The Nitto Group complies its financial and non-financial information in the form of the Nitto Group Report, which is published to introduce every stakeholder of the overall picture of the Group and its business undertakings over the previous fiscal year. Since this volume is compiled with a diverse readership in mind, only some performance figures and activities from periods other than Fiscal 2017 (April 1, 2017 - March 31, 2018) are included.

Some performance figures and activities from periods other than Fiscal 2017 are also included.

For further details on matters related to this Nitto Group Report, please refer to Nitto’s website: https://www.nitto.com/

For further details on matters related to this Nitto Group Report, please refer to Nitto’s website: https://www.nitto.com/

Corporate Philosophy

The Nitto Way

Concrete Thoughts and Actions

- We place safety before everything else
- Achieve zero accidents and injuries
- All employees must work together to establish a safe and secure workplace.
- Amaze and inspire our customers
- Exceed customers’ expectations to have them say, “This is exactly what we wanted”
- Work with customers and create new societal values
- Customer satisfaction brings value to our stakeholders.
- Anticipate and leverage change
- Go to the field to sense changes in society and the market.
- Rapidly link sensed changes to actions.
- Refine our strengths, and aim to become the company customers want to consult with first.
- Take on challenges for new value creation
- Continue to take on challenges, even if we fail in the short-term, rather than do nothing for fear of failure.
- Embrace change, exercise curiosity, and take the first step forward.
- Act promptly and follow through on your decisions with determination
- Take the first step forward and then think while advancing.
- Share information openly, have equal and fair discussions, and if a decision is made, work together as a team to bring out the best possible result.
- Always make efforts to ensure frank and open communication beyond organizational boundaries and roles.
- Transform ourselves constantly
- Anticipate challenges, implement reforms, and bring about growth in the spirit of Mu-Gen-Dai.
- Keep changing. Change leads to opportunity and growth.
- Challenge ourselves to improve our future.
- Changes in each of us lead to growth of the entire organization.
- Have an attitude of integrity, and understand and respect diversity
- Take actions based on integrity and modesty to build relationships of respect and trust with stakeholders.
- Appreciate the diversity of our global team.
- Accept and respect others.

For further details on matters related to this Nitto Group Report, please refer to Nitto’s website: https://www.nitto.com/

Editing Policy

The Nitto Group complies its financial and non-financial information in the form of the Nitto Group Report, which is published to introduce every stakeholder of the overall picture of the Group and its business undertakings over the previous fiscal year. Since this volume is compiled with a diverse readership in mind, only some performance figures and activities from periods other than Fiscal 2017 (April 1, 2017 - March 31, 2018) are included.

Some performance figures and activities from periods other than Fiscal 2017 are also included.

For further details on matters related to this Nitto Group Report, please refer to Nitto’s website: https://www.nitto.com/
Business Development of the Nitto Group

The Nitto Group first gained a foothold outside of Japan when we established the New York Office in 1961, and we have since made remarkable progress under the guidance of our Global Niche Top® strategy. More recently, we have been accelerating our business expansion by embracing the Area Niche Top® strategy, which involves responding to the unique needs of each region to seize a leading share in the market.
Business Fields and Major Products

Automotive and Transportation Equipment
Our products are instrumental in improving the performance, production efficiency, and environmental friendliness of forms of transportation such as automobiles, trains, and aircraft.

Housing and Housing Equipment
Our products provide various solutions to improve the safety, comfort, and environmental performance of housing.

Display Materials
We provide a variety of material processing products, such as metallic plates.

Social Infrastructure
We provide various products for industrial infrastructures that support people’s lifestyles.

Home Electronics and Electronic Equipment
We supply components used in a variety of home electronics, including major appliances, automotive systems, mobile devices, and LED lights.

Display Materials
We provide peripheral materials for high-definition displays featuring the latest technologies.

Medical-Related Materials
We provide a variety of products for medical services and healthcare, from sanitary materials to nucleic acid medicine.

Packaging Materials
Our adhesive tapes and lapping machine solutions respond to our customers’ various needs to play an important role in logistics.

Consumer Products
Our consumer products create comfortable, convenient, and innovative solutions for people’s lives.

Highlights

FY2017 Highlights

Revenue
Operating Income
Income before Income Taxes
Net Income
PMO Expenses
Capital Investment
Depreciation Cost
Total Assets
Equity Attributable to Owners of the Parent Company
R&D expenses
Amount per Share
Basic Earnings per Share
Dividends per Share
Regional Breakdown of Revenue
Japan
The Americas
Europe
The Americas
Japan

Number of Shareholders (non-consolidated)

Environmental Equipment Investment (approved)

Business Performance of Each Segment

Revenue
Operating Income
Net Income
PMO Expenses
Capital Investment

Total Input Energies
Net Income Attributable to Owners of the Parent Company
Total Amount Donated (non-consolidated)

CO₂ Emissions (Scope 1+2)

*Data for revenue and operating income in fiscal 2013 are presented according to IFRS for reference.
The Nitto Group identifies material issues according to the following processes:

1. **Abstraction of Materiality**
2. **Identification of Material Issues in Management**
3. **Identification of Material Issues in Specialized fields**
4. **Identification of Material Issues for Reporting**

The Nitto Group abstracts materiality from the viewpoints of both the Nitto Group and its stakeholders. (Refer to chart to the right)

Important business challenges are deliberated at management conferences and incorporated into our Medium-Term Management Plan.

The important challenges that have been defined in each specialized division are then obtained at management conferences and reflected in each policy and activity plan.

The CSR committee decides items for reporting from the above material issues referring to GRI Guidelines.

**Value Creation Process**

**Input**
- Financial Capital
- Intellectual Capital
- Human Capital
- Social and Relationship Capital
- Natural Capital
  - Supply, Systems, Infrastructure, Raw materials
  - Technology, Intellectual Property, Brands
  - Leadership, Knowledge, Skills, Diversity
  - Customers, Administrative agencies, Partners, Shareholders, Investors, Local communities
  - Raw materials, Energy, Water

**Output**
- Marketing: Sanshin-Katsuwo
  - R&D
  - Manufacturing
  - Product Supply
  - Segment
  - Functional base products
  - Information on materials
  - Printed circuit boards
  - Processing materials
  - Life Sciences
  - Polymer separation membranes

**Support & Management**
- Governance
- Compliance
- Cultivation of human resources
- Safety and health
- Product management
- Environmental conservation

**Initiatives to Address Materiality**

<table>
<thead>
<tr>
<th>Business</th>
<th>Goals/Apparitions for the Future</th>
<th>References for Action/Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Propelling of growth strategies</td>
<td>Steadily implementing growth strategies and accelerating the creation of new project themes in the three focus domains, thereby building the foundations toward the next stage of growth</td>
<td>Pp. 9-13 Management Concepts Investor Relations</td>
</tr>
<tr>
<td>Maintenance of business conditions</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Resource allocation: 400.0 billion yen</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Goverance**

- Appropriate disclosure and transparency
- Auditing and internal control
- Constructive dialogue with stakeholders

Sustaining perpetual growth by maximizing corporate value

P. 13 Corporate Governance

**Occupational Safety and Health**

- Fostering of safety culture
- Maintenance and improvement of employees’ safety and health

Achieving zero accidents and injuries by having everyone contribute to the creation of workplaces in which they can work safely and in good health

P. 14 Relationship with Society

**Environmental Management**

- Recognition of the four types of risk
- Climate change, resource depletion, the water crisis, and decrease of biodiversity
- Countermasures against them

Offering solutions to society that contribute to environmental conservation for the sake of protecting our planet for future generations

P. 15 Environmental Efforts

**Compliance and Human Rights**

- Through observation of compliance and human rights enlightenment

Observing the “Nitto Group Business Conduct Guidelines” and “CSR-Based Procurement Guidelines” across entire supply chains

P. 16 Corporate Governance Relationship with Society

**Employment and Development of Human Resources**

- Labor management
- Promotion of diversity
- Wide-range training schemes

Contributing to business growth by building a solid personnel base through optimal allocation of people across the globe

P. 17-18 Employment

**Risk Management**

- Risk identification and countermasures
- Enhancement of information security management

Responding proactively to perceived risks and ensuring business continuity by taking proper actions during emergencies

P. 27-29 Corporate Governance

**Business Continuity**

- Disaster mitigation and preparations for quick recovery

Protecting lives and fulfilling responsibilities for product supply

P. 29 Corporate Governance

**Value Chain Management**

- Promotion of CSR-based procurement
- Enhancement of customer satisfaction
- Reduction of environmental impact

Ensuring stakeholders’ wellbeing by way of product management throughout the value chain

P. 30-34 Relationship with Society Environmental Efforts Procurement

**Social Contributions**

- Support for solutions to issues in host communities

Achieving harmony with society and host communities

P. 39-40 Relationship with Society

**Targets and Key Performance Indicators**

- Solving social issues
- Customer satisfaction
- Improvement of corporate value
- Human resource growth
- Job creation
- Tax payments
- Return of profits

**Outcomes**

- Offering value in the fields of Green (environment), Clean (new energy) and Fine (life science)

**GNT and ANT**

- Global Niche Top
- Area Niche Top

**Nitto Group Report 2016**

**Sanshin-katsudo**
Top Message

To our stakeholders

Nitto will celebrate its first centennial on October 25, 2018. Ever since 1918, when the company was established in Tokyo to begin production of electrical insulating materials in Japan, we have been able to follow a path of constant growth and bring a variety of products to the world.

