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(Stock Exchange Code 4047)
June 10, 2026
(Electronic Provision Measures Commencement Date) June 3, 2026

To Shareholders with Voting Rights:

Jun'ichi Hasegawa
President
Kanto Denka Kogyo Co., Ltd.
Yusen Building 3-2, Marunouchi 2-chome,
Chiyoda-ku, Tokyo, Japan

NOTICE OF THE 119TH ORDINARY GENERAL MEETING OF SHAREHOLDERS

We are pleased to inform you that we will hold the 119th Ordinary General Meeting of Shareholders of Kanto Denka Kogyo Co., Ltd. (the "Company") as described below.

In convening this General Meeting of Shareholders, the Company has taken measures for providing information that constitutes the content of reference documents for the general meeting of shareholders, etc. (items for which the measures for providing information in electronic format will be taken) in electronic format. It has posted the items for which the measures for providing information in electronic format will be taken as the "Notice of the 119th Ordinary General Meeting of Shareholders" and "Other Items Provided Electronically for the 119th Ordinary General Meeting of Shareholders (Matters Omitted in the Paper-Based Documents to be Delivered)" (Japanese only) on the Company's website on the Internet.

The Company's website: https://www.kantodenka.co.jp/english/ir/library/general/

In addition to the above, the Company has posted this information on the Tokyo Stock Exchange (TSE) website (TSE Listed Company Information Service) at the URL below. Enter the Company's name in "Issue name (company name)" or our securities code in "Code," and click "Search." Then, select "Basic Information" and "Documents for public inspection/PR information" in that order.

TSE website (Listed Company Search):
https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show

If you are unable to attend the meeting, you can exercise your voting rights in writing or via the Internet. Please review the Reference Documents for the General Meeting of Shareholders in the items for which measures for providing information in electronic format are taken and exercise your voting rights by 5:30 p.m. on Thursday, June 25, 2026, Japan time.

1. **Date and Time:** Friday, June 26, 2026, at 10:00 a.m. Japan time
2. **Place:** 5F Conference Room, Headquarters of the Company
   Yusen Building 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
3. **Meeting Agenda:**

Matters to be reported:
1. The Business Report, Consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2025–March 31, 2026) and results of audits by the Accounting Auditor and the Audit & Supervisory Board of the Consolidated Financial Statements
2. Non-consolidated Financial Statements for the Company's 119th Fiscal Year (April 1, 2025–March 31, 2026)

Proposal to be resolved:

Proposal 1: Partial Amendments to the Articles of Incorporation
Proposal 2: Election of Nine Directors

Proposal 3: Election of One Audit & Supervisory Board Member

1. When attending the meeting, please submit the enclosed Voting Rights Exercise Form at the reception desk.
2. On the day of this General Meeting of Shareholders, officers and other persons attending on behalf of the Company will adopt “Cool Biz” attire. Shareholders are also encouraged to attend the meeting in light clothing.
3. Of the items for which the measures for providing information in electronic format will be taken, the following items are not included in the documents provided to shareholders who have requested delivery of paper-based documents pursuant to the provisions of laws and regulations as well as the Company's Articles of Incorporation. The documents for audit, including the following items, have been audited by the auditors and by the Accounting Auditor.
    - The Systems for Ensuring Appropriate Business Activities and Status of System Operation (Summary) in the Business Report
    - The Consolidated Statement of Changes in Equity and the Notes to the Consolidated Financial Statements in the Consolidated Financial Statements
    - The Statement of Changes in Equity and the Notes to the Non-consolidated Financial Statements in the Non-consolidated Financial Statements
4. In the event of revision to the items for which the measures for providing information in electronic format will be taken, the content of the revisions will be posted on the respective websites listed.
5. The results of resolutions made will be posted on the Company’s website in lieu of sending a written notice of resolutions.

Business Report

(From April 1, 2025 to March 31, 2026)

1. Matters Related to the Status of the Corporate Group

(1) Business Progress and Achievements

In the fiscal year ended March 31, 2026, the Japanese economy showed signs of a gradual recovery due to an improving employment and income environment and the positive effects of various government policies. However, severe conditions continued to prevail due to factors such as rising consumer prices. Overseas, the outlook remained uncertain, with a need to closely monitor downside risks to the economy stemming from U.S. trade policies, as well as inflation and fluctuations in financial and capital markets.

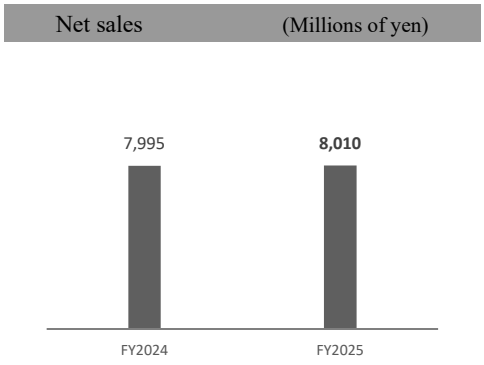
In the chemical industry, although demand expanded in the semiconductor and electronic materials sectors amid rapid technological advances in generative AI, the business environment remained challenging due to instability in raw material procurement and fluctuations in procurement prices caused by geopolitical risks and other factors.

Against this backdrop, the Kanto Denka Group has focused on strengthening the profitability of its Fundamental Chemicals Division, Fine Chemicals Division, and Ferrochemicals Division, while also advancing the development of new products that leverage its strength in fluorine-related technologies.

Net sales amounted to ¥65,400 million, up ¥3,048 million, or 4.9%, year on year. As for profits, ordinary profit was ¥6,629 million, up ¥2,122 or 47.1% year on year, and profit attributable to owners of parent amounted to ¥3,785 million, up ¥537 million or 16.5% year on year.

The following provides an overview for each segment.

Fundamental Chemicals Division



Inorganic Products

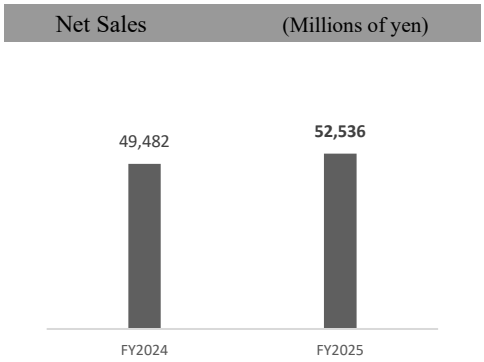
Sales of caustic soda were down year on year due to lower selling prices. Hydrochloric acid sales increased due to price adjustments.

Organic Products

A decrease in trichloroethylene and perchloroethylene sales volumes caused sales to fall year on year.

As a result of the above, net sales in the Fundamental Chemicals Division amounted to ¥8,010 million, up ¥15 million or 0.2% year on year. Operating profit amounted to ¥109 million (versus an operating loss of ¥578 million in the previous fiscal year).

Fine Chemicals Division



Specialty Gases

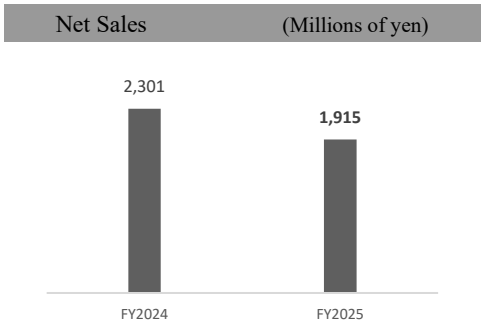
Regarding specialty gases for semiconductors, nitrogen trifluoride saw lower sales volumes due to the fire incident at the Shibukawa Plant, resulting in decreased sales compared with the previous fiscal year. Sales of tungsten hexafluoride increased year on year due to the effects of price revisions and higher sales volumes, while sales of KSG-14 increased due to higher sales volumes.

Battery Materials

Sales of lithium hexafluorophosphate, a battery material, increased year on year due to higher sales volumes and the effects of price revisions. Technical support fees received under license agreements decreased, as no such fees were recorded in the fiscal year.

As a result of the above, net sales in the Fine Chemicals Division amounted to ¥52,536 million, up ¥3,053 million or 6.2% year on year. Operating profit amounted to ¥4,903 million, up ¥904 million or 22.6% year on year.

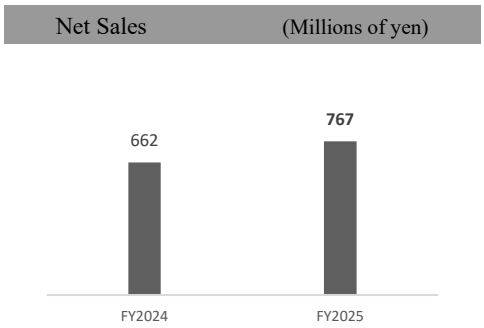
Ferrochemicals Division



Sales of reprographic carriers, used in developers for copiers and printers, were down year on year due to lower sales volumes. Sales of iron oxide were down due to lower sales of colorants.

As a result of the above, net sales in the Ferrochemicals Division amounted to ¥1,915 million, down ¥385 million or 16.8% year on year. Operating profit totaled ¥161 million, down ¥194 million or 54.6% year on year.

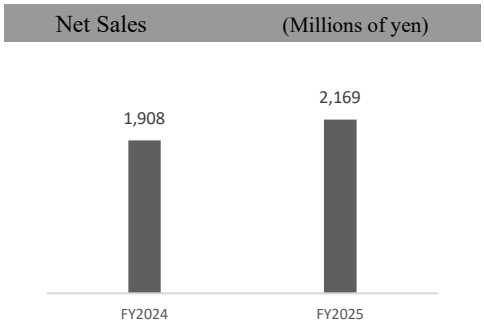
Commercial Business Division



Commercial business sales were up year on year due to higher sales of chemical products.

As a result of the above, net sales in the Commercial Business Division amounted to ¥767 million, up ¥104 million or 15.8% year on year. Operating profit totaled ¥114 million, down ¥16 million or 12.9% year on year.

Facilities Division



Net sales in chemical facility plant and general industrial plant construction were up year on year due to an increase in contract work.

As a result of the above, net sales in the Facilities Division amounted to ¥2,169 million, up ¥261 million or 13.7% year on year. Operating profit totaled ¥336 million, down ¥2 million or 0.9% year on year.

(2) Capital Investment and Financing

Total capital investment amounted to ¥6,886 million.

Main activities here include the expansion of manufacturing facilities for specialty gases.

These requirements were funded by cash on hand and borrowings.

(3) Issues to Be Addressed

Looking ahead, the economy is expected to continue rebounding moderately on the back of an improving employment and income environment and the effects of various governmental policies. Nonetheless, attention must be paid to factors such as the ongoing impact of price increases on personal consumption, as well as the effects of the situation in the Middle East and U.S. trade policies on the global economy. As such, the future remains highly uncertain, and the business environment is expected to remain a challenging one.

