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(Securities code: 4028)

June 6, 2024

To Those Shareholders with Voting Rights

Hiroshi Okubo
Executive Director, President
ISHIHARA SANGYO KAISHA, LTD.
3-15, Edobori 1-chome, Nishi-ku, Osaka

NOTICE OF THE 101st ORDINARY GENERAL MEETING OF SHAREHOLDERS

Firstly, we would like to extend our sincere thanks for your ongoing support.

We are pleased to inform you that the 101st Ordinary General Meeting of Shareholders will be held as follows.

We have adopted measures for providing information in electronic format for this General Meeting of Shareholders. The matters provided in electronic format have been posted on the following Internet website as “Notice of the 101st Ordinary General Meeting of Shareholders” and “Other Matters Provided in Electronic Format (Matters Omitted from the Paper Copy).”

The Company’s website:

<https://www.iskweb.co.jp/eng/ir/stockholders.html>

This information also been posted on the following website.

The website of the Tokyo Stock Exchange:

<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

*Please access the website shown above, enter the Company’s name or securities code to search, and select “Basic information” then “Documents for public inspection/PR information” to view the information.

Please exercise your voting rights in writing or via the Internet, etc. by 5:30 p.m. on Tuesday, June 25, 2024, after reading the attached REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS.

1. **Date and Time:** 10:00 a.m., Wednesday, June 26, 2024 (Reception opens: 9:00 a.m.)
2. **Venue:** Hall on the 5th floor of Shin-Ishihara Building, at 3-15, Edobori 1-chome, Nishi-ku, Osaka
(Shin-Ishihara Building: Please use Exit 5-B of Higobashi Station, Osaka Metro Yotsubashi Line.)
3. **Objectives of the Meeting**
Reports:
 1. The Business Report and the Consolidated Financial Statements for the 101st Fiscal Term (from April 1, 2023 to March 31, 2024), as well as the audit reports on the Consolidated Financial Statements by the Company's Accounting Auditors and the Audit & Supervisory Board
 2. The Non-consolidated Financial Statements for the 101st Fiscal Term (from April 1, 2023 to March 31, 2024)

Matters to Be Resolved

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Nine (9) Directors

Proposal No. 3: Election of One (1) Substitute Audit & Supervisory Board Member

4. How to Exercise Your Voting Rights

If you are attending the General Meeting of Shareholders

Please present the enclosed Voting Rights Exercise Form at the reception desk on arrival at the meeting.

Date & Time: 10:00 a.m., Wednesday, June 26, 2024

(Reception opens: 9:00 a.m.)

If you are exercising your voting rights in writing

Please indicate your approval or disapproval of the matters to be resolved on the Voting Rights Exercise Form enclosed herewith, and return it to us. If you do not indicate your vote on a proposal, this will be treated as a vote in favor of the proposal.

Deadline: The form should arrive by 5:30 p.m., Tuesday, June 25, 2024.

If you are exercising your voting rights via the Internet, etc.

Please first read the attached Guidance on the Exercise of Voting Rights via the Internet, etc. (p. 3) and indicate your approval or disapproval.

Deadline: Votes should be accepted by 5:30 p.m., Tuesday, June 25, 2024.

- If you have exercised your voting rights both in writing and via the Internet, etc., the votes cast via the Internet, etc. shall be deemed valid. If you have exercised your voting rights via the Internet, etc. multiple times, the votes cast last shall be deemed valid.
- The costs incurred for access to the website for the exercise of voting rights via the Internet (such as Internet connection fees, phone charges, etc.) shall be borne by the shareholders.
- Of the matters provided in electronic format, the items listed below are not included in the paper copy sent to shareholders who have requested it, in accordance with laws and regulations, as well as the provisions of Article 19 of our Articles of Incorporation. Thus, the paper copy sent to shareholders who have requested it includes only part of the subjects audited by the Audit & Supervisory Board Members and the Accounting Auditor in preparing their Audit Reports.
 - Principal Business Locations, Employees, Accounting Auditor, and Systems to Ensure the Proper Business Operation of the Corporate Group Composed of the Company and Its Subsidiaries, Including Systems to Ensure that Directors Execute Duties in Line with Relevant Laws, Regulations and the Articles of Incorporation, and Status of Their Operation in the Business Report
 - Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements

If any situation arises that requires amendment to the matters provided in electronic format, such amendment will be posted on the websites on which they are posted, together with the matters before and after amendment.

Guidance on the Exercise of Voting Rights via the Internet, etc.

How to scan the QR code “Smart Voting”

You can log in to the voting rights exercise website without entering a “voting rights exercise code” and a “password.”

- 1 Please use your smartphone to scan the “voting rights exercise website login QR code” on the bottom right of the voting rights exercise form.
- 2 Please enter your vote for each proposal by following the instructions on the screen.

Voting rights can be exercised only once using “Smart Voting.”

If you want to change your vote after exercising your voting rights, please enter the “voting rights exercise code” and “password” on the voting rights exercise form to log in to the voting rights exercise website by following the instructions under “How to enter a voting rights exercise code and a password” on the right hand side, and exercise your voting rights again.

* You can access the voting rights exercise website on the right hand side by scanning the QR code again.

* “QR code” is a registered trademark of DENSO WAVE INCORPORATED.

How to enter a voting rights exercise code and a password

The voting rights exercise website:

<https://www.web54.net>

- 1 Please access the voting rights exercise website.
- 2 Please enter the “voting rights exercise code” on the bottom left of the reverse side of the voting rights exercise form.
- 3 Please enter the “password” on the bottom left of the reverse side of the voting rights exercise form.
- 4 Please enter your vote for each proposal by following the instructions on the screen.

Please call the number on the right hand side, if you have any questions relating to the exercise of voting rights via the Internet.

Transfer Agency Web Support
Hotline, Sumitomo Mitsui Trust Bank

 **0120-652-031**
Business hours: 9:00 a.m. to 9:00 p.m.

To institutional investors

In addition to the exercise of voting rights via the Internet as stated above, you may use the electronic voting platform operated by ICJ, Inc. only if you apply for its use in advance.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposals and References

Proposal No. 1

Appropriation of Surplus

One of the most important management policies of the Company is to increase corporate value while returning profits to our shareholders.

Our basic principle for dividends is to continue to implement stable dividend distribution according to our business performance, taking into comprehensive consideration the business trends, financial condition, and need to enhance our internal reserve for business expansion into the future.

Based on the consolidated payout ratio of 30% targeted for fiscal 2023, the final fiscal year of the Mid-Term Management Plan “Vision 2030 Stage I,” as well as a comprehensive consideration of factors such as the outlook for the business environment, we have decided to pay a year-end dividend of 70 yen per share, a 28-yen increase from that for the previous fiscal year, as summarized below.

- 1. Type of dividend property**
Cash
- 2. Matters concerning the allocation of dividend property to shareholders and the total amount thereof**
70 yen per share of common stock of the Company
Total: 2,673,819,680 yen
- 3. Date on which the dividend of surplus takes effect**
June 27, 2024

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Proposal No. 2

Election of Nine (9) Directors

The terms of office of all current nine (9) Directors will expire at the conclusion of this General Meeting of Shareholders.

We therefore propose that nine (9) Directors (three (3) of whom are Outside Directors) be elected.

The candidates for Directors are as follows:

Candidate No.	Full name	Posts and responsibilities held at the Company	Term of office as Director	Attendance at Board of Directors meetings
1	Kenichi Tanaka	Reappointment Director, Chairman	10 years	100% (19/19)
2	Hiroshi Okubo	Reappointment Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), Director of Corporate Administration & Planning Headquarters	2 years	100% (19/19)
3	Mikiya Horie	New appointment Managing Executive Officer, Director of Bioscience Business Headquarters	-	-
4	Yasunobu Kawazoe	Reappointment Director, Managing Executive Officer, Director of Finance & Accounting Headquarters	5 years	100% (19/19)
5	Yoshio Nishiyama	New appointment Managing Executive Officer, Director of General Affairs & Human Resources Headquarters	-	-
6	Yoshiyuki Shimmyo	New appointment Managing Executive Officer, Director of Yokkaichi Plant	-	-
7	Tatsuo Hanazawa	Reappointment [Outside] Independent Director	5 years	100% (19/19)
8	Satoshi Ando	Reappointment [Outside] [Independent] Director	4 years	100% (19/19)
9	Akemi Uchida	Reappointment [Outside] [Independent] Director	1 year	100% (12/12)

New appointment
 Candidate for new Director
 Reappointment
 Candidate for reappointment
 [Outside]
 Outside Officer
 [Independent]
 Independent Officer

Notes:

- Nomination of the candidates for Directors is decided at the Board of Directors after consulting with the Personnel Committee, consisting of independent Outside Directors and Outside Audit & Supervisory Board Members. The Board of Directors nominates the persons who are deemed appropriate as candidates for Directors after comprehensive examination of their personalities, knowledge, abilities, etc. based on the perspective of prompt and proper decision making.
- The Company has concluded a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act, with all Directors as the insured. The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. The Company is fully responsible for paying the insurance premium. The Company intends to include all candidates for Directors, if appointed, in the insured under this insurance contract. The Company intends to renew this insurance contract under the same terms when it comes due for renewal.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

1 Kenichi Tanaka (Born on January 18, 1954)

Reappointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 27,588 shares		April 1976	Joined the Company
Term of office as Director 10 years (at the conclusion of this General Meeting of Shareholders)		April 2009	Executive Officer, and Acting Director of General Affairs Headquarters
Attendance at Board of Directors meetings 19 times / 19 meetings (100%)		June 2011	Executive Officer, and Director of General Affairs Headquarters
		June 2012	Managing Executive Officer, and Director of General Affairs Headquarters
		June 2014	Director, Managing Executive Officer, and Director of General Affairs Headquarters
		June 2015	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), Chairman of Compliance Committee, Director of Business Strategy Office, and Director of General Affairs Headquarters
		February 2016	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), Chairman of Compliance Committee, and Director of General Affairs & Human Resources Headquarters
		June 2017	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), and Chairman of Compliance Committee
		June 2021	Executive Director, Chairman
		June 2023	Director, Chairman (to date)

