

Corporate Philosophy

The Nitto Group's Corporate Philosophy is comprised of three elements: our corporate Mission, the Vision which aligns our way of thinking in attaining our Mission, and the Nitto Way, which includes our Values, Attitudes and Mindset, and Code of Conduct.



Mission

Contribute to customers' value creation with innovative ideas

We at Nitto Group hope to retain an attitude of relentlessly pursuing products, systems, and ideas that customers will find valuable. Our Mission is to deliver safety, prosperity, comfort, and affluence not only to customers whom we come in contact with directly but also to every stakeholder.

Vision

Creating Wonders

In order to achieve our Mission to "Contribute to customers' value creation with innovative ideas" as one team, all Nitto Group employees around the world must share the same vision, or outlook. This shared vision has been dubbed "Creating Wonders." Each and every employee will challenge themselves to cause feelings of wonder and inspiration around the world; in other words, we will endeavor to create wonders in our everyday work. In doing so, power will be generated that can change the world in many different domains.

The Nitto Way

Philosophical Ideas

In order to achieve our Mission to "Contribute to customers' value creation with innovative ideas," and our Vision, "Creating Wonders," "The Nitto Way" indicates the Values, Attitudes and Mindset, and Code of Conduct that every Nitto Group employee should follow. The passion, wisdom, and values of the various senior employees who have shaped the Nitto Group for a long time since its foundation have now taken the form of "DNA" that can be found in each and every member of the Group. These principles and ideologies are stipulated as "The Nitto Way," which serves as our standard for judgment and is something that we all turn to in situations of uncertainty.

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.

Contents

Profile

- 1 Corporate Philosophy/Contents/Editing Policy
- 3 Footsteps of the Nitto Group
- 5 History of Technology Innovation
- 7 The Nitto Group Now
- 9 Highlights

Top Message

- 11 Top Message

Value Co-Creation Strategies

- 17 Value Creation Process
- 21 Nitto Group's ESG Management

- 23 Addressing Material Issues for Sustainability
- 25 Mid-term Management Plan "Nitto Beyond 2023"
- 26 Nitto Group Carbon Neutral 2050
- 27 PlanetFlags/HumanFlags Recognition Scheme
-Products Contributing to the Environment and/or Human Life

Co-Creating Value through Innovation

- 29 Nitto Group's R&D Strategy as per the Chief Technology Officer
- 33 Business Strategies by Segment and their Progress

Enhancing Management Process for Co-Creating Value

- 41 Human Resources
- 44 Product Safety/Quality
- 47 Environment

- 51 Disclosure Pursuant to TCFD Recommendations

Financial Strategy

- 53 Nitto Group's Financial Strategy as per the Chief Financial Officer

Governance

- 55 Directors and Auditors
- 60 Vice Presidents
- 61 Corporate Governance System
- 65 Risk Management
- 66 Compliance
- 67 Messages from Outside Directors

Data Section

- 69 Business Results: 10-Year Summary
- 71 Consolidated Financial Statements
- 73 Shareholder/Stock Information

- 74 Social Contributions

Editing Policy

It is with great pleasure that we publish this Integrated Report of the Nitto Group to inform our stakeholders of what we are doing to "simultaneously solve social issues and create economic value." Described in this report are the past, present, and future of the Nitto Group - how it has grown to what it is today and how we will go about co-creating value into the future - which we hope will give you an overall picture of the Group. Please refer to our corporate website for more details and relevant information. This report is available in Japanese and English and can be found on our corporate website.

Scope

This report covers the business activities of 99 companies including Nitto Denko Corporation and its 94 subsidiaries and 4 affiliates, as of March 31, 2022.

Time Period

Fiscal 2021 (April 1, 2021 - March 31, 2022) Some performance figures and activities from periods other than the above are also included.

Reference Guidelines

This report has been prepared with reference to the following guidelines:

- Global Reporting Initiative (GRI) Standards by the Global Reporting Initiative
- International Integrated Reporting Framework by the International Integrated Reporting Council (IIRC)

Footsteps of the Nitto Group

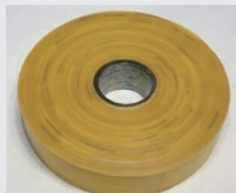
Founded as a manufacturer of insulating materials, the Nitto Group has grown steadily by delivering diverse products that tap into its core technologies, such as adhesion and coating technologies. We will continue challenging ourselves to make people's lives better and more convenient by offering solutions to social issues while creating economic value.