Against this backdrop, the Group launched its new medium-term management plan, "Dominate 1000," in the fiscal year ended March 31, 2023 with the goal of achieving ¥100 billion in consolidated net sales in the fiscal year ended March 31, 2025. However, taking into account the evolving business landscape and performance trends, we have reevaluated the plan and extended it by two years. We will implement new strategies and measures in addition to the initially planned key strategies to enhance corporate value. Specifically, we will expand business, predominantly in the Fine Chemicals Division, reform our business portfolio, pursue management leveraging return on invested capital (ROIC), strengthen investor relations (IR) activities, and reduce cross-shareholdings. These and other efforts seek to revitalize profitability while also prioritizing management mindful of capital costs.

As we look ahead to the society we envision in 2030, we are committed to providing a safe work environment that fosters job satisfaction and supporting technologies that are cutting-edge on a global stage with our superior, original products. By building on a stable management foundation, we aim to grow into an innovative, development-driven company that contributes to a sustainable society.

It is my hope that you, our valued shareholders, will continue to lend your support going forward.

As previously disclosed, a fire occurred in August 2025, within the premises of our Shibukawa Plant (Shibukawa City, Gunma Prefecture). We would like to once again express our deepest apologies for the significant inconvenience and concern this incident has caused to many stakeholders. Restoration work on the nitrogen trifluoride production plant has been completed, and operations have resumed after implementing safety measures and obtaining approval from the relevant authorities, while confirming safety. The Group is firmly committed to ensuring that no such incident will occur in the future and is implementing the following measures to thoroughly prevent recurrence and further enhance safety.

(Recurrence prevention measures at the affected workplace)

To ensure safer equipment and operations, we implemented measures including the installation of additional indicator lights to show equipment pressure status, enhanced identification displays at worksites, and a review of equipment operating procedures.

(Initiatives to enhance safety levels)

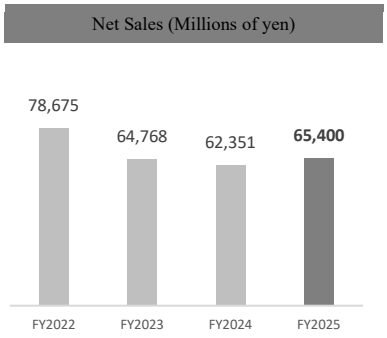
The Company has established its basic safety principles of "full participation," the "Three Actuals" (*genba*, *genbutsu*, and *genjitsu*), and "care and thoroughness." To fundamentally enhance safety awareness and capabilities, we have reviewed the operation of risk assessments and enhanced the content of safety education companywide.

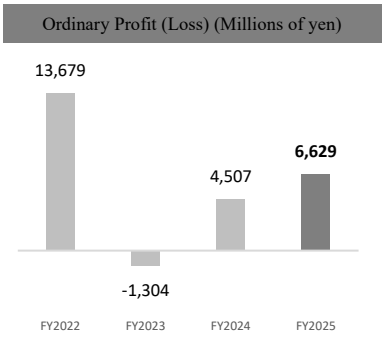
In addition, we have assigned dedicated safety officers within the Technical Division at headquarters to develop in-house safety experts and conduct safety guidance and initiatives across each business site. Furthermore, small group activities at the team level (KDK-SS activities) are being conducted at each workplace, led by these personnel. Through these activities, we aim to foster a workplace culture in

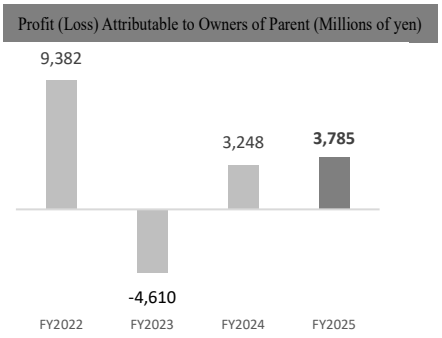
which employees think proactively and openly exchange ideas.

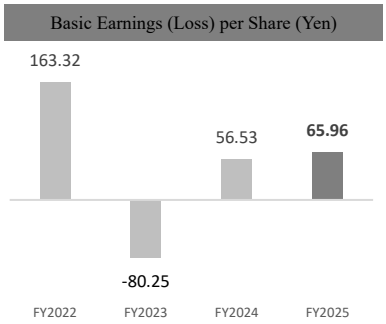
(4) Changes in Assets and Income

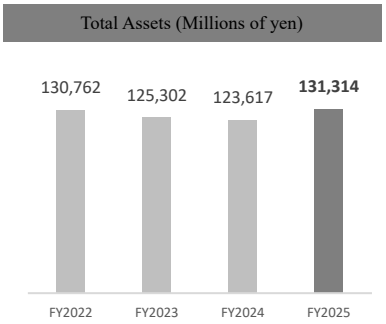
Item		FY2022	FY2023	FY2024	FY2025
Net sales	(Millions of yen)	78,675	64,768	62,351	65,400
Ordinary profit (loss)	(Millions of yen)	13,679	(1,304)	4,507	6,629
Profit (loss) attributable to owners of parent	(Millions of yen)	9,382	(4,610)	3,248	3,785
Basic earnings (loss) per share	(Yen)	163.32	(80.25)	56.53	65.96
Total assets	(Millions of yen)	130,762	125,302	123,617	131,314











(5) Significant Subsidiaries (As of March 31, 2026)

Company Name	Capital	Kanto Denka Kogyo's Share of Investment	Major Business Lines
Kanden Kosan Co., Ltd.	¥10 million	100.0%	Sale of chemical products and maintenance of containers
Jobi Engineering Co., Ltd.	¥120 million	49.4%	Manufacture and sale of chemical industry equipment
Kanto Denka Finetech Co., Ltd.	¥27 million	100.0%	Manufacture and sale of ferrochemical products
Kanto Denka Korea Co., Ltd.	₩300 million	100.0%	Sale of fluorine compounds
Taiwan Kanto Denka Co., Ltd.	NT$7 million	100.0%	Sale of fluorine compounds
Kanto Denka Fine Products Korea Co., Ltd.	₩42,000 million	100.0%	Manufacture and sale of fluorine compounds
Xuancheng KDK Technology Co., Ltd.	US$50 million	98.3%	Manufacture and sale of fluorine compounds

(6) Major Business Activities (As of March 31, 2026)

Segment	Principal Products and Services	Composition of Net Sales
Fundamental Chemicals	(Inorganic products) Caustic soda, hydrochloric acid, sodium hypochlorite, aluminum chloride, etc. (Organic products) Trichloroethylene, perchloroethylene, vinylidene chloride, cyclohexanol, etc.	12.3%
Fine Chemicals	(Specialty gases) Sulfur hexafluoride, carbon tetrafluoride, trifluoromethane, nitrogen trifluoride, hexafluoro-1,3-butadiene, octafluoropropane, tungsten hexafluoride, silicon tetrafluoride, chlorine trifluoride, octafluorocyclobutane, monofluoromethane, carbonyl sulfide, KSG-14, KSG-5, etc. (Battery materials) Lithium hexafluorophosphate, lithium tetrafluoroborate, lithium difluorophosphate, etc. (Other products) Organic fluorine compounds, etc.	80.3%
Ferrochemicals	Carriers, magnetite, toner, etc.	2.9%
Commercial Business	Sale of chemical products, maintenance of containers, insurance agency services, etc.	1.2%
Facilities	Factory plant construction, plant facility maintenance work, etc.	3.3%

(7) Major Sales Offices and Plants (As of March 31, 2026)

(i) Kanto Denka Kogyo Co., Ltd.
Headquarters: 3-2, Marunouchi 2-chome, Chiyoda-ku, Tokyo, Japan
Sales Offices: Osaka Branch Office, Nagoya Office
Plants: Shibukawa Plant (Gunma Prefecture), Mizushima Plant (Okayama Prefecture)
Research Laboratories: Research & Development Center (Gunma Prefecture), Research & Development Center Shibukawa Branch (Gunma Prefecture), Research & Development Center Mizushima Branch (Okayama Prefecture)

(ii) Subsidiaries
Kanden Kosan Co., Ltd. (Tokyo, Gunma Prefecture, Okayama Prefecture), Jobi Engineering Co., Ltd. (Tokyo, Gunma Prefecture, Okayama Prefecture), Kanto Denka Finetech Co., Ltd. (Mie Prefecture, Tokyo), Kanto Denka Korea Co., Ltd. (South Korea), Taiwan Kanto Denka Co., Ltd. (Taiwan, Singapore), Kanto Denka Fine Products Korea Co., Ltd. (South Korea), Xuancheng KDK Technology Co., Ltd. (China)

(8) Status of Employees (As of March 31, 2026)

Segment	No. of Employees	Year-on-Year Change
Fundamental Chemicals	37	–3
Fine Chemicals	636	–11
Ferrochemicals	45	+1
Commercial Business	46	+3
Facilities	96	–5
Company-wide (shared)	309	+7
Total	1,169	–8

(9) Major Lenders (As of March 31, 2026)

Lender	Borrowing Balance (Millions of yen)
Mizuho Bank, Ltd.	9,681
The Gunma Bank, Ltd.	6,332
The Chugoku Bank, Ltd.	5,651
Sumitomo Mitsui Trust Bank, Limited	4,825
Asahi Mutual Life Insurance Company	4,042

2. Matters Related to Company Shares (As of March 31, 2026)

(1) Total Number of Authorized Shares 200,000,000 shares

(2) Total Number of Shares Issued 57,546,050 shares

(Notes) 1. The total number of shares issued includes 22,682 treasury shares.
2. Treasury shares do not include 169,419 shares held in trust account for the stock-based remuneration plan.

(3) Number of Shareholders 7,856

(4) Major Shareholders (Top 10)

Shareholder Name	Status of Investment in Kanto Denka Kogyo Co., Ltd.	
	Number of Shares Held (thousand shares)	Share of Investment (%)
The Master Trust Bank of Japan, Ltd. (trust account)	4,337	7.54
Asahi Mutual Life Insurance Company	3,570	6.21
Zeon Corporation	3,550	6.17
Goldman Sachs International	3,230	5.62
ECM MF	2,336	4.06
Custody Bank of Japan, Ltd. (trust account)	2,205	3.83
MLI FOR SEGREGATED PB CLIENT	2,000	3.48
JPMSPLC CLIENT ASSETS SK JPY	1,826	3.17
STATE STREET BANK AND TRUST COMPANY 505223	1,585	2.76
The Chugoku Bank, Ltd.	1,400	2.43

(Note) Treasury shares (22,682 shares) are excluded when calculating share of investment.

(5) Shares Issued to Corporate Officers as Compensation for Execution of Duties during the Fiscal Year Under Review

Stock-based remuneration issued during the fiscal year under review is as follows.

Item	Number of Shares	Number of Eligible Officers
Directors (excluding outside directors)	14,900	2

(Note) In addition to the shares listed above, the Company has paid out the equivalent of 6,207 disposed shares in cash.

