

June 12, 2020

To whom it may concern

## **The Results of the Effectiveness Evaluation of the Board of Directors**

Nissan Chemical Corporation (headquartered in Chuo-ku, Tokyo; President, KINOSHITA Kojiro) (the “Company”) announces the resolution on the results of the effectiveness evaluation of the Board of Directors (the “Effectiveness Evaluation”) for fiscal year 2019 confirmed at the Board of Directors’ meeting held on May 26, 2020, as follows.

### 1. Viewpoints and methods of analysis and evaluation

The Company has conducted the Effectiveness Evaluation every year since fiscal year 2015, and carried out a third-party evaluation every several years using an external organization that holds no relationships of interest with the Company in order to ensure neutrality and objectivity. The third-party evaluation was carried out recently in fiscal year 2017, and the Effectiveness Evaluation in fiscal year 2019 was conducted in the form of a self-evaluation by the Company’s Board of Directors.

The evaluation method is in the form of a questionnaire answered by all Directors and Audit & Supervisory Board Members, that grasps the current status and identifies issues from two perspectives, quantitative evaluation and qualitative evaluation, through a combination of five-grade evaluation and free writing. An external organization is contracted to collect the responses and collate the data in order to ensure anonymity, which enhances the self-evaluation.

Based on the results of the questionnaire responses, an opinion-exchange meeting was held in March 2020 (with all Independent Officers (3 Outside Directors and 2 Outside Audit & Supervisory Board Members (including 1 full-time Audit & Supervisory Board Member)), the President, the Vice President, and the Director and Head of Corporate Planning Department) to discuss issues and responses and conduct analysis and evaluation.

### 2. Outline of the results of Effectiveness Evaluation for fiscal year 2019

It was concluded that the Company’s Board of Directors was generally operating appropriately overall from the perspective of carrying out its principle roles and responsibilities, and that the effectiveness of the Board of Directors was ensured as improvement measures were taken with regard to issues identified in the Effectiveness Evaluation for fiscal year 2018.

### 3. Points of future improvement

Through the discussion that was conducted this time, the following issues were identified from a perspective of further enhancing the effectiveness of the Board of Directors, and the Company confirmed that measures are to be taken to improve them.

- (1) Enhancing information sharing with the Board of Directors on deliberations at the Nomination and Remuneration Advisory Committee to boost the Board of Directors' oversight function with regard to the remuneration and nomination of Directors and succession plans.
- (2) Deepening discussions among all Directors in the Board of Directors with regard to diversity of members of the Board of Directors (particularly viewpoint of gender).
- (3) Ensuring the effectiveness of the decision-making process by getting more creative as to quality, volume and understandability of information (regarding matters to be resolved by the Board of Directors) to be shared with Directors (particularly Outside Directors) and Audit & Supervisory Board Members.

By enabling deeper discussion in the Board of Directors based on the recent evaluation result and continuing to implement measures to improve the effectiveness of the Board of Directors, the Company will ascertain the status of improvement on a regular basis through the Effectiveness Evaluation and further enhance the effectiveness of the Board of Directors in an effort to achieve sustainable growth and increase its corporate value.

Contact information for inquires on the above
Nissan Chemical Corporation Corporation Planning Department CSR & Public Relations Office TEL:03-4463-8123 E-mail:csr_pr@nissanchem.co.jp