

Regarding changes of corporate executives, organization and personnel

Tokyo, January 27, 2021 – KH Neochem Co., Ltd (TSE: 4189, President and CEO: Michio Takahashi, “KH Neochem”) announced regarding changes of corporate executives, organization and personnel.

<Change of organization> (Effective April 1, 2021)

Toward the realization of VISION 2030, in addition to further strengthening strategy planning and promotion functions, in order to establish an efficient and prompt decision-making system related to business operations, the following organizational changes will be implemented on April 1, 2021.

1) Abolition of the Office system

To establish an efficient and prompt decision-making system related to business operations, the three offices of Business Headquarters Office, R&D Office and Production & Technology Office will be abolished and changed to a flat organizational structure, and responsibilities and authorities of business operations will be delegated to the heads of each division

2) Strengthening strategy planning and promotion functions

- "Corporate Planning", specializing in company-wide strategy planning and promotion functions from a medium- to long-term perspective will be newly established, and Strategic Planning Division will be abolished.
- "Business Development" will be newly established by integrating strategy planning and promotion functions of existing businesses in Strategic Planning Division and R&D Department.
- R&D Department will be abolished, and the functions of R&D Department related to intellectual property, trademark related will be transferred to “Corporate Administration, Public Relations, Legal and Compliance”, and the patent related will be transferred to “R&D Center”.

3) Strengthen function of the organization, improve efficiency of business operations and optimize management span

- "Accounting, FP&A, Finance and IR" will be newly established by integrating functions of Accounting Division and Finance Division.
- To strengthen the functions comprehensively such as public relations, general affairs, shareholders related and governance, Public Relations will be abolished and integrated into “Corporate Administration, Public Relations, Legal and Compliance”.
- To strengthen sales strategy planning and marketing functions, “Sales & Marketing” will be newly established by integrating Sales & Marketing Department 1 and Sales and Marketing Department 2.

- To strengthen customer service functions further, the customer service functions in Operating Promotion Division and Environment Safety & Quality Assurance Division will be consolidated into newly established "Business Services and Logistics" and Operating Promotion Division will be abolished.
- Project Development Division will be abolished because the role has been completed

<Transfer of Board Directors and Corporate Officers>

KH Neochem has introduced a corporate officer system in order to speed up and streamline decision-making regarding business operations delegated by the Board of Directors. Under such circumstances, Board Directors (excluding Outside Directors; the same shall apply hereinafter) have taken on the role of promoting business operations in specific areas, such as serving as heads of Business Headquarters Office, R&D Office and Production & Technology Office. However, with the abolition of the Office system as described above, Board Directors will focus on formulating company-wide corporate strategies and policies from a medium- to long-term perspective. Also, in order to fulfill the supervisory function from a company-wide perspective, Board Directors will be in charge certain functions of the organization.

Corporate Officers who do not serve as Board Directors, under the responsibilities and authorities for business operations delegated more than ever, will assume the roles of head of functions in order to clarify the responsibility for results in business operations. This aims to speed up decision making process and to strengthen the function of strategy planning and promotions. At the same time, current Corporate Officer system based on the employment contract will be changed to the system based on the delegation contract. Under the new system, Corporate Officers will be asked to commit to business performance while ensuring more independence. The system will be changed on the date of the Ordinary General Meeting of Shareholders will be held in March 2021, and Corporate Officers will be appointed again on the same date. The term of the contract will be one year, which is the same as for Board Directors, until the date of the Ordinary General Meeting of Shareholders next year.

As Corporate Officer system will be changed based to a delegation contract, the retirement allowance system will be abolished and a performance-linked stock compensation system will be introduced to Corporate Officers in the same way as Board of Directors.

1) Transfer of Board Directors (Effective April 1, 2021)

*It will be officially decided at the General Meeting of Shareholders held in March 2021 and the subsequent Board of Directors meeting.

New Responsibilities	Current Responsibilities	Name
Board Director Senior Corporate Officer (In charge of Procurement, Production Planning and Engineering, Plants, Environment, Safety and Quality Assurance)	Board Director Senior Corporate Officer, Production & Technology Office	Toshihiro Matsuoka
Board Director Senior Corporate Officer (In charge of Corporate Planning, Business Development, Sales & Marketing, Business Services and Logistics)	Board Director Senior Corporate Officer, Business Headquarters Office	Tatsuro Niiya
Board Director Senior Corporate Officer & CFO (In charge of Accounting, Finance, IR, Corporate Administration, Public Relations, Legal and Compliance, Internal Audit, Risk Management, Promotion of ESG/SDGs)	Board Director Senior Corporate Officer & CFO	Masaya Hamamoto
Board Director Corporate Officer (In charge of HR, IT Strategy, R&D, Intellectual Property, Cyber Security)	Board Director Corporate Officer, R&D Office, Innovation Strategy Office	Yukihiro Isogai

2) Transfer of Corporate Officers

A. Effective March 15, 2021

New Responsibilities	Current Responsibilities	Name
Corporate Officer Finance, Public & Investor Relations General Manager, Finance Division and General Manager, Accounting Division	Corporate Officer Finance, Public & Investor Relations General Manager, Finance Division	Akira Kamimura