◆ Reason for nomination as a candidate for Director

Since assuming office as President and Chief Executive Officer in 2015, Mr. Kenichi Tanaka has demonstrated strong leadership in his management of the Company, formulating Vision 2030, the Company's long-term vision for the year 2030 that forms the foundation for two Mid-Term Management Plans and the current Mid-Term Management Plan. He has accurately and efficiently engaged in the management and administration of the entire Group. He has focused on enhancing the effectiveness of the Board of Directors and supervising management as Director, Chairman. He is deeply familiar with the Group's external environment and corporate governance. Expectations of his contribution to the sustained improvement of the corporate value of the Company resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Kenichi Tanaka.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

2

Hiroshi Okubo (Born on December 9, 1961)

Reappointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 12,330 shares	April 1986	Joined the Company
Term of office as Director 2 years (at the conclusion of this General Meeting of Shareholders)	June 2016	Seconded to ISK ENGINEERING PARTNERS CORPORATION (Executive Officer)
Attendance at Board of Directors meetings 19 times / 19 meetings (100%)	July 2017	Seconded to FUJI TITANIUM INDUSTRY CO., LTD. (Director, Managing Executive Officer)
	June 2020	General Manager of Corporate Planning & Administration Division, Corporate Administration & Planning Headquarters
	June 2020	Executive Officer, Deputy Director of Corporate Administration & Planning Headquarters
	June 2021	Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	June 2022	Director, Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	June 2023	Executive Director, Senior Managing Executive Officer, Director of Corporate Administration & Planning Headquarters
	April 2024	Executive Director, President & Chief Executive Officer, Chief Compliance Officer (CCO), Director of Corporate Administration & Planning Headquarters (to date)

◆ Reason for nomination as a candidate for Director

Mr. Hiroshi Okubo has been engaged in production, environment, safety and health, and other divisions at plants. After gaining management experience at subsidiaries and affiliates, he served as Director of Corporate Administration & Planning Headquarters, and was appointed Executive Director in June 2023. He has striven to accelerate DX promotion to enhance corporate value. In April 2024, he was appointed Executive Director, President, where he has served as the core of management to promote the Mid-Term Management Plan "Vision2030 Stage II," which was launched at the same time, aiming to improve corporate value.

We expect that Mr. Okubo will exercise strong leadership based on these experiences and achievements to contribute to the further improvement of the corporate value of the Company. This resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Hiroshi Okubo.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

3 **Mikiya Horie** (Born on September 3, 1960)

New appointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

<p>Number of the Company's shares held 7,046 shares</p>	<p>December 1992</p>	<p>Joined the Company</p>
<p>Term of office as Director -</p>	<p>June 2018</p>	<p>Executive Officer, General Manager of Biosciences Sales & Marketing Division, Biosciences Business Headquarters</p>
<p>Attendance at Board of Directors meetings -</p>	<p>February 2019</p>	<p>Executive Officer, General Manager of Product Development & Marketing Division, Bioscience Business Headquarters</p>
	<p>June 2021</p>	<p>Managing Executive Office, Deputy Director of Bioscience Business Headquarters</p>
	<p>June 2022</p>	<p>Managing Executive Office, Director of Bioscience Business Headquarters (to date)</p>

Major other offices concurrently held

Director and Chairman at ISK BIOSCIENCES EUROPE N.V.

◆ Reason for nomination as a candidate for Director

Mr. Mikiya Horie has been engaged in sales, research & development, etc., in the organic chemicals department, before being appointed Executive Officer in 2018. At present, he is engaged in operations as Director of Bioscience Business Headquarters, as well as taking charge of promoting the development and commercialization of new agrochemicals and strengthening the cost competitiveness of agrochemical production.

Mr. Horie is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we consider that he is a suitable candidate for Director of the Company as he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to appoint him as a new candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Mikiya Horie.

Candidate No.

4 Yasunobu Kawazoe (Born on August 5, 1958) **Reappointment**

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 21,465 shares	April 1982	Joined Long-Term Credit Bank of Japan, Limited (currently SBI Shinsei Bank, Limited)
Term of office as Director 5 years (at the conclusion of this General Meeting of Shareholders)	April 2012	Executive Officer, and General Manager of Institutional Credit Management Division, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
Attendance at Board of Directors meetings 19 times / 19 meetings (100%)	April 2015	Managing Executive Officer, Chief Risk Officer, and Head of Risk Management Group, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
	April 2016	Managing Executive Officer, and Head of Credit Risk Management, Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
	December 2016	Retired from Shinsei Bank, Limited (currently SBI Shinsei Bank, Limited)
	January 2017	Advisor to Ishihara Sangyo Kaisha, Ltd.
	June 2017	Managing Executive Officer, and Director of Finance & Accounting Headquarters
	June 2019	Director, Managing Executive Officer, and Director of Finance & Accounting Headquarters (to date)

◆ Reason for nomination as a candidate for Director

Mr. Yasunobu Kawazoe, has properly made decisions and conducted supervision on important business execution and management in fields related to the strengthening of governance, in addition to finance and accounting, based on his abundant experience and achievements, by making effective use of his many years of experience and expertise related to finance and accounting that he had cultivated at a financial institution. He is also in charge of public relations activities.

We expect that Mr. Kawazoe will contribute to the sustained improvement of the corporate value of the Group by utilizing his experience and knowledge for the Board of Directors in planning and examining, or supervising the execution of, management strategies. This resulted in our decision to re-appoint him as a candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Yasunobu Kawazoe.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

5 **Yoshio Nishiyama** (Born on March 26, 1962) New appointment

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 5,690 shares	April 1980	Joined the Company
	June 2021	Executive Officer, Director of General Affairs & Human Resources Headquarters
Term of office as Director -	June 2023	Managing Executive Officer, Director of General Affairs & Human Resources Headquarters (to date)
Attendance at Board of Directors meetings -		

◆ Reason for nomination as a candidate for Director

Mr. Yoshio Nishiyama has gained operational experience at plants, in the environmental, general affairs and labor departments, then at human resources departments at the head office. In 2021, he was appointed Executive Officer, and is currently engaged as Director of the General Affairs & Human Resources Headquarters.

Mr. Nishiyama is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we consider that he is a suitable candidate for Director of the Company as he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to appoint him as a new candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Yoshio Nishiyama.

Candidate No.

6

Yoshiyuki Shimmyo (Born on March 19, 1964) **New appointment**

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held
6,146 shares

Term of office as Director

-

Attendance at Board of Directors meetings
-

April 1986

June 2022

June 2023

Joined the Company

Executive Officer, Deputy Director of Yokkaichi Plant

Managing Executive Officer, Director of Yokkaichi Plant (to date)

◆ Reason for nomination as a candidate for Director

Mr. Yoshiyuki Shimmyo has been engaged in sales in the inorganic chemicals department before being appointed Executive Officer in 2022. At present, he is engaged in managing plant operations as Director of Yokkaichi Plant.

Mr. Shimmyo is appropriately fulfilling his duties based on this abundant operational knowledge and experience, and we consider that he is a suitable candidate for Director of the Company as he will contribute to the sustained improvement of the corporate value of the Group. This resulted in our decision to appoint him as a new candidate for our Director.

Note: No special-interest relationships exist between the Company and Mr. Yoshiyuki Shimmyo.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

7

Tatsuo Hanazawa (Born on April 30, 1951)

Reappointment

Outside Officer

Independent Officer

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

<p>Number of the Company's shares held 4,000 shares</p>	April 1975	Joined Ministry of Agriculture and Forestry (currently Ministry of Agriculture, Forestry and Fisheries)
<p>Term of office as Outside Director 5 years (at the conclusion of this General Meeting of Shareholders)</p>	August 1990	Research Administrator of Administration Division, Food and Marketing Bureau
<p>Attendance at Board of Directors meetings 19 times / 19 meetings (100%)</p>	May 1992	Counselor, Embassy of Japan in the People's Republic of China
	July 1995	Councilor, Cabinet Councilors' Office in Internal Affairs, Cabinet Secretariat
	July 1997	Manager of Mountainous and Snowy Regions Development Division, National Land Agency
	July 1999	Manager of Upland Crop Division, Agricultural Production Bureau
	April 2000	Deputy Director-General of Hokuriku Regional Agricultural Administration Office
	July 2001	Director-General of Kinki Chugoku Regional Forest Office
	July 2002	Assistant Vice-Minister, Minister's Secretariat and Land and Water Bureau, Ministry of Land, Infrastructure, Transport and Tourism
	January 2004	Director of Selection and Evaluation Committee, Bio-Oriented Technology Research Advancement Institution, National Agriculture and Food Research Organization
	October 2005	Executive Director of Japan Food Industry Center (currently Japan Food Industry Association)
	April 2006	Executive Director of Japan Food Industry Center and Japan Food Safety Management System Assessment & Registration Senior Manager
	April 2013	Executive Director of Japan Food Industry Association
	June 2019	Outside Director of the Company (to date)

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Mr. Tatsuo Hanazawa, currently serving as Outside Director of the Company, has experience and knowledge of public administration, especially of agricultural policies both inside and outside Japan, and experience in the environmental field. Based on this experience, he provides appropriate advice and supervision of the management of the Company, in the fields of expansion of the domestic and overseas markets and environmental issues. In addition, he also serves as Chairman of the Compensation Committee and a member of the Personnel Committee and Evaluation Committee, actively expressing his opinions. Mr. Hanazawa has never in the past been involved in the management of a company except as an Outside Director. However, for these reasons, he is expected to perform his duties as Outside Director adequately from an independent standpoint. This resulted in our decision to re-appoint him as a candidate for our Outside Director.

Notes:

1. No special-interest relationships exist between the Company and Mr. Tatsuo Hanazawa.
2. Mr. Tatsuo Hanazawa is a candidate for Outside Director.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The Company has entered into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with Mr. Tatsuo Hanazawa, and will renew the current agreement with him upon the approval of his re-election at this General Meeting of Shareholders.
4. Mr. Tatsuo Hanazawa meets the requirements of the “Criteria for the Independence of Outside Officers at the Company” and the requirements for Independent Officer set by the TSE. The Company has notified the TSE of his election as an Independent Officer as required by the TSE. If his re-election is approved at this General Meeting of Shareholders, the Company will continue to appoint him as an Independent Officer.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

8 **Satoshi Ando** (Born on April 27, 1974)

Reappointment

Outside Officer

Independent Officer

A brief summary of his career, posts and responsibilities held, and other major offices concurrently held

Number of the Company's shares held 2,000 shares	October 2001	Admitted to the bar (Dai-Ichi Tokyo Bar Association)
Term of office as Outside Director 4 years (at the conclusion of this General Meeting of Shareholders)	October 2001 May 2015	Joined Onishi Shoichiro Law Office Senior Partner of Onishi Shoichiro Law Office (to date)
Attendance at Board of Directors meetings 19 times / 19 meetings (100%)	May 2016 June 2020	Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD. (to date) Outside Director of the Company (to date)
	Major other offices concurrently held Attorney-at-law Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD.	

