Note: This English translation is for reference purposes only and is based on an original document submitted to the Tokyo Stock Exchange on December 22, 2021, in Japanese. In the event of any discrepancy between the Japanese original and this English translation, the original shall prevail. Kureha Corporation assumes no responsibility for this translation or for any direct, indirect or other form of damages arising from the translation.

Corporate Governance Report

Last Update: December 22, 2021

KUREHA CORPORATION

Yutaka Kobayashi, President & Chief Executive Officer

Contact: Kazushige Tsurutani, General Manager, Public & Investor Relations Department

+81-3-3249-4651

Securities Code: 4023

https://www.kureha.co.jp/

The status of corporate governance of KUREHA CORPORATION (hereinafter referred to as the "Company," "Kureha," or "We") is described below.

I. Basic Views on Corporate Governance, Capital Structure, Corporate Profile and Other Basic Information

1. Basic Views

Corporate philosophy and basic policy for corporate governance

Kureha upholds the following Corporate Philosophy, Corporate Mission, and Employee Code of Conduct as its identity (reason for existing). All executives and employees share these ideals, and constantly strive to achieve ambitious goals.

Corporate Philosophy
- We treasure people and the natural environment.
- We constantly evolve through innovation.
- We contribute to society by developing beneficial products.

Corporate Mission
Kureha aims to be an "Excellent Company".

Employee Code of Conduct
We always act as global corporate citizens, recognizing our corporate social responsibilities.

In relation to our clients:
We will act with sincerity and with customer satisfaction as our priority.

In relation to our work:
We will consistently pursue progress and innovation.
We will consistently respond to change and act with a global perspective.

In relation to our colleagues:
We will maintain mutual respect and exhibit teamwork.

Kureha is committed to strengthening its internal control functions including practicing compliance and ensuring fair and highly transparent management. In addition, Kureha has adapted Corporate Governance Guidelines, which are separately established (URL: https://www.kureha.co.jp/en/ir/pdf/201906_CG_en.pdf) to further enhance the effectiveness of its corporate governance, through which Kureha pursues sustainable growth and improving the medium- and long-term growth of corporate value for the Kureha Group (Kureha and Group companies).

[Reasons for Non-compliance with the Principles of the Corporate Governance Code]

Updated This report is based on the Code (including contents aimed at the Prime Market) revised in June 2021.
The Company is implementing all principles of the Corporate Governance Code.

[Disclosure Based on the Principles of the Corporate Governance Code]

[Principle 1.4 Policy concerning Cross-Shareholdings]
1. Kureha holds shares of transaction partners when it is deemed beneficial in terms of its business transaction status to date with those companies and the enhancement of the Company's sustainable, medium- and long-term corporate value. The Board of Directors verifies the significance of cross-shareholdings by carefully examining whether the purpose of holding such shares of stock is appropriate and whether the benefits and risks from such cross-shareholdings are commensurate with Kureha's cost of capital. Kureha will gradually reduce the number of shares that are no longer significant for Kureha to hold based on a comprehensive consideration of factors such as dialogue with companies in business relationships, the impact on the market, and availability of effective use of funds. For FY2021, Kureha holds shares in 29 companies in business relationships and 8 financial institutions.
2. The voting rights of cross-held shares are determined and exercised on the basis of a comprehensive judgement as to whether each proposal will not lead to any damage to the enhancement of the medium- and long-term corporate value and shareholder value of the relevant companies whose shares are held.

[Principle 1.7 Disclosure of Appropriate Procedure and Framework for Related Party Transactions]
Updated The Company stipulates that, under the Board of Directors Rules, the Board of Directors must approve transactions conducted by Directors if these transactions may compete or cause conflicts with the Company's interests, and the results of those transactions must be reported to the Board of Directors.

Updated [Supplementary Principle 2.4.1 Ensuring Diversity in Promotion, etc. of Core Human Resources]
<Views on ensuring diversity in promotion, etc. of core human resources>
- The Company employs and promotes diverse human resources who have different knowledge and experiences, based on their personal attributes, including abilities and achievements, to meet management and business needs. It promotes personnel to management positions based on whether or not they will be able to sufficiently fulfill the roles and responsibilities required as executives or department managers, while taking diversity of human capital into account.
<Status of and voluntary, measurable targets for ensuring diversity>
- Women, foreign nationals, and mid-career hires currently account for 5.4%, 0.4%, and 8.3% of management positions respectively.
- To ensure diverse human capital, the Company has set a target of 20% or more for the percentage of women recruited for career-track positions, and it will also strive to increase the percentages of women, foreign nationals, and mid-career hires in management positions to above the current levels.
<Status of and policies for human capital development and development of internal environment for ensuring diversity>
- The Company will actively pursue various measures to cultivate human capital who can sufficiently fulfill the roles and responsibilities required of executives and department managers and to develop an environment in which employees can make use of their attributes and abilities. These measures include workplace OJT and systematic OFF-JT programs, the improvement of office environments and working patterns, and health and fitness promotion.
- For human capital development, in line with the renewal of the personnel system in October 2021, the Company has established a new human capital development framework and is working to enhance support

aimed at the autonomous and continuous growth of every employee, so they can continue to participate actively and take on more and more ambitious goals.
- In particular, for the development of female senior managers, the Company selects female employees who are expected to become candidates for future senior management and sends them to inter-industry networking seminars for the purpose of acquiring knowledge and skills related to business administration and management and to interact with leaders of other companies.
- For the development of the working environment, the Company develops environments in which diverse employees, including women, will participate actively and continue to grow, and is striving to enhance its schemes to support them in balancing work with life events such as childbirth, raising children, and caring for elderly family members, including childcare leave, caregiver leave, flextime/shortened working hours, and per-hour annual leave schemes.
<Reference: Company CSR website> (https://www.kureha.co.jp/en/csr/)
.
[Principle 2.6 Roles of Corporate Pension Funds as an Asset Owner]
Updated 1. With regard to the Company's defined-benefit corporate pension, Kureha is fully aware that the management of corporate pension funds impacts the Company's own financial standing in addition to the stable asset formation for employees, and has established the Retirement Pension Committee which consists of personnel who possess appropriate qualities, including the General Manager of Finance & Accounting Division, General Manager of Administration Division, General Manager of Human Resources Department, General Manager of Accounting Department, and General Manager of Finance Department, which meets twice a year to monitor the management results.
2. The asset manager of Kureha's corporate pension funds has already announced its acceptance of the Stewardship Code. Kureha regularly conducts monitoring of stewardship activities through the quarterly briefing session by the asset manager it entrusts.

[Principle 3.1 Full Disclosure]
1. Company objectives (e.g., corporate philosophy), business strategies and business plans
For the Company's corporate philosophy, please refer to I-1 of this report. Kureha has drafted a medium-term management plan, the details of which are appropriately disclosed on the corporate website (https://www.kureha.co.jp/en/ir/policy/middle_plan.html).

2. Basic views and guidelines on corporate governance based on each of the principles of the Code
For the Company's basic views and guidelines on corporate governance, please refer to I-1 of this report and Corporate Governance Guidelines of the Company
(URL: https://www.kureha.co.jp/en/ir/policy/governance.html).

3. Board policies and procedures in determining the remuneration of the senior management and Directors
- When determining remuneration, etc. for Directors and Vice Presidents, the Board of Directors reflects corporate performance and medium- and long-term growth of corporate value, and also considers securing and retaining appropriate human resources, and sets the remuneration structure and level that are appropriate to the required roles and responsibilities.
- Remuneration for Directors consists of 1) basic remuneration and 2) bonuses as performance-linked remuneration, as monetary remuneration, and 3) remuneration related to stock acquisition rights as stock options as non-monetary remuneration; provided, however, remuneration for Outside Directors is limited to basic remuneration, considering their roles.
- Remuneration for Vice Presidents consists of 1) basic remuneration and 2) bonuses as performance-linked remuneration, as monetary remuneration, and 3) remuneration related to stock acquisition rights as stock options as non-monetary remuneration.
- Changes to the remuneration system for Directors and Vice Presidents shall be decided by the Board of Directors based on comprehensive consideration of trends at other companies, and after deliberation by the Remuneration Advisory Committee, a non-mandatory advisory board to the Board of Directors.
[Remuneration for Individual Directors]
- Basic remuneration shall be monthly cash remuneration ("monthly remuneration") and shall be paid within the total amount resolved at the General Meeting of Shareholders. The amount for each individual shall be in accordance with the standard separately determined for each position.
- Bonuses shall be cash remuneration that reflects performance indicators for the purpose of raising awareness of the improvement of business performance in each fiscal year, and the total amount calculated based on