B. Effective on the date of the Ordinary General Meeting of Shareholders on March, 2021

New Responsibilities	Current Responsibilities	Name
Corporate Officer Head of Procurement, Project Development Division	General Manager, Purchasing Division and General Manager, Project Development Division	Atsushi Tokumitsu
Corporate Officer General Manager, Sales & Marketing Department 1	General Manager, Sales & Marketing Department 1	Katsunori Sato

C. Effective April 1, 2021

New Responsibilities	Current Responsibilities	Name
Corporate Officer General Manager, Yokkaichi Plant	Corporate Officer Production & Technology Office	Seiji Saito
Corporate Officer Head of Environment, Safety and Quality Assurance	Corporate Officer General Manager, Yokkaichi Plant	Yoshiaki Kondo
Corporate Officer Head of Corporate Planning	Corporate Officer Strategic Planning and Purchasing	Hideki Shimizu
Corporate Officer Head of Corporate Administration, Public Relations, Legal and Compliance	Corporate Officer General Manager, Corporate Administration	Isao Takahashi
Corporate Officer Head of Accounting, FP&A, Finance and IR	Corporate Officer Finance, Public & Investor Relations General Manager, Finance Division and General Manager, Accounting Division	Akira Kamimura
Corporate Officer Head of Procurement	Corporate Officer Head of Procurement, Project Development Division	Atsushi Tokumitsu
Corporate Officer Head of Sales & Marketing	Corporate Officer General Manager, Sales & Marketing Department 1	Katsunori Sato

<Transfer of personnel>

1) Effective March 15, 2021

New Responsibilities	Current Responsibilities	Name
Seconded to Kurogane Kasei Co., Ltd.	General Manager, Accounting Division	Yasushi Fujita

2) Effective April 1, 2021

New Responsibilities	Current Responsibilities	Name
Head of Business Development	General Manager, Strategic Planning Division	Toshihiro Inayama
Senior Manager, HR, Corporate Administration, Public Relations, Legal and Compliance	General Manager, Public Relations	Masaki Hatanaka
Senior Manager, Sales & Marketing	General Manager, Sales & Marketing Department 2	Shinichi Konishi
Head of Business Services and Logistics	General Manager, Operating Promotion Division	Kiyoshi Ishigami
Head of Innovation Strategy	Manager, Innovation Strategy Office	Seki Yamamoto
Head of R&D Center	Deputy General Manager, Production & Technology Division	Hiroshi Matsuoka
Senior Manager, Environment, Safety and Quality Assurance	General Manager, Environment Safety & Quality Assurance Division	Makoto Goto
Seconded to Kurogane Kasei Co., Ltd.	General Manager, R&D Center	Iwao Hotta
Seconded to Miyako Kagaku Co., Ltd.	General Manager, R&D Department	Kiyoyuki Ogura

Reference

<Board Members, Audit & Supervisory Board Members and Corporate Officers>
(Effective April 1, 2021)

Board Directors

Position	Name	In charge
Representative Director, President & Chief Executive Officer	Michio Takahashi	
Board Director Senior Corporate Officer	Toshihiro Matsuoka	Procurement, Production Planning and Engineering, Plants, Environment, Safety and Quality Assurance
Board Director Senior Corporate Officer	Tatsuro Niiya	Corporate Planning, Business Development, Sales & Marketing, Business Services and Logistics
Board Director Senior Corporate Officer & CFO	Masaya Hamamoto	Accounting, Finance, IR, Corporate Administration, Public Relations, Legal and Compliance, Internal Audit, Risk Management, Promotion of ESG/SDGs
Board Director Corporate Officer	Yukihiro Isogai	HR, IT Strategy, R&D, Intellectual Property, Cyber Security
Board Director (Outside & Independent)	Sayoko Miyairi	
Board Director (Outside & Independent)	Jun Tsuchiya	
Board Director (Outside & Independent)	Yuji Kikuchi	

Audit & Supervisory Board Members

Responsibilities	Name
Audit & Supervisory Board Member	Tokuo Oodo
Audit & Supervisory Board Member (Outside & Independent)	Kazuhiro Kawai
Audit & Supervisory Board Member (Outside & Independent)	Keiko Tamura

Corporate Officers

Position	Name	Responsibilities
Corporate Officer	Seiji Saito	General Manager, Yokkaichi Plant
Corporate Officer	Toshiaki Ogata	Seconded to Kurogane Kasei Co., Ltd. (President & Chief Executive Officer)
Corporate Officer	Akio Nakahashi	General Manager, Chiba Plant
Corporate Officer	Yoshiaki Kondo	Head of Environment, Safety and Quality Assurance
Corporate Officer	Hideki Shimizu	Head of Corporate Planning
Corporate Officer	Isao Takahashi	Head of Corporate Administration, Public Relations, Legal and Compliance
Corporate Officer	Akira Kamimura	Head of Accounting, FP&A, Finance and IR
Corporate Officer	Atsushi Tokumitsu	Head of Procurement
Corporate Officer	Katsunori Sato	Head of Sales & Marketing

###