

## Corporate Governance Guidelines

Mitsui Chemicals, Inc. (“MCI”)

### Chapter 1      General Provisions

#### 1.    **Basic View on Corporate Governance**

The Mitsui Chemicals Group (“MCI Group”) is constantly engaged in business activities to realize our Corporate Vision, which is comprised of our Corporate Mission, Corporate Target and Our Ideal Vision for 2030. We recognize that efforts to achieve effective corporate governance as part of that process will allow us:

- (i) to maintain and develop trusting relationships with MCI shareholders and all other diverse stakeholders of the MCI Group, and
- (ii) to create a framework that can execute transparent, fair, timely, and decisive decision-making,

through which the MCI Group can achieve sustainable growth and increased corporate value over the mid- to long-term.

Accordingly, MCI holds the enhancement of our corporate governance to be one of our key management issues, and we will persevere in the efforts and measures laid out in these Guidelines.

#### **Corporate Vision**

##### Corporate Mission

Contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials and products while keeping in harmony with the global environment

##### *Contributing to Society*

- Promoting human well-being
- Contributing to the value of shareholders’ investments
- Increasing customer satisfaction
- Contributing to local communities
- Promoting the happiness and fulfillment of employees

##### Corporate Target

To be a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry

##### Our Ideal Vision for 2030

Chemistry for Sustainable World  
A global solutions company that leads change  
and contributes to a sustainable future

## **Chapter 2 Relationship with Shareholders**

### **1. General Meeting of Shareholders**

- (1) The General Meeting of Shareholders is both the supreme decision-making body of MCI and a valuable venue for direct and constructive dialogue with shareholders. As such, MCI will endeavor to take the following measures so that the will of the shareholders is appropriately reflected in our management:
  - (i) holding the Annual General Meeting of Shareholders on the day other than that on which most other companies hold their meetings;
  - (ii) sending convocation notices at least three weeks before the General Meeting of Shareholders and publishing electronic data on the MCI website in both English and Japanese prior to sending the notices;
  - (iii) ensuring convenience for our shareholders in exercising their voting rights by implementing online voting and using electronic voting platforms; and
  - (iv) consulting with trust banks to take appropriate measures when institutional investors that hold MCI shares under the name of the trust bank communicate in advance their wish to exercise voting rights at the General Meeting of Shareholders by themselves instead of the trust bank.
- (2) When a considerable number of votes have been cast against a proposal by MCI and the proposal was approved, MCI will analyze the reasons behind opposing votes and why many shareholders opposed, and will consider whether any measures are necessary in response.

### **2. Basic Strategy for Capital Policy**

- (1) MCI recognizes that our most crucial priority is the increase of our corporate value through the growth and expansion of our businesses, and we also hold the return of profits to shareholders as one of our key management issues. Our distribution of profits will comprehensively take into account matters such as the return of profits to shareholders and the strengthening of retained earnings in consideration of future strategies for growth and expansion.
- (2) With regard to shareholder returns, MCI will target a total return ratio, which is the ratio of combined stable and continuous dividends and flexible share buybacks to net income attributable to owners of the parent, of at least 30%. In addition, with regard to dividends, MCI will target dividend on equity attributable to owners of the parent (DOE) of at least 3%.
- (3) MCI will endeavor towards improved business performance by allocating retained earnings for proactive investment to accelerate further growth, expansion, and the realization of our optimum business portfolio, for research and development to create innovative new technologies, and for other such initiatives.
- (4) MCI will include net D/E ratios, return on equity (ROE) ratios, return on invested capital (ROIC) ratios and others as management indicators in the management targets of the long-term business plan and conduct our management with an awareness of capital efficiency.
- (5) If MCI adopts a capital policy that results in the substantial dilution, we will seriously examine the necessity and rationale of that policy and provide sufficient explanation to our shareholders.

### **3. Policy on Cross-shareholdings<sup>1</sup>**

- (1) MCI will acquire and hold shares of our customers and suppliers when we conclude that such holdings would contribute to the mid- to long-term increase of our corporate value in consideration of the creation and strengthening of relationships and the development of business partnerships with them. Meanwhile, MCI will maintain a basic policy whereby it promptly disposes and reduces the number of shares that are no longer worth holding, and on an annual basis will accordingly have the Board of Directors examine whether or not it would be appropriate to continue holding such shares in view of the respective business alliance, status of business transactions, cost of capital and other such factors.
- (2) MCI will appropriately exercise the voting rights of shares we hold while comprehensively taking into account such factors as whether or not proposals by the issuer will contribute to our shareholding goals or harm shareholder value. In addition, under circumstances involving a longstanding slump in business performance, a serious compliance violation or other such development, MCI will sufficiently gather information in the course of paying particularly close attention to the types of proposals listed below, and accordingly will make decisions on whether to approve or disapprove of such proposals.

Proposals on the appropriation of surplus, proposals on electing members of the board and corporate auditors, proposals on granting retirement benefits, proposals on organizational restructuring, proposals on takeover defense measures, etc.

### **4. Dialogue with Shareholders and Other Related Parties**

- (1) The MCI Group values constructive dialogue with our shareholders and other related parties, and will strive to facilitate such dialogue through various opportunities focused around senior and top management (the president/CEO and other executive officers, etc.). Through this dialogue, we will endeavor to foster greater understanding of the MCI Group's business strategies and business plans, and we will listen sincerely to the voices of our shareholders and other related parties, absorbing and reflecting management analysis and opinions from the point of view of our capital contributors, thereby leading to the sustainable growth and mid- to long-term increase of corporate value for the MCI Group.
- (2) If shareholders or other related parties request meetings for the purpose of engaging in constructive dialogue that contributes to our sustainable growth and increased corporate value over the mid- to long-term, the suitable person among the senior management and members of the board of the MCI Group will, in consideration of the purpose of the meeting, respond to such requests and meet with those shareholders or other related parties.
- (3) The MCI Group officers in charge of IR, the Corporate Administration & Legal Division, the Finance & Accounting Division, the Human Resources Division, the Global Human Resources Division, and the Corporate Sustainability Division will handle the overall coordination of dialogue with shareholders and other related parties. Related departments such as IR, the Corporate Planning Division, the Corporate Administration & Legal Division, the Finance & Accounting Division, the Human Resources Division, and the Corporate Sustainability Division will work to achieve organic cooperation through such

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<sup>1</sup> Cross-shareholding: Cross-shareholdings here include not only mutual shareholdings but also unilateral ones for reasons other than pure investment purposes.

means as having certain staff members serve in multiple departments and regularly sharing information.