1918 - 1945

Laying the Groundwork

Laying the groundwork for starting insulation business at Osaki, Tokyo

Nitto Electric Industrial Co., Ltd. was formed in Osaki, Tokyo, on October 25, 1918. It was a time when electricity was rapidly becoming widespread as one of the infrastructures essential for industrial development. Nitto Electric Industrial was formed to get involved in the urgently needed domestic production of electrical insulating materials, important components of electrical equipment and machinery.



Linotape



Electrical Insulating Varnish

1946 - 1960

The Second Beginning

Starting over at Ibaraki, Osaka, after WWII

After the plant in Osaki, Tokyo, was destroyed by air raids, Nitto restarted operations in Ibaraki, Osaka.

Nitto's company credo, "Each product, each roll of tape is made with Nitto's exhaustive efforts. Everything we do is for dedication to our customers," was introduced in 1956. This policy endures today in our current brand slogan, "Innovation for Customers."

In 1957, the Nitto Group's unique marketing approach that holds up to this day, *Sanshin* Activities (three new activities), began.



Vinyl Tape



Maxell Battery

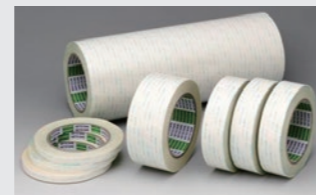
1961 - 1973

Commencing Business in the Production of Industrial Materials

Separating off Maxell

In 1961, Nitto separated off Maxell, the department dealing with consumer goods, aiming to take a leap forward as an industrial materials manufacturer.

In 1962, the Toyohashi Plant, our main production site of adhesive tapes in Japan even at present, began operation. The Kanto Plant also began operation in 1967 in a move to increase production. Overseas, Nitto Denko America, Inc. was formed in 1968, followed by the 1969 foundation of Nitto Denko (Taiwan) Corp. as the first overseas manufacturing site.



Double-sided Tape



Fluoroplastic Tape "NITOFLO™"

1974 - 1988

Development of Multiple Cores and Overseas Expansion

Advancing into the fields of medical care and electronics, commencement of overseas operation, and acceleration of M&As

In the aftermath of the oil crisis of 1973, the Nitto Group drove the development of multi-core business to fortify itself with enough resources to survive economic fluctuations. The Nitto Group began offering materials for use in electronics and also gave birth to various products related to medical care and the membrane business.

In 1974, Nitto Belgium N.V. was formed. In 1987, Nitto acquired Hydranautics in the U.S. to implement the membrane business on a global level.

In 1988, when Nitto celebrated the 70th year since its foundation, the company name was changed to Nitto Denko Corporation.



"COLOCOLO™" Series



Transdermal Absorption Tape Formulations

1989 - 2007

Introduction of the Business Division System / Implementation of Global Niche Top™ Strategy

Establishing business foundation for sustained growth

In 1989, the business division system was introduced to get back to the basics of serving customers and to respond speedily to dynamic changes in the market. In 1996, the Nitto Group began implementing the Global Niche Top™ strategy, with the aim of achieving top global market share by determining markets with high growth potential and focusing its management resources into niche fields where the Nitto Group has a competitive advantage.

The Nitto Group's effort was not limited to the offering of products, and resulted in the development of Roll to Panel™*1, a business model which offers new values to customers, including productivity improvement, reduction of packing materials, improved yield of polarizing films, and manpower saving.

*1 Whole polarizing films are brought in to the customers' production site, where the subsequent processes from cutting, inspection, to lamination of glass are performed seamlessly.



REVALPHA™

TEMISH™

2008 -

Innovation for Customers

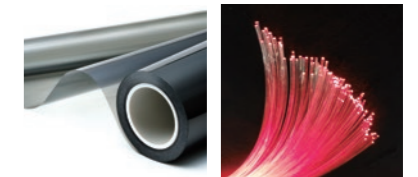
Further business reform to offer comfortable lives to people

The economic crisis of 2008 cast a major shadow over countless businesses and the Nitto Group was not an exception. Yet, the Nitto Group was able to recover in a short time by responding speedily to the changes in the business environment and with its unique management approaches of "Mu-Gen-Dai"*2 and "Kuruma-za," a group discussion to come up with ideas or solve problems, achieved major earnings growth thereafter.