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Mr. Satoshi Ando, currently serving as Outside Director of the Company, has advanced professional expertise as an attorney-at-law, as well as extensive experience and broad insight in corporate legal affairs. He provides appropriate advice and supervision of the management of the Company, in the fields of law, risk management, finance, and accounting, from an independent and legal standpoint. In addition, he also serves as a member of the Compensation Committee, Personnel Committee and Evaluation Committee, actively expressing his opinions. Mr. Ando has never in the past been involved in the management of a company except as an Outside Director. However, for these reasons, he is expected to perform his duties as Outside Director adequately from an independent standpoint. This resulted in our decision to re-appoint him as a candidate for our Outside Director.

Notes:

- No special-interest relationships exist between the Company and Mr. Satoshi Ando.
- Mr. Satoshi Ando is a candidate for Outside Director.
- Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The Company has entered into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with Mr. Satoshi Ando, and will renew the current agreement with him upon the approval of his re-election at this General Meeting of Shareholders.
- Mr. Satoshi Ando meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. The Company has notified the TSE of his election as an Independent Officer as required by the TSE. If his re-election is approved at this General Meeting of Shareholders, the Company will continue to appoint him as an Independent Officer.

REFERENCE DOCUMENT FOR THE GENERAL MEETING OF SHAREHOLDERS

Candidate No.

9

Akemi Uchida (Born on April 27, 1965)

Reappointment

Outside Officer

Independent Officer

A brief summary of her career, posts and responsibilities held, and other major offices concurrently held

<p>Number of the Company's shares held 200 shares</p>	April 2000	Joined TOMY Company, Ltd.
<p>Term of office as Outside Director 1 year (at the conclusion of this General Meeting of Shareholders)</p>	April 2008	General Manager of Internal Control Promotion Department, Corporate Planning Division
<p>Attendance at Board of Directors meetings 12 times / 12 meetings (100%)</p>	October 2016	Joined Topre Corporation, Assistant to Auditors (with General Manager status)
	June 2020	Director
	June 2022	Senior Advisor of Toprec Corporation
	January 2023	Senior Director of Morpho, Inc.
	June 2023	Outside Director of the Company (to date)

◆ Reason for nomination as a candidate for Outside Director and summary of expected roles

Ms. Akemi Uchida has extensive experience related to corporate planning, human resources, risk management, and financial and management accounting, as well as experience as Director of a company engaged in the global development, manufacture and sale of automotive press components, refrigeration equipment, etc. She provides appropriate advice and supervision of the management of the Company from an external perspective and an objective and neutral standpoint. In addition, she serves as a member of the Compensation Committee, Personnel Committee and Evaluation Committee, actively expressing her opinions. She also provides valuable advice regarding matters such as diversity and inclusion, and she is expected to perform her duties as Outside Director adequately from an independent standpoint. This resulted in our decision to re-appoint her as a candidate for our Outside Director.

Notes:

- No special-interest relationships exist between the Company and Ms. Akemi Uchida.
- Ms. Akemi Uchida is a candidate for Outside Director.
- Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The Company has entered into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with Ms. Akemi Uchida, and will renew the current agreement with her upon the approval of her re-election at this General Meeting of Shareholders.
- Ms. Akemi Uchida meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. The Company has notified the TSE of her election as an Independent Officer as required by the TSE. If her re-election is approved at this General Meeting of Shareholders, the Company will continue to appoint her as an Independent Officer.

Election of One (1) Substitute Audit & Supervisory Board Member

At the 100th Ordinary General Meeting of Shareholders held on June 28, 2023, Mr. Masaki Nakajima was elected as a substitute Audit & Supervisory Board Member. The election is effective until the time of the start of this General Meeting of Shareholders. Therefore, one (1) substitute Audit & Supervisory Board Member shall be appointed anew in the case that a vacancy occurs in the statutory number of auditors.

This proposal has obtained the consent of the Audit & Supervisory Board.

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

Masaki Nakajima (Born on July 19, 1973)

Substitute Outside Audit & Supervisory Board

Independent Officer

A brief summary of his career and posts held, and other major offices concurrently held

Number of the Company's shares held
0 shares

October 2001 Admitted to the bar (Osaka Bar Association)
September 2007 Opened ACT Osaka Law Office
October 2007 Outside Auditor, Nippon Parking Development Co., Ltd. (to date)
April 2021 Vice-president of Osaka Bar Association

Major other offices concurrently held

Attorney-at-law
Outside Auditor of Nippon Parking Development Co., Ltd.

◆ Reason for nomination as a candidate for substitute Outside Audit & Supervisory Board Member

Mr. Masaki Nakajima has professional knowledge and experience of legal practice and sufficient insight into corporate management. He currently serves as an outside auditor at a company engaged in developing car parking. Although he has never been involved in corporate management except in the capacity of outside officer, for the reasons above, he is expected to audit business execution from an independent and unbiased perspective. This resulted in our decision to appoint him as a substitute Outside Audit & Supervisory Board Member.

Notes:

1. No special-interest relationships exist between the Company and Mr. Masaki Nakajima.
2. Mr. Masaki Nakajima is a candidate for a substitute Outside Audit & Supervisory Board Member.
3. Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Audit & Supervisory Board Member that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. If the election of Mr. Masaki Nakajima is approved at this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, the Company will enter into an agreement on limitation of liability (the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations) with him.
4. Mr. Masaki Nakajima meets the requirements of the "Criteria for the Independence of Outside Officers at the Company" and the requirements for Independent Officer set by the TSE. If his election is approved by this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, the Company will notify the TSE of his election as an Independent Officer as required by the TSE.
5. The Company has concluded a directors and officers liability insurance contract with an insurance company, as prescribed in Article 430-3, Paragraph 1 of the Companies Act, with all Audit & Supervisory Board Members as the insured. The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. If the election of Mr. Masaki Nakajima is approved at this General Meeting of Shareholders and he assumes his Audit & Supervisory Board Member role, then he will be

included in the insured under this insurance contract. The Company intends to renew this insurance contract under the same terms when it comes due for renewal.

(Reference)

Skills Matrix of Director and Audit & Supervisory Member Candidates

Name	Vision		Business base		Management base		
	Corporate management and corporate strategy	Environment and society	R&D and production	Global business	Legal and risk management	Human resources strategy	Financial accounting
Directors							
Kenichi Tanaka	●	●		●	●	●	
Hiroshi Okubo	●	●	●		●		●
Mikiya Horie	●	●	●	●			
Yasunobu Kawazoe		●			●		●
Yoshio Nishiyama		●	●			●	
Yoshiyuki Shimmyo		●	●	●			
Tatsuo Hanazawa [Outside] [Independent]		●		●		●	
Satoshi Ando [Outside] [Independent]					●	●	
Akemi Uchida [Outside] [Independent]	●	●			●	●	●
Audit & Supervisory Members							
Yoshihito Akiyama	●			●	●		●
Yoichi Kobayashi				●	●		
Norihisa Kusumi [Outside] [Independent]	●				●	●	●
Yasuhiro Koike [Outside] [Independent]					●		

(Reference)

Explanation of Skills

■ Corporate management and corporate strategy	The skills to establish growth strategies, make swift management decisions, and lead the organization to achieve our Purpose “To continue contributing to better living environments through chemical technologies” This includes corporate management experience at other companies
■ Environment and society	The skills to identify issues and formulate policies on engaging with the environment and society, which are vital elements of conducting corporate activities, promote continuing activities, and balance economic value and sustainable value This includes the skills to promote DX as a basis for boosting operational efficiency and driving work style reform
■ R&D and production	The skills to lead the development of new products that leverage our strengths “develop proprietary technologies” and “accommodate quality and environmental requirements” such as new product development, the improvement of production technology, the search for new businesses, and challenges to create high-quality, environmentally-friendly products
■ Global business	The skills to leverage our strength “collaborate globally,” leading distribution, development, and registration activities firmly rooted in each local community, while also driving the establishment of robust global supply chains and the expansion of new products to achieve further business growth
■ Legal and risk management	The skills to lead corporate activities that prioritize compliance, to achieve sustainable corporate growth by fulfilling our social responsibilities and contributing to society
■ Human resources strategy	The skills to lead the development of strategies to generate human resources who will drive the creation of new value and innovations to resolve social issues, and the creation of safe and vibrant workplaces where all people can make the most of their individual abilities
■ Financial accounting	The skills to formulate and manage budgets to achieve medium- and long-term management strategies, prepare financial reports, and formulate dividend policies

(Reference)

Criteria for the Independence of Outside Officers at the Company

An Outside Director or Outside Audit & Supervisory Board Member shall be deemed independent if he/she falls under none of the following criteria:

1. A person who is or was within the past 10 years an executive of business^{*1} of the corporate group composed of the Company and its subsidiaries (hereinafter, “the Group”)
2. A person who is or was within the past five years a major shareholder (holding 10% or more of total voting rights) of the Company or an executive of business thereof
3. A person who is a client of the Group and whose transactions with the Group exceeded 2% of the consolidated annual sales of the Group in one of the recent three business years, or the executive of business thereof
4. A person for whom the Group is a client and whose transactions with the Group exceeded 2% of its consolidated annual sales in one of its recent three business years, or the executive of business thereof
5. An accounting professional, legal professional, or other consultant or a member of a group thereof who receives from the Group a large amount of money or other financial benefit^{*2} besides the officer’s remuneration
6. A person who receives or has received within the past three years a large amount of donation or other assistance^{*3} from the Group, or the executive of business thereof
7. A spouse or a relative within the second degree of kinship of any person who falls under any of the criteria 1 through 6 above, or a relative who lives with such a person.

*1: “An executive of business” refers to the person defined in Article 2, Paragraph 3 (6) of the Ordinance for Enforcement of the Companies Act.

