

Directors and Auditors As of Jun 18, 2021



Outside Corporate Auditor

Masakazu Toyoda

Corporate Auditor

Masami Kanzaki

Outside Director

Tamio Fukuda

Director, Executive Vice President, CTO

Yosuke Miki

Director, Executive Vice President, CFO

Yasuhiro Iseyama

Outside Director

Takashi Hatchoji

Corporate Auditor

Shin Tokuyasu

Outside Corporate Auditor

Mitsuhide Shiraki

Outside Director

Yoichiro Furuse

Outside Director

Michitaka Sawada

Representative Director, President, CEO, COO

Hideo Takasaki

Director, Senior Executive Vice President

Nobuhiro Todokoro

Outside Director

Wong Lai Yong

Outside Corporate Auditor

Masashi Teranishi

Directors

Hideo Takasaki

Representative Director, President, CEO, COO

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

Yosuke Miki

Director, Executive Vice President, CTO

April 1993	Joined Nitto Denko Corporation
June 2016	Vice President, General Manager of Information and Communication Technology Sector
April 2017	Vice President, Deputy CTO General Manager of Information and Communication Technology Sector, concurrently Deputy General Manager of Corporate Technology Sector and General Manager of New Business Development Division
June 2017	Director, Vice President
June 2019	Director, Senior Vice President
April 2020	Director, Senior Vice President, Deputy CTO General Manager of Information and Communication Technology Sector, Deputy General Manager of Corporate Technology Sector
June 2020	Director, Executive Vice President, CTO General Manager of Corporate Technology Sector, General Manager of Information and Communication Technology Sector
April 2021	Director, Executive Vice President, CTO (present)

Nobuhiro Todokoro

Director, Senior Executive Vice President

April 1989	Joined Nitto Denko Corporation
June 2015	Vice President, General Manager of Information Fine Materials Unit, Information Fine Materials Sector
April 2017	Vice President, General Manager of Information Fine Materials Sector
June 2017	Director, Senior Vice President, General Manager of Information Fine Materials Sector
June 2019	Director, Executive Vice President
June 2021	Director, Senior Executive Vice President (present)

Yasuhiro Iseyama

Director, Executive Vice President, CFO

June 1991	Joined Nitto Denko Corporation
October 2009	General Manager of Accounting Department, Strategic Administration Division, Optical Sector
July 2013	General Manager of Accounting Department, Strategic Administration Division, Functional Base Products Sector
October 2013	General Manager of Accounting Department, Strategic Administration Division, Functional Base Products Sector concurrently General Manager of Accounting Department, Planning & Management Department, Automotive Products Sector
April 2016	Deputy General Manager of Corporate Accounting & Finance Division, Corporate Strategy Sector
June 2017	Vice President, General Manager of Corporate Accounting & Finance Division
June 2020	Director, Senior Vice President, CFO
June 2021	Director, Executive Vice President, CFO (present)

Yoichiro Furuse

Outside Director (Independent Director)

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

Takashi Hatchoji

Outside Director (Independent Director)

April 1970	Joined Hitachi, Ltd.
June 2003	Vice President and Executive Officer, Hitachi, Ltd.
April 2004	Senior Vice President and Executive Officer, Hitachi, Ltd.
April 2006	Representative Executive Officer, Executive Vice President, and Executive Officer, Hitachi, Ltd. (retired in March 2007)
June 2007	President and Representative Director, Hitachi Research Institute (retired in March 2009)
April 2009	Representative Executive Officer, Executive Vice President, and Executive Officer, Hitachi, Ltd. (retired in March 2011)
April 2011	Chairman of the Board, Hitachi America, Ltd. (retired in March 2015)
June 2011	Director, Hitachi, Ltd. (retired in June 2015)
June 2015	Advisor, Hitachi, Ltd. (retired in June 2016)
June 2015	Outside Director, Nitto Denko Corporation (present)
June 2017	External Audit & Supervisory Board Member, Marubeni Corporation (retired in June 2020)
June 2017	Outside Director, Konica Minolta, Inc. (retired in June 2021)
June 2020	Outside Director, Marubeni Corporation (present)

Tamio Fukuda

Outside Director (Independent Director)

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

Wong Lai Yong

Outside Director (Independent Director)

September 2013	Founder and Chief, Principal Trainer and Consultant, First Penguin Sdn. Bhd. (present)
July 2018	Director, Penang Women's Development Corporation (present)
October 2019	Adjunct Associate Professor, Shizenkan University Graduate School of Leadership & Innovation Deputy Center Leader, Center for Sustainability and Innovation (present)
June 2020	Outside Director, Nitto Denko Corporation (present)

Michitaka Sawada

Outside Director (Independent Director)

April 1981	Joined Kao Soap Co., Ltd.
June 2008	Director, Executive Officer, Kao Corporation
June 2012	Representative Director, President and CEO, Kao Corporation
June 2020	Outside Director, Panasonic Corporation (present)
January 2021	Director and Chair of the Board of Directors, Kao Corporation (present)
June 2021	Outside Director, Nitto Denko Corporation (present)