profit attributable to owners of parent for each fiscal year as a performance indicator shall be resolved at the General Meeting of Shareholders. The President & Chief Executive Officer shall be entrusted in accordance with the resolution of the Board of Directors to determine the amount for each individual Director based on his or her evaluation, which shall be paid at a certain time each year.
- Remuneration related to stock acquisition rights as stock options shall be provided within the total amount resolved at the General Meeting of Shareholders, for the purpose of providing Directors with incentives for the sustainable improvement of corporate value and raising shareholder-focused management awareness. The amount for each individual shall be in accordance with the standard separately determined for each position and shall be provided at a certain time each year based on the resolution of the Board of Directors. The fair value of stock options is calculated based on reasonable grounds such as the Black-Scholes model and determined by the Board of Directors.
- The President & Chief Executive Officer shall be entrusted to determine specific details of the amount of monthly remuneration for each individual in accordance with the resolution of the Board of Directors. The details of the entrusted authority shall be the determination of the standard for the amount for each director by position.
- The President & Chief Executive Officer shall be entrusted to determine specific details of the amount of bonus for each individual in accordance with the resolution of the Board of Directors. The details of the entrusted authority shall be the determination of the amount for each Director based on the evaluation by the President & Chief Executive Officer.
- The President & Chief Executive Officer shall be entrusted to determine specific details of the amount of the remuneration related to stock acquisition rights as stock options for each individual in accordance with the resolution of the Board of Directors. The details of the entrusted authority shall be the determination of the standard for the amount for each Director by position.
- In order to ensure that the authority entrusted to the President & Chief Executive Officer regarding the remuneration for each class is properly exercised, the standard for the amount of monthly remuneration for each Director by position, the amount of bonus for each Director based on the evaluation, and the standard for the amount of the remuneration related to stock acquisition rights as stock options for each Director by position shall be determined after deliberation by the Remuneration Advisory Committee, a non-mandatory advisory board to the Board of Directors.
- The amount of remuneration for Directors shall be revised based on comprehensive consideration of factors including the remuneration levels of other companies and the Company's business performance. The procedure for the revision shall be in accordance with the method of determining the amount of remuneration for each class.
[Remuneration for Individual Vice Presidents]
- The amount of remuneration for each Vice President by class shall be in accordance with the remuneration structure for Directors, and shall be determined by the President & Chief Executive Officer in accordance with the internal rules under the remuneration structure determined by the Board of Directors after deliberation by the Remuneration Advisory Committee. The determination by the President & Chief Executive Officer shall be made after deliberation by the Remuneration Advisory Committee.

4. Board policies and procedures in the appointment/dismissal of the senior management and the nomination of candidates for Directors and Audit & Supervisory Board Members
[Appointment of Directors]
Updated <Policy> The Board of Directors makes decisions on the appointment of Directors and Vice Presidents appropriately based on the evaluation of factors such as the Company's business performance while ensuring transparency and fairness of the Company's decision-making. When appointing Directors, achieving a balance of knowledge, abilities, and experience within the Board of Directors as a whole, as well as diversity and the maximum number of Directors are taken into account, with most emphasis being given to experience in corporate management.
<Procedures> Based on the above policy, the Nomination Advisory Committee, non-mandatory advisory board to the Board of Directors deliberates on the appointment of Directors and Vice Presidents, and the chairperson of the Nomination Advisory Committee proposes to the Board of Directors the results of the review of the details for the resolution of the appointment.
[Appointment of Audit & Supervisory Board Members]
<Policy> Audit & Supervisory Board Members must have a high ethical standard and possess the insights, abilities, and experience required as an Audit & Supervisory Board Member. At least one member must be a person with the appropriate knowledge related to finance and accounting.

<Procedures> Prior consent of the Audit & Supervisory Board shall be obtained for candidates for Audit & Supervisory Board Members.
[Appointment/Dismissal of President & Chief Executive Officer and Vice Presidents]
Updated The Nomination Advisory Committee deliberates on the appointment of the President & Chief Executive Officer, based on criteria such as strong leadership that is capable of swift and appropriate execution of the Group's management strategies, management achievements, experiences, skills, and qualities of a President & Chief Executive Officer. When appointing the President & Chief Executive Officer, the chairperson of the Nomination Advisory Committee proposes to the Board of Directors the results of the review of the details.
The Nomination Advisory Committee deliberates on the dismissal of the President & Chief Executive Officer, and the chairperson of the Nomination Advisory Committee proposes to the Board of Directors the results of the review of the details. If the following criteria for dismissal apply to the President & Chief Executive Officer, it will be subject to deliberation by the Nomination Advisory Committee:

- if it is recognized that the President & Chief Executive Officer has not sufficiently fulfilled the function of the office in light of evaluation of company business results, etc.;
- if an act of misconduct in the execution of duties or a material violation of laws and regulations or the Company's articles of incorporation has been recognized; or
- in the event of other circumstances that make it difficult for the President & Chief Executive Officer to properly perform his/her duties.

The appointment of Vice Presidents is deliberated on by the Nomination Advisory Committee, non-mandatory advisory board to the Board of Directors, and decided by the resolution of the Board of Directors. Each Director proposes the dismissal of a Vice President to the Board of Directors if he or she finds that the Vice President executes business operations in a manner that departs from the reasons for the appointment of such Vice President.

5. Explanations with respect to the individual appointments and nominations of the senior management, Directors, and Audit & Supervisory Board Members
Past experience and reasons for selection for candidates for Directors and Audit & Supervisory Board Members are disclosed in the Notice of General Meeting of Shareholders.

Updated [Supplementary Principle 3.1.3 Sustainability Initiatives, etc.]
<Sustainability initiatives>
- As a company that handles chemical substances, Kureha has engaged in Responsible Care (RC) initiatives as a responsible, autonomous management activity for society and the environment. To actively address various sustainability-related challenges further, the Company has stipulated in the Kureha Group Basic Policy on CSR its continued challenge aimed at becoming an excellent company by adhering to the Employee Code of Conduct and practicing the Corporate Philosophy in its global business and social activities and RC activities, and is actively proceeding with those policies, with the CSR Committee, under the direct control of the President, at the center.
- The Kureha Group has identified 20 material issues (materiality) to be addressed with priority as the basic responsibility of corporate activity, to enhance the effectiveness of governance and practice thorough compliance, and is working on these issues together with Group companies. At the same time, in areas where the Company excels, it hopes to leverage its unique technological capabilities and strengths to address solutions to new social issues and contribute to social development. From these perspectives, it has declared "strengthen management foundations" as one of its management goals in Kureha's Challenge 2022, the medium-term management plan announced in May 2021, and is actively addressing nine priority areas in CSR activities that it has selected.
- Currently, as demands on companies to solve global social issues, including SDGs, grow stronger, in consideration of the needs of all stakeholders, companies are being called on to formulate and put into practice sustainability strategies aimed at the enhancement of corporate value that is sustainable over the medium to long term. The Kureha Group is actively pursuing the formulation of medium- to long-term CSR strategies that are integrated with its business strategies. The Company's CSR activities and sustainability initiatives are disclosed on the CSR pages of the corporate website (https://www.kureha.co.jp/en/csr/).
<Investment in human capital and intellectual property>
- The Company recognizes that investment in human capital and intellectual property is essential to sustainable growth. Regarding human capital, having established an Employee Code of Conduct based on the Corporate Philosophy, the Company is conducting a review of its personnel system and various measures

related to human capital development to raise their effectiveness, and has described them in the medium-term management plan's management goals and CSR Report. Regarding intellectual property, under the Basic Policy for Intellectual Property Strategy (described in the CSR Report), the Company is acquiring intellectual property rights and preventing infringements of those rights to help secure business superiority and supporting the promotion of research and development.
<Disclosures under the TCFD or equivalent frameworks>
- The Paris Agreement has been concluded as a countermeasure against global climate change, and many developed nations have declared a target of net zero carbon emissions by 2050 and are actively pursuing measures to reduce greenhouse gas emissions and promote the technological innovation required for further reductions. Responding to climate change aimed at the achievement of net zero is a top priority challenge in the Kureha Group as well. The Group has established a basic policy for climate change response and is addressing this challenge across the entire Group.
- In FY2020, the Company investigated the state of energy use and CO_2 emissions for the entire Group, estimated future energy demand, and conducted a survey to obtain information about the situation and various responses in the countries and regions where Group companies are located. Based on these investigations, the Company formulated CO_2 emissions reduction targets for FY2030. In addition, due to the Japanese government's announcement of new GHG emissions reduction targets in April 2021, the Kureha Group also further reviewed its own CO_2 emissions reduction targets and decided to strengthen and accelerate its company-wide initiatives. To this end, a new Carbon Neutral Project was established in October 2021 as a company-wide project, under which initiatives for the Kureha Group to achieve carbon neutrality in 2050 are managed and promoted.
- Further, the Company has now commenced scenario analyses in line with the TCFD Recommendations. It is evaluating the climate change-related risks and opportunities for the Kureha Group, reflecting them in management strategies and risk management, identifying their financial impact, and proceeding with preparations for the appropriate disclosure of information.

[Supplementary Principle 4.1.1 Determination and Disclosure of the Scope of Matters Delegated to Management]
To speed up decision-making and business execution in management, matters other than those requiring a resolution by the Board of Directors are deliberated and executed by the Executive Committee, which consists mainly of Vice Presidents in accordance with the Authority Standard Rules.

[Principle 4.9 Standards for Determining Independence of Outside Executives]
The Board of Directors applies the standards of independence outlined by financial instruments exchanges to draft the "Standards for Determining Independence of Outside Executives" that focus on ensuring in practical terms the independence of individuals who will be Independent Outside Directors or Independent Outside Auditors, and discloses the standards in II-1[Independent Directors/Audit & Supervisory Board Members] in this report.