In 2013, the "Nitto Denko" brand logo was renewed to the current "Nitto," and in 2014 the new brand slogan, "Innovation for Customers" was established.

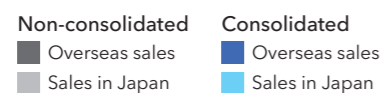
Nitto celebrated its 100th anniversary in 2018.

*2 Nitto Group's growth plan that centers around substantial reform of cost structure from three points of view: *Mu* (to eliminate), *Gen* (to reduce), and *Dai* (to substitute).



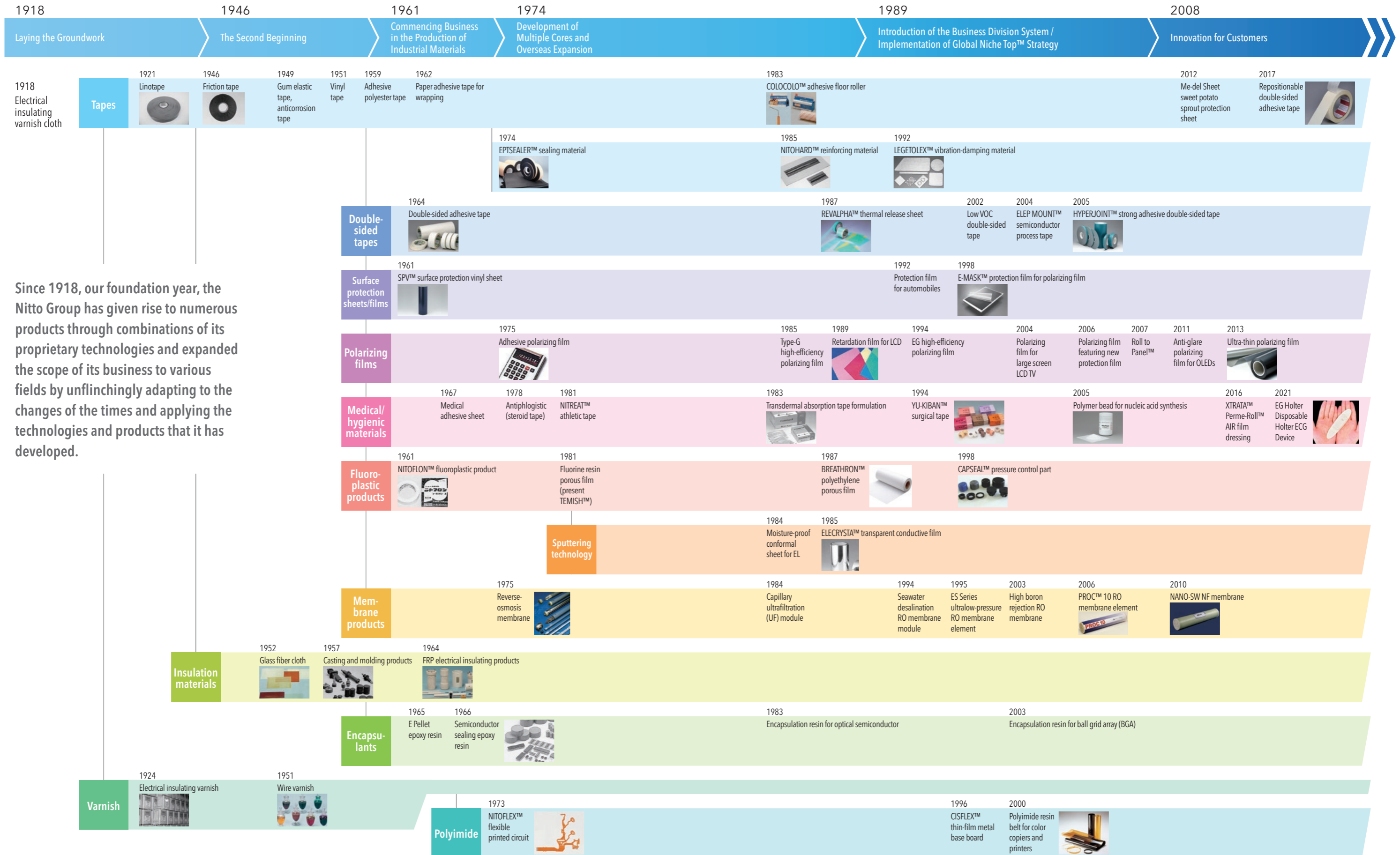
Ultra-Thin Polarizing Film Plastic Optical Fiber

Sales*3 Trends



*3 The numbers from FY2014 are for "Revenue," following the introduction of the International Financial Reporting Standards (IFRS).

