) Audit and Supervisory Board (4) Independent Auditor	(Organizations) Article 4. The Company shall have the following organizations in addition to the General Meeting of Shareholders and Directors. (1) Board of Directors (2) Audit and Supervisory Committee (deleted) (3) Independent Auditor
Article 5. (omitted)	Article 5. (unchanged)
Chapter 2. Shares	**Chapter 2. Shares**
Article 6 through Article 10 (omitted)	Article 6 through Article 10 (unchanged)
Chapter 3. General Meeting of Shareholders	**Chapter 3. General Meeting of Shareholders**
Article 11 through Article 16 (omitted)	Article 11 through Article 16 (unchanged)

Current Articles of Incorporation	Proposed revisions
Chapter 4. Directors and Board of Directors	**Chapter 4. Directors and the Board of Directors and the Audit and Supervisory Committee**
Number of Directors Article 17. The number of the Directors of the Company shall be no more than eleven (11).	Number of Directors Article 17. 1. The number of the Directors of the Company shall be no more than seven (7), excluding Directors who serve as Audit and Supervisory Committee Members. 2. The number of Directors of the Company, who serve as Audit and Supervisory Committee Members, shall be no more than four (4).
Appointment of Directors Article 18. Directors shall be appointed by resolution of the General Meeting of Shareholders. 2. (omitted) 3. (omitted)	Appointment of Directors Article 18. 1. Directors who serve as Audit and Supervisory Committee Members and other Directors shall be appointed separately by resolution of the General Meeting of Shareholders. 2. (unchanged) 3. (unchanged)
Term of Office of Directors Article 19. 1. The term of office of Directors shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within one (1) year from the appointment.	Term of Office of Directors Article 19. 1. The term of office of Directors, excluding those serving as Audit and Supervisory Committee Members, shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within one (1) year from the appointment. 2. The term of office of Directors serving as Audit and Supervisory Committee Members shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within two (2) years from the appointment. 3. The term of office of a Director serving as an Audit and Supervisory Committee member appointed as an alternate to a Director, who served as an Audit and Supervisory Committee member and retired prior to the expiration of their term of office, shall end at the expiration of the term of office of their predecessor.
(New provision)	Effect of Preliminary Election of an Alternate Director Serving as an Audit and Supervisory Committee member Article 20. The effect of preliminary election of an alternate Director serving as an Audit and Supervisory Committee member shall end at the start of the Annual General Meeting of Shareholders held for the last business year ending within two (2) years from the appointment.
Article 20. (omitted)	Article 21. (unchanged)

Current Articles of Incorporation	Proposed revisions
Convener and Chairperson of the Board of Directors' Meetings Article 21. 1. A meeting of the Board of Directors is convened by the Representative Director and President of the Company, who serves as the Chairperson of the meeting, unless otherwise provided for by laws and regulations. 2. If the Representative Director and President of the Company is unavailable due to an accident, another Director in the order determined in advance by the Board of Directors shall convene the Board of Directors' meeting and serve as the Chairperson of the meeting.	Convener and Chairperson of the Board of Directors' Meetings Article 22. 1. A meeting of the Board of Directors shall be convened by a Director designated by the Board of Directors in advance and shall serve as the Chairperson of the meeting, unless otherwise provided for by laws and regulations. 2. If the Director in the preceding paragraph is unavailable due to an accident, another Director in the order determined in advance by the Board of Directors shall convene the Board of Directors' meeting and serve as the Chairperson of the meeting.
Notice of Convocation of the Board of Directors' Meeting Article 22. 1. The notice of convocation of the Board of Directors' meeting shall be issued to each Director and Audit and Supervisory Board Members no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency. 2. A meeting of the Board of Directors may be held without the convocation procedure upon the unanimous consent of the Directors and Audit and Supervisory Board Members.	Notice of Convocation of the Board of Directors' Meeting Article 23. 1. The notice of convocation of the Board of Directors' meeting shall be issued to each Director no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency. 2. A meeting of the Board of Directors may be held without the convocation procedure upon the unanimous consent of the Directors.
(New provision)	Notice of Convocation of a Meeting of the Audit and Supervisory Committee Article 24. 1. The notice of convocation of a meeting of the Audit and Supervisory Committee shall be issued to each Audit and Supervisory Committee member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency. 2. A meeting of the Audit and Supervisory Committee may be held without the convocation procedure upon the unanimous consent of the Audit and Supervisory Committee Members.
Omission of the Resolution of the Board of Directors Article 23. If a Director proposes a matter to be resolved at a meeting of the Board of Directors and the proposal is approved unanimously in writing or through the electromagnetic record by the Directors entitled to participate in the resolution, a resolution to approve this proposal is deemed to have been passed by the Board of Directors unless an Audit and Supervisory Board member has raised an objection.	Omission of the Resolution of the Board of Directors Article 25. The Company shall deem that a resolution of the Board of Directors has been passed when the requirements specified in Article 370 of the Companies Act are satisfied.

Current Articles of Incorporation	Proposed revisions
(New provision)	Delegation to Directors Article 26. The Company may delegate decisions on the performance of important duties (excluding those in the paragraph (5), Article 399-13, of the Companies Act) by resolution of the Board of Directors pursuant to the provisions of the paragraph (6), article 399-13, of the Companies Act.
Article 24. (omitted)	Article 27. (unchanged)
(New provision)	Regulations of the Audit and Supervisory Committee Article 28. Matters concerning the Audit and Supervisory Committee shall be determined pursuant to the provisions of laws and regulations, the Articles of Incorporation of the Company, and the regulations of the Audit and Supervisory Committee established by the Audit and Supervisory Committee.
Remuneration, etc. for Directors Article 25. Remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of the performance of their duties (hereinafter, "Remuneration") shall be determined by resolution of the General Meeting of Shareholders.	Remuneration, etc. for Directors Article 29. Remuneration, bonuses, and other economic benefits received by Directors from the Company in consideration of performance of their duties (hereinafter, "Remuneration") shall be determined separately between Directors serving as Audit and Supervisory Committee Members and those who are not by resolution of the General Meeting of Shareholders.
Limited Liability of Outside Directors Article 26. The Company may establish an agreement with an Outside Director to limit the liability for damages caused by negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.	Limited Liability of Directors Article 30. The Company may establish an agreement with Directors (excluding executive directors, etc.) to limit the liability for damages caused by the negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.
Chapter 5. Audit and Supervisory Board and Audit and Supervisory Board Members	(deleted)
Number of Audit and Supervisory Board Members Article 27. The number of the Audit and Supervisory Board Members of the Company shall be more than three (3).	(deleted)
Appointment of Audit and Supervisory Board Members Article 28. 1. Audit and Supervisory Board Members shall be appointed by resolution of the General Meeting of Shareholders. 2. Resolution to appoint an Audit and Supervisory Board member shall be passed by a majority vote	(deleted)

