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Securities Code: 4025

March 11, 2022

To Our Shareholders:

Takamoto Taki, Representative Director, President
Taki Chemical Co., Ltd.
2 Midorimachi, Befu-cho, Kakogawa-shi, Hyogo

Notice of the 103rd Annual General Meeting of Shareholders

We are pleased to announce the 103rd Annual General Meeting of Shareholders of Taki Chemical Co., Ltd. (the “Company”), which will be held as indicated below.

You may exercise your voting rights either by sending the voting form back to us or via the Internet, etc. Please review the attached Reference Documents for the General Meeting of Shareholders, and exercise your voting rights by 5:20 p.m. on Monday, March 28, 2022.

- 1. Date and Time:** Tuesday, March 29, 2022, at 10 a.m. (JST) (Reception is scheduled to open at 9:15 a.m.)
- 2. Venue:** **2nd floor of Kakogawa Plaza Hotel**
800 Mizonokuchi, Kakogawa-cho, Kakogawa City, Hyogo

3. Purpose of the Meeting

Matters to be reported:

1. Business Report, Consolidated Financial Statements and Audit Reports of the Consolidated Financial Statements by the Financial Auditor and the Audit & Supervisory Committee for the 103rd Fiscal Year (From January 1, 2021 to December 31, 2021)
2. Non-consolidated Financial Statements for the 103rd Fiscal Year (From January 1, 2021 to December 31, 2021)

Matters to be resolved:

- | | |
|-----------------------|---|
| Proposal No. 1 | Appropriation of Surplus |
| Proposal No. 2 | Partial Amendments to the Articles of Incorporation |
| Proposal No. 3 | Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members) |

- If you attend the meeting, please submit the voting form enclosed herewith to the reception desk in the venue.
- Any changes in the Reference Documents for the General Meeting of Shareholders, Business Report, Consolidated and Non-consolidated Financial Statements will be announced on the Company’s website (<https://www.takichem.co.jp/>) as needed.
- In accordance with the provisions of laws and regulations and Article 16 of the Articles of Incorporation, the following matters are posted on the website of the Company (<https://www.takichem.co.jp/>) and therefore, they shall not be stated in the attachment to the Notice of the Annual General Meeting of Shareholders.
 - System to ensure properness of operations, and the operational status of the system
 - Consolidated Statements of Changes in Net Assets
 - Notes to Consolidated Financial Statements
 - Non-consolidated Statements of Changes in Net Assets
 - Notes to Non-consolidated Financial Statements

Documents attached to the Notice of the Annual General Meeting of Shareholders are part of the Business Report audited by Audit & Supervisory Committee Members, and Consolidated and Non-consolidated Financial Statements audited by the financial auditor and Audit & Supervisory Committee Members.

- Please note that the meeting will be conducted in Japanese only.

Reference Documents for the General Meeting of Shareholders

Proposals and Reference Information

Proposal No. 1 Appropriation of Surplus

The Company proposes the appropriation of surplus as follows:

Year-end dividend

The Company recognizes the return of profit to its shareholders as a key management priority, and it maintains a policy of paying stable dividends on a continual basis. Moreover, the Company proposes to allocate profits to capital investment, research and development investment, and rationalization investment to improve sustainable development and the corporate value of the Company.

The Company has given comprehensive consideration to a range of factors including the enhancement of business structure, future business development and business performance, and it proposes to pay a year-end dividend for the 103rd fiscal year of ¥50, consisting of an ordinary dividend of ¥45 and a special dividend of ¥5 per share, to repay the support of shareholders.

(1) Type of dividend property

To be paid in cash.

(2) Allotment of dividend property and their aggregate amount

The Company proposes to pay a dividend of ¥50 per common share of the Company.

In this event, the total dividends will be ¥432,688,600.

(3) Effective date of dividend of surplus

The effective date of the dividend will be March 30, 2022.

Proposal No. 2 Partial Amendments to the Articles of Incorporation

1. Reasons for the change

Since the revised provisions provided for in a proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) are to be enforced on September 1, 2022, the Company proposes to partially amend its Articles of Incorporation as follows, in preparation for the introduction of the system for providing informational materials for the General Meeting of Shareholders in electronic format.