3. Matters Related to Corporate Officers

(1) Names and Other Information for Directors and Audit & Supervisory Board Members (As of March 31, 2026)

Position	Name	Areas of Responsibility and Significant Concurrent Positions
President	Jun'ichi Hasegawa	In charge of Internal Auditing Dept.
Director and Managing Executive Officer	Kazuki Niimi	In charge of Sustainability Dept., Legal & General Affairs Dept., Public Relations & Investor Relations Dept., Personnel Dept., Business Support Dept., Accounting & Finance Dept., Information Systems Dept.
Director and Executive Officer	Kenichi Yako	General Manager, Technical Div., in charge of Overseas Plants, Purchasing Dept.
Director and Executive Officer	Taisuke Yonemura	General Manager, Corporate Planning Dept., in charge of Corporate Planning Dept., Overseas Business Development Dept.
Director	Hideki Matsui	Co-Representative Attorney-at-law, Marunouchi Sogo Law Office
Director	Hitoshi Habuka	Professor Emeritus, National University Corporation Yokohama National University
Director	Yuko Kariya	Outside Director, NIPPON KINZOKU CO.,LTD. Outside Director (Audit & Supervisory Committee Member), Welby, Inc.
Director	Takako Amitani	Certified Public Accountant, Licensed Tax Accountant (President, Amitani Certified Public Accountant Office) External Director, Keisei Electric Railway Co., Ltd.
Director	Junko Koshino	Director, Suzumo Machinery Co., Ltd. Outside Director, Rikei Corporation
Full-time Audit & Supervisory Board Member	Takeaki Yajima	
Full-time Audit & Supervisory Board Member	Ryoji Masujima	
Audit & Supervisory Board Members	Naozumi Furukawa	Honorary Chairman, Zeon Corporation
Audit & Supervisory Board Members	Kenichi Ikeda	Representative Director and Senior Managing Executive Officer (In charge of Risk Management Div., Compliance Div.), Asahi Mutual Life Insurance

(Notes) 1. Directors Hideki Matsui, Hitoshi Habuka, Yuko Kariya, Takako Amitani, and Junko Koshino are outside directors. Each is an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
2. Audit & Supervisory Board members Naozumi Furukawa and Kenichi Ikeda are outside Audit & Supervisory Board members. Each is an independent officer as stipulated by the rules of the Tokyo Stock Exchange.
3. Takeaki Yajima has many years of experience in banking and considerable knowledge of finance and accounting.

(2) Overview of Limited Liability Agreement

Pursuant to Article 427, Paragraph 1 of the Companies Act ("the Act"), the Company has entered into agreements with its outside directors and outside Audit & Supervisory Board members to limit their liabilities stipulated in Article 423, Paragraph 1 of the Act to the total of the amounts stipulated in each item of Article 425, Paragraph 1 of the Act.

(3) Overview of Directors and Officers Liability Insurance Agreement

The Company has entered into a directors and officers liability insurance agreement for directors, auditors, executive officers, and certain employees (including managers) of the Company and its subsidiaries as insureds, which is outlined below. The Company plans to renew the agreement in October 2026.

(i) Outline of events insured against

The agreement covers damages that may arise due to the insured directors, Audit & Supervisory Board members, and officers, etc. being held liable for the execution of their duties or being subject to a claim for this liability. However, the policy does include certain exemption clauses, such as for liabilities arising from acts committed by insureds while aware that doing so would be in violation of laws and regulations.

(ii) Premiums

Insurance premiums will be fully borne by the Company.

(4) Matters Related to Remuneration of Corporate Officers

Total Amount of Remuneration for Directors and Audit & Supervisory Board Members

Officer Remuneration	Total Remuneration Amount (Millions of yen)	Total Remuneration Amount by Type (Millions of yen)			Officers Paid
		Fixed Remuneration	Performance-Linked Remuneration	Non-Monetary Remuneration	
Director (Outside Directors)	188 (30)	135 (30)	40 (—)	11 (—)	9 (5)
Audit & Supervisory Board Members (Outside Audit & Supervisory Board Members)	54 (12)	54 (12)	— (—)	— (—)	4 (2)
Total	242	189	40	11	13

(Note) The total amount of remuneration, etc. for directors does not include the amount of employee's salary (including bonuses) of directors who concurrently serve as employees. However, no such employee salaries were paid during the fiscal year.

Remuneration for Directors

(i) Basic approach to director remuneration

The Company determines the remuneration of its directors with care toward the balance between fixed and variable remuneration, and between short-term and medium- to long-term remuneration, in order to provide healthy incentives to improve business performance and corporate value.

Specifically, remuneration for directors (excluding outside directors) consists of monthly remuneration (fixed portion), officer bonuses (performance-linked portion, short-term remuneration), and stock-based remuneration (medium- to long-term remuneration), while remuneration for outside directors consists solely of monthly remuneration.

(ii) Monthly remuneration (fixed portion)

Monthly remuneration is a fixed amount (in cash) determined for each position (chairman, president, director and senior managing executive officer, director and managing executive officer, director and senior executive officer, director and executive officer, and outside director).

The Company reviews remuneration levels as necessary, with consideration to business performance, peer remuneration levels, social conditions, and other factors.

(Notes) 1. The total amount of monthly remuneration for directors (not exceeding ¥20 million) and the included total amount of monthly remuneration for outside directors (not exceeding ¥4 million) was resolved at the 117th Ordinary General Meeting of Shareholders held on June 27, 2024 (the number of directors at the conclusion of said meeting was nine, including five outside directors).

2. For the position of director and executive officer, employee bonuses (for the executive officer role) are paid in addition to monthly remuneration. However, for those with the position of director and executive officer who are not concurrently serving as employees, the remuneration amount is determined by adding the amount of the employee bonuses to the monthly remuneration amount.

(iii) Officer bonuses (performance-linked portion and short-term remuneration)

As an incentive to improve business performance for each fiscal year, a certain percentage of consolidated ordinary profit, a solid indicator of earnings, is paid in cash in July of each year. This payment is explained in detail below.

・Officer bonuses are paid to directors (excluding outside directors). However, this excludes directors who have performed their duties for less than one-half of the relevant fiscal year.

・The amount shall be calculated by multiplying the consolidated ordinary profit for the relevant fiscal year, by a certain percentage determined for each position. However, the limit of consolidated ordinary profit for these purposes shall be ¥20 billion. In addition, if consolidated ordinary profit for the fiscal year in question is less than ¥2 billion, or if the final profit for said fiscal year is a loss (consolidated or non-consolidated), no officer bonuses shall be paid.

・The formula and minimum and maximum amounts to be determined for each position shall be as

follows (rounded down to the nearest ten thousand yen).

Position	Formula (lower limit–upper limit)
Chairman/President	Consolidated ordinary profit x 0.350% (¥0–¥70 million)
Director and Senior Managing Executive Officer	Consolidated ordinary profit x 0.225% (¥0–¥45 million)
Director and Managing Executive Officer	Consolidated ordinary profit x 0.175% (¥0–¥35 million)
Director and (Senior) Executive Officer	Consolidated ordinary profit x 0.018% (¥0–¥3.6 million)

・The final officer bonuses shall be the amount calculated above and shall vary according to the total shareholder return (TSR) index. Specifically, if the Company's TSR for the fiscal year in question exceeds the TOPIX TSR by 10% or more, the amount calculated above shall be multiplied by 1.1, and if it falls below 10% or more, the same amount shall be multiplied by 0.9 (rounded down to the nearest ten thousand yen). As a result, the maximum amount by position is ¥77 million for the chairman/president, ¥49.5 million for directors and senior managing executive officers, ¥38.5 million for directors and managing executive officers, and ¥3.96 million for directors and (senior) executive officers.

(Notes) 1. The aforementioned details regarding bonuses for directors were resolved at the 117th Ordinary General Meeting of Shareholders held on June 27, 2024 (the number of directors, excluding outside directors, at the conclusion of said meeting was 4).

2. Consolidated ordinary profit for the fiscal year under review was ¥6.6 billion. The comparison between the TOPIX TSR and the Company's TSR is calculated based on the progress rate of TOPIX TSR (134.65%) and the progress rate of our TSR (154.29%) for the relevant fiscal year.

(iv) Stock-based remuneration (medium- to long-term remuneration)

The Company pays stock-based remuneration through a stock issuance trust to directors (excluding outside directors) for the purpose of increasing their awareness of contributing to enhancement of the Company's performance and corporate value over the medium- to long-term. This is achieved by presenting a clear link between director remuneration and the value of Company shares, and having directors share the benefits and risks associated with share price fluctuations with shareholders. The Company will contribute up to ¥70 million over the applicable period (five years), and will grant up to 20,000 points per fiscal year (one point is equivalent to one share of the Company's stock), which will be allocated annually on the date of the Ordinary General Meeting of Shareholders in proportion to the position held by each director. In principle, these Company shares, which are calculated based on the number of points accumulated, are issued to directors at the time of their retirement from the position of director. In accordance with the rules on share issuance, directors eligible under this plan shall be granted points in proportion to their position each year on the date of the Ordinary General Meeting of Shareholders and, at the time of their retirement from the position of director, shall be granted shares of Company stock calculated based on the number of points accumulated.

(Notes) 1. In the event that a director retires and assumes office as an executive officer, at the time of their retirement from the position of executive officer (excluding re-assuming office as a director), they shall be granted shares of Company stock calculated based on the number of points accumulated.

2. By resolution at the 113th Ordinary General Meeting of Shareholders held on June 26, 2020, the Company decided to contribute up to ¥70 million over the applicable period (five years) to directors (excluding outside directors). It was also resolved to grant 20,000 points per fiscal year (one point is equivalent to one share of the Company's stock) in proportion to the position held by each director. In principle, these Company shares, which are calculated based on the number of points accumulated, are issued to directors at the time of their retirement from the position of director (the number of directors [excluding outside directors] at the conclusion of said meeting was six).

3. At the Board of Directors meeting held on July 24, 2025, a resolution was passed to extend the applicable period by five years, and at a Board of Directors meeting held on August 8, 2025, a resolution was passed to make additional contribution.

4. In consideration of tax treatment outside of Japan, non-resident directors are to join the officers' shareholding association, which shall contribute to the purchase of shares.

(v) Policy for determining the ratio of the amount of monthly remuneration, the amount of officer bonuses (performance-linked portion), and the amount of stock-based remuneration, to the amount of remuneration paid to each individual director

The Company determines the ratio of remuneration to directors (excluding outside directors) per remuneration type with care toward the balance between fixed and variable remuneration, and between short-term and medium- to long-term remuneration, in order to provide healthy incentives. Although the ratio of remuneration by type will vary depending on the Company's ordinary profit and stock price levels, calculation based on past performance shows that monthly remuneration is

approximately 55–65%, officer bonuses are approximately 25–35%, and stock-based remuneration is approximately 10%.

