

[Translation]: This represents an excerpted translation, for reference and convenience only, of the original notice issued in Japanese. In the event of any discrepancies between the Japanese and English versions, the former shall prevail.



(Securities Code: 4118)
June 3, 2021

Notice of Convocation of the 97th Annual General Meeting of Shareholders

Dear Shareholders:

Notice is hereby given that the 97th Annual General Meeting of Shareholders of the Company will be held as set forth below.

In order to avoid the risk of COVID-19 infection at the Annual General Meeting of Shareholders, it is strongly recommended that shareholders refrain from attending the meeting in person. You may exercise your voting rights either via return mail or via the Internet.¹

Please review the accompanying "Reference Document Concerning the General Meeting of Shareholders" and cast your votes so as to reach the Company prior to 6:00 p.m. (JST) on June 24, 2021 (Thursday).

Yours very truly,

Minoru Tanaka
President and Representative Director

KANEKA CORPORATION
3-18, Nakanoshima 2-chome, Kita-ku,
Osaka, Japan

¹ (Note): Please note that shareholders outside Japan shall not use these voting procedures via return mail or the internet. Institutional investors should refer to the attached document entitled "Information about Exercise of Voting Rights" described on page 3.

Particulars

1. Date and time of the meeting:

Friday, June 25, 2021, at 10:00 a.m. (JST)
Reception will start at 9:00 a.m. (JST)

2. Place of the meeting:

Osaka Headquarters of the Company,
Nakanoshima Festival Tower (36th floor),
3-18, Nakanoshima 2-chome, Kita-ku,
Osaka, Japan

3. Agenda of the meeting:

Matters to be reported:

1. Report on the Business Report, Consolidated Financial Statements and Non-Consolidated Financial Statements for the 97th fiscal year (from April 1, 2020 to March 31, 2021).
2. Report on the Results of Audit by Accounting Auditor and Audit & Supervisory Board for Consolidated Financial Statements for the 97th fiscal year (from April 1, 2020 to March 31, 2021).

Matters for resolution:

Proposal No.1: Election of Twelve (12) Directors

Proposal No.2: Election of One (1) Substitute Audit & Supervisory Board Member

Proposal No.3: Provision of Bonus to Directors

Proposal No.4: Decision on Amount and Other Details of Stock Option Remuneration to Directors

4. Information about Exercise of Voting Rights:

Please ensure that you read carefully the attached document entitled “Information about Exercise of Voting Rights” described on page 3.

© Since the Consolidated Statements of Changes in Shareholders' Equity, the Notes to Consolidated Financial Statements, the Statements of Changes in Shareholders' Equity and the Notes to Non-Consolidated Financial Statements are posted on the Company's website of the Internet (<https://www.kaneka.co.jp/>) in accordance with the laws and the articles of incorporation of the Company, they are not stated in the Report for the 97th fiscal year separately attached. The Audit & Supervisory Board Member and Accounting Auditor have audited the Consolidated Statements of Changes in Shareholders' Equity, the Notes to Consolidated Financial Statements, the Statements of Changes in Shareholders' Equity and the Notes to Non-Consolidated Financial Statements posted on the Company's website, in addition to having audited the Consolidated and Non-Consolidated Financial Statements in the Report for the 97th fiscal year separately attached.

© In the event of any amendment to the Reference Document Concerning the General Meeting of Shareholders, Business Report, Consolidated Financial Statements, or Non-Consolidated Financial Statements, the Company will post the amended items on the Company's website (<https://www.kaneka.co.jp/>).

Information about Exercise of Voting Rights:

1. If you do not express the approval or disapproval on the Voting Rights Exercise Form delivered, the Company will consider it indicative approval for all matters for resolution.
2. In the event that one and the same shareholder exercises voting rights both via return mail and via the Internet, the Company will consider the exercise of voting rights via the Internet to be valid. Moreover, in the event one and the same shareholder exercises voting rights several times via the same method, the Company will consider the last exercise of voting rights to be valid.

To the Institutional Investors:

The Company participates in the ICJ platform for institutional investors to vote from ProxyEdge® system of Broadridge. For further details, please consult with your custodian(s), nominee(s) and/or broker(s). Voting via the Internet other than the ICJ platform is only available for registered shareholders in Japan with Japanese language only.

Reference Document Concerning the General Meeting of Shareholders

Proposals and Matters for Reference

Proposal No. 1: Election of Twelve (12) Directors

The terms of office of all twelve (12) Directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, we propose to elect twelve (12) Directors.

The candidates for Directors are as follows:

Candidate Number		Name	Current Position and Responsibility in the Company	Attendance at Meetings of the Board of Directors
1.	<input type="checkbox"/> Reappointment	Kimikazu Sugawara	Chairman of the Board and Representative Director	14/14 (100%)
2.	<input type="checkbox"/> Reappointment	Minoru Tanaka	President and Representative Director In charge of Overall Operations and Corporate Planning Chairperson of ESG Committee	14/14 (100%)
3.	<input type="checkbox"/> Reappointment	Kazuhiko Fujii	Director and Executive Vice President In charge of Overall Business, Health Care Solutions Unit, Supplements, E&I Technology Solutions Vehicle, New Business Development and United States business	14/14 (100%)
4.	<input type="checkbox"/> Reappointment	Shinichiro Kametaka	Director and Senior Managing Executive Officer In charge of Corporate Staff, Material Solutions Unit, Chemicals Purchasing, Human Resources and ESG Promotion (vice in charge) and General Manager of Human Resources	14/14 (100%)
5.	<input type="checkbox"/> Reappointment	Shinobu Ishihara	Director and Senior Managing Executive Officer In charge of Investor & Public Relations, Legal Affairs, Accounting and Finance and IoT Solutions Center	14/14 (100%)
6.	<input type="checkbox"/> Reappointment	Katsunobu Doro	Director and Managing Executive Officer In charge of PV & Energy management Solutions Vehicle and President and Director of Kaneka Americas Holding, Inc.	14/14 (100%)
7.	<input type="checkbox"/> Reappointment	Jun Enoki	Director and Managing Executive Officer In charge of Nutrition Solutions Unit and General Manager of Foods & Agris Solutions Vehicle	14/14 (100%)
8.	<input type="checkbox"/> Reappointment	Mamoru Kadokura	Director and Senior Managing Corporate Executive Officer In charge of Research and Security and General Manager of Material Solutions New Research Engine	14/14 (100%)
9.	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director/Auditor	Takeo Inokuchi	Outside Director	14/14 (100%)
10.	<input type="checkbox"/> Reappointment <input type="checkbox"/> Outside Director <input type="checkbox"/> Independent Director/Auditor	Mamoru Mohri	Outside Director	14/14 (100%)

Candidate Number	Name	Current Position and Responsibility in the Company	Attendance at Meetings of the Board of Directors
11	Reappointment	Takao Kusakari	Outside Director
	Outside Director		
	Independent Director/Auditor		
12	Reappointment	Jun Yokota	Outside Director
	Outside Director		
	Independent Director/Auditor		

Note:

The Company held fourteen (14) meetings of the Board of Directors during the fiscal year under review. For Directors Mr. Takao Kusakari and Mr. Jun Yokota, attendance is given for Board of Directors meetings held after June 26, 2020, when they assumed office.

Candidates for Directors

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)		Number of shares of the Company held by Candidate
1.	<u>Reappointment</u> Kimikazu Sugawara (March 31, 1947)	Apr. 1970 Jun. 2000 Jun. 2003 Jun. 2006 Apr. 2008 Apr. 2014	Joined the Company Director of the Company Managing Director of the Company Director and Managing Executive Officer of the Company President and Representative Director of the Company Chairman of the Board and Representative Director of the Company Presently in the post	8,600 shares

[Reasons for nomination as a Director candidate]

Mr. Kimikazu Sugawara, since becoming Director of the Company, has served many years as President and Representative Director, Chairman of the Board and Representative Director, and Board Chairperson, and has abundant experience in, and excellent insight into, corporate management. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group.

2.	<u>Reappointment</u> Minoru Tanaka (October 27, 1954)	Apr. 1977 Jun. 2010 Jun. 2014 Jun. 2016 Apr. 2018 April 2020	Joined the Company Director and Managing Executive Officer of the Company Director and Senior Managing Executive Officer of the Company Director and Executive Vice President of the Company Representative Director and Executive Vice President of the Company President and Representative Director of the Company In charge of Overall Operations and Corporate Planning, Chairperson of ESG Committee of the Company Presently in the post	8,000 shares
----	---	---	---	-----------------

[Reasons for nomination as a Director candidate]

Mr. Minoru Tanaka has long worked in the Planning division. Since becoming Director of the Company, he has served as Managing Executive Officer, Senior Managing Executive Officer, Representative Director and Executive Vice President and President and Representative Director and has abundant experience in, and excellent insight into, corporate management. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)		Number of shares of the Company held by Candidate
3.	Reappointment Kazuhiko Fujii (June 17, 1961)	Apr. 1985 Jun. 2012 Jun. 2016 Apr. 2020	Joined the Company Executive Officer of the Company Director and Managing Executive Officer of the Company Director and Executive Vice President In charge of Overall Business, Health Care Solutions Unit, Supplements, E&I Technology Solutions Vehicle, New Business Development and United States business of the Company Presently in the post	6,000 shares

[Reasons for nomination as a Director candidate]

Mr. Kazuhiko Fujii has long worked in the Functional Plastics and Life Science Products segments of the Company, and has many years of experience working overseas. Since becoming Director of the Company, he has served as Managing Executive Officer and Executive Vice President, and has abundant experience in, and excellent insight into, corporate management, including being in charge of a broad range of divisions. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value from a global viewpoint and to strengthen the oversight function over the entire Group and the divisions he is in charge of.

4.	Reappointment Shinichiro Kametaka (November 13, 1957)	Apr. 1981 Jun. 2011 Jun. 2014 Jun. 2017 Apr. 2020 Apr. 2021	Joined the Company Executive Officer of the Company Director and Managing Executive Officer of the Company Director and Senior Managing Executive Officer of the Company In charge of Corporate Staff, Material Solutions Unit, Chemicals Purchasing, Human Resources and ESG Promotion (vice in charge) of the Company In charge of Corporate Staff, Material Solutions Unit, Chemicals Purchasing, Human Resources and ESG Promotion (vice in charge) and General Manager of Human Resources of the Company Presently in the post	6,000 shares
----	---	--	---	--------------

[Reasons for nomination as a Director candidate]

Mr. Shinichiro Kametaka has long worked in the Chemicals segment of the Company and with chemicals purchases. Since becoming Director of the Company, he has served as Managing Executive Officer and Senior Managing Executive Officer, and has abundant experience in, and excellent insight into, corporate management, including being in charge of a broad range of business divisions. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group and the businesses he is in charge of.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)	Number of shares of the Company held by Candidate
5.	Reappointment Shinobu Ishihara (May 4, 1955)	Apr. 1980 Joined the Company Jun. 2010 Executive Officer of the Company Jun. 2014 Managing Executive Officer of the Company Jun. 2015 Director and Managing Executive Officer of the Company Apr. 2018 Director and Senior Managing Executive Officer of the Company Apr. 2020 In charge of Investor & Public Relations, Legal Affairs, Accounting and Finance and DX of the Company Apr. 2021 In charge of Investor & Public Relations, Legal Affairs, Accounting and Finance and IoT Solutions Center of the Company Presently in the post	6,000 shares

[Reasons for nomination as a Director candidate]

Mr. Shinobu Ishihara has long worked in the Accounting and Finance and Investor & Public Relations divisions of the Company. Since becoming Director of the Company, he has served as Managing Executive Officer and Senior Managing Executive Officer and has abundant experience in, and excellent insight into, corporate management, including being in charge of a broad range of divisions. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group and the divisions he is in charge of.

6.	Reappointment Katsunobu Doro (January 13, 1960)	Apr. 1982 Joined the Company Jun. 2014 Executive Officer of the Company Apr. 2017 Managing Executive Officer of the Company Mar. 2019 President and Director of Kaneka Americas Holding, Inc. Jun. 2019 Director and Managing Executive Officer of the Company President and Director of Kaneka Americas Holding, Inc. Apr. 2020 In charge of PV & Energy management Solutions Vehicle of the Company and President and Director of Kaneka Americas Holding, Inc. Presently in the post	2,400 shares
----	---	--	--------------

[Reasons for nomination as a Director candidate]

Mr. Katsunobu Doro has long worked in the Functional Plastics, and Electrical and Electronic Materials segments of the Company. Since becoming Director of the Company, he has served as Managing Executive Officer and has many years of experience working overseas, and has abundant experience in, and insights into, the business divisions. Therefore, the Company, which is pursuing diversified and global businesses development, nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the geographic areas and businesses he is in charge of.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)		Number of shares of the Company held by Candidate
7.	Reappointment Jun Enoki (September 8, 1960)	Apr. 1983 Jun. 2013 Apr. 2017 Jun. 2019	Joined the Company Executive Officer of the Company Managing Executive Officer of the Company Director and Managing Executive Officer of the Company In charge of Nutrition Solutions Unit and General Manager of Foods & Agris Solutions Vehicle of the Company Presently in the post	1,200 shares

[Reasons for nomination as a Director candidate]

Mr. Jun Enoki has long worked in the Food Business segment of the Company. Since becoming Director of the Company, he has served as Managing Executive Officer, and has abundant experience in, and insights into, the business division. Therefore, the Company nominates him as a Director candidate as he is expected to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group and the divisions he is in charge of.

8.	Reappointment Mamoru Kadokura (June 1, 1959)	Apr. 1987 Jun. 2010 Jun. 2012 Apr. 2014 Mar. 2020 Apr. 2020 Jun. 2020 Apr. 2021	Joined the Company Executive Officer of the Company Director and Managing Executive Officer of the Company President and Representative Director of the Company Retired from the post of President and Representative Director of the Company Director and Senior Managing Corporate Executive Officer of the Company In charge of Research activities of the Company In charge of Research and Security of the Company In charge of Research and Security and General Manager of Material Solutions New Research Engine of the Company Presently in the post	8,000 shares
----	--	--	--	--------------

[Reasons for nomination as a Director candidate]

Mr. Mamoru Kadokura, since becoming Director of the Company, has served as General Manager of Corporate R&D Planning and Administration Division, officer in charge of business divisions, and President and Representative Director of the Company, and has abundant experience in, and excellent insight into, corporate management. Therefore, the Company nominates him as a Director candidate as he is expected to accelerate change in the R&B (Research & Business) of the Company as an “R&D-type company”, and to contribute to increasing its medium- to long-term corporate value and to strengthen the oversight function over the entire Group.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)	Number of shares of the Company held by Candidate
9.	<div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director/Auditor</div> Takeo Inokuchi (April 9, 1942)	Apr. 1965 Joined Taisho Marine and Fire Insurance Co., Ltd Jun. 1993 Director of Mitsui Marine and Fire Insurance Co., Ltd. (Formerly Taisho Marine and Fire Insurance Co., Ltd.) Jun. 1994 Managing Director of Mitsui Marine and Fire Insurance Co., Ltd. Apr. 1996 Representative Director and President of Mitsui Marine and Fire Insurance Co., Ltd. Jun. 2000 Chief Executive Officer, Representative Director, Chairman and President of Mitsui Marine and Fire Insurance Co., Ltd. Oct. 2001 Representative Director, Chairman of the Board and Joint CEO of Mitsui Sumitomo Insurance Co., Ltd. Apr. 2006 Representative Director, Chairman of the Board and Executive Officer of Mitsui Sumitomo Insurance Co., Ltd. Jun. 2006 Retired as Representative Director, Chairman of the Board and Executive Officer of Mitsui Sumitomo Insurance Co., Ltd. Jul. 2007 Senior Advisor of Mitsui Sumitomo Insurance Co., Ltd. Jun. 2011 Director of the Company Apr. 2018 Honorary Advisor of Mitsui Sumitomo Insurance Co., Ltd. Presently in the post (Important position of other organizations concurrently assumed) Outside Director of Kikkoman Corporation	0

[Reasons for nomination as an Outside Director candidate and outline of expected role]

Mr. Takeo Inokuchi has been engaged in the management of a financial institution for many years and has a high level of knowledge and abundant practical experience in top management. He also possesses a detailed knowledge of corporate governance, holding a key position at Japan Association of Corporate Directors, which makes high-level advocacies and recommendations with respect to corporate governance. Therefore, the Company nominates him as an Outside Director candidate as he is expected to conduct appropriate oversight and provide objective and strategic advice regarding management in general at meetings of the Board of Directors of the Company, utilizing his high level of insight and broad perspective in management.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)	Number of shares of the Company held by Candidate
10.	<div style="border: 1px solid black; padding: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px;">Independent Director/Auditor</div> Mamoru Mohri (January 29, 1948)	Jun. 1976 Received a doctorate in Chemistry from Flinders University of South Australia Apr. 1982 Associate Professor at Hokkaido University, School of Engineering Aug. 1985 Astronaut at the National Space Development Agency of Japan Sep. 1992 Conducted experiments as a prime payload specialist on STS-47, Spacelab-J on the NASA Space Shuttle “Endeavour” Feb. 2000 Worked as a mission specialist for the Shuttle Radar Topography Mission on the NASA Space Shuttle “Endeavour” Oct. 2000 Chief Executive Director of National Museum of Emerging Science and Innovation (Miraikan) operated by Japan Science and Technology Corporation (currently the Japan Science and Technology Agency) (until March 2021) Jun. 2015 Director of the Company Apr. 2021 Advisor to Japan Science and Technology Agency and Honorary Chief Executive Director of National Museum of Emerging Science and Innovation (Miraikan) Presently in the post (Important positions of other organizations concurrently assumed) Advisor to Japan Science and Technology Agency and Honorary Chief Executive Director of National Museum of Emerging Science and Innovation (Miraikan) Chairperson of Japan Water Award Committee	0

[Reasons for nomination as an Outside Director candidate and outline of expected role]

Mr. Mamoru Mohri has diverse and abundant experience and achievements in leading-edge science and technology of the world. The Company holds ‘Moving toward an “R&D-type” company’ as one of its management policies in its long-term management vision, and has made focused investment of its management resources in R&B (Research & Business). Therefore, the Company nominates him as an Outside Director candidate as he is expected to conduct appropriate oversight and provide objective and strategic advice regarding management in general at meetings of the Board of Directors of the Company, utilizing his advanced insight and global perspective.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)	Number of shares of the Company held by Candidate
11.	<div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Reappointment</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Outside Director</div> <div style="border: 1px solid black; padding: 2px; margin-bottom: 2px;">Independent Director/Auditor</div> Takao Kusakari (March 13, 1940)	Apr. 1964 Joined Nippon Yusen Kabushiki Kaisha Aug. 1999 Representative Director, President and Corporate Officer of Nippon Yusen Kabushiki Kaisha Apr. 2004 Representative Director, Chairman and Corporate Officer of Nippon Yusen Kabushiki Kaisha Apr. 2006 Representative Director, Chairman, Chairman Corporate Officer of Nippon Yusen Kabushiki Kaisha Apr. 2009 Director and Senior Advisor of Nippon Yusen Kabushiki Kaisha Jun. 2010 Senior Advisor of Nippon Yusen Kabushiki Kaisha Apr. 2015 Board Counselor of Nippon Yusen Kabushiki Kaisha (until March 2018) Jun. 2017 Outside Director of Japan Oil Transportation Co., Ltd. Jun. 2020 Director of the Company Presently in the post	0

(Important position of other organizations concurrently assumed)
 Outside Director, Japan Oil Transportation Co., Ltd.

[Reasons for nomination as an Outside Director candidate and outline of expected role]

Mr. Takao Kusakari has diverse and abundant experience and achievements in corporate management and the global logistics field from having served as the Representative Director and Chairman, and President of Nippon Yusen Kabushiki Kaisha as well as the Vice Chairman of KEIDANREN (Japan Business Federation). Therefore, the Company nominates as an Outside Director candidate as he is expected to provide appropriate oversight as well as objective and strategic advice regarding management in general at meetings of the Company's Board of Directors, utilizing his high level of insight and broad management perspective.

Candidate Number	Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)		Number of shares of the Company held by Candidate
12.	Jun Yokota (June 26, 1947)	Apr. 1971	Joined the Ministry of Foreign Affairs	0
	Reappointment	Jan. 1998	Deputy Director-General of Economic Affairs Bureau	
	Outside Director	Jun. 2002	Consul-General of Japan in Hong Kong	
	Independent Director/Auditor	Apr. 2004	Ambassador Extraordinary and Plenipotentiary to the State of Israel	
		May 2009	Ambassador Extraordinary and Plenipotentiary to the Kingdom of Belgium	
		Oct. 2012	Ambassador Extraordinary and Plenipotentiary in charge of Economic Diplomacy and of Reconstruction Assistance to Iraq (until January 2014)	
		Jan. 2014	Retired from the Ministry of Foreign Affairs	
		Jun. 2014	Special Advisor to the Chairman of KEIDANREN (Japan Business Federation) (until May 2018)	
		Jun. 2014	Outside Director of Fujitsu Limited	
		Jun. 2020	Director of the Company	
			Presently in the post	

[Reasons for nomination as an Outside Director candidate and outline of expected role]

Mr. Jun Yokota has abundant experience in, and insight into, international politics and economics, from having served as a diplomat, namely, the Ambassador to Israel and to Belgium, and a government representative in the EPA (Economic Partnership Agreement) negotiations with Europe. Therefore, the Company nominates as an Outside Director candidate as he is expected to provide appropriate oversight as well as objective and strategic advice regarding management in general at meetings of the Company's Board of Directors, utilizing his global and diverse insight.

Notes:

1. The Company has no special interest with each of the Director and Outside Director candidates.
2. The Company has concluded a directors and officers liability insurance agreement with an insurance company. In the event of a claim, legal damages (payment of damages ordered by the court, settlements etc.) and legal expenses (payment of retainers and legal fees to lawyers etc.) to be borne by the insureds shall be compensated under the said insurance agreement. Each Director and Outside Director candidate is an insured in the said insurance agreement. The agreement will be renewed with the same coverage and conditions at the next renewal date.
3. Mr. Takeo Inokuchi, Mr. Mamoru Mohri, Mr. Takao Kusakari and Mr. Jun Yokota are Outside Director candidates. The following items are specifically noted in regard to the Outside Director candidates.
 - (1) Mr. Takeo Inokuchi is a former Representative Director of Mitsui Sumitomo Insurance Co., Ltd., a shareholder of the Company. However, the Company sees no issue with regard to his independence as fifteen (15) years have passed since his resignation from the post. Furthermore, although the Company has transactions with Mitsui Sumitomo Insurance Co., Ltd. for nonlife insurance, the insurance premium paid by the Kaneka Group to Mitsui Sumitomo Insurance Co., Ltd. in the most recent fiscal year is minimal, accounting for less than 0.2% of its premium income.
 - (2) Although the Company has transactions related to product shipments with Japan Oil Transportation Co., Ltd., where Mr. Takao Kusakari is Outside Director, the transaction amount paid by the Kaneka Group to Japan Oil Transportation Co., Ltd. in the most recent fiscal year is minimal, accounting for less than 0.1% of its sales amount.
 - (3) Although the Company has transactions related to computer systems with Fujitsu Limited, where Mr. Jun Yokota is Outside Director, the transaction amount paid by the Kaneka Group to Fujitsu Limited in the most recent fiscal year is minimal, accounting for less than 0.1% of its sales amount.

During Mr. Jun Yokota's term of office as Outside Director at Fujitsu Limited, in July 2016 Fujitsu Limited was found to have violated the Antimonopoly Act with regard to order coordination of its products and received a cease-and-desist order and a surcharge payment order.

After the first violations came to light, Mr. Jun Yokota as a member of the Board led efforts to launch an internal Special Investigation Committee. As the investigations by this committee revealed that order coordination had taken place in separate transactions with another customer (such conduct was confirmed to be a violation of the Antimonopoly Act in February 2017), Fujitsu Limited decided to apply for the leniency program. As a result, Fujitsu Limited was fully exempted from payment of the surcharge.