History of Technology Innovation

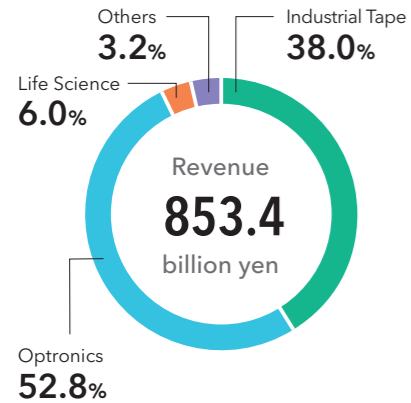


Since 1918, our foundation year, the Nitto Group has given rise to numerous products through combinations of its proprietary technologies and expanded the scope of its business to various fields by unflinchingly adapting to the changes of the times and applying the technologies and products that it has developed.

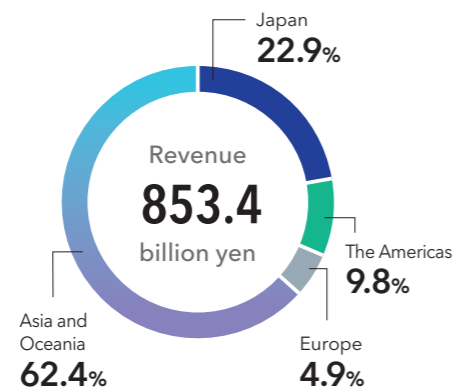
The Nitto Group Now

The Nitto Group is underpinning the comfortable lives of people the world over. We keep challenging ourselves in areas no one has ever challenged, with the near future in mind.

