

Code number: 6988

Date: May 20, 2022

Dear Shareholders,

Company representative: Hideo Takasaki, President

Supplementary Explanation for Item 3 on the Agenda of the 157th Ordinary General Meeting of  
Shareholders

Dear our shareholders,

In respect of Item 3, “Election of ten Directors,” of the 157th Ordinary General Meeting of Shareholders of Nitto Denko Corporation (hereinafter “Nitto”) scheduled to be held on June 17, 2022, we hereby provide the following supplemental explanation.

Please carefully read the following to understand the Nitto’s viewpoint.

On Mr. Yoichiro Furuse, a Director candidate in Agenda Item 3 “Election of Ten Directors”

Mr. Yoichiro Furuse is named as a Director candidate in Item 3 of the agenda. Mr. Furuse will have served as Nitto’s Director for 15 years as of the close of the Ordinary General Meeting of Shareholders to be held on June 17, 2022.

During his time in office, Mr. Furuse has attended almost all the Board meetings (12 out of the 12 meetings in the fiscal year under review [fiscal year 2021]), providing helpful advice and recommendations based on his great insights into and extensive experience in corporate management, which he gained through his roles as a director and representative director of many listed companies. The Nitto Group has a complex business structure running businesses in various areas as a total parts manufacturer. Mr. Furuse is invaluable for us as he participates in the Group’s business management with an intimate knowledge of the Group.

Mr. Furuse currently serves as a key business executive of Evanston Corporation. Nitto has no transactions with this company. In addition, as a corporate manager, Mr. Furuse understands the position and roles of outside directors and endeavors to participate in Nitto’s business management in an arm’s length manner to ensure fairness and transparency. We therefore do not consider that any problem exists regarding his independence.

As candidates to be reappointed as Outside Directors, Item 3 names Mr. Takashi Hatchoji, who has experience in corporate management (and has served as Nitto’s Director for seven years), Mr. Tamio Fukuda, who is a university professor (and has served as Nitto’s Director for four years), Ms. Wong

Lai Yong, who is a non-Japanese female ESG expert (and has served as Nitto's Director for three years), and Mr. Michitaka Sawada, who is in the management of a leading company in ESG promotion (and has served as Nitto's Director for one year). In addition, we have invited Mr. Yasuhiro Yamada, who is a former Executive Director of the Bank of Japan and an expert on finance and economics, as our new Outside Director.

Consequently, with the approval of Item 3, Nitto will have one more Outside Director. This means that six out of our ten Directors or 60% of our Directors will be Outside Directors. In addition, their appointment will ensure the Board's diversity from various perspectives including the length of their services as Nitto's Directors, gender, nationality, and career background. Based on the above, we consider that the management structure consisting of the ten Director candidates (of whom, six will be Outside Directors) including Mr. Yoichiro Furuse, as proposed in Item 3, is the best lineup that will contribute to Nitto's corporate governance.

<Skills of Nitto's (prospective) Directors and Corporate Auditors following the 157th Ordinary General Meeting of Shareholders>

Name	Title	Gender	Length of service	Leadership	Technology	Finance	Governance	Sustainability
Hideo Takasaki	Representative Director	Male	14 years	•				
Nobuhiro Todokoro	Director	Male	5 years	•			•	
Yosuke Miki	Director	Male	5 years	•	•			
Yasuhiro Iseyama	Director	Male	2 years			•	•	
Yoichiro Furuse	Outside Director	Male	15 years	•		•	•	
Takashi Hatchoji	Outside Director	Male	7 years	•			•	•
Tamio Fukuda	Outside Director	Male	4 years	•	•			•
Wong Lai Yong	Outside Director	Female	2 years				•	•
Michitaka Sawada	Outside Director	Male	1 year	•	•			•
Yasuhiro Yamada	Outside Director	Male	—		•	•	•	
Masami Kanzaki	Corporate Auditor (full-time service)	Male	7 years				•	•
Shin Tokuyasu	Corporate Auditor (full-time service)	Male	3 years			•		•
Masashi Teranishi	Outside Auditor	Male	14 years	•		•	•	
Masakazu Toyoda	Outside Auditor	Male	11 years	•			•	•
Mitsuhide Shiraki	Outside Auditor	Male	10 years				•	•

\*The table above shows skills specifically expected and is not all-inclusive.

\*Director Hideo Takasaki is designated as Leadership only from the viewpoint that it is most important for him to oversee management as President-Director.

The details of each skill are as follows.

Skill	Reason for selection
Leadership	For a company to keep growing in a dramatically changing business environment, it needs to make bold business decisions. For this reason, we have chosen leadership qualities and experience in a global organization, such as being part of a management team or a person responsible for a large project at a listed company, or a manager of a venture company, or having a key role in a government, as a skill we seek in our Board members.
Technology	To achieve Nitto's mission, "Contribute to customers' value creation with innovative ideas," we need to keep investing in innovation. For this reason, we have chosen in-depth knowledge in science and technology not only in relation to our existing businesses but also in relation to IT, DX, quality, the environment, safety technologies, and new areas as a skill we seek in our Board members.
Finance	To manage a company, we need scientific investment measures based on financial indicators. For this reason, we have chosen knowledge in finance and accounting as a skill we seek in our Board members.
Governance	The statement, "We place safety before everything else," which is one of the principles of "The Nitto Way," also encompasses "safety in business management." For this reason, we have chosen insights into and board experience in areas such as legal matters, risk management, and labor as a skill we seek in our Board members.
Sustainability	For a company to keep growing, it needs to help build a sustainable society in addition to achieving its own growth. For this reason, we have chosen a background in areas, such as diversity, environmental contribution, and brand value, as a skill we seek in our Board members.