

June 4, 2021

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, YAGI Shinsuke) (the “Company”) announces the resolution on the results of the effectiveness evaluation of the Board of Directors (the “Effectiveness Evaluation”) for the fiscal year 2020 confirmed at the Board of Directors’ meeting held on May 25, 2021, as follows.

1. Viewpoints and methods of analysis and evaluation

The Company has employed the Effectiveness Evaluation program since the fiscal year 2015. In addition, the Company carries 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 Company conducted the third-party evaluation in the fiscal year 2020, and based on the results of the Effectiveness Evaluation implemented with the third-party evaluation, including the questionnaire responses, the Company had an internal opinion-exchange meeting in April 2021. The meeting was attended by all independent Officers consisting of three Outside Directors and three Outside Audit & Supervisory Board Members (including two full-time members), the Chairman & CEO, the President & COO, and the Senior Executive Vice President. They discussed, analyzed, and evaluated issues and necessary measures, and those results were further discussed and confirmed at the Board of Directors held in May 2021.

2. Outline of the results of Effectiveness Evaluation

It was concluded that the Company’s Board of Directors was generally operating appropriately overall from the perspective of carrying out its primary 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 previous Effectiveness Evaluation for the fiscal year 2019.

3. Points of future improvement

Through the discussions made as above, the Company recognized the following issues to address for further enhancing the effectiveness of the Board of Directors and determined to work on improvements.

- i) To promote deeper discussions at the Board of Directors with regard to the Company’s directions, strategies, business portfolio, development of new business fields, and risks. When discussing on the medium and long-term directions, the Board of Directors provides

its members with a forum for “free discussion” to exchange their opinions from various viewpoints.

- ii) When discussing on medium to long-term issues, the Board of Directors facilitates a debate about the Company’s sustainability, relating to its management strategies and from the viewpoints of risks and opportunities.
- iii) To consider how to set appropriate agenda to enable the Board of Directors to focus on the discussion on material matters over the medium to long term.
- iv) To make further efforts to deepen Outside Directors’ understandings of the Company business and management strategies and to use opportunities for briefings and discussions other than the Board of Directors.
- v) To discuss at the Nomination and Remuneration Advisory Committee about the Board of Directors itself, for example, what the Board of Directors is supposed to be, what roles Inside Directors should take, what kind of person (in terms of gender, nationality, expertise, etc.) should be appointed as an Inside Director, and what is the balanced ratio of Inside Directors and Outside Directors to the whole Board of Directors.
- vi) To discuss at the Nomination and Remuneration Advisory Committee how to share the information with the Board of Directors.

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 E-mail: csr_pr@nissanchem.co.jp