Subsequently, the outside officers including Mr. Jun Yokota took the initiative to help pass a resolution of the Board of Directors regarding disciplinary actions against the officers involved and have been continuously monitoring relevant activities to prevent the recurrence of such incidents.
 - (4) Mr. Jun Yokota is scheduled to resign from his post as Outside Director of Fujitsu Limited effective June 28, 2021.
 - (5) The tenure of each Outside Director candidate as of the close of this Annual General Meeting of Shareholders is as follows: Mr. Takeo Inokuchi (ten (10) years), Mr. Mamoru Mohri (six (6) years), Mr. Takao Kusakari (one (1) year) and Mr. Jun Yokota (one (1) year).
 - (6) The Company has entered into a contract with Mr. Takeo Inokuchi, Mr. Mamoru Mohri, Mr. Takao Kusakari and Mr. Jun Yokota to limit their liability for damages with respect to the liability set forth in Article 423(1) of the Companies Act, whereby the amount of their liability for damages is limited to the minimum liability amount provided for in the relevant laws and ordinances.
 - (7) The Company has designated Mr. Takeo Inokuchi, Mr. Mamoru Mohri, Mr. Takao Kusakari and Mr. Jun Yokota as Independent Directors/Auditors and submitted the statement to that effect to the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc. Upon their election as originally proposed, it is planned that they will continue to serve as Independent Directors/Auditors.

Proposal No. 2: Election of One (1) Substitute Audit & Supervisory Board Member

We propose to elect one (1) substitute Audit & Supervisory Board Member as a substitute of Outside Audit & Supervisory Board Member in anticipation of a case in which the number of Audit & Supervisory Board Members might become less than the number provided for in the laws and ordinances.

We have already obtained the consent of the Audit & Supervisory Board for the submission of this proposal.

The candidate for substitute Audit & Supervisory Board Member is as follows:

Candidate for substitute Audit & Supervisory Board Member

Name (Date of birth)	Brief history (Position and responsibility and important position of other organizations concurrently assumed)	Number of shares of the Company held by Candidate
Reappointment	Apr. 1996 Associate Professor of School of Law of Nagoya University	0
Outside Audit & Supervisory Board Member	Apr. 1999 Associate Professor of Graduate School of Law of Nagoya University	
Independent Director/Auditor	Apr. 2005 Professor of Graduate School of Law of Nagoya University (Currently, Nagoya University, National University Corporation, Tokai National Higher Education and Research System)	
Masafumi Nakahigashi (September 19, 1965)	Apr. 2010 Secretary of Legislative Council of the Ministry of Justice, Section for the Companies Act (until Sep. 2012)	
	Jun. 2011 Secretary of Advisory Committee on Civil Rules of Supreme Court of Japan (until Nov. 2012)	
	Jun. 2016 Substitute Audit & Supervisory Board Member of the Company	
	Apr. 2017 Secretary of Legislative Council of the Ministry of Justice, Section for the Companies Act related to Corporate Governance (until Feb. 2019)	
	Apr. 2019 Vice President of Nagoya University (Currently, Nagoya University, National University Corporation, Tokai National Higher Education and Research System)	
	Presently in the post	

[Reasons for nomination as a substitute Outside Audit & Supervisory Board Member candidate]

Mr. Masafumi Nakahigashi has served in such positions as Secretary of Legislative Council of the Ministry of Justice, Section for the Companies Act, and has a high level of knowledge and abundant experience as a university vice president and university professor. Therefore, the Company nominates as a substitute Outside Audit & Supervisory Board Member as he is expected to provide valuable advice and opinions at meetings of the Board of Directors and the Audit & Supervisory Board of the Company, utilizing his high level of knowledge.

- (Notes)
1. The Company has no special interest with Mr. Masafumi Nakahigashi.
 2. The Company has concluded a directors and officers liability insurance agreement with an insurance company. In the event of a claim, legal damages (payment of damages ordered by the court, settlements etc.) and legal expenses (payment of retainers and legal fees to lawyers) to be borne by the insureds shall be compensated under the said insurance agreement. In the event that Mr. Masafumi Nakahigashi assumes the office of Audit & Supervisory Board Member, he will be an insured in the said insurance agreement.
 3. Mr. Masafumi Nakahigashi is a candidate for substitute Outside Audit & Supervisory Board Member. The following matters are specifically noted with respect to the candidate for Outside Audit & Supervisory Board Member.
 - (1) In the event that Mr. Masafumi Nakahigashi assumes the office of Audit & Supervisory Board Member, the Company plans to enter into a contract with him to limit his liability with respect to the liability for damages set forth in Article 423(1) of the Companies Act, whereby the amount of his liability for damages will be limited to the minimum liability amount provided for in the relevant laws and ordinances.
 - (2) In the event that Mr. Masafumi Nakahigashi assumes the office of Audit & Supervisory Board Member, the Company plans to designate him as an Independent Director/Auditor and submit the statement to that effect to the Tokyo Stock Exchange, Inc. and the Nagoya Stock Exchange, Inc.

