

## Enhancing risk awareness and addressing reduction of risk across the whole group

### Risk Management

The Nitto Group has investigated any risk areas that might present as serious concerns to management or business activities. Any potential risk areas have been prioritized and countermeasures aiming for prevention, avoidance, measurement and transformation of incidents have been taken. However, with the global development of our business, we are required to evaluate the risk of labor difficulties, information leaks, law violations, natural disasters, accidents and crime which are unique to each area and each company, and to take measures against such risks.

Since fiscal 2011, in order to enhance risk awareness

among management-level employees, we have been distributing questionnaires on the business risk of forty-two items to more than 2,000 such personnel throughout the whole group every year. With feedback from the questionnaires in CSR workshops for those employees, we discuss the unique risks in each base and group company, linking them to countermeasures. Levels of risk differ according to features of the business and area, and it is in the workshops where each management-level employee clarifies priority issues to be addressed.

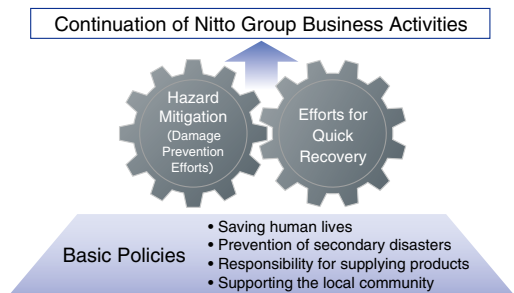
As for common risks in the Group, we have established an Information Security Committee and expert committees for product risk management.

### Business Continuity Management

## Protecting lives and fulfilling our responsibility to supply products

### Basic Policy

By following our four basic policies, the Nitto Group performs Business Continuity Management (BCM) with a strong connection between disaster mitigation (disaster prevention and damage minimization) and quick recovery.



logistics, manufacturing, environmental, safety and IT working groups, gathers every three months and confirms functional cooperation in conformity with each individual business continuity management system. Furthermore, the Nitto Group has established a Business Continuity Plan in preparation for an earthquake, pandemic or blackout, any of which could have a considerable impact on our business, and important decisions are discussed at risk management committees lead by one of Nitto's directors who is in charge.

In addition, we regularly conduct training sessions for the emergency response team, which would lead in case of an emergency, seeking to improve our ability to respond to contingencies. The training sessions are wide-ranging, from individualized implementation at each base, to collaborative training sessions with Nitto Head Office. Management personnel also participate in the sessions.

### BCM System

Each of the procurement (including supply chains),

### Centralization of Monitoring System for Prevention and Reduction of Disasters

On October 24, 2014, Nitto Denko Toyohashi Plant set up a Disaster Prevention Center, which intensively monitors what is occurring at each point in the plant at all times and would be a headquarters in case of an emergency. The following week we conducted a training session on the assumption of a major earthquake and confirmed the proper operation of the center.

Furthermore, we have established disaster prevention centers in main bases such as Kameyama Plant, in preparation for a contingency.



Training session at a disaster prevention center