On behalf of the Nitto Group, I would like to extend our most heartfelt appreciation to our customers, employees, both past and present, shareholders and investors, business partners, and our host communities, without whose support we could never have come this far.

Now, I would like to share with you more about what we delivered in fiscal 2017 and our key initiatives for fiscal 2018 and beyond.

Hideo Takasaki
Board Member, CEO & COO
Nitto Denko Corporation

Business Summary of Fiscal 2017 and Forecast for Fiscal 2018

During the fiscal year ended March 31, 2018 (fiscal 2017), the real economy showed signs of growth across the globe, buoyed by the economic expansion that had started in the previous year and favorable economic fundamentals. In Japan, the real economy showed a moderate yet firm performance, as the employment environment remained stable and private businesses continued to invest in higher efficiency to counter labor shortages. Since the start of calendar year 2018, however, the stock markets in developed countries underwent a major adjustment from their high plateau due to concerns that the favorable employment situation in the U.S. might accelerate the pace of interest-rate hikes. At the same time, there is a growing wariness concerning protectionist moves by such countries as the U.S. and China.

Against this background, the Nitto Group successfully achieved significant year-on-year earnings growth in its mainstay Optronics segment by launching high-value-added products in response to major changes in demands for smartphone displays. For the Industrial Tape segment as well, revenue expanded for a broad range of industrial products in response to major changes in demands for smartphone displays.

For the Life Science segment, the oligonucleotide medicine contract program, which is one of the top message programs. Nonetheless, steady progress was possible be achieved in drug discovery and development of oligonucleotides.

As a result of the above, revenue increased by 11.5% from the same period of the previous year (changes hereafter are given in comparison with the same period of the previous year) to 866,262 million yen. Operating income increased by 35.8% to 125,722 million yen, income before income taxes increased by 37.5% to 136,168 million yen, net income increased by 37.3% to 87,463 million yen, and net income attributable to owners of the parent company increased by 37.7% to 87,377 million yen.

In accordance with the basic dividend policy, it has been decided to pay 80 yen per share for the year-end dividend, which remains unchanged from the interim dividend, making the full-year total 160 yen per share, which is an increase of 10 yen from the previous year. We plan to pay a full-year dividend of 180 yen per share for the next fiscal year, after taking into account earnings forecasts, capital expenditure plans, and other factors.

The global economy is expected to sustain its growth in fiscal 2018. We are thus hoping to achieve revenue of 860,000 million yen and operating income of 135,000 million yen for the year ending March 31, 2019 by accomplishing our tasks in each business without fail while paying careful attention to protectionist policies and rapid changes in financial markets.
and drug discovery, the oligonucleotide medicine business is developing into the core of the Life Science segment. Our strength in contract manufacturing lies in our one-stop support for development of oligonucleotide medicines, from contract manufacturing to pharmaceutical analysis and aseptic fill & finish services. For drug discovery, we are developing a liver cirrhosis drug jointly with Bristol-Myers Squibb (BMS) while also applying our technologies to cancer treatment, and both of these efforts are proceeding smoothly. We are doing our utmost to launch these drugs as soon as possible for the many patients who are fighting against those diseases.

The Nitto Group has setits numerical targets for fiscal 2020, which are revenue of one trillion yen and operating income of 175.0 billion yen. We intend to achieve these targets by developing businesses in the aforementioned three strategic domains into profitable ones, in addition to stabilizing our existing businesses.

**Reinforcement of Business Foundations**

To ensure that these growth strategies will make steady progress, we intend to further consolidate our business foundations by enhancing environmental and safety measures, advancing manufacturing, and improving product quality and brand value. To conserve the environment, we are focusing on reduction of CO₂ emissions, which are causing environmental problems on a global scale, as well as toluene emissions. In fiscal 2017, we were able to halve our toluene emissions by taking advantage of our newly established environmental fund. We are also planning to use this fund to significantly increase the water recycling ratio in order to combat the water crisis. In conjunction with such efforts, we will continue to expand measures to prevent environmental pollution by using products of the Nitto Group whenever feasible.

Recent years have seen one case after another of non-compliance among Japanese companies, resulting in a serious loss of public confidence in them. In response, we immediately conducted surveys on how product quality is managed at all of our production sites to see if there are any similar situations within the Nitto Group. Fortunately, we found no cases of legal violation, but we will nonetheless remain on guard and reinforce our auditing and other relevant systems so that we can always offer the best product quality possible to our valued customers.

Since 2017, Nitto has been a title sponsor of the ATP Finals, the season-ending finale of the ATP World Tour for men's professional tennis. We believe that the spirit of this competition, in which first-class players from across the globe exert their utmost efforts to reach the top, is similar to the Nitto Group's corporate attitude of constantly striving for the leading position in various fields. It is our hope that this sponsorship will help to enhance our brand value.

Furthermore, we will recruit and develop diverse human resources from across the globe who will go on to advance these initiatives, and we plan to assign them to optimal positions so that they can provide even more inputs to such endeavors. By forging ahead with the “Jitsugen-2020” plan and living up to the Nitto Way, which is the sum of our corporate values, we aim to fulfill our corporate Mission of “contributing to customers’ value creation with innovative ideas” so that we can reach our goal of achieving sustainable growth of the Nitto Group.

**Resource Allocation: 400.0 Billion Yen**

As we announced in the previous year’s Mid-Term Management Plan, we will remain proactive in making strategic investments for M&A and environmental measures, in addition to capital expenditures, in our bid to support the aforementioned growth strategies.

**Placing Safety Before Everything Else**

We clearly state in our Corporate Philosophy that “we place safety before everything else” based on our firm conviction that we can offer quality products and services that satisfy our customers only when we assure the safety and good health of everyone involved. Occupational safety is essential in guaranteeing a stable supply of products, safety in our host communities, and peace of mind for our employees and their families. Nevertheless, I must admit that the Nitto Group still has issues to address in this regard. Under the powerful belief that we will be able to achieve zero accidents and injuries, we will take safety measures from the three perspectives of “safety of machinery,” “safety of people,” and “safety of the organization.”

**Safety of machinery**

We will identify and assess risks to eradicate any possible classes of disasters that might be hidden on the shop floor.

**Safety of people**

We will develop people who not only observe rules, but also choose to act safely even without those rules.

**Safety of the organization**

Supervisors will visit the shop floor to determine whether “operators’ safety is assured and machinery can be operated safely,” while always remaining conscious of their responsibility to “protect their workplace, team, and subordinates.”
Reinforcement of Corporate Governance

Even before Japan’s Corporate Governance Code came into being in 2015, the Nitto Group had long been keen on “visualizing management.” By taking the three approaches of being “easy to understand,” taking an “outside perspective,” and being “on the same page as shareholders,” we have introduced a variety of measures in this regard.

To make the Nitto Group’s thoughts and actions “easy to understand” for our stakeholders, in 2006 we published the “Nitto Group Business Conduct Guidelines,” which have been translated into 16 different languages for Group employees to share. In 2014, we renewed our Corporate Philosophy and have since had all employees of the Nitto Group comprehend it and act accordingly. Then, in accordance with the Corporate Governance Code of Japan, we established our own Corporate Governance Guidelines in 2015, thereby setting forth a series of measures that require continued efforts and an attitude of external disclosure. All of these documents are made public on Nitto’s website.

To take an “outside perspective” toward management, in 2003 we set up the Management Advisory Committee (now the Management and Remuneration Advisory Committee), which comprises members from outside of the company. In 2007, we introduced the outside director system, and then increased the number of outside directors to three in 2015. Now, not less than one-third of all directors are outside directors.

Finally, to be “on the same page as shareholders,” we introduced the equity-based compensation stock option for Nitto’s officers in 2004. As recently as this year, we also introduced a new remuneration scheme that we hope will be easy to understand and relate to for our shareholders.

Going forward, we will continue our corporate governance reforms with the above three perspectives in mind.

ESG Issue 1 Occupational Safety and Health

The Nitto Group shares the value of “placing safety before everything else” and we engage in our daily business undertakings with this in mind.

We believe that it is possible to achieve our goal of zero accidents and injuries if all members of the Group unite together to create workplace environments where everyone can work in good health without anxiety.

Work-Related Accidents in FY2017

Thanks to our proactive safety activities to reduce risks associated with equipment and production processes, we have until recently been able to reduce accidents in which employees are crushed or cut by machinery.

In fiscal 2017, however, we had the largest number of critical accidents within the past five years, and we were unable to prevent the occurrence of critical accidents and serious accidents that might lead to such accidents. The number of accidents due to impacts and falling increased, accounting for 50% of all critical and serious accidents that occurred. With regard to impacts, the majority of the accidents involved vehicles, one of which was a tragic traffic accident within one of Nitto’s plants that resulted in the death of someone from outside of the Nitto Group. In response to the sudden increase in the number of accidents due to falling, we acted promptly to implement safety measures and help workers to raise their safety awareness.

Traffic Safety

In response to the surge in the number of critical/serious accidents involving vehicles, we carefully identified related risks and introduced traffic safety measures to our plants.

