



Date: June 21st, 2024

Listed company name: Nitto Denko Corporation

Stock exchange listing: Tokyo, Prime Market

Code number: 6988

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Notice Concerning Disposition of Treasury Shares as Remuneration for Restricted Shares

Nitto Denko Corporation (the "Company") hereby announces that it decided to dispose of treasury shares as remuneration for restricted shares (hereinafter, the "Disposition of Treasury Shares") at the meeting of its Board of Directors held today.

1. Overview of the Disposition

(1)	Date of disposition	July 11th, 2024
(2)	Type and number of shares to be disposed	Common shares of the Company 18,600 shares
(3)	Disposition price	13,115 yen per share
(4)	Total disposition price	243,939,000 yen
(5)	Envisaged purchasers	Directors of the Company (*) 5 people for 8,100 shares Vice Presidents of the Company 21 people for 10,500 shares *Excluding Part-time Directors and Outside Directors
(5)	Other	An Extraordinary Report has been submitted in accordance with the Financial Instruments and Exchange Act concerning this disposal of Treasury Shares.

2. Purposes and Reasons for the Disposition

At the 153rd Ordinary General Meeting of Shareholders held on June 22, 2018, the Company received approval for the introduction of a share-based remuneration plan to provide restricted shares (hereinafter, the "Plan") to the Directors of the Company (excluding Outside Directors; hereinafter, the "Eligible Directors") with the purpose of incentivizing even more strongly the Eligible Directors to contribute to mid- and long-term improvement to the Company's performance and the sustained growth of its corporate value. At the same time, the Company obtained approval for the following matters: the total amount of monetary remuneration receivables to be provided to the Eligible Directors as remuneration, etc. in connection with the restricted shares shall be capped at JPY243 million a year; the total number of restricted shares to be allotted to the Eligible Directors in each fiscal year shall be capped at 32,000 shares; and restricted shares may not be disposed of for thirty years, among others.

In addition, the Company resolved at the meeting of its Board of Directors on April 27, 2018, that it would also offer the Plan to its Vice Presidents (hereinafter, the "Allotment Targets" including the Eligible Directors). The Disposition of Treasury Shares shall be executed under the Plan based on a resolution of the meeting of Board of Directors held today.

3. Overview of the Allotment Agreement

The following is a summary of the Allotment Agreement that the Company plans to enter into with the Allotment Targets to whom the Company will pay restricted share remuneration in connection with the Disposition of Treasury Shares

i) Transfer Restriction Period

July 11th, 2024 – July 10th, 2054

Allotment Targets may not dispose of such restricted shares allotted to the Targets (hereinafter, the "Allotted Shares") in any way, including transfer to third parties, establishment of right of pledge, offering as collateral, establishment of a mortgage, advancement, or bequest, for the transfer restriction period stipulated above (hereinafter, the "Transfer Restriction Period").

ii) Cancellation of Transfer Restrictions

The Company will cancel transfer restrictions for all of the restricted shares owned by Allotment Targets upon the completion of the transfer restriction period (hereinafter, the "Period Completion Time"), on the condition that Allotment Targets have maintained the status of either Director, Vice President, or employee of the Company up until the date of the first Shareholders' Meeting of the Company after the transfer restriction period's commencement date. Notwithstanding the above, in the event Allotment Targets have stepped down or retired from the position of Director, Vice President, or employee of the Company before the expiration of the transfer restriction period for legitimate reasons otherwise deemed justifiable by the Company's Board of Directors, the Company will cancel transfer restrictions on this at the time of the said stepping-down or immediately after retirement, for the number of Allotted Shares calculated by multiplying the number of months - from July 2024 up to the month which includes the day when Allotment Targets step down or retire from the position of Director, Vice President, or employee of the Company - divided by 12 (however, 1 if the calculation result is over 1) with the number of Allotted Shares owned by Allotment Targets at the said time (however, if there is a fraction less than 1, it shall be rounded off).

iii) Acquisition of Restricted Shares without Contribution

The Company will naturally acquire without contribution the Allotted Shares at the time of the said stepping down or retirement in the event that Allotment Targets have stepped down or retired from the position of Director, Vice President, or employee of the Company by the day prior to the first Shareholders' Meeting of the Company after the transfer restriction period's commencement date, except when there are legitimate reasons otherwise deemed justifiable by the Company's Board of Directors.

Moreover, at the time immediately after the expiration, the Company will naturally acquire without contribution any and all Allotted Shares for which transfer restriction has

not been cancelled pursuant to the reasons for such cancellation described in ii) above when the transfer restriction period has expired.

iv) Stipulations for Management of shares

Allotment Targets shall complete the opening of the account at SMBC Nikko Securities Inc. for describing and recording the Allotted Shares by the method designated by the Company, and keep and maintain the Allotted Shares in the said account until transfer restrictions are canceled.

v) Treatment in the Event of Organizational Restructuring, Etc.

During the transfer restriction period, in the event that approval is given at the Shareholders' Meeting of the Company (or at a meeting of the Board of Directors of the Company in the case that approval by the Shareholders' Meeting of the Company is not required regarding organizational restructuring, etc.) on matters regarding merger agreements under which the Company becomes the disappearing company, share exchange agreements or share transfer plans under which the Company becomes a wholly owned subsidiary of another company, or any other agenda items regarding organizational restructuring, etc., the Company will, by resolution of the Board of Directors of the Company, cancel transfer restrictions on this at the time immediately before the day preceding the effective date of such organizational restructuring, for the number of Allotted Shares calculated by multiplying the number of months - from July 2024 up to the month which includes the day of the said approval - divided by 12 (however, 1 if the calculation result is over 1) with the number of Allotted Shares owned by Allotment Targets at the said time (however, if there is a fraction less than 1, it shall be rounded off).

In such cases, the Company will naturally acquire without contribution any and all Allotted Shares for which transfer restrictions are not cancelled on the day preceding the effective date of such organizational restructuring pursuant to the provisions above.

4. Grounds for Calculating the Amount to be Paid and its Specific Details

In order to make it the price without any arbitrary nature, the disposition price for the Disposition of Treasury Shares was decided as 13,115 yen, the closing price of our common share at the Tokyo Stock Exchange on the business day immediately preceding the resolution date of our Board of Directors (June 20th, 2024). We presume this is the market price immediately before the resolution date of our Board of Directors, and therefore, is reasonable and does not fall under particularly advantageous prices.

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