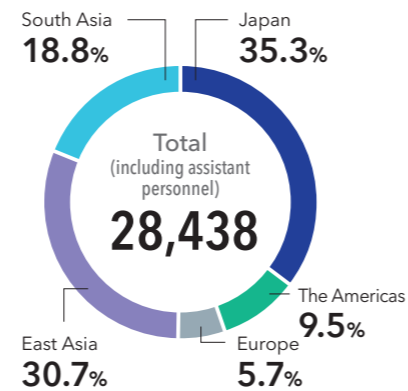
Segment Revenue



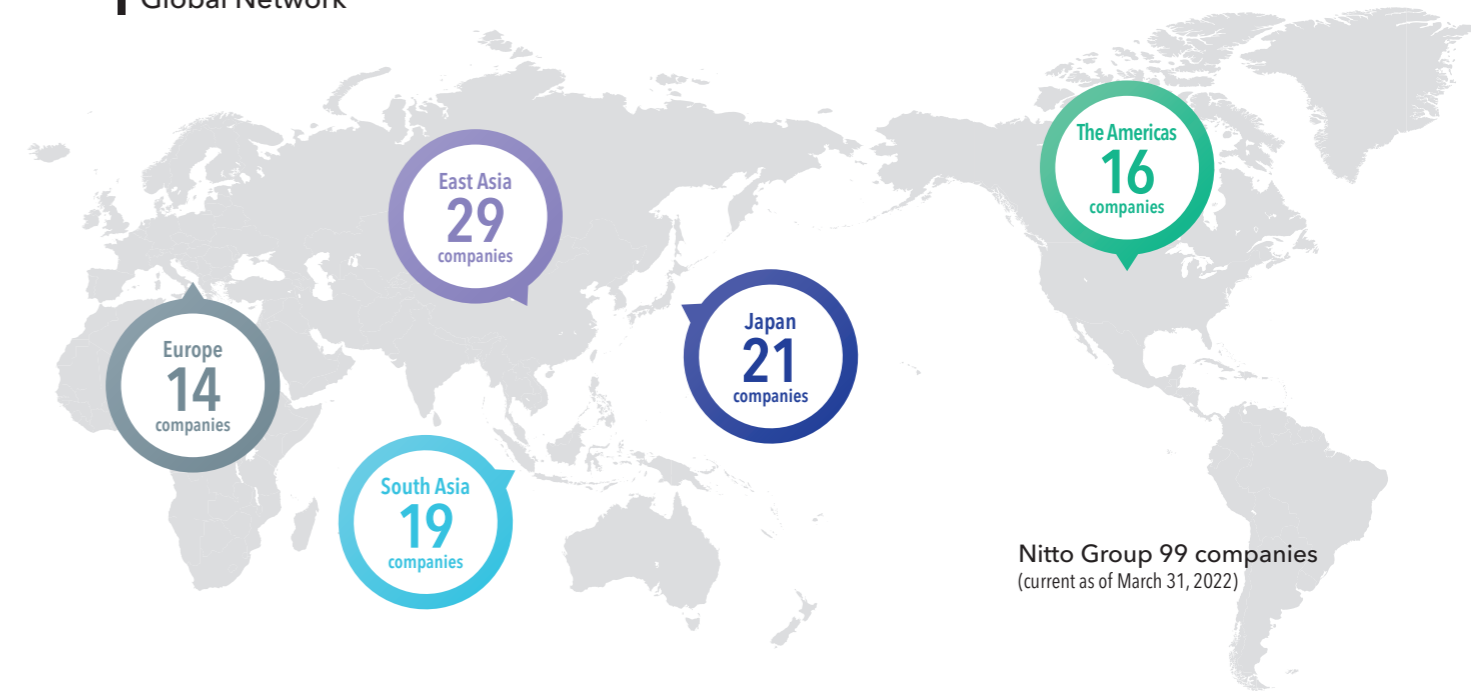
Regional Breakdown of Revenue



Regional Breakdown of Employees



Global Network



Our Markets



Infrastructure Industries

The Nitto Group offers products and technical services, including filtration that help protect water resources through seawater desalination and reuse of drainage water. In addition, the Nitto Group has advanced its research and development in the field of new energy, providing materials for wind power generation.



Consumer Products / Personal Care Products

The Nitto Group supplies the consumer market with various materials from housewares to materials used in hygienic goods, such as diapers. These products help customers achieve a more comfortable way of life.



Packaging

The Nitto Group provides a wide range of tape products that are used in various applications. Some of the products include tape for cardboard packaging, temporary adhesion tape that doesn't leave any adhesive residue when removed, and security tape that makes it possible to know that the tape was tampered with.



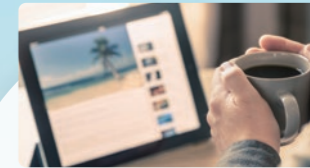
Medical

The Nitto Group has secured the global top share in the synthesis of oligonucleotide therapeutics. The Nitto Group's transdermal adsorption drugs that apply its adhesive technology have been highly acclaimed for their reliable production technology based on long-standing experience.



Automotive and Transportation Equipment

The Nitto Group provides new value to meet the recent needs of the automobile field, through technologies such as lightweight parts, and the evolution of power modules for environmental vehicles and electrical equipment developed in pursuit of safety and amenity.



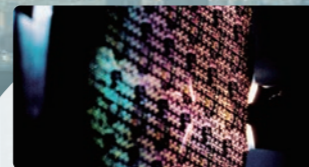
Displays

The Nitto Group offers valuable solutions that incorporate its unique technologies and products. The Nitto Group has experience in producing high-definition image, durable, thin, and lightweight technologies in various types of optical and adhesive film for displays and touch panel devices.



Housing / Housing Equipment

The housing industry is increasingly faced with highly demand functions, such as solar cells, storage batteries, and an integrated management system for household appliances. The Nitto Group is doing its best to meet these advanced requirements by providing the materials and parts needed for these applications.



Electronic Devices

The Nitto Group provides a wide range of products for manufacturing processes and parts, including semiconductor and electronic component manufacturing process materials, optical device sealing materials, and HDD peripheral materials.



Home Appliance and Electrical Equipment

The Nitto Group offers a diverse lineup of products for various applications. This wide variation includes ultra-thin sealant materials, which are practically free of impure substances that can contaminate devices; as well as double-sided tapes which can replace mechanical fasteners such as screws.