[For reference] Standards for Independence of Outside Directors/Audit & Supervisory Board Members

The independence of Outside Directors or Outside Audit & Supervisory Board Members (collectively the “Outside Directors/Audit & Supervisory Board Members”) of the Company refers to such a person being independent from the Company’s management without falling under any of the following:

- (1) A person executing the business, etc. (“Executing Person”) of the Company and its affiliates (hereinafter, “the Group”) and their close relatives, etc.;
- (2) A party for which the Group is a principal business partner or an Executing Person thereof;
- (3) A principal business partner of the Group or an Executing Person thereof;
- (4) A major shareholder of the Company (a party that directly or indirectly holds a voting interest of ten (10) % or more) or an Executing Person thereof;
- (5) A Director and other Executing Person of an organization that has received a certain amount or more of donations or subsidies from the Group;
- (6) An Executing Person of a company with which the Group has an arrangement for mutual secondment of Directors and Audit & Supervisory Board Members;
- (7) A person belonging or who has belonged in the past to an auditing firm conducting a statutory audit of the Company; or
- (8) A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than Director/Audit & Supervisory Board Member compensation from the Group (if the party receiving such consideration is a corporation, association or other entity, a person belonging to the said entity or a person who has belonged to the said entity in the past).

(Note 1) An Executing Person refers to those who conduct business operations or conducted business operations in the past, including Directors (excluding Outside Directors), Executive Officers and employees.

(Note 2) Close relatives refer to relatives within the second (2nd) degree of kinship of or relatives living in the same place with those who conduct important business operations, including Directors (excluding Outside Directors), Executive Officers and division managers.

(Note 3) A party for which the Group is a principal business partner refers to a business partner group (which means entities that belong to the consolidated group to which the direct business partner belongs; the same shall apply hereinafter) that supplies products and services to the Group, where the business partner group's trading amount with the Group exceeds two (2) % of the consolidated sales of the business partner group in the most recent fiscal year.

(Note 4) A principal business partner of the Group refers to those who fall under either of the following:

(1) A business partner group to whom the Group supplies products and services, where the Group's trading amount with such group exceeds two (2) % of the Group's consolidated sales in the most recent fiscal year.

(2) A financial institution group (which means entities that belong to the consolidated group to which the direct lender belongs) from which the Group has borrowed funds, where the total amount of the Group's borrowings from the financial institution group exceeds two (2) % of the Group's consolidated total assets at the end of the most recent fiscal year.

(Note 5) An organization that has received a certain amount or more of donations or subsidies from the Group refers to public interest incorporated foundations, public interest incorporated associations, non-profit organizations, etc. which receive donations or subsidies of over ten (10) million yen per year from the Group.

(Note 6) A consultant, certified public accountant or other accounting professional, or lawyer or other legal professional who has received a substantial amount of monetary compensation or other consideration other than Director/Audit & Supervisory Board Member compensation from the Group refers to those who received such consideration other than Director/Audit & Supervisory Board Member compensation of over ten (10) million yen from the Group in the most recent fiscal year or those who belong to an entity which receives such consideration from the Group in amount exceeding two (2) % of the said entity’s consolidated sales or gross income.

[For reference] Procedures for Nomination of Directors and Audit & Supervisory Board Members

Candidates for Directors are proposed by the Representative Directors and decided by the Board of Directors based on the report of the Nomination and Compensation Advisory Committee, pursuant to the “Standards on Nomination of Directors.” Candidates for Directors are elected as Directors by a resolution of the General Meeting of Shareholders every year.

Candidates for Audit & Supervisory Board Members (including substitute Audit & Supervisory Board Members) are proposed by the Representative Directors and decided by the Board of Directors with the consent of the Nomination and Compensation Advisory Committee and the Audit & Supervisory Board, pursuant to the “Standards on Nomination of Audit & Supervisory Board Members.” Candidates for Audit & Supervisory Board Members are elected as Audit & Supervisory Board Members (including substitute Audit & Supervisory Board Members) by a resolution of the General Meeting of Shareholders.

[For reference] Balance of Knowledge, Experience and Expertise and Diversity among the Directors as well as Size of the Board of Directors as a whole

The Company elects Directors on the condition that they have high integrity, insight, skills, experience and strong ethical standards.

Proposal No. 3: Provision of Bonus to Directors

We propose to grant a total amount of one hundred million (100,000,000) yen to eight (8) incumbent Directors excluding Outside Directors as at the end of the fiscal year. Furthermore, it is proposed that the determination of the amounts to be given to each Director be entrusted to the decision of the Board of Directors.

The total amount of the bonus to Directors was decided in consideration of the short-term business performance, business environment, share price, dividend trends, etc. of the Company, not looking at one indicator only, but making an overall evaluation of the above. It has been deliberated by the Nomination and Remuneration Committee, and as such the Board of Directors believes this proposal to be appropriate.

Proposal No. 4: Decision on Amount and Other Details of Stock Option Remuneration to Directors

Regarding the amount and other details of stock option remuneration to the Company's Directors, approval was given at the 83rd Annual General Meeting of Shareholders, held on June 28, 2007, to limit such remuneration to no more than seventy-five (75) million yen per year. In light of the fact that the recent amendment of the Companies Act requires the Company to obtain the approval of the General Meeting of Shareholders to the specific details of such remuneration, the Company asks shareholders again for their approval.

If Proposal No.1 is approved without changes to the original proposal, there will be eight Directors covered by this proposal.

1. Reasons for Allotting Subscription Rights to Shares as Remuneration

The value of subscription rights to shares as stock options is linked to the price of the Company's stock. The issuance of subscription rights to shares is intended to further enhance Directors' motivation for contribution and their morale towards increasing the Company's stock price and corporate value by providing benefits and risks of stock price fluctuations to Directors. Directors will be allotted such number of subscription rights to shares as is set according to their respective duties. We believe that these details of stock option remuneration are reasonable.

2. Details of Subscription Rights to Shares as Stock Options

(1) Total number of subscription rights to shares (upper limit of the number that may be granted)

Seventy-five (75) subscription rights to shares will be the upper limit of the number of subscription rights to shares that may be allotted to the Company's Directors (excluding Outside Directors) within one (1) year from the date of the Annual General Meeting of Shareholders for each fiscal year.

(2) Class and number of shares to be issued as a result of the exercise of subscription rights to shares

Two hundred (200) shares of the Company's common stock will be issued as a result of the exercise of one (1) subscription right to shares. In the event of the Company's stock split (including allotment of shares without consideration; the same applies hereinafter) or stock consolidation, the number of shares to be issued as a result of the exercise of one (1) subscription right to shares will be adjusted using the following formula. However, this adjustment will be made with respect only to the number of shares to be issued as a result of the exercise of subscription rights to shares that have not been exercised at that point in time, with any fraction less than one (1) share arising from the adjustment being rounded off.

$$\begin{array}{l} \text{Number of shares} \\ \text{after adjustment} \end{array} = \begin{array}{l} \text{Number of shares} \\ \text{before adjustment} \end{array} \times \begin{array}{l} \text{Split/ consolidation} \\ \text{ratio} \end{array}$$

In the event of the Company's merger, company split, share exchange or share transfer, or any other unavoidable circumstances, the number of shares to be granted will be adjusted to a reasonable extent.

(3) Method of calculation of the amount to be paid in for subscription rights to shares

The amount to be paid in for each subscription right to shares will be the amount calculated by multiplying: (i) the option price per share calculated using the Black-Scholes model; by (ii) the number of shares granted. However, the obligation of a person allotted subscription rights to shares to pay the amount to be paid in as calculated above will be set off against the person's claim for remuneration from the Company granted to the person on the

date of allotment of subscription rights to shares.

(4) Value of assets to be contributed upon exercise of subscription rights to shares

The value of assets to be contributed upon exercise of each subscription right to shares will be the amount calculated by multiplying: (i) the number of shares that will be allotted as a result of the exercise of the subscription right to shares; by (ii) one (1) yen, which is the price per share of the exercise of the right.

(5) Period of exercise of subscription rights to shares (period during which they may be exercised)

Subscription rights to shares may be exercised within a period of twenty-five (25) years commencing from the date following the date of allotment of the subscription rights to shares.

(6) Terms and conditions of exercise of subscription rights to shares

(i) If a person holding subscription rights to shares ceases to be a Director of the Company at any time during the period specified in (5) above, that person may exercise those subscription rights to shares within a period of ten (10) days only, commencing from the date following the date on which the person ceases to be a Director.

(ii) If a person holding subscription rights to shares exercises the subscription rights to shares, the person must exercise all (not part only) of the subscription rights to shares allotted to the person.

(iii) No subscription rights to shares may be pledged or otherwise disposed of in any way.

(iv) A person exercising subscription rights to shares must not have violated any laws or regulations, violated any internal rules, breached the allotment agreement, or committed any other act similar to any of the above.

(7) Restrictions on transfer of subscription rights to shares (transfer restrictions)

Any acquisition by transfer of subscription rights to shares will be subject to approval by a resolution of the Company's Board of Directors.

(8) Matters regarding acquisition of subscription rights to shares (conditions for acquisition)

If the Company's General Meeting of Shareholders approves (or, in the case where no resolution of the General Meeting of Shareholders is required, the Company's Board of Directors passes a resolution to approve) a proposal to approve a merger agreement under which the Company will be the extinct company, or an absorption-type company split agreement or an incorporation-type company split plan under which the Company will be the split company, or a share exchange agreement or a share transfer plan under which the Company will be a wholly-owned subsidiary, then the Company may, on the date separately designated by the Company's Board of Directors, acquire all subscription rights to shares remaining as of the same date, without consideration.

(9) Other details of subscription rights to shares

Particulars of the details described in (1) through (8) above and other details, etc. of subscription rights to shares will be determined at Board of Directors meetings at which the terms and conditions of subscription for subscription rights for shares will be decided upon.

The above represents an excerpted translation, for reference and convenience only, of the original notice issued in Japanese. We did our utmost to ensure accuracy in our translation and believe it to be of the highest standard. However, due to differences of accounting, legal, and other systems as well as of language, this English version might contain inaccuracies, and therefore, might be inconsistent with the original intended in Japanese. In the event of any discrepancies between the Japanese and English versions, the former shall prevail as the official version.