

May 23, 2023

To Whom It May Concern,

Name of company:	Nippon Kayaku Co., Ltd.
Name of representative:	Atsuhiko Wakumoto, President
Code No.:	4272
Contact:	Tokyo Stock Exchange, Prime Market Noriko Kiyoyanagi General Manager of Corporate Communications Division, Strategic Corporate Planning Group (Tel: +81-3-6731-5237)

Notice Regarding Changes in Management Execution System and Organizational Restructuring

Further to a resolution passed at the Board of Directors meeting held on May 23, 2023, Nippon Kayaku Co., Ltd. hereby announces a change in its management execution system and a company-wide reorganization as follows

All employees of the Nippon Kayaku Group will work together to achieve the goals of the mid-term business plan *KV25* and continue working towards the steady realization of our group mission in *KV25*.

1. Details and Purpose of Changes in the Management Execution System

A change from Chief Executive Officer Control (Division General Manager System) to an Officer Control System

Purpose: A flat organizational structure that eliminates the group system to facilitate speedier management execution and increased company-wide utilization and efficiency of management resources, such as human resources and proprietary technologies.

2. Outline and Purpose of Organizational Restructuring

(1) Establishment of industrial sectors (market areas) with future potential and reorganization of business units into (1) Mobility & Imaging Business Unit, (2) Fine Chemicals Business Unit and (3) Life Science Business Unit.

Purpose: Accurately grasp market trends, enhance ability to resiliently respond to changes and risks, and conduct business operations with a long-term strategy that emphasizes a customer-centered approaches.

(2) Establishment of a Technologies Unit to oversee the technology divisions of the Nippon Kayaku Group

Purpose: To oversee the Group's proprietary technologies and create new businesses while undertaking R&D and production techniques for rapid technological innovation

3. Contents of Organizational Restructuring (refer to Appendix, New Organizational Chart)

(1) Abolition of the group system of our business divisions and reorganization of our business units according to the target areas specified in our Group's R&D and industrial fields with future growth potential.

1) Mobility & Imaging Business Unit: Safety Systems Group and Polatechno Group

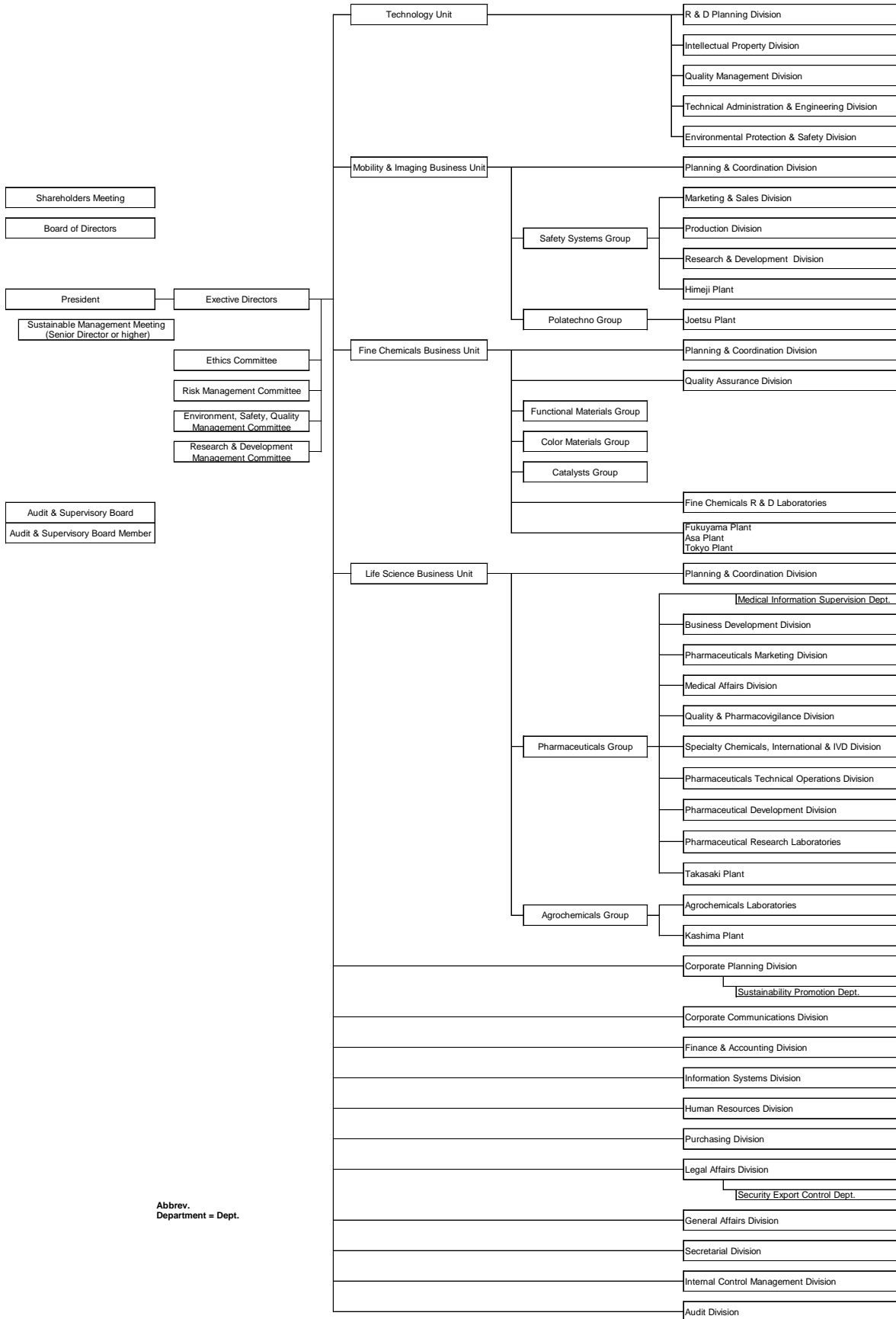
- The Mobility & Imaging Business Unit is defined as the Safety Systems Group for mobility safety components such as automobiles and drones, and the Polatechno Business Group for polarizing film and optical precision components such as X-ray analyzer materials.