Auditors

Masami Kanzaki

Corporate Auditor

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

Shin Tokuyasu

Corporate Auditor

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

Masashi Teranishi

Outside Corporate Auditor (Independent Corporate Auditor)

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

Masakazu Toyoda

Outside Corporate Auditor (Independent Corporate Auditor)

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

Mitsuhide Shiraki

Outside Corporate Auditor (Independent Corporate Auditor)

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

Vice Presidents As of July 1, 2021

Name	Title	Responsibilities and significant concurrent positions
Hideo Takasaki	Representative Director, President CEO, COO	
Nobuhiro Todokoro	Director, Senior Executive Vice President	
Yasuhito Ohwaki	Senior Executive Vice President CIO General Manager, Corporate Sustainability Division General Manager, Export Control Center	In charge of ESG promotion, compliance, risk management, IT, and export control
Yukihiro Iizuka	Executive Vice President General Manager of North/South American regions President, Nitto, Inc.	In charge of management of North/South America
Toshihiko Takayanagi	Executive Vice President General Manager, Sales Management Division General Manager of Taiwan	In charge of sales management & sales support, and management of Taiwan
Yosuke Miki	Director, Executive Vice President CTO General Manager, Corporate Technology Sector	In charge of corporate technology (R&D)
Sam Strijckmans	Executive Vice President General Manager of EMEA (Europe, the Middle East, and Africa) President & CEO, Nitto EMEA NV	In charge of management of EMEA (Europe, the Middle East and Africa)
Yasuhiro Iseyama	Director, Executive Vice President CFO General Manager, Corporate Accounting & Finance Division	In charge of accounting & finance, and IR
Kazuki Tsuchimoto	Senior Vice President Deputy CTO General Manager, Manufacturing & Production Engineering Division	In charge of manufacturing technology & process technology
Seiji Fujjoka	Senior Vice President General Manager, Medical Division	In charge of medical business
Atsushi Ukon	Senior Vice President President, Nissho Corporation	In charge of management of business companies
Bae-Won Lee	Senior Vice President General Manager of Korea Representative Director and President, Korea Nitto Optical Co., Ltd.	In charge of management of Korea, and information fine materials business
Norio Sato	Senior Vice President General Manager, Functional Base Products Sector	In charge of functional base products business
Katsuyoshi Jo	Vice President General Manager of PRC Chairman/President, Nitto Denko (China) Investment Co., Ltd.	In charge of management of PRC
Tatsuya Osuka	Vice President	In charge of management of Japan plants
Tatsuya Akagi	Vice President General Manager, Information Fine Materials Sector	In charge of information fine materials business
Kenjiro Asuma	Vice President	In charge of environmental strategy
Norikane Nabata	Vice President General Manager, Corporate QES (Quality, Environment & Safety Management) Division	In charge of quality, environment & safety management
Scott Shu	Vice President General Manager of South Asia/Oceania General Manager of India Chairman/President, Nitto Denko (Singapore) Pte. Ltd.	In charge of South Asia/Oceania and India
Yukihiro Horikawa	Vice President General Manager, Information and Communication Technology Sector	In charge of ICT business
Nobuyuki Aoki	Vice President General Manager, Human Resources Management Division, concurrently General Manager of Corporate Strategy Management Division	In charge of human resources & education, diversity & inclusion promotion, management strategy, and PR
Hideo Takabuchi	Vice President CPO General Manager, Business Reform Promotion Division	In charge of logistics, business reform, and procurement
Yasuhiro Hayashi	Vice President General Manager, Legal and Corporate Affairs Division	In charge of legal and general affairs

* CEO: Chief Executive Officer, COO: Chief Operating Officer, CTO: Chief Technology Officer, CIO: Chief Information Officer, CFO: Chief Financial Officer, CPO: Chief Procurement Officer

Executive Compensation

Policy on Compensation of Full-time (Corporate) Directors [Executive Compensation Policy]

<1> Compensation for Directors

a. Basic policy related to compensation for Directors

- The content of remuneration shall be such that Nitto Persons* are allowed to be appointed as a Director.
- The remuneration structure must motivate Directors to contribute to Nitto's sustainable growth and the enhancement of its corporate value over the medium and long term.
- The remuneration determination process shall be fair and transparent.

* In addition to meeting the basic requirement of having profound insights and high levels of expertise acquired from past experience, a Nitto Person is a person who can comprehend and practice Nitto's Corporate Philosophy, deliver results, and keep taking on new challenges.

b. Components of remuneration

Directors (excluding Outside Directors) shall be remunerated as summarized in the following table.

c. Policy related to the designing of the compensation level

In order to ensure that compensation for Nitto's officers, etc. is at a competitive level vis-à-vis industry standards, their compensation level is set by benchmarking a group of major companies of a similar scale in the same industry as Nitto.

d. Component ratio of remuneration

For the purpose of standard evaluation, the target component ratio of remuneration is: Compensation in cash : Bonus for Directors : Restricted share remuneration = 40% : 40% : 20%. Performance-linked share-based remuneration is provided as additional remuneration when medium-term targets are achieved, but not provided for a standard evaluation.

e. Policy related to the determination process

The policy related to the standard amount, calculation method, component ratio among different types of compensations, timing or conditions of payment, etc. for the remuneration of each Director shall be decided by the Board of Directors, by comprehensively taking into account factors such as the Company's business conditions, management environment, the levels of remuneration to officers at

major companies of a similar scale in the same industry as the Company, after receiving a report on the results of deliberations by the Management, Nomination and Remuneration Advisory Committee.

