

Directors, Auditors, and Vice Presidents



Outside Director
Tamio Fukuda

Outside Corporate Auditor
Masakazu Toyoda

Director, Senior Vice President
Yosuke Miki

Director, Senior Executive
Vice President
Toru Takeuchi

Director, Executive Vice President
Nobuhiro Todokoro

Outside Corporate Auditor
Mitsuhide Shiraki

Outside Director
Takashi Hatchoji

Outside Director
Yoichiro Furuse

Corporate Auditor
Masami Kanzaki

Representative Director, President
Hideo Takasaki

Representative Director,
Senior Executive Vice President
Toshiyuki Umehara

Corporate Auditor
Shin Tokuyasu

Outside Corporate Auditor
Masashi Teranishi

Directors, Auditors, and Vice Presidents

Board Members

Hideo Takasaki

Representative Director, President

April 1978 : Joined Nitto Denko Corporation
 June 2008 : Director, Vice President
 June 2010 : Director, Senior Vice President
 June 2011 : Director, Executive Vice President
 June 2013 : Director, Senior Executive Vice President
 April 2014 : Representative Director, President CEO, concurrently COO
 November 2016 : Representative Director, President CEO, concurrently COO, concurrently CTO
 April 2017 : Representative Director, President CEO, concurrently COO (present)

Yosuke Miki

Director, Senior Vice President

April 1993 : Joined Nitto Denko Corporation
 June 2016 : Vice President, General Manager of Information and Communication Technology Sector
 April 2017 : Vice President, Deputy CTO
 General Manager of Information and Communication Technology Sector, concurrently Deputy General Manager of Corporate Technology Sector and General Manager of New Business Development Division
 June 2017 : Director, Vice President, Deputy CTO
 General Manager of Information and Communication Technology Sector, concurrently Deputy General Manager of Corporate Technology Sector and General Manager of New Business Development Division
 June 2019 : Director, Senior Vice President, Deputy CTO
 General Manager of Information and Communication Technology Sector, concurrently Deputy General Manager of Corporate Technology Sector and General Manager of New Business Development Division (present)

Toshiyuki Umehara

Representative Director, Senior Executive Vice President

April 1984 : Joined Nitto Denko Corporation
 June 2010 : Vice President, General Manager of Optical Sector
 June 2013 : Senior Vice President
 April 2014 : Senior Vice President, General Manager of Corporate Strategy Management Division, Corporate Sector, and General Manager of Procurement Business Division
 June 2014 : Senior Vice President, CIO
 April 2015 : Senior Vice President, General Manager of Automotive Products Sector
 June 2015 : Director, Executive Vice President
 April 2017 : Director, Executive Vice President, CTO
 June 2017 : Director, Senior Executive Vice President, CTO
 April 2018 : Director, Senior Executive Vice President, CTO, concurrently CIO
 June 2019 : Representative Director, Senior Executive Vice President, CTO, concurrently CIO (present)

Yoichiro Furuse

Outside Director (Independent Director)

April 1964 : Joined Sumitomo Bank, Ltd.
 June 1989 : Director, Sumitomo Bank, Ltd.
 October 1993 : Executive Director, Sumitomo Bank, Ltd. (retired in June 1996)
 June 1996 : Senior Managing Director, Mazda Motor Corporation (retired in June 2000)
 June 2001 : Director, Sanyo Electric Co., Ltd.
 June 2002 : Representative Director and Vice President, Sanyo Electric Co., Ltd. (retired in October 2005)
 January 2006 : Representative Director, Evanston Corporation (present)
 June 2007 : Outside Director, Nitto Denko Corporation (present)
 September 2010 : Non-Executive & Independent Director, Global Logistic Properties Limited (retired in December 2017)
 July 2015 : Chairman of Japan, Permira Advisers KK (present)
 October 2015 : Director, Sushiro Global Holdings Ltd. (retired in December 2016)
 March 2016 : Outside Director, Nasta Co., Ltd. (present)
 January 2018 : Consultant, GLP Pte. Ltd. (present)