One such measure is to oblige all Nitto Group sites to establish pedestrian walkways to separate pedestrian traffic from vehicle traffic. We also reviewed forklift operations and specifications, as well as the specifications and driving rules of staff parking areas, and invited all employees of the Group to join “kuruma-za” face-to-face discussions held at each site to remind them of the importance of traffic safety.

Safety Training

So far, we have provided experience-based safety training through simulations in Japan, East Asia, South Asia, and elsewhere. Following a pilot study in fiscal 2017, we are introducing in steps a hazard perception training using virtual reality head-mounted displays in order to eradicate accidents caused by falling, which have increased in recent years. The training provides employees with the experience of falling, which can be difficult to simulate, and thereby helps to prevent such accidents by raising their safety awareness.

As in the previous year, we organized a safety session for our management to which we invited a visiting lecturer. We also conducted workshops for those on the management level at a total of 51 sites across the globe in order to enhance their understanding of safety.

Going forward, we at the Nitto Group will establish a new safety fund with a view toward achieving zero accidents and injuries by implementing more effective safety measures and raising safety awareness among our employees. Also, under the conviction that employees’ good health can enhance occupational safety, we will assist them in maintaining and improving their health by reminding them of the importance of good health through a variety of events and other activities.
ESG Issue 2

Environmental Management

The Nitto Group remains committed to its environmental policy of “Protecting our planet to pass on to future generations.” Under a full recognition of the four types of risk that our business activities can pose to the global environment, we are engaged in addressing such risks while at the same time tapping into our vast experience so that we can offer solutions to society that contribute to environmental conservation.

At the Nitto Group, as a part of the drive to integrate our management objectives with our environmental activities, environmental goals are set not only for the Group, but also for each division, and steady efforts are being made to achieve them. We have established an environmental fund to purchase state-of-the-art equipment and develop new technologies – something that had until now been difficult under the previous investment criteria. In fiscal 2017, we introduced high-efficiency solvent recovery equipment and treatment equipment for exhaust air containing toluene to the Toyohashi Plant, and an advanced water purification system to the Shiga Plant, thereby reinforcing our environmental activities. We are also conducting a series of demonstrations of new technologies and products that make use of Nitto products, including cyclical utilization of water and photocatalytic air purification.

Climate Change Countermeasures

Two of the Nitto Group’s key platforms for tackling climate change are reduction of CO2 emissions and reduced use of hydrochlorofluorocarbons (HCFCs).

The amount of CO2 emissions by the Nitto Group depends on much energy is used at production processes and how much waste and solvents are combusted. We thus came up with an energy-conservation strategy that includes introduction of renewable energy and co-generation systems, with the result that our CO2 emissions in fiscal 2017 exhibited a downward trend to amount to 829,868 tons.

Pursuant to the Montreal Protocol, the Nitto Group began eliminating equipment using HCFCs and has successfully scrapped approximately 10% of such equipment over the past two years. Our goal is to abolish all such equipment in Japan, Taiwan, the U.S., and Europe by fiscal 2020 and in other regions by fiscal 2030. At the same time, according to the Kigasi Amendment, we preferentially purchase equipment using refrigerants with low global warming potential.

Resource Depletion Countermeasures

In fiscal 2018, the Nitto Group embarked on a new initiative to reduce waste by 21% versus fiscal 2015 (target: 3% reduction per material input from the previous year) by fiscal 2025 by using the 3R (Reduce, Reuse, and Recycle) approach.

Decreased Biodiversity Countermeasures (Hazardous Chemical Substance Countermeasures)

In order to minimize any biological impact that our business activities might have, we are working to reduce atmospheric emissions of chemical substances and also to properly manage such substances. Accordingly, we have set the target of reducing our total atmospheric toluene emissions to 200 tons per year by fiscal 2020. In fiscal 2017, we implemented anti-leakage measures and switched to chemical substances with lower environmental impact at the Toyohashi Plant, where a large quantity of chemical substances is used, as well as other locations, thereby successfully reducing their atmospheric emissions by 313 tons from the previous fiscal year to 277 tons per year.

Water Crisis Countermeasures

Water is a vital resource for our business activities. At production processes where large amounts of water are used, we reduce such amounts by using our membrane products to recycle water. We have designated our Shiga Plant as a “recycling-oriented green plant” with a plan to increase the water recycling ratio from 50% to 90% within the next five years.

Corporate Ethics Whistle-Blowing System

To facilitate early detection of legal violations and ethical issues and ensure instantaneous action against them, we have established 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.

ESG Issue 3

Compliance and Human Rights Enlightenment Activities

Recent years have seen one famous company after another becoming embroiled in scandals. For organizations to prevent such disgraceful incidents from recurring, they must remain alert to signs of injustice and nip them in the bud.

The Nitto Group takes a strong stance to ensure that each and every one of our members engages in compliance and never oversteps even the smallest suspicious point to eradicate the source of any problem.

Ban on Child Labor and Forced Labor

The Nitto Group clearly states its ban on child labor and forced labor in its Business Conduct Guidelines and has it thoroughly implemented among all Group companies. We also ask our business partners to comply with this policy in the CSR-Based Procurement Guidelines and ensure that there are no issues with child labor or forced labor during preliminary checks with new suppliers, which we began in fiscal 2017.

Human Rights Enlightenment Activities

Endorsing the Universal Declaration of Human Rights, the Nitto Group has established its own Basic Policy on Human Rights. Twice annually, at the beginning of each new fiscal year and on Human Rights Day, a message from the Chairman of the Nitto Group Central Human Rights Enlightenment Committee reminds the entire Group to protect human rights.

In Japan, those in charge of human rights enlightenment at each plant/office and Group company take the lead in helping all employees to deepen their understanding of human rights. In fiscal 2017, training sessions on harassment, which included viewing of an informative DVD, were given.

At Group companies outside of Japan, similar programs are offered to address the human rights issues unique to each country and region.
The Nitto Group considers human resources to be our most valuable assets. In order for us to sustain our growth in the global market and make new innovations as we move into the Nitto-New Century, we are developing measures aimed at cultivating our human resources, including the creation of a work environment in which employees are encouraged to continue taking on challenges and find it easy to advance their careers.

Diversity

The Nitto Group employs approximately 30,000 people across the globe, who bring diversity to the Group in terms of nationality, cultural background, gender, age, and employment type. With a view toward cultivating Nitto Persons who contribute to the organization as they develop themselves, creating new values that help us to apply diverse perspectives to business management, and enhancing productivity through work style reform, we provide a work environment in which each and every employee feels satisfied with what they do and is given equal opportunities to play an active role. As such, we also empower women to pursue their desired careers. Within the Nitto Group, the percentage of women in management is on the rise in both Japan and Europe. At Nitto (non-consolidated), the ratio was 4.13% at the end of fiscal 2017, having met its target of equal opportunities to play an active role. As such, we also empower women to pursue their desired careers. Within the Nitto Group, the percentage of women in management is on the rise in both Japan and Europe. At Nitto (non-consolidated), the ratio was 4.13% at the end of fiscal 2017, having met its target of equal opportunities to play an active role.

Our priorities in this regard are to “achieve work-life balance” and “support diverse human resources in playing an active role.” As such, we also empower women to pursue their desired careers. Within the Nitto Group, the percentage of women in management is on the rise in both Japan and Europe. At Nitto (non-consolidated), the ratio was 4.13% at the end of fiscal 2017, having met its target of 4% one year early. With regard to our employment of individuals with disabilities, most of whom are on the payroll of Nitto Denko Himawari Group companies established at major sites in Japan, the Nitto Group in Japan maintained its percentage of such employees at 2.89% at the end of fiscal 2017, staying true to the concept of contributing to society by realizing a company in which independence-oriented individuals with disabilities and elderly individuals who understand them can work together and take on the challenge of reaching their own limitless possibilities through their work.

In order to achieve a good work-life balance, Nitto Denko Corporation drew up a Welfare Master Plan (mid-term plan) that embodies “work style reform.”

At the Nitto Group, we adopt the motto of “open, fair, and best” in every personnel-related matter, including recruitment, assignment, evaluation, and training. In addition to strictly following the Equal Employment Opportunity Act of Japan, we make it a rule to treat people in a fair and equitable manner and manage their working hours properly in accordance with the labor laws of their respective countries and regions.

We place top priority on the maintenance of employees’ safety and health and allocate full-time health staff members to our main sites to strengthen measures designed to promote their health.

Human Resource Development

Today’s business environment is changing so rapidly that we cannot hope to recruit people who will help us to retain our competitive advantage if we continue to provide only conventional routine training. In order to build an organization flexible enough to respond to changes and sustain business growth amidst the fierce competition, we are taking multifaceted approaches toward “talent management,” in which we focus on diverse “individuals” to discover and unleash their talents.

More specifically, we individually interview employees who have recently joined the company, play a central role in fostering future senior executives) will drive the Nitto Group forward in the area of new business creation and transform itself into a program that better caters to practical needs as a vehicle to cultivate human resources.

On the occasion of the centennial anniversary of Nitto’s foundation, the Nitto Global Business Academy (NGBA, launched in 2011 to foster future senior executives) will offer a wide range of training opportunities tailored for each job function, such as sales and production engineering, and let them freely choose their own training programs so that we can better cater to their individual needs. In addition to such training opportunities, we will expedite our efforts to foster a workplace environment and culture in which the entire workplace serves as a vehicle for cultivating human resources.