- In order to accelerate the global development and expansion of new businesses in this business area, the Company will invest management resources intensively through corporate themes and company-wide projects in areas such as safety equipment development themes for drones. In the Polatechno business, we will work on business reforms through a company-wide project.
- 2) Fine Chemicals Business Unit: Functional Materials Group, Color Materials Group, Catalyst Group
- The Fine Chemicals Business Unit is defined as the Functional Materials Group for electronics materials and components such as semiconductors, The Color Materials Group for inkjet printer colorants and inks, developers, etc., and the Catalyst Group in terms of acrylic acid catalysts.
 - In the electronics field, where growth can be expected, the Company will seek to fully understand market trends and customer needs to both expand its sales of existing products and develop new products, while also developing innovative new products through collaboration with other R&D target fields such as environmental energy.
- 3) Life Science Business Unit: Pharmaceuticals Group, Agrochemicals Group
- The Life Science Business Unit is defined as the Pharmaceuticals Group for pharmaceuticals, API, and diagnostics, and the Agrochemicals Group for agricultural insecticides.
 - We seek increased efficiency in the pharmaceutical and agrochemicals groups in terms of management (such as the exchange of synthetic, biotechnology, and formulation technologies in research and manufacturing) as well as in quality assurance, and in the regulatory affairs laws and regulations.
- (2) Establishment of the Technology Unit to oversee the technology divisions of the Nippon Kayaku Group
- The R&D Planning Division, Intellectual Property Division, Quality Management Division, Technical Administration & Engineering Division, and Environmental Protection & Safety Division have been established
- 1) Optimal allocation of management resources (people, goods, money, and information) and development of new technologies (research, applied development, and production) from a company-wide perspective for sustainable company growth.
 - 2) Creation of new businesses and development of new products that are unconstrained by existing businesses. We also seek to combine Group technologies and implement initiatives with a greater sense of unity.
- (3) Abolition of the group system for company-wide management divisions and establish the following organizations
- The Corporate Planning Division Corporate Communications Division, Finance & Accounting Division, Information Systems Division, Human Resources Division, Purchasing Division, Legal Affairs Division, General Affairs Division, Secretarial Division, Internal Control Management Division, and Audit Division
- 1) Support and management of the business operations of business divisions and Group companies through utilization of expertise in the fields assigned to each department through the allocation of management resources based on the company-wide management strategy and confirmation of business condition, initiatives for company-wide material issues, etc.
 - 2) Focus on human capital management, procurement risk reduction, inventory control, and other Group business management issues.

4. Scheduled implementation date: June 28, 2023

(Appendix) Organization Chart (drawn up on June 28, 2023)

Appendix: Organization Chart (as of June 28, 2023)



Abbrev.
Department = Dept.