Updated [Supplementary Principle 4.10.1 Independence, Authority, Roles, etc. of Nomination and Remuneration Advisory Committees]
Information regarding the independence, authority, roles, etc. of the Company's non-mandatory Nomination Advisory Committee and Remuneration Advisory Committee is disclosed in "2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System) (1) Corporate governance structure."

Updated [Supplementary Principle 4.11.1 View on the Balance between Knowledge, etc. of the Board of Directors as a Whole and on Diversity and Board Size]
Based on the size and details of businesses of Kureha and Group companies, the Board of Directors consists of up to ten individuals, of which at least one-third shall be Independent Outside Directors. In appointing Directors, the Company places the highest priority on their experience in corporate management. And by creating a skills matrix that lists candidates' areas of expertise and experience, and combining different specialist areas and backgrounds, the Company comprehensively takes into account factors such as the balance of knowledge, skills and experience within the Board of Directors as a whole; its diversity including gender, international character, career background, and age aspects; and the appropriate size of the Board to make the final decision. The skills matrix of the Company's Board of Directors is published on the corporate website (https://www.kureha.co.jp/en/ir/policy/governance.html).

[Supplementary Principle 4.11.2 Disclosure of the Status of Concurrent Positions of Outside Directors and Outside Audit & Supervisory Board Members Each Year]
The status of concurrent positions of Directors and Audit & Supervisory Board Members of the Company as outside executives at other listed companies, etc. is disclosed in the Notice of General Meeting of Shareholders.

[Supplementary Principle 4.11.3 Analysis and Evaluation of the Effectiveness of the Board of Directors as a Whole and Disclosure of the Results]
To improve the functions of the Board of Directors, Kureha shall conduct an annual analysis and evaluation of the effectiveness of the Board of Directors and disclose an overview of the results. In FY2020, Kureha conducted a questionnaire survey on the "Evaluation of the Effectiveness of the Board of Directors" for FY2020 in March 2021, targeting all eight Directors and Audit & Supervisory Board Members and made deliberations based on the aggregate results of the self-evaluation at the ordinary meeting of the Board of Directors held in April 2021. Specifically, evaluation was conducted on (1) structure of the Board of Directors, (2) operation of the Board of Directors, and (3) agenda of the Board of Directors, (4) support system for Outside Directors, roles of Audit & Supervisory Board Members, expectations for Audit & Supervisory Board Members, and (5) relationship with stakeholders. As a result, Kureha confirmed that all items in the questionnaire were properly implemented and that the effectiveness of the Board of Directors as a whole was ensured. Although there are no specific issues to be addressed based on the results of evaluation and deliberations for FY2020, Kureha will continue to make improvements to further enhance the deliberations of the Board of Directors.

[Supplementary Principle 4.14.2 Disclosure of Training Policy for Directors and Audit & Supervisory Board Members]
Kureha provides opportunities for the training that are appropriate for individual Directors and Audit & Supervisory Board Members.

[Principle 5.1 Policy for Constructive Dialogue with Shareholders]
Based on the following policies, Kureha maintains constructive dialogue with shareholders in order to contribute to sustainable growth and improving medium- and long-term corporate value.
(1) Departments in charge and details of implementation
- The Public & Investor Relations Department and the General Affairs Department are in charge of serving as liaisons and conduct dialogues with shareholders, etc. in an appropriate and timely manner by consulting with the President & Chief Executive Officer and relevant executives.
- The Public & Investor Relations Department and the General Affairs Department work to develop organic partnerships by exchanging information and opinions with other internal departments on a regular basis.
- To promote understanding about Kureha among shareholders, etc., Kureha conducts a wide range of proactive measures, including reporting the Company's business at the General Meeting of Shareholders, distributing materials to shareholders, etc., providing information on the corporate website, organizing briefings with institutional and individual investors, and conducting private meetings with domestic and foreign institutional investors.
- Opinions and information obtained from shareholders, etc. are utilized for management reviews and directing the management of the Company.
(2) Information management standards
- Parties involved in dialogue with shareholders ensure that undisclosed vital corporate information is strictly managed in accordance with the Information Disclosure Rules and the Insider Trading Management Regulations.

2. Capital Structure

Foreign Shareholding Ratio	From 20% to less than 30%

[Status of Major Shareholders]

Updated

Name / Company Name	Number of Shares Owned	Percentage (%)
The Master Trust Bank of Japan, Ltd. (Trust account)	2,269,800	11.63
Custody Bank of Japan, Ltd. (Trust account)	1,832,500	9.39
Meiji Yasuda Life Insurance Company	1,374,600	7.04
Custody Bank of Japan, Ltd. (Trust account 9)	720,100	3.69
Tokio Marine & Nichido Fire Insurance Co., Ltd.	550,020	2.82
Mizuho Bank, Ltd.	400,000	2.05
J.P. MORGAN BANK LUXEMBOURG S.A. 381572	386,600	1.98
MLI FOR CLIENT GENERAL OMNI NON COLLATERAL NON TREATY-PB	302,900	1.55
STATE STREET BANK AND TRUST COMPANY 505001	269,729	1.38
Mizuho Trust & Banking Co., Ltd.	266,400	1.36

Controlling Shareholder (except for Parent Company)	N/A
Parent Company	No

Supplementary Explanation

N/A

3. Corporate Attributes

Listed Stock Market and Market Section	Tokyo Stock Exchange (First Section)
Fiscal Year-End	March
Type of Business	Chemicals
Number of Employees (consolidated) as of the End of the Previous Fiscal Year	More than 1,000
Sales (consolidated) as of the End of the Previous Fiscal Year	From 100 billion yen to less than 1 trillion yen
Number of Consolidated Subsidiaries as of the End of the Previous Fiscal Year	From 10 to less than 50

4. Policy on Measures to Protect Minority Shareholders in Conducting Transactions with Controlling Shareholder

N/A

5. Other Special Circumstances which may have Material Impact on Corporate Governance

N/A

II. Business Management Organization and Other Corporate Governance Systems regarding Decision-making, Execution of Business, and Oversight in Management

1. Organizational Composition and Operation

Organization Form	Company with *Kansayaku* (Audit & Supervisory Board Members)

[Directors]

Maximum Number of Directors Stipulated in Articles of Incorporation	10
Term of Office Stipulated in Articles of Incorporation	1 year
Chairperson of the Board	President
Number of Directors	5
Appointment of Outside Directors	Appointed
Number of Outside Directors	2
Number of Independent Directors	2

Outside Directors' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*										
		a	b	c	d	e	f	g	h	i	j	k
Osamu Tosaka	From another company											
Kazunari Higuchi	From another company					△			△			

* Categories for "Relationship with the Company"

* "○" when the director presently falls or has recently fallen under the category;
"△" when the director fell under the category in the past

* "●" when a close relative of the director presently falls or has recently fallen under the category;
"▲"when a close relative of the director fell under the category in the past

a. Executive of the Company or its subsidiaries
b. Non-executive director or executive of a parent company of the Company
c. Executive of a fellow subsidiary company of the Company
d. A party whose major client or supplier is the Company or an executive thereof
e. Major client or supplier of the listed company or an executive thereof
f. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as a director/audit and supervisory board member
g. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
h. Executive of a client or supplier company of the Company (which does not correspond to any of d, e, or f) (the director himself/herself only)
i. Executive of a company, between which and the Company outside directors/ audit and supervisory board members are mutually appointed (the director himself/herself only)

j. Executive of a company or organization that receives a donation from the Company (the director himself/herself only)
k. Others

Outside Directors' Relationship with the Company (2)

Name	Designation as Independent Director	Supplementary Explanation of the Relationship	Reasons of Appointment
Osamu Tosaka	○	N/A	Mr. Osamu Tosaka possesses advanced views and a wealth of experience in corporate management due to his history of responsibility in international business, research divisions and production divisions at a manufacturing company. He has provided supervision and advice of the management of the Company, and has met his role to supervise business execution, etc., by actively commenting in the Board of Directors of the Company from an independent and fair standpoint. As the Company expects that he will continue to fulfill roles and duties such as providing supervision and advice of the overall management of the Company, especially regarding research and development, and manufacturing technology, supervising conflicts of interest and reflecting the opinions of stakeholders to the Board of Directors, and consequently corporate governance will be strengthened, the Company continues to select him as an Outside Director. Furthermore, he will continue to have a role in decisions on matters related to the appointment of Directors of the Company, candidates for successors to the President & Chief Executive Officer and plans for training of the candidates, and remuneration for Directors and Vice Presidents, from an objective perspective as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee. In addition to meeting the conditions for Independent Directors as stipulated by the Tokyo Stock Exchange, Mr. Osamu Tosaka meets the "Standards for Determining Independence of Outside Executives" defined by the Company. The Company has judged that there will be no conflicts of interest between him and general shareholders, and submitted