On the occasion of the centennial anniversary of Nitto’s foundation, the Nitto Global Business Academy (NGBA, launched in 2011 to foster future senior executives) will drive the Nitto Group forward in the area of new business creation and transform itself into a program that better caters to practical needs as a vehicle to cultivate human resources who will form Nitto’s future identity.
Throughout its century-long history, the Nitto Group has given birth to numerous products through combinations of its proprietary technologies and expanded the scope of its business to various fields by courageously adapting to the changes of the times and applying the technologies and products that it has developed.
Innovations to Shape the Next Generation

As progress in IoT, AI, and other emerging technologies accelerates, the society and market environment that we find ourselves in are undergoing major transformations. Identifying the opportunities presented by such changes, we at the Nitto Group strive to create new value through the convergence of technology, business, people, and business domains, which allows us to quickly perceive social needs and offer solutions to various issues.

### Entering the Plastic Optical Cable Business

The spread of IoT and the commercialization of 8K broadcasting have made it imperative to realize next-generation, high-speed, large-capacity communications.

In October 2017, we established an Optical Cable Joint Research Center together with Keio University. By fusing the photonics polymer technology accumulated over many years by Keio University with the extrusion technology of the Nitto Group, we are now jointly developing new plastic optical fibers that are flexible, light, heat-resistant, and low-noise.

### Oligonucleotide Business

Genes, the blueprints of life, are made up of oligonucleotides such as DNA and RNA. Oligonucleotide medicines are made by connecting several dozen DNA and RNA strands and are being hailed as next-generation pharmaceuticals, since they are expected to be effective against difficult-to-cure cancers and other intractable diseases.

NittoPhase®, a carrier for oligonucleotide synthesis, is indispensable for the production of such medicines because its porous polymer beads facilitate high-yield synthesis of highly pure oligonucleotides. This product was originally derived from particles for diagnostic agents, which were developed by combining the Nitto Group’s proprietary technologies in adhesive and polymer design.

This oligonucleotide synthesis carrier opened the door to a new market, and now Nitto offers one-stop support for creation of oligonucleotide medicines, covering everything from contract manufacturing of oligonucleotides for use in preclinical studies, clinical studies, and commercial production to analysis and aseptic fill & finish services.

### Wireless Charging of Hearing Instruments

Nitto teamed up with RION Co., Ltd. to jointly develop a wireless charging system for hearing instruments.

Typically, hearing aids use zinc-air batteries* or rechargeable batteries, but the former must be replaced regularly, while the latter need to be charged daily. Both of these battery types can be used with this brand new charging system. Even if the hearing instrument’s rechargeable battery loses its charge, it can be replaced with a zinc-air battery, thus making it possible to immediately start using it again. By making use of the Nitto Group’s proprietary technologies for printed circuits, including high-precision wiring and high-density mounting, as well as technology for manufacturing resin sheets, we have been able to downsize rechargeable batteries without compromising their performance.

### Repositionable Tape

Repositionable tape is a double-coated tape ideal for wallpaper. Special resin applied in a stripe pattern to the adhesive face allows the tape to be adjusted by sliding. The tape can be pressed down once it is in the appropriate position. A special resin penetrates the adhesive layer for tight adhesion to substrates, and the smoothness of the resin, processing technology for striped-convex application, and adhesive strength make it possible for the tape to glide on smoothly and adhere securely.

To secure convex lines on the adhesive face, a high-cushioning foam is used as a release liner.
Convergence

Nitto’s Products Used in Organic EL Displays

Displays using naturally light-emitting organic electroluminescent (EL) materials do not require backlighting, and thus can be made extremely thin. In addition to TVs and smartphones, which already incorporate such displays, these materials are expected to be applied to flexible (bendable) displays, electronic paper, and lighting equipment.

Like liquid crystal displays (LCDs), a variety of the Nitto Group’s products are used in organic EL displays, including not only information fine materials, but also functional base products for fixing and protecting materials within the displays.

- Information fine materials
- Functional base products
- Touch sensor
- Transparent adhesive sheet for fixing the touch sensor and polarizing film
- Tape for fixing organic EL panel and stainless steel
- Tape for fixing stainless steel and shielding layer
- Black tape
- Backside protection material and base material for the flexible panel
- Anti-glare polarizing film (circular polarizing film)

Nitto entered into a technical partnership contract with Hangzhou Jinjiang Group Company Ltd. and its affiliated companies to help them to meet the increasing demand in China for large-scale polarizing films used in LCD TVs. Through this partnership, Nitto will assist the Hangzhou Jinjiang Group in introducing one of the world’s largest front-end polarizing film facilities to China.

Biosensing Tape

Directly applied to the skin for electrocardiograms and other vital data measurements, biosensing tape material must adhere securely so that it does not slip off, yet must also be gentle on the skin.

The Nitto Group possesses technologies required for both functional materials, which are used chiefly in electronics applications, and medical/hygienic materials. To meet those requirements, we came up with the idea of combining highly adhesive functional materials for electronics with low-irritant medical/hygienic materials. We also chose a flexible base (core) from among many materials to develop tape exclusively for biosensing, and sample work started soon after that. While verifying any issues that come up, we will continue improving the product until we can fully meet our customers’ expectations.

Visible Light-Blocking Material for HUDs

As evidenced by rapid progress in autonomous cars, automobiles are becoming increasingly electronic, and head-up displays (HUDs) that let drivers see information on potential danger are expected to grow in demand. While HUD screens grow larger to display ever-increasing volumes of information on things like oncoming vehicles and pedestrians, solutions must be found to counteract sunlight concentration, which can cause trouble with HUD units.

Having quickly anticipated such latent issues through its customer-oriented marketing activities, the Nitto Group leveraged the optical material design technology cultivated for its information fine materials in order to develop a visible light-blocking material. Offering superb heat resistance, this groundbreaking product cuts sunlight to lengthen the HUD unit’s service life. Since it can be attached directly onto the covering material, HUD units require no major design changes.

Going forward, we plan to release a new product that combines a visible light-blocking material with a covering material in order to help customers to simplify their production processes.

Technical Partnership with Hangzhou Jinjiang Group, etc. for Large-Scale Polarizing Films

Nitto Group Report 2018

Technical Partnership with Hangzhou Jinjiang Group, etc. for Large-Scale Polarizing Films

Nitto entered into a technical partnership contract with Hangzhou Jinjiang Group Company Ltd. and its affiliated companies to help them to meet the increasing demand in China for large-scale polarizing films used in LCD TVs. Through this partnership, Nitto will assist the Hangzhou Jinjiang Group in introducing one of the world’s largest front-end polarizing film facilities to China.
The Nitto Group’s membrane products were created through the combination of multiple technologies, including polymer design, synthesis and thin film formation. Various types of membranes are used for a wide range of applications, such as seawater desalination, wastewater treatment, and ultra-pure water production, with each membrane type having its own unique characteristics specialized for specific uses. ESPA®2-LD MAX, for instance, is a reverse osmosis (RO) membrane that achieves both energy conservation and high permeability by maximizing the membrane area per element. This revolutionary membrane was adopted for use in the Kappel Marina East Desalination Plant (KMEDP) in Singapore, which will be the city-state’s first large-scale water treatment plant capable of treating both seawater and fresh water. This plant has also been attracting attention thanks to its innovative design, as a lush green park will be built directly above the plant, and the plant itself will feature a public viewing gallery within its walls. Due to its small land area and the resulting difficulty in collecting sufficient rainwater to meet its needs, Singapore is attempting to improve its water self-sufficiency by increasing the utilization of recycled wastewater (NEWater*) and desalinated seawater. Since the year 2000, the Nitto Group has been engaged in the Singapore Public Utilities Board’s NEWater Projects. Through its water treatment membrane technologies, the Nitto Group has contributed greatly to furthering Singapore’s water self-sufficiency. Furthermore, one of the main challenges faced by the Singapore Public Utilities Board is expected to be a key factor in addressing this issue.

* Recycled wastewater that is treated through cutting-edge membrane and ultraviolet disinfection technologies and satisfies the standards for potable water.

So far, a linear process has been followed from research and development and marketing to production under a set framework, such as a business division. However, this “baton-passing” approach no longer functions, and we have entered an age where it is required not only to manufacture “products,” but also to think outside of the box and create “value,” in order to survive. To stay current with constantly accelerating social changes, the Nitto Group intends to transcend its organizational framework to bring about brand new innovations by converging technologies and knowledge from both within and beyond the Group. We will also take a multi-exit approach to find product applications not just in a limited number of industries, but in a variety of other fields as well. The Nitto Group continues to create new value at its five innovation centers (ICs) and R&D centers in four countries. Opened in March 2016 within the Ibaraki Office, Japan, innovas has welcomed a total of more than 2,000 visitors over the past two years, receiving many positive hopes and hints for future innovations. We will tap into such input to sow a great number of research seeds and carefully cultivate them to achieve a bountiful harvest of results.
Described below are potential risks that could have an adverse effect on the Nitto Group’s business results, stock prices, and financial positions.

(1) Political, social, and economic trends
Because the Nitto Group operates across the globe, there are always inherent risks in the various countries that it operates in, such as deterioration of employment relationships, labor disputes, rising labor costs, and interruption of transportation services and electric power supply. When such risks emerge, the performance of the Nitto Group can be adversely affected. Furthermore, the Nitto Group’s performance can be adversely affected by the occurrence of terrorism, wars, and coup d’états triggered by sudden turns in political situations, as well as market stagnation, unforeseeably large foreign fluctuations, and financial instability that are brought about by abrupt changes in the global economy, such as the rise of “our country first” policies.