- (4) The MCI Group will proactively work to provide opportunities such as explanatory meetings for analysts and institutional investors, explanatory meetings for individual investors, explanatory meetings on our businesses, facility tours, and overseas IR, and we will promptly provide feedback to top management and other relevant departments regarding the opinions and concerns learned through dialogue with shareholders and other related parties at such events.
- (5) The MCI Group will endeavor to prevent insider information from being leaked during dialogue with shareholders and other related parties through our Rules for administration of insider trading and rules for administration of company information.
- (6) In order to contribute to constructive dialogue with our shareholders and other related parties, the MCI Group will regularly conduct beneficial shareholder identification surveys and endeavor to fully grasp the shareholder ownership structure.

### **Chapter 3      Relationship with Stakeholders Other Than Shareholders**

#### **1. Building Favorable Relationships with Stakeholders Other Than Shareholders**

The MCI Group will endeavor to build and maintain smooth and favorable relationships with our stakeholders in full recognition that our sustainable growth and increased corporate value over the mid- to long-term are the results of the cooperation and contributions of customers, suppliers, creditors, local communities, employees, industry, government, academia, and all other diverse stakeholders.

#### **2. Corporate Action Guidelines, Core Values**

- (1) The MCI Group recognizes that the careful and conscious actions of each officer and employee add up, allowing us to earn the trust of our stakeholders. Therefore, we have established the “Mitsui Chemicals Group Action Guidelines” (Always in Good Faith, For People and Society, and Dream-Inspiring Innovation) that set forth our basic views and ideal actions so that we always act in respect of the law and in accordance with corporate ethics.
- (2) The MCI Group has established three Core Values (Challenge, Diversity, and One Team) to capture the spirit of our officers and employees working at sites around the world, to act as a unifying force that ensures we work toward the same goals, and to be a foundation, instilled in each of our officers and employees, for making decisions and carrying out operations on a global scale.
- (3) The MCI Group will ascertain as appropriate the degree to which the Action Guidelines and Core Values permeate the Group through two-way communication and other such means at each location.

#### **3. Addressing Sustainability Issues**

The MCI Group is further embedding triple bottom line management, balancing the economy, the environment and society, with ESG at its core, and promoting efforts to address social issues through its business activities. In its Long-Term Business Plan “VISION 2030” formulated in fiscal 2021, the MCI Group has cited aspirations that involve helping to realize a future society in terms of “a circular society in harmony with the environment”, “a comfortable society in

which people can enjoy healthy lives and well-being”, and “an inclusive society creating diverse value”. Furthermore, in order to achieve this, the MCI Group has identified material topics to be addressed by the MCI Group. However, in order to capture changes in the business environment and respond flexibly, the MCI Group reviews operations as necessary.

The MCI Group promotes basic strategies based on material topics in “VISION 2030”, and will promote the following activities aiming to become a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry:

- (1) With product design based on full life-cycle considerations in mind, MCI will work to solve social challenges identified in the sustainable development goals (SDGs) and other such initiatives including reduction of environmental load and realization of an affluent society while also achieving business growth, by expanding its Blue Value<sup>®</sup> and Rose Value<sup>®</sup> products which have environmental contribution value and QOL improvement contribution value, respectively.
- (2) MCI will earnestly address problems pertaining to climate change and plastics waste, which are serious challenges for society, through efforts to mitigate climate change, promote recycle resources, achieve a circular economy, etc. by promoting a Carbon Neutral Strategy, Biomass strategy and Recycle strategy. Furthermore, with regard to climate change, the MCI Group will take advantage of the risks and opportunities in the management after the impact on the MCI Group is analyzed based on the recommendations issued by the Task Force on Climate-related Financial Disclosures (TCFD) and others. Moreover, the MCI Group will work to release disclosures of an appropriate quality and quantity based on the TCFD or equivalent framework.
- (3) The MCI Group will strive to create new innovations from a social issue perspective in all areas of its business portfolio. In addition, it will implement intellectual property strategies to accomplish a sustained competitive advantage.
- (4) Caring for the health of employees and the work environment, respect for human rights, fair and appropriate transactions with business partners, and risk management for natural disasters and others are basic points in operating businesses globally, and prerequisites for sustainable development of the MCI Group. Based on this understanding, the MCI Group will operate and manage each policy, system and measure appropriately.
- (5) The direction of responses to these challenges relating to sustainability with respect to society and the MCI Group will be discussed at the Company-wide Strategy Committee and the Corporate Sustainability Committee, etc. Material issues will be discussed at the Board of Directors and the Management Committee from the perspective of both opportunities and threats, and they will accordingly integrate their findings into management. Materiality reviews and progress management of non-financial indicators will also be conducted under this structure.

#### **4. Ensuring Workforce Diversity**

- (1) The MCI Group believes that various ideas conceived by a diverse pool of human resources are the source of innovation that underpins sustainable growth, and recognizes that diversity is essential in ensuring sustainable growth both for the MCI Group and society. In addition, as global Group-wide-minded human resources management becomes increasingly important, the MCI Group will promote inclusive talent management regardless of gender, race or nationality under the principle of “the right person in the right position” in order to acquire and develop employees with the potential to become globally active leaders across countries, regions and companies.

- (2) The MCI Group will set in the Group strategically critical positions to provide training for human resources who are able to work on the global Group-wide stage from a long-term perspective or training positions that contribute to human resource development, and appoint human resources from inside and outside the Group who possess the competencies, experience and credentials required for the position in a timely manner. In addition, with a view toward further development of its human capital, the MCI Group will also implement leadership training by employee level and other programs, on a global Group-wide scale, and provide opportunities to learn literacy necessary for management and skills, etc. required in the exercise of leadership.
- (3) In recognition that employees are important stakeholders in achieving our Corporate Mission, the MCI Group wishes to create a relationship in which MCI and our employees stimulate and actively enhance one another in achieving that goal. As part of that, we have developed an employee-friendly working environment with a full range of childcare and family care systems, including reduced working hours, nursing care leave, family care leave, subsidies for babysitting and home-care services, leisure support systems, teleworking program, as well as a system in which employees are able to work side jobs, etc. We will respect the increasingly diverse values of our employees and continue developing the environment necessary for our employees to maintain a work-life balance.

## **5. Whistle-Blower System**

- (1) As a point of contact for reporting information such as potentially unlawful activities by MCI employees or employees of supplier corporations, including raw material suppliers, the MCI Group will establish a whistle-blower system for reporting such matters both internally and externally (such as to law firms). Reported information will be shared with the corporate auditors, and the Compliance Committee will investigate that information and examine measures in response thereto.
- (2) MCI's "Whistle-Blower Management Rules" will clearly stipulate that no whistle-blower will receive any disadvantageous treatment due to reporting through the whistle-blower system.