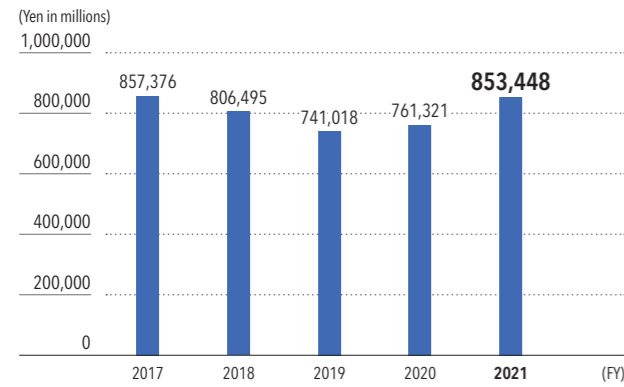


Materials

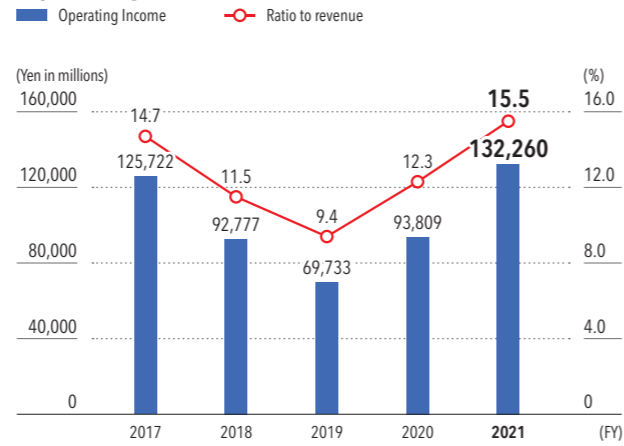
Beginning with surface protection films, the Nitto Group provides a diverse lineup of products for processing materials such as metal plates, resin substrates, glass sheets, etc.