Decisions on concrete details of basic compensation for each term of office and the allocation of executive bonuses to each Director shall be entrusted to the President (who is also a Board Member) pursuant to a resolution of the Board of Directors. Because the President is in a position to evaluate if targets for Directors other than Outside Directors have been met, it is deemed rational for him/her to make a decision on the allocation. Compensation in cash shall be determined according to the position, responsibility, and length of service, whereas bonuses for officers shall be determined by taking into account the progress of achievement of targets set for areas of responsibilities of each Director in accordance with the predetermined standard amount and calculation method above, in order to prevent arbitrary decisions from being made. For performance-linked share-based remuneration and restricted share remuneration, the Board of Directors shall determine the number of shares to be granted to each Director using a predetermined formula.

<2> Compensation for Corporate Auditors

a. Basic policy related to remuneration of Corporate Auditors

- The content of remuneration shall be such that Nitto Persons are allowed to be appointed as a Corporate Auditor.
- The remuneration structure shall be such that it contributes to the fulfillment of their duties, including audits of the performance of duties by Directors.

b. Components of remuneration

Remuneration of Corporate Auditors does not include any share-based or other performance-linked portions and instead is comprised solely of fixed compensation in cash.

c. Policy related to the designing of the compensation level

In order to ensure that compensation for Nitto's officers, etc. is at a competitive level vis-à-vis industry standards, their compensation level is set by benchmarking a group of major companies of a similar scale in the same industry as Nitto.

d. Policy related to the determination process

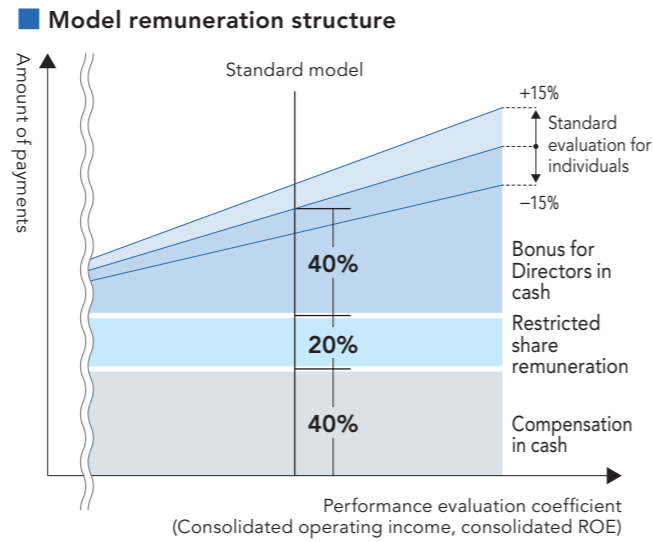
Remuneration of individual Corporate Auditor is determined through consultations among themselves.

Type	Category	Policy related to the content of remuneration, methods of calculating the cash amount/ number of shares, and the timing of payment
Fixed compensation	Compensation in cash	Monthly compensation as determined by position, responsibility, and length of service is paid in cash.
Short-term performance-linked compensation	Bonus for Directors in cash	Compensation in cash is paid after the relevant business term is over to raise awareness about the Group's performance improvement for each business term. The amount of compensation paid to each Director is determined by the progress of achievement of the Group's performance indicators on consolidated operating income and consolidated ROE* over the period of one business term and by the progress made against the targets set for each Director's areas of responsibilities.
Medium-term performance-linked compensation	Performance-linked share-based remuneration	This additional compensation is designed to incentivize Directors to improve business performance over the mid-term, and share-based remuneration is granted once every three consecutive business terms. The number of shares to be granted to each Director is determined based on consolidated operating income and consolidated ROE* when three years have passed since the commencement of their performance evaluation period. Targets should be set high, and no compensation is paid if the targets are not met. The number of shares to be granted ranges between 80% and 150% according to the progress against the targets.
Medium- and long-term performance-linked compensation	Restricted share remuneration	Share-based remuneration is granted for each business term to align the interests of Directors and shareholders and reflect medium- and long-term business performance in their compensation. The number of shares to be granted to each Director is determined by position, responsibility, and length of service. The amount of remuneration is linked to the market price by setting restrictions on transfer until retirement.

* Consolidated operating income is chosen as an indicator for their commitment to delivering results, whereas consolidated ROE serves as an indicator for measuring business stability. In light of their roles and independence, Outside Directors are remunerated by fixed compensation only.

Bonus for Directors

Bonus for Directors is paid as consideration for single-year business results of the Group and achievements of each officer, etc. and designed to function as an incentive for officers, etc. to deliver results and to share profits with shareholders. