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(Stock Exchange Code 4980)

May 27, 2022

**To Shareholders with Voting Rights:**

Yoshihisa Shinya  
Representative Director  
Dexerials Corporation  
1724 Shimotsuboyama,  
Shimotsuke-shi, Tochigi Prefecture

## **NOTICE OF THE 10TH ANNUAL GENERAL MEETING OF SHAREHOLDERS**

Dear Shareholders:

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

We are pleased to inform you that the 10th Annual General Meeting of Shareholders of Dexerials Corporation (the "Company") will be held as described below.

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

Please review the attached Reference Documents for the General Meeting of Shareholders and exercise your voting rights by 5:45 p.m. on Thursday, June 16, 2022, Japan standard time.

### **Exercise of voting rights in writing**

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

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

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

- 1. Date and Time:** Friday, June 17, 2022 at 10:00 a.m. Japan standard time  
(The reception desk opens at 9:00 a.m.)
- 2. Place:** Osaki Bright Core Hall  
3rd floor of Osaki Bright Core  
5-5-15, Kitashinagawa, Shinagawa-ku, Tokyo, Japan
- 3. Meeting Agenda:**
- Matters to be reported:**
1. The Business Report, Consolidated Financial Statements for the Company's 10th Fiscal Year (April 1, 2021 - March 31, 2022) and results of audits by the Accounting Auditor and the Audit & Supervisory Committee of the Consolidated Financial Statements
  2. Non-consolidated Financial Statements for the Company's 10th Fiscal Year (April 1, 2021 - March 31, 2022)
- Proposals to be resolved:**
- Proposal 1:** Appropriation of Surplus
- Proposal 2:** Partial Amendments of the Articles of Incorporation
- Proposal 3:** Election of Four (4) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members)
- The Matters Related to Subscription Rights to Shareholders and the Company's Systems and Policies, which are part of the Business Report, and Notes to the Consolidated Financial Statements, which are part of the Consolidated Financial Statements, and the Notes to the Non-consolidated Financial Statements, which are part of the Non-consolidated Financial Statements, have been posted on the Company's website in accordance with laws and regulations and Article 14 of the Articles of Incorporation of the Company.
  - Should matters to be described in the Reference Documents for the General Meeting of Shareholders, the Business Report, the Consolidated Financial Statements, or the Non-Consolidated Financial Statements require revisions, the revised versions will be posted on the Company's website.
  - The results of resolutions at this Annual General Meeting of Shareholders will be posted on the Company's website.
  - The Company will implement necessary measures to prevent infection according to the situation concerning the novel coronavirus on the day of the General Meeting of Shareholders.  
If there is any major change in the operation of the Meeting due to future circumstances, we will post it on the Company's website.  
If you consider to attend the Meeting, please be sure to check the Company's website in advance.

Company's website: <https://www.dexterials.jp/>

# Reference Documents for the General Meeting of Shareholders

## Proposals and References

### Proposal 1: Appropriation of Surplus

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

Based on this policy, we propose to pay a year-end dividend of 30 yen per share for the current fiscal year.

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

=  $\frac{\text{Total payout amount (Annual total dividends paid + Annual total share buyback)}}{\text{Consolidated profit attributable to owners of parent + Amortization of goodwill}} \times 100$

Consolidated profit attributable to owners of parent + Amortization of goodwill

1. Type of dividend assets  
Cash
2. Allotment of dividend assets to shareholders and the total amount  
30 yen per share of common stock of the Company  
Total amount: 1,888,106,730 yen
3. Effective date of distribution of surplus  
June 20, 2022

### Reference

Annual dividend

60 yen per share (interim dividend: 30 yen, year-end dividend: 30 yen)

Total payout ratio\*: 42.3%

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

**Proposal 2:** Partial Amendments of the Articles of Incorporation

1. Reasons for amendments

In accordance with the revised provisions stipulated in Article 1 of the Supplementary Provisions of the "Act for Partial Amendment of the Companies Act" (Act No. 70 of 2019), which will come into effect on September 1, 2022, the Company will make the following necessary amendments to its Articles of Incorporation in order to introduce a system for the electronic provision of materials for general meetings of shareholders.