## **6. Transactions with Related Parties**

Transactions between MCI and our members of the board or transactions involving a conflict of interest will be deliberated and subject to the approval in advance by the Board of Directors before being carried out, and after the transaction has been completed, the result will be reported to the Board. Transactions with related parties such as major shareholders, subsidiaries, and affiliates will be handled in the same way as transactions with third parties: after examining whether the transaction price and other conditions are reasonable, MCI will follow the necessary approval procedures based on our internal regulations, and the Internal Control Division will regularly audit the transactions.

## **7. Roles of Corporate Pension Funds as Asset Owners**

- (1) MCI has adopted a contract-type defined benefit corporate pension plan and a defined contribution corporate pension plan. With respect to the contract-type defined benefit corporate pension plan, MCI will establish the Pension Fund Committee whose membership consists of parties who are familiar with personnel affairs, finance and other such operations. The committee's functions will involve regularly engaging in deliberations, making decisions on key matters, and affirming soundness of fund management overall.

- (2) MCI entrusts multiple investment management institutions located both in Japan and abroad with the task of managing pension reserves, upon having appropriately evaluated their expertise in that regard. Moreover, MCI also draws on the opinions of external experts in order to ensure a high level of expertise and objectivity with respect to managing its pension funds.
- (3) MCI will regularly monitor stewardship activities of the investment management institutions and otherwise provide support from an asset owner's perspective.
- (4) MCI will ensure that conflict of interest does not arise between beneficiaries of the corporate pension fund and MCI by entrusting to the investment management institutions matters involving selecting individual investments and exercising voting rights of investment shares.

## **Chapter 4      Corporate Governance Framework**

### **1. Overview of Corporate Governance Framework**

- (1) The Board of Directors of MCI makes key management decisions and oversees the operations of each individual member of the board, and as a company with a Board of Corporate Auditors, the status of each member of the board's performance of his or her duties is audited by the corporate auditors and the Board of Corporate Auditors independently from the Board of Directors. Additionally, MCI has implemented an executive officer system in order to clearly divide the roles of overseeing management and executing operations, and positions the president as the highest of executive officers.
- (2) MCI has established the "Nomination Committee" and "Executive Compensation Committee" as follows as consultative bodies to the Board of Directors, and strives to ensure the suitability and transparency of the procedures for electing senior management and members of the board and ensure the transparency and objectivity of the compensation plan for members of the board and corporate auditors, compensation determination process, and performance evaluations.
  - (i) Nomination Committee
    - MCI has established the Nomination Committee with the aim of strengthening the independence and objectivity of the functions of the Board of Directors, as well as their accountability, with respect to the nomination, election, and dismissal of senior management and members of the board.
    - The Nomination Committee is comprised of the chairman, the president, and outside members of the board who meet MCI's independence standards ("independent outside members of the board"), and a majority of the members are independent outside members of the board. In addition, the president serves as the chair of the Committee.
    - The Nomination Committee deliberates and makes decisions on the following matters in accordance with consultations from the Board of Directors.
      - i) Policy (including position requirements, election criteria, etc.) and procedures (including evaluation standards, etc.) on the nomination, election, and dismissal of senior management and members of the board
      - ii) Draft proposals concerning the election and dismissal of members of the board to be submitted at the General Meeting of Shareholders

- iii) Draft proposals concerning the election and dismissal of representative directors to be submitted at a meeting of the Board of Directors
  - iv) Draft proposals concerning the nomination, election and dismissal of the president/CEO to be submitted at a meeting of the Board of Directors
  - v) Succession planning of the president/CEO
  - Committee members who have a special interest in a resolution of the Nomination Committee are not allowed to participate in the deliberations or voting for that resolution.
- (ii) Executive Compensation Committee
- MCI has established the Executive Compensation Committee with the aim of strengthening the independence and objectivity of the functions of the Board of Directors, as well as their accountability, with respect to the compensation, etc. for members of the board, corporate auditors, etc.
  - The Executive Compensation Committee is comprised of the chairman, the president, and independent outside members of the board, and a majority of the members are independent outside members of the board. In addition, an independent outside member of the board is elected by resolution of the Board of Directors to serve as the chair of the Committee.
  - The Executive Compensation Committee deliberates and makes decisions on the following matters in accordance with consultations from the Board of Directors.
    - i) Draft proposals of the basic policy on compensation for members of the board, corporate auditors, etc.
    - ii) Draft proposals of the general compensation plan for members of the board, corporate auditors, etc.
    - iii) Draft proposals of the general evaluation system for members of the board, corporate auditors, etc.
    - iv) Draft proposals concerning the establishment of targets for the president/CEO, confirmation of progress during the fiscal year, and evaluation at the end of the fiscal year
    - v) Draft proposals concerning the individual evaluation, amount of individual compensation, and calculation method thereof for members of the board
    - vi) Draft proposals concerning the compensation for members of the board and corporate auditors to be submitted at the General Meeting of Shareholders
  - Although the Committee deliberates the draft proposals of the policy, system, etc. regarding compensation for corporate auditors based on the preceding item and reports the contents of the deliberations to the Board of Corporate Auditors, MCI is not obligated to determine the compensation for corporate auditors based on the deliberation contents. Instead, the compensation for corporate auditors is determined based on discussions at the General Meeting of Shareholders and deliberations among the corporate auditors.
  - Committee members who have a special interest in a resolution of the Executive Compensation Committee are not allowed to participate in the deliberations or voting for that resolution.



## **Section 1      Board of Directors**

### **2.    Role of the Board of Directors**

- (1) The Board of Directors decides business strategies, business plans, and all other important matters related to the management of MCI pursuant to law, ordinance, MCI's Articles of Incorporation, and our Rules For Meetings of the Board of Directors. The Board also oversees the overall management of the MCI Group through reporting on matters such as the performance of duties of individual members of the board, important operations of subsidiaries and affiliates, and the implementation status of compliance and risk management systems by MCI and our subsidiaries and affiliates. In addition, the Board of Directors works to strengthen its management oversight role by discussing the important policies related to the running of the Company from an intermediate stage while providing advice to the persons executing business.
- (2) MCI will appoint each executive director as executive officers also and clearly divide the roles of each. In conjunction with that, MCI will endeavor to increase the speed of our decision-making process and further strengthen and enhance our management framework by delegating approval authority for matters not decided by the Board of Directors to the executive officers and lower positions under MCI's Authorization Rules.
- (3) The Board of Directors announces management targets set in the long-term business plan and exerts its utmost efforts in order to accomplish the long-term business plan. To that end, it reviews MCI's three-year business plan on a rolling basis every year when a budget is formulated, with the aim of enhancing MCI's ability to respond to business environment while also maintaining its long-perspective. In addition, the Board of Directors provides explanations to the shareholders on measures for accomplishing the long-term business plan and the status of progress of the plan.