*2: “A large amount of money or other financial benefit” refers to over 10 million yen of regular annual compensation on average over the past three years.

*3: “A large amount of donation or other assistance” refers to over 10 million yen of an annual total amount of donation or assistance.

Business Report

(April 1, 2023 - March 31, 2024)

I. Overview of the Corporate Group

1. Business Progress and Results

(1) Business Conditions

The outlook for the global economy remains uncertain due to factors such as the prolonged situation in Ukraine, the persistence of elevated prices due to global inflation, and the tightening of monetary policies in each country. The environments for the Group's main businesses are as follows. In the organic chemicals business, about our major agrochemicals, demand for pesticides increased in Europe, while sales in Asia and within Japan were also strong, despite a decline in sales of fungicides in the Americas. In the inorganic chemicals business, titanium dioxide for automotive uses performed strongly, but sales for construction applications in Japan and overseas sales were weak. In functional materials, too, sales of materials for electronics components declined due to the impact of distribution stock adjustments in the multilayer ceramic capacitors (MLCC) industry.

Under these conditions, the Group pursued "Vision 2030 Stage I," its Mid-Term Management Plan for the three years from fiscal 2021 to fiscal 2023, under the banner of "Vision 2030 – Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry," its long-term vision. In this context, the Group engaged in promoting stronger management initiatives and clearly establishing targets incorporating the perspectives of ESG and the SDGs, among other measures aimed at creating sustainable corporate value.

As a result, the Company posted consolidated net sales of ¥138.4 billion (up ¥7.2 billion YoY) and consolidated operating income of ¥11.4 billion (up ¥2.8 billion YoY) for the fiscal year ended March 31, 2024 (the "current fiscal year"). Consolidated ordinary income was ¥14.8 billion (up ¥4.5 billion YoY) mainly due to a foreign exchange gain in terms of non-operating income. Net income attributable to owners of parent was ¥7.9 billion (up ¥1.0 billion YoY), partly due to ¥6.7 billion in impairment loss of non-current assets related to the production of titanium dioxide using the sulfuric acid method.

Results for each business segment

[Organic Chemicals Business]

Sales composition ratio: 48.6%

Net sales: (Fiscal 2022) ¥63.7 billion ► (Fiscal 2023) ¥67.1 billion Up ¥3.4 billion

Operating income: (Fiscal 2022) ¥10.6 billion ► (Fiscal 2023) ¥11.3 billion Up ¥0.7 billion

Details of business: Manufacture and sale of herbicides, pesticides, fungicides, plant growth regulators, organic intermediates and pharmaceuticals; manufacture and sale of veterinary drugs

- For agrochemicals, sales and income both increased, as an outbreak of insect pests boosted demand for pesticides in Europe while sales in Asia and within Japan were also strong, despite a significant slump in sales of fungicides in the Americas due to the effect of distribution stock adjustments.
- Net sales in the healthcare business, including veterinary drugs and active pharmaceutical ingredients, exceeded the previous fiscal year's results.

[Inorganic Chemicals Business]

Sales composition ratio: 49.1%

Net sales: (Fiscal 2022) ¥64.4 billion ▶ (Fiscal 2023) ¥68.0 billion Up ¥3.5 billion

Operating income: (Fiscal 2022) ¥1.0 billion ▶ (Fiscal 2023) ¥3.2 billion Up ¥2.2 billion

Details of business: Manufacture and sale of titanium dioxide, functional materials, electronics materials, plaster, etc.

- Sales of titanium dioxide increased due to factors such as the contribution from price revisions and the effect of the depreciation of the yen, despite a slump in market conditions in Asia and a slowdown in sales due to the delayed recovery in demand for construction applications.
- Sales of functional materials decreased due to the impact of measures to resolve excess inventories of materials for electronics components in the multilayer ceramic capacitors industry.
- Income rose thanks to the contribution of initiatives to improve prices to match the soaring price of raw materials, despite an increase in costs due to factors such as a decline in production facility utilization rate associated with a decrease in sales volume.

[Other Businesses]

Sales composition ratio: 2.3%

Net sales: (Fiscal 2022) ¥2.9 billion ▶ (Fiscal 2023) ¥3.2 billion Up ¥0.2 billion

Operating income: (Fiscal 2022) ¥0.2 billion ▶ (Fiscal 2023) ¥0.2 billion Up ¥0.06 billion

Details of business: Construction, trading, etc.

- Both net sales and operating income were higher than in the previous fiscal year.

(2) Capital Expenditures

Capital expenditures during the current fiscal year amounted to ¥8.8 billion, mainly comprising ¥0.9 billion in the organic chemicals business and ¥7.7 billion in the inorganic chemicals business. The main facilities under construction at the end of the current fiscal year are shown below.

Construction of the MF MATERIAL CO., LTD. functional materials manufacturing plant (Nobeoka City, Miyazaki Prefecture); planned investment: ¥8.9 billion

(3) Financing

Investment in the maintenance and renewal of facilities at the Group's main plants increased year over year.

Research and development costs increased year over year, mainly due to the impact of an increase in the organic chemicals department.

Interest-bearing debt at the end of the current fiscal year increased by ¥14.2 billion year over year to ¥70.3 billion, as the Group increased its borrowings to finance an increase in working capital resulting from a rise in inventory in both the organic and inorganic chemicals departments, expenditure on the construction of a second plant to strengthen barium titanate materials production capacity at a joint venture, and the optimization of its level of cash and deposits.

(4) Issues to Be Addressed

The Group has been implementing its long-term vision, "Vision 2030" and the Mid-Term Management Plan "Vision 2030 Stage II" (for fiscal 2024–2026), founded on this vision.

1) Long-term vision "Vision 2030"

We took the opportunity of the 100th anniversary of the Group's founding to visualize our ideal for the Group in 2030, ten years from now, and establish "Originality. Acceleration. Global Reach. Transforming Lives Through the Power of Chemistry." as our long-term vision, "Vision 2030."

We aim to achieve the following management targets and policy approach.

- Management targets (2030)
 Consolidated operating income: ¥24.0 billion or greater (anticipated consolidated net sales: ¥180.0 billion or greater); secure stable ROE of 10% or greater
 Shareholder returns: maintain stable shareholder returns
- Basic policy approach
 We will strive to achieve Vision 2030 through our “three strengths” — “developing proprietary technologies,” “accommodating quality and environmental requirements” and “collaborating globally” — centered on our core competency in “chemical technologies” and underpinned by “management drive.”
 The Group will contribute to realizing a sustainable society while simultaneously enhancing corporate value through its business activities.
- Business policies and key measures
 - i) Organic chemicals business
 Business policy: Supply unique products that directly enhance customer value across the world, and support people’s nutrition, health and life to contribute to the realization of a sustainable society.
 Key measures:
 - Promote development and commercialization with an awareness of the entire value chain
 - Refine and evolve proprietary technologies to accelerate value creation and return to a growth trajectory
 - Achieve global lowest-cost manufacture and stable customer supply of main products
 - ii) Inorganic chemicals business
 Business policy: Create new value based on the technologies developed for titanium dioxide products to support the environment and digital society, and contribute to the realization of a sustainable society.
 Key measures:
 - Diversify the optical characteristics of titanium dioxide to achieve new value creation
 - Contribute to the resolution of social issues including the spread of ICT and the shift to electric vehicles through functional materials
 - Reform production structures to achieve both a reduction in environmental impact and an increase in production efficiency

2) Mid-Term Management Plan (for fiscal 2024-2026) “Vision 2030 Stage II”

- Basic policy
 The Mid-Term Management Plan “Vision 2030 Stage II,” the second stage backcast from the long-term vision, “Vision 2030,” continues the basic policy of “Vision 2030 Stage I” aimed at creating sustainable corporate value. By implementing key measures such as enhancing the strength and efficiency of research and technological development capabilities aimed at originality, accelerating globalization to demonstrate the Group’s technological strength in overseas markets, promoting ROIC-focused management, and maintaining stable shareholder returns, the plan promotes the strengthening of the Group’s business foundations and the reform of the business structure.
- Management targets
 Consolidated operating income: ¥19.0 billion or greater (anticipated consolidated net sales: ¥160.0 billion or greater); ROE of 10% or greater
 Shareholder returns: maintain stable shareholder returns
 - Target a consolidated payout ratio of 40% for fiscal 2026
 - Implement flexible share buybacks.

	Fiscal 2023 results (A)	New Mid-Term Management Plan “Vision 2030 Stage II”		
		Fiscal 2024	Fiscal 2026 (B)	(B) / (A)

Net sales	¥138.4 billion	¥144.0 billion	¥160.7 billion	1.2
Operating income	¥11.4 billion	¥10.0 billion	¥19.8 billion	1.7
Ordinary income	¥14.8 billion	¥9.0 billion	¥19.3 billion	1.3
Net income attributable to owners of parent	¥7.9 billion	¥6.0 billion	¥13.6 billion	1.7
Operating income ratio	8.3%	6.9%	12.3%	1.5
ROE	7.9%	5.6%	11.2%	1.4

· Key measures

The key measures to be implemented across the Group and within each business are as follows. We will review the business plan each fiscal year, and strive to achieve performance targets for the final fiscal year of the plan.

Group

- Enhance the strength and efficiency of research and technological development capabilities aimed at originality
- Accelerate globalization
- Promote ROIC-focused management
- Maintain stable shareholder returns
- Contribute to the environment and society
- Promote DX
- Promote human capital management
- Continue and enhance corporate governance

Organic chemicals business

- Promote the development and commercialization of new agrochemicals, veterinary drugs, etc.
- Expand the Group's global market share by maintaining the stable supply of agrochemicals and reducing costs
- Acquire and maintain agrochemicals registration in countries around the world
- Expand sales of the veterinary drug PANOQUELL™ in the United States and develop sales across major countries around the world
- Implement strategic and innovative sales initiatives, such as the use of multiple agrochemicals sales companies
- Expand the business scale by promoting corporate acquisitions and corporate alliances, and introducing other companies' products
- Develop and commercialize products in the biological field

Inorganic chemicals business

- Structural reform of the inorganic chemicals business
 - Reorganization to establish the Inorganic Chemicals Sales & Marketing Headquarters
 - Full-scale shift of the product portfolio from general-purpose titanium dioxide to the functional materials domain
 - Focus and rationalization of manufacturing bases and product lineup
- Expand sales of electronic component materials and strengthen production capacity
- Business expansion by marketing new developed products and creating new business
- Enhance technical sales capabilities overseas
- Expand the business through alliances with other companies
- Achieve more favorable procurement terms for the main raw materials and fuel

(5) Sustainable management

The Group upholds its corporate purpose – “to continue contributing to better living environments through chemical technologies” – and actively promotes a range of specific measures to address environmental and other issues as sustainable management initiatives.