(2) Changes in laws/regulations and compliance
The Nitto Group carries out business in various fields and territories, and so it endeavors to abide by the laws/ regulations of each host country in everything that it does. In the event of tightening of or significant changes in relevant laws/regulations and tax systems, discrepancies in their interpretation, or changes in business practices, the activities of the Nitto Group might be restricted and additional costs might be incurred, which in turn could adversely affect its performance. Moreover, failure to comply with the relevant laws/regulations on the part of executives and employees could also have adverse effects on the performance of the Nitto Group.

(3) Accidents and disasters
In accordance with the policy of “placing safety before everything else,” the Nitto Group has drawn up a Business Continuity Plan (BCP) and promotes Business Continuity Management (BCM) in preparation for work-related accidents and natural disasters. Earthquakes, which are often accompanied by tsunamis and floods, are particularly frequent in Japan, and can result in fires, chemical leaks, and damage to infrastructures, such as electricity and gas supplies, thereby causing disruptions of supply chains across the world. Also, regional and global economies would almost certainly be affected by massive outbreaks of natural disaster, such as electricity and gas supplies, thereby causing disruptions of supply chains across the world. The Nitto Group has not been the cause of any serious environmental problems to date; however, there exists a possibility that it might fail to reduce environmental impact as planned, or that an unexpected accident or a natural disaster might lead to unforeseen environmental pollution, which would result in significant expenses. Any of these contingencies would influence the performance of the Nitto Group.

(4) Environmental issues
The Nitto Group views “integrity with a commitment to environmental preservation on both a local and global basis” as one of its key business policies, and it has set up a voluntary environmental impact reduction plan that is geared toward reducing waste and preventing air pollution and global warming in an effort to fulfill its social responsibility. The Nitto Group has not been the cause of any serious environmental problems to date; however, there exists a possibility that it might fail to reduce environmental impact as planned, or that an unexpected accident or a natural disaster might lead to unforeseen environmental pollution, which would result in significant expenses. Any of these contingencies would influence the performance of the Nitto Group.

(5) Optoelectronics business
Materials used in LCD-related and touch panel products form the core of the Nitto Group’s business. This market is crowded with many players that engage in fierce competition. Market trends for products using such materials, technical innovations, realignment and strategy changes of customer LCD panel / touch panel manufacturers, price erosions due to supply-demand imbalances, and sharp rises in material costs due to suppliers’ capacity constraints or changing demands can all negatively affect the performance of the Nitto Group.

(6) Life science business
The Nitto Group is pouring an increasing amount of resources into the new business of life science. Should any difficulty exceeding the Group’s assumptions occur in this business, including rigorous screening and resultant approval by regulatory authorities in the countries/regions concerned, the performance of the Nitto Group may be negatively affected.

(7) Research and development
With the aim of meeting the high expectations for technological innovation and cost competitiveness in many of the markets in which it is involved, the Nitto Group remains committed to the development of new products and applications and has increased its spend by means of the Area Niche Top® strategy, wherein it supplies products that cater to the specific needs of each region, in addition to the Global Niche Top® strategy. Accordingly, the Nitto Group carries out all necessary research and development investments and capital expenditures. Nevertheless, changes in some markets are so rapid that it is difficult to predict them. Furthermore, new technologies or products from competitors can suddenly render the Nitto Group’s offerings obsolete. Should such an event develop, the performance of the Nitto Group could be negatively affected.

(8) Procurement of raw materials
The Nitto Group endeavors to reduce the risk of becoming unable to procure its key raw materials by sourcing such materials from multiple suppliers. However, some raw materials are sourced from specific individual suppliers. If the supply were to decrease or be disrupted due to unavoidable circumstances on the part of those suppliers, such as damage from natural disasters, accidents, or bankruptcy, the supply-demand balance could be disturbed, resulting in failure to procure necessary raw materials or an increase in costs. Any of these contingencies could influence the performance of the Nitto Group.

(9) Product quality
The Nitto Group manufactures components, devices, and other products in compliance with international quality standards and delivers them to its customers. Nevertheless, it is virtually impossible to completely eliminate liability risks associated with product defects. If the amount of compensation were to exceed the coverage of product liability insurance in such cases, the performance of the Nitto Group could be negatively affected.

(10) Intellectual property rights
The Nitto Group owns, maintains and manages a large amount of intellectual property rights for the purpose of enhancing its market competitiveness. However, it is possible that a third party could claim that such rights are invalid, or such rights could be inadequately protected, imitated, or involved in litigation in some regions. Should the protection afforded by intellectual property rights be seriously lost, the performance of the Nitto Group could be negatively affected.

(11) Mergers and acquisitions
With the aim of sustaining its business growth, the Nitto Group forges relationships with other companies in various ways, such as acquisitions of and alliances with companies possessing superior technologies. If such acquisitions or alliances do not produce their expected outcomes, the performance and financial positions of the Group could be adversely affected.

(12) Retention of human resources
In order to promote the business activities of the Nitto Group, it is necessary to recruit talented people in a variety of fields, including research, development, manufacturing, sales, and administration. The Nitto Group proactively recruits global-minded human resources who will drive its business in the global arena. Nevertheless, failure to continually hire necessary personnel or to prevent the drain of such talents could negatively affect the performance of the Nitto Group.

(13) Financial position of customers
The Nitto Group makes it a rule to closely investigate the financial positions of its customers before starting business. Nevertheless, serious financial problems could develop at some customers with whom the Nitto Group holds accounts receivable due to major changes in their operating environments. Should such receivables become irrecoverable at any one of its largest customers in the fast-changing electronics and life science sectors, the amount to be written off could be enormous, which in turn could negatively affect the performance of the Nitto Group.

(14) Information management
Information systems play a crucial role in every aspect of the Nitto Group’s business activities. Such systems become increasingly complicated and advanced with each passing year, and are often subject to cyberterrorism attacks and other forms of human-caused risk. The Nitto Group takes various security measures against both hardware and software programs in order to prevent leakage and unauthorized use of technical, customer, transaction, and personal information. However, if such systems should fail to prevent leakage or unauthorized use of such information, the performance of the Nitto Group could be adversely affected due to response to such situations.

(15) Litigation
In the course of performing business activities, the Nitto Group might become involved in litigation with its business partners or third parties. There is no telling whether or not the outcome of such litigation will be in accord with its assertions or predictions. Should such risks become a reality, the performance and financial positions of the Nitto Group could be negatively affected.

(16) Defined benefit liabilities
The Nitto Group’s defined benefit liabilities are calculated on the basis of various assumptions used in actuaria calculations and investment yields of pension assets. As such, fluctuations in the market value of pension assets, interest rate behaviors, and changes in retirement allowance systems and pension plans can affect the amount of such liabilities that are recognized or reported, thereby having an impact on the performance of the Nitto Group.
Risk Management

Risk Identification and Countermeasures

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 concerning 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 anything else that needs to be done at CSR workshops for management-level employees, thereby helping each site and Group company to enhance their risk management. Going forward, we aim to raise the level of risk management of the entire Group by promoting horizontal cooperation among such individually taken measures against business risks.

Reinforcement of Information Security Management

In its efforts to achieve “a state of fewer security incidents”*1 and no information leaks,*2 the Nitto Group takes not only tangible technical measures, but also intangible measures, including enhancement of information security systems and continuous employee training through e-learning and other methods.

In fiscal 2017, we began making an effort to further raise the Group’s overall level of information security management by monitoring sites and Group companies that reported a less than satisfactory self-evaluation rating in information security management. To follow up on the surprise e-mail test that was given last year, we gave an advanced test to over 400 IT engineers. This time, we sent out an e-mail that contained seemingly ordinary work instructions to see how the recipients would react to it, which helped us to better understand how they determine whether an e-mail is suspicious and what their initial responses would be if they were to open it for some reason. Together with the findings from the test that we sent out to all e-mail users within the Group last year, we are strengthening our efforts to prevent information leaks by targeted e-mail attacks*3.

Business Continuity Management

We at the Nitto Group recognize the importance of a prompt initial response for “disaster mitigation (minimizing damage caused by disasters)” and “quick recovery.” Accordingly, we distribute the “Emergency & Incident Reporting Guidebook” to top managers and their acting representatives at all of our sites and Group companies to ensure that any and all emergencies will be reported to Nitto’s CEO without delay. We also develop reporting systems and communication infrastructures to allow two-way communications in times of emergency. We also continue to revise restoration plans based on past experiences and issues that come to light during drills.

While constantly updating these systems and plans, we have also formed working groups for each function, including Procurement, Logistics Services, Production, Environment, Safety, and IT in order to have them work on business continuity with the supply chain in mind. In fiscal 2018, we aim to increase the effectiveness of our business continuity plan (BCP) by accelerating initiatives where these working groups act in unison.