### **3.    Structure and Operation of the Board of Directors**

- (1) The number of members of the board of MCI will be 12 or less, as stipulated in the Articles of Incorporation, and the appropriate number within that range will be decided at each opportunity in consideration of the status of authorities delegated to executive officers and the need to streamline decision making in response to business expansion. MCI will select in principle independent outside members of the board at a ratio of one third or more of the members in order to appropriately reflect the opinions of individuals from outside MCI with rich experience and insight, such as corporate managers, academics, and legal professionals, in the management policies of MCI and to increase the effectiveness of the oversight of operations by members of the board.
- (2) MCI will select its members of the board in consideration of the specific characteristics of our businesses and without regard for gender, race, nationality, age, or other such factors so that the members of the board as a whole possess balanced business experience in areas including business planning, operations, production and technology, research and development, accounting and finance, and general, personnel, and legal affairs. Furthermore, in addition to the above principle, MCI shall also select individuals who have corporate management experience in other companies as independent outside members of the board.
- (3) The Board of Directors will be operated with due attention to each of the following items in order to achieve more active deliberations.

- (i) Unless under special circumstances, materials for Board of Directors meetings will be distributed in advance, ensuring a reasonable amount of time necessary to examine them.
  - (ii) The contents of materials for Board of Directors meetings will be explained to outside members of the board and outside corporate auditors in advance.
  - (iii) The schedule of Board of Directors meetings for the following fiscal year will be determined by December of each year, and notification of the meeting schedule and expected items for deliberation will be provided in advance.
  - (iv) Meetings will be held about once per month and about 11 times per year (including remote meetings), and when action is required to prevent a delay in decision making, in addition to holding extraordinary Board of Directors meetings, the passing of resolutions by written consent and the holding of telephone conferencing or web conferencing, etc. will also be utilized.
  - (v) Each meeting will ensure at least 120 minutes for deliberation.
- (4) In order to affirm and improve the effectiveness of its decision making, the Board of Directors will analyze and evaluate the effectiveness of the Board as a whole every year through such methods as self-evaluation by each member of the board and disclose a summary of the results. In addition, a third-party organization shall be appointed on a regular basis to ensure transparency and appropriateness in the evaluation of the effectiveness of the Board of Directors.

#### **4. Election and Dismissal of the President/CEO**

- (1) MCI's election criteria for members of the board are as follows. When nominating members of the board, MCI takes into consideration ensuring diversity, including international outlook, gender, and race, and strengthens the supervisory function of the entire Board of Directors.
- Possess knowledge and experience enabling the member of the board to accurately and fairly oversee the management of MCI for the realization of the Corporate Vision
  - Possess excellent insight, a broad perspective, strong ethics, fairness, and integrity
  - Possess excellent insight and rich knowledge and experience in areas such as corporate management, legal compliance, finance and accounting, corporate ethics, scientific and chemical technology, global management, and crisis and risk management
  - Be able to view MCI's management as a whole, objectively evaluate it, and grasp the essential issues and risks
  - Be able to provide beneficial, unreserved advice on increasing MCI's corporate value from the point of view of an external stakeholder
- (2) MCI's procedures for electing members of the board are as follows.
- (i) The Nomination Committee deliberates the draft proposals of candidates for members of the board taking into account the qualifications (knowledge, experience, and capabilities) necessary for the Board of Directors to supervise the execution of the long-term business plan and based on the above election criteria, and reports the results of the deliberations to the Board of Directors. The qualifications and criteria were determined based on deliberations by the Committee.
  - (ii) The Board of Directors determines the candidates for members of the board and the proposal for their election with maximum respect given to the results report of the Nomination Committee.

- (3) MCI's procedures for electing the president/CEO are as follows.
  - (i) The Nomination Committee deliberates the draft proposal of the candidate for president/CEO taking into account the position requirements of the president/CEO and based on the election and evaluation criteria, and reports the results of the deliberations to the Board of Directors. The position requirements and standards were determined based on deliberations by the Committee.
  - (ii) The Board of Directors determines the candidate for president/CEO and the proposal for their election with maximum respect given to the results report of the Nomination Committee.
- (4) MCI's procedures for dismissal of the president/CEO are as follows.
  - (i) The Nomination Committee will deliberate on dismissal of the president/CEO in cases, for instance, where it is deemed that the individual has not adequately carried out his or her role in light of business performance or other such results, or where there has been a serious compliance violation.
  - (ii) If the Board of Directors receives findings from the Nomination Committee constituting grounds for dismissal of the president/CEO, then the Board of Directors will make a decision regarding such dismissal with maximum respect given to the results report.
- (5) The Board of Directors will continually and systematically oversee matters regarding succession planning for the president/CEO, in consideration of the Corporate Vision and the long-term business plan and in consultation with the Nomination Committee.

In addition, the Key Talent Management system is positioned as a framework for succession planning encompassing senior management. It entails clearly specifying attributes required of managers, fast tracking future senior management candidates, and strategically training such candidates. Every year specific divisions and company-wide committees will select candidates and help them develop by establishing training plans for each candidate, performing assessments, and carrying out training. In addition, every year the Board of Directors will receive reports on the status of such initiatives and will provide oversight.

## **5. Policies and Procedures for determining Compensation for Members of the Board and Corporate Auditors**

- (1) The MCI's policy on compensation for members of the board (excluding outside members of the board), outside members of the board, corporate auditors, outside corporate auditors, and executive officers is as set forth in Appendix 1.
- (2) Compensation data from an external research organization will be used to establish a group of reference of comparative companies, and to set competitive compensation levels that are in the middle to upper levels among these companies.
- (3) The structure of executive compensation is as follows:
  - (i) Members of the board (excluding outside member of the board), executive officers  
Fixed compensation (a monthly fixed amount), bonuses and the restricted stock compensation
  - (ii) Outside members of the board  
Fixed compensation (a monthly fixed amount)
  - (iii) Corporate auditors, outside corporate auditors  
Fixed compensation (a monthly fixed amount)

- (4) The amount of compensation for members of the board, outside members of the board, and executive officers will be determined by resolution of the Board of Directors based on a draft and report which are deliberated by the Executive Compensation Committee.
- (5) The amount of compensation for corporate auditors and outside corporate auditors will be determined in consultation with the corporate auditors following deliberation of a draft by the Executive Compensation Committee.

