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Listed company name: Nitto Denko Corporation

Stock exchange listing: Tokyo, Prime Market

Code number: 6988

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Findings on the Nitto Board Effectiveness Evaluation

Nitto Denko Corporation (hereinafter “Nitto”) conducted an effectiveness analysis and evaluation of its Board of Directors for the fiscal year 2023 (FY2023), which confirmed that the Board is effective. The following shows a summary of the evaluation process and findings:

1. An outline of the evaluation process

Nitto engaged a third party organization to conduct a survey of all its Directors and Corporate Auditors. And based on the results of this survey, it analyzed and evaluated the effectiveness of its Board of Directors, following discussions by the Board. In this survey, to further stimulate discussions at the Board of Directors, the question items presented in a five-point scale were integrated and the themes of items requesting free statements were made clearer.

2. Questions

[Items presented in a five-point scale]

The current state of the Board of Directors, the composition of the Board, the operations of the Board, discussions at the Board meetings, monitoring functions of the Board, an overview

[Items requesting free statements]

The supervisory functions of the Board; the acceleration and promotion of ESG management; deeper involvement of Outside Directors in management; enhanced engagement with stakeholders, including investors; and other items

3. Overview of the analysis/evaluation results

Nitto has confirmed that the strength of its Board of Directors is the open and robust discussions it has on all management issues, which was also found in the FY2022 evaluation.

Concerning efforts by the Board to address the challenges recognized in the FY2022 evaluation, it was confirmed that the Board made efforts to leave no issues unaddressed, such as embracing more in-depth discussions on human resources, especially on the appointment and development of management executives as a challenge. It has also built a new framework and launched its operations to enhance the development of executive candidates and assess their competencies.

For its challenge for FY2024, it was suggested that the Board should take measures that enable Outside Directors to deepen their understanding of Nitto to make them more involved in management and improve information sharing with the business execution team.

4. Future actions

With the above analysis/evaluation findings in mind, Nitto's Board of Directors will remain committed to further enhancing the effectiveness of the entire Board.