Toru Takeuchi

Director, Senior Executive Vice President

April 1981 : Joined Nitto Denko Corporation
 June 2010 : Vice President, General Manager of Corporate Accounting Division, Corporate Sector
 June 2011 : Director, Vice President, CFO
 June 2014 : Director, Senior Vice President, CFO
 June 2015 : Director, Executive Vice President, CFO
 June 2018 : Director, Senior Executive Vice President, CFO (present)

Takashi Hatchoji

Outside Director (Independent Director)

April 1970 : Joined Hitachi, Ltd.
 June 2003 : Vice President and Executive Officer, Hitachi, Ltd.
 April 2004 : Senior Vice President and Executive Officer, Hitachi, Ltd.
 April 2006 : Representative Executive Officer, Executive Vice President, and Executive Officer, Hitachi, Ltd. (retired in March 2007)
 June 2007 : President and Representative Director, Hitachi Research Institute (retired in March 2009)
 April 2009 : Representative Executive Officer, Executive Vice President, and Executive Officer, Hitachi, Ltd. (retired in March 2011)
 April 2011 : Chairman of the Board, Hitachi America, Ltd. (retired in March 2015)
 June 2011 : Director, Hitachi, Ltd. (retired in June 2015)
 June 2015 : Advisor, Hitachi, Ltd. (retired in June 2016)
 June 2015 : Outside Director, Nitto Denko Corporation (present)
 June 2017 : External Audit & Supervisory Board Member, Marubeni Corporation (present)
 June 2017 : Outside Director, Konica Minolta, Inc. (present)

Nobuhiro Todokoro

Director, Executive Vice President

April 1989 : Joined Nitto Denko Corporation
 June 2015 : Vice President, General Manager of Information Fine Materials Unit, Information Fine Materials Sector
 April 2017 : Vice President, General Manager of Information Fine Materials Sector
 June 2017 : Director, Senior Vice President, General Manager of Information Fine Materials Sector
 June 2019 : Director, Executive Vice President (present)

Tamio Fukuda

Outside Director (Independent Director)

April 1989 : Design Advisor, Samsung Electronics Co., Ltd., South Korea (retired in September 1999)
 October 1999 : Professor, Graduate School of Science and Technology, Kyoto Institute of Technology
 April 2013 : Professor Emeritus, Kyoto Institute of Technology (present)
 June 2018 : Outside Director, Nitto Denko Corporation (present)

Audit & Supervisory Board Members

Masami Kanzaki

Corporate Auditor

April 1978 : Joined Nitto Denko Corporation
 June 2008 : Vice President, Representative Director of Nitto Shinko Corporation
 June 2009 : Vice President, Deputy General Manager of Sales Sector, Manager of Tokyo Sales Branch
 April 2010 : Vice President, CIO
 June 2011 : Senior Vice President, CIO
 June 2013 : Executive Vice President, CIO
 June 2014 : Executive Vice President, General Manager of Sales Management Sector
 June 2015 : Corporate Auditor (full-time service) (present)

Shin Tokuyasu

Corporate Auditor

April 1985 : Joined Nitto Denko Corporation
 July 2005 : General Manager of Accounting Department, Optical Division
 October 2009 : General Manager of Accounting & Finance Department, Corporate Accounting Division, Corporate Sector
 November 2011 : General Manager of Accounting & Finance Department, Corporate Accounting Division, Corporate Sector and General Manager of Monitoring Department
 February 2014 : General Manager of Accounting & Finance Department, Corporate Accounting Division, Corporate Sector, concurrently General Manager of Business Management Division, Information Fine Materials Unit
 April 2014 : Deputy General Manager of Corporate Accounting & Finance Division, Corporate Sector
 April 2015 : Deputy General Manager of Corporate Accounting Division, Corporate Sector, concurrently General Manager of Accounting Department, Business Management Division, Automotive Products Sector
 April 2016 : Representative Director, Nitto Automotive, Inc.
 June 2017 : Vice President, Representative Director of Nitto Automotive, Inc.
 July 2018 : Vice President, General Manager of Compliance Division
 April 2019 : Vice President, General Manager of Corporate Sustainability Division
 June 2019 : Corporate Auditor (full-time service) (present)