#### **6. Member of the Board and Corporate Auditor Training Policy**

- (1) MCI will provide newly elected outside members of the board and outside corporate auditors with opportunities to deepen their understanding of MCI's businesses through explanations on those businesses before assuming office, tours of MCI business locations, and other such methods and will continue providing similar training opportunities as necessary during their terms of office.
- (2) MCI will provide newly elected internal members of the board and corporate auditors with opportunities to sufficiently understand the roles and duties expected of members of the board and corporate auditors and will provide, introduce, and offer aid for expenses for training opportunities to suit each individual member of the board or corporate auditor during their term of office with the goal of continually updating the initial training.

## **Section 2 Board of Corporate Auditors**

#### **7. Role and Structure of Board of Corporate Auditors**

- (1) As a body independent from the Board of Directors, the Board of Corporate Auditors will conduct audits on such matters as the members of the board's performance of duties, internal corporate control, business performance, and financial status through such means pursuant to law and ordinance as requesting reports on MCI's businesses, exercising its authority in the election and dismissal of accounting auditors, and investigating the status of operations and assets.
- (2) The number of MCI's corporate auditors will be six or less, as stipulated in the Articles of Incorporation, of which at least half will be outside corporate auditors.

#### **8. Enhancing the Functions of Corporate Auditors**

- (1) Corporate auditors will attend management meetings and other key internal meetings to regularly exchange opinions with the president and other management and will check approval forms from executive directors and minutes from key meetings.
- (2) Corporate auditors, the accounting auditor, and the Internal Control Division will cooperate among themselves through such means as exchanging opinions on each body's annual audit plans and audit results and will conduct their respective audits.
- (3) MCI's corporate auditors will conduct audits of subsidiary and affiliate companies and exchange information with the corporate auditors of those companies as necessary based on the results of audits by the Internal Control Division and the corporate auditors of each company.
- (4) Full-time employees with expert knowledge in fields such as law and accounting will be assigned directly under the corporate auditors to support the corporate auditors' duties.

## **9. Election of Corporate Auditors**

- (1) MCI's election criteria for corporate auditors are as follows. Additionally, at least one person with knowledge of finance and accounting will be elected.
  - (i) Full-time corporate auditors
    - Possess knowledge and experience enabling the corporate auditor to conduct audits of the operations of MCI's members of the board accurately, fairly, and efficiently
      - Possess strong ethics, fairness, and integrity
  - (ii) Outside corporate auditors
    - Possess excellent insight and rich knowledge and experience in areas such as legal compliance, finance and accounting, corporate ethics, and crisis and risk management
    - Possess knowledge and experience enabling the corporate auditor to conduct audits of the operations of MCI's members of the board
- (2) The president creates the list of candidates for corporate auditors and obtains the consent of the Board of Corporate Auditors after consulting with full-time corporate auditors in advance.
- (3) The president reports the list of candidates for corporate auditors to the Board of Directors after obtaining the consent of the Board of Corporate Auditors, and the Board of Directors deliberates and determines the final list of candidates for corporate auditors.

## **Section 3 Independent Outside Members of the Board and Independent Outside Corporate Auditors**

### **10. Independence Standards**

The independence standards for independent outside members of the board and independent outside corporate auditors designated by MCI are as set forth in Appendix 2.

### **11. Cooperation with Management and Corporate Auditors**

- (1) MCI will regularly hold meetings between the representative directors, corporate auditors, and outside members of the board to serve as a venue in which to share general conditions and issues of management and to exchange a wide range of other opinions.
- (2) MCI will regularly hold meetings of only independent outside members of the board and independent outside corporate auditors to facilitate the exchange of information and sharing of understanding from an independent and objective perspective.
- (3) The general manager of the Corporate Administration & Legal Division will serve as the point of contact for outside members of the board, respond to any requests from them, and function as a coordinator between the outside members of the board and other bodies such as the senior management and the Board of Corporate Auditors.

## **Section 4 External Accounting Auditor**

### **12. External Accounting Auditor**

- (1) MCI recognizes that the external accounting auditor ensures the reliability of MCI's financial reports and bears other such duties towards shareholders and investors, and we

- will cooperate with the external accounting auditor to implement measures to ensure appropriate audits.
- (2) The Board of Corporate Auditors will establish criteria for appropriately selection of external accounting auditor candidates and for appropriately evaluating external accounting auditors.
  - (3) MCI will implement the following measures to ensure the effectiveness of audits by the external accounting auditor.
    - (i) MCI will ensure sufficient time to allow high-quality audits.
    - (ii) MCI will establish regular opportunities for the external accounting auditor to speak to the president and the member of the board in charge of the Finance & Accounting Division in person.
    - (iii) MCI will facilitate cooperation and set up regular meetings between the external accounting auditor and the corporate auditors, Internal Control Division, and outside members of the board.
    - (iv) If the external accounting auditor discovers any misconduct, they will contact the corporate auditors and the member of the board in charge of the Finance & Accounting Division. That member of the board will then take the central role in implementing measures and seeking to resolve the issue, and the corporate auditors will confirm on each necessary occasion whether appropriate measures are being taken.

## **Section 5                      Committees**

### **13. Establishment of Committees**

MCI has established various committees to contribute to the enhancement of our corporate governance.

(1) **Risk Management Committee**

The Risk Management Committee has been established to ensure implementation of risk management in the Group. The Committee deliberates on the basic policies, strategies, and plans for risk management across the Group. Furthermore, the Committee deliberates on the selection and prioritization of key risks across the Group through enterprise-wide risk reviews and the responses to individual key risks.

(2) **Corporate Sustainability Committee**

The MCI Group has established the Corporate Sustainability Committee to further enhance its efforts with regard to promoting ESG (the abbreviation for environment, social, and governance). The Corporate Sustainability Committee deliberates on the MCI Group's groupwide policies, strategies, and plans for promoting ESG.

(3) **Compliance Management Committee**

The Compliance Management Committee has been established to promote compliance management across the Group. The Committee determines annual plans and policies related to compliance management and implements measures related to compliance (prevention, detection, initial and permanent responses, and measures to raise awareness).