- (1) Article 14, Paragraph 1 in the proposed amendments stipulates to the effect that the Company shall take the measures for electronic provision of materials with respect to information that constitutes the content of reference materials for the General Meeting of Shareholders.
- (2) Article 14, Paragraph 2 in the proposed amendments shall establish provisions to enable the scope of matters to be stated in the document that shall be issued to shareholders who request the issuance of the document to be limited to the scope provided for by the Ministry of Justice Ordinance.
- (3) With the introduction of a system for providing information on the content of general shareholder meeting materials in electronic format, Internet Disclosure and De Facto Provision of Shareholders' General Meeting Reference Documents, etc. of the current Articles of Incorporation Article 14, will be unnecessary. Accordingly, the said provisions are to be deleted.
- (4) The establishment of supplementary provisions regarding the effect of the establishment and deletion of the above provisions is proposed. The supplementary provisions shall be deleted after the transitional period.

2. Details of Amendments

The details of the amendments are as follows. (The underlining indicates a change.)

Current	Proposed Amendments
<p>Chapter 3. General Meeting of Shareholders</p> <p><u>(Disclosure of reference materials for general meetings of shareholders, etc. via the Internet and deemed provision)</u></p> <p><u>Article 14. When convening a general meeting of shareholders, it shall be deemed that the Company has provided shareholders with the necessary information that should be described or presented in reference materials for general meeting of shareholders, business reports, and non-consolidated and consolidated financial statements, if they are disclosed via the Internet in accordance with the Ministry of Justice Ordinance.</u></p> <p>(New provision)</p>	<p>Chapter 3. General Meeting of Shareholders</p> <p>(Deleted)</p> <p><u>(Measures for electronic provision of information, etc.)</u></p> <p><u>Article 14. When convening a general meeting of shareholders, the Company shall take measures for the electronic provision of information contained in reference materials for general meetings of shareholders, etc.</u></p> <p><u>2. With respect to all or part of the matters for which measures for electronic provision of information are to be taken as specified by the Ordinance of the Ministry of Justice, the Company shall not be required to</u></p>

(New provision)	<p><u>include such matters in the documents to be delivered to shareholders who have made a request for document delivery by the record date for voting rights.</u></p> <p><u>Supplementary Provisions</u>  <u>(Transitional Measures Concerning Measures for Electronic Provision, etc. of Documents)</u></p> <p><u>1. The deletion and the establishment of Article 14 of the Articles of Incorporation shall become effective on September 1, 2022 (hereinafter referred to as the “Enforcement Date”), which is the date of enforcement of the amended provisions stipulated in the proviso of Article 1 of the Supplementary Provisions of the “Act Partially Amending the Companies Act” (Act No. 70 of 2019).</u></p> <p><u>2. Notwithstanding the provision of the preceding Article, with regard to the general meeting of shareholders that is held within six months from the Enforcement Date, Article 17 of the Articles of Incorporation before amendment shall remain effective.</u></p> <p><u>3. These Supplementary Provisions shall be deleted on the later of the date that is six months after the Enforcement Date or the date that is three months after the date of the general meeting of shareholders set forth in the preceding Article.</u></p>
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(Reference)

The electronic provision system is a system whereby a company may provide documents regarding a general meeting of shareholders to its shareholders by uploading the documents on its website, etc. and giving notice in writing to the shareholders of such website address.

Listed companies are subject to mandatory application of the electronic provision system at general meetings of shareholders to be held after March 2023. Accordingly, it will be applied to the Company at the next General Meeting of Shareholders (scheduled to be held in June 2023) and thereafter.

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

The terms of office of all four (4) Directors (excluding Directors serving as Audit & Supervisory Committee Members) will expire at the conclusion of this General Meeting of Shareholders. Accordingly, it is proposed to elect four (4) Directors.

The candidates for Director are as follows.

No.		Name	Age		Current positions and responsibilities at the Company	No. of years served as Director	Attendance at Board of Directors' meetings
1	Reappointment	Yoshihisa Shinya	52		Representative Director and President President and Executive Officer Officer in charge of Management and Business Operations President and CEO, Kyoto Semiconductor Co., Ltd.	3 years	100% (15/15)
2	Reappointment	Toshiya Satake	62		Representative Director Senior Managing Executive Officer Officer in charge of Management and Administration Representative Director and President, Dexerials Precision Components Corporation	3 years	100% (15/15)
3	Reappointment	Takashi Yokokura	73	Independent Officer Outside Director	Outside Director	7 years	100% (15/15)
4	Reappointment	Satoshi Taguchi	64	Independent Officer Outside Director	Outside Director	1 year	100%* (12/12)

**Notes:**

1. Mr. Takashi Yokokura and Mr. Satoshi Taguchi are candidates for Outside Directors.  
If their election is approved as proposed, the Company intends to designate them as Independent Officers as prescribed by the Tokyo Stock Exchange.
2. The age of a candidate for Director is the age at the conclusion of this Annual General Meeting of Shareholders.
3. \* indicates the attendance at Board of Directors' meetings held following the candidate's assumption of office.