Inter-Site Combined Drill by Sales Teams

On November 28, 2017, Nitto’s key domestic sales offices in Sendai, Tokyo, Nagoya, Osaka, and Fukuoka, participated in a joint drill in preparation for a major earthquake. In a simulated situation with limited means of communication, they began by ensuring the security of employees and confirming their safety, and then established a disaster countermeasures headquarters, determined the extent of the disaster, and verified a backup system for resuming business. We will conduct such drills on a regular basis to continuously validate and improve the BCP so that we can work in close collaboration with one another when any of our key sites are affected.

Value Chain Management

When going about its business undertakings, the Nitto Group takes into account any and all social impacts that might be incurred throughout the entire value chain from procurement of raw materials to disposal. We fulfill our corporate social responsibility by complying with the laws and regulations in every country and region that we operate in and by fully respecting the spirit of such legislation.

In fiscal 2017, we started a new initiative designed to evaluate our business partners’ commitment to CSR. The CSR-Based Procurement Business Partner Check Sheet is used to assess the adequacy of new supplier candidates. We have also sent out a questionnaire to our existing business partners on the status of CSR-based management. The questionnaire was first distributed to key business partners in Japan. The evaluation results have been fed back to the respondents so that they can improve their practices accordingly. Going forward, we plan to send out this questionnaire to a greater number of business partners at a higher frequency in order to gather even more substantial data. We will continue to periodically monitor our business partners’ efforts in this regard, thereby promoting CSR-based procurement together with them.

Green Procurement

So far, the Nitto Group has continually pursued green procurement by preferentially procuring materials with low environmental impact from environmentally conscious business partners. In fiscal 2017, we revised the sixth edition of the Green Procurement Standards and the Green Procurement Supplier Evaluation Checklist, which is used to
evaluate environmental efforts by new supplier candidates. We also newly introduced chemSHERPA* as a survey form on chemical substances in raw materials. These initiatives are expected to help our business partners to further promote green procurement and facilitate the exchange of information on chemical substances through the supply chain.

Enhancement of Customer Satisfaction

We make constant efforts to identify, analyze, and reduce product-related risks in order to deliver products and services that satisfy our customers.

In 2017, following the exposure of Japanese companies’ inappropriate practices involving product quality, the Nitto Group ordered all of its production sites to investigate the status of their quality management to confirm that there were no cases of legal violation.

In order to prevent any logistics accidents or delayed delivery, we optimized the operational rules on exports from Japan as a way of reinforcing our global logistics chain.

In order to further improving our product quality and services, we periodically conduct customer satisfaction surveys and then feed the survey findings back to the relevant departments.

Efforts for Stable Use of Renewable Energy

At Nitto’s Tohoku Plant, a solar power generation facility with 100% self-consumption went into full-scale operation in February 2018. Equipped with storage batteries, the facility is designed to consume all of the energy that it generates within the Plant and is expected to cut CO2 emissions by approximately 600 tons per year and significantly reduce the amount of electricity purchased, in addition to cutting peak power demands in the area during the summer months. The facility also features an autonomous power supply system, and thus will play a key role in ensuring business continuity in the event of a major power outage.

Recycling Process Wastewater and Liquid Waste Using Nitto’s Products

Nitto’s Shiga Plant aims to make the transition to a “recycling-oriented green plant” that reuses process wastewater and liquid waste generated from its manufacturing processes. Through continual testing and validation of the technologies required for concentrating such process wastewater and liquid waste using Nitto’s membrane products, we are planning to not only increase the water recycling rate from the current 50% to 90% over the next five years, but also to promote the reuse of such liquid waste. By utilizing our proprietary technologies, we will continue to take on the challenge of creating new water environment innovations and reduce the impact of our business activities on the environment.

Collection of Solvents

For about four decades, the Nitto Group has used activated carbon to absorb, collect, and recycle organic solvents contained in exhaust gases from production process at its...
main sites, thereby achieving efficient use of resources. In Japan, where some 70% of such solvents are used, the recycling rate within the plants is approximately 20%. We are planning to expand the scope of collection and recycling of renewable solvents. A new solvent recycling facility was installed at Nitto Belgium NV in fiscal 2017 as part of our bid to roll out this initiative on a global basis.

### Third-Party Assurance

In order to ensure the reliability of its disclosed information, the Nitto Group has such information assured by a third-party organization. In this Report, environmental performance indicators marked with ★ have been assured accordingly.

---

**Environmental Data**

#### Total Energy Input (ton)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>4,385,568</td>
<td>4,218,336</td>
<td>4,384,177</td>
<td>4,555,717</td>
</tr>
<tr>
<td>The Americas</td>
<td>245,444</td>
<td>377,032</td>
<td>486,766</td>
<td>527,447</td>
</tr>
<tr>
<td>Europe</td>
<td>342,474</td>
<td>355,345</td>
<td>434,683</td>
<td>456,286</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>1,781,411</td>
<td>1,732,841</td>
<td>1,870,213</td>
<td>1,864,447</td>
</tr>
<tr>
<td>Total</td>
<td>6,754,837</td>
<td>6,681,554</td>
<td>7,185,038</td>
<td>7,399,849</td>
</tr>
</tbody>
</table>

#### CO2 Emissions (Scope 1: Direct emissions) (ton, %)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>310,316</td>
<td>265,958</td>
<td>252,119</td>
<td>250,736</td>
</tr>
<tr>
<td>The Americas</td>
<td>11,263</td>
<td>16,659</td>
<td>16,071</td>
<td>19,028</td>
</tr>
<tr>
<td>Europe</td>
<td>36,836</td>
<td>37,303</td>
<td>41,131</td>
<td>43,190</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>81,420</td>
<td>76,822</td>
<td>68,829</td>
<td>67,468</td>
</tr>
<tr>
<td>Total</td>
<td>439,412</td>
<td>397,144</td>
<td>380,150</td>
<td>380,422</td>
</tr>
</tbody>
</table>

#### CO2 Emissions (Scope 2: Energy indirect emissions) (ton)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>230,373</td>
<td>255,644</td>
<td>265,049</td>
<td>262,029</td>
</tr>
<tr>
<td>The Americas</td>
<td>16,106</td>
<td>20,771</td>
<td>24,224</td>
<td>25,649</td>
</tr>
<tr>
<td>Europe</td>
<td>7,253</td>
<td>7,014</td>
<td>7,455</td>
<td>7,278</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>160,059</td>
<td>157,281</td>
<td>161,462</td>
<td>154,447</td>
</tr>
<tr>
<td>Total</td>
<td>413,730</td>
<td>440,750</td>
<td>439,080</td>
<td>449,447</td>
</tr>
</tbody>
</table>

#### CO2 Emissions (Scope 3: Other indirect emissions) (ton)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Japan</td>
<td>396,698</td>
<td>367,727</td>
<td>367,727</td>
<td>342,474</td>
</tr>
<tr>
<td>The Americas</td>
<td>44,380</td>
<td>44,380</td>
<td>44,380</td>
<td>44,380</td>
</tr>
<tr>
<td>Europe</td>
<td>9,789</td>
<td>9,789</td>
<td>9,789</td>
<td>9,789</td>
</tr>
<tr>
<td>Asia and Oceania</td>
<td>36,103</td>
<td>36,103</td>
<td>36,103</td>
<td>36,103</td>
</tr>
<tr>
<td>Total</td>
<td>438,684</td>
<td>438,684</td>
<td>438,684</td>
<td>438,684</td>
</tr>
</tbody>
</table>

### Third Party Assurance

In response to the tightening of China’s Environmental Protection Law and the Regulations of Shanghai Municipality on Environmental Protection that has occurred since 2015, Nitto Denko (Shanghai Songjiang) Co., Ltd. introduced high-performance exhaust gas treatment equipment to remain compliant with the local environmental requirements.

In March 2017, however, they were fined by the local authorities for the possible leakage of air pollutants (VOCs) into the atmosphere from windows and other openings that were not exhaust vents. They have since installed an anti-leakage system and completed the introduction of high-performance exhaust gas treatment equipment. They now boast one of the most advanced VOC control strategies within the Group.

---

**Value Chain Management**

**Environmental Data**

- **Total Energy Input (ton)**
  - Japan: 4,385,568
  - The Americas: 245,444
  - Europe: 342,474
  - Asia and Oceania: 1,781,411
  - Total: 6,754,837

- **CO2 Emissions (Scope 1: Direct emissions) (ton)**
  - Japan: 310,316
  - The Americas: 11,263
  - Europe: 36,836
  - Asia and Oceania: 81,420
  - Total: 439,412

- **CO2 Emissions (Scope 2: Energy indirect emissions) (ton)**
  - Japan: 230,373
  - The Americas: 16,106
  - Europe: 7,253
  - Asia and Oceania: 160,059
  - Total: 413,730

- **CO2 Emissions (Scope 3: Other indirect emissions) (ton)**
  - Japan: 396,698
  - The Americas: 44,380
  - Europe: 9,789
  - Asia and Oceania: 36,103
  - Total: 438,684

---

**COD Discharge to Public Waters**

- **Total Waste etc.** (ton)
  - Japan: 74,658
  - The Americas: 7,532
  - Europe: 9,697
  - Asia and Oceania: 68,040
  - Total: 157,255

- **Percentage of Waste etc. Recycled (%)**
  - Japan: 23%
  - The Americas: 97%
  - Europe: 98%
  - Asia and Oceania: 51%
  - Total: 81%

- **Hazardous Waste**
  - Japan: 92
  - The Americas: 23
  - Europe: 57
  - Asia and Oceania: 31
  - Total: 66