- (1) Article 16, paragraph 1 in “Proposed amendment” below will stipulate that the Company shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.
- (2) Article 16, paragraph 2 in “Proposed amendment” below will establish the provision to limit the scope of the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents.
- (3) Since the provisions for Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc. (Article 16 of the current Articles of Incorporation) will no longer be required, they will be deleted.
- (4) Accompanying the aforementioned new establishment and deletion, a supplementary provision regarding the effective date, etc. will be established.

2. Details of the amendments

The details of the amendments are as follows:

The Articles of Incorporation remain unchanged except for the following article.

(Underlined sections are the details of the amendments.)

Current Articles of Incorporation	Proposed Amendment
<p><u>(Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.)</u> <u>Article 16.</u> <u>When the Company convenes a General Meeting of Shareholders, if it discloses information that is to be stated or presented in the reference documents for the General Meeting of Shareholders, business report, financial statements and consolidated financial statements through the internet in accordance with the provisions prescribed by the Ministry of Justice Order, it may be deemed that the Company has provided this information to shareholders.</u></p> <p>[Newly established]</p>	<p>(Deleted)</p> <p><u>(Measures for Providing Information in Electronic Format, Etc.)</u> <u>Article 16.</u> <u>1. When the Company convenes a General Meeting of Shareholders, it shall take measures for providing information that constitutes the content of reference documents for the General Meeting of Shareholders, etc. in electronic format.</u> <u>2. Among items for which the measures for providing information in electronic format will be taken, the Company may exclude all or some of those items designated by the Ministry of Justice Order from statements in the paper-based documents to be delivered to shareholders who requested the delivery of paper-based documents by the record date of voting rights.</u></p>

Current Articles of Incorporation	Proposed Amendment
<p>Supplementary provisions (Transitional Measures Concerning Exemption of Audit & Supervisory Board Members from Liability)</p> <p>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including persons who were formerly Audit & Supervisory Board Members) under Article 423, paragraph (1) of the Act from their liability for damages arising from an act conducted before the conclusion of the 102nd Annual General Meeting of Shareholders to the extent permitted by laws and regulations.</p> <p>[Newly established]</p>	<p>Supplementary provisions (Transitional Measures Concerning Exemption of Audit & Supervisory Board Members from Liability)</p> <p><u>Article 1.</u></p> <p>Pursuant to the provisions of Article 426, paragraph (1) of the Companies Act, the Company may, by resolution of the Board of Directors, exempt Audit & Supervisory Board Members (including persons who were formerly Audit & Supervisory Board Members) under Article 423, paragraph (1) of the Act from their liability for damages arising from an act conducted before the conclusion of the 102nd Annual General Meeting of Shareholders to the extent permitted by laws and regulations.</p> <p><u>(Transitional Measures Concerning Measures for Providing Information in Electronic Format, Etc.)</u></p> <p><u>Article 2.</u></p> <p><u>1. The deletion of Article 16 (Internet Disclosure and Deemed Provision of Reference Documents for the General Meeting of Shareholders, Etc.) of the current Articles of Incorporation and the new establishment of Article 16 (Measures for Providing Information in Electronic Format, Etc.) of the proposed amendment shall be effective from the date of enforcement of the provisions provided for in the proviso to Article 1 of the Supplementary Provisions of the Act Partially Amending the Companies Act (Act No. 70 of 2019) (hereinafter referred to as the “Date of Enforcement”).</u></p> <p><u>2. Notwithstanding the provision of the preceding paragraph, Article 16 of the current Articles of Incorporation shall remain effective regarding any General Meeting of Shareholders held on a date within six months from the Date of Enforcement.</u></p> <p><u>3. Article 2 of these Supplementary Provisions shall be deleted on the date when six months have elapsed from the Date of Enforcement or three months have elapsed from the date of the General Meeting of Shareholders in the preceding paragraph, whichever is later.</u></p>

Proposal No. 3 Election of Seven Directors (Excluding Directors Who Are Audit & Supervisory Committee Members)

The terms of office of all seven Directors (excluding those who are Audit & Supervisory Committee Members) will expire at the conclusion of this Annual General Meeting of Shareholders. Therefore, the Company proposes the election of seven Directors (excluding those who are Audit & Supervisory Committee Members).