**[Opinion of the Audit & Supervisory Committee]**

The Audit & Supervisory Committee confirms the situation of the Nomination and Remuneration Committee's deliberation on nomination of candidates for Director (excluding Director serving as Audit & Supervisory Committee Member) and remuneration of Directors not serving as Audit & Supervisory Committee Members. As a result of careful consideration by the Audit & Supervisory Committee, it concluded that there were no particular problems with the nomination procedures for the candidates, that each candidate was selected in accordance with the "Dexerials' Basic Policy on Corporate Governance," which sets forth the Company's nomination policy, and that they are suitable to serve as Directors of the Company. Moreover, there are no particular problems with the procedures for determining remuneration etc. for Directors, and the Company believes that the details of such remuneration is appropriate.

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

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

In nominating candidates for Director serving as Audit & Supervisory Committee Member, the Company selects candidates from inside and outside the Company based on the criteria that the candidates have experience and knowledge in the fields of corporate management, finance and accounting, legal affairs, etc. and, in particular, that at least one candidate has sufficient knowledge of finance and accounting. In selecting Outside Directors, the Company determines candidates, taking into consideration the balance of knowledge, experience, specialized fields, etc. of the Board of Directors as a whole, and includes persons who have management experience at other companies etc.

As independent Outside Directors are the majority of the Company's Board of Directors, candidates for Director are selected from a neutral perspective. Nomination of candidates for Director is determined, reflecting deliberation and proposals by the Nomination and Remuneration Committee of which Independent Outside Directors constitute the majority and which is chaired by an Independent Outside Director.

If Proposal 3 "Election of Four (4) Directors (Excluding Directors Serving as Audit & Supervisory Committee Members) is approved and resolved as proposed, the composition of the Board of Directors, the areas of expertise held by the Directors, and the balance among them will be as follows.

**Skills Matrix of the Board of Directors**

Position	Name	Areas of expertise that Directors are particularly expected to demonstrate					
		Corporate management	Technology management	Sustainability management	Global business	Legal and compliance	Finance & accounting / Capital policy
Representative Director and President, Nomination and Remuneration Committee Member	Yoshihisa Shinya	●	●	●	●		
Representative Director, Nomination and Remuneration Committee Member	Toshiya Satake	●		●		●	●
Outside Director, Chairperson of the Nomination and Remuneration Committee	Takashi Yokokura	●	●	●	●		
Outside Director, Nomination and Remuneration Committee Member	Satoshi Taguchi	●		●	●	●	
Outside Director, Chairperson of the Audit & Supervisory Committee, Nomination and Remuneration Committee Member	Rika Sato			●	●	●	
Director, Standing Audit & Supervisory Committee Member	Masahiro Kuwayama			●		●	●
Outside Director, Audit & Supervisory Committee Member, Nomination and Remuneration Committee Member	Tetsuyuki Kagaya			●			●

Name	Career summary
<p>Reappointment</p> <p><b>1 Yoshihisa Shinya</b></p> <p>Date of birth: July 20, 1969 Age: 52</p> <p>No. of years served as Director: 3 years</p> <p>Number of shares of the Company held: 34,400 shares</p>	<p>Jul. 2001    Joined Sony Chemicals Corporation (current the Company)</p> <p>Apr. 2005    General Manager, Development Department, Optical Material Business Unit, Sony Chemicals Corporation</p> <p>Apr. 2012    Deputy Head, Optical Solutions Products Business Division, Sony Chemicals Corporation</p> <p>Sep. 2012    Deputy Head, Optical Solutions Products Business Unit, the Company</p> <p>Apr. 2014    Executive Officer, Optical Solutions Products Business Unit Head, the Company</p> <p>Apr. 2016    Executive Officer, Product Development Division Head, Business Unit Group Deputy-Head, Corporate R&amp;D Division Deputy-Head, the Company</p> <p>Apr. 2017    Senior Executive Officer, Product Development Division Head, Automotive Devices Business Group Head, the Company</p> <p>Jan. 2019    Senior Executive Officer, Automotive Solutions Business Unit Head, the Company</p> <p>Mar. 2019    President and Executive Officer, Automotive Solutions Business Unit Head, the Company</p> <p>Jun. 2019    Representative Director and President (to present)</p> <p>Oct. 2020    Representative Director and President Officer in charge of Management and Business Operations (to present)</p> <p>Mar. 2022    President and CEO, Kyoto Semiconductor Co., Ltd. (to present)</p> <p>[Significant concurrent positions] President and CEO, Kyoto Semiconductor Co., Ltd.</p>
<p>[Special interest relationship with the Company]</p> <p>-</p>	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Yoshihisa Shinya is playing a central role in product development with regard to the Company's entry to new business fields and has deep insight about technology and a wealth of experience in business operations. The Company judges that he is capable of appropriately fulfilling his duties as a Director and therefore nominates him as a candidate for Director.</p>	
<p>[Directors and officers liability insurance contract]</p> <p>The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.</p> <p>If reelection of Mr. Yoshihisa Shinya is approved as proposed, he will be insured under the insurance contract.</p>	