(4) **Responsible Care Committee**

The Responsible Care Committee was established. Its mandate is to oversee activities relating to environmental conservation, security and disaster preparedness, chemical safety, occupational safety and health, and quality control throughout the entire chemical

life cycle from development through manufacture, distribution, use and final consumption, to disposal in the Group. The Responsible Care Committee establishes policies, strategies, and plans for responsible care activities and evaluates the results of those activities.

## **Section 6      Risk Management**

### **14. Risk Management**

- (1) The Group defines risk as “uncertainty and change brought about by events surrounding the Group that affect the achievement of management strategies and targets”. The Group conducts risk management centered on the Risk Management Committee to contribute to the enhancement of MCI’s corporate value by minimizing the threats and maximizing the opportunities.
- (2) The Board of Directors bears ultimate responsibility for overseeing the development and operation of the risk management system across the Group.
- (3) The Risk Management Committee has been established, chaired by the President, with the CSO (Chief Strategy Officer) as Vice Chair, and responsible officers as members. The Risk Management Committee deliberates on basic policies, strategies, plans, and key measures for risk management across the Group along with the selection and prioritization of “key risks across the Group” through “enterprise-wide risk reviews”. Key risks across the Group selected by the Risk Management Committee are deliberated on by the Management Committee and resolved on by the Board of Directors.
- (4) Each responsible officer incorporates the key risks across the Group into the strategy and budget cycle in his or her area of responsibility, and establishes a system to steadily implement the PDCA cycle.
- (5) In each organization, as a PDCA cycle mechanism, risk management is implemented with three lines of defense:
  - (i) First line  
All our divisions (Head Office, plants, laboratories, branch offices, and subsidiaries), based on the key risks across the Group and having appropriately identified the risks, design and implement a management system to address the risks within the organization.
  - (ii) Second line  
To ensure that risk management is fully implemented in each division, the MCI headquarters’ functional departments with specialized knowledge provide support to each division and may conduct audits or give guidance when necessary.
  - (iii) Third line  
The Internal Control Division audits both first line and second line operations from an independent standpoint, and provides assurance to management and the Board of Directors.  
The Internal Control Division reports the results of these internal audits directly to the Board of Directors and the Board of Corporate Auditors in order to coordinate with members of the board and corporate auditors, and realize effective and valid audits.

## Section 7      Group Governance

### 15. Group Governance

- (1) MCI establishes supervisory divisions in charge of each subsidiary's operational management. In order to maintain adequate management of the subsidiaries, the supervisory divisions take extensive steps to inform the subsidiaries of which they are in charge about MCI's management policies and the division's management strategies, and to grasp the relevant subsidiaries' operational statuses properly. In addition, MCI guides the supervisory divisions to appropriately and efficiently execute decision-making procedures, including matters where the subsidiaries require prior approval from MCI, based on "the Regulations on Management of Subsidiaries and Affiliates" and other company regulations.
- (2) The Group has developed the "Mitsui Chemicals Group Global Policy Platform" (M-GRIP) as a platform for our functional divisions to provide appropriate support to Mitsui Chemicals Group companies. M-GRIP is the foundation designed to deploy policies, measures, matters to be complied with, etc. related to decision-making, personnel, accounting, purchasing, logistics, etc. to the MCI Group companies from the perspective of risk management and business support. The functional departments of MCI establish each global policy and support their deployment to the MCI Group companies, and those companies accept these global policies. By ensuring that they implement those measures, it allows the execution of proper business operations and ongoing improvements
- (3) MCI individually sets the scope of matters approved in advance based on "the Regulations on Management of Subsidiaries and Affiliates" and global policies based on M-GRIP for listed subsidiaries from the perspective of respecting the independence and autonomy of listed subsidiaries.



## **Chapter 5      Information Disclosure Policy**

### **1.    Basic Policy on Information Disclosure**

In order to maintain and develop trusting relationships with shareholders, investors, customers, suppliers, employees, local communities, and all other diverse stakeholders of the MCI Group, we will provide fair and highly transparent information disclosure in a timely and appropriate manner and engage in proactive communication efforts throughout the whole of MCI, including top management.

### **2.    Standards for Information Disclosure**

The MCI Group will provide timely and appropriate information disclosure under the principles of transparency and fairness in accordance with the Financial Instruments and Exchange Act, all other relevant laws and ordinances, and the Tokyo Stock Exchange's "Timely Disclosure Regulations" (the "Timely Disclosure Regulations").

The MCI Group will also proactively and fairly disclose information that we find to be important or beneficial in furthering our stakeholders' understanding of MCI, even if such information is not subject to the relevant laws and ordinances or the Timely Disclosure Regulations.

### **3.    Methods for Information Disclosure**

The MCI Group will disclose the information prescribed in the Timely Disclosure Regulations through the TDnet (Timely Disclosure Network) provided by the Tokyo Stock Exchange in accordance with those regulations, after which we will promptly publish the same information on the MCI website. We will also disclose information that we find to be important or beneficial through such means as publishing it on our website, even if such information is not subject to the Timely Disclosure Regulations.

### **4.    Quiet Period**

In order to prevent the leaking of financial information (including quarterly financial information) and to ensure the fairness of information disclosure, the MCI Group will designate the period from the day immediately following the final day of the fiscal term to the day on which fiscal results are announced as a quiet period. During this period, MCI will refrain from commenting or replying to questions on finances or expected business results. However, if a large change in the results outlook is found to be likely during the quiet period, MCI will provide public notice to that effect as appropriate in accordance with the Timely Disclosure Regulations.

## **Chapter 6      Revision and Abolishment**

### **1.    Establishment, Revision, and Abolishment**

The establishment, revision (except minor revisions), or abolishment of these Guidelines requires a resolution of the Board of Directors.

## **Supplementary Provisions**

1. These Guidelines are effective from September 16, 2015.
2. The revisions of these guidelines are effective from June 24, 2016.
3. The revisions of these guidelines are effective from May 12, 2017.
4. The revisions of these guidelines are effective from June 27, 2017.
5. The revisions of these guidelines are effective from June 1, 2018.
6. The revisions of these guidelines are effective from December 18, 2018.
7. The revisions of these guidelines are effective from April 1, 2020.
8. The revisions of these guidelines are effective from November 30, 2021.
9. The revisions of these guidelines are effective from May 30, 2022.
10. The revisions of these guidelines are effective from October 12, 2022.
11. The revisions of these guidelines are effective from April 1, 2023.
12. The revisions of these guidelines are effective from October 12, 2023.