(vi) Matters related to procedures for determining individual remuneration for directors
Individual remuneration for directors is determined by resolution of the Board of Directors after consulting with the Nomination & Compensation Committee, which is chaired by an independent outside director, on remuneration proposals.

(vii) Important matters related to determining individual remuneration for directors
In cases where there are reasonable grounds for paying no officer bonus to a director, such as when they have inflicted serious harm to the Company, said director shall be excluded from those eligible for payment.

(viii) Alignment between individual remuneration for directors for the fiscal year under review and the aforementioned policy
Policies on director remuneration (the basic policy and determination method for each remuneration amount per individual) are determined by resolution of the Board of Directors after consultation with the Nomination & Compensation Committee, and individual remuneration for directors is calculated by the individual determination method per remuneration amount. Therefore, the details of individual remuneration for directors are in alignment with the aforementioned policy.

Remuneration for Audit & Supervisory Board members

Remuneration for Audit & Supervisory Board members consists solely of monthly remuneration, emphasizing independence and objectivity on management. Remuneration amounts per Audit & Supervisory Board member are determined in discussion among Audit & Supervisory Board members.

(Note) The total amount of monthly remuneration for Audit & Supervisory Board members was resolved to be no more than ¥5 million at the 100th Ordinary General Meeting of Shareholders held on June 28, 2007 (the number of Audit & Supervisory Board members at the conclusion of said meeting was four).

(5) Matters Related to Outside Officers

(i) Status of concurrent positions of executive officers, outside officers, etc. at other corporations (As of March 31, 2026)

Item	Name	Status of concurrent positions at other corporations
Outside Director	Hideki Matsui	Co-Representative Attorney-at-law, Marunouchi Sogo Law Office
Outside Director	Hitoshi Habuka	Professor Emeritus, National University Corporation Yokohama National University
Outside Director	Yuko Kariya	Outside Director, NIPPON KINZOKU CO.,LTD. Outside Director (Audit & Supervisory Committee Member), Welby, Inc.
Outside Director	Takako Amitani	Certified Public Accountant, Licensed Tax Accountant (President, Amitani Certified Public Accountant Office) External Director, Keisei Electric Railway Co., Ltd.
Outside Director	Junko Koshino	Director, Suzumo Machinery Co., Ltd. Outside Director, Rikei Corporation
Outside Audit & Supervisory Board Member	Naozumi Furukawa	Honorary Chairman, Zeon Corporation
Outside Audit & Supervisory Board Member	Kenichi Ikeda	Representative Director and Senior Managing Executive Officer (In charge of Risk Management Div., Compliance Div.), Asahi Mutual Life Insurance

(Notes) 1. Marunouchi Sogo Law Office is an advisory body to the Company to which the Company pays fees for legal services.
2. There are no material transactions or other special relationships between the Company and National University Corporation Yokohama National University, NIPPON KINZOKU CO.,LTD., Welby, Inc., Keisei Electric Railway Co., Ltd., Suzumo Machinery Co., Ltd., or Rikei Corporation.
3. Zeon Corporation holds 3,550,000 shares (6.17% share of investment) in the Company. Although there are transactions between Zeon Corporation's group and the Group, these transactions in fiscal 2025 constituted less than 1% of the Company's consolidated net sales.
4. Asahi Mutual Life Insurance Company holds 3,570,000 shares (6.21% share of investment) in the Company. In addition, the Company has received financing from Asahi Mutual Life Insurance Company.

(ii) Major activities during the fiscal year under review

(a) Outside directors

Name	Status of Board of Directors Meeting Attendance	Activity Status
Hideki Matsui	14 of 14	Hideki Matsui has been engaged in corporate legal affairs as an attorney-at-law for many years and has a wealth of experience and broad insights. He has met expectations by making comments as appropriate at the Board of Directors and has fully fulfilled his management oversight function.
Hitoshi Habuka	14 of 14	Hitoshi Habuka has been engaged in technology development and R&D at universities and other companies for many years and has a wealth of experience and broad insights. He has met expectations by making comments as appropriate at the Board of Directors and has fully fulfilled his management oversight function.
Yuko Kariya	14 of 14	Yuko Kariya has engaged in management of a pharmaceutical manufacturer as director for many years, and has a wealth of experience and broad insights. She has met expectations by making comments as appropriate at the Board of Directors and has fully fulfilled her management oversight function.
Takako Amitani	13 of 14	Takako Amitani has been engaged in corporate accounting and taxation as a certified public accountant and licensed tax accountant for many years and has a wealth of experience and broad insights. She has met expectations by making comments as appropriate at the Board of Directors and has fully fulfilled her management oversight function.
Junko Koshino	13 of 14	Junko Koshino is familiar with financial and capital markets through her many years of activities as an analyst for financial institutions and other organizations. She has also engaged in management of a publicly traded company as director for many years, and has a wealth of experience and broad insights. She has met expectations by making comments as appropriate at the Board of Directors and has fully fulfilled her management oversight function.

(b) Outside Audit & Supervisory Board members

Name	Status of Board of Directors Meeting Attendance	Status of Audit & Supervisory Board Meeting Attendance	Activity Status
Naozumi Furukawa	13 of 14	7 of 9	Naozumi Furukawa utilized his wealth of experience in company management at manufacturers operating on a global scale, making comments as appropriate at the Board of Directors and Audit & Supervisory Board. In addition, he performed audits in accordance with audit policies established by the Audit & Supervisory Board and fully exercised his auditing function.
Kenichi Ikeda	13 of 14	9 of 9	Kenichi Ikeda utilized his wealth of experience in company management at financial institutions, making comments as appropriate at the Board of Directors and Audit & Supervisory Board. In addition, he performed audits in accordance with audit policies established by the Audit & Supervisory Board and fully exercised his auditing function.

4. Matters Related to the Accounting Auditor

(1) Name

Ernst & Young ShinNihon LLC

(2) Amount of Remuneration for the Fiscal Year under Review

(i) Remuneration as accounting auditor for the fiscal year under review ¥42 million

(ii) Total amount of money and other financial benefits to be paid by the Company and its subsidiaries to the accounting auditor ¥42 million

(Notes) 1. The Audit & Supervisory Board has reviewed audit content, hours, and fees over time, as well as the status of audit plans and results for past fiscal years, in accordance with the Practical Guidelines for Cooperation with Accounting Auditors issued by the Japan Audit & Supervisory Board Members Association, and has considered the appropriateness of estimates for audit hours and fees for the fiscal year under review. Based on this, the Audit & Supervisory Board consents to the remuneration for the accounting auditor as stipulated in Article 399, Paragraph 1 of the Companies Act.

2. Since the audit contract between the Company and the accounting auditor does not distinguish between the amount of audit fees for audits based on the Companies Act and the amount of audit fees for audits based on the Financial Instruments and Exchange Act, the amount in (i) above includes the amount of audit fees for audits based on the Financial Instruments and Exchange Act.

3. Among the Company's significant subsidiaries, Kanto Denka Korea Co., Ltd., Taiwan Kanto Denka Co., Ltd., Kanto Denka Fine Products Korea Co., Ltd., and Xuancheng KDK Technology Co., Ltd. are audited by auditing firms other than the Company's accounting auditor.

(3) Non-Audit Services

Not applicable.

(4) Policy on Dismissal or Non-Reappointment Decisions

The Audit & Supervisory Board shall make decisions on dismissal or non-reappointment of the accounting auditor after comprehensively considering the independence and reliability of the accounting auditor and other conditions related to its performance of duties, as required by laws, regulations, and standards.

If the Audit & Supervisory Board determines that it is necessary to take such action, such as when there are impedances to the performance of the accounting auditor's duties, the Audit & Supervisory Board will determine the content of the relevant proposal to be submitted to the General Meeting of Shareholders regarding the dismissal or non-reappointment of the accounting auditor. If the accounting auditor is found to fall under any of the items of Article 340, Paragraph 1 of the Companies Act, the Audit & Supervisory Board shall dismiss the accounting auditor with the unanimous consent of its

members. In such an event, an Audit & Supervisory Board member selected by said board shall report the dismissal of the accounting auditor and the reasons thereof at the first General Meeting of Shareholders convened after the dismissal.

Note that if the Board of Directors determines that dismissal or non-reappointment of the accounting auditor is necessary, such as when there are impedances to the execution of the accounting auditor's duties, the Board of Directors shall request the Audit & Supervisory Board to cause the dismissal or non-reappointment of the accounting auditor to be proposed to the General Meeting of Shareholders. The Audit & Supervisory Board shall determine whether this request is appropriate and determine the content of the relevant proposal to be submitted to the General Meeting of Shareholders.

5. Basic Policy on Control Over the Listed Company

(1) "Basic Policy on the Way a Person Is to Control the Determination of Financial and Business Policies of the Company" (Hereafter, the "Basic Policy")

The Company consents to the free purchase and sale of its shares as a publicly listed company. We therefore think the decision on who should have control over the determination of the financial and business policies of the Company should ultimately reflect the opinions of our shareholders. We also will not reject a large-scale purchase of the share certificates, etc. of the Company, provided that such a purchase is not unsuitable or insufficient from the perspective of securing and enhancing the corporate value of the Company and, by extension, the common interests of shareholders over the medium and long term.

However, we cannot categorically state that there are no purchasers among those who initiate large-scale purchases who do not provide sufficient information and time for the Company's Board of Directors and shareholders to determine whether or not that person is a suitable person to control determination of the financial and business policies of the Company. In looking at the purpose of a large-scale purchase, we also cannot categorically state that there are no purchases who are unsuitable or insufficient from the perspective of being someone who would cause clear harm to the corporate value of the Company and, by extension, the common interests of shareholders, someone who would effectively coerce shareholders to sell share certificates, etc. of the Company, or who is otherwise unsuitable or insufficient for securing and enhancing the corporate value of the Company and the common interests of shareholders over the medium and long term.

The Company's Board of Directors thinks it is necessary for the person who controls determination of the financial and business policies of the Company to be a person who has a sufficient understanding of the Company's finances and business and the sources of the Company's corporate value, and who is capable of enhancing the corporate value of the Company over the medium and long term. The Board of Directors thinks that an unsuitable large-scale takeover bid and a person who engages in similar actions that could harm the corporate value of the Company and, by extension, the common interests of shareholders in the manner stated above is unsuitable for being the person who controls determination of the financial and business policies of the Company.

(2) Special Initiatives That Contribute to Implementation of the Basic Policy

(i) Management philosophy and source of the Company's corporate value

Our management philosophy is "Through the quest for constant corporate growth and acquisition of optimum profits while achieving harmony with nature, Kanto Denka is working with all its shareholders, users and employees to create a successful company and a sustainable society. To achieve this end, we are endeavoring to ensure our unique technologies and superior services meet the requirements of our users and build a trusted company based on the principles of sincerity, creativity, prompt response and harmony with nature." In other words, the Company's goals are to enhance corporate value and create a sustainable society, and we think building good relationships with shareholders, the local community, users, employees, and other stakeholders is the foundation for achieving these goals.