			him as an Independent Director to the Tokyo Stock Exchange.
Kazunari Higuchi	○	Mr. Kazunari Higuchi currently serves as Outside Director of The Michinoku Bank, Ltd., there are no significant transactions between the bank and the Company or Group companies. He executed business at Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.) until April 2010. There are transactional relationships such as borrowings, etc., between the bank and the Company and Group companies. However, the amount of borrowings from the bank was less than 3% of the consolidated total assets of the Company as of March 31, 2021, and the Company and Group companies conduct transactions with several financial institutions. In addition, it has been over 11 years since he retired from the bank. He served in Mizuho Research Institute Ltd. (currently Mizuho Research & Technologies) from April 2010 through April 2011. There are payments regarding research service, etc. from the Company and Group companies to Mizuho Research Institute Ltd. However, the amount paid to Mizuho Research Institute Ltd. by the Company and Group companies was less than 1% of net sales of Mizuho Research Institute Ltd. in each year during the past 3 fiscal years. He served in UC CARD Co., Ltd. from	Mr. Kazunari Higuchi possesses advanced views and a wealth of experiences in the management of financial institutions and business companies. He has provided supervision and advice of the management of the Company, and has met his role to supervise business execution, etc., by actively commenting in the Board of Directors of the Company from an independent and fair standpoint. As the Company expects that he will continue to fulfill roles and duties such as providing supervision and advice of the overall management of the Company, especially business optimization, supervising conflicts of interest and reflecting the opinions of stakeholders in the Board of Directors, and consequently corporate governance will be strengthened, the Company continues to select him as an Outside Director. Furthermore, he will continue to be objective in matters related to the appointment of Directors of the Company, plans for training candidates for successors to the President & Chief Executive Officer, and decisions on remuneration for Directors and Vice Presidents as a member of the non-mandatory Nomination Advisory Committee and the Remuneration Advisory Committee. In addition to meeting the conditions for Independent Directors as stipulated by the Tokyo Stock Exchange, Mr. Kazunari Higuchi meets the “Standards for Determining Independence of Outside Executives” defined by the Company. The Company has judged that there will be no conflicts of interest between him and general shareholders, and submitted him as an Independent Director to the Tokyo Stock Exchange.

		May 2011 through June 2016. There are payments regarding credit card usage, etc. from the Company and Group companies to UC CARD Co., Ltd. However, the annual payment records to UC CARD Co., Ltd. are tens of thousands of yen. He served in Qubitous Co., Ltd. (currently Credit Saison Co., Ltd.) from May 2011 through March 2016. There are payments regarding credit card usage, etc. from the Company and Group companies to Qubitous Co., Ltd. However, the annual payment records to Qubitous Co., Ltd. by the Company and Group companies were less than 1% of net sales of Qubitous Co., Ltd. in each year during the past 3 fiscal years. Furthermore, Mr. Kazunari Higuchi served as Audit & Supervisory Board Member of Taiyo Nippon Sanso Corporation (currently NIPPON SANSO HOLDINGS) from June 2016 through June 2020. There are transactions such as purchase of raw materials, etc., between Taiyo Nippon Sanso Corporation and the Company and Group companies. However, the amount the Company and Group companies purchased from Taiyo Nippon Sanso Corporation was less than 1% of consolidated revenues of Taiyo Nippon Sanso Corporation in each year during the past 3 fiscal years. And the annual	

		sales from the Company and Group companies to Taiyo Nippon Sanso Corporation are tens of thousands of yen.	

Voluntary Establishment of Committee(s) Corresponding to Nomination Committee or Remuneration Committee	Established

Updated Committee's Name, Composition, and Attributes of Chairperson

	Committee Corresponding to Nomination Committee	Committee Corresponding to Remuneration Committee
Committee's Name	The Nomination Advisory Committee	The Remuneration Advisory Committee
All Committee Members	3	3
Full-time Members	0	0
Inside Directors	1	1
Outside Directors	2	2
Outside Experts	0	0
Other	0	0
Chairperson	Outside Director	Outside Director

Supplementary Explanation

Updated The Nomination Advisory Committee deliberates on matters concerning the appointment and dismissal of the Chairman of the Board of Directors, President & Chief Executive Officer, Representative Director, and Directors, candidates to succeed the President & Chief Executive Officer and plans for their training, and the appointment and dismissal of Vice Presidents with Title and Vice Presidents, and reviews the details of matters to be referred for discussion and resolution at the Board of Directors. In FY2020, the Nomination Advisory Committee met twice to discuss matters for consideration related to the appointment and dismissal of Directors. It also deliberated on plans for training of successors to the President and other officers and matters related to diversity, etc. of Outside Directors. The Remuneration Advisory Committee deliberates on matters related to policies on the structures and systems of remuneration for Directors and Vice Presidents, the details of remuneration, etc. for individual Directors and other matters, and reviews the details of matters to be referred for discussion and resolution at the Board of Directors. In FY2020, the Remuneration Advisory Committee met twice to deliberate on policies on the determination of the details of remuneration, etc. for individual Directors.

[Audit & Supervisory Board Members]

Establishment of Audit & Supervisory Board	Established
Maximum Number of Audit & Supervisory Board Members Stipulated in Articles of Incorporation	4
Number of Audit & Supervisory Board Members	3

Cooperation among Audit & Supervisory Board Members, Independent Auditor and Internal Audit Department

- Audit & Supervisory Board Members exchange mutual audit plans with the Independent Auditor and the Internal Control and Auditing Department to confirm and coordinate key audit items.
- Audit & Supervisory Board Members receive reports from, and exchange opinions with the Internal Control and Auditing Department on a regular basis, on the status of business audit implementation based on the annual internal audit plan. Furthermore, the Audit & Supervisory Board Members work with the Internal Control and Auditing Department on a daily basis to enhance audits.
- Audit & Supervisory Board Members receive reports from, and exchange opinions with the Internal Control and Auditing Department on a regular basis, on the status of the implementation of the evaluation of Internal Control of Financial Reporting.
- Audit & Supervisory Board Members communicate with the Independent Auditor on a regular and as-needed basis to confirm the status of audits and exchange opinions on various auditing issues.
- Audit & Supervisory Board Members accompany the Independent Auditor to physical inventory count and receive reports on the audit results from the Independent Auditor.

Appointment of Outside Audit & Supervisory Board Members	Appointed
Number of Outside Audit & Supervisory Board Members	2
Number of Independent Audit & Supervisory Board Members	2

Outside Audit & Supervisory Board Members' Relationship with the Company (1)

Name	Attribute	Relationship with the Company*												
		a	b	c	d	e	f	g	h	i	j	k	l	m
Masaru Kiriyama	From another company										△			
Yukako Oshimi	Lawyer										△			

* Categories for "Relationship with the Company"

* "○" when the audit and supervisory board member presently falls or has recently fallen under the category; "△" when the audit and supervisory board member fell under the category in the past

* "●" when a close relative of the audit and supervisory board member presently falls or has recently fallen under the category;
"▲"when a close relative of the audit and supervisory board member fell under the category in the past

a. Executive of the Company or its subsidiary
b. Non-executive director or accounting advisor of the Company or its subsidiaries
c. Non-executive director or executive of a parent company of the Company
d. Audit & Supervisory Board Member of a parent company of the Company
e. Executive of a fellow subsidiary company of the Company
f. A party whose major client or supplier is the Company or an executive thereof
g. Major client or supplier of the Company or an executive thereof
h. Consultant, accountant or legal professional who receives a large amount of monetary consideration or other property from the Company besides compensation as an audit and supervisory board member
i. Major shareholder of the Company (or an executive of the said major shareholder if the shareholder is a legal entity)
j. Executive of a client or supplier company of the Company (which does not correspond to any of f, g, or h) (the audit and supervisory board member himself/herself only)

k. Executive of a company, between which and the Company outside directors/audit and supervisory board members are mutually appointed (the audit and supervisory board member himself/herself only)
l. Executive of a company or organization that receives a donation from the Company (the audit and supervisory board member himself/herself only)
m. Others

Outside Audit & Supervisory Board Members' Relationship with the Company (2)

Name	Designation as Independent Audit & Supervisory Board Members	Supplementary Explanation of the Relationship	Reasons of Appointment
Masaru Kiriyama	○	Mr. Masaru Kiriyama executed business at Meiji Yasuda Life Insurance Company from April 1980 through June 2019. He also served and executed business at Yasuda Investment Advisory Company (currently Meiji Yasuda Asset Management Company Ltd.) from April 1997 through March 2001. There are transactions such as asset management of corporate pension fund between Meiji Yasuda Life Insurance Company or Meiji Yasuda Asset Management Company Ltd. and the Company or Group companies. However, the amount paid to said companies by the Company and Group companies was less than 1% of insurance premiums and other revenue of said companies in each year during the past 3 fiscal years.	Mr. Masaru Kiriyama possesses a wealth of knowledge and experience in risk management and compliance of financial institutions, and has appropriate insight into finance and accounting. He has appropriately fulfilled his roles to audit the execution of duties by Directors from an independent and objective standpoint. As the Company expects that he will continue to fulfill his roles and duties as an Audit & Supervisory Board Member, the Company has selected him as an Outside Audit & Supervisory Board Member. In addition to meeting the conditions for Independent Auditors as stipulated by the Tokyo Stock Exchange, Mr. Masaru Kiriyama meets the "Standards for Determining Independence of Outside Executives" defined by the Company. The Company has judged that there will be no conflicts of interest between him and general shareholders, and submitted him as an Independent Auditor to the Tokyo Stock Exchange.
Yukako Oshimi	○	Ms. Yukako Oshimi serves as Partner of SHIBATA, SUZUKI & NAKADA, and Outside Auditor of FUJI SOFT INCORPORATED. There are no significant transactions between each company and the	Ms. Yukako Oshimi possesses a wealth of experience and advanced knowledge in law and compliance as a lawyer. She has appropriately fulfilled her roles to audit the execution of duties by Directors from an independent and objective standpoint. As the Company expects that she will continue to fulfill her roles and duties as an Audit & Supervisory Board Member, the Company has selected her

		Company or Group companies. She served at Nagashima Ohno & Tsunematsu from October 2002 through August 2014. There are business transactions between Nagashima Ohno & Tsunematsu and the Company or Group companies. However, the amount paid to said office by the Company and Group companies was less than 1% of total fees and other revenue of said office in each year during the past 3 calendar years.	as an Outside Audit & Supervisory Board Member. In addition to meeting the conditions for Independent Auditors as stipulated by the Tokyo Stock Exchange, Ms. Yukako Oshimi meets the "Standards for Determining Independence of Outside Executives" defined by the Company. The Company has judged that there will be no conflicts of interest between her and general shareholders, and submitted her as an Independent Auditor to the Tokyo Stock Exchange.

[Independent Directors/Audit & Supervisory Board Members]

Number of Independent Directors/Audit & Supervisory Board Members	4

Matters relating to Independent Directors/Audit & Supervisory Board Members

Kureha designates all Outside Directors and Outside Audit & Supervisory Board Members who satisfy the qualifications for independent executives as Independent Executives.

[Standards for Determining Independence of Outside Executives]
In the case that none of the following items apply to Outside Directors or Outside Audit & Supervisory Board Members of the Company, the Company will judge the party to possess independence.
1. The party is a business executor (*1) of the Company or a Group company (hereinafter the "Group").
2. The party holds the Group as a major transaction partner (*2) or a business executor thereof, or is a major transaction partner of the Group or a business executor thereof.
3. The party is a major lender (*3) of the Group or a business executor thereof.
4. The party is a major shareholder (*4) of the Company or a business executor thereof.
5. The party is a consultant, accounting specialist, or legal specialist that receives a significant amount of cash or other property (*5) other than executive remuneration from the Group (if the party that receives said property is an organization such as a corporation or cooperative, a party associated with said organization).
6. The party that satisfied 1 above within the past ten years.
7. The party that satisfied any of 2 to 5 above within the past three years.
8. The party is a relative (*6) of a person who satisfies any of 1 to 7 above.
9. Aside from the items above, reasons exist for conflicts of interest to arise between the party and the Group.

(*1) "Business executors" are persons and employees that are Executive Directors, Executives, Vice Presidents, Managers, or employees in equivalent positions.
(*2) "Major transaction partners" are those to which the Group comprises greater than 2% of net sales of the counterparty, or from which the Company receives greater than 2% of consolidated net sales of the Company within the past three fiscal years.
(*3) "Major lenders" are lenders to which the consolidated borrowings comprise greater than 2% of consolidated total assets.
(*4) "Major shareholders" are shareholders that hold 10% or more of total voting rights either directly or indirectly.

(*5) “Significant amount of cash or other property” is over 10 million yen in total amount in one fiscal year (if referring to an organization, over 2% of consolidated net sales).
(*6) “Relatives” are spouses or relatives within the second degree.

[Incentives]

Incentive Policies for Directors	Performance-linked Remuneration, Stock Options

Supplementary Explanation

Performance-linked remuneration, etc. shall be cash remuneration that reflects performance indicators for the purpose of raising awareness of the improvement of business performance each fiscal year, and the total amount calculated based on profit attributable to owners of parent for each fiscal year as a performance indicator shall be resolved as “bonuses” at the General Meeting of Shareholders. The President & Chief Executive Officer shall be entrusted in accordance with the resolution of the Board of Directors to determine the amount for each individual Director based on his or her evaluation, which shall be paid at a certain time each year. Under Kureha’s remuneration system for Directors, the ratio of bonus is not fixed at a certain level, but it is designed so that the ratio of bonus to the total amount of remuneration for a Director increases as the value of the performance indicators increases. Remuneration related to stock acquisition rights as stock options as non-monetary remuneration shall be provided within the total amount resolved at the General Meeting of Shareholders, for the purpose of providing Directors with incentives for the sustainable improvement of corporate value and raising shareholder-focused management awareness. The amount for each individual shall be in accordance with the standard determined for each position and shall be provided at a certain time each year based on the resolution of the Board of Directors. The fair value of stock options is calculated based on reasonable grounds such as the Black-Scholes model and determined by the Board of Directors. In accordance with the resolution of the 94th Annual General Meeting of Shareholders held on June 27, 2007, Kureha has set the amount of remuneration related to stock acquisition rights as stock options for Directors (ten individuals or less) at 40 million yen or less per year, which is separate from the fixed remuneration. Outside Directors are not eligible for stock options.

Recipients of Stock Options	Inside Directors / Other

Supplementary Explanation

Kureha has introduced a system of granting stock acquisition rights as stock options in its remuneration system for executives, and Inside Directors and Vice Presidents are eligible for the system. No stock acquisition rights as stock options shall be allotted to Outside Directors and Audit & Supervisory Board Members in view of the nature of their important managerial duties and roles of strengthening corporate governance.

[Director Remuneration]

Disclosure of Individual Directors’ Remuneration	Selected Directors

Supplementary Explanation

The total amount and breakdown of remuneration for a Director whose total amount of remuneration is 100 million yen or more are disclosed in the annual securities report.

Policy on Determining Remuneration Amounts and Calculation Methods	Established

Disclosure of Policy on Determining Remuneration Amounts and Calculation Methods

1. Amount of remuneration, etc. for Directors and Audit & Supervisory Board Members
Amount of remuneration, etc. paid to six Directors: 246 million yen (of which 30 million yen was paid to three Outside Directors)
Amount of remuneration, etc. paid to three Audit & Supervisory Board Members: 48 million yen (of which 29 million yen was paid to two Outside Audit & Supervisory Board Members)
(Notes)
1. The amount of remuneration, etc. above includes the amount paid to one Outside Director who retired at the conclusion of the 107th Annual General Meeting of Shareholders held on June 24, 2020.
2. The amount of remuneration, etc. above includes the total amount of 70 million yen of bonuses for Directors (for three Directors, excluding Outside Directors) approved at the 108th Annual General Meeting of Shareholders held on June 25, 2021.
3. The amount of remuneration, etc. above includes stock acquisition rights as stock options at a total value equivalent to 18 million yen, granted to three Directors (as remuneration), excluding Outside Directors, in accordance with the resolution at the Board of Directors meeting held on July 21, 2020.

2. Policies on determining the amount of remuneration, etc. for executives
Please refer to item 3. of "[Principle 3.1 Full Disclosure]" in "I-1 [Disclosure Based on the Principles of the Corporate Governance Code]" of this report.

[Supporting System for Outside Directors and/or Outside Audit & Supervisory Board Members]

Outside Directors and Outside Audit & Supervisory Board Members are supported in their activities with distribution of materials on agenda items for Board of Directors meetings in advance and provision of explanations from the executive division as necessary.

[Retired presidents/CEOs holding advisory positions]

Information on retired presidents/CEOs holding advisory positions (advisor, counselor, etc.)

Name	Job title/ position	Responsibilities	Employment terms (Full/part time, with/without compensation, etc.)	Date when former role as president/ CEO ended	Term
N/A	N/A	N/A	N/A	N/A	N/A

Number of retired presidents/CEOs holding advisory positions (advisor, counselor, etc.)	0

Others

On April 1, 2019 Kureha abolished the system of "Advisor," a position assumed by former presidents after retiring as Director.

2. Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions (Overview of Current Corporate Governance System)

(1) Corporate governance structure

- In order to strengthen corporate governance and speed up decision-making and business execution in the Group management, Kureha has clarified its supervisory and executive responsibilities in management. The Board of Directors, which consists of up to ten Directors including two or more Independent Outside Directors and chaired by the Chairman of the Board of Directors (if the position is vacant, the President & Chief Executive Officer), meets once a month, in principle, to make decisions on important management matters and supervise business execution. The Executive Committee, chaired by the President & Chief Executive Officer and comprised of the President & Chief Executive Officer and other Vice Presidents, meets twice a month, in principle, to deliberate on important matters and other issues related to the management of Kureha, ensuring that management decisions are efficiently made.
- With regard to specific business execution, details of the division of duties and the authority of each duty and person in charge are defined in the Organization Rules and Authority Standard Rules to ensure efficient operation.
Updated - Furthermore, with regard to matters concerning the appointment and remuneration of the Chairman of the Board of Directors, President & Chief Executive Officer, Representative Director, Directors, Vice Presidents with Title, and Vice Presidents in order to ensure transparency in the decision-making process of the Board of Directors and strengthen accountability to stakeholders, Kureha established the Nomination Advisory Committee and the Remuneration Advisory Committee on June 26, 2018 as a non-mandatory advisory board to the Board of Directors. Each of the Committees consists of three or more Directors, the majority of whom are Outside Directors, and is chaired by an Outside Director. The members of the Committees as of the date of submission of this report are Mr. Osamu Tosaka (Outside Director), Mr. Kazunari Higuchi (Outside Director), and Mr. Yutaka Kobayashi (President & Chief Executive Officer). The Nomination Advisory Committee deliberates on matters concerning the appointment and dismissal of the Chairman of the Board of Directors, President & Chief Executive Officer, Representative Director, and Directors, candidates to succeed the President & Chief Executive Officer and plans for their training, and matters concerning the appointment and dismissal of Vice Presidents with Title and Vice Presidents, and reviews the details of matters to be referred for discussion and resolution at the Board of Directors. The Remuneration Advisory Committee deliberates on matters related to policies on the structures and systems of remuneration for Directors and Vice Presidents, the details of remuneration, etc. for individual Directors and other matters, and reviews the details of matters to be referred for discussion and resolution at the Board of Directors.
- Kureha has established the Audit & Supervisory Board, which consists of up to four members including two or more Independent Outside Auditors. Kureha has ensured a system that enables Audit & Supervisory Board Members to understand the deliberation process of Board resolutions and reports. Kureha also makes it possible for Audit & Supervisory Board Members to understand the deliberation status on agenda items at the Executive Committee and the Consolidated Executive Committee.
- Representative Director exchanges opinions on a regular basis with the Audit & Supervisory Board on issues that Kureha should address, status of the development of an environment for auditing by the Audit & Supervisory Board Members, important audit issues, etc.
- The Consolidated Executive Committee meets on a regular basis, with the purpose of unifying the medium- and long-term management vision and policies of Kureha and Group companies. The Committee is chaired by the President & Chief Executive Officer of Kureha and is working to strengthen consolidated management by mutually exchanging opinions on management policies and business strategies.
- Kureha has stipulated matters to be reported to or consulted in advance with Kureha by Group companies in the Group Company Management Rules, thereby conducting proper management and supervision of business execution, while respecting the autonomy of Group companies.
- To clarify management responsibilities in each fiscal year, a one-year term is given to all Directors and Vice Presidents.

(2) Roles of Outside Directors
- Each Outside Director possesses advanced insights and a wealth of experience and has fulfilled their roles and duties including provision of advice and supervision on the management of Kureha as a whole, providing supervision over conflicts of interest, and reflecting the opinions of stakeholders at the Board of Directors meetings.
- Outside Directors exchange opinions on a regular basis with the Audit & Supervisory Board on issues that Kureha should address, status of the development of an environment for auditing by the Audit & Supervisory Board Members, important audit issues, etc. Furthermore, they receive reports on the results of internal audit

and matters related to internal control and express their opinions at the Board of Directors meetings, and also communicate with the Independent Auditor.

(3) Internal audit and auditing by the Audit & Supervisory Board Members
- Kureha has its annual internal audit plan resolved by the Board of Directors. The Internal Control and Auditing Department assesses and verifies, independently of other departments, the suitability and effectiveness of internal management systems including compliance and risk management systems, and makes suggestions and recommendations for improvement and reports the results of internal audit to the Board of Directors, the Executive Committee, and the Audit & Supervisory Board. In this way, Kureha ensures a system that contributes to the enhancement of management efficiency and public trust in Kureha.
- The Internal Control and Auditing Department conducts business audit of the Group companies on a regular basis and reports the results of business audit to the Board of Directors, the Executive Committee, and the Audit & Supervisory Board, and aims to ensure early implementation of matters to be improved or considered and rolls out those improvements or considerations in other Group companies.
- The Internal Control and Auditing Department shares the annual plan for Internal Control of Financial Reporting with the Independent Auditor and exchanges information and opinions as necessary.
- The Audit & Supervisory Board shall consist of up to four members including two or more Outside Audit & Supervisory Board Members, and consists of three members as of the date of submission of this report: one full-time Outside Audit & Supervisory Board Member, one full-time Audit & Supervisory Board Member, and one Outside Audit & Supervisory Board Member. The full-time Outside Audit & Supervisory Board Member has a background working in financial institutions and qualification as a certified internal auditor, and has experience in finance, accounting and internal auditing operations. The full-time Audit & Supervisory Board Member is responsible for the accounting department of Kureha. Each of them possesses considerable insight into finance and accounting.
- The Audit & Supervisory Board establishes the annual audit policy, audit plan, and the division of duties for each Audit & Supervisory Board Member, and deliberates mainly on the development and operation status of internal control system of Kureha and Group companies, evaluation of the Independent Auditor, and audit reports.
- All Audit & Supervisory Board Members attend the Board of Directors meetings to report on audit plans and results, and communicate with Representative Director and other executives on a regular basis to exchange opinions.
- The full-time Outside Audit & Supervisory Board Member and full-time Audit & Supervisory Board Member attend important meetings including the Executive Committee and various Committees and receive reports from Vice Presidents and business executors as necessary. They also serve concurrently as the Audit & Supervisory Board Member of the major Group companies.
- Audit & Supervisory Board Members exchange mutual audit plans with the Independent Auditor and the Internal Control and Auditing Department to confirm and coordinate key audit items.
- Audit & Supervisory Board Members receive reports from, and exchange opinions with the Internal Control and Auditing Department on a regular basis, on the status of business audit implementation based on the annual internal audit plan. Furthermore, the Audit & Supervisory Board Members work with the Internal Control and Auditing Department on a daily basis to enhance audits.
- Audit & Supervisory Board Members receive reports from, and exchange opinions with the Internal Control and Auditing Department on a regular basis, on the status of the implementation of the evaluation of Internal Control of Financial Reporting.
- Audit & Supervisory Board Members communicate with the Independent Auditor on a regular and as-needed basis to confirm the status of audits and exchange opinions on various auditing issues.
- Audit & Supervisory Board Members accompany the Independent Auditor to physical inventory count and receive reports on the audit results from the Independent Auditor.

(4) Status of accounting audit
- Kureha has appointed Ernst & Young ShinNihon LLC as its Independent Auditor and received fair and unbiased accounting audit, including appropriate provision of management information. The name of the certified public accountants who carried out Kureha's audit for the fiscal year ended March 31, 2021, and composition of assistants involved in auditing work are as follows:
Name of the certified public accountants who carried out the audit:
Engagement Partners: Naoto Saito and Takahiro Kawagishi
Composition of assistants involved in accounting auditing work:

11 certified public accountants, 5 persons who have passed the certified public accountant examination and 21 other staff members
The Independent Auditors have continuously engaged in the auditing activities for Kureha for seven years.

(5) Outline of the liability limitation agreement
- Pursuant to the provisions of Article 427, Paragraph 1 of the Companies Act, Kureha has concluded an agreement with each of the Outside Directors and part-time Outside Audit & Supervisory Board Members regarding liability for damages as stipulated in Article 423, Paragraph 1 of said Act, to limit their liability to the amount stipulated by laws and regulations in the case that they have acted in good faith and without gross negligence in performing their duties.

3. Reasons for Adoption of Current Corporate Governance System

Kureha's corporate governance system described in the preceding paragraph "Matters on Functions of Business Execution, Auditing, Oversight, Nomination and Remuneration Decisions" is functioning effectively in terms of decision-making, business execution, and supervision in the management of the Company, and Kureha believes that the system is optimal.

III. Implementation of Measures for Shareholders and Other Stakeholders

1. Measures to Vitalize the General Shareholder Meetings and Facilitate Exercise of Voting Rights

	Supplementary Explanations
Early Notification of General Shareholder Meeting	Kureha dispatches notices of Annual General Meeting of Shareholders around three weeks before the date of each Meeting. For the 108th (for the fiscal year ended March 31, 2021) Annual General Meeting of Shareholders held on June 25, 2021, notices were dispatched on June 2, 2021.
Scheduling AGMs Avoiding the Peak Day	Kureha sets its General Meeting of Shareholders on a schedule that avoids dates on which there are many other shareholders' meetings.
Allowing Electronic Exercise of Voting Rights	The exercise of voting rights via the Internet is available.
Participation in Electronic Voting Platform and Other Efforts to Improve the Environment for Exercise of Voting Rights by Institutional Investors	Kureha participates in an electronic voting platform for institutional investors.
Providing Convocation Notice in English	The English version of notice (summary) is simultaneously disclosed on the corporate website and the Tokyo Stock Exchange's TDnet along with the Japanese version.
Other	Notices are disclosed on the corporate website and the Tokyo Stock Exchange's TDnet prior to their dispatch.