## Policies Concerning Decisions on the Details of Executive Compensation

## 1. Basic Policy

## 1) Compensation policy

MCI's executive compensation policy is as follows:

Position	Compensation Policy
<p>Members of the board</p> <p>Executive officers</p>	<p>MCI Group aims “to be a corporate group that continues to grow through solving social challenges and creating diverse value with the power of chemistry”, and its policy on compensation for members of the board and executive officers who drive the realization of this aim is as follows.</p> <ul style="list-style-type: none"> <li>(i) A competitive compensation system that can acquire and retain talented and diverse human resources that will contribute to the sustainable enhancement of the MCI Group’s corporate value</li> <li>(ii) A compensation system that can strongly motivate the promotion of various “transformation” aimed at increasing corporate value</li> <li>(iii) A compensation system that encourages the bold challenging and achievement of short-term and mid- to long-term financial and non-financial goals (ESG goals) in order to promote “transformation” aimed at increasing corporate value</li> <li>(iv) A compensation system that has an awareness of shareholder value and encourages management from the same perspective as shareholders</li> <li>(v) A compensation system and compensation determination process that is supported by all stakeholders, including shareholders, from the perspectives of transparency, objectivity, rationality, and soundness</li> </ul>
<p>Outside members of the board</p>	<p>The policy on compensation for outside members of the board who play a role in the supervision of MCI’s management is as follows.</p> <ul style="list-style-type: none"> <li>(i) A compensation system and compensation level that can acquire and retain personnel who can contribute to improving the supervisory and governance functions of MCI’s management.</li> <li>(ii) In particular, a compensation system and compensation level that can acquire and retain the following personnel. <ul style="list-style-type: none"> <li>a. Personnel who will contribute to improving the transparency, objectivity, and appropriateness of MCI’s management’s nomination, evaluation, and compensation decisions.</li> <li>b. Personnel with expertise and experience in MCI’s current businesses and future new businesses, and who will lead MCI’s sustainable growth from a mid- to long-term perspective.</li> </ul> </li> <li>(iii) Based on the role of supervising business execution from an objective and independent standpoint, compensation will be fixed compensation only,</li> </ul>

	and performance-linked compensation in the form of bonuses and restricted stock compensation will not be paid.
Corporate auditors  Outside corporate auditors	<p>The policy on compensation for corporate auditors and outside corporate auditors who play a role in the auditing and supervision of MCI's management is as follows.</p> <p>(i) A compensation system and compensation level that can acquire and retain personnel who can contribute to improving the functions of auditing and supervision of business execution.</p> <p>(ii) In particular, a compensation system and compensation level that can acquire and retain the following personnel.</p> <p>a. Personnel with specialist expertise and experience in legal, financial, tax, and crisis/risk management</p> <p>b. Personnel who will contribute to improving the quality of MCI's compliance and governance through the auditing and supervision of business execution.</p> <p>(iii) Based on the role of auditing and supervising business execution from an objective and independent standpoint, compensation will be fixed compensation only, and performance-linked compensation in the form of bonuses and stock compensation will not be paid.</p>

## 2) Compensation levels

- (1) In order to acquire and retain talented and diverse human resources to serve as members of the board and executive officers who will contribute to the sustainable enhancement of the MCI Group's corporate value and to motivate the promotion of various "transformations" aimed at enhancing corporate value; in order to acquire and retain personnel to serve as outside members of the board who can contribute to improving the supervisory and governance functions of the MCI's management; and in order to acquire and retain personnel to serve as corporate auditors and outside corporate auditors who can contribute to improving the business execution audit and supervisory functions, compensation data from an external research organization is used. A group of comparative companies is established, and competitive compensation levels that are in the middle to upper levels among these companies are set.
- (2) The comparative companies are selected from Japanese companies whose consolidated operating income (or equivalent indicator as a reference), which is an important indicator in the management of MCI and an objective and continuously comparable indicator, is comparable to MCI's current performance and the performance it should aim for (operating income of ¥100 billion to ¥250 billion). The Company uses core operating income.

## 3) Compensation structure

- (1) Compensation for members of the board and executive officers is structured in the form of fixed compensation + bonus + restricted stock compensation. In order to strengthen governance and create a compensation structure that is easy to understand, fixed compensation is divided into a representation portion, a supervision portion, and an execution portion. The execution portion of the fixed compensation, the performance-based compensation bonus and restricted stock compensation are the remuneration for execution.
- (2) Since an outside member of the board supervises the execution of business operations from an objective and independent standpoint, fixed compensation only will be paid as monthly fixed remuneration.
- (3) Since a corporate auditor/outside corporate auditor supervises and audits the execution of business operations from an objective and independent standpoint, fixed compensation only will be paid as monthly fixed remuneration.

## 2. Fixed Compensation

### 1) Policy for fixed compensation is as follows:

#### (i) Members of the board and executive officers

- In order to strengthen governance and create a compensation structure that is easy to understand, compensation is paid after being divided into a representation portion, a supervision portion, and an executive portion.
- The representation portion is defined as “fixed compensation paid to members of the board who have the authority to represent the company”, the supervision portion as “fixed compensation paid to members of the board who play a role in supervising management”, and the executive portion as “fixed compensation paid for the execution of business”.

#### (ii) Outside members of the board

Defined as “fixed compensation paid for the role of supervising management”.

#### (iii) Corporate auditors and outside corporate auditors

Defined as “fixed compensation paid for the role of auditing and supervising management”.

- 2) Uniform fixed sums for the representation and supervision portions will be paid to members of the board and executive officers, while the amount for the executive portion will be commensurate with position. Fixed compensation paid to outside members of the board, corporate auditors and outside corporate auditors will be a uniform fixed amount. The amount of any compensation will be determined comprehensively taking into consideration the executive responsibility and role in MCI, external standards, and the MCI's overall performance.

3) Fixed compensation will be paid as a monthly fixed amount.

### 3. Bonuses

1) Performance-based compensation will be considered to be a bonus, defined as “short-term incentive compensation to encourage the steady achievement of performance targets each fiscal year”, and will be paid to members of the board and executive officers.

2) Bonuses will be paid in accordance with the Long-term Management Plan VISION 2030 (hereinafter “VISION 2030”). The value of the bonus for each position is calculated using a formula (the “Bonus Formula”) that uses “core operating income”, a key performance indicator of the MCI and a result of its business activities, as the performance indicator: remuneration will reflect “evaluation coefficient for non-financial indicators” and the “evaluation coefficient for performance of the division in charge” evaluation indicators.

3) With regards to the “evaluation coefficient for non-financial indicator”, MCI defines the non-financial indicators linked to materiality in VISION 2030 and aims to enhance corporate value from both financial and non-financial perspectives. Particularly important non-financial indicators are selected from those set out in VISION 2030, and the degree of achievement of these indicators is reflected in compensation.

