

Skill Matrix

The Company has prepared a skill matrix detailing the expertise and experience of directors and Audit & Supervisory Board members. The skills required of directors and Audit & Supervisory Board members were identified based on the following three perspectives.

**Post-Integration Vision**

The Showa Denko Group has revised its long-term vision, which had been announced in December 2020, in conjunction with the instatement of a new management team and the launch of the new management philosophy. The Group has also stated the purpose of the newly integrated company as “Change society through the power of chemistry,” and now aims to become a company with a strong presence in the global market, a company that contributes to a sustainable global society, and a company that develops co-creative talent representing Japan’s manufacturing industry.

**Medium- to Long-Term Strategy to Realize the Vision**

To realize the long-term vision, it is necessary for the Group to make the most of its business portfolio, which combines Core Growth businesses, Next-Generation businesses, Stable Earnings businesses, and Fundamental Technologies/Materials businesses. We have positioned our electronics and mobility businesses as growth businesses that will lead the growth of the entire Showa Denko Group and will make these businesses grow rapidly.

**Major Issues to Be Discussed at Board of Directors’ Meetings**

To enhance the effectiveness of the long-term vision, it will be necessary for the Board of Directors to have lively discussions on the way to compete on the world stage, contribution to initiatives based on the SDGs, autonomous business portfolio reform, and innovation including technical synergy, and to practice quick decision-making.

Directors	Name	Inside / Outside	Terms (Years)	Global business	Innovation and fusion of technology	ESG and sustainability	Portfolio management	Finance / accounting	Personnel management / development	Legal / risk management
	Kohei Morikawa		6	●	●	●	●			●
	Hidehito Takahashi		5	●		●	●	●		●
	Hisashi Maruyama		1	●		●	●	●		●
	Hiroshi Sakai		2	●	●	●				
	Hideki Somemiya		—	●		●	●	●		
	Tomomitsu Maoka		—	●	●	●	●			
	Masaharu Oshima	Outside	7	●	●	●			●	
	Kiyoshi Nishioka	Outside	4	●	●	●	●			
	Kozo Isshiki	Outside	3		●	●	●	●	●	
	Noriko Morikawa	Outside	2	●		●		●	●	
	Total			9	6	9	7	5	3	3
Audit & Supervisory Board members	Toshiharu Kato		3	●		●		●		
	Jun Tanaka		2		●	●	●		●	
	Kiyomi Saito	Outside	10	●	●		●	●		
	Masako Yajima	Outside	2	●						●
	Yasuyuki Miyasaka	Outside	—	●				●		●
	Total			4	2	2	2	3	1	2

Corporate Governance

**Basic Policies**

Showa Denko K.K. works to increase its corporate value and expand profit for both the company and its shareholders by collaborating appropriately with stakeholders, including shareholders in line with its Corporate Governance Basic Policies.

We are committed to promoting our corporate governance to ensure the soundness, effectiveness, and transparency of management and to continue enhancing our corporate value, thereby earning more trust and receiving a higher rating from society. We describe our efforts made to this end in our corporate governance report, while fostering constructive dialogue with investors and shareholders.

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**Review of 2021**

In January 2022, the management teams of Showa Denko K.K. and Showa Denko Materials Co., Ltd., were integrated, making for a structure in which the same 12 individuals, including the president and corporate officers, manage both companies. In addition, the management committee meetings of both companies are held jointly. Going forward, we will continue to craft and reinforce corporate governance structures in preparation for our full integration as a corporate entity in 2023.

Concurrently, organizational integration measures are moving forward, and the progress of these measures is regularly reported to the Board of Directors.

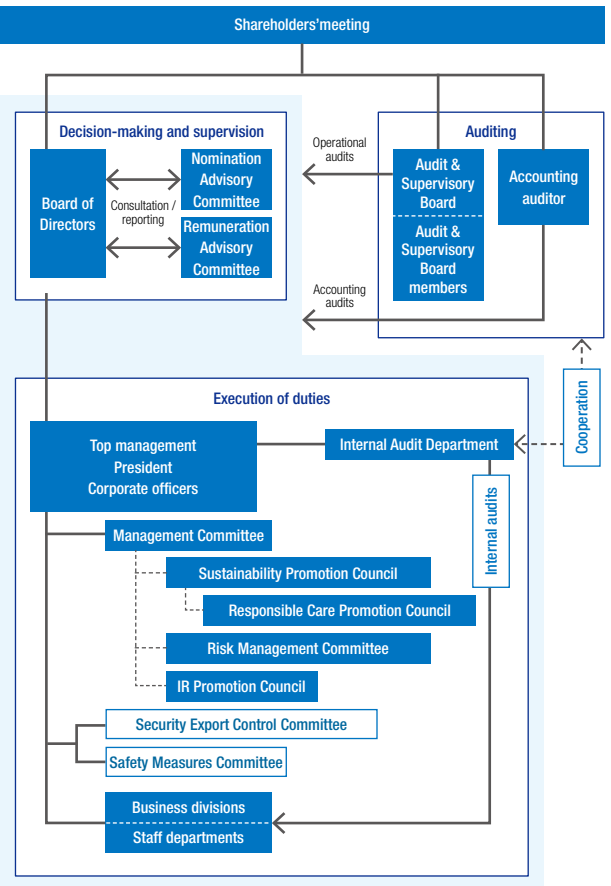
The progress of the integration P.12

In fiscal 2021, discussions at meetings of the Nomination Advisory Committee focused on the nomination of candidates for chief executive officer and other management positions, while the Remuneration Advisory Committee dedicated meeting time to examining new remuneration systems for directors and corporate officers.

Process for selecting the new chief executive officer P.78

Remuneration for directors and corporate officers P.89

Corporate Governance Structure (As of June 30, 2022)



Note: The above corporate governance structure may change as the Company examines the course to be taken leading up to full integration in January 2023.

Board of Directors

Members	Chairperson	Meeting frequency
4 outside directors (one of whom is female) 6 inside directors	Inside director responsible for business execution	Once or twice a month

Audit & Supervisory Board

Members	Chairperson	Meeting frequency
3 Audit & Supervisory Board members (two of whom are female) 2 inside (full-time) Audit & Supervisory Board members	Inside full-time Audit & Supervisory Board member	Once or twice a month

Nomination Advisory Committee

Priority discussion topics in fiscal 2021: Nomination of candidates for chief executive officer and other management positions

Members	Chairperson	Meeting frequency
4 outside directors (one of whom is female) 2 inside directors	Outside director	3 or 4 times a year

Remuneration Advisory Committee

Priority discussion topics in fiscal 2021: New remuneration systems for directors and corporate officers

Members	Chairperson	Meeting frequency
3 outside directors (one of whom is female) 1 outside auditor 2 inside directors	Outside director	3 or 4 times a year

Management Committee

Members	Chairperson	Meeting frequency
President, corporate officers with defined areas of responsibility, and other corporate officers and heads of the staff departments whose presence on the committee is deemed necessary by the president	President	Twice a month in principle

Ratio of Outside Directors



Ratio of Outside Officers (Directors, Audit & Supervisory Board Members)



Ratio of Directors Not in Charge of Business Execution



Ratio of Female Officers (Directors, Audit & Supervisory Board Members)

