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Listed company name: Nitto Denko Corporation

Stock exchange listing: Tokyo, Prime Market

Code number: 6988

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Senior Executive Vice President

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Notice Concerning Introduction of Performance-Linked Restricted Share Remuneration System

Nitto Denko Corporation (hereinafter “the Company”) hereby announces that, at the meeting of its Board of Directors held today, the board resolved to review the executive remuneration system and introduce a performance-linked restricted share remuneration system (hereinafter “the System”), and to submit a proposal concerning the System to the 161st Ordinary General Meeting of Shareholders of the Company scheduled to be held on June 19, 2026 (hereinafter “the Proposal”), as follows.

1. Purpose of the System

The management environment surrounding the Company continues to change significantly, and, in carrying out the new Medium-term Management Plan, the roles and responsibilities expected of Directors are becoming increasingly advanced and diversified. In order to ensure future competitiveness, it is necessary to steadily secure and retain Nitto Persons. Based on this recognition, the purpose of the System is to increase the ratio of share-based remuneration in executive remuneration to enhance incentives linked to medium- and long-term performance and further align the interests of Directors and shareholders.

2. Outline of the System

Based on the progress of achievement of performance targets during the performance evaluation period predetermined by the Board of Directors, monetary remuneration claims will be provided to eligible Directors after the end of the performance evaluation period for the purpose of granting performance-linked restricted share remuneration, and, by having all of such monetary remuneration claims contributed in kind, the Company’s common shares with transfer restrictions until retirement, to be issued or disposed of by the Company, will be allotted to the eligible Directors.

Provided that the Proposal is approved, the current share-based remuneration systems, namely (1) medium-term performance-linked remuneration (performance-linked share-based remuneration; approved at the 153rd Ordinary General Meeting of Shareholders of the Company held on June 22, 2018), will be abolished upon completion of the performance evaluation period from April 1, 2025 to March 31, 2028 (as resolved by the Board of Directors of the Company on June 20, 2025), and (2) medium- and long-term performance-linked remuneration (restricted share remuneration;

approved at the 153rd Ordinary General Meeting of Shareholders of the Company held on June 22, 2018) will be abolished with the payment to be made in July 2025 (as resolved by the Board of Directors of the Company on June 20, 2025) as the final payment.

3. Eligible Directors

Directors excluding Outside Directors.

4. Upper limit of the total value and number of shares to be granted under the System

The upper limit on the total number of restricted shares to be allotted to eligible Directors in each fiscal year shall be 1,000,000 shares, and the upper limit on the total annual amount of monetary remuneration claims to be paid as remuneration, etc. relating to such restricted shares shall be an amount obtained by multiplying 1,000,000 shares by the share price at the time of payment.

5. Other matters

- The System does not include the salaries of Directors who concurrently serve as employees.
- (Reference) The System is also scheduled to apply to Vice Presidents.