Masashi Teranishi

Outside Corporate Auditor

April 1969 : Joined The Sanwa Bank, Ltd.
 January 2002 : President and Representative Director, UFJ Bank Limited
 June 2002 : Director, UFJ Holdings, Inc. (retired in June 2004)
 May 2004 : Representative Director, UFJ Bank Limited (retired in May 2004)
 July 2004 : Honorary Advisor, UFJ Bank Limited
 January 2006 : Honorary Advisor, The Bank of Tokyo-Mitsubishi UFJ, Ltd. (present)
 June 2008 : Outside Corporate Auditor, Nitto Denko Corporation (present)
 June 2011 : Outside Director, Tsukushima Kikai Co., Ltd. (retired in June 2018)

Masakazu Toyoda

Outside Corporate Auditor

April 1973 : Joined the Ministry of International Trade and Industry of Japan (currently the Ministry of Economy, Trade and Industry [METI] of Japan)
 August 2003 : Director-General, Commerce and Information Policy Bureau, METI
 July 2006 : Director-General, Trade Policy Bureau, METI
 July 2007 : Vice-Minister for International Affairs, METI (retired in July 2008)
 August 2008 : Secretary General of the Cabinet Secretariat's Strategic Headquarters for Space Policy (retired in August 2010)
 November 2008 : Special Advisor to the Cabinet Secretariat (retired in August 2010)
 June 2010 : Outside Statutory Auditor, Murata Manufacturing Co., Ltd. (retired in June 2016)
 July 2010 : Chairman & CEO, The Institute of Energy Economics, Japan (present)
 June 2011 : Outside Corporate Auditor, Nitto Denko Corporation (present)
 March 2015 : Outside Director, Canon Electronics Inc. (present)
 June 2016 : Outside Director, Murata Manufacturing Co., Ltd. (retired in June 2018)
 June 2018 : Outside Director, Nissan Motor Co., Ltd. (present)

Mitsuhide Shiraki

Outside Corporate Auditor

April 1990 : Professor, Faculty of Political Science and Economics, Kokushikan University
 April 1999 : Professor, School of Political Science and Economics, Waseda University
 April 2005 : Professor, Faculty of Political Science and Economics, Waseda University (present)
 October 2009 : Vice President, Japan Academy of International Business Studies
 June 2012 : Outside Corporate Auditor, Nitto Denko Corporation (present)
 October 2012 : Permanent Director, Japan Academy of International Business Studies
 August 2013 : President, Japan Society of Human Resource Management (retired in August 2015)
 October 2015 : Chairperson, Japan Academy of International Business Studies (present)