Current Articles of Incorporation	Proposed revisions
of shareholders present and representing at least one third (1/3) of voting rights of the shareholders entitled to exercise their voting rights.	
Term of Office of Audit and Supervisory Board Members Article 29. 1. The term of office of Audit and Supervisory Board Members shall end at the conclusion of the Annual General Meeting of Shareholders held for the last business year that ends within four (4) years from the appointment. 2. The term of office of an Audit and Supervisory Board member appointed as an alternate to an Audit and Supervisory Board member who has retired prior to the expiration of their term of office shall end at the expiration of the term of office of their predecessor. 3. The effective period of the resolution to appoint an alternate Audit and Supervisory Board member appointed pursuant to the provisions of the paragraph (3), Article 329, of the Companies Act shall end at the start of the Annual General Meeting of Shareholders held for the last business year ending within four (4) years from the appointment.	(deleted)
Standing Audit and Supervisory Board Members Article 30. The Audit and Supervisory Board shall pass a resolution to select standing Audit and Supervisory Board Members.	(deleted)
Notice of Convocation of a Meeting of Audit and Supervisory Board. Article 31. 1. The notice of convocation of the Audit and Supervisory Board meeting shall be issued to each Audit and Supervisory Board member no later than three (3) days prior to the date of the meeting; provided, however, that this period may be reduced if necessary in an emergency. 2. A meeting of the Audit and Supervisory Board may be held without the convocation procedure upon the unanimous consent of the Audit and Supervisory Board Members.	(deleted)
Regulations of the Audit and Supervisory Board Article 32. Matters concerning the Audit and Supervisory Board shall be determined pursuant to the provisions of laws and regulations, the Articles of Incorporation of the Company, and the regulations of the Audit and Supervisory Board Members established by the Audit and Supervisory Board.	(deleted)
Remuneration, etc. for Audit and Supervisory Board Members Article 33. Remuneration, etc. for Audit and Supervisory Board Members shall be determined by resolution of the General Meeting of Shareholders.	(deleted)

Current Articles of Incorporation	Proposed revisions
Limited Liability of Outside Audit and Supervisory Board Members Article 34. The Company may establish an agreement with an Outside Audit and Supervisory Board Members to limit the liability for damages caused by the negligence in the performance of duties pursuant to the provisions of the paragraph (1), Article 427, of the Companies Act; provided, however, that the amount of limitation of liability in accordance with the agreement shall be the amount specified in relevant laws and regulations.	(deleted)
Chapter 6. Independent Auditor	**Chapter 5. Independent Auditor**
Article 35 and Article 36 (omitted)	Article 31 and Article 32 (unchanged)
Remuneration, etc. for Independent Auditor Article 37. Remuneration, etc. for Independent Auditor shall be determined by consent of the Audit and Supervisory Board.	Remuneration, etc. for Independent Auditor Article 33. Remuneration, etc. for Independent Auditor shall be determined by consent of the Audit and Supervisory Committee.
Chapter 7. Accounting	**Chapter 6. Accounting**
Article 38 through Article 41 (omitted)	Article 34 through Article 37 (unchanged)
(New provision)	Supplementary Provisions The revision in Article 3 shall take effect on the date of head office relocation determined at the meeting of the Board of Directors of the Company to be held in 2021. This Supplementary Provision shall be deleted after the effective date of the head office relocation.

Proposal 3: Election of Four (4) Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Provided that Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the Company will transition to a company with an Audit and Supervisory Committee and the terms of office of all six (6) Directors will expire when the partial revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory Committee take effect.

Accordingly, it is proposed to elect four (4) Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal).

The resolution of this Proposal shall take effect, provided that the revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory Committee based on the resolution of Proposal 2 "Partial Revision of the Articles of Incorporation" take effect.

The candidates for Director are as follows.

No.	Name		Age		Current positions and responsibilities at the Company	No. of years served as Director	Attendance at Board of Directors' meetings
1	Reappointment	Yoshihisa Shinya	51		Representative Director and President President and Executive Officer Officer in charge of Management and Business Operations	2 years	100% (13/13)
2	Reappointment	Toshiya Satake	61		Representative Director Senior Managing Executive Officer Officer in charge of Management, Administration, and Internal Audit Representative Director and President, Dexerials Precision Components Corporation	2 years	100% (13/13)
3	Reappointment	Takashi Yokokura	72	Independent Officer Outside Director	Outside Director	6 years	100% (13/13)
4	New appointment	Satoshi Taguchi	63	Independent Officer Outside Director	-	-	-

Notes:

1. Mr. Takashi Yokokura and Mr. Satoshi Taguchi are candidates for Outside Directors.
   If their election is approved as proposed, the Company intends to designate them as Independent Officers as prescribed by the Tokyo Stock Exchange.
2. The age of a candidate for Director is the age at the conclusion of this Annual General Meeting of Shareholders.

[Basic Policy and Procedures for Nomination of Candidates for Director]

In nominating candidates for Director, the Company's criteria for selecting candidates for Director include that persons are capable of making decisions and executing in accordance with the Company's corporate philosophy, are of good character, have effective communication skills, and have leadership qualities. For Outside Directors, the Company seeks persons from outside the Company who have experience as corporate managers of global enterprises, knowledge of technological development, and specialized knowledge in the fields of legal affairs, finance and accounting, etc., and moreover, are highly independent.

In selecting Outside Directors, the Company determines candidates, taking into consideration the balance of knowledge, experience, specialized fields, etc. of the Board of Directors as a whole.

As independent Outside Directors are the majority of the Company's Board of Directors, candidates for Director are selected from a neutral perspective. Nomination of candidates for Director is determined following review in advance by the Nomination and Remuneration Committee in order to deepen discussion among members including independent Outside Directors.

Name	Career summary
Reappointment 1 Yoshihisa Shinya Date of birth: July 20, 1969 Age: 51 No. of years served as Director: 2 years Number of shares of the Company held: 34,400 shares	Jul. 2001 Joined Sony Chemicals Corporation (current the Company) Apr. 2005 General Manager, Development Department, Optical Material Business Unit, Sony Chemicals Corporation Apr. 2012 Deputy Head, Optical Solutions Products Business Division, Sony Chemicals Corporation Sep. 2012 Deputy Head, Optical Solutions Products Business Unit, the Company Apr. 2014 Executive Officer, Optical Solutions Products Business Unit Head, the Company Apr. 2016 Executive Officer, Product Development Division Head, Business Unit Group Deputy-Head, Corporate R&D Division Deputy-Head, the Company Apr. 2017 Senior Executive Officer, Product Development Division Head, Automotive Devices Business Group Head, the Company Jan. 2019 Senior Executive Officer, Automotive Solutions Business Unit Head, the Company Mar. 2019 President and Executive Officer (to present), Automotive Solutions Business Unit Head, the Company Jun. 2019 Representative Director and President (to present) Oct. 2020 Representative Director and President Officer in charge of Management and Business Operations (to present) [Significant concurrent positions] -
[Special interest relationship with the Company] -	
[Reasons for nomination as a candidate for Director] Mr. Yoshihisa Shinya is playing a central role in product development with regard to the Company's entry to new business fields and has deep insight about technology and a wealth of experience in business operations. The Company judges that he is capable of appropriately fulfilling his duties as a Director and therefore nominates him as a candidate for Director.	
[Directors and officers liability insurance contract] The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If reelection of Mr. Yoshihisa Shinya is approved as proposed, he will be insured under the insurance contract.	

