

June 10, 2022

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” or “we”) has approved the results of the effectiveness evaluation of our Board of Directors for the fiscal year 2021 by resolution of the Board of Directors’ meeting held on May 24, 2022. The Company announces as follows:

1. Effectiveness Evaluation of the Board of Directors

Every year from the fiscal year 2015, the Company analyzes and evaluates to assess whether our Board of Directors has fulfilled its key roles and responsibilities (“Effectiveness Evaluation”). We perform the Effectiveness Evaluation, basically employing the self-assessment process by the Board of Directors. To ensure the neutrality and objectivity of the evaluation process, the Company also conducts a third-party evaluation every three (3) years using an external organization that has no relationship of interest with us.

For the Effectiveness Evaluation for the fiscal year 2021, the Company employed a questionnaire for self-assessment. And based on the questionnaire responses, we had an internal opinion-exchange meeting in March 2022. The attendees were all independent Officers of the Company (consisting of four (4) Outside Directors and three (3) Outside Audit & Supervisory Board Members,) the Chairman & CEO, the President & COO, and the Senior Executive Vice President. They discussed, analyzed, and evaluated the issues to address and the measures to be taken. The outcomes of their analysis and evaluation were further deliberated and confirmed at the Board of Directors’ meeting held in May 2022.

2. Outline of the Results of the Effectiveness Evaluation

With the object of performing its key roles and responsibilities, the results of the Effectiveness Evaluation concluded that generally, our Board of Directors was operating appropriately in its totality; the improvements have been made to solve issues identified in the Effectiveness Evaluation for the fiscal year 2020. Thus, the effectiveness of our Board of Directors was positively assessed and confirmed as being sufficiently ensured.

3. Actions to Take

Recognizing the points to address below through the discussion during the above opinion-exchange meeting, we determined to improve them for a further increase in the effectiveness of the Board of Directors.

- (1) To consider how to share the status of deliberations at the Nomination and Remuneration Advisory Committee with the Board of Directors
- (2) To consider how to set and sort out appropriate agenda and streamline the process to administer meetings of the Board of Directors to enable its members to focus on the matters requiring resolution and spend enough time deliberating them

Based on the latest results of the Effectiveness Evaluation, the Company will deepen discussions by the Board of Directors and advance actions to enhance its effectiveness. Moreover, by regularly measuring improvements through the Effectiveness Evaluation and aiming for a further upgrade of the effectiveness of our Board of Directors, we will be committed to the Company's sustainable development and enhancing corporate value.

Contact for inquiries on this matter
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