Highlights

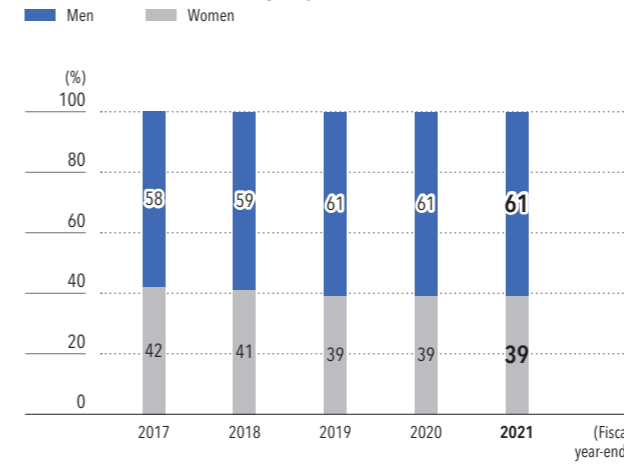
Revenue



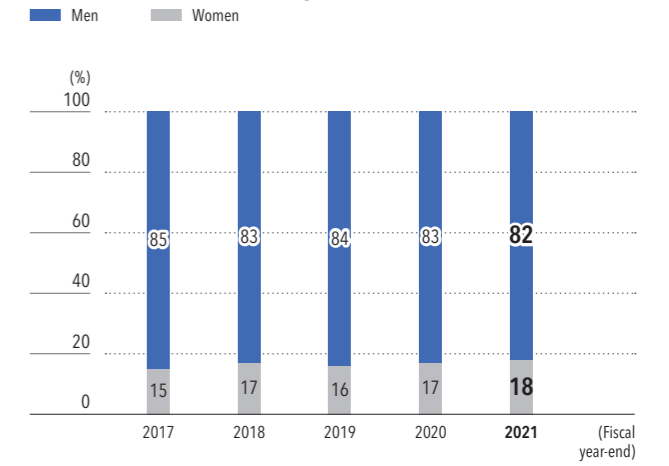
Operating Income



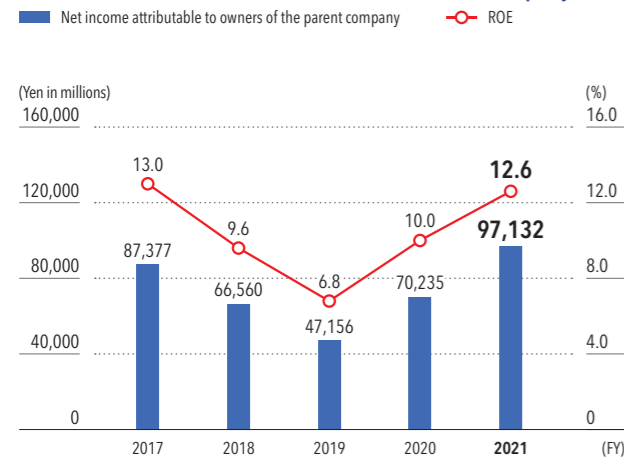
Gender Ratio of Employees



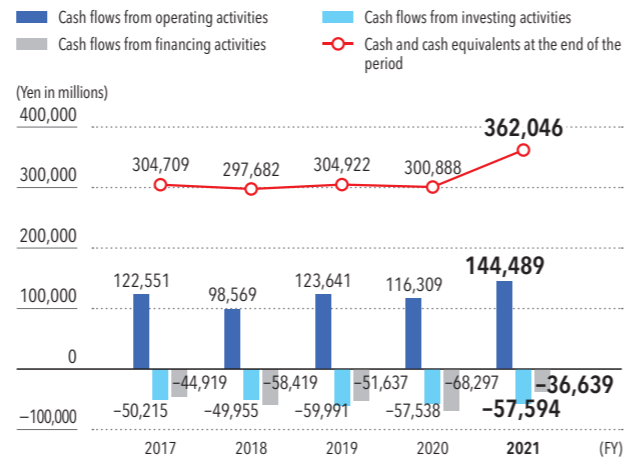
Gender Ratio of Management



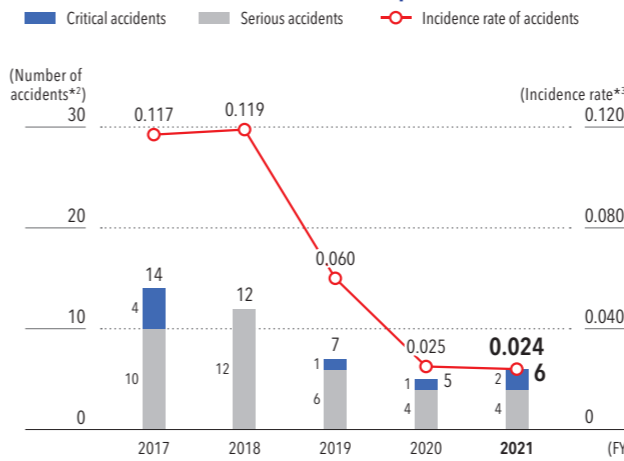
Net Income Attributable to Owners of the Parent Company, ROE



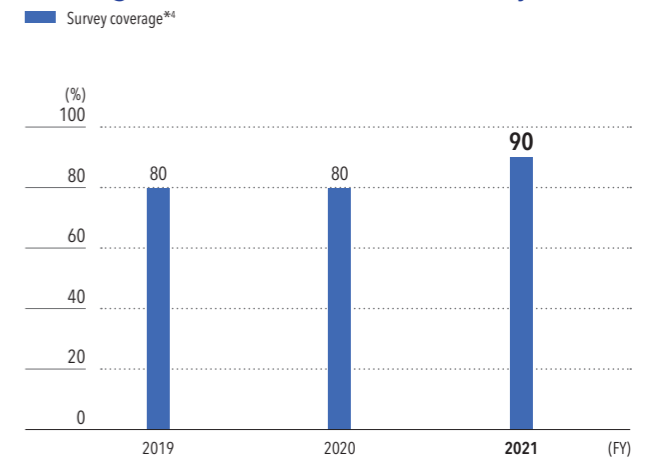
Cash Flows



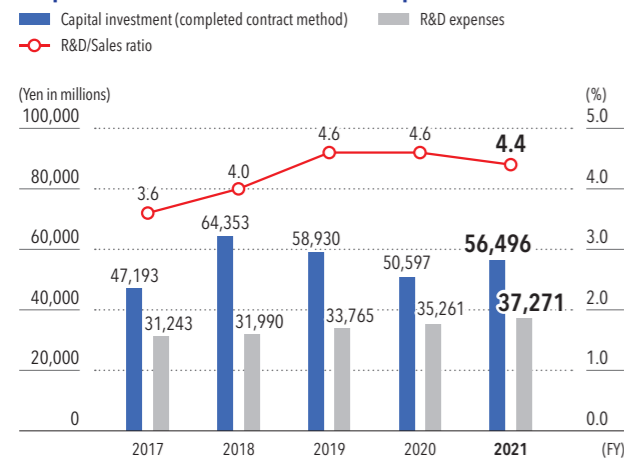
Number of Critical/Serious Occupational Accidents*1



