Triodos ⊛ Investment Management

SEKISUI CHEMICAL CO LTD

MEETING DATE	Wed, 23 Jun 2021 10:00 am	TYPE AGM ISSUE DATE	Tue, 15 Jun 2021
MEETING LOCATION	ANA Crowne Plaza Osaka Hotel 1-3-1 Dojimahama, Kita-ku, Osaka		
CURRENT INDICES	PIRC Japan		
SECTOR	Operative builders		

	PROPOSALS	ADVICE
1	**Appropriation of Surplus**	**For**
	Japanese companies seek specific authority for the appropriation of any surplus in earnings and this authority includes any distribution of a dividend. The approach to such resolutions rests on the degree to which the dividend payout ratio is in line with the level of distribution which investors could reasonably expect. A dividend of 12 yen per share is proposed, and the dividend payout ratio is approximately 18.9%. This exceeds the minimum acceptable threshold of 15% and the company did not make a loss during the year under review. Triodos supports this resolution.	
2.1	**Elect Kouge Teiji - Chair (Executive)**	**For**
	Chair (Executive). It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board. Triodos supports this resolution.	
2.2	**Elect Katou Keita - President**	**For**
	President. It is considered the responsibility of the most senior Board member to ensure that there is appropriate outside oversight of Board decisions. As there are three or more outside directors, it is considered that there is adequate outside presence on the Board. Triodos supports this resolution.	
2.3	**Elect Hirai Yoshiyuki - Executive Director**	**For**
	Executive Director.	
2.4	**Elect Kamiyoshi Toshiyuki - Executive Director**	**For**
	Executive Director.	
2.5	**Elect Kamiwaki Futoshi - Executive Director**	**For**
	Executive Director.	
2.6	**Elect Shimizu Ikusuke - Executive Director**	**For**
	Executive Director.	
2.7	**Elect Murakami Kazuya - Executive Director**	**For**
	Newly nominated Executive Director.	
2.8	**Elect Kase Yutaka - Non-Executive Director**	**For**
	Independent Non-Executive Outside Director.	
2.9	**Elect Ooeda Hiroshi - Non-Executive Director**	**For**
	Independent Non-Executive Outside Director.	
2.10	**Elect Isikura Youko - Non-Executive Director**	**For**
	Independent Non-Executive Outside Director.	
3.1	**Elect Taketomo Hiroyuki as Corporate Auditor**	**Oppose**
	Newly nominated Inside Corporate Auditor. Not considered to be independent. Triodos opposes this resolution.	

SUPPORTING INFORMATION FOR RESOLUTIONS

Proposal 3.1 - Elect Taketomo Hiroyuki as Corporate Auditor

The traditional governance structure for Japanese companies (Kansayaku) involves the appointment of corporate auditors. Large Japanese companies are required to form a board of corporate auditors with powers to examine board activities and oversee financial reports. Such companies are required by law to appoint at least three statutory auditors to the corporate audit board. At least half the corporate auditors must qualify as 'outsiders'. Beyond this legal minimum, it is considered to be best practice that boards of corporate auditors should be composed wholly of outsiders. New appointments are therefore considered in the context of their effect on the balance of independence.

Note: It is considered that the corporate auditor board will be 60% independent following the Annual Meeting.

PIRC