

March 4, 2024

To Shareholders

Michio Takahashi
Representative Director
President & Chief Executive Officer
KH Neochem Co., Ltd.

Supplemental Information of the Proposal No. 4 of the 14th Ordinary General Meeting of
Shareholders

We hereby give you our sincere thanks for your continued patronage and support. We would like to offer the following supplemental information regarding candidate No. 2, Mr. Kazuhiro Kawai, for Proposal No. 4, "Election of Three Directors who are Audit and Supervisory Committee Members," of the 14th Ordinary General Meeting of Shareholders of KH Neochem Co., Ltd. ("the Company") to be held on March 26, 2024.

Reasons the Company judges Mr. Kazuhiro Kawai as an eligible candidate of Directors who is an Audit and Supervisory Committee Member

The Company would like to emphasize that although Mr. Kazuhiro Kawai had been an Executing Person of Mizuho Corporate Bank, Ltd. (now Mizuho Bank, Ltd., "the Bank") until April 2014*, already more than nine years have passed since he left the Bank. In addition, the Bank held only 1.97% of the Company's shares as of the end of December 2023. Also there is no relationship between the Bank and the Company by which the Bank has an impact on any decision-making of the Company. Therefore, the Company judges that there is no concern for conflict of interests with general shareholders. Furthermore, the Company has recognized that Mr. Kazuhiro Kawai satisfies the requirements for an independent director as stipulated by the Tokyo Stock Exchange.

Consequently, the Company considers that Mr. Kazuhiro Kawai has sufficient independence as an outside director who is a member of the Audit and Supervisory Committee and the Company has submitted notification to Tokyo Stock Exchange, that Mr. Kazuhiro Kawai have been designated as Independent Directors as provided for by the Tokyo stock exchange. If this proposal is approved and adopted, the Company will notify the aforementioned stock exchange of the designation of them as Independent Directors in the same way as indicated above.

*The above-mentioned information was already provided in "Notice of the 14th Ordinary General Meeting of Shareholders" of the Company. See also attached Appendix)

We would like you to confirm the supplemental information above and comprehend the Proposal No. 4 (Election of Three Directors who are Audit and Supervisory Committee Members) of the 14th Ordinary General Meeting of Shareholders of the Company.

Thank you very much for your attention, understanding and continued support of KH Neochem Co., Ltd.

<Appendix>

The followings are extracted from page 25, 26 and page 27 of “Notice of the 14th Ordinary General Meeting of Shareholders” of the company.

Candidate No.2: Mr. Kazuhiro Kawai (born on May 16, 1959)

Career summary, position and responsibility in the Company

(Significant concurrent positions outside the Company)

- Apr. 1983 Joined The Industrial Bank of Japan, Limited. (now Mizuho Bank, Ltd.)
- Apr. 2009 General Manager of Credit Review Division of Mizuho Corporate Bank, Ltd.
(now Mizuho Bank, Ltd.)
- Apr. 2012 Executive Officer, General Manager of Corporate Credit Division of Mizuho
Corporate Bank, Ltd. (retired in April 2014)
- May 2014 Managing Executive Officer of Nippon Steel Kowa Real Estate Co., Ltd.
- Jun. 2014 Managing Director of Nippon Steel Kowa Real Estate Co., Ltd.
- Apr. 2018 Director of Nippon Steel Kowa Real Estate Co., Ltd. (retired in June 2018)
- May 2018 Outside corporate auditor of Kiraboshi Bank, Ltd. (to present)
- May 2019 Part-time Audit & Supervisory Board Member of Japan Management Systems,
Inc. (retired in June 2021)
- Mar. 2020 Outside Audit & Supervisory Board Member of the Company (to present)

[Significant concurrent positions outside the Company]

Outside Corporate Auditor of Kiraboshi Bank, Ltd.

Reason for nomination as candidate for Outside Director who is an Audit and Supervisory Committee Member and overview of expected role

Mr. Kazuhiro Kawai possesses abundant experience regarding examination practices and management at financial institutions and ample insight regarding accounting and internal controls. The Company deems that Mr. Kawai is a skilled individual that, leveraging his experience serving as an Audit & Supervisory Board Member of the Company from March 2020, and his abundant experience as a corporate manager, can contribute to the sustained improvement of the Company’s corporate value through carrying out supervision and auditing of the Company’s management. Accordingly, the Company proposes the election of Mr. Kazuhiro Kawai as an Outside Director who is an Audit and Supervisory Committee Member.

Notes: (Note 1, 3, 4, and 5 are omitted)

2. There is no special interest between any of the candidates for Directors who are Audit and Supervisory Committee Members and the Company.

6. The Company has submitted notification to Tokyo Stock Exchange, Inc. that Mr. Kazuhiro Kawai and Ms. Keiko Tamura have been designated as Independent Directors as provided for by the aforementioned stock exchange. If they are elected, the Company plans to again submit notification concerning their designation as Independent Directors.