

## **Outline of Evaluation Results Related to Effectiveness of the Board of Directors for the Fiscal Year Ended March 31, 2017**

Based on the Corporate Governance Guidelines, Hitachi Maxell, Ltd. (the Company) regularly conducts evaluation related to the effectiveness of its Board of Directors with the purpose of enhancing the Board's effectiveness and improving the Company's corporate value.

The Company today announces the outline of analysis and evaluation results related to effectiveness of the Board of Directors for the fiscal year ended March 31, 2017 as follows.

### **1. Methods for analysis and evaluation related to the effectiveness of the Board of Directors**

The Company carried out an anonymous survey among its directors containing the following items. The Company sought the assistance of an outside consultant in calculating and analyzing the survey's results in order to ensure anonymity and objectivity. Based on the survey's results and the opinions of the outside consultant, the Board of Directors analyzed and evaluated its effectiveness as well as examined ways to make improvements going forward.

#### **Survey Content (Main Items)**

1. Board of Director's structure
2. Board of Director's effectiveness
3. Effectiveness of appointment and remuneration systems for directors and executives
4. Board of Director's management
5. Personal evaluation
6. Structure of support and cooperation for outside directors
7. Roles of Audit and Supervisory Committee members and expectations to them
8. Relationship with shareholders and other stakeholders

\*For the comparison with previous year's evaluation results, the items are same as previous year.

### **2. Outline of analysis and evaluation results related to the effectiveness of the Board of Directors**

The evaluation confirmed that the Company's Board of Directors has secured proper decision-making processes under appropriate operation of proceedings based on independent and constructive debate and idea exchange.

Also, by transition to a Company with Audit and Supervisory Committee executed last year, the evaluation confirmed that the control function, such as Board of Directors' structure, has been strengthened and that proper discussions in order to improve the corporate governance structure and to enhance the compliance have been made.

At the same time, the evaluation recognized that the Company must improve the structure to follow up on investment items, considering the importance of investment items following the medium term management plan and strategy.

Also, the evaluation pointed out that the Company must continuously take ensure application of the systems developed in the fiscal year ended March 31, 2017, such as substantial discussions on medium term management issues, reinforcement of independence and objectivity of function of the Board of Directors relating to nomination and remuneration of directors, and overseeing plans to train successors.

### **3. Future measures based on the analysis and evaluation related to the effectiveness of the Board of Directors**

Based on the above analysis and evaluation, the Company will further enhance the effectiveness of the Board of Directors by implementing the following improvements in particular.

- (1) Secure a sufficient structure for follow up on effectiveness of investments for growth, such as capital investment.
- (2) Secure a sufficient amount of time to deliberate medium to long term management issues and work to enhance debate that leads to improve the Company's corporate value.
- (3) By involvement of a Nomination and Remuneration Committee, improve transparency and objectivity of process of nomination of directors and decision of the remuneration.
- (4) Regularly confirm and discuss plans to train successors.

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