As for this proposal, the Audit & Supervisory Committee of the Company has judged that all the candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are eligible.

Candidates for Directors (excluding Directors who are Audit & Supervisory Committee Members) are as follows:

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
1	Takamoto Taki (June 23, 1954) [Re-election]	Apr. 1977 Joined the Company Mar. 1992 General Manager, Financing & Accounting Department Mar. 1993 Director Mar. 1995 Managing Director Mar. 1996 Representative Director and Senior Managing Director Mar. 1997 Representative Director, President (current position)	25,449 shares
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess extensive experience and knowledge related to the Company's overall business through his career at various departments. And, taking into consideration his performance as the Company's Representative Director, President, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			
2	Shigenori Matsui (January 4, 1956) [Re-election]	Aug. 1986 Joined the Company Apr. 2011 General Manager, Chemicals Manufacturing Department Mar. 2013 Director Mar. 2019 Managing Director Mar. 2020 Director, Managing Executive Officer in charge of Head Factory and General Manager, Head Factory Mar. 2021 Representative Director, Senior Managing Executive Officer supervising Head Factory and General Manager, Head Factory (current position)	6,612 shares
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess abundant experience and knowledge related to the Company's business through his career mainly at the manufacturing department. And, taking into consideration his performance as the Company's Representative Director, Senior Managing Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			
3	Katsuhiko Taki (November 7, 1983) [Re-election]	Apr. 2008 Joined the Company Sept. 2020 Senior Manager (Sp. Charge), Financing & Accounting Department Mar. 2021 Director, Executive Officer in charge of Financing & Accounting Department (current position)	6,232 shares
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess extensive experience and knowledge related to the Company's overall business through his career at departments of fertilizer manufacturing, chemicals manufacturing, production technology, purchases, and accounting. And, taking into consideration his performance as the Company's Director, Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
4	Hisamori Kanaji (January 10, 1961) [Re-election]	Apr. 1983 Joined the Company	4,989 shares
		Apr. 2013 General Manager, Fertilizer Business Department	
<p>Mar. 2016 Associate Director</p> <p>Mar. 2017 Director</p> <p>Mar. 2020 Director, Executive Officer in charge of Fertilizer Business Department and General Manager, Fertilizer Business Department</p> <p>Mar. 2021 Director, Executive Officer in charge of Fertilizer Business Department and Chemicals Business Department (current position)</p>			
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess abundant experience and knowledge related to the Company's business through his career mainly at the sales department. And, taking into consideration his performance as the Company's Director, Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			
5	Takahisa Masaki (November 24, 1962) [Re-election]	Apr. 1985 Joined the Company	1,589 shares
		Apr. 2013 General Manager, General Affairs & Personnel Department	
<p>Feb. 2017 Senior Manager (Sp. Charge), General Affairs & Personnel Department</p> <p>President and Representative Director of SHIKISHIMA-SHOJI CO., LTD.</p> <p>Mar. 2017 Associate Director of the Company</p> <p>Mar. 2020 Director, Executive Officer in charge of General Affairs & Personnel Department (current position)</p>			
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess abundant experience and knowledge related to the Company's business through his career mainly at the sales department and the general affairs and personnel department in addition to experience of corporate management at a subsidiary company. And, taking into consideration his performance as the Company's Director, Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			
6	Hiroyuki Izutsu (October 19, 1965) [Re-election]	Jan. 1990 Joined the Company	1,229 shares
		Apr. 2015 General Manager, Management Planning Department (current position)	
<p>Mar. 2020 Associate Executive Officer</p> <p>Mar. 2021 Director, Executive Officer in charge of Management Planning Department and Internal Control Section (current position)</p>			
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess abundant experience and knowledge related to the Company's business through his career mainly at the research and development department and the management planning department. And, taking into consideration his performance as the Company's Director, Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to continue appointing the individual as Director.</p>			