Name	Career summary
Reappointment 2 Toshiya Satake Date of birth: June 29, 1959 Age: 61 No. of years served as Director: 2 years Number of shares of the Company held: 400	Apr. 1983 Joined Hokkaido-Tohoku Development Finance Public Corporation (current Development Bank of Japan Inc.) Apr. 2006 Deputy Head of Business Development Department, Head of Transaction Services Group, Development Bank of Japan Inc. Jun. 2009 Director, General Manager, Planning Department, Skynet Asia Airways Co., Ltd. (current Solaseed Air Inc.) Apr. 2012 Head of Regional Planning Department, Development Bank of Japan Inc. Jun. 2013 Head of Regional Planning Department, Head of PPP/PFI Promotion Center, Development Bank of Japan Inc. Apr. 2014 Advisor, the Company Jun. 2014 Standing Audit & Supervisory Board Member, the Company Jun. 2019 Representative Director and Senior Managing Executive Officer (to present) Officer in charge of Internal Audit, the Company Oct. 2020 Representative Director and Senior Managing Executive Officer Officer in charge of Management, Administration, and Internal Audit (to present) Representative Director and President, Dexerials Precision Components Corporation (to present) [Significant concurrent positions] Representative Director and President, Dexerials Precision Components Corporation
[Special interest relationship with the Company] -	
[Reasons for nomination as a candidate for Director] Mr. Toshiya Satake has a wealth of experience and deep insight gained through his involvement in investment and financing business at financial institutions and as a manager of a company. He is contributing to enhancement of corporate governance and corporate value of the Company in the course of his service as a Representative Director. The Company judges that he is capable of appropriately fulfilling his duties as a Director and therefore nominates him as a candidate for Director.	
[Directors and officers liability insurance contract] The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If reelection of Mr. Toshiya Satake is approved as proposed, he will be insured under the insurance contract.	

Name	Career summary
Reappointment Outside Director Independent Officer 3 Takashi Yokokura Date of birth: March 9, 1949 Age: 72 No. of years served as Director: 6 years Number of shares of the Company held: -	Apr. 1971 Joined Tokyo Optical Co., Ltd. (current TOPCON Corporation) Oct. 1993 General Manager of Electronic Beam Engineering Department, Electronic Beam Division, TOPCON Corporation Apr. 1997 Technology Executive, Industrial Equipment Division, TOPCON Corporation Jun. 2002 Executive Officer, TOPCON Corporation Jun. 2003 Director, TOPCON Corporation Jun. 2006 President and Representative Director, TOPCON Corporation Jun. 2011 Advisor, TOPCON Corporation Dec. 2012 Governor, Tokyo University of Science May 2015 Outside Director, the Company (to present) Oct. 2015 Director, Tokyo University of Science Jul. 2020 External Director, KIKUCHI SEISAKUSHO CO., LTD. (to present) [Significant concurrent positions] External Director, KIKUCHI SEISAKUSHO CO., LTD.

[Special interest relationship with the Company]
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[Reasons for nomination as a candidate for Director and overview of expected role]
Having served as the President and Representative Director of a global company, Mr. Takashi Yokokura has deep insight into corporate management. The Company judges that he can provide useful advice for the Company's management from an objective and professional perspective and contribute to strengthening of the Company's technology development and business development, and therefore nominates him as a candidate for Outside Director.
In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company's independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Mr. Yokokura. Thus, if his reelection is approved as proposed, the Company intends to continue his designation as an Independent Officer as prescribed by the Tokyo Stock Exchange.

[Directors and officers liability insurance contract]
The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.
If reelection of Mr. Takashi Yokokura is approved as proposed, he will be insured under the insurance contract.

[Limited liability agreement]
In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors.
If reelection of Mr. Takashi Yokokura is approved as proposed, the Company intends to continue the said contract with him.
If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations.

Name	Career summary	
New appointment Outside Director Independent Officer 4 Satoshi Taguchi Date of birth: August 11, 1957 Age: 63 No. of years served as Director: - Number of shares of the Company held: -	Apr. 1981	Joined Nippon Oil Corporation (current ENEOS Corporation)
	Apr. 2013	Executive Officer and General Manager of General Administration Department, JX Nippon Oil & Gas Exploration Corporation
	Jul. 2013	Executive Officer and General Manager of General Administration Department, JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	May 2015	Executive Officer and General Manager of Legal & Corporate Affairs Department, JX Holdings, Inc. (current ENEOS Holdings, Inc.)
	Apr. 2016	Director and Senior Vice President (responsible for Internal Audit Dept., Mizushima Safety Audit Office, Public Relations Dept., IT Dept., General Administration Dept. and Crisis Management Dept.), JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Nov. 2016	Director and Senior Vice President (responsible for Internal Audit Dept., Public Relations Dept., IT Dept., System Upgrading Preparation Office, General Administration Dept. and Crisis Management Dept.), JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Apr. 2017	Director and Senior Vice President (responsible for General Administration Dept., Legal & Corporate Affairs Dept. and Procurement Dept.), JXTG Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Jun. 2017	Director and Senior Vice President (responsible for Secretariat, General Administration Dept. and Legal & Corporate Affairs Dept.), JXTG Holdings, Inc. (current ENEOS Holdings, Inc.)
	Apr. 2018	Director and Senior Vice President (responsible for Secretariat, General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept. and Crisis Management Dept.)
	Jun. 2018	Statutory Outside Corporate Auditor, Nippon Shokubai Co., Ltd.
	Apr. 2019	Director and Senior Vice President (responsible for Secretariat, Procurement Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept. and Crisis Management Dept.), JXTG Holdings, Inc. (current ENEOS Holdings, Inc.)
	Jun. 2019	Director and Senior Vice President (responsible for Secretariat, Procurement Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept., Crisis Management Dept. and Human Resources Dept.)
	Apr. 2020	Director and Senior Vice President (responsible for Secretariat, Procurement Strategy Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept., Crisis Management Dept. and Human Resources Dept.)
	Jun. 2020	Senior Vice President (responsible for Secretariat, Human Resources Dept., General Administration Dept., Legal & Corporate Affairs Dept., Crisis Management Dept. and Procurement Strategy Dept.), ENEOS

	Holdings, Inc. and ENEOS Corporation Apr. 2021 Advisor, ENEOS Corporation (to present) [Significant concurrent positions] Advisor, ENEOS Corporation
[Special interest relationship with the Company] -	
[Reasons for nomination as a candidate for Director and overview of expected role] Having held important posts at global companies, Mr. Satoshi Taguchi has deep insight into corporate management. The Company judges that he can provide useful advice for the Company's management from an objective and professional perspective and contribute to strengthening of the Company's risk management and strengthening of supervision of business execution, and therefore nominates him as a candidate for Outside Director. In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company's independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Mr. Taguchi. Thus, if his election is approved as proposed, the Company intends to designate him as an Independent Officer as prescribed by the Tokyo Stock Exchange.	
[Directors and officers liability insurance contract] The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If election of Mr. Satoshi Taguchi is approved as proposed, he will be insured under the insurance contract.	
[Limited liability agreement] In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors. If election of Mr. Satoshi Taguchi is approved as proposed, the Company intends to enter into the said contract with him. If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations.	