Directors, Auditors, and Vice Presidents

Vice Presidents

Name	Positions	Responsibilities
Hideo Takasaki	Representative Director, President CEO, concurrently COO Chairperson, Internal Control Committee	Management in general
Toshihiko Omote	Senior Executive Vice President Senior Chief Engineer	Special assignments
Michio Yoshimoto	Senior Executive Vice President General Manager, Legal and Corporate Affairs Division General Manager, Export Control Center	Legal and corporate affairs Export control
Toshiyuki Umehara	Representative Director, Senior Executive Vice President CTO, concurrently CIO General Manager, Corporate Technology Sector Chairperson, Information Security Committee	Corporate technology, information fine materials business, medical business, membrane business, IT, procurement, logistics, human resources & training, and business reform
Toru Takeuchi	Director, Senior Executive Vice President CFO Chairperson, J-SOX Committee and Chairperson, Timely Disclosure Committee	Accounting & finance and compliance
Yasushi Nakahira	Executive Vice President General Manager, Quality, Environment & Safety Management Sector Chairperson, Environment & Safety Committee	Quality, environment & safety
Yukihiro Iizuka	Executive Vice President President, Nitto, Inc.	Management of North and South American regions
Nobuhiro Todokoro	Director, Executive Vice President	Functional base products business
Yasuhito Ohwaki	Senior Vice President CPO	Procurement
Sam Strijckmans	Senior Vice President Deputy General Manager, Corporate Accounting & Finance Division President & CEO, Nitto EMEA NV	Management of European region Global finance & auditing
Jun Yamashita	Senior Vice President Director, Nitto Denko (Singapore) Pte. Ltd.	Management of South Asian region
Toshihiko Takayanagi	Senior Vice President General Manager, Sales Management Sector and Tokyo Sales Branch	Sales management & sales support
Kazuki Tsuchimoto	Senior Vice President Deputy CTO Deputy General Manager, Corporate Technology Sector and General Manager, Manufacturing Technology Division	Corporate technology (manufacturing engineering and process technology)
Yosuke Miki	Director, Senior Vice President Deputy CTO General Manager, Information and Communication Technology Sector, concurrently Deputy General Manager, Corporate Technology Sector and General Manager, New Business Development Division	ICT business, transportation business, and corporate technology (new technology)
Hiroshi Fukuhara	Vice President General Manager, Human Resources Management Division	Human resources & training Management of offices/plants
Seiji Fujioka	Vice President General Manager, Medical Division	Medical business
Atsushi Ukon	Vice President President, Nissho Corporation	Management of business companies
Bae-Won Lee	Vice President President, Korea Nitto Optical Co., Ltd.	Information fine materials business
Yasuhiro Iseyama	Vice President General Manager, Corporate Accounting & Finance Division	Accounting & finance
Norio Sato	Vice President General Manager, Functional Base Products Sector	Functional base products business
Katsuyoshi Jo	Vice President Chairman/President, Nitto Denko (China) Investment Co., Ltd.	Management of East Asian region
Tatsuya Osuka	Vice President General Manager, Corporate Sustainability Division Chairperson, CSR Committee	Compliance
Mehrdad Tabrizi	Vice President General Manager, Nucleic Acid Medicine Business Division, Corporate Technology Sector Chairman, Nitto Denko Technical Corporation	Corporate technology (nucleic acid medicines)
Tatsuya Akagi	Vice President General Manager, Information Fine Materials Sector	Information fine materials business
Kenjiro Asuma	Vice President General Manager, Corporate Strategy Management Division	Corporate strategy

Corporate Governance

Our Basic Views on Corporate Governance

We at the Nitto Group make clear our fundamental values and sense of purpose with respect to performance of business in the form of our "Corporate Philosophy." We have also established guidelines (the "Nitto Group Business Conduct Guidelines") for concrete behavior based on this business principle, and spare no effort to make them universally known to our officers and employees.

In order to maximize our corporate value and achieve continuous growth under this "Corporate Philosophy," we believe that prompt and transparent decision making, as well as bold managerial decisions, are necessary. Fully aware of the importance of establishing corporate governance to achieve such decision making, we will not only ensure the effectiveness of our corporate governance system, but also further improve the

system by establishing the "Corporate Governance Guidelines" in accordance with the following basic principles:

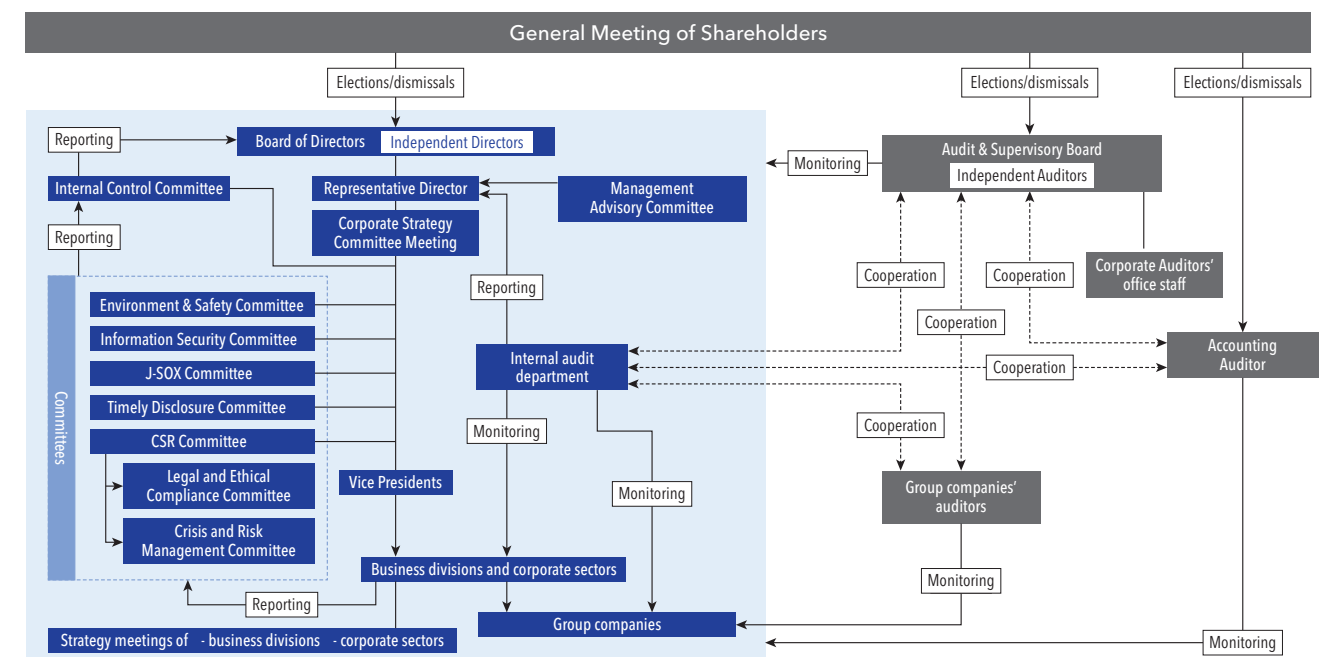
1. We ensure the rights and equality of our shareholders.
2. We collaborate with our stakeholders appropriately.
3. We disclose information appropriately to ensure transparency.
4. We aim to realize the management functions expected of us by our stakeholders.
5. We engage in constructive dialogue with our shareholders.

Overview of the Corporate Governance System

In accordance with the provisions of Article 362 of the Companies Act and Article 100 of the Regulation for Enforcement of the Companies Act, we have established the Basic Policies

Related to Internal Controls and execute operations under the corporate governance system below.

Corporate Governance System



Corporate Governance

Policies and Procedures for Electing and Dismissing Members of the Board of Directors and Board of Corporate Auditors

■ Appropriate Structure of the Board of Directors and Board of Corporate Auditors

Given the current scale of business, the need to facilitate substantial discussions at the Board of Directors meetings and Board of Corporate Auditors meetings and to ensure an appropriate number of outside directors, etc., we believe that the appropriate size of the Board of Directors is not more than ten (10) directors (two (2) or more of whom are independent directors). Accordingly, the upper limit of the members of the Board of Directors is set at ten (10) in the Articles of Incorporation. We also believe that the appropriate size of the Board of Corporate Auditors is not more than five (5) members (half or more of whom are independent auditors), comprised of individuals with appropriate experience and ability, as well as necessary knowledge in finance, accounting, and legal affairs, with at least one (1) member who has sufficient expertise in finance and accounting. Accordingly, an upper limit of the members of the Board of Corporate Auditors is set at five (5) in the Articles of Incorporation.

■ Appointment and Dismissal of the Members of the Board of Directors and Board of Corporate Auditors

The Officer Appointment Standards and Officer Dismissal Standards have been established as follows and are applied when appointing or dismissing a director or corporate auditor. In order to further enhance transparency and fairness in appointment and dismissal of directors, the Management, Nomination and Remuneration Advisory Committee meets and reports the results of its deliberations to the Board of Directors, and the Board of Directors makes the final decision by taking said report into account.

<Officer Appointment Standards>

In addition to the basic requirements of having profound insights and high levels of expertise acquired from past experience, successful candidates should comprehend and live up to our Corporate Philosophy, deliver results, and continue to take on new challenges.

(At Nitto, those meeting such requirements are referred to as "Nitto Persons.")

<Officer Dismissal Standards>

1. An act was committed that was contrary to public order and morality;
2. A violation of the laws and ordinances, the Articles of Incorporation, or any other regulations of the Group was committed, and Nitto suffered a substantial loss or hindrance to Group business operations due to such violation;
3. A material inconvenience was caused to the execution of the duties of an officer; or
4. Any of the quality requirements set forth in the Officer Appointment Standards is no longer satisfied.