The “evaluation coefficient for performance of the division in charge” reflects the degree of achievement of the performance goals of the department under an individual’s jurisdiction in the compensation.

4) From the perspective of compensation governance, and taking into account the control of excessive compensation payments compared to benchmarks and the responsibility to pay dividends to shareholders, the upper and lower profit limits for bonus payments are as follows. (The upper profit limit is the amount of profit at which the bonus amount reaches its maximum, and the lower profit limit is the amount of profit at which the bonus accrues)

- Upper profit limit: Core operating income of ¥300 billion (set based on the VISION 2030 target)
- Lower profit limit: Core operating income of ¥36 billion (set based on DOE\*)

\* Ratio of distribution of equity attributable to owners of the parent company

5) Bonuses will be paid once a year, within two business days of the date of the ordinary general meeting of shareholders.

### 4. Restricted Stock Compensation

1) Non-monetary compensation will be defined as restricted stock compensation (monetary compensation claims\*) and will be paid to members of the board and executive officers as mid- to long-term incentive compensation to encourage increased corporate and shareholder value.

- 2) Restricted stock compensation will be calculated based on the monetary compensation receivable for the grant of restricted stock, which is the standard for each position, using a formula (the stock compensation formula) that uses “net income attributable to owners of the parent”, which is a key indicator set out in VISION 2030 and linked to shareholder profit, as the performance indicator, and will reflect “ROE evaluation coefficient” and “TSR evaluation coefficient” as evaluation indices.
- 3) The “ROE evaluation coefficient” evaluation indicator reflects efficiently improving return on capital, while the “TSR evaluation coefficient” reflects in the compensation the degree of achievement of the performance goals to improve overall corporate and shareholder value, including stock price, in addition to business performance
- 4) From the perspective of compensation governance, and taking into account the control of excessive compensation payments compared to benchmarks and the responsibility to pay dividends to shareholders, the upper and lower profit limits for restricted stock compensation are as follows. (The upper profit limit is the amount of profit at which the restricted stock compensation amount reaches its maximum, and the lower profit limit is the amount of profit at which the restricted stock compensation accrues)
  - Upper profit limit: Net income attributable to owners of the parent of ¥200 billion (set based on the VISION 2030 target)
  - Lower profit limit: Net income attributable to owners of the parent of ¥22 billion (set based on DOE\*)
    - \* Ratio of distribution of equity attributable to owners of the parent company
- 5) Restricted stock is subject to restriction on transfer until the time of retirement or resignation from the position of an officer or employee of MCI predetermined by the Board of Directors such as member of the board, corporate auditor, executive officer, chief senior director, senior director, councillor, advisor, senior advisor, or employee of MCI, or any other similar position (Position of Restriction on Transfer).
- 6) Should certain events occur during the period of restriction on transfer, such as retirement or resignation from Position of Restriction on Transfer without justifiable reason, such as the expiration of the term of office, death, mandatory retirement age or engagement in business that competes with the MCI’s business, the MCI will acquire all of the allotted stock without compensation.
- 7) Restricted stock compensation (monetary compensation claims) will be paid once a year in July.

## 5. Composition Structure Ratio

- 1) The ratio of fixed compensation, bonuses and restricted stock compensation for members of the board and executive officers will be calculated excluding the representation and supervision portions of fixed compensation, and the composition ratio will be calculated

using the executive portion of fixed compensation, bonuses and restricted stock compensation.

- 2) Composition ratio of compensation will be such that the ratio of the variable compensation of bonuses and restricted stock compensation will be higher for positions with greater executive responsibility.

#### 6. Compensation Determination Process

- 1) In order to ensure transparency, objectivity, rationality, and soundness, the details of compensation, etc. for members of the board, outside members of the board, and executive officers will be reported to and decided by resolution of the Board of Directors following deliberation on a draft by the Executive Compensation Committee, which is chaired by an independent outside member of the board, and comprised of a majority of outside members of the board.
- 2) The details of compensation, etc. for corporate auditors and outside corporate auditors will be decided in discussion with the corporate auditors following deliberation on a draft by the Executive Compensation Committee.

#### 7. Other

Notwithstanding the provisions of 1. through 6. above, for a person who does not concurrently serve as an executive officer or chairman and who is scheduled to retire at the next ordinary general meeting of shareholders, only the supervision portion of fixed compensation will be paid.

End



**Independence Standards for Independent Outside Members of the Board and  
Independent Outside Corporate Auditors**

In order to be designated by Mitsui Chemicals, Inc. (MCI) as an independent outside member of the board and an independent outside corporate auditor such member of the board or corporate auditor must not fall under any of the following items.

- (1) A person who currently is or has been in the past an executive (such as an executive director, executive officer, senior director, general manager, or other such officer who executes operations) of MCI or a subsidiary of MCI.
- (2) A person for whom MCI is a major business partner\* or, if that person is a juridical person, an executive of that person.  
\*If a business partner has received payments of 2% or more of its annual sales from MCI in any of the past three fiscal years, then MCI is a major business partner thereto.
- (3) A major business partner\* of MCI or, if that partner is a juridical person, an executive of that partner.  
\*If MCI has received payments of 2% or more of its annual sales from a business partner in any of the past three fiscal years, or if a business partner has loaned a monetary amount of 2% or more of MCI's total assets to MCI in any of the past three fiscal years, then that business partner is a major business partner to MCI.
- (4) A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of MCI or, if that shareholder is a juridical person, an executive of that shareholder.
- (5) An executive of a juridical person for whom MCI is a large shareholder (directly or indirectly holding 10% or more of total voting rights).
- (6) An accounting auditor of either MCI or a consolidated subsidiary of MCI, or a person who is in charge of auditing either MCI or a consolidated subsidiary of MCI as an employee of such accounting auditor.
- (7) An attorney-at-law, judicial scrivener, patent attorney, certified public accountant, certified public tax accountant, consultant, or other such professional who has received money or other assets, other than officer remuneration, from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such assets, this includes any person belonging to such group for which the assets received from MCI exceed 2% of the group's annual revenue).
- (8) A person who has received donations from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such donations, this includes any executive of such group for which the donations received from MCI exceed 2% of the group's annual revenue).
- (9) A person whose close relative (meaning a spouse or a relative within the second degree of kinship) falls under any item of (1) to (8) above.
- (10) A person who has fallen under any item of (2) to (9) above in the past three years.
- (11) Notwithstanding the provisions of each preceding item, a person regarding whom there are found to be special circumstances that may cause a conflict of interest with MCI.

End