Moreover, the unique technologies we have created from sustained research activities are the source of the Company's corporate value and social value. We think our human resources who support technology and invent innovative new technologies provide the foundation for that. Since the Company was founded in 1938, electrolysis, fluorination, chlorination, and organic and inorganic

synthesis have been our core technologies. In particular, we have continued to accumulate knowledge of hydrofluoric acid electrolysis technology for efficiently generating large volumes of high purity fluorine and fluorine related technologies that are applied widely to battery materials, pharmaceuticals and agrochemicals, and other areas, up to the present.

(ii) Medium-term management plan

We formulate and steadily implement a medium-term management plan to enhance corporate value while adapting to the business environment surrounding the Company.

In the current plan, we are aiming to provide a safe work environment with job satisfaction, support technologies that are cutting-edge on a global stage with our superior, original products, and grow to become an innovative, development-driven company to contribute to a sustainable society, based on a stable management foundation in order to create the society we envision in 2030. More specifically, we are implementing a growth strategy centered on specialty gases for semiconductors, and are pursuing portfolio transformation in each business segment and R&D using our core technologies. We are also working to increase capital efficiency, strengthen corporate governance, and enhance human capital.

(iii) Corporate governance

We endeavor to increase the independence and ensure the diversity of the Board of Directors to strengthen its supervisory function.

Further, our company has established Principles of Conduct that transform the aforementioned management philosophy into specific actions, as a guidepost for our daily business activities. We promote sustainability and compliance through the activities of various committees chaired by the president and the Board of Directors monitors the execution of such activities.

The Company will continue to strengthen corporate governance as the foundation for enhancing corporate value through such initiatives

(3) Initiatives to Prevent the Determination of Financial and Business Policies of the Company from Being Controlled by an Inappropriate Person, in Light of the Basic Policy

At the Ordinary General Meeting of Shareholders held on June 29, 2006, the Company resolved to adopt the Policy toward Large-Scale Purchase of Share Certificates, etc. of the Company (Takeover Defense Measures; hereafter, the "Response Policy"), and has subsequently reaffirmed the basic contents of that policy at five Ordinary General Meetings of Shareholders up to the present. We have repeatedly given careful consideration to the opinions of institutional investors and other shareholders in Japan and overseas, the latest trends in takeover defense measures, changes in the business environment surrounding the Company, etc. As a result, the Board of Directors has decided to forego updating the Response Policy and resolved to abolish it at the Board of Directors meeting held on May 15, 2024.

After the Response Policy is abolished, the Company will continue our efforts to secure and enhance corporate value and, by extension, the common interests of shareholders over the medium and long term and will continue to take appropriate steps to seek provision of sufficient information necessary for our shareholders to make appropriate decisions on a person who is conducting or is attempting to conduct a large-scale purchase of the share certificates, etc. of the Company. We will also disclose the opinion, etc. of the Company's Board of Directors and endeavor to secure the necessary time and information for shareholders to consider such a purchase, within the scope permitted in the Financial Instruments and Exchange Act, the Companies Act, and related laws and regulations.

(4) Board of Directors' Decisions on the Initiatives in (2) and (3), above, and the Reasons for Those Decisions

To prevent a person who is inappropriate in light of the Basic Policy from controlling the determination of the financial and business policies of the Company, the Company thinks it is important to first enhance the corporate value of the Company through the initiatives described in (2).

As stated in (3), the Company will also take appropriate steps regarding a person who is initiating or is attempting to initiate a large-scale purchase, within the scope permitted under the laws and regulations. However, these steps will be taken to secure sufficient information and time for shareholders to consider whether or not to accept a large-scale purchase, and to secure the common interests of shareholders.

The above initiatives are therefore aligned with the Basic Policy and their purpose is not to harm the common interests of shareholders or maintain the position of Company officers.

6. Policy for Determining Dividends from Surplus, etc.

In determining dividends from surplus, the Company's basic policy is to provide appropriate return of profits while securing funds for capital investment, an indispensable driver of greater earnings, and strengthening its financial position. These actions are founded in its business plans over the medium- to long-term and take into consideration trends of business performance over time.
In addition, although we set a target dividend payout ratio of 20% in our medium-term management plan, “Dominate 1000,” introduced in April 2022, we have increased this to 30% following a review of the plan in November 2023.

(Note) The year-end dividend for the fiscal year under review was set at ¥11 per share at the Board of Directors meeting held on May 27, 2026, after comprehensive consideration of the business performance and environment for the fiscal year ended March 31, 2026. This makes the annual dividend per share ¥20, including the interim dividend already paid. Note that the start date for payment of the year-end dividend will be June 29, 2026.

(Note) Figures in this business report are rounded down to the indicated unit for monetary amounts and share amounts, and rounded off for ratios and figures otherwise.

Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of March 31, 2025 (Reference)		As of March 31, 2026	As of March 31, 2025 (Reference)
Assets:			**Liabilities:**		
Current assets	**64,442**	**57,426**	**Current liabilities**	**27,734**	**29,180**
Cash and deposits	20,220	20,294	Notes and accounts payable—trade	7,740	6,434
Notes and accounts receivable—trade, and contract assets	17,644	14,362	Electronically recorded obligations—operating	1,620	1,158
Electronically recorded monetary claims—operating	1,186	1,129	Short-term borrowings	2,569	3,151
Merchandise and finished goods	6,590	7,218	Current portion of long-term borrowings	9,399	9,410
Work in process	7,666	6,124	Lease obligations	122	167
Raw materials and supplies	6,921	3,938	Income taxes payable	1,191	739
Other	4,244	4,387	Provision for loss on disaster	92	—
Allowance for doubtful accounts	(31)	(28)	Other	4,999	8,118
Non-current assets	**66,871**	**66,191**	**Non-current liabilities**	**29,330**	**26,814**
Property, plant and equipment	**52,760**	**55,210**	Long-term borrowings	27,314	24,686
Buildings and structures	18,452	14,049	Lease obligations	440	468
Machinery and equipment	22,805	17,876	Deferred tax liabilities	1,048	1
Land	2,674	2,669	Provision for retirement benefits for directors (and other officers)	168	158
Lease assets	94	167	Provision for share awards for directors (and other officers)	56	52
Construction in progress	5,651	17,215	Retirement benefit liability	214	1,364
Other	3,081	3,232	Other	87	83
			Total liabilities	**57,064**	**55,995**
Intangible assets	**693**	**632**	**Net assets:**		
Other	693	632	**Shareholders' equity**	**61,863**	**59,210**
			Capital	2,877	2,877
Investments and other assets	**13,417**	**10,348**	Capital surplus	1,859	1,859
Investment securities	12,184	8,181	Retained earnings	57,285	54,535
Retirement benefit assets	6	8	Treasury shares	(159)	(62)
Deferred tax assets	460	1,476	**Accumulated other comprehensive income**	**10,533**	**6,748**
Other	777	692	Valuation difference on available-for-sale securities	6,106	3,449
Allowance for doubtful accounts	(10)	(9)	Foreign currency translation adjustment	2,913	2,628
			Remeasurements of defined benefit plans	1,514	670
			Non-controlling interests	**1,852**	**1,663**
			Total net assets	**74,249**	**67,622**
Total assets	**131,314**	**123,617**	**Total liabilities and net assets**	**131,314**	**123,617**

Consolidated Statement of Income

(Millions of yen)

	From April 1, 2025 to March 31, 2026	From April 1, 2024 to March 31, 2025 (Reference)
Net sales	**65,400**	**62,351**
Cost of sales	**49,567**	**48,356**
Gross profit	**15,832**	**13,995**
Selling, general and administrative expenses	**10,353**	**9,722**
Operating profit	**5,478**	**4,272**
Non-operating profit	**1,968**	**877**
Interest income	83	42
Dividend income	367	445
Foreign exchange gains	1,291	26
Miscellaneous income	226	363
Non-operating expenses	**817**	**642**
Interest expenses	489	449
Loss on valuation of derivatives	124	22
Loss on cancellation of contracts	141	―
Miscellaneous loss	62	170
Ordinary profit	**6,629**	**4,507**
Extraordinary income	**332**	**918**
Gain on sale of investment securities	332	918
Extraordinary losses	**1,159**	**412**
Loss on retirement of non-current assets	128	112
Environmental expenses	―	300
Loss on disaster	1,030	―
Profit before income taxes	**5,803**	**5,013**
Income taxes—current	**1,594**	**973**
Income taxes—deferred	**377**	**634**
Profit	**3,831**	**3,406**
Profit attributable to non-controlling interests	**45**	**158**
Profit attributable to owners of parent	**3,785**	**3,248**

Balance Sheet

(Millions of yen)

	As of March 31, 2026	As of March 31, 2025 (Reference)		As of March 31, 2026	As of March 31, 2025 (Reference)
Assets:			**Liabilities:**		
Current assets	**45,710**	**40,082**	**Current liabilities**	**22,291**	**22,467**
Cash and deposits	7,006	8,371	Notes payable—trade	—	1
Notes receivable—trade	74	269	Electronically recorded obligations—operating	1,697	1,194
Electronically recorded monetary claims—operating	1,049	997	Accounts payable—trade	4,948	3,223
Accounts receivable—trade	18,087	15,148	Short-term borrowings	1,525	1,525
Merchandise and finished goods	4,374	4,288	Current portion of long-term borrowings	8,623	8,702
Work in process	6,890	5,619	Lease obligations	46	68
Raw materials and supplies	6,519	3,455	Accounts payable—other	1,487	3,025
Accounts receivable—other	1,427	1,640	Accrued expenses	1,338	1,180
Other	299	308	Income taxes payable	898	574
Allowance for doubtful accounts	(19)	(16)	Deposits received	688	330
			Notes payable—facilities	—	5
Non-current assets	**61,235**	**61,981**	Electronically recorded obligations—facilities	942	2,635
Property, plant and equipment	**32,160**	**33,680**	Provision for loss on disaster	92	—
Buildings	6,869	5,151	Other	3	—
Structures	3,482	3,472			
Machinery and equipment	13,091	9,865	**Non-current liabilities**	**26,299**	**24,887**
Vehicles	18	30	Long-term borrowings	23,953	22,576
Tools, furniture and fixtures	2,389	2,551	Lease obligations	11	56
Land	2,065	2,065	Provision for retirement benefits	2,267	2,191
Lease assets	53	121	Provision for share awards for directors (and other officers)	56	52
Construction in progress	4,190	10,420	Other	11	11
			Total liabilities	**48,591**	**47,355**
Intangible assets	**312**	**280**			
Software	307	275	**Net assets:**		
Other	5	5	**Shareholders' equity**	**52,521**	**51,366**
			Capital	**2,877**	**2,877**
Investments and other assets	**28,761**	**28,021**	**Capital surplus**	**1,524**	**1,524**
Investment securities	10,734	7,236	Legal capital surplus	1,524	1,524
Shares of subsidiaries and associates	4,704	4,704	**Retained earnings**	**48,278**	**47,027**
Investments in capital of subsidiaries and associates	2,997	5,393	Legal retained earnings	436	436
Long-term loans receivable from subsidiaries and associates	9,710	8,647	Other retained earnings	47,842	46,591
Long-term loans receivable from employees	9	13	Reserve for dividends	371	371
Deferred tax assets	164	1,669	General reserve	4,608	4,608
Other	450	364	Retained earnings brought forward	42,862	41,611
Allowance for doubtful accounts	(9)	(8)	**Treasury shares**	**(159)**	**(62)**
			Valuation and translation adjustments	**5,833**	**3,341**
			Valuation difference on available-for-sale securities	5,833	3,341
			Total net assets	**58,354**	**54,708**
Total assets	**106,945**	**102,063**	**Total liabilities and net assets**	**106,945**	**102,063**

