

June 6, 2024

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 2023 by resolution of the Board of Directors’ meeting held on May 28, 2024. The Company announces as follows:

1. Effectiveness Evaluation of the Board of Directors

Every year since 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 2023, the Company performed the third-party evaluation. Based on the questionnaire responses and individual interviews with Directors and Audit & Supervisory Board Members, we had an internal opinion exchange meeting in March 2024. The attendees were independent Officers of the Company (consisting of three (3) Outside Directors and three (3) Outside Audit & Supervisory Board Members), the Chairman & CEO, and the President & COO. They discussed, analyzed, and evaluated the issues to address and the measures to be taken. The outcomes of their analysis and evaluation and the selection of the priority issues to address (as clarified in 3. below) were further deliberated and confirmed at the Board of Directors’ meeting held in May 2024.

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 2022. Thus, the effectiveness of our Board of Directors was positively assessed and confirmed as being sufficiently ensured.

3. Actions to Take

Through the discussions at the above opinion exchange meeting, we acknowledged the following points as actions to take; thus, we agreed to strive to realize them to elevate the effectiveness of the Board of Directors.

- (1) We should deepen our discussions on, among other things, the material issues of each business segment, our business portfolio in the mid-to-long term, and the allocation of management resources.
- (2) We should discuss the future composition of the Board of Directors and what the Board of Directors should be about.
- (3) We should create an enabling environment for all the Directors and Audit & Supervisory Board Members to exchange opinions and discuss the agenda more frankly or openly by explaining the agenda or propositions more sufficiently and improving necessary equipment for the conference. Further, internal Directors should strive to join the discussions from the company-wide perspectives to promote such an environment.

Based on the latest results of the Effectiveness Evaluation, the Company will deepen discussions at 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 increasing corporate value.

Contact information for inquiries on the above
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