Under this corporate purpose, we work to address ESG and the SDGs through our businesses, envisaging a future as a global company loved by people and society, bringing them healthy, rich and fulfilling lifestyles.

1) Environmental initiatives

To further the Group’s response to the urgent issue of climate change, we are striving to achieve a 30% reduction in CO₂ emissions by 2030 (against fiscal 2019) and carbon neutrality by 2050. As part of these efforts, in fiscal 2023, we ascertained the volume of greenhouse gas (GHG) emissions across the entire Group, including its supply chains. We also completed a companywide analysis based on the framework (governance, strategy, risk management, and metrics and targets) established by the Task Force on Climate-Related Financial Disclosures (TCFD), and disclosed the results. We will reduce GHG emissions by, for example, replacing coal for boilers with low-carbon fuels, rebuilding the inorganic chemicals business, thoroughly saving energy, using renewable energy, and improving facilities. At the same time, we will also engage in creating systems to develop more environmentally friendly products and technologies. In addition, we will ascertain and analyze the ways that natural capital and biodiversity impact business, and vice versa.

2) Social initiatives

• Human rights initiatives

We engage in human rights due diligence based on the belief that it is vital to respect the human rights of all people related to our business activities. We are working to ascertain the status of any human rights issues at our suppliers or business partners based on the Group’s “Priority risks for human rights countermeasures.”

• Human capital management initiatives

We believe that new value creation is crucial in this era of uncertainty, characterized by VUCA (volatility, uncertainty, complexity, and ambiguity). This value creation is founded on the united efforts of diverse human resources, brought together by a common goal and purpose. We are focused on human capital management to further enhance human resources such as these. To achieve Vision 2030, we need a corporate culture that pursues new, forward-looking challenges and reforms and encourages innovation. We have therefore defined our vision for human resources as “people capable of understanding the essence of things, applying this understanding, and ‘changing’ in order to ‘change’ them.” By basing our human resources system and personnel evaluation system on this vision for human resources, we aim to reflect the abilities, efforts, and achievements of each individual employee in the Group’s business results, facilitate the realization and enhancement of meaningful work, and enable each individual to grow together with society.

In terms of human resources development, specifically, we have established an education and training framework to achieve our vision for human resources under the following five expressions of this vision.

1. Human resources with a sense of responsibility as professionals, who produce outstanding results
2. Human resources with the ability to respond astutely and flexibly to change, as well as to overcome difficulties
3. Human resources who will apprehend the path forward for society and the issues to be tackled, and drive progress
4. Human resources who constantly strive to advance one step further forwards and upwards, and continue to evolve
5. Human resources who can cooperate with stakeholders to grow together through work

Human resources are the source of our competitive strength, and we are also working to enhance education and training to support ambitious employees as they build their careers. By rewarding the willingness to embrace challenges and take action, as well as emphasizing diversity, we create workplace environments that enable all employees to achieve a sense of job fulfilment. We aim to align the Group’s vision and the career vision of each employee so that we can grow together.

Regarding health and productivity management, we are promoting various initiatives based on the ISK Health Management Declaration. These efforts were recognized with our certification as a Health & Productivity Management Outstanding Organization for 2024 (large enterprise category). We will continue to engage in promoting health and productivity.

- Promoting DX

We promote DX aimed at strengthening the Group’s ability to adapt to changes in the business environment and building a sustainable business model. We attained DX Certification in April 2024. We will continue to implement IT training for all employees and work to develop our DX-literate human resources, as we upgrade our IT environment, including the use of generative AI.

3) Governance initiatives

We have established the Sustainability Promotion Committee to oversee all aspects of the Group’s sustainability activities.

The Sustainability Promotion Committee is chaired by the Executive Director, President and mainly composed of Executive Officers, under the supervision of the Board of Directors. The Sustainability Promotion Committee meets at least twice each year, and matters requiring approval are submitted for resolution by the Board of Directors. A system is in place to report on the progress of the committee’s activities to the Board of Directors every three months.

2. Trends in Assets and Income

(Millions of yen, unless otherwise specified)

Item	The 98th fiscal year ended March 31, 2021	The 99th fiscal year ended March 31, 2022	The 100th fiscal year ended March 31, 2023	The 101st fiscal year ended March 31, 2024 (Current fiscal year)
Net sales	101,774	110,955	131,238	138,456
Ordinary income	5,944	13,272	10,349	14,850
Net income attributable to owners of parent	3,373	11,690	6,947	7,988
Net income per share (Yen)	84.41	292.58	175.75	209.27
Total assets	180,021	185,758	201,913	224,324
Total net assets	79,515	91,869	97,431	106,116

Note: The Company has applied the “Accounting Standard for Revenue Recognition” (ASBJ Statement No. 29, March 31, 2020) and other guidance from the 99th fiscal year.

Assets and income from the 99th fiscal year onward are presented after the application of these accounting standards.

3. Significant Parent Companies and Subsidiaries, etc. (As of March 31, 2024)

(1) Relationship with Parent
Not applicable.

(2) Significant Subsidiaries, etc.

1) Significant Subsidiaries

Name	Capital	Ownership Ratio (%)	Main Business
ISK BIOSCIENCES K.K.	¥100 million	100	Agrochemical sales
ISK AMERICAS INCORPORATED	US\$27,253 thousand	100	Management and administration of subsidiaries in the United States
ISK BIOSCIENCES EUROPE N.V.	€7,436 thousand	100	Management of the European agrochemicals business; manufacture and sale of agrochemicals
ISHIHARA TECHNO CORPORATION	¥100 million	100	Trading
FUJI TITANIUM INDUSTRY CO., LTD.	¥450 million	100	Manufacture and sale of titanium dioxide, functional materials, etc.
MF MATERIAL CO., LTD.	¥100 million	80 [70]	Manufacture and sale of functional materials
ISK ENGINEERING PARTNERS CORPORATION	¥100 million	100	Construction

Notes: 1. The figure shown in square brackets [] in the Ownership Ratio column represents the indirect ownership ratio.

2. MF MATERIAL CO., LTD. was established on September 1, 2023.

2) Significant Affiliates

Name	Capital	Ownership Ratio (%)	Main Business
CERTIS BELCHIM B.V.	€3,942 thousand	15 [15]	Sale of materials related to agriculture

Note: The figure shown in square brackets [] in the Ownership Ratio column represents the indirect ownership ratio.

4. Principal Businesses (As of March 31, 2024)

Business Segment	Details of Business
Organic chemicals business	Manufacture and sale of herbicides, pesticides, fungicides, plant growth regulators, organic intermediates and pharmaceuticals; manufacture and sale of veterinary drugs
Inorganic chemicals business	Manufacture and sale of titanium dioxide, functional materials, electronics materials, plaster, etc.
Other businesses	Construction, trading, etc.

5. Major Lenders (As of March 31, 2024)

Lender	Balance of Loans (in millions of yen)
SBI Shinsei Bank, Limited	11,042
Sumitomo Mitsui Banking Corporation	8,716
Development Bank of Japan Inc.	6,107
The Norinchukin Bank	4,467
JA Mie Shinren	3,680

II. Status of the Company

1. Shares (As of March 31, 2024)

- (1) Total Number of Shares Authorized to be Issued 100,000,000 shares
- (2) Total Number of Shares Outstanding 40,383,943 shares
(including 2,186,519 shares of treasury stock)
- (3) Number of Shareholders 28,655 persons
- (4) Major Shareholders (Top10)

Name of Shareholder	Investment to the Company	
	Number of Shares of the Company Held (Thousand shares)	Shareholding Ratio (%)
The Master Trust Bank of Japan, Ltd. (trust account)	5,516	14.44
MITSUI & CO., LTD.	2,019	5.29
Toagosei Co., Ltd.	1,722	4.51
Takateru Murakami	1,706	4.47
Custody Bank of Japan, Ltd. (trust account)	1,386	3.63
UPL Japan GK	1,170	3.06
Ishihara Sangyo Kaisha Client Stock Ownership Association	1,096	2.87
Ishihara Sangyo Kaisha Employee Stock Ownership Association	844	2.21
DFA INTL SMALL CAP VALUE PORTFOLIO	771	2.02
SBI Shinsei Bank, Limited	500	1.31

- Notes: 1. The Company holds 2,186 thousand shares of treasury stock, but has been excluded from the major shareholders shown above. The shareholding ratio is calculated after deducting treasury stock.
2. Shares held by The Master Trust Bank of Japan, Ltd. (trust account) and Custody Bank of Japan, Ltd. (trust account) are held in connection with their trust operations.

(5) Shares Delivered to Company Officers during the Current Fiscal Year as Consideration for the Execution of Duties

Post	Number of shares	Number of recipients
Directors (excluding Outside Directors)	6,884 shares	6

Note: The details of the Company's stock compensation are presented in "3. Company Officers (2) Compensation, etc. for Directors and Audit & Supervisory Board Members."

(6) Other Important Matters Concerning Shares

Not applicable.

2. Stock Acquisition Rights (As of March 31, 2024)

Not applicable.