Statement of Income

(Millions of yen)

	From April 1, 2025 to March 31, 2026	From April 1, 2024 to March 31, 2025 (Reference)
Net sales	**57,117**	**54,890**
Cost of sales	**43,655**	**43,554**
Gross profit	**13,461**	**11,336**
Selling, general and administrative expenses	**8,083**	**7,496**
Operating profit	**5,377**	**3,839**
Non-operating profit	**2,220**	**1,019**
Interest income	251	241
Dividend income	453	519
Foreign exchange gains	1,337	—
Miscellaneous income	177	258
Non-operating expenses	**641**	**715**
Interest expenses	323	266
Loss on valuation of derivatives	124	22
Foreign exchange gains	—	275
Loss on cancellation of contracts	141	—
Miscellaneous loss	52	151
Ordinary profit	**6,957**	**4,144**
Extraordinary income	**332**	**832**
Gain on sale of investment securities	332	832
Extraordinary losses	**3,525**	**489**
Loss on retirement of non-current assets	99	189
Environmental expenses	—	300
Loss on disaster	1,030	–
Loss on valuation of investments in capital of subsidiaries and associates	2,395	–
Profit before income taxes	**3,764**	**4,487**
Income taxes—current	**1,115**	**537**
Income taxes—deferred	**362**	**660**
Profit	**2,286**	**3,289**

Accounting Audit Report on Consolidated Financial Statements

Independent Auditor's Report
(English Translation)

Kanto Denka Kogyo Co., Ltd.
The Board of Directors of Kanto Denka Kogyo Co., Ltd.

May 22, 2026

Ernst & Young ShinNihon LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant Tatsuya Kushida

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant Tsuyoshi Nakano

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to the consolidated financial statements, of Kanto Denka Kogyo Co., Ltd. ("the Company") for the fiscal year from April 1, 2025 through March 31, 2026.

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

Basis for Opinion

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

Other Information

Other information is the business report and the supplementary schedules thereof. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of directors' duties related to designing and operating reporting processes for other information.

Other information is not subject to our audit opinion on the consolidated financial statements, and we express no opinion on the other information.

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

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

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan. This includes designing and operating such

internal control as management determines is necessary to enable the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of directors' duties related to designing and operating the financial reporting process.

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

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

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

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

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

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

Interest

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

Accounting Audit Report

Independent Auditor's Report
(English Translation)

Kanto Denka Kogyo Co., Ltd. May 22, 2026
The Board of Directors of Kanto Denka Kogyo Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo Office

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant Tatsuya Kushida

Designated Limited Liability Partner
Engagement Partner
Certified Public Accountant Tsuyoshi Nakano

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the financial statements, which comprise the balance sheet, the statement of income, the statement of changes in equity, the notes to the non-consolidated financial statements, and the supplementary schedules, of Kanto Denka Kogyo Co., Ltd. ("the Company") for the fiscal year from April 1, 2025 through March 31, 2026.

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

Basis for Opinion

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

Other Information

Other information is the business report and the supplementary schedules thereof. Management is responsible for preparation and disclosure of the other information. The Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of directors' duties related to designing and operating reporting processes for other information.

Other information is not subject to our audit opinion on the financial statements, and we express no opinion on the other information.

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

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

We have nothing to report in this regard.

Responsibilities of Management, Audit & Supervisory Board Members, and the Audit & Supervisory Board for the Financial Statements

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

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

Audit & Supervisory Board members and the Audit & Supervisory Board are responsible for monitoring the execution of directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

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

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

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

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

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

Interest

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

Audit & Supervisory Board's Report

Audit Report
(English Translation)

We, the Audit & Supervisory Board, based on the audit report prepared by each Audit & Supervisory Board member on the performance by the directors of their duties during the fiscal year from April 1, 2025 to March 31, 2026, prepared this audit report upon deliberation and hereby report as follows.

1. Method of Audit by the Audit & Supervisory Board Members and the Audit & Supervisory Board and Details Thereof
   (1) The Audit & Supervisory Board determined the audit policy and plans and received from each Audit & Supervisory Board member reports on the state of their performance of audits and the results thereof. The Board also received reports from the directors and other parties as well as the accounting auditor on the state of performance of their duties, and sought explanations as necessary.

   (2) Each Audit & Supervisory Board member, in accordance with the auditing standards of Audit & Supervisory Board members and the audit policy and plans determined by the Audit & Supervisory Board, maintained communication with the directors, internal auditing unit, employees, and other parties in an effort to collect information and improve the environment for auditing, and conducted audits in accordance with the following methods.

      (i) Members attended important meetings, such as those of the Board of Directors, received reports from directors, employees, and other parties about the status of execution of their duties, asked for explanations as necessary, inspected important approval documents and others, and investigated the status of operations and assets at the Headquarters and major business locations. Members worked to communicate and exchange information with the directors, auditors, and others at subsidiaries, receiving business reports from these subsidiaries as necessary.

      (ii) For the system (internal control system) listed in the business report established based on resolution of the Board of Directors and the content thereof related to the establishment of systems as prescribed in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act, as a system for ensuring that the execution of duties of directors complies with laws, regulations, and the Articles of Incorporation and for ensuring the propriety of business activities in a group of enterprises comprised of the relevant stock company and its subsidiaries, members regularly received reports on its structure and operation status from directors, employees, and other parties, asked for explanations as necessary, and expressed their opinions, in accordance with the auditing standards related to internal control systems established by the Audit & Supervisory Board.

      (iii) For the basic policy and efforts listed in the business report corresponding to Article 118, Item 3, (a) and (b) of the Ordinance for Enforcement of the Companies Act, respectively, the contents of these have also been examined based on the status of deliberations at the Board of Directors meetings and other meetings.

      (iv) Members monitored and verified whether the accounting auditor had maintained an independent position and conducted adequate audits, received from the accounting auditor reports on the state of performance of their duties, and requested explanations as necessary. In addition, members received from the accounting auditor a notice that the systems to secure adequate performance of duties (as listed in the items of Article 131 of the Ordinance for Corporate Accounting) had been established in accordance with the Standard for Quality Control Concerning Audits (the Business Accounting Council), and requested explanations as necessary.

In accordance with these methods, we investigated the business report and its supplementary schedules, non-consolidated financial statements (the balance sheet, the statement of income, the statement of changes in equity, and the notes to financial statements) and its supplementary schedules, as well as the consolidated financial statements (the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in equity, and the notes to consolidated financial statements), for the fiscal year under review.

2. Results of Audit

(1) Results of audit of the business report, etc.

(i) We are of the opinion:
(i) That the business report and its supplementary schedules fairly present the state of the Company in accordance with laws and regulations and the Articles of Incorporation;

(ii) That in connection with the performance by the directors of their duties, no fraudulent act or material fact of violation of laws and regulations and the Articles of Incorporation exists;

(iii) That the details of the resolutions of the Board of Directors on internal control systems are proper. Furthermore, that there are no matters to be pointed out regarding the content of the business report and performance by the directors of their duties concerning such internal control systems; and

(iv) That there are no matters to be pointed out regarding the Basic Policy on Company Financial and Business Policy Decision Controllers as listed in the business report, and that the efforts listed in the business report corresponding to Article 118, Item 3, (b) of the Ordinance for Enforcement of the Companies Act are recognized as consistent with this Basic Policy, and these efforts are not found to be detrimental to the Company's common shareholder interest, nor are they intended to protect the positions of the Company officers.

(2) Results of audit of the non-consolidated financial statements and the supplementary schedules
We are of the opinion that the method and results of the audit made by the accounting auditor, Ernst & Young ShinNihon LLC, are proper.

(3) Results of audit of the consolidated financial statements
We are of the opinion that the method and results of the audit made by the accounting auditor, Ernst & Young ShinNihon LLC, are proper.

May 25, 2026

Audit & Supervisory Board, Kanto Denka Kogyo Co., Ltd.
Full-time Audit & Supervisory Board Member Takeaki Yajima (Seal)
Full-time Audit & Supervisory Board Member Ryoji Masujima (Seal)
Outside Audit & Supervisory Board Member Naozumi Furukawa (Seal)
Outside Audit & Supervisory Board Member Kenichi Ikeda (Seal)

Reference Documents for the General Meeting of Shareholders

Proposal and References

Proposal 1: Partial Amendments to the Articles of Incorporation

1. Reasons for proposal

   The Company has decided to relocate its headquarters in order to address the expiration of the lease for our current headquarters office, as well as to enhance employee engagement, foster better communication, and improve operational efficiency. Accordingly, the location of the headquarters specified in Article 3 of the current Articles of Incorporation will be changed from "Chiyoda-ku, Tokyo" to "Shinagawa-ku, Tokyo."

   Furthermore, this amendment shall take effect on the date of the relocation of the headquarters, as determined by the Company's Board of Directors at a meeting to be held no later than March 31, 2027, and supplementary provisions shall be established to clarify this point. These supplementary provisions shall be deleted after the effective date of the headquarters relocation.

2. Details of the amendments

   The details of the proposed amendments are as follows:

(Underlined portions indicate changes.)

Pre-amendment Articles of Incorporation	Proposed Amendments
Article 1 to 2 (Text omitted) (Location of Headquarters) Article 3: The Company shall have its headquarters in Chiyoda-ku, Tokyo. Article 4 to 39 (Text omitted) (Newly established)	Article 1 to 2 (Unchanged) (Location of Headquarters) Article 3: The Company shall have its headquarters in Shinagawa-ku, Tokyo. Article 4 to 39 (Unchanged) (Supplementary Provisions) Amendment to Article 3 (Location of Headquarters) shall take effect on the date of the relocation of the headquarters, as determined by a meeting of the Board of Directors to be held no later than March 31, 2027. These Supplementary Provisions shall be deleted after the effective date of the headquarters relocation.

Proposal 2: Election of Nine Directors

The terms of office of all nine directors will expire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of nine directors (including five outside directors).