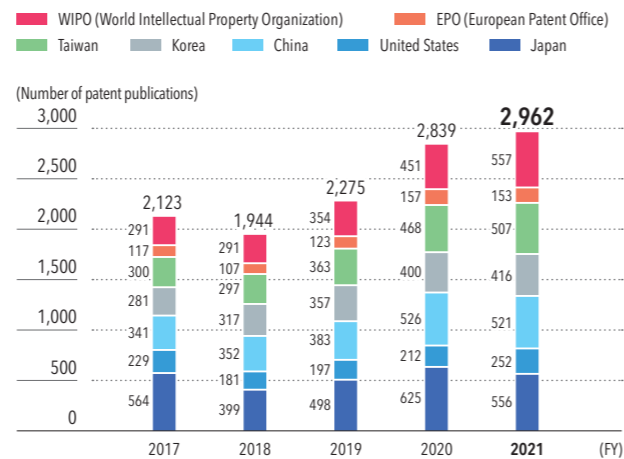
Coverage of the CSR Procurement Survey



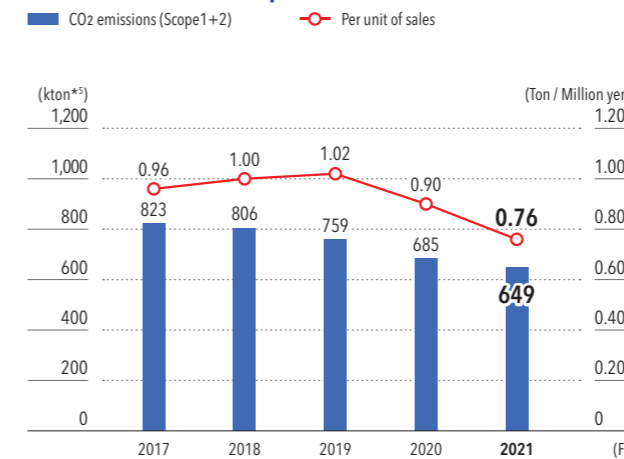
Capital Investment and R&D Expenses



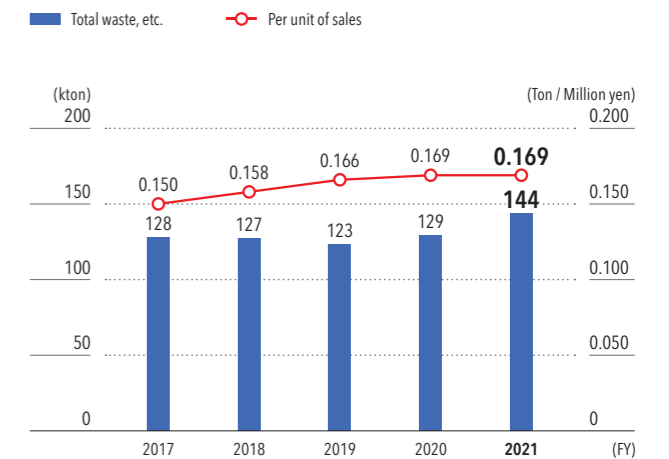
Patent Publications



CO2 Emissions (Scope 1+2)



Total Waste, Etc.



*1 Critical accidents: Accidents resulting in death or permanent disability. Serious accidents: Accidents that could develop into critical accidents. *2 Including all the persons working on the Nitto Group's premises. *3 Including all the Nitto Group employees (excluding temp staff). The number of occupational accidents per million hours worked. *4 Ratio of the amount of purchases from surveyed suppliers (respondents to the CSR Procurement Survey) to the total purchase amount. *5 kton: kiloton (1,000 ton).