3. Company Officers

(1) Directors and Audit & Supervisory Board Members (As of March 31, 2024)

Name	Posts	Responsibilities	Major Other Offices Concurrently Held
Kenichi Tanaka	Director, Chairman		
Hideo Takahashi	Executive Director, President (President & Chief Executive Officer)		Director and Chairman at ISK AMERICAS INCORPORATED
Hiroshi Okubo	Executive Director (Senior Managing Executive Officer)	Director of Corporate Administration & Planning Headquarters	
Kiyomitsu Yoshida	Director (Senior Managing Executive Officer)	Organic Chemicals Business	
Yasunobu Kawazoe	Director (Managing Executive Officer)	Director of Finance & Accounting Headquarters	
Masaki Shimojo	Director (Managing Executive Officer)	Director of Inorganic Chemicals Sales & Marketing Headquarters Assistant Director of R&D Strategy Headquarters	Director and Chairman at ISHIHARA CORPORATION (U.S.A.) Chairman at ISK TAIWAN CO., LTD.
Tatsuo Hanazawa	Director		
Satoshi Ando	Director		Attorney-at-law Outside Director (Audit & Supervisory Committee Member) of TOHO CO., LTD.
Akemi Uchida	Director		

Name	Posts	Responsibilities	Major Other Offices Concurrently Held
Yoshihito Akiyama	Standing Audit & Supervisory Board Member		Audit & Supervisory Board Member at ISHIHARA TECHNO CORPORATION Audit & Supervisory Board Member at FUJI TITANIUM INDUSTRY CO., LTD. Audit & Supervisory Board Member at MF MATERIAL CO., LTD. Audit & Supervisory Board Member at ISK ENGINEERING PARTNERS CORPORATION
Yoichi Kobayashi	Standing Audit & Supervisory Board Member		Audit & Supervisory Board Member at ISHIHARA TECHNO CORPORATION Audit & Supervisory Board Member at ISK BIOSCIENCES K.K. Audit & Supervisory Board Member at ISK BIOSCIENCES K.K.
Norihisa Kusumi	Standing Audit & Supervisory Board Member		Audit & Supervisory Board Member at FUJI TITANIUM INDUSTRY CO., LTD. Audit & Supervisory Board Member at ISK ENGINEERING PARTNERS CORPORATION
Yasuhiro Koike	Audit & Supervisory Board Member		Attorney-at-law

- Notes:
1. Of the Directors, Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida are Outside Directors.
 2. Of the Audit & Supervisory Board Members, Mr. Norihisa Kusumi and Mr. Yasuhiro Koike are Outside Audit & Supervisory Board Members.
 3. No special-interest relationships exist between the Company and TOHO CO., LTD., at which Outside Director Mr. Satoshi Ando concurrently serves. ISK BIOSCIENCES K.K., FUJI TITANIUM INDUSTRY CO., LTD. and ISK ENGINEERING PARTNERS CORPORATION, at which Outside Audit & Supervisory Board Member Mr. Norihisa Kusumi concurrently serves, are subsidiaries of the Company.
 4. Audit & Supervisory Board Member, Mr. Yoshihito Akiyama has extensive experience in accounting and administrative duties, and Audit & Supervisory Board Member, Mr. Norihisa Kusumi has extensive experience in the operations of financial institutions. Both individuals possess considerable knowledge of finance and accounting.
 5. Changes in Directors and Audit & Supervisory Board Members during the current fiscal year were as follows:
 - 1) At the conclusion of the 100th Ordinary General Meeting of Shareholders held on June 28, 2023, Director Mr. Hiroshi Katsumata and Audit & Supervisory Board

Members Mr. Taizo Kato, Mr. Yoshitaka Akikuni and Mr. Masaaki Harima left office due to the expiration of their terms of office.

- 2) Ms. Akemi Uchida was newly elected and appointed to the post of Director, and Mr. Yoichi Kobayashi, Mr. Norihisa Kusumi and Mr. Yasuhiro Koike were newly elected and appointed to the post of Audit & Supervisory Board Member at the 100th Ordinary General Meeting of Shareholders held on June 28, 2023.
- 3) Mr. Masaki Nakajima was elected as a substitute Audit & Supervisory Board Member at the 100th Ordinary General Meeting of Shareholders held on June 28, 2023.
6. Outside Directors Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida, and Outside Audit & Supervisory Board Members, Mr. Norihisa Kusumi and Mr. Yasuhiro Koike have been registered with the TSE as Independent Officers as stipulated by its regulations.

(2) Compensation, etc. for Directors and Audit & Supervisory Board Members

- 1) Decision policy regarding the amount and calculation method of compensation, etc. for individual Directors

The standards for basic compensation and performance-linked compensation are based on rank in accordance with the Officers Compensation Regulations decided by the Board of Directors. Basic compensation is paid based on the Officers Compensation Regulations, in amounts corresponding to the roles and responsibilities of Directors and Executive Officers.

Compensation for Audit & Supervisory Board Members is determined through discussion among Audit & Supervisory Board Members.

The maximum amount of compensation for Directors was determined as 460 million yen per annum by the 82nd Ordinary General Meeting of Shareholders held on June 29, 2005. There were 12 incumbent Directors at the conclusion of that Ordinary General Meeting of Shareholders. The maximum amount of compensation for Audit & Supervisory Board Members was determined as 90 million yen per annum at the 71st Ordinary General Meeting of Shareholders held on June 29, 1994. There were four incumbent Audit & Supervisory Board Members at the conclusion of that Ordinary General Meeting of Shareholders. Only basic compensation is paid to Outside Directors and Audit & Supervisory Board Members.

- 2) Details of performance indicators, the decision policy for calculating the amount or number for performance-linked compensation, etc.

Under the Officers Compensation Regulations decided by the Board of Directors, performance-linked compensation comprises annual performance-linked compensation aimed at ensuring objectivity and linkage with the Company's financial results, and long-term performance-linked compensation. The amount of annual performance-linked compensation is calculated and determined upon comprehensive consideration of factors including the results of corporate activities, such as net income attributable to owners of parent, and individual performance evaluation. Long-term performance-linked compensation is calculated based on the degree to which the net income targets under the Mid-Term Management Plan have been achieved.

(Targets and results for indicators associated with performance-linked compensation)

Consolidated operating indicator targets under the Mid-Term Management Plan
[Fiscal 2021]

Net income attributable to owners of parent: 3.6 billion yen (result: 11.6 billion yen)

[Fiscal 2022]

Net income attributable to owners of parent: 6.9 billion yen (result: 6.9 billion yen)

[Fiscal 2023]

Net income attributable to owners of parent: 12.4 billion yen (result: 7.9 billion yen)

- 3) Delegation of authority concerning the determination of compensation, etc. for individual Directors
Compensation, etc. for individual Directors of the Company is proposed by Executive Director, President, Mr. Hideo Takahashi, who is delegated authority by resolution of the Board of Directors. It is then referred to the Compensation Committee for deliberation, and determined the Executive Director, President after discussion among Executive Directors, based on the report by the Compensation Committee.
The reason for delegating this authority is that the Executive Director, President, who chairs the Board of Directors, is most aptly suited to evaluating each Director based on his or her rank, and in accordance with his or her responsibilities and roles, etc., while maintaining a comprehensive view of the Company as a whole. The details of compensation for individual Directors are determined after deliberation by the Compensation Committee. The Compensation Committee provides advice and recommendations, based on the information from officers' compensation surveys carried out by third party firms, and each member's insight, before the decision is made, in order to ensure that the Executive Director, President exercises his authority appropriately. The Board of Directors therefore deems the details of compensation for individual Directors to be in accordance with the decision policy set forth above.
- 4) Details of non-monetary compensation, etc., and the decision policy for calculating the amount or number for non-monetary compensation, etc. or the calculation method thereof
At the 99th Ordinary General Meeting of Shareholders held on June 28, 2022, the Company resolved to pay compensation for the grant of restricted stock to Directors (excluding Outside Directors) of the Company. The maximum total amount of monetary claims provided for the grant of restricted stock to Directors (excluding Outside Directors) is 90 million yen per annum (not including compensation received in the capacity of an employee, for Directors who serve concurrently as employees), and the maximum total number of shares of common stock to be issued or disposed by the Company is 95,000 shares. Six (6) Directors (excluding Outside Directors) were in office at the conclusion of that Ordinary General Meeting of Shareholders.
- 5) Decision policy for the proportions of compensation, etc. for individual Directors by type
The proportions of basic compensation and performance-linked compensation, etc. are proposed, taking into account each year's financial results, etc., by the Executive Director, President, who is delegated authority by resolution of the Board of Directors. It is then referred to the Compensation Committee for deliberation, and determined by the Board of Directors, after discussion among Executive Directors, based on the report by the Compensation Committee.
- 6) Decision policy on the timing and conditions for paying compensation, etc. to Directors
It is prescribed in the Officers Compensation Regulations decided by the Board of Directors that basic compensation shall be calculated per calendar month, that the amount for each month shall be paid on the same day as salaries for employees and that performance-linked compensation, etc. shall be paid on the same day as summer bonuses for employees, and that the timing and allocation of payments of restricted stock compensation shall be determined by the Board of Directors.

7) Total amount of compensation, etc. for Directors and Audit & Supervisory Board Members

Post	Total Amount of Compensation, etc. (million yen)	Total Amount of Compensation, etc. by type (million yen)			Number of Eligible Recipients
		Basic Compensation	Performance-linked Compensation	Restricted Stock Compensation	
Directors [of whom Outside Directors]	249 [25]	205 [25]	34 [-]	8 [-]	10 [4]
Audit & Supervisory Board Members [of whom Outside Audit & Supervisory Board Members)	66 [30]	66 [30]	- [-]	- [-]	7 [4]
Total	315	272	34	8	17

- Notes:
1. The amounts of compensation, etc. and the number of recipients shown in the table above include compensation, etc. for one Director and three Audit & Supervisory Board Members who retired at the conclusion of the 100th Ordinary General Meeting of Shareholders held on June 28, 2023.
 2. The amount shown for restricted stock compensation is the amount expensed in the current fiscal year.

(3) Summary of Agreement on Limitation of Liability

Pursuant to Article 427, Paragraph 1 of the Companies Act, the Articles of Incorporation stipulate that the Company may enter into an agreement with an Outside Director or Outside Audit & Supervisory Board Member that sets a limit on the liability for damages under Article 423, Paragraph 1 of the Companies Act. The limitation of liability, provided the Outside Director or Outside Audit & Supervisory Board Member acted in good faith and without gross negligence, shall be the larger of an amount determined in advance, which shall be equal to or more than 10 million yen, and an amount prescribed by laws and regulations. Accordingly, the Company has entered into liability limitation agreements with all Outside Directors and Outside Audit & Supervisory Board Members.

(4) Summary of the Directors and Officers Liability Insurance Contract

The Company has concluded a directors and officers liability insurance contract with an insurance company, in accordance with the provisions of Article 430-3, Paragraph 1 of the Companies Act.

1) Insured parties

Directors, Audit & Supervisory Board Members and Executive Officers of the Company and its subsidiaries and affiliates, and employees of the Company's subsidiaries and affiliates in management positions who may be subject to litigation at affiliates.

2) Summary of the insurance contract

The insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured during the insurance period due to improper actions (including errors of omission) committed by the insured in his/her capacity as such. However, individual officers, etc. are not covered by the insurance for damages arising from criminal acts such as offering or receiving bribes, or intentional unlawful acts, to ensure the proper execution of duties by officers, etc. The Company is fully responsible for paying the insurance premium.

(5) Outside Directors and Outside Audit & Supervisory Board Members

1) Main activities of Outside Directors and Outside Audit & Supervisory Board Members

Post	Name	Main Activities
Director	Tatsuo Hanazawa	Mr. Tatsuo Hanazawa attended all 19 meetings of the Board of Directors held during the current fiscal year. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, utilizing his experience in public administration, especially of agricultural policies both inside and outside Japan, and his experience in the environmental field.
Director	Satoshi Ando	Mr. Satoshi Ando attended all 19 meetings of the Board of Directors held during the current fiscal year. He expressed opinions as necessary with an external perspective from an objective and neutral standpoint, mainly utilizing professional knowledge, cultivated as an attorney-at-law and abundant experience related to legal affairs, risk management, finance and accounting.
Director	Akemi Uchida	Ms. Akemi Uchida attended all 12 meetings of the Board of Directors held after she assumed office in June 2023. She expressed opinions as necessary with an external perspective from an objective and neutral standpoint, utilizing her extensive knowledge related to corporate planning, human resources, risk management, and financial and management accounting, as well as her experience as manager of a company engaged in the global development, manufacture and sale of automotive press components, refrigeration equipment, etc.
Standing Audit & Supervisory Board Member	Norihisa Kusumi	Mr. Norihisa Kusumi attended all 12 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board held after he assumed office in June 2023. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, utilizing his wide-ranging knowledge and insights cultivated at financial institutions and his experience as a manager.
Audit & Supervisory Board Member	Yoshihisa Koike	Mr. Yoshihisa Koike attended all 12 meetings of the Board of Directors and all 10 meetings of the Audit & Supervisory Board held after he assumed office in June 2023. He expressed opinions as necessary, with an external perspective from an objective and neutral standpoint, mainly utilizing his professional knowledge and extensive experience of corporate legal affairs as an attorney-at-law.

- 2) Details of situations where decisions on the Company's business policy or other matters were changed due to the opinions of Outside Directors or Outside Audit & Supervisory Board Members
Not applicable.
- 3) Any incident or scandal in business execution at the Company during the fiscal year that violated laws, regulations, or the Articles of Incorporation, or were otherwise improper
Not applicable.
- 4) Duties performed in relation to expected roles of Outside Directors during the fiscal year
Outside Directors Mr. Tatsuo Hanazawa, Mr. Satoshi Ando and Ms. Akemi Uchida attended all meetings of the Board of Directors held during the fiscal year. In addition, they attended all 12 meetings (Ms. Akemi Uchida attended the 9 meetings held after she assumed office) of the Executive Management Committee, a body established under the Board of Directors to enable swifter decision making by the Board of Directors and more efficiently supervise and evaluate the execution status of important items of business, held during the fiscal year. At these meetings, they expressed their opinions without reserve on overall important matters concerning management of the Company and important items of business execution, based on their extensive experience and insight.
- 5) Any opinions of Outside Directors or Outside Audit & Supervisory Board Members regarding matters related to Outside Directors or Outside Audit & Supervisory Board Members
Not applicable.

4. Policy Regarding Decisions on Dividends of Surplus, etc.

One of the most important management policies of the Company is to return profits to our shareholders while raising the Company's corporate value.

The Company's basic principle for dividends is to continue to implement stable dividend distribution according to our business performance, taking into comprehensive consideration the business trends, financial condition, and need to enhance our internal reserve for business expansion into the future.

Moreover, the Company has flexibly implemented repurchases of treasury stock to provide shareholder returns with an awareness of the total return ratio.

Under the Mid-Term Management Plan "Vision 2030 Stage I," we aimed to achieve a consolidated payout ratio of 30% by the final year of the plan (fiscal 2023).

Based on this dividend policy, the Company requests the General Meeting of Shareholders to resolve on a year-end dividend of 70 yen per share for the current fiscal year.

Reference:

Amounts and numbers of shares presented in this business report have been rounded down to the nearest unit, and percentages have been rounded off to the nearest unit.

Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Description	Amount	Description	Amount
ASSETS	[224,324]	LIABILITIES	[118,207]
Current assets	161,173	Current liabilities	53,056
Cash and deposits	19,982	Notes and accounts payable - trade	20,974
Notes receivable - trade	3,053	Electronically recorded obligations - operating	1,979
Accounts receivable - trade	39,025	Short-term bank loans	7,680
Electronically recorded monetary claims - operating	1,617	Current portion of long-term bank loans	7,600
Contract assets	779	Current portion of bonds	968
Merchandise and finished goods	52,371	Lease obligations	343
Work in process	8,132	Accrued income taxes	1,439
Raw materials and supplies	30,871	Contract liabilities	39
Other	5,640	Accrued expenses	4,317
Allowance for doubtful receivables	(302)	Provision for bonuses	903
Non-current assets	63,150	Provision for maintenance	405
Property, plant and equipment	41,560	Other	6,404
Buildings and structures	12,983	Long-term liabilities	65,150
Machinery, equipment and vehicles	12,966	Bonds	1,991
Land	6,844	Long-term bank loans	47,839
Leased assets	765	Lease obligations	492
Construction in progress	7,143	Provision for implementation of environmental and safety arrangements	195
Other	856	Retirement benefit liability	12,007
Intangible assets	2,052	Asset retirement obligations	68
Software	368	Other	2,554
Software in progress	1,669	NET ASSETS	[106,116]
Leased assets	2	Shareholders' equity	101,928
Other	11	Common stock	43,420
Investments and other assets	19,537	Capital surplus	10,672
Investments in securities	9,648	Retained earnings	50,489
Deferred tax assets	7,630	Treasury stock	(2,653)
Retirement benefit asset	29	Accumulated other comprehensive income (loss)	4,139
Other	2,281	Valuation difference on available-for-sale securities	817
Allowance for doubtful receivables	(52)	Translation adjustments	2,989
		Remeasurements of defined benefit plans	333
		Non-controlling interests	48
Total assets	224,324	Total liabilities and net assets	224,324

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Consolidated Statement of Income

(April 1, 2023 - March 31, 2024)

(Millions of yen)

Description	Amount	
Net sales		138,456
Cost of sales		101,354
Gross profit		37,101
Selling, general and administrative expenses		25,609
Operating income		11,491
Non-operating income		
Interest income	191	
Dividend income	236	
Equity in earnings of affiliates	597	
Foreign exchange gains	2,642	
Gain on sales of raw materials	150	
Reversal of allowance for environment and safety improvement	674	
Other	464	4,955
Non-operating expenses		
Interest expense	625	
Financial fee	633	
Other	338	1,597
Ordinary income		14,850
Extraordinary income		
Gain on sale of non-current assets	39	
Gain on sale of investment securities	47	
Settlement income	2,077	2,165
Extraordinary losses		
Loss on disposal of non-current assets	534	
Impairment loss	6,967	7,502
Income before income taxes		9,512
Income taxes – current	1,911	
Income taxes – deferred	(416)	1,495
Net income		8,017
Profit attributable to non-controlling interests		28
Net income attributable to owners of parent		7,988

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Description	Amount	Description	Amount
ASSETS	[192,658]	LIABILITIES	[108,008]
Current assets	137,107	Current liabilities	48,827
Cash and deposits	13,310	Accounts payable – trade	18,661
Notes receivable – trade	1,824	Electronically recorded obligations – operating	325
Accounts receivable – trade	48,529	Short-term bank loans	7,680
Electronically recorded monetary claims - operating	542	Current portion of long-term bank loans	6,572
Merchandise and finished goods	42,275	Current portion of bonds	968
Work in process	6,510	Lease obligations	238
Raw materials and supplies	18,921	Accrued income taxes	1,131
Advance payments to suppliers	1,756	Contract liabilities	2
Prepaid expenses	293	Accounts payable - other	4,774
Short-term loans receivable	525	Accrued expenses	4,077
Other	3,149	Deposits received	1,767
Allowance for doubtful receivables	(531)	Provision for bonuses	620
		Provision for maintenance	405
Non-current assets	55,550	Other	1,601
Property, plant and equipment	29,994	Long-term liabilities	59,180
Buildings	5,365	Bonds	1,991
Structures	4,127	Long-term bank loans	44,337
Machinery and equipment	10,987	Lease obligations	361
Vehicles	43	Long-term deposits received	68
Tools, furniture and fixtures	712	Provision for retirement benefits	10,818
Land	5,655	Provision for implementation of environmental and safety arrangements	195
Leased assets	544	Asset retirement obligations	68
Construction in progress	2,555	Other	1,337
Intangible assets	2,003	NET ASSETS	[84,649]
Software	323	Shareholders' equity	83,995
Software in progress	1,669	Common stock	43,420
Leased assets	1	Capital surplus	9,842
Other	9	Legal capital surplus	9,155
Investments and other assets	23,552	Other capital surplus	686
Investments in securities	2,270	Retained earnings	32,889
Shares of subsidiaries and affiliates	9,705	Legal retained earnings	773
Long-term loans receivable from subsidiaries and affiliates	4,796	Other retained earnings	32,115
Long-term loans receivable from employees	43	Retained earnings brought forward	32,115
Long-term prepaid expenses	1,545	Treasury stock	(2,157)
Deferred tax assets	5,104	Valuation and translation adjustments	654
Other	181	Valuation difference on available-for-sale securities	654
Allowance for doubtful receivables	(95)		
Total assets	192,658	Total liabilities and net assets	192,658

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Non-consolidated Statement of Income
(April 1, 2023 - March 31, 2024)

(Millions of yen)

Description	Amount	
Net sales		109,055
Cost of sales		81,396
Gross profit		27,659
Selling, general and administrative expenses		19,018
Operating income		8,640
Non-operating income		
Interest income	47	
Dividend income	1,966	
Foreign exchange gains	2,653	
Gain on sales of raw materials	150	
Reversal of allowance for environment and safety improvement	674	
Other	453	5,945
Non-operating expenses		
Interest expenses	579	
Financial fee	617	
Other	353	1,551
Ordinary income		13,034
Extraordinary income		
Gain on sale of investment securities	47	
Settlement income	2,077	2,125
Extraordinary losses		
Loss on disposal of non-current assets	429	
Impairment loss	6,967	7,397
Income before income taxes		7,762
Income taxes – current	1,326	
Income taxes – deferred	444	1,771
Net income		5,990

Note: Figures presented in the financial statements are rounded down to the nearest million yen.