Proposal 4: Election of Three (3) Directors Serving as Audit and Supervisory Committee Members

Provided that Proposal 2 “Partial Revision of the Articles of Incorporation” is approved and resolved, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, it is proposed to elect three (3) Directors serving as Audit & Supervisory Committee Members.

The resolution of this Proposal shall take effect, provided that the revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory committee based on the resolution of Proposal 2 “Partial Revision of the Articles of Incorporation” take effect.

The Company has obtained the consent of the Audit & Supervisory Board with respect to this proposal.

The candidates for Director serving as Audit & Supervisory Committee Member are as follows.

No.	Name		Age		Current positions and responsibilities at the Company	No. of years served as Director	Attendance at Board of Directors' meetings
1	New appointment	Rika Sato	58	Independent Officer Outside Director	Outside Director	2 years	100% (13/13)
2	New appointment	Masahiro Kuwayama	62		Standing Audit & Supervisory Board Member	-	100% (13/13)
3	New appointment	Tetsuyuki Kagaya	48	Independent Officer Outside Director		-	-

Notes:

1. Ms. Rika Sato and Mr. Tetsuyuki Kagaya are candidates for Outside Directors.
   If their election is approved as proposed, the Company intends to designate them as Independent Officers as prescribed by the Tokyo Stock Exchange.
2. The age of a candidate for Director is the age at the conclusion of this Annual General Meeting of Shareholders.

[Basic Policy and Procedures for Nomination of Candidates for Director serving as Audit & Supervisory Committee Member]

In nominating candidates for Director serving as Audit & Supervisory Committee Member, the Company selects candidates from inside and outside the Company based on the criteria that the candidates have experience and knowledge in the fields of corporate management, finance and accounting, legal affairs, etc. For Outside Directors serving as Audit & Supervisory Committee Members, the Company seeks persons from outside the Company who are highly independent, in addition to the above criteria.

Name	Career summary
New appointment Outside Director Independent Officer 1 Rika Sato Date of birth: August 15, 1962 Age: 58 No. of years served as Director: 2 years Number of shares of the Company held: -	Apr. 1992 Registered as attorney-at-law (The Tokyo Bar Association) Dec. 1998 Registered as attorney-at-law (New York State) Jun. 2000 Joined Asahi & Koma Law Office (current NISHIMURA & ASAHI) Jan. 2003 Partner, Asahi & Koma Law Office Jun. 2007 Joined Jones Day, Partner May 2015 Outside Audit & Supervisory Board Member, the Company Jan. 2016 Partner, Ota & Sato Jun. 2018 External Director, CMK CORPORATION (to present) Jun. 2019 Outside Director, the Company (to present) Jul. 2019 Partner, Sato & Partners (to present) Nov. 2019 Examiner for the National Bar Examination and Examiner for the Preliminary National Bar Examination (in charge of Code of Civil Procedure) (to present) [Significant concurrent positions] Attorney-at-law (Partner, Sato & Partners) External Director, CMK CORPORATION

[Special interest relationship with the Company]
-

[Reasons for nomination as a candidate for Director serving as Audit & Supervisory Committee Member and overview of expected role]
Ms. Rika Sato has deep insight about corporate legal affairs as an attorney-at-law and has a track record of contributing to enhancement of the quality of auditing of the Company through her service as an Outside Audit & Supervisory Board Member of the Company. The Company expects her to contribute to strengthening of the audit and supervisory functions from an objective and professional perspective and to offer useful advice for enhancing compliance and corporate governance, and therefore nominates her as a candidate for Outside Director serving as Audit & Supervisory Committee Member.
Although Ms. Sato has no experience of involvement in corporate management other than serving as an outside officer, the Company believes that she is capable of appropriately performing duties as an Outside Director serving as Audit & Supervisory Committee Member for the reasons stated above.
In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company's independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Ms. Sato. Thus, if her reelection is approved as proposed, the Company intends to continue her designation as an Independent Officer as prescribed by the Tokyo Stock Exchange.

[Directors and officers liability insurance contract]
The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.
If election of Ms. Rika Sato is approved as proposed, she will be insured under the insurance contract.

[Limited liability agreement]
In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors.
If election of Ms. Rika Sato is approved as proposed, the Company intends to continue the said contract with her.
If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations.

Name	Career summary
New appointment 2 Masahiro Kuwayama Date of birth: October 19, 1958 Age: 62 No. of years served as Director: - Number of shares of the Company held: 22,200 shares	Apr. 1981 Joined Sony Corporation Jan. 2003 General Manager, MSNC RM Business Strategy Division, Sony Corporation Apr. 2007 General Manager, Corporate Planning Department, Sony Chemical & Information Device Corporation (current the Company) Aug. 2008 Corporate Executive, responsible for corporate planning, chemical products business management, general affairs, human resources, chemical materials, Sony Chemical & Information Device Corporation Aug. 2012 General Manager, Legal Affairs, Environment & Compliance Division, Sony Chemical & Information Device Corporation Mar. 2017 General Manager, Internal Audit Department, the Company Jun. 2019 Standing Audit & Supervisory Board Member (to present) [Significant concurrent positions] -
[Special interest relationship with the Company] -	
[Reasons for nomination as a candidate for Director serving as Audit & Supervisory Committee Member] Having served in the Legal Affairs Department and as the General Manager of the Internal Audit Department of the Company, Mr. Masahiro Kuwayama has a wealth of experience and insight about legal affairs and audit practices. He is also appropriately fulfilling his duties as a Standing Audit & Supervisory Board Member. Therefore, the Company judges that he is capable of performing appropriate auditing from an objective and professional perspective and therefore nominates him as a candidate for Director serving as Audit & Supervisory Committee Member.	
[Directors and officers liability insurance contract] The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability. If election of Mr. Masahiro Kuwayama is approved as proposed, he will be insured under the insurance contract.	
[Limited liability agreement] In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors. If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. Therefore, if election of Mr. Masahiro Kuwayama is approved as proposed, the Company intends to enter into the said contract with him.	

Name	Career summary
New appointment Outside Director Independent Officer 3 Tetsuyuki Kagaya Date of birth: December 26, 1972 Age: 48 No. of years served as Director: - Number of shares of the Company held: -	Apr. 2000 Lecturer, Hitotsubashi University Graduate School of Commerce and Management Apr. 2004 Assistant Professor, Hitotsubashi University Graduate School of Commerce and Management Apr. 2008 Associate Professor, Hitotsubashi University Graduate School of Commerce and Management Apr. 2017 Associate Professor, Hitotsubashi University School of Business Administration Oct. 2020 Professor, Hitotsubashi University School of Business Administration (to present) [Significant concurrent positions] Professor, Hitotsubashi University School of Business Administration

[Special interest relationship with the Company]
-

[Reasons for nomination as a candidate for Director serving as Audit & Supervisory Committee Member and overview of expected role]
Mr. Tetsuyuki Kagaya has deep insight about finance and accounting, evaluation of corporate value, risk analysis etc. as a university professor. The Company expects him to contribute to strengthening of the audit and supervisory functions from an objective and professional perspective and to offer useful advice for promoting ESG management of the Company, and therefore nominates him as a candidate for Outside Director serving as Audit & Supervisory Committee Member.
Although Mr. Kagaya has no experience of involvement in corporate management, the Company believes that he is capable of appropriately performing duties as an Outside Director serving as Audit & Supervisory Committee Member for the reasons stated above.
In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company's independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Mr. Kagaya. Thus, if his election is approved as proposed, the Company intends to designate him as an Independent Officer as prescribed by the Tokyo Stock Exchange.

