

Occupational Safety and Health Policy

We, the Nitto Group, operate our business according to our slogan: "Place safety before everything else." However, we have not always been able to prevent accidents and injuries from occurring. In order to overcome this situation, we revised our Occupational Safety and Health Policy in September 2014. With our strong belief that "Our goal is to achieve zero accidents and injuries," we are redoubling safety activities throughout the whole Group.

At the same time, as criteria for our various safety activities, which every employee implements, we have established Safety Principles. We firmly believe that we will be able to change the safety culture of the Nitto Group through conducting ourselves in conformity with those principles.

Occupational Safety and Health Policy

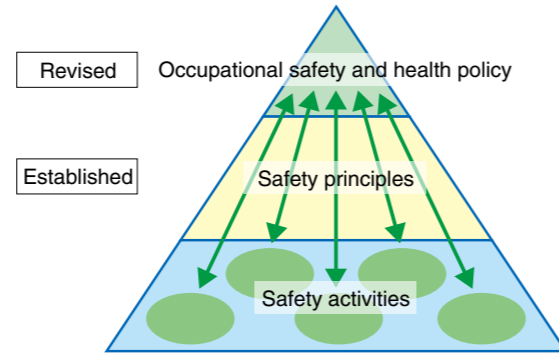
Our goal is to achieve zero accidents and injuries

Under the slogan "Place Safety Before Everything else".

The Nitto Group will work together to firmly establish a safe and healthy work place for all employees by observing company rules.

In order to realize our policy of "Zero-Accidents and Injuries", we will carry out the following safety principles.

- We have a strong belief that all accidents are preventable.
- We will always consider the consequences of unsafe behaviors and visualize any potential hazards.
- The first priority is to take accident prevention measures.
- We will make continual efforts to improve our ability to identify risks.
- We will establish behavior in the workplace so that safety and peace of mind are the primary considerations.
- We will always take actions to avoid risks.



Safety promotion poster (English version)



Japanese version



Chinese version

In order for our occupational safety and health policy and safety principles to be understood by all employees in the Nitto Group, we are implementing informative activities by distributing handheld cards and putting up safety promotion posters.

Occurrence of Accidents

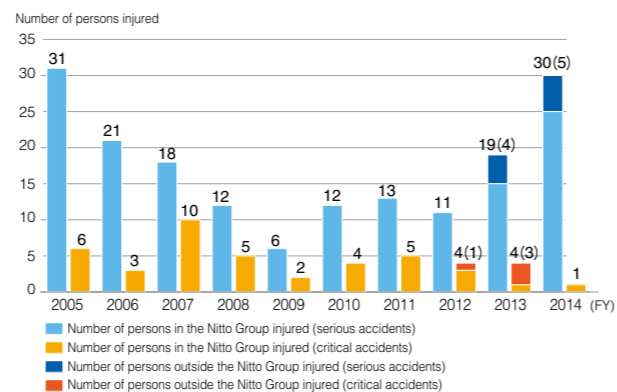
As a result of our belief that "Our goal is to achieve zero accidents and injuries" and by addressing approaches to safety, the number of persons injured in critical accidents has declined. However, the number of persons injured in serious accidents which might become critical accidents, has increased.

In the future, we will promote strengthening of our safety measures for serious accidents.

Since 2012, we have addressed safety approaches involving all of our contractors and concerned parties outside the Nitto Group.

Critical accident: Accidents causing permanent disability
 Serious accident: Accidents which could have caused permanent disability

Number of persons injured in critical accidents and serious accidents



Furthermore, at a safety session of GIW* held on October 25, 2014, Hideo Takasaki, CEO of Nitto Denko Corporation, announced and signed safety commitments to "Have a strong belief in zero accidents" and "Practice proactive safety activities." Every one of the ninety executive officers of the Group companies who participated in the session pledged implementation of the safety commitments.



CEO Hideo Takasaki signs off on the safety commitments

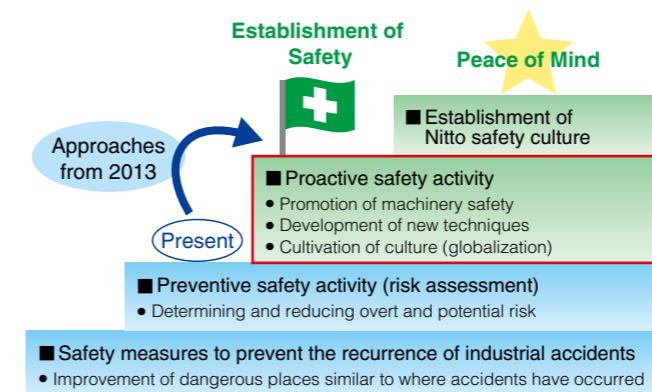
* GIW (Global Innovation Week): an intensive week of conventions and events recognizing the 100th anniversary of the founding of the Group in 2018.

Proactive Safety Activities

Since fiscal 2013, we have undertaken proactive safety activities in order to ensure safety in our workplaces. Proactive safety activities are to pre-empt risk, thereby eliminating the causes of accidents. The Nitto Group is strengthening protective measures through focusing on following three aspects.

Promoting machinery safety

We established "Group Regulations on Equipment Safety-Basic Concepts", based on international standards as our fundamental policies on safety design, in fiscal 2013, taking measures to reduce hazards at the equipment design stage. In fiscal 2014, we began establishing design



standards and specifications for every machine, according to these basic concepts. In addition, we are reconstructing our system of pre-installation inspections of machinery and undertaking a review of our operational structure.

Development of new technologies

We are currently implementing reduction of hazards by developing new technologies for manufacturing processes. We are also taking measures at the construction stage of the production process. Specifically, with the aim of preventing a recurrence of the fire that occurred in the cleaning of a polymerization tank, we are exploring polymerization procedures which do not require the cleaning of polymerization tanks after polymerization processes using adhesives.

Fostering a safety-first culture

In order to foster a safety-first culture, we are implementing activities to have our occupational safety and health policy and safety principles understood by all employees. We have conducted experience-based safety training for all employees in Japan since fiscal 2005. Employees learn what kind of hazards may occur through simulated experience during this training, thereby fostering improvement of safety awareness among inexperienced employees with a lack of understanding of those hazards.

In fiscal 2014, we developed such activities overseas, introducing a transportable trailer for experience-based safety training to China and conducted training for 8,000 employees in sixteen manufacturing bases.

In fiscal 2015, we will develop our activities further through not only super-adding a trailer in China, but also constructing rooms for experience-based safety training in Taiwan and South Asia.



A trailer for experience-based safety training



Participants experience hazards in the safety training trailer