■ Nomination of Outside Directors and Outside Corporate Auditors

In addition to the Officer Appointment Standards, the Independent Officer Appointment Standards have been established in order to nominate outside directors and outside corporate auditors, and individuals who are considered to meet these Standards are nominated as such. In order for outside directors and outside corporate auditors to allocate the time and labor required to properly fulfill their roles and responsibilities at Nitto, due attention is paid to ensure that the status of their concurrent positions as officers and other positions at other companies is appropriate.

<Criteria for Independent Outside Directors and Outside Corporate Auditors>

In an effort to ensure the objectivity and transparency of corporate governance, Nitto has set forth the criteria for the independence of outside directors and outside corporate auditors (hereinafter collectively referred to as "Outside Officer(s)"), as seen below.

Nitto considers an Outside Officer or a candidate thereof to have independence if, after conducting an in-house investigation to the utmost reasonable extent, it is deemed that none of the following items is applicable to the Outside Officer or the candidate thereof:

1. An individual who is, or has been an executing person (director, corporate auditor, vice president, or any other employee) of the Company or its Group companies (hereinafter collectively referred to as the "Nitto Group") during the past ten (10) years;
2. An individual who is an important executing person (director, corporate auditor, accounting advisor, executive officer, vice president, or any other important employee; the same applies hereinafter) of a major shareholder of the Company (a shareholder holding ten (10) percent or more of the voting rights of the Company; the same applies hereinafter);
3. An individual who is an important executing person of a company of which the Company is a major shareholder;
4. An individual who is an important executing person of a major counterparty of the Company (for which the amount of payment or receipt for transactions with the Company for the latest fiscal year exceeds two (2) percent of consolidated gross sales);
5. An individual who is an important executing person of a major creditor of the Company (to which the Group's aggregate amount of loans payable at the end of the latest fiscal year exceeds two (2) percent of consolidated total assets);
6. A legal professional, accounting and tax professional, consultant, or research and education specialist who receives a large amount of compensation or donations (for the latest fiscal year, ten (10) million yen or more in the case of an individual and more than two (2) percent of consolidated gross sales in the case of a corporation or an organization) from the Company;
7. An individual who has kinship (being a relative within the third degree of kinship or a relative living together) with any executing person of the Nitto Group;
8. An individual to whom any of the items 2. through 7. above has been applicable within the past five years; and
9. In addition to the above, an individual who has any interest that could be reasonably considered to give rise to any doubt about independence as an independent officer and so risk a conflict of interest with shareholders of the Company.

Policy Related to Remuneration of Directors

At Nitto, directors (excluding outside directors) receive four types of remuneration as described below:

- Fixed compensation in cash;
- Bonus for directors linked to short-term performance;
- Performance-linked share-based remuneration as a form of mid-term performance-linked remuneration (to be provided within the scope of zero percent to 150 percent in accordance with achievement of numerical targets determined by the Company's Board of Directors based on performance targets laid out in the Mid-Term Management Plan and other indicators); and
- Restricted share remuneration as a form of mid- and long-term performance-linked remuneration.

The above types of remuneration are paid for the purpose of motivating directors to contribute to mid- and long-term performance improvement and continual enhancement of corporate value, and by taking into account the balance between fixed and variable remunerations and between compensation in

cash and share remuneration. Each type of remuneration is determined within the range of the total amount (and number of shares issued) that has been approved at a general meeting of shareholders.

In order to enhance the objectivity and transparency of such remuneration, the amount of performance-linked share-based remuneration is calculated by using the prescribed formula and the amount of other remunerations to each director is determined by the representative director(s) in accordance with their duties, responsibilities, and performance, after hearing the views of the Management, Nomination and Remuneration Advisory Committee on remuneration of directors.

Given their roles of overseeing management through important decision making at the Board of Directors meetings, remuneration to Nitto's outside directors does not include any share-based or other performance-linked portions, and instead is comprised solely of fixed compensation in cash.

