

Supplementary Explanation for Items 4 on the Agenda of the 155th Ordinary General Meeting of Shareholders

Dear Shareholders:

We have obtained information that Institutional Shareholder Services, Inc. (hereinafter referred to as “ISS”), a voting advisory company is recommending shareholders to vote against certain candidates in Item 4 (Election of two Corporate Auditors) of the 155th Ordinary General Meeting of Shareholders of Nitto Denko Corporation (the “Company”) scheduled to be held on June 19, 2020, because independence of those candidates is not secured.

Regarding this matter, we hereby explain the Company’s opinion on possible factors that caused ISS to make such recommendation as follows:

Please read the Notice of the Ordinary General Meeting of Shareholders of the Company and this Supplementary Explanation to make your decision.

Candidate for Corporate Auditor, Masashi Teranishi in Item 4 (Election of two Corporate Auditors)

The Company nominates Mr. Masashi Teranishi as a candidate for Corporate Auditor in Item 4. He serves as an honorary adviser of MUFG Bank, Ltd. ISS is recommending shareholders to vote against the item regarding the election of Mr. Teranishi, claiming that he lacks independence because he was an important executing person of MUFG Bank, Ltd. in the past. In this regard, the Company believes as follows.

He was an important executing person of the group in the past, but it has been ten years or more since he retired. Hence, it does not affect his independence. Further, the Company has no borrowing from MUFG Bank, Ltd. nor is the bank a major shareholder of the Company (the ratio of the number of shares held to the total number of shares outstanding (excluding treasury stock) is less than 0.7%). For these reasons, the Company believes that there is no problem with his independence.

In addition, Mr. Masakazu Toyoda, a former government official, has already assumed the position of Outside Corporate Auditor of the Company, and Mr. Mitsuhide Shiraki, a university professor, is a candidate for reelected Outside Corporate Auditor. Therefore, the approval of Item 4 will result in Outside Corporate Auditors accounting for a majority, three out of five Corporate Auditors. Furthermore, the approval of both Items 3 and 4 will result in Outside Directors and Outside Corporate Auditors accounting for the more than half of Directors and Corporate Auditors, respectively. It will enable the Company to secure diversity from various perspectives, such as Outside Directors, as well as the length of service, gender, nationality, and experience. Based on the foregoing, the Company believes that the management structure having Mr. Masashi

Teranishi as a candidate for reelection in Item 4 is the best lineup that could contribute to corporate governance.