Candidate No.	Name (Date of birth)	Career summary, and position and responsibility in the Company (Significant concurrent positions outside the Company)	Number of the Company's shares owned
7	Goro Suzuki (December 10, 1964) [New election]	Apr. 1987 Joined the Company Apr. 2015 General Manager, Production Tech. & Engineering Department (current position) Mar. 2020 Associate Executive Officer (current position) Apr. 2021 Vice General Manager, Head Factory (current position)	1,191 shares
<p>■ Reasons for nomination as candidate for Director</p> <p>The individual nominated as candidate was judged to possess abundant experience and knowledge related to the Company's business through his career mainly at the research and development department. And, taking into consideration his performance as the Company's Associate Executive Officer, he is expected to play an appropriate role in the determination of significant management issues and the supervision of business execution. For these reasons, the Company proposes to appoint the individual as Director.</p>			

- Notes:
1. Candidate Katsuhiko Taki, Director, Executive Officer of the Company, is the oldest son of Takamoto Taki, Representative Director, President of the Company.
 2. There is no special interest between any of the candidates and the Company.
 3. Goro Suzuki is a new candidate.
 4. To secure excellent human resources and avoid impairing the execution of duties, the Company enters into the Directors and Officers Liability Insurance Policy (D&O insurance policy) outlined below. Candidates proposed hereto for re-election have already been insured as Directors, and Mr. Goro Suzuki has already been insured as Associate Executive Officer. If this proposal is approved and adopted in its original form, the insurance policy will be renewed with all of the candidates as Directors who are not Audit & Supervisory Committee Members.
(Summary of the content of D&O insurance policy)
 - (1) Actual proportion of insurance premium paid by the insured
Insurance premiums including those of special contracts shall be borne by the Company. The insured is not to bear actual premium costs.
 - (2) Summary of events to be insured against damages
Damage caused by an officer, etc. as an insured taking responsibility concerning the execution of duties or receiving a claim filed in connection with the determination of liability, may be covered by the insurance including its special contract; provided, however, that an exemption would apply to certain cases where the insured conducted the act knowing that it is illegal, among others.
 - (3) Measure to be taken so that the properness of execution of duties by the Officer, etc. will not be impaired by the contract
The D&O insurance policy provides the amount deductible. Damage with an amount smaller than the amount deductible shall not be insured.

Reference: Directors Diversity Matrix

If Proposal No. 3 and the selection of Executive Officers with Special Titles and Executive Officers at the meeting of the Board of Directors to be held after the conclusion of this Annual General Meeting of Shareholders are approved, the composition of the Board of Directors and the Audit & Supervisory Committee, as well as the areas where each Director is expected to utilize their particular expertise and experience, will be as follows:

Name	Position	Corporate management	Finance/ accounting/ finance & economics	Legal affairs/ risk management	Personnel & labor affairs/ human resources development	Sales/ marketing	Manufacturing/ quality	Research & development	IT/ digital information security	Sustainability/ ESG
Takamoto Taki	Representative Director, President	●	●			●	●			
Shigenori Matsui	Representative Director Senior Managing Executive Officer	●					●	●		●
Katsuhiko Taki	Director Managing Executive Officer		●				●		●	
Hisamori Kanaji	Director, Executive Officer					●				
Takahisa Masaki	Director, Executive Officer	●		●	●	●				
Hiroyuki Izutsu	Director, Executive Officer			●				●	●	●
Goro Suzuki	Director, Executive Officer						●	●		●
Nariyuki Yasufuku	Director Full-Time Audit & Supervisory Committee Member		●							●
Hiroaki Tamura	Independent Outside Director Audit & Supervisory Committee Member	●	●		●	●				
Tatsuo Iwaki	Independent Outside Director Audit & Supervisory Committee Member		●						●	●
Makoto Sakaguchi	Independent Outside Director Audit & Supervisory Committee Member			●						●
Shozo Shigeta	Independent Outside Director Audit & Supervisory Committee Member	●	●			●				●

- Notes:
1. A maximum of four areas where each person possesses expertise and experience have been marked with ●.
 2. Under corporate management above, for internal Directors, persons with experience serving as Representative Director (including at major subsidiaries), and for Outside Directors, persons with experience serving as an internal Director at one or more other companies have been marked with ●.