

This document is an English translation of a statement written originally in Japanese for reference. The Japanese original should be considered as the primary version.

May 9, 2024

To whom it may concern,

Company Name: DAICEL CORPORATION
Representative: Yoshimi Ogawa, President and CEO
(Code: 4202, Prime Market of the Tokyo Stock
Exchange)
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Notice Regarding Revision of Restricted Stock Compensation Plan

DAICEL CORPORATION (the “Company”) hereby announces that, at the Board of Directors’ meeting held today, the Company has resolved to revise the Restricted Stock Compensation Plan (hereinafter, the “Plan”) after reviewing the executive compensation plan, and has decided to submit a proposal concerning the revision of the Plan to the 158th Annual General Meeting of Shareholders (hereinafter, the “General Meeting”) scheduled to be held on June 21, 2024, as follows.

1. Purpose of Revision of the Plan

The Company, at the 152nd Annual General Meeting of Shareholders held on June 22, 2018, which approved the payment of compensation pertaining to the Plan as compensation for the Company’s Directors (excluding Outside Directors, hereinafter, the “Eligible Directors”), resolved to introduce the Plan, with the aim of having the Eligible Directors set up value-sharing with shareholders and motivating them to contribute further to the improvement in corporate value of the Company in the medium and long term.

The Company has decided to revise some of the content of the Plan, mainly owing to making the management of Polyplastics Co., Ltd., a subsidiary that accounts for a significant portion of the Company’s consolidated results, a new target of the Plan, with the aim of having the executives responsible for managing the Company Group further step up benefit sharing on the Company’s consolidated financial results with the shareholders, and further motivating the executives of Polyplastics Co., Ltd. to sustainably improve the corporate value of the whole Company Group and increasing human resource exchange between the two companies.

2. Outline of Revision of the Plan

As a necessary revision for appropriate operation of the Plan in accordance with the above objectives, the Company has decided to implement a partial revision of the Plan, which allows for flexible provision of the conditions for the tenure of Eligible Directors pertaining to the lifting of transfer restrictions (hereinafter, the “Terms of Office”).

Specifically, among the terms of the restricted stock allotment agreement to be concluded with the Eligible Directors upon the allotment of restricted stock, the Terms of Office will be changed from “any one of the positions including Directors, Executive Officers who do not concurrently serve as Directors, Audit & Supervisory Board Members, Corporate Officers, or any other positions equivalent thereto of the Company” to “any one of the positions of executives and employees of the Company or its subsidiaries that is predetermined by the Board of Directors of the Company.” As a result of such changes, the Company will be able to create a flexible design that allows the Eligible Directors to continue to hold restricted stock without violating the Terms of Office if the Eligible Directors are transferred within the Company Group. If this proposal is approved, the Company plans to make similar changes to the Terms of Office of restricted stock already granted to the Eligible Directors under the Plan.

Subject to the approval of the proposal on the revision of the Plan at the General Meeting, the Company plans to introduce a restricted stock compensation plan similar to the revised Plan for Directors and Executive Officers who do not concurrently serve as Director of certain subsidiaries of the Company (for the time being, targeting Polyplastics Co., Ltd., but not limited in the future).

3. Conditions for Revision of the Plan

The above revision shall be subject to the approval of shareholders at the General Meeting.

4. Others

Other than the above revision, there are no changes to the content of the Plan. For an overview of the Plan at the time of its introduction, please refer to the “Notice Regarding Introduction of Restricted Stock Compensation Plan” (Japanese version only) announced on May 10, 2018.

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