The candidates for director are as follows:

No.	Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions	Number of shares of the Company held
1	Jun'ichi Hasegawa (November 11, 1958) Male Reappointment	January 2000 Joined the Company July 2004 General Manager, Fine Chemicals Sales Dept.-II, Sales Div. June 2007 Executive Officer; General Manager, Fine Chemicals Sales Dept.-II, Sales Div. June 2009 Director and Executive Officer; General Manager, Sales Div. January 2011 Director and Executive Officer; General Manager, Sales Div.; General Manager, Fine Chemicals Sales Dept.-I June 2011 Director and Executive Officer of the Company; Chairman and Managing Director, Kanto Denka Kogyo (Shanghai) Co., Ltd. June 2015 President June 2019 President; General Manager, Business Div. June 2023 President (to present) (In charge of Internal Auditing Dept.) [Reasons for nomination as candidate for director] The Company has nominated Jun'ichi Hasegawa as a candidate for director because Mr. Hasegawa has long experience in the sales division and at overseas subsidiaries, experience as a director and broad insights concerning the overall management of the Company.	62,457 Of which, number of shares to be delivered in the stock-based remuneration plan 21,257
2	Taisuke Yonemura (July 14, 1972) Male Reappointment	April 1998 Joined the Company April 2017 General Manager, Production Dept.-II, Shibukawa Plant June 2020 General Manager, Production Dept.-I, Shibukawa Plant June 2021 Executive Officer; Plant Manager, Shibukawa Plant; General Manager, Production Dept.-I, Shibukawa Plant April 2022 Director and Executive Officer; Plant Manager, Shibukawa Plant; General Manager, Quality Assurance Dept., Shibukawa Plant June 2022 Executive Officer; Plant Manager, Shibukawa Plant June 2024 Director and Executive Officer; General Manager, Corporate Planning Dept. (to present) (In charge of Corporate Planning Dept., Overseas Business Development Dept.) [Reasons for nomination as candidate for director] The Company has nominated Taisuke Yonemura as a candidate for director because Mr. Yonemura has long experience in the engineering division, including plant operations, of the Company, experience as a director and broad insights concerning the overall management of the Company.	8,516 Of which, number of shares to be delivered in the stock-based remuneration plan 5,116

No.	Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions	Number of shares of the Company held
3	Kenichi Yako (January 11, 1969) Male Reappointment	April 1992 Joined the Company April 2009 General Manager, Production Engineering Dept., Shibukawa Plant June 2013 General Manager, Production Dept.-I, Shibukawa Plant January 2017 General Manager, Overseas Business Development Dept. November 2017 General Manager, Overseas Business Development Dept.; Representative Director, Kanto Denka Fine Products Korea Co., Ltd. June 2020 Executive Officer; General Manager, Overseas Business Development Dept. of the Company; Representative Director, Kanto Denka Fine Products Korea Co., Ltd. April 2023 Executive Officer; Representative Director, Kanto Denka Fine Products Korea Co., Ltd. June 2023 Director and Executive Officer; Representative Director, Kanto Denka Fine Products Korea Co., Ltd. June 2024 Director and Executive Officer; General Manager, Technical Div. of the Company (to present) (In charge of Overseas Plants, Purchasing Dept.) [Reasons for nomination as candidate for director] The Company has nominated Kenichi Yako as a candidate for director because Mr. Yako has long experience in the engineering division, including plant operations, at an overseas subsidiary, and as a director, and he also has broad insights concerning the overall management of the Company.	11,116 Of which, number of shares to be delivered in the stock-based remuneration plan 5,116
4	Yasuhiro Otsuka (August 25, 1965) Male New appointment	April 1988 Joined Asahi Mutual Life Insurance Company April 2005 General Manager, Bond Management Unit, Asahi Mutual Life Insurance Company April 2010 General Manager, Finance Unit, Asahi Mutual Life Insurance Company April 2013 General Manager, Asset Management Risk Management Unit, Asahi Mutual Life Insurance Company April 2015 General Manager, Asset Management Planning Dept., Asahi Mutual Life Insurance Company April 2016 Executive Officer in charge of Finance Dept. and Real Estate Dept., Asahi Mutual Life Insurance Company April 2020 Vice President and Executive Officer, Asahi Life Asset Management Co., Ltd. June 2020 Director, Vice President and Executive Officer, Asahi Life Asset Management Co., Ltd. June 2024 Representative Director and President, Asahi Mutual Life Card Services Co., Ltd. (to retire June 2026) [Significant concurrent position] Representative Director and President, Asahi Mutual Life Card Services Co., Ltd. (to retire June 2026) [Reasons for nomination as candidate for director] The Company has nominated Yasuhiro Otsuka as a candidate for director because Mr. Otsuka has long experience at a financial institution and considerable knowledge in financial markets, finance, and accounting, as well as broad insights concerning the overall management of the Company.	0

No.	Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions	Number of shares of the Company held
5	Hideki Matsui (July 9, 1962) Male Reappointment Outside Independent	April 1987 Admitted as Attorney-at-Law April 1987 Joined Marunouchi Sogo Law Office October 2006 Outside Auditor, Kanebo Cosmetics Inc. September 2011 Co-Representative Attorney-at-law, Marunouchi Sogo Law Office (to present) June 2015 Outside Director of the Company (to present) [Significant concurrent position] Co-Representative Attorney-at-law, Marunouchi Sogo Law Office [Reasons for nomination as candidate for outside director and overview of expected roles] Although Hideki Matsui has not been involved in corporate management other than as an outside officer, the Company has nominated him as a candidate for outside director because Mr. Matsui has engaged in corporate legal affairs as an attorney-at-law for many years, and the Company expects him to utilize his wealth of experience and broad insights for the management of the Company.	0
6	Hitoshi Habuka (March 25, 1957) Male Reappointment Outside Independent	April 1981 Joined Shin-Etsu Chemical Co., Ltd. March 2000 Retired from Shin-Etsu Chemical Co., Ltd. April 2000 Associate Professor, Department of Material Science and Chemical Engineering, Faculty of Engineering, Yokohama National University (current National University Corporation Yokohama National University) April 2002 Professor, Department of Chemical Engineering Science, Faculty of Engineering, National University Corporation Yokohama National University April 2017 Vice Dean, College of Engineering Science, National University Corporation Yokohama National University June 2019 Outside Director of the Company (to present) April 2022 Professor Emeritus, National University Corporation Yokohama National University (to present) Lecturer (non full-time), Faculty of Engineering, National University Corporation Yokohama National University [Significant concurrent position] Professor Emeritus, National University Corporation Yokohama National University [Reasons for nomination as candidate for outside director and overview of expected roles] Although Hitoshi Habuka has not been involved in corporate management other than as an outside officer, the Company has nominated him as a candidate for outside director because Dr. Habuka has worked at Shin-Etsu Chemical Co., Ltd. and has experience as an engineering advisor and guest researcher, etc. at other companies. Also, he has engaged in research and development for many years, and the Company expects him to utilize his wealth of experience and broad insights for the management of the Company.	0

No.	Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions	Number of shares of the Company held
7	Yuko Kariya (April 15, 1960) Female Reappointment Outside Independent	April 1983 Joined Torii Pharmaceutical Co., Ltd. June 2012 Executive Vice President; Head of Pharmacovigilance & Quality Assurance Group, Torii Pharmaceutical Co., Ltd. June 2013 Member of the Board, Director; Head of Pharmacovigilance & Quality Assurance Group, Torii Pharmaceutical Co., Ltd. March 2020 Standing Corporate Advisor, Torii Pharmaceutical Co., Ltd. March 2021 Retired from Torii Pharmaceutical Co., Ltd. June 2022 Outside Director of the Company (to present) Outside Director, NIPPON KINZOKU CO., LTD. (to present) March 2024 Outside Director (Audit & Supervisory Committee Member), Welby, Inc. (to present) [Significant concurrent position] Outside Director, NIPPON KINZOKU CO.,LTD. Outside Director (Audit & Supervisory Committee Member), Welby, Inc. [Reasons for nomination as candidate for outside director and overview of expected roles] The Company has nominated Yuko Kariya as a candidate for outside director because Ms. Kariya has engaged in management of a pharmaceutical manufacturer as director for many years, and the Company expects her to utilize her wealth of experience and broad insights, including with regard to quality assurance, for the management of the Company.	0
8	Takako Amitani (July 21, 1958) Female Reappointment Outside Independent	September 1993 Registered as Certified Public Accountant (CPA) September 1993 President, Amitani Certified Public Accountant Office (to present) March 2005 Registered as a licensed tax accountant June 2008 Auditor, Public Foundation of Vaccination Research Center (to present) June 2019 Outside Director, Shin-Keisei Electric Railway Co., Ltd. June 2021 Auditor, Japan Center for Certified Public Psychologists (to present) June 2023 External Director, Keisei Electric Railway Co., Ltd. (to present) June 2024 Outside Director of the Company (to present) [Significant concurrent position] External Director, Keisei Electric Railway Co., Ltd. [Reasons for nomination as candidate for outside director and overview of expected roles] Although Takako Amitani has not been involved in corporate management other than as an outside officer, the Company has nominated her as a candidate for outside director because Ms. Amitani has engaged in corporate accounting and taxation for many years as a Certified Public Accountant and licensed tax accountant, and the Company expects her to utilize her wealth of experience and broad insights for the management of the Company.	0

No.	Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions	Number of shares of the Company held
9	Junko Koshino (September 8, 1969) Female Reappointment Outside Independent	April 1993 Joined Nippon Credit Bank, Ltd. (currently Aozora Bank, Ltd.) January 1997 Investment Analyst, Investment Department, FIL Investments (Japan) Limited April 2002 Investment Analyst, Investment Department, Capital Research and Management Company February 2006 Investment Analyst, Tokyo Representative Office, Halberdier Capital Management Pte. Ltd. April 2012 General Manager, Corporate Planning Dept., MORITO CO.,LTD. October 2015 General Manager, Corporate Planning Office, Otsuka Kagu, Ltd. April 2016 General Manager, Business Development Department, and General Manager of Corporate Strategy Department, Corporate Strategy Div., JVCKENWOOD Corporation April 2019 Executive Officer, General Manager of Corporate Strategy Department, JVCKENWOOD Corporation April 2020 Executive Officer, Assistant to CEO, JVCKENWOOD Corporation July 2020 Executive Officer, General Manager, Corporate Planning Dept., Company Corporate Planning Division, Frontier Management Inc. June 2021 Outside Director, SAXA Holdings, Inc. June 2022 Outside Director, Rikei Corporation (to present) June 2024 Director and Managing Executive Officer, Suzumo Machinery Co., Ltd. Outside Director of the Company (to present) April 2025 Director and Managing Executive Officer; Executive Officer, Corporate Department, Suzumo Machinery Co., Ltd. April 2026 Director, Suzumo Machinery Co., Ltd. (to retire June 2026) June 2026 Outside Director, The Kinki Sharyo Co., Ltd. (to be appointed) [Significant concurrent position] Director, Suzumo Machinery Co., Ltd. (to retire June 2026) Outside Director, Rikei Corporation Outside Director, The Kinki Sharyo Co., Ltd. (to be appointed June 2026) [Reasons for nomination as candidate for outside director and overview of expected roles] Junko Koshino is familiar with financial and capital markets through her many years of activities as an analyst for financial institutions and other organizations. She is also involved in the management of a publicly traded company as a director. The Company expects her to utilize this wealth of experience and broad insights for the management of the Company.	0