Name	Career summary
<p>Reappointment</p> <p><b>2 Toshiya Satake</b></p> <p>Date of birth: June 29, 1959 Age: 62</p> <p>No. of years served as Director: 3 years</p> <p>Number of shares of the Company held: 1,100</p>	<p>Apr. 1983    Joined Hokkaido-Tohoku Development Finance Public Corporation (current Development Bank of Japan Inc.)</p> <p>Apr. 2006    Deputy Head of Business Development Department, Head of Transaction Services Group, Development Bank of Japan Inc.</p> <p>Jun. 2009    Director, General Manager, Planning Department, Skynet Asia Airways Co., Ltd. (current Solaseed Air Inc.)</p> <p>Apr. 2012    Head of Regional Planning Department, Development Bank of Japan Inc.</p> <p>Jun. 2013    Head of Regional Planning Department, Head of PPP/PFI Promotion Center, Development Bank of Japan Inc.</p> <p>Apr. 2014    Advisor, the Company</p> <p>Jun. 2014    Standing Audit &amp; Supervisory Board Member, the Company</p> <p>Jun. 2019    Representative Director and Senior Managing Executive Officer (to present) Officer in charge of Internal Audit, the Company</p> <p>Oct. 2020    Representative Director and Senior Managing Executive Officer Officer in charge of Management, Administration, and Internal Audit</p> <p>Jun. 2021    Representative Director and President, Dexerials Precision Components Corporation (to present) Representative Director and Senior Managing Executive Officer Officer in charge of Management and Administration (to present) Representative Director and President, Dexerials Precision Components Corporation</p> <p>[Significant concurrent positions] Representative Director and President, Dexerials Precision Components Corporation</p>
<p>[Special interest relationship with the Company]</p> <p>-</p>	
<p>[Reasons for nomination as a candidate for Director]</p> <p>Mr. Toshiya Satake has a wealth of experience and deep insight gained through his involvement in investment and financing business at financial institutions and as a manager of a company. He is contributing to enhancement of corporate governance and corporate value of the Company in the course of his service as a Representative Director. The Company judges that he is capable of appropriately fulfilling his duties as a Director and therefore nominates him as a candidate for Director.</p>	
<p>[Directors and officers liability insurance contract]</p> <p>The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.</p> <p>If reelection of Mr. Toshiya Satake is approved as proposed, he will be insured under the insurance contract.</p>	