2. Updated IR Activities

	Supplementary Explanations	Explanations by Representative

Preparation and Publication of Disclosure Policy	Basic Policy on Information Disclosure has been established and disclosed on the corporate website (https://www.kureha.co.jp/en/information_disclosure/).	
Regular Investor Briefings for Analysts and Institutional Investors	Kureha holds financial results briefings (including teleconferences and online meetings) for securities analysts and institutional investors twice a year, at the interim and year-end.	Yes
Regular Investor Briefings for Overseas Investors	Kureha exchanges opinions with institutional investors in Europe and North America several times a year. Kureha also participates in conferences sponsored by securities companies.	Yes
Posting of IR Materials on Website	Kureha posts a company profile video that summarizes its features in an easy-to-understand manner and Financial Highlights that summarize key management indicators, in addition to IR materials including *kessan tanshin* (financial results), securities reports, materials explaining financial results, and materials related to General Meeting of Shareholders.	
Establishment of Department and/or Manager in Charge of IR	The Public & Investor Relations Department is in charge of the business.	

3. Updated Measures to Ensure Due Respect for Stakeholders

	Supplementary Explanations
Stipulation of Matters Regarding Respect for Stakeholders in Internal Rules	The Kureha Group Ethical Charter stipulates that the Group shall comply with domestic and international laws and regulations, social norms and their spirit, and act with social common sense by respecting the relationship with stakeholders involved with the Kureha and Group companies. Furthermore, Corporate Philosophy and Employee Code of Conduct instituted in 2004 also codify that Kureha shall fully recognize its corporate social responsibilities as a global corporate citizen and build good relationships with various stakeholders. In November 2020, Kureha revised the Kureha Group Ethical Charter to clarify its policy on respect for human rights and announced its support for the United Nations Guiding Principles on Business and Human Rights on the corporate website (https://www.kureha.co.jp/en/csr/social/humanrights.html).
Promotion of Dialogue with Stakeholders	Kureha considers "shareholders and investors," "clients and customers," "suppliers," "employees," "society in general," "local communities," and "government agencies and industry organizations," to be its important stakeholders, and promotes dialogue through two-way communication. The status of such dialogue is disclosed on the corporate website (https://www.kureha.co.jp/en/csr/social/engagement.html).
Development of Policies on Information Provision to Stakeholders	Kureha has set forth Basic Policy on Information Disclosure as follows, and disclosed it on the corporate website (https://www.kureha.co.jp/en/information_disclosure/).
Other	Kureha stipulates in its Corporate Governance Guidelines that "Kureha works to ensure the diversity of human resources in the Kureha Group, including active promotion of women in the workplace." Based on the understanding of the situation and the analysis of issues to achieve the active promotion of women in the workplace, Kureha has formulated an action plan to create an employment environment that is comfortable and rewarding to work in by harmonizing work-life balance so that each employee can utilize his or her individual strengths, and fully demonstrate his or her abilities, and announced it on its website (https://www.kureha.co.jp/en/csr/social/staff/work-life.html).

IV. Matters Related to the Internal Control System

1. Basic Views on Internal Control System and the Status of Establishment of the System

"Systems to ensure that the execution of duties by Directors complies with laws and regulations and the articles of incorporation, and other systems to ensure the properness of operations of Kureha and operations of group of enterprises consisting of Kureha and Group companies" (Basic Policies on Internal Control) are as follows:

<Policies on corporate activities>
Aiming to further strengthen its corporate governance, Kureha upholds the following Corporate Philosophy, Corporate Mission, and Employee Code of Conduct as its basic concept for internal control and guiding principles for corporate activities.

Corporate Philosophy
- We treasure people and the natural environment
- We constantly evolve through innovation
- We contribute to society by developing beneficial products

Corporate Mission
Kureha aims to be an "Excellent Company".

Employee Code of Conduct
We always act as global corporate citizens, recognizing our corporate social responsibilities.
In relation to our clients:
We will act with sincerity and with customer satisfaction as our priority.
In relation to our work:
We will consistently pursue progress and innovation.
We will consistently respond to change and act with a global perspective.
In relation to our colleagues:
We will maintain mutual respect and exhibit teamwork.

1. Systems to ensure that the execution of duties by Directors and employees of Kureha and Group companies complies with laws and regulations and the articles of incorporation
1) Kureha and Group companies establish Kureha Group Ethical Charter as basic policy on compliance (compliance with laws and regulations and social norms), and each company establishes its own Compliance Rules based on this Charter to cultivate a compliance-focused corporate culture and work to comply not only with laws and regulations but also with social norms.
2) Kureha establishes a Compliance Committee chaired by an individual appointed by the President & Chief Executive Officer from among Directors, and works to ensure thorough compliance in accordance with the Employee Code of Conduct based on the Kureha Group Ethical Charter and supports thorough compliance in the Group companies.
3) Kureha and Group companies establish Compliance Hotlines Handling Rules to detect and address any violations of compliance at an early stage, and put in place internal and external (attorney) compliance hotlines for receiving reports and consultations related to compliance.
4) Kureha clarifies in the Employee Code of Conduct that Kureha takes a resolute and adamant attitude against the anti-social forces, and takes an organized approach by closely collaborating with relevant governmental agencies and external organizations.
5) Kureha has its annual internal audit plan resolved by the Board of Directors. The Internal Control and Auditing Department assesses and verifies, independently of other departments, the suitability and effectiveness of internal management systems including compliance and risk management systems, and makes suggestions and recommendations for improvement and reports the results of internal audit to the Executive Committee and the Board of Directors. In this way, Kureha ensures a system that contributes to the enhancement of management efficiency and public trust in Kureha.
6) Kureha and Group companies recognize responsible care initiatives (an autonomous management activity for environmental preservation, security and disaster prevention, etc.) as corporate social responsibilities and

establish Responsible Care Policy, and each company formulates and implements its own implementation plan.
7) Kureha institutes Basic Rules for Internal Control of Financial Reports and implements "management's assessment and certified public accountant's auditing of the effectiveness of internal control of financial reports" as stipulated in the Financial Instruments and Exchange Act to ensure the reliability of its financial reports. Subsequently, Internal Control Reports are prepared and submitted under the responsibility of the Representative Director.

2. Systems for storing and managing information on the execution of duties by Directors
Kureha appropriately stores and manages minutes, approval documents, and other documents that are information related to the execution of duties by Directors, by recording them in writing or on electromagnetic media in accordance with the Document Management Rules.

3. Rules for managing the risks of loss by Kureha and Group companies and other systems therefor
1) Kureha's basic policies on risk management include identifying risks that may adversely affect Kureha's management on a company-wide basis, preventing the emergence of such risks, and taking necessary measures in advance to mitigate the impact of risks and keep them within the acceptable range in the case of the emergence of risks. Kureha ensures a system in which the Risk Management Committee conducts company-wide risk management based on the Risk Management Rules. The chairperson of the Risk Management Committee reports the status of risk management to the Executive Committee each fiscal year. Furthermore, the Risk Management Committee supports risk management in the Group companies. Of company-wide risks, those related to the responsible care initiatives are managed by the CSR Committee, and those related to information security are managed by the Information Security Committee, a subordinate body of the Information Management Committee. The Risk Management Committee verifies the risk management by each Committee.
2) In the event of unforeseen circumstances or emergencies that may have a significant impact on management, Kureha will respond to such circumstances or emergencies in accordance with the Emergency Response Rules, and Kureha and Group companies will ensure a system to continue corporate activities as stipulated in the Business Continuity Plan (BCP).

4. Systems to ensure that the execution of duties by Directors of the Company is conducted effectively
1) In order to strengthen corporate governance and speed up decision-making and business execution in the Group management, Kureha has clarified supervisory and executive responsibilities in management. The Board of Directors, which consists of up to ten Directors including two or more Independent Outside Directors, is chaired by the Chairman of the Board of Directors (if the position is vacant, the President & Chief Executive Officer) and meets once a month, in principle, to make decisions on important management matters and supervise business execution. The Executive Committee, chaired by the President & Chief Executive Officer and comprised of the President & Chief Executive Officer and other Vice Presidents, meets twice a month, in principle, to deliberate on important matters and other issues related to the management of Kureha, ensuring that management decisions are efficiently made.
2) With regard to specific business execution, details of the division of duties and the authority of each duty and person in charge are defined in the Organization Rules and Authority Standard Rules to ensure efficient operation.

5. Systems to ensure the properness of operations in the Group companies
1) Kureha has stipulated matters to be reported to or consulted in advance with Kureha by Group companies in the Group Company Management Rules, and conducts proper management and supervision of business execution, while respecting the autonomy of Group companies.
2) Kureha dispatches Directors or Audit & Supervisory Board Members to Group companies to supervise and monitor the management of each Group company.
3) The Consolidated Executive Committee meets on a regular basis, with the purpose of unifying the medium- and long-term management vision and policies of Kureha and Group companies. The Committee is chaired by the President & Chief Executive Officer of Kureha and works to strengthen consolidated management by mutually exchanging opinions on management policies and business strategies.
4) The Internal Control and Auditing Department conducts business audit of the Group companies on a regular basis and reports the results of business audit to the Executive Committee and the Board of Directors, and

aims to ensure early implementation of matters to be improved or considered and rolls out those improvements or considerations in other Group companies.

