

Date: March 31, 2020  
Listed company name: Nitto Denko Corporation  
Stock exchange listing: Tokyo, First Section  
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## **Findings of the Nitto Board Effectiveness Evaluation**

Please find below the executive summary of the findings of the FY2019 Nitto Board effectiveness analysis/evaluation, which has been conducted based on Japan's Corporate Governance Code stipulated by Tokyo Stock Exchange, Inc.

### 1. Analysis/evaluation method

Our Board of Directors analyzed and evaluated the effectiveness of the Board as follows, with advice from a third-party organization starting this fiscal year.

- (1) Prepared a survey questionnaire on the Nitto Board effectiveness with input from a third-party organization
- (2) At the December Board of Directors meeting, the Secretariat of the Board explained the purpose of effectiveness evaluation and distributed a survey questionnaire to the Directors and Corporate Auditors.
- (3) Collected the questionnaire in mid-January
- (4) The Secretariat of the Board parsed the questionnaire results and optional comments by checking them against the analysis results provided by the third-party organization to prepare a report on the effectiveness evaluation survey, which was distributed to the Directors and Corporate Auditors.
- (5) At the February Board of Directors meeting, the Directors and Corporate Auditors discussed the Board's effectiveness based on the report.
- (6) The Secretariat of the Board prepared a document summarizing the outcomes of the discussions, which was distributed to the Directors and Corporate Auditors.
- (7) At the March Board of Directors meeting, the Board went over the discussion outcomes, reviewed the details of the Board effectiveness evaluation, and approved the timely disclosure document.

### 2. Categories of the survey questions

- Composition of the Board of Directors	3
- Agenda items for Board of Directors meetings	12
- Deliberation method at the Board of Directors meetings	8
- Risk management	3*
- Training for Directors and Corporate Auditors	1*
- Dialogue with shareholders	1*
- Efforts by individual Directors and Corporate Auditors	7*
- Others	1*
- Overview	1*

Total of 40 questions

The four questions with an asterisk were added last year to expand the range of topics.

### 3. Overview of the analysis/evaluation findings

#### 1) Conclusions drawn

It was concluded that the effectiveness of Nitto's Board of Directors is ensured.

#### 2) Analysis and evaluation

All the Directors and Corporate Auditors responded to the Board effectiveness survey on a five-point scale. They chose "Appropriate" or "Largely appropriate" for many of the questions (77% of the total). In particular, the survey confirmed that, at the Board of Directors meetings, open discussions are conducted among its members including Outside Directors and Outside Corporate Auditors, and that the agenda items and deliberation times are deemed to be largely appropriate. With regard to the mid- and long-term management themes required to be addressed that were discussed as part of the Board effectiveness evaluation last year, it was confirmed that efforts were made to improve them by bettering the content of business reports from executive officers in each overseas geographical region and amending the decision-making regulations, among other initiatives.

Meanwhile, the Board of Directors confirmed that continued efforts would be made to improve issues that have come to light this fiscal year. These issues include: recruitment/development of the right candidates for Board members to ensure the diversity of Board members, enhancement of discussions on the risk management system, improvement of transparency and fairness through the Management, Nomination, and Remuneration Advisory Committee and other optional committees, improvement of the content of shareholder relations reports to facilitate dialogue with shareholders, and administration of the Secretariat of the Board with social trends and requests from shareholders in mind.

#### 4. Future action

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