(Notes) 1. The number of shares of the Company held includes shares to be delivered in the stock-based remuneration plan.
2. Hideki Matsui, Hitoshi Habuka, Yuko Kariya, Takako Amitani, and Junko Koshino are candidates for outside director. Each is a candidate for independent officer as stipulated by the rules of the Tokyo Stock Exchange.
3. Although Hideki Matsui belongs to the Marunouchi Sogo Law Office, with which the Company has a legal advisory retainer contract and to which it pays fees for legal services provided by attorneys, the Company paid a total of only about ¥5.9 million (of which, ¥2.9 million was paid by the Company, and ¥3.0 million was paid by a non-consolidated subsidiary of the Company) for the fiscal year ended March 31, 2026, and this amount does not affect the independence of Mr. Matsui either from the Company or from the law office.
4. The Company has an agreement with Hideki Matsui, Hitoshi Habuka, Yuko Kariya, Takako Amitani, and Junko Koshino to limit their liability as outside director on the basis of the provisions of Article 427, Paragraph 1, of the Companies Act with the liability limit set forth in the relevant law. In case Mr. Matsui, Mr. Habuka, Ms. Kariya, Ms. Amitani, and Ms. Koshino are elected as outside directors and assume office as such, the Company plans to continue to enter into a similar agreement with them.
5. The Company has entered into a directors and officers liability insurance agreement for directors, auditors, and certain employees (including managers) of the Company and its subsidiaries as insureds, which is outlined below.

When each candidate is elected and assumes office as director, they will all be included as an insured under the said insurance. The Company plans to renew the agreement with the same content in October 2026.

(i) Outline of events insured against

The agreement covers damages that may arise due to the insured directors, Audit & Supervisory Board members, and officers, etc. being held liable for the execution of their duties or being subject to a claim for this liability. However, the policy does include certain exemption clauses, such as for liabilities arising from acts committed by insureds while aware that doing so would be in violation of laws and regulations.

(ii) Insurance premiums will be fully borne by the Company.

6. The term of office of Hideki Matsui, Hitoshi Habuka, Yuko Kariya, Takako Amitani, and Junko Koshino as outside directors of the Company upon the conclusion of this General Meeting of Shareholders will be 11 years, seven years, four years, two years, and two years, respectively.

[Reference] Director candidate expertise and experience (skill matrix)

The expertise and experience of the candidates for director, as well as the composition of the Board of Directors should Proposal 2 be approved as proposed, are as follows.

		Expertise and experience							
Name	Position (planned)	Corporate management / management strategy	Globalization	Sales / marketing	Technology / R&D	Sustainability	Finance / accounting	Finance and capital markets	Legal affairs / risk management
Jun'ichi Hasegawa	President	●	●	●		●			●
Taisuke Yonemura	Representative Director and Senior Managing Executive Officer	●			●	●			●
Kenichi Yako	Director and Executive Officer	●	●		●	●			●
Yasuhiro Otsuka	Director and Executive Officer	●	●				●	●	
Hideki Matsui	Director Independent/ Outside								●
Hitoshi Habuka	Director Independent/ Outside				●				
Yuko Kariya	Director Independent/ Outside	●			●	●			
Takako Amitani	Director Independent/ Outside						●		
Junko Koshino	Director Independent/ Outside	●	●			●	●	●	

Note: The above list is not intended to be an exhaustive list of the expertise and experience possessed by each candidate.

Proposal 3: Election of One Audit & Supervisory Board Member

Audit & Supervisory Board member Naozumi Furukawa will retire at the conclusion of this General Meeting of Shareholders. Accordingly, the Company proposes the election of one Audit & Supervisory Board member. The Company proposes that Kimiaki Tanaka be appointed to replace Naozumi Furukawa. Note that Kimiaki Tanaka will be appointed to replace Naozumi Furukawa; therefore, in accordance with the Company's Articles of Incorporation, Mr. Tanaka's term of office will continue until the expiration of the term of the retiring Audit & Supervisory Board member.

The candidate for Audit & Supervisory Board member is as follows. The Audit & Supervisory Board has previously given its approval to this proposal.

Name (Date of birth)	Past experience, positions, area of responsibility and significant concurrent positions		Number of shares of the Company held
Kimiaki Tanaka (February 19, 1953) Male New appointment	April 1979	Joined Zeon Corporation	0
	February 2003	General Manager, Specialty Chemicals Div., Zeon Corporation	
	June 2005	Director, General Manager, Specialty Chemicals Div., General Manager, Specialty Chemicals Sales & Marketing 2 Dept., General Manager, Specialty Chemicals Sales & Marketing 2 Dept., General Manager, Specialty Materials Laboratory, Zeon Corporation	
	June 2007	Director and Corporate Officer, General Manager, Specialty Chemicals Div., General Manager, Specialty Chemicals Sales & Marketing Dept., Zeon Corporation	
	June 2008	Director and Corporate Officer, General Manager, Advanced Performance Materials Div., General Manager, Advanced Performance Materials Sales & Marketing Dept., Zeon Corporation; Representative Director, Zeon Chemical Services Corporation	
	May 2010	Director and Corporate Officer, General Manager, Advanced Performance Materials Div., General Manager, Specialty Materials Product Technology 2 Dept., General Manager, New Business Development Dept., Zeon Corporation	
	February 2011	Director and Corporate Officer, in charge of corporate planning, in charge of human resources and general affairs, Division Manager, Corporate Planning Div., General Manager, Corporate Planning Dept., Zeon Corporation	
	June 2011	Director and Senior Corporate Officer, in charge of corporate planning, in charge of human resources and general affairs, Zeon Corporation	
	June 2012	Director and Executive Corporate Officer, in charge of corporate planning, in charge of human resources, in charge of production, Zeon Corporation	
	June 2013	President and CEO, Zeon Corporation	
	June 2023	Chairman, Zeon Corporation (to retire June 2026)	
	[Significant concurrent position] Chairman, Zeon Corporation (to retire June 2026)		
	[Reasons for nomination of the candidate for outside Audit & Supervisory Board member] Kimiaki Tanaka has many years of corporate management experience and broad insights in chemical manufacturers, and the Company has nominated him as a candidate for outside Audit & Supervisory Board member to reflect these in Company audits.		

(Notes) 1. Kimiaki Tanaka is a candidate for outside Audit & Supervisory Board member. He is a candidate for independent officer as stipulated by the rules of the Tokyo Stock Exchange.

2. Zeon Corporation, to which Kimiaki Tanaka belongs, holds 3,550,000 shares (6.17% share of investment) in the Company. Although there are transactions between Zeon Corporation's group and the Group, these

transactions in fiscal 2025 were immaterial, constituting less than 1% of the Company's consolidated net sales, and this amount does not affect the independence of Mr. Tanaka either from the Company or from Zeon Corporation.

3. When Mr. Tanaka assumes office as an outside Audit & Supervisory Board member, the Company plans to enter into an agreement with Mr. Tanaka to limit his liability as outside Audit & Supervisory Board member on the basis of the provisions of Article 427, Paragraph 1, of the Companies Act with the liability limit set forth in the relevant law.
4. The Company has entered into a directors and officers liability insurance agreement for directors, auditors, and certain employees (including managers) of the Company and its subsidiaries as insureds, which is outlined below. When the candidate is elected and assumes office, he will be included as an insured under the said insurance. The Company plans to renew the agreement with the same content in October 2026.
   (i) Outline of events insured against
   The agreement covers damages that may arise due to the insured directors, Audit & Supervisory Board members, and officers, etc. being held liable for the execution of their duties or being subject to a claim for this liability. However, the policy does include certain exemption clauses, such as for liabilities arising from acts committed by insureds while aware that doing so would be in violation of laws and regulations.
   (ii) Insurance premiums will be fully borne by the Company.

(Reference) Status of reducing cross-shareholdings

■ Policy for cross-shareholdings

The Company acquires and holds shares of its business partners and other entities when deemed necessary from the perspective of maintaining and strengthening stable and long-term business relationships with these partners. The acquisition and reduction of shares held in business partners are decided by the judgment of our management based on the relationship with the relevant partner, after consultation with the responsible officer and relevant divisions.

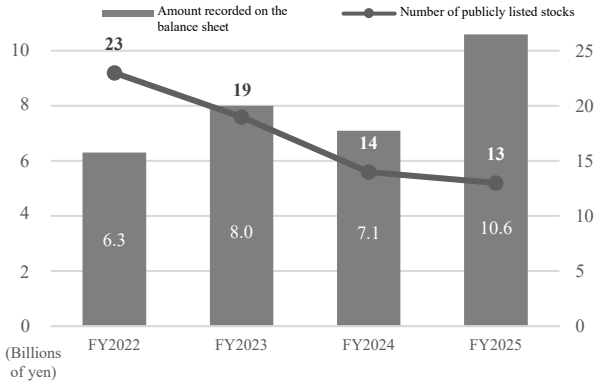
Cross-shareholdings are assessed to test whether they are appropriate to continue holding in light of the purpose of holding, and the benefits and risks associated with said holdings are regularly reported to the Board of Directors.

■ Status of the medium-term management plan

In the 12th Medium-Term Management Plan revised in November 2023, we planned to sell 20% of our cross-shareholdings by March 31, 2025 and 10% by March 31, 2027, for a cumulative total of 30%, compared to the market value of cross-shareholdings as of March 31, 2023. By March 31, 2025, we have sold 13 stocks (including partial sale of four stocks) of cross-shareholdings worth ¥1.26 billion (based on market value as of March 31, 2023), thereby achieving our target for the fiscal year ended March 31, 2025. In addition, due to the impact of rising stock prices, the balance of cross-shareholdings as of March 31, 2026 was ¥10.68 billion, representing 14.5% of net assets. We will continue to reduce our cross-shareholdings in accordance with our plan.

		March 31, 2023	March 31, 2024	March 31, 2025	March 31, 2026
Number of stocks		35	31	26	25
Of which, number of publicly listed stocks		23	19	14	13
Amount recorded on the balance sheet	(Billions of yen)	6.3	8.0	7.1	10.6
Consolidated net assets	(Billions of yen)	68.7	65.5	67.6	74.2
Share of consolidated net assets	(%)	9.3	12.3	10.7	14.5

Number of publicly listed stocks in cross-shareholdings and amount recorded on the balance sheet



Change analysis for amount recorded on the balance sheet