- **Atmospheric Release of PETR Substances (non-consolidated)**
  - Japan: 436,495
  - The Americas: 656
  - Europe: 37,311
  - Total: 443,562

- **Atmospheric Release of NOx and SOx (non-consolidated)**
  - Japan: 74,658
  - The Americas: 7,532
  - Europe: 9,697
  - Total: 82,095

---

**Water Withdrawal**

- **Japan**: 4,328,713
- **The Americas**: 590,498
- **Europe**: 85,351
- **Asia and Oceania**: 2,202,537
- **Total**: 7,197,491

For the sake of accuracy, figures from fiscal 2016 have been partially altered.
## Consolidated Financial Statements
### Consolidated Statements of Financial Position

<table>
<thead>
<tr>
<th></th>
<th>As of March 31, 2018 (¥ in Millions)</th>
<th>As of March 31, 2017 (¥ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>304,709</td>
<td>280,343</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>192,120</td>
<td>173,362</td>
</tr>
<tr>
<td>Inventories</td>
<td>95,086</td>
<td>88,701</td>
</tr>
<tr>
<td>Other financial assets</td>
<td>8,815</td>
<td>5,455</td>
</tr>
<tr>
<td>Other current assets</td>
<td>15,398</td>
<td>15,936</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>616,112</td>
<td>563,798</td>
</tr>
<tr>
<td><strong>Assets held for sale</strong></td>
<td>5,914</td>
<td>—</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td>315,768</td>
<td>316,100</td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>248,417</td>
<td>249,541</td>
</tr>
<tr>
<td>Goodwill</td>
<td>6,927</td>
<td>7,300</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>12,355</td>
<td>13,829</td>
</tr>
<tr>
<td>Investments accounted for</td>
<td>338</td>
<td>326</td>
</tr>
<tr>
<td>equity method</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial assets</td>
<td>9,361</td>
<td>8,799</td>
</tr>
<tr>
<td>Deferred tax assets</td>
<td>28,295</td>
<td>27,087</td>
</tr>
<tr>
<td>Other non-current assets</td>
<td>10,073</td>
<td>9,215</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>937,796</td>
<td>879,899</td>
</tr>
</tbody>
</table>

### Consolidated Statements of Income

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017 - March 31, 2018 (¥ in Millions)</th>
<th>April 1, 2016 - March 31, 2017 (¥ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenue</strong></td>
<td>856,262</td>
<td>787,710</td>
</tr>
<tr>
<td><strong>Cost of sales</strong></td>
<td>574,879</td>
<td>528,582</td>
</tr>
<tr>
<td><strong>Gross profit</strong></td>
<td>281,382</td>
<td>239,118</td>
</tr>
<tr>
<td>Selling, general and administrative expenses</td>
<td>118,421</td>
<td>109,317</td>
</tr>
<tr>
<td>Research and development expenses</td>
<td>31,243</td>
<td>30,366</td>
</tr>
<tr>
<td>Other income</td>
<td>5,709</td>
<td>6,773</td>
</tr>
<tr>
<td><strong>Operating income</strong></td>
<td>125,722</td>
<td>92,589</td>
</tr>
<tr>
<td>Financial income</td>
<td>1,185</td>
<td>1,060</td>
</tr>
<tr>
<td>Financial expenses</td>
<td>752</td>
<td>1,848</td>
</tr>
<tr>
<td>Equity in profits (losses) of affiliates</td>
<td>12</td>
<td>-13</td>
</tr>
<tr>
<td><strong>Income before income taxes</strong></td>
<td>126,168</td>
<td>91,791</td>
</tr>
<tr>
<td><strong>Income tax expenses</strong></td>
<td>38,704</td>
<td>28,101</td>
</tr>
<tr>
<td><strong>Net income</strong></td>
<td>87,463</td>
<td>63,690</td>
</tr>
</tbody>
</table>

### Consolidated Statements of Cash Flows

<table>
<thead>
<tr>
<th></th>
<th>April 1, 2017 - March 31, 2018 (¥ in Millions)</th>
<th>April 1, 2016 - March 31, 2017 (¥ in Millions)</th>
</tr>
</thead>
<tbody>
<tr>
<td>I. Cash flows from operating activities</td>
<td>122,551</td>
<td>119,939</td>
</tr>
<tr>
<td>Income before income taxes</td>
<td>126,168</td>
<td>91,791</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>49,283</td>
<td>48,556</td>
</tr>
<tr>
<td>Impairment losses</td>
<td>52</td>
<td>2,941</td>
</tr>
<tr>
<td>Increase (decrease) in defined benefit liabilities</td>
<td>2,338</td>
<td>944</td>
</tr>
<tr>
<td>Decrease (increase) in trade and other receivables</td>
<td>-18,493</td>
<td>-25,161</td>
</tr>
<tr>
<td>Decrease (increase) in monies</td>
<td>-6,860</td>
<td>-1,328</td>
</tr>
<tr>
<td>Increase (decrease) in trade and other payables</td>
<td>-4,471</td>
<td>15,382</td>
</tr>
<tr>
<td>Interest and dividend income</td>
<td>1,047</td>
<td>829</td>
</tr>
<tr>
<td>Interest expenses paid</td>
<td>-418</td>
<td>-385</td>
</tr>
<tr>
<td>Income taxes (paid) refunded</td>
<td>-35,153</td>
<td>-13,742</td>
</tr>
<tr>
<td>Others</td>
<td>9,059</td>
<td>710</td>
</tr>
<tr>
<td><strong>Net cash provided by operating activities</strong></td>
<td>122,551</td>
<td>119,939</td>
</tr>
<tr>
<td>II. Cash flows from investing activities</td>
<td>-50,215</td>
<td>-49,739</td>
</tr>
<tr>
<td>Purchase of property, plant and equipment and intangible assets</td>
<td>-48,466</td>
<td>-43,178</td>
</tr>
<tr>
<td>Proceeds from sale of property, plant and equipment and intangible assets</td>
<td>99</td>
<td>537</td>
</tr>
<tr>
<td>Decrease (increase) in time deposits</td>
<td>-2,811</td>
<td>2,550</td>
</tr>
<tr>
<td>Purchase of shares of subsidiaries resulting in change in scope of consolidation</td>
<td>-4,796</td>
<td>-4,796</td>
</tr>
<tr>
<td>Payments for transfer of business</td>
<td>-4,752</td>
<td>-4,752</td>
</tr>
<tr>
<td>Others</td>
<td>963</td>
<td>-99</td>
</tr>
<tr>
<td><strong>Net cash provided by investing activities</strong></td>
<td>-50,215</td>
<td>-49,739</td>
</tr>
<tr>
<td>III. Cash flows from financing activities</td>
<td>-44,919</td>
<td>-28,894</td>
</tr>
<tr>
<td>Net increase (decrease) in short-term loans payable</td>
<td>74</td>
<td>-1,973</td>
</tr>
<tr>
<td>Decrease (increase) in treasury stock</td>
<td>-19,354</td>
<td>-0</td>
</tr>
<tr>
<td>Payments from changes in ownership interests in subsidiaries that do not result in change in scope of consolidation</td>
<td>-3,224</td>
<td>-3,224</td>
</tr>
<tr>
<td>Cash dividends paid</td>
<td>-25,156</td>
<td>-23,533</td>
</tr>
<tr>
<td>Others</td>
<td>-472</td>
<td>-151</td>
</tr>
<tr>
<td><strong>Net cash provided by financing activities</strong></td>
<td>-44,919</td>
<td>-28,894</td>
</tr>
<tr>
<td>IV. Effect of exchange rate changes on cash and cash equivalents</td>
<td>-270</td>
<td>-1,864</td>
</tr>
<tr>
<td>V. Cash and cash equivalents included in assets held for sale</td>
<td>-2,790</td>
<td>-</td>
</tr>
<tr>
<td>VI. Net increase (decrease) in cash and cash equivalents</td>
<td>24,365</td>
<td>39,451</td>
</tr>
<tr>
<td>VII. Cash and cash equivalents at the beginning of the period</td>
<td>280,343</td>
<td>280,343</td>
</tr>
<tr>
<td>VIII. Cash and cash equivalents at the end of the period</td>
<td>304,709</td>
<td>280,343</td>
</tr>
</tbody>
</table>
1. Part-time employees are included.

2. The exchange rate used was JPY110.83 to USD1.00, which was the rate as at March 31, 2018.

3. Effective from the fiscal year ended March 31, 2014, the Company and some of its consolidated subsidiaries changed the method of recognition of revenue to one based on the time of delivery to customers from the prior one which was based mainly on the time of shipment. The figures for the fiscal year ended March 31, 2013, are those after the retrospective application of the change except for the figures in “Segment information by geographic area.”

4. From the fiscal year ended March 31, 2014, the Nitto Denko Group has implemented the International Financial Reporting Standards (IFRS) to prepare its consolidated financial statements. Accordingly, the financial data for the fiscal year ended March 31, 2014 is also presented based on the IFRS.