6. Matters concerning systems regarding employees who should assist the Audit & Supervisory Board Members with their duties, the said employees' independence from Directors, and ensuring the effectiveness of instructions given to the said employees
1) When Audit & Supervisory Board Members request to assign employees to assist them in their duties, Directors discuss specific selection of personnel with the Audit & Supervisory Board Members to assign them.
2) When assigning employees to assist the Audit & Supervisory Board Members in their duties at the request of the Audit & Supervisory Board Members, Kureha ensures their independence from the Directors, and clarifies the authority of the assistants, the department to which they are to be assigned, and their authority to give directions and orders, thereby ensuring the effectiveness of instructions given by the Audit & Supervisory Board Members to the relevant employees.

7. Systems for reporting by Directors and employees of Kureha and executives and employees of the Group companies to Audit & Supervisory Board Members of Kureha, systems to ensure that they are not treated disadvantageously for making such reports, and systems to ensure that auditing by the Audit & Supervisory Board Members is conducted effectively.
1) Directors promptly report to Audit & Supervisory Board Members on important matters that affect business operations, and the status of reporting to and consultation with compliance hotlines. Kureha ensures a system that enables Audit & Supervisory Board Members to request reports from Directors and employees of Kureha and executives and employees of the Group companies as necessary.
2) Kureha ensures a system that enables Audit & Supervisory Board Members to understand the deliberation process of Board resolutions and reports. Kureha also makes it possible for Audit & Supervisory Board Members to understand the deliberation status on agenda items at the Executive Committee and the Consolidated Executive Committee.
3) Kureha reports all proposals for approval, requests, audit results by the Internal Control and Auditing Department, and the status of receipt of complaints about products to Audit & Supervisory Board Members.
4) Representative Director and Outside Directors exchange opinions on a regular basis with the Audit & Supervisory Board on issues that Kureha should address, status of the development of an environment for auditing by the Audit & Supervisory Board Members, important audit issues, etc.
5) Kureha and Group companies stipulates in their Compliance Hotlines Handling Rules that no disadvantageous treatment shall be given to any person who has reported to, consulted with, or cooperated with the compliance hotlines in any way because of such actions.
6) Kureha appropriates a certain amount of expenses incurred in the execution of duties by Audit & Supervisory Board Members to the annual budget to secure necessary expenses for auditing.

2. Basic Views on Eliminating Anti-Social Forces and the Status of Establishment of the System

Kureha clarifies in the Employee Code of Conduct that Kureha takes a resolute and adamant attitude against the anti-social forces, and takes an organized approach by closely collaborating with relevant governmental agencies and external organizations.

V. Other

1. Adoption of Anti-Takeover Measures

Adoption of Anti-Takeover Measures	Not Adopted

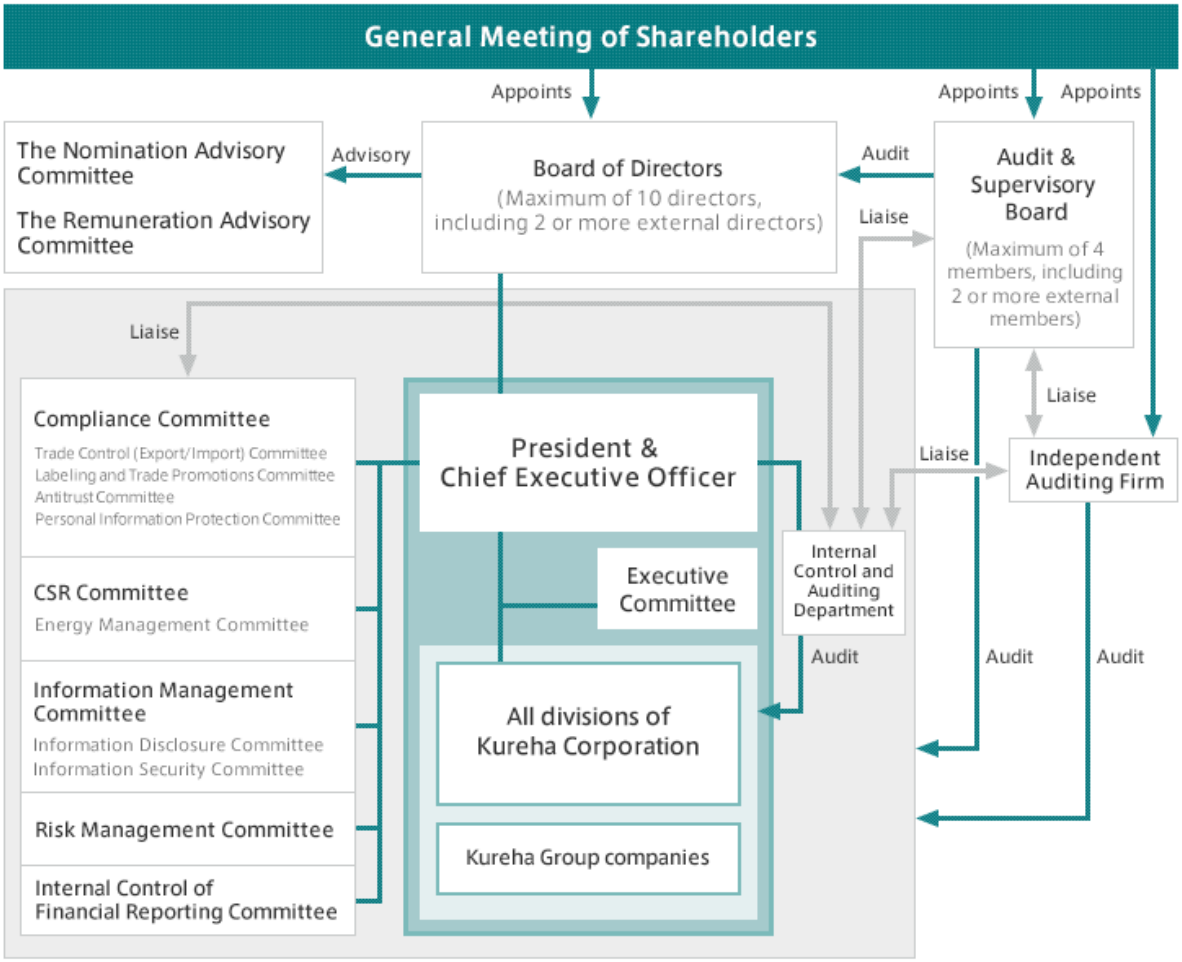
Supplementary Explanation
N/A

2. Other Matters Concerning Corporate Governance System

[Outline of Timely Disclosure System]
The status of internal system related to timely disclosure of Kureha's corporate information is as follows:

1. Basic policy on information disclosure
Kureha will disclose information in a timely and appropriate manner with a basic principle of information disclosure aimed at being a company that is trusted and supported by society.
(1) Kureha will disclose information to stakeholders in a timely and appropriate manner in compliance with Japan's Financial Instruments and Exchange Act, the Timely Disclosure Rules set out by stock exchanges, and relevant laws and regulations.
(2) Kureha will disclose information that is covered by Japan's Financial Instruments and Exchange Act, Timely Disclosure Rules, and other relevant laws and regulations using the method provided for in the rules, such as the Timely Disclosure network (TDnet) of the Tokyo Stock Exchange. Kureha will also publish the disclosed information promptly on the corporate website. Kureha will disclose information that is not covered by Timely Disclosure Rules in a timely manner based on the spirit of timely disclosure through such means as providing materials, holding press conferences, organizing briefing meetings, distributing printed materials, and on the corporate website.
(3) Kureha will disclose information based on the Kureha Information Disclosure Rules. The Information Disclosure Committee will also appropriately review the appropriateness of information disclosures that have been made.

2. Systems related to timely disclosure
(1) Organization involved in the disclosure
The Public & Investor Relations Department is in charge of matters related to the disclosure of corporate information and conducts information disclosure in a timely and appropriate manner in cooperation with relevant departments. Furthermore, Kureha has established the Information Management Committee and the Information Disclosure Committee in accordance with the Information Management Rules and Information Disclosure Rules stipulated in the Company rules, and is working to promote the establishment and operations of proper management systems of corporate information including the Group companies.
(2) Management of internal information
Undisclosed vital corporate information is strictly managed in accordance with the Insider Trading Management Regulations, and Kureha is working to prevent insider trading.


General Meeting of Shareholders
Appoints
Appoints
Appoints
The Nomination Advisory Committee
The Remuneration Advisory Committee
Advisory
Board of Directors
(Maximum of 10 directors, including 2 or more external directors)
Audit
Liaise
Audit & Supervisory Board
(Maximum of 4 members, including 2 or more external members)
Liaise
Liaise
Compliance Committee
Trade Control (Export/Import) Committee
Labeling and Trade Promotions Committee
Antitrust Committee
Personal Information Protection Committee
CSR Committee
Energy Management Committee
Information Management Committee
Information Disclosure Committee
Information Security Committee
Risk Management Committee
Internal Control of Financial Reporting Committee
President & Chief Executive Officer
Executive Committee
All divisions of Kureha Corporation
Kureha Group companies
Internal Control and Auditing Department
Liaise
Independent Auditing Firm
Audit
Audit
Audit