Remuneration of Directors and Corporate Auditors

	Fixed compensation	Short-term performance-linked compensation	Mid-term performance-linked compensation	Mid- and long-term performance-linked compensation
Full-time (corporate) Directors	Compensation in cash By-position fixed monthly compensation The upper limit of the total amount: 30 million yen/month (3 million yen/month of which is for Outside Directors)	Bonus for Directors The upper limit of the total amount to be approved at a general meeting of shareholders each year	Performance-linked share-based remuneration Shares to be provided in a number within the range of 0% to 150% of the standard number of shares in accordance with the achievement of numerical targets for three business terms The upper limit of the total amount and number of shares: 364 million yen/year 48,400 shares/year	Restricted share remuneration Shares whose transfer is restricted until retirement to be provided in lieu of retirement benefits The upper limit of the total amount and number of shares: 243 million yen/year 32,000 shares/year
Outside Directors	—			

Policy Related to Remuneration of Corporate Auditors

In light of their duties, such as auditing the execution of the duties by directors, Nitto's corporate auditors receive compensation in cash (fixed) only, without any elements of equity-related or other performance-based remuneration. Such remuneration is determined within the range of the total amount approved at general meetings of shareholders.

Remuneration of individual corporate auditors is determined through consultation among themselves in accordance with the duties and responsibilities of each corporate auditor.

Analysis, Evaluation, and Disclosure of the Findings of the Nitto Board Effectiveness

Nitto collects questionnaires from each director and corporate auditor to analyze and evaluate effectiveness of its Board of Directors.

Please visit our corporate website (<https://www.nitto.com/us/en/others/ir/library/disclosure/file/190329.pdf>) for the findings of the FY2018 effectiveness evaluation.

("Findings of the Nitto Board Effectiveness Evaluation," dated March 29, 2019)

Risk Management

Risk Management System

The Nitto Group has established the Internal Control Committee and other expert committees in order to manage various risks for the entire Group in such areas as the environment, safety, information security, compliance, and quality irregularities. In fiscal 2019, we are reviewing what we have been doing in this regard to build an infallible risk management system.

Initiatives to Raise the Level of Risk Management

The Nitto Group distributes questionnaires on business risks to over 2,000 management-level employees every year. The purpose of this survey is to determine risks that concern the entire Group and those specific to individual businesses and regions, as well as to enhance the level of each management-level employee's risk awareness. Based on the survey responses, we determine what actions are being taken to manage risks at each workplace and discuss any other necessary actions at CSR workshops for management-level employees, and then implement at each workplace the actions thus agreed upon, thereby helping each site and Group company to enhance their risk management.

Preparedness for Accidents and Disasters

The Nitto Group deals in intermediate materials, which are supplied to a broad range of industries. We are keenly aware that suspension of our business activities can have a major impact on our customers, as well as the societies we serve. Such being the case, we have drawn up the four basic policies of "respect for human life," "prevention of secondary disasters," "responsibility for supplying products," and "supporting the local community," so that we can continue with our business activities even in case an incident or disaster occurs.

We at the Nitto Group recognize the importance of a prompt initial response for "disaster mitigation (minimizing damage caused by disasters)" and "quick recovery." With this in mind, we

test our emergency systems and provide training regularly. At a time of emergency, we have a system in place that allows us to actively continue with business by promptly setting up a "Nitto Group Disaster Response Headquarters" which are chaired by the CEO of Nitto and an "On-site Disaster Response Headquarters."

In fiscal 2018, Japan was hit by numerous natural disasters, which made us keenly aware of the importance of a Business Continuity Plan (BCP). Learning from this experience, in fiscal 2018 we revised business continuity manual and conducted drills with hazards (risk factors) specific to each site in mind. In fiscal 2019, we will work to enhance our preparedness against accidents and disasters.

Protection of Intellectual Property Rights

Under the following policies, every year the Nitto Group files approximately 2,000 patent applications globally to obtain intellectual property rights for the protection of our products and businesses:

- ① To obtain high quality intellectual property rights
- ② To claim intellectual property rights properly
- ③ To respect others' intellectual property rights

We not only maintain product quality to ensure that our customers can use Nitto products safely without any concern but also work hard to eliminate counterfeit products.