5. The above 10-year Summary is presented based on the International Financial Reporting Standards (IFRS). The term based on the Japanese standard for “Revenue” is “Net sales,” “Net comprehensive income” is “Net income,” “Ratio of profit attributable to owners of the parent company to total assets” is “Return on assets,” “Return on equity attributable to owners of the parent company” is “Return on equity” and “Ratio of equity attributable to owners of the parent company to total assets” is “Equity to total assets.”
Nitto Group Report 2018

Social Action Programs

Contributing to Local Communities

Bringing Smiles to Children’s Faces at Nitto ATP Finals

During the Nitto ATP Finals, which were held at London’s The O2 Arena from the 12th to the 19th of November, the Nitto Group organized a variety of charitable activities. Through these activities, we hoped to bring to life our mission of “bringing smiles on the faces of the children.”

We donated mascot spaces to the United Nations Children’s Fund (UNICEF) which gave children the opportunity to walk on court with their tennis heroes. Through the support of spectators at the event, we also raised over £3,800 for UNICEF. Further to these activities, Nitto made a £30,000 donation to UNICEF, split evenly across two of their programs; Water, Sanitation and Hygiene (WASH) that aims to ensure that all children have the right to clean water and basic sanitation; and Health where UNICEF envisions a world where no child dies from a preventable condition.

Through these activities, we hoped to bring to life our mission of “bringing smiles on the faces of the children.”

Donations to the Earthquake Victims in Mexico

The two severe earthquakes that hit Central Mexico in September 2017 claimed many lives and caused extensive damage. In the wake of these disasters, employees at Nitto Denko Automotive de Mexico S. de R.L. de C.V. and Nitto Denko de Mexico S. de R.L. de C.V. made appeals for contributions. The funds that they raised were used to purchase water, preserved food, toilet paper, diapers, and other relief supplies, which were donated via the Mexican Red Cross together with 2,000 U.S. dollars gifted by the companies.

Supporting a Turkish Autism Foundation

In December 2017, members of Nitto Bento Bantçılık visited the Tohum Autism Foundation to present gifts to the children there and also donated 950 euro. The Foundation was established with the purpose of raising public awareness of autism and leading and disseminating early diagnosis and education services for autistic children. In January 2018, Nitto Bento Bantçılık organized in-house training to help its members to deepen their understanding of the condition. The company remains committed to continuing such education for employees and supporting the Foundation.

For a few weeks leading up to Christmas of 2017, Nitto Denko U.K. Ltd. (NUK) set up a table in its canteen to collect foodbank donations. Staff members were asked to donate any unwanted non-perishable food items from their kitchens, such as pasta and tinned foods, and ten boxes full of food were delivered to the Bridge Street Methodist Church in NUK’s hometown of Mansfield. The Church runs a soup kitchen to help feed the homeless and less fortunate, and later sent a letter of thanks to NUK.

Supporting Sports

Monetary Donations to the 2018 National Sports Festivals* in Fukui, Japan

Nitto Shinko Corporation donated one million yen to the 73rd National Sports Festival and 18th National Sports Festival for People with Disabilities*, which will be organized in its home prefecture of Fukui in autumn 2018. For their efforts, they received a letter of gratitude from the Fukui Prefectural Government. The donated money will be used to operate the National Sports Festival for People with Disabilities and build barrier-free infrastructures.

Promotion of Education / International Interaction

Children in California Filtering Water

On March 29, 2017, the annual Children’s Water Education Festival was held at the University of California, Irvine, which provided an opportunity for children to learn about the importance of water. Hydranautics provided filtering devices using its products. Through presentations by engineering staff members and water filtration trials, children came to know the wonders of membranes.

Taiwanese Inspection Group Visits Japan to Learn about MFCA

On March 28, 2017, about a dozen individuals, including representatives from the MFCA Forum Taiwan Branch, paid a visit to Nitto Ibaraki Office. The visit not only helped them to deepen their understanding of MFCA in Japan, but also provided us with an excellent opportunity to learn about what they do in Taiwan.

However, the company remains committed to continuing such education for employees and supporting the Foundation.

For their efforts, they received a letter of gratitude from the Fukui Prefectural Government. The donated money will be used to operate the National Sports Festival for People with Disabilities and build barrier-free infrastructures.

Fukui Governor Issei Nishikawa (center) and Nitto Shinko President Yusuyuki Aizawa (right)

Festival was held at the University of California, Irvine, on March 29, 2017, about a dozen individuals, including representatives from the MFCA Forum Taiwan Branch, paid a visit to Nitto Ibaraki Office. The visit not only helped them to deepen their understanding of MFCA in Japan, but also provided us with an excellent opportunity to learn about what they do in Taiwan.

* Japan’s largest national sports events

The annual National Sports Festival began in 1946, and the event for individuals with disabilities has been organized in conjunction with the Festival since 2001. Each prefecture takes turns to host these events.

Fukuoka Governor Ikuhito Taniyama (center) and Nitto Shinko President Yusuyuki Aizawa (right)

Aizawa (right)

Fukui Governor Issei Nishikawa (center) and Nitto Shinko President Yusuyuki Aizawa (right)
Relationships with Stakeholders

The Nitto Group engages with our stakeholders through various activities. We have developed alongside those stakeholders by establishing face-to-face relationships as much as possible, aggregating their opinions, and repeatedly feeding them back to our business activities.

Dialogue with Employees
At Nitto, we established the Nitto-2018 Welfare Master Plan in order for labor and management to share their mid- and long-term visions of the company and discuss welfare programs accordingly. Management meets periodically with employee representatives to realize welfare programs that support work styles based on good work-life balance through joint efforts between labor and management.

Dialogue with Customers
We listen to customers’ requests concerning our products, services, business management, and ESG (environment, society and governance) while also providing them with information. We also undergo audits by the Responsible Business Alliance (RBA), which is an industry coalition dedicated to CSR in the electronics supply chain, as well as other organizations.

Dialogue with Partners
The CSR-Based Procurement Guidelines were established with the expectation that our business partners would follow them and, as such, look at supply chains as a whole when approaching our CSR activities. By holding regular meetings with partners, we deepen our exchanges and seek to solidify relationships of trust.

Dialogue with Shareholders and Investors
In following the “Policies Concerning Constructive Dialogue with Shareholders,” we reflect upon the opinions shared by our shareholders and investors in shareholder meetings, company information sessions, and IR activities with management.

Environmental Conservation Programs
Nitto supports activities conducted in Japan by the United Nations Environment Programme (UNEP) as a supporting member of the Japan Association for UNEP. Furthermore, as a promotion partner of the Declaration of Biodiversity by Nippon Keidanren, we always approach our business activities by giving due consideration to biodiversity.

Social Action Programs
Please refer to pages 39 – 40.

Printing and Binding
This Nitto Group Report 2018 was printed by Nitto Denko Himawari Co., Ltd., a member of the Nitto Group.
Nitto Denko Himawari was established under the principle of “contributing to society by realizing a company in which independence-oriented individuals with disabilities and elderly individuals who understand them can work together and take on the challenges of reaching their own possibilities through their work.” Their responsibilities include printing, cleaning, cutting/rewrapping/packaging of various Nitto and Nitto’s tapes, recycling and reuse of waste materials, tree planting, sorting, and document control.
URL: http://www.nitto.co.jp/himawari/

Disclaimer
This report contains future projections as well as past and present facts related to Nitto Denko Corporation (non-consolidated) and the Nitto Group (consolidated). These statements are based on information at the time of creation and may not be completely accurate at the time of reading. Please be advised that actual business activity results may differ materially from those described in the projections. All chapters of this report are also available in Japanese. In the event of any discrepancies between the two versions, the Japanese version will prevail.

About Business Performance and Financial Information
As we have applied International Financial Reporting Standards (IFRS) from fiscal 2014, business performance and financial information from fiscal 2014 described in this report are based on IFRS.

About Our Trademarks
All logos, product names, and other related names are the trademarks and the registered trademarks of Nitto and its respective companies in Japan and/or other countries.

About Environmental Data
This report contains future projections as well as past and present facts related to Nitto Denko Corporation (non-consolidated) and the Nitto Group (consolidated). These statements are based on information at the time of creation and may not be completely accurate at the time of reading. Please be advised that actual business activity results may differ materially from those described in the projections. All chapters of this report are also available in Japanese. In the event of any discrepancies between the two versions, the Japanese version will prevail.

About Our Trademarks
All logos, product names, and other related names are the trademarks and the registered trademarks of Nitto and its respective companies in Japan and/or other countries.

Printing and Binding
This Nitto Group Report 2018 was printed by Nitto Denko Himawari Co., Ltd., a member of the Nitto Group.
Nitto Denko Himawari was established under the principle of “contributing to society by realizing a company in which independence-oriented individuals with disabilities and elderly individuals who understand them can work together and take on the challenges of reaching their own possibilities through their work.” Their responsibilities include printing, cleaning, cutting/rewrapping/packaging of various Nitto and Nitto’s tapes, recycling and reuse of waste materials, tree planting, sorting, and document control.
URL: http://www.nitto.co.jp/himawari/

Nitto Group Report 2018
URL: https://www.nitto.com/
Date of Issue: 31 July 2018
Publishing Office: Nitto Denko Corporation - CSR Department
33F, Tower A, Grand Front Osaka, 4-20 Otaka-cho, Kita-ku, Osaka 530-0011, Japan
Tel: +81-6-7632-2101 Fax: +81-6-7632-2102
Person in Charge of Issue: Toto Takeuchi, Senior Executive Vice President and CFO
Design: Administration Center, Inc.
Printing and Binding: Nitto Denko Himawari Co., Ltd.