Independent Auditor's Report
(English Translation)

May 15, 2024

To the Board of Directors
ISHIHARA SANGYO KAISHA, LTD.

Ernst & Young ShinNihon LLC
Osaka, Japan

Shunsuke Sakai
Designated Engagement Partner
Certified Public Accountant
Daiji Tokuno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets, and notes to consolidated financial statements of ISHIHARA SANGYO KAISHA, LTD. and its consolidated subsidiaries (the "Group") applicable to the fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position and results of operations of the Group applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the ethical requirements in Japan that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

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

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

In preparing the consolidated financial statements, management is responsible to evaluate whether it is appropriate to prepare the consolidated financial statements as a going concern. As required by accounting principles generally accepted in Japan, if it is necessary for the Group to disclose matters relating to a going concern, the management has the responsibility to disclose such information.

The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the Group's financial reporting process.

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

Our responsibilities are to obtain reasonable assurance, based on the audit we conducted, about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion regarding the consolidated financial statements from an independent viewpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

We perform the following procedure in accordance with auditing standards generally accepted in Japan, while exercising professional judgment and maintaining professional skepticism throughout the audit process:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at our discretion. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the consolidated financial statements is not expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies and accounting methods adopted by the management, the reasonableness of accounting estimates made by the management, and the appropriateness of the related notes to the consolidated financial statements.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty regarding the going concern assumption exists, we are required to draw attention in our auditor's report that the related notes to the consolidated financial statements should be considered. Or, if any note to the consolidated financial statements regarding significant uncertainty is inadequate, we are required to express a modified opinion on the consolidated financial statements. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate whether the presentation of the consolidated financial statements and notes comply with the corporate accounting principles generally accepted in Japan, and whether the overall presentation, structure and contents of the consolidated financial statements, including the related notes, accurately represent the underlying transactions and events.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries to express an opinion on the consolidated financial statements. We

are responsible for the direction, supervision and performance of the audit of the consolidated financial statements. We remain solely responsible for our audit opinion.

We communicate with the Audit & Supervisory Board and its members regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, that we identify during our audit, and other matters required by audit standards.

We also report to the Audit & Supervisory Board and its members that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of the financial statements, matters that are reasonably considered to affect the independence of us, and where applicable, related measures implemented to remove factors that could hinder our independence and safeguards applied to reduce them to an acceptable level.

Interest

Our firm and its designated engagement partners do not have any interest in the Company and its consolidated subsidiaries which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Independent Auditor's Report

(English Translation)

May 15, 2024

To the Board of Directors
ISHIHARA SANGYO KAISHA, LTD.

Ernst & Young ShinNihon LLC
Osaka, Japan

Shunsuke Sakai
Designated Engagement Partner
Certified Public Accountant
Daiji Tokuno
Designated Engagement Partner
Certified Public Accountant

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets, and notes to financial statements, and the supplementary schedules thereto ("financial statements, etc.") of ISHIHARA SANGYO KAISHA, LTD. (the "Company") applicable to the 101st fiscal year from April 1, 2023 to March 31, 2024.

In our opinion, the accompanying financial statements, etc. present fairly, in all material respects, the financial position and results of operations of the Company applicable to the fiscal year ended March 31, 2024, in accordance with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements, etc.* section of our report. We are independent of the Company in accordance with the ethical requirements in Japan that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the financial statements, etc., and we express no opinion on it.

Our responsibility with respect to the audit of the financial statements, etc. is to read through other information and, in this process, to consider whether any material differences exist between other information and the financial statements, etc. or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

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

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

In preparing the financial statements, etc., management is responsible to evaluate whether it is appropriate to prepare the financial statements, etc. as a going concern. As required by accounting principles generally accepted in Japan, if it is necessary for the Company to disclose matters relating to a going concern, the management has the responsibility to disclose such information.

The Audit & Supervisory Board and its members are responsible for overseeing performance of duties by directors in developing and operating the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements, etc.

Our responsibilities are to obtain reasonable assurance, based on the audit we conducted, about whether the financial statements, etc. as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion regarding the financial statements, etc. from an independent viewpoint. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements, etc.

We perform the following procedure in accordance with auditing standards generally accepted in Japan, while exercising professional judgment and maintaining professional skepticism throughout the audit process. We also:

- Identify and assess the risks of material misstatement of the financial statements, etc., whether due to fraud or error. Design and perform audit procedures responsive to those risks. The selection and application of audit procedures are at our discretion. Obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.
- Consider internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances for our risk assessments, while the purpose of the audit of the financial statements, etc. is not expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies and accounting methods adopted by the management, the reasonableness of accounting estimates made by the management, and the appropriateness of the related notes to the financial statements, etc.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty regarding the going concern assumption exists, we are required to draw attention in our auditor's report that the related notes to the financial statements, etc. should be considered. Or, if any note to the financial statements, etc. regarding significant uncertainty is inadequate, we are required to express a modified opinion on the financial statements, etc. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate whether the presentation of the financial statements, etc. and notes comply with the corporate accounting principles generally accepted in Japan, and whether the overall presentation, structure and contents of the financial statements etc., including the related notes, accurately represent the underlying transactions and events.

We communicate with the Audit & Supervisory Board and its members regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control, that we identify during our audit, and other matters required by audit standards.

We also report to the Audit & Supervisory Board and its members with a statement that we have complied with the ethical requirements in Japan regarding independence that are relevant to our audit of

the financial statements, matters that are reasonably considered to affect the independence of us, and where applicable, related measures implemented to remove factors that could hinder our independence and safeguards applied to reduce them to an acceptable level.

Interest

Our firm and its designated engagement partners do not have any interest in the Company which is required to be disclosed pursuant to the provisions of the Certified Public Accountants Act of Japan.

Audit Report (English Translation)

The Audit & Supervisory Board prepared this audit report regarding the performance of duties by Directors for the 101st fiscal year from April 1, 2023 to March 31, 2024, upon deliberation based on audit reports from individual Audit & Supervisory Board Members and reports as follows.

1. Methods and Details of Audit by Audit & Supervisory Board and its members

- (1) The Audit & Supervisory Board established the audit policy, allocation of duties, etc., and received reports from each Audit & Supervisory Board Member regarding the state of implementation of his or her audits and results thereof, as well as received reports from Directors, etc., and the accounting auditor regarding performance of their duties, and sought explanations as necessary.
- (2) Each Audit & Supervisory Board Member complied with the auditing standards established by the Audit & Supervisory Board, in accordance with the audit policy, allocation of duties, etc., communicated with the Directors, the internal audit department, other employees, etc., and made efforts to collect information and improve the audit environment, and conducted audits by the following methods:
 - 1) We attended the meetings of the Board of Directors, the Executive Management Committee, and other important meetings, received reports from Directors, Executive Officers, employees, etc., regarding the state of performance of their duties, sought explanations as necessary, inspected important approval documents, etc., and investigated the state of activities and property at the head office and other main business offices of the Company. With respect to subsidiaries, we communicated and exchanged information with Directors, Audit & Supervisory Board Members, employees, etc., of the subsidiaries, and ascertained the status of business, management and administration.
 - 2) With respect to the systems stipulated in Article 100, Paragraphs 1 and 3 of the Ordinance for Enforcement of the Companies Act to ensure the proper business operation of a corporate group composed of a parent and its subsidiaries, including systems to ensure compliance of the duties performed by directors and reported in business reports with relevant laws, regulations and the Articles of Incorporation of the Company (“internal control system”), the Audit & Supervisory Board Members regularly received reports from Directors, Executive Officers, employees, etc., asked for explanations and expressed opinions as needed, regarding the resolutions adopted by the Board of Directors on the establishment of such system, the system established in accordance with the resolutions, and the status of improvement and operation of the system.
 - 3) We monitored and verified whether the accounting auditor maintained independence and implemented appropriate audits, and we received reports from the accounting auditor regarding the state of performance of their duties and sought explanations as necessary. In addition, we received notice from the accounting auditor that systems for ensuring that the correct performance of duties (matters set forth in each item of Article 131 of the Regulation on Corporate Accounting) are organized in accordance with the Standards for Quality Control of Audit (Business Accounting Council) and other relevant standards, and sought explanations as necessary.

Based on the above methods, we examined the business report and supplementary schedules thereto, non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and related notes) and supplementary schedules thereto, and the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and related notes) for the fiscal year under review.

2. Results of Audit

- (1) Results of audit of the business report and other relevant documents
 - 1) We recognize the business report and supplementary schedules thereto represent the situation of the Company correctly in accordance with laws, regulations, and the Articles of Incorporation.
 - 2) We do not recognize any misconduct related to Directors' execution of their duties or material facts that constitute violations of laws, regulations or the Articles of Incorporation.
 - 3) We recognize the contents of the resolutions by the Board of Directors regarding the internal control system are appropriate. We do not recognize any matters to be noted on the contents of the business report regarding the said internal control system or Directors' execution of duties.
- (2) Results of the audit of the non-consolidated financial statements and supplementary schedules thereto
We recognize the methods and results of audits by Ernst & Young ShinNihon LLC, the accounting auditor, are appropriate.
- (3) Results of the audit of consolidated financial statements
We recognize the methods and results of audits by Ernst & Young ShinNihon LLC, the accounting auditor, are appropriate.

May 16, 2024

Audit & Supervisory Board,
ISHIHARA SANGYO KAISHA, LTD.

Standing Audit & Supervisory Board Member	Yoshihito Akiyama
Standing Audit & Supervisory Board Member	Yoichi Kobayashi
Standing Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Norihisa Kusumi
Audit & Supervisory Board Member (Outside Audit & Supervisory Board Member)	Yasuhiro Koike