Information Security

For the Nitto Group, information systems play vital roles in every aspect of our business activities. Information systems become increasingly complicated and advanced each passing year and are often a target of cyberterrorism, and we recognize information security poses a serious risk for the Nitto Group. Accordingly, we have established the Basic Information Security Policy and set up an Information Security Committee, which is chaired by the Chief Information Officer (CIO) and consists of members appointed by each technical section and operating entity.

In fiscal 2018, we monitored sites and Group companies that reported a less than satisfactory self-evaluation rating in information security management, in a bid to raise the Group's overall level of information security management.

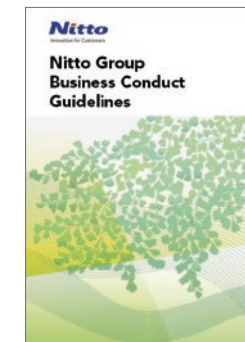
Compliance

Compliance Promotion System

The Nitto Group takes a strong stance to ensure that each and every one of our members engages in compliance and never overlooks even the smallest doubt that has been reported or otherwise brought to attention.

We have increased our efforts in this regard by establishing a "Legal and Ethical Compliance Committee" chaired by the CSR Committee Chairman to keep an eye on issues concerning legal and ethical compliance for the entire Group, while at the same time ensuring that any piece of information on a significant matter is reported at a Corporate Strategy Committee meeting and properly addressed. In addition, we

distribute the "Nitto Group Business Conduct Guidelines," which are available in 16 different languages, to all of our employees who have different backgrounds of culture, customs, and nationalities, and oblige all of them to receive training on the Guidelines as part of our new employee orientation.



Whistle-Blowing System

(Internal and Partner Hotlines)

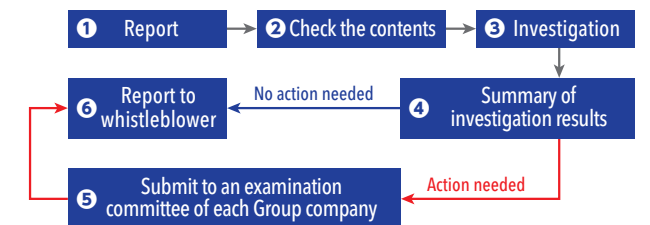
To facilitate early detection of legal violations and ethical issues and ensure instantaneous action against them, we have maintained a whistle-blowing system that allows employees to directly contact our CSR department. Contact information is provided in the Nitto Group Business Conduct Guidelines. All employees of the Group may avail themselves of this service if they find it difficult to consult with their superiors or the relevant departments at their respective Group companies. We also maintain independent reporting systems in countries and regions in order to protect whistle-blowers and respond to their reports appropriately.

Also available is the Partner Hotline, which our business partners may use to seek consultation on cases of noncompliance or suspected noncompliance involving transactions with the Nitto Group.

In fiscal 2018, there were no issues concerning duty of disclosure under the Commercial Code of Japan. However, we did

receive 28 reports concerning labor disputes, human rights violations, and dishonesty through this system. We have settled these issues after carefully interviewing the parties involved, while also ensuring the protection of all whistle-blowers.

Whistle-Blowing Processing Flow



Recurrence Prevention of Labor / Human Rights Issues

Should a report be made that concerns labor and human rights within the Group, not only those involved but also everyone at the workplace is given guidance and training. In fiscal 2018, an awareness questionnaire and training were given at a total of six sites and Group companies where such reports were made in order to ensure that similar issues do not recur by fostering awareness of everyone at the workplace.

Deepening Our Understanding of Compliance

By including compliance as one of the topics for CSR workshops for directors and management-level employees, we encourage participants not to stop at merely practicing compliance, but also to play an active role in monitoring and preventing injustice. In fiscal 2018, a total of 144 workshops were held in 20 countries, during which 2,351 attendees deepened their understanding of such topics as "institutionalized fraudulence" and "harassment" through case studies and group discussions.

Also, we ask our business partners to thoroughly observe compliance in the CSR-Based Procurement Guidelines. We monitor the status of their compliance by way of CSR Procurement Surveys and CSR Procurement Supplier's Evaluation Checklists.