[Directors and officers liability insurance contract]
The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.
If election of Mr. Tetsuyuki Kagaya is approved as proposed, he will be insured under the insurance contract.

[Limited liability agreement]
In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors.
If election of Mr. Tetsuyuki Kagaya is approved as proposed, the Company intends to enter into the said contract with him.
If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations.

Proposal 5: Election of One (1) Substitute Director Serving as Audit and Supervisory Committee Member

Provided that Proposal 2 “Partial Revision of the Articles of Incorporation” is approved and resolved, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, to prepare for a situation in which the number of Directors serving as Audit & Supervisory Committee Members falls below the number prescribed by laws and regulations, it is proposed to elect one (1) substitute Audit & Supervisory Committee Member.

The resolution of this Proposal shall take effect, provided that the revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory Committee based on the resolution of Proposal 2 “Partial Revision of the Articles of Incorporation” take effect.

The Company has obtained the consent of the Audit & Supervisory Board with respect to this proposal.

The effectiveness of the election of the candidate may be cancelled by resolution of the Board of Directors with the consent of the Audit & Supervisory Committee, provided such cancellation is made prior to the assumption of office.

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

Name	Career summary
Outside Director Independent Officer John C. Roebuck Date of birth: March 26, 1950 Age: 71 No. of years served as Director: - Number of shares of the Company held: -	Nov. 1975 Registered as attorney-at-law (District of Columbia) Nov. 1975 Associate Attorney, Arnold & Porter Sep. 1976 Foreign Lawyer, Nagashima & Ohno Jan. 1980 Associate Attorney, Coudert Brothers LLP Jan. 1982 Foreign Lawyer, Tanaka & Takahashi Sep. 1985 Partner, Mayer, Brown & Platt Jul. 1995 Partner, Jones Day Apr. 2003 General Counsel, IBM Japan, Ltd. Jan. 2016 Of Counsel, Jones Day Jan. 2019 Partner, Roebuck Foreign Law Office (to present) Jun. 2019 Outside Audit & Supervisory Board Member, the Company (to present) [Significant concurrent positions] Foreign Legal Consultant (Japan)
Note: Mr. John C. Roebuck is a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member.	
[Special interest relationship with the Company] -	
[Reasons for nomination as a candidate for Director serving as Audit & Supervisory Committee Member and overview of expected role] Mr. John C. Roebuck has specialized knowledge about international financial legal affairs and a wealth of experience and insight about management of global companies as an international attorney-at-law. The Company expects him to contribute to strengthening of the audit and supervisory functions from an objective and professional perspective, and therefore nominates him as a candidate for substitute Outside Director serving as Audit & Supervisory Committee Member. Although Mr. Roebuck has no experience of involvement in corporate management other than serving as an outside officer, the Company believes that he is capable of appropriately performing duties as an Outside Director serving as Audit & Supervisory Committee Member for the reasons stated above. In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company’s independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Mr. Roebuck. Thus, if his election is approved as proposed and he assumes office of Director serving as Audit & Supervisory Committee Member, the Company intends to designate him as an Independent Officer as prescribed by the Tokyo Stock Exchange.	

[Directors and officers liability insurance contract]
The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.
If election of Mr. John C. Roebuck is approved as proposed and he assumes office of Outside Director serving as Audit & Supervisory Committee Member, he will be insured under the insurance contract.

[Limited liability agreement]
In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Outside Directors that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Outside Directors.
If election of Mr. John C. Roebuck is approved as proposed and he assumes office of Outside Director serving as Audit & Supervisory Committee Member, the Company intends to enter into the said contract with him.
If Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the above provision of the Articles of Incorporation will be amended to allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations.

(Reference)

Independence Standards for Outside Directors

If none of the following attributes applies to an Outside Director or a candidate for Outside Director, the Company judges that such Outside Director or candidate for Outside Director is independent from the Company.

1. A person who currently serves as Director (excluding Outside Director, with the same applying hereinafter), Audit and Supervisory Board Member (excluding Outside Audit and Supervisory Board Member, with the same applying hereinafter), Executive Officer or employee of the Company or subsidiaries of the Company (hereinafter referred to as the "Dexerials Group") (hereinafter referred to collectively as "Director etc.") or served as such in the 10 years prior to his/her appointment.
2. A second-degree or closer relative of a Director etc. of the Dexerials Group
3. A major shareholder of the Company (or if the shareholder is an organization, such as a corporation, a person who belongs to it) (*1)
4. A person who belongs to an organization of which the Company is a major shareholder
5. A major business partner of the Dexerials Group (or if the business partner is a corporation etc., a person who belongs to it) (*2)
6. A major lender to or creditor of the Dexerials Group (or if the lender or creditor is an organization, such as a corporation, a person who belongs to it) (*3)
7. A person who has received a donation amounting to 10 million yen or more in the current fiscal year from the Dexerials Group (or if the person receiving such donation is an organization, such as a corporation or an association, a person who belongs to such organization or belonged to such organization in the most recent five years)
8. A person who has received remuneration amounting to 10 million yen or more in the current fiscal year for providing professional services concerning law, finance, tax affairs, etc. or consulting services to the Dexerials Group (or if such person is an organization, such as a corporation, a person who belongs to it)
9. The company where a person serves as a Director etc. and the Dexerials Group have a relationship of interlocking outside officers. (*4)

Notes:
1. "Major shareholder" means a person who directly or indirectly holds 10% or more of the total voting rights.
2. "Major business partner" means a person who received from the Dexerials Group or paid to the Dexerials Group an amount equal to 2% or more of annual consolidated sales of the said business partner or the Dexerials Group.
3. "Major lender" means a lender from which the Dexerials Group borrows an amount equivalent to 2% or more of consolidated total assets.
4. "Relationship of interlocking outside officers" means receiving an outside officer from a company where a Director etc. of the Dexerials Group serves as an outside officer.

Proposal 6: Determination of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)

Provided that Proposal 2 “Partial Revision of the Articles of Incorporation” is approved and resolved, the Company will transition to a company with an Audit and Supervisory Committee.