Name	Career summary
<p>Reappointment Outside Director Independent Officer</p> <p><b>3 Takashi Yokokura</b></p> <p>Date of birth: March 9, 1949 Age: 73</p> <p>No. of years served as Director: 7 years</p> <p>Number of shares of the Company held: -</p>	<p>Apr. 1971    Joined Tokyo Optical Co., Ltd. (current TOPCON Corporation)</p> <p>Oct. 1993    General Manager of Electronic Beam Engineering Department, Electronic Beam Division, TOPCON Corporation</p> <p>Apr. 1997    Technology Executive, Industrial Equipment Division, TOPCON Corporation</p> <p>Jun. 2002    Executive Officer, TOPCON Corporation</p> <p>Jun. 2003    Director, TOPCON Corporation</p> <p>Jun. 2006    President and Representative Director, TOPCON Corporation</p> <p>Jun. 2011    Advisor, TOPCON Corporation</p> <p>Dec. 2012    Governor, Tokyo University of Science</p> <p>May 2015    Outside Director, the Company (to present)</p> <p>Oct. 2015    Director, Tokyo University of Science</p> <p>Jul. 2020    Outside Director, KIKUCHI SEISAKUSHO CO., LTD. (to present)</p> <p>[Significant concurrent positions] Outside Director, KIKUCHI SEISAKUSHO CO., LTD.</p>
<p>[Special interest relationship with the Company]</p> <p>-</p>	
<p>[Reasons for nomination as a candidate for Director and overview of expected role]</p> <p>Having served as the President and Representative Director of a global company, Mr. Takashi Yokokura has deep insight into corporate management. The Company judges that he can provide useful advice for the Company's management from an objective and professional perspective and contribute to strengthening of the Company's technology development and business development, and therefore nominates him as a candidate for Outside Director.</p> <p>In light of the independence standards stipulated by the Tokyo Stock Exchange and the Company's independence standards, none of the attributes that may cause conflict of interest with general shareholders applies to Mr. Yokokura. Thus, if his reelection is approved as proposed, the Company intends to continue his designation as an Independent Officer as prescribed by the Tokyo Stock Exchange.</p>	
<p>[Directors and officers liability insurance contract]</p> <p>The Company has entered into a directors and officers liability insurance contract with an insurance company pursuant to Article 430-3, Paragraph 1 of the Companies Act. The insurance contract covers damages that may arise when the insured assumes liability for the execution of his or her duties or receives a claim related to the pursuit of such liability.</p> <p>If reelection of Mr. Takashi Yokokura is approved as proposed, he will be insured under the insurance contract.</p>	
<p>[Limited liability agreement]</p> <p>In order to enable Outside Directors to fulfill their expected roles, the Company's Articles of Incorporation allow the Company to enter into agreements (limited liability agreement) with Directors (excluding Executive Directors etc.) that limit their liabilities for damages stipulated in Article 423 Paragraph 1 of the Companies Act to the minimum liability amount stipulated by laws and regulations. The Company has entered into a limited liability agreement with each of the incumbent Directors (excluding Executive Directors etc.).</p> <p>If reelection of Mr. Takashi Yokokura is approved as proposed, the Company intends to continue the said contract with him.</p>	

Name	Career summary	
<p>Reappointment Outside Director Independent Officer</p> <p><b>4 Satoshi Taguchi</b></p> <p>Date of birth: August 11, 1957 Age: 64</p> <p>No. of years served as Director: 1 year</p> <p>Number of shares of the Company held: -</p>	Apr. 1981	Joined Nippon Oil Corporation (current ENEOS Corporation)
	Apr. 2013	Executive Officer and General Manager of General Administration Department, JX Nippon Oil & Gas Exploration Corporation
	Jul. 2013	Executive Officer and General Manager of General Administration Department, JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	May 2015	Executive Officer and General Manager of Legal & Corporate Affairs Department, JX Holdings, Inc. (current ENEOS Holdings, Inc.)
	Apr. 2016	Director and Senior Vice President (responsible for Internal Audit Dept., Mizushima Safety Audit Office, Public Relations Dept., IT Dept., General Administration Dept. and Crisis Management Dept.), JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Nov. 2016	Director and Senior Vice President (responsible for Internal Audit Dept., Public Relations Dept., IT Dept., System Upgrading Preparation Office, General Administration Dept. and Crisis Management Dept.), JX Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Apr. 2017	Director and Senior Vice President (responsible for General Administration Dept., Legal & Corporate Affairs Dept. and Procurement Dept.), JXTG Nippon Oil & Energy Corporation (current ENEOS Corporation)
	Jun. 2017	Director and Senior Vice President (responsible for Secretariat, General Administration Dept. and Legal & Corporate Affairs Dept.), JXTG Holdings, Inc. (current ENEOS Holdings, Inc.)
	Apr. 2018	Director and Senior Vice President (responsible for Secretariat, General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept. and Crisis Management Dept.)
	Jun. 2018	Statutory Outside Corporate Auditor, Nippon Shokubai Co., Ltd.
	Apr. 2019	Director and Senior Vice President (responsible for Secretariat, Procurement Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept. and Crisis Management Dept.), JXTG Holdings, Inc. (current ENEOS Holdings, Inc.)
	Jun. 2019	Director and Senior Vice President (responsible for Secretariat, Procurement Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept., Crisis Management Dept. and Human Resources Dept.)
	Apr. 2020	Director and Senior Vice President (responsible for Secretariat, Procurement Strategy Dept., General Administration Dept., Legal & Corporate Affairs Dept., Public Relations Dept., Crisis Management Dept. and Human Resources Dept.)
	Jun. 2020	Senior Vice President (responsible for Secretariat, Human Resources Dept., General Administration Dept., Legal & Corporate Affairs Dept., Crisis Management Dept. and Procurement Strategy Dept.), ENEOS

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

(Reference)

### **Independence Standards for Outside Directors**

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

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

Notes:

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