It is deemed that a resolution was adopted in accordance with the procedure pursuant to Article 319, Paragraph 1 of the Companies Act taken on February 27, 2013 to set the amount of remuneration for Directors of the Company to be no more than 300 million yen a year. In line with the transition to a company with an Audit & Supervisory Committee, it is proposed that this be abolished and, taking into consideration their duties and the economic situation and other circumstances, the amount of remuneration for Directors (excluding Directors serving as Audit & Supervisory Committee Members; hereinafter the same applies in this Proposal) be no more than 300 million yen a year (including the amount of remuneration for Outside Directors of no more than 40 million yen), separately from the maximum amount of remuneration concerning the Performance-Linked stock compensation plan, which is proposed in Proposal 8 “Partial Revision to the Performance-Linked Stock Compensation Plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors).” It is proposed that the specific amount for each Director, the timing of the payment, the method, and other details be determined by resolution of the Board of Directors.

If this proposal and Proposal 8 “Partial Revision to the Performance-Linked Stock Compensation Plan for Directors (excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)” are approved, the Company intends to change the “Policy on Determination of Details of Remuneration etc. for Individual Directors of the Company” to the one stated below, following deliberation by the Nomination and Remuneration Committee of which Independent Outside Directors constitute the majority, in order to ensure its consistency with the content of those proposals. The Company believes that this proposal is appropriate because objectively it is necessary for determining the details of remuneration for each Director in accordance with the policy after the change.

Moreover, it is proposed that employee salaries for Directors who also serves as employees be excluded from the above amount of remuneration, as previously.

If Proposal 2 and Proposal 3 are approved as proposed, the number of Directors eligible for the remuneration based on this proposal will be four (4), including two (2) Outside Directors.

The resolution of this Proposal shall take effect, provided that the revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory Committee based on the resolution of Proposal 2 “Partial Revision of the Articles of Incorporation” take effect.

Policy on Determination of Details of Remuneration etc. for Individual Directors of the Company

1. Basic Policy

Remuneration of the Company's Directors is determined based on a comparative examination of the Company's current remuneration systems and levels with those of companies of similar size, type, and industry. This information is derived from executive compensation survey data provided by external research organizations.

Remuneration of Directors (excluding Outside Directors) is determined by resolution of the Board of Directors following deliberation by the Nomination and Remuneration Committee based on the amount calculated according to the job title and the degree of achievement of results for the fiscal year, etc., in view of the basic approach for determining officers' remuneration described below.

Also, remuneration for Audit and Supervisory Committee Members is determined through consultation among Directors serving as Audit & Supervisory Committee Members.

(Basic approach for determining officers' remuneration)

- Officers' remuneration shall correspond to the role, responsibilities, and performance of each officer.
- Officers' remuneration shall be designed such that it reflects the medium- to long-term management strategy and also strongly incentivizes medium- to long-term growth.
- The level of remuneration shall be appropriate for attracting and retaining excellent human resources.
- The remuneration determination process shall be objective and highly transparent.

(Percentages of each type of remuneration by job title)

Job title	Percentage of officer remuneration			Total
	Basic remuneration	Performance-linked remuneration		
		Performance remuneration	Stock compensation	
Representative Director	50%	30%	20%	100%
Outside Director	100%	-	-	
Director serving as Audit & Supervisory Committee Member	100%	-	-	

2. Basic Remuneration

Amounts are determined according to the job title in accordance with internal rules (weighted allocation according to job responsibilities), and a fixed monthly amount of remuneration is paid.

Only basic remuneration is provided to Outside Directors and Directors serving as Audit & Supervisory Committee Members.

3. Performance-linked Remuneration

Performance-linked remuneration comprises "performance remuneration," which is paid according to performance during the fiscal year, and "stock compensation (BBT trust)," which is intended to foster the awareness that Directors share interests with shareholders and to provide motivation for achieving objectives over the medium to long term. Performance-linked remuneration is designed to motivate the Company's Executive Directors to manage with an awareness of performance and share prices not just in a single fiscal year, but also over the medium to long term.

"Performance remuneration" is set based on consolidated net sales, which correspond to the capability to earn revenue through implementation of the strategy, and EBITDA, which corresponds to the capability to earn substantial profit, as evaluation indicators. The degree of achievement of individual commitments is also used as an evaluation indicator with regard to Executive Directors other than the Representative Director and President. Regarding the above performance indicators, performance remuneration is calculated at the ratio of 50% consolidated net sales and 50% EBITDA and the amount determined is divided by 12 and the divided amount is paid monthly from the month following the conclusion of the Annual General Meeting of Shareholders.

"Stock compensation" is set separately from basic remuneration and performance remuneration for the purpose of increasing awareness of contributions to medium- to long-term continuous improvements in financial results and increases in corporate value. Specifically, money is contributed to a trust every three years for acquisition of the shares necessary for provision to Directors, and thereafter, eligible Directors are awarded points according to TSR (total shareholder return) and ROE, which are evaluation indicators specified in order to ensure Directors share interests with shareholders and to ensure that not only the benefit of the increase in the share price, but also the risk of the decrease in the share price is shared among the Directors and the shareholders, thereby strengthening the Directors' awareness of their contribution to the medium- to long-term improvement in financial results and corporate value.
Each point awarded to the Directors shall be converted into one (1) share of the Company's common stock, and the Company's shares and cash equivalents of such shares at their market value are granted to eligible Directors according to the number of points every three years.

4. Decision-Making Process
In order to guarantee appropriate remuneration for officers and transparency of decision-making processes, the Company has established a Nomination and Remuneration Committee as an advisory body to the Board of Directors.
The decision-making process of the Board of Directors shall involve referral to and deliberation by the Nomination and Remuneration Committee for matters relating to the composition of remuneration of Directors and Executive Officers, evaluation of the appropriateness of the design of the performance-linked remuneration system, setting of targets and evaluation of performance, etc.
The remuneration of individual Directors shall be discussed by the Nomination and Remuneration Committee and shall be determined by resolution of the Board of Directors, within the range of remuneration determined by resolution of the General Meeting of Shareholders in advance.
The remuneration of individual Directors serving as Audit & Supervisory Committee Members shall be determined through consultation among Directors serving as Audit & Supervisory Committee Members, within the range of remuneration determined by resolution of the General Meeting of Shareholders in advance.

Proposal 7: Determination of the Amount of Remuneration for Directors Serving as Audit and Supervisory Committee Members

Provided that Proposal 2 “Partial Revision of the Articles of Incorporation” is approved and resolved, the Company will transition to a company with an Audit and Supervisory Committee.

Accordingly, it is proposed that the amount of remuneration for Directors serving as Audit & Supervisory Committee Members be no more than 50 million yen a year. It is proposed that the specific amount for each Director serving as Audit & Supervisory Committee Member, the timing of the payment, the method, and other details be determined through consultation among Directors serving as Audit & Supervisory Committee Members.

If this proposal is approved, the Company intends to change the “Policy on Determination of Details of Remuneration etc. for Individual Directors of the Company” to the one stated in Proposal 6 (Please refer to Page 23 of this Notice.), following deliberation by the Nomination and Remuneration Committee of which Independent Outside Directors constitute the majority, in order to ensure its consistency with the content of the proposal. The Company believes that this proposal is appropriate because objectively it is necessary for determining the details of remuneration for each Director in accordance with the policy after the change.

If Proposal 2 and Proposal 4 are approved as proposed, the number of Directors serving as Audit & Supervisory Committee Members eligible for the remuneration based on this proposal will be three (3).

The resolution of this Proposal shall take effect, provided that the revision of the Articles of Incorporation pertaining to the transition to a company with an Audit & Supervisory Committee based on the resolution of Proposal 2 “Partial Revision of the Articles of Incorporation” take effect.

Proposal 8: Partial Revision of Performance-Linked Stock Compensation Plan for Directors (Excluding Directors serving as Audit and Supervisory Committee Members and Outside Directors)

1. Reasons for the proposal and for its appropriateness

This proposal is to request approval for partial revision (hereinafter referred to as the "Revision") to the performance-linked stock compensation plan for Directors of the Company (excluding Outside Directors), namely the "Board Benefit Trust, or BBT" (hereinafter referred to as the "Plan") in line with the Company's transition to a company with an Audit and Supervisory Committee.

The Company introduced the Plan based on the approval and resolution (hereinafter referred to as the "Initial Resolution") concerning the Plan at the 4th Annual General Meeting of Shareholders held on June 23, 2016. The purpose of the Plan is to further clarify the linkage between remuneration of Directors (excluding Outside Directors), financial results of the Company and the value of the Company's shares to ensure that not only the benefit of the increase in the share price, but also the risk of the decrease in the share price is shared among the Directors (excluding Outside Directors) and the shareholders, thereby strengthening the Directors' awareness of their contribution to the medium- to long-term improvement in financial results and corporate value.

Provided that Proposal 2 "Partial Revision of the Articles of Incorporation" is approved and resolved, the Company will transition to a company with an Audit & Supervisory Committee. Accordingly, the Company requests approval for the change of the persons eligible for the Plan to be Directors of the Company (excluding Directors serving as Audit & Supervisory Committee Members and Directors who are not Directors serving as Audit & Supervisory Committee Members but are Outside Directors; hereinafter the same applies, unless otherwise specified) and for the revision of the timing for the eligible persons to be granted shares of the Company's stock and money converted at the market value of those shares (hereinafter referred to as "Company's Shares etc.") under the Plan to further ensure that the benefit of the increase in the share price and the risk of the decrease in the share price are shared with the shareholders.

Specifically, it is proposed that the maximum amount of compensation under the Plan in accordance with the Initial Resolution be abolished and that the specific calculation method for the amount of compensation and its specific details be approved in order to grant stock compensation under the Plan to Directors, separately from the maximum amount of remuneration proposed in Proposal 6 "Determination of the Amount of Remuneration for Directors (Excluding Directors Serving as Audit and Supervisory Committee Members)." The Company proposes that the details of the Plan after the Revision be entrusted to its Board of Directors within the framework of 2. below.

The Company believes that this proposal is appropriate because the Revision was deliberated by the Nomination and Remuneration Committee of which Independent Outside Directors constitute the majority and its content is consistent with the Policy on Determination of Details of Remuneration etc. for Individual Directors of the Company, which is scheduled to be changed and stated in Proposal 6 (Please refer to Page 23 of this Notice.).

If Proposal 2 and Proposal 3 are approved as proposed, the number of Directors eligible for the Plan will be two (2).

In line with the Revision, granting of the Company's Shares etc. according to the points awarded to Directors by the fiscal year ended March 31, 2021 shall be carried out at a certain point in time after their retirement, in principle, as previously, in accordance with the Initial Resolution. Granting of the Company's Shares etc. according to the points awarded to Directors from and after the fiscal year ending March 31, 2022 shall be carried out at a certain point in time after completion of each applicable period (after the revision) (to be defined in 2. (2) below) or after their retirement, whichever the earlier, in principle, under the Plan after the change of 2. below.

2. Details of the Revision (Specific calculation method for the amount of compensation etc. under the Plan and its specific details)

The details of the previous Plan will be partially revised as below.

(1) Overview of the Plan

The Plan is a stock-based compensation plan whereby the Company's shares are acquired through a trust using funds contributed by the Company (hereinafter, such trust established pursuant to the Plan is referred to as the "Trust"), and the Company's shares and cash equivalents of such shares at their market value (hereinafter collectively referred to as "Company's Shares etc.") are granted through the Trust to the Directors pursuant to the Officer Stock Distribution Rules established by the Company. The Directors shall receive the Company's

Shares etc. at a certain point in time after completion of each applicable period (after the revision) (to be defined in 2. below) or after their retirement, whichever the earlier, in principle.

(2) Amount of funds provided by the Company to the Trust

The Company has provided a sum of 110 million yen as funds for acquiring the shares provided to the Company's Directors based on the Plan and established the Trust, in which Directors who meet beneficiary requirements are designated as the beneficiaries, for the three fiscal years between the fiscal year ended March 31, 2017, and the fiscal year ended March 31, 2019 ("the Initial Applicable Period"; each of the three-fiscal-year -period following the Initial Applicable Period will be referred to as an "Applicable Period before Revision"), within the range approved at the 4th Annual General Meeting of Shareholders.

The Trust has acquired 132,000 shares of the Company for the Initial Applicable Period using the funds provided by the Company as the capital. As of now, the Trust has not additionally acquired the Company Shares for the current Applicable Period before Revision that started in the fiscal year ended March 31, 2020.

On the condition that the Proposal is approved, the Company will change the current Applicable Period before Revision to the five fiscal years between the fiscal year ended March 31, 2020, and the fiscal year ending March 31, 2024 (the period of the five fiscal years will be referred to as the "Initial Applicable Period after Revision" and each of the three-fiscal-year-period following the Initial Applicable Period after Revision will be referred to as a "Subsequent Applicable Period").

The Initial Applicable Period after Revision and the Subsequent Applicable Period after Revision will be combined and referred to as the Applicable Period after Revision.

If the Company Shares are expected to fall short of the number required for the Directors' compensation under the Plan for the Initial Applicable Period after Revision (the five fiscal years between the fiscal year ended March 31, 2020, and the fiscal year ending March 31, 2024), the Company will rationally estimate the number required and provide the Trust with additional funds deemed necessary for the advance acquisition by the Trust.

After the end of the Initial Applicable Period after Revision, the Company will rationally estimate the number of Shares required for the Directors' compensation under the Plan and provide the Trust with additional funds deemed necessary for the advance acquisition by the Trust for, in principle, each Subsequent Applicable Period after Revision until the end of the Plan. In the case of providing such additional funds, if the Company Shares (those corresponding to the number of points given to Directors for each Applicable Period until the most recent one, excluding Shares yet to be given to Directors) and funds remain in the Trust assets ("Remaining Shares"), the Remaining Shares will be allocated to the compensation under the Plan in each Subsequent Applicable Period after Revision and the additional funds will be calculated, taking into account the Remaining Shares.

The Company will announce any decision to provide additional funds in a timely and appropriate manner.

(3) Method and the number of the Company Shares to acquire

The Trust will acquire the Company Shares using the funds provided pursuant to the above section (2) and through a stock exchange market or by undertaking the disposal of the Company's treasury shares. The maximum number of points given to the Directors will be 225,000 points for the Initial Applicable Period after Revision (five fiscal years) and 135,000 points for each Subsequent Applicable Period (three fiscal years each). Therefore, the maximum number of shares acquired by the Trust for the Initial Applicable Period after Revision will be 225,000 shares and that for each Subsequent Applicable Period after Revision will be 135,000 shares each.

(4) Maximum number of the Company Shares provided to the Directors

The Directors receive points for each fiscal year in the number determined by considering their positions, performance indicators, and other factors pursuant to the Directors pursuant to the Officer Stock Distribution Rules.

The total number of points given to the Directors for the Initial Applicable Period after Revision will be up to 225,000 points and that for each Subsequent Applicable Period after Revision will be up to 135,000 points each. The Company has determined these numbers by comprehensively considering such factors as the level of compensation currently paid to the Directors and the current and future trends in the number of the Directors,

and the Company considers such numbers appropriate.

Each point given to the Directors is converted to one common share of the Company when the Company Shares are provided as stated in the section (5) below (the maximum number of points and the number of points already given or the conversion ratio will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company Shares after approval for the Proposal is given).

For reference, multiplying the number of shares (225,000) corresponding to the maximum number of points given to the Directors for the Initial Applicable Period after Revision (five fiscal years) by the closing stock price on May 7, 2021, of 2,103 yen results in approximately 473 million yen. Multiplying the number of shares (135,000 each) corresponding to the maximum number of points given to the Directors for each Subsequent Applicable Period (three fiscal years) by the closing stock price on May 7, 2021, of 2,103 yen results in approximately 284 million yen.

The number of shares (225,000) equivalent to the maximum number of points given to the Directors for the Initial Applicable Period after Revision (five fiscal years) as a percentage of the total shares outstanding (as of March 31, 2021, after deduction of treasury shares) is approximately 0.4%. The number of shares (135,000 each) equivalent to the maximum number of points given to the Directors for each Subsequent Applicable Period after Revision (three fiscal years) as a percentage of the total shares outstanding (as of March 31, 2021, after deduction of treasury shares) is approximately 0.2%.

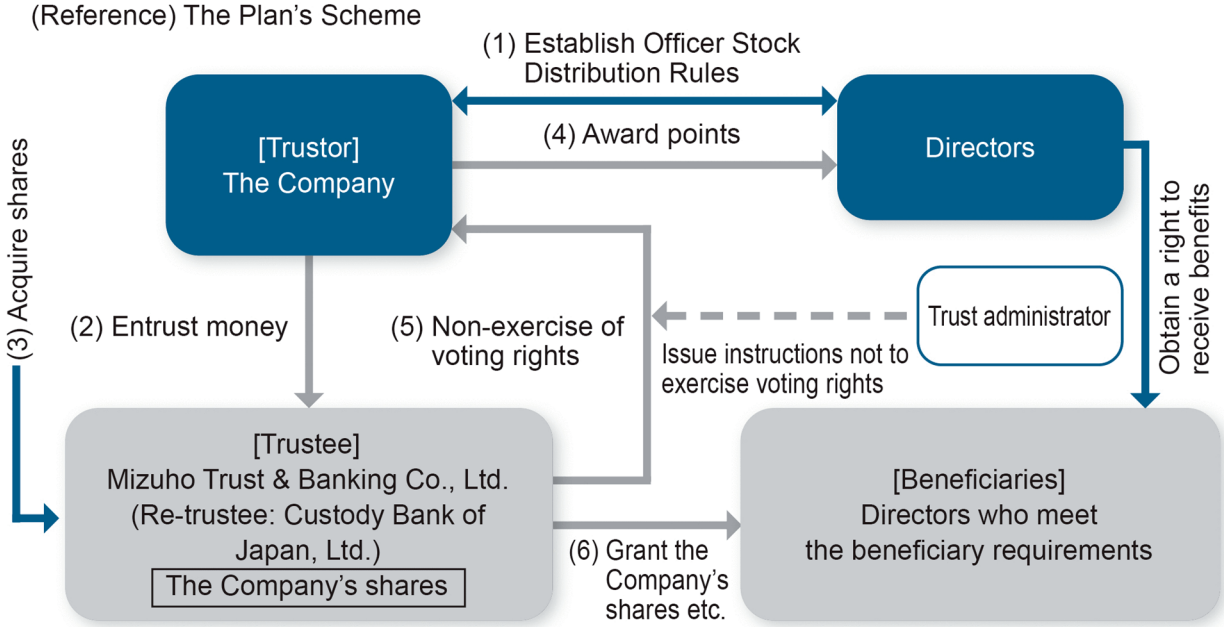
The number of points held by the Directors that becomes the basis of the Company Shares provided as stated in the section (5) below is, in principle, the cumulative total number of points given to the Directors by a certain point in time after the end of each Applicable Period (after revision) following the fiscal year ending March 31, 2022 (the points calculated in this manner will be referred to as the "Final Number of Points").

(5) Specific method of calculating the number of the Company Shares and the amount of compensation

Directors who meet the beneficiary requirements receive the Company Shares after completing a certain procedure for the determination as beneficiary, in principle, in the number corresponding to the Final Number of Points specified in the above section (4) from the Trust at a certain point in time after the end of each Applicable Period (after revision) or retirement from their position, whichever is earlier. The Directors who meet the requirements specified in the executive share-based compensation rules may receive money equivalent to the market price of the Company Shares in lieu of the Company Shares. The Company may sell the Company Shares through the Trust to acquire funds for such monetary compensation.

Any Director who has been given points will lose the entitlement to receive the compensation if a resolution to dismiss that Director has been passed at the General Meeting of Shareholders. The amount of compensation received by the Directors will generally be determined by multiplying the total number of points given to the Directors by the book value per share of the Company Shares held by the Trust (the amount will be rationally adjusted for any stock split, allotment without contribution, or reverse stock split of the Company Shares based on the ratios in such transactions). In an exceptional case of paying money pursuant to the Directors pursuant to the Officer Stock Distribution Rules, the money will be added to the compensation if it is deemed appropriate.

(Reference) The Plan's Scheme



(i) The Company shall stipulate the Officer Stock Distribution Rules within the framework approved by means of approval of this proposal.
(ii) The Company shall entrust money within the limit approved by means of approval of this proposal.
(iii) The Trust shall acquire the Company's shares through the stock market or by underwriting the disposition of the Company's treasury shares, using as the funds money entrusted in the manner set forth in (ii).
(iv) The Company shall award points to the Directors based on the Officer Stock Distribution Rules.
(v) In accordance with the instructions issued by the independent trust administrator, the Trust shall not exercise the voting rights for the Company's shares in the Trust's account.
(vi) The Trust shall grant the Company's shares to Directors who meet the requirements for the beneficiary stipulated in the Officer Stock Distribution Rules (hereinafter referred to as the "Beneficiaries") in proportion to the number of points awarded to the said Beneficiaries. However, if the Directors meet the requirements separately stipulated in the Officer Stock Distribution Rules, in respect of a certain percentage of the points awarded to them, they may receive the amount of cash equivalent to the market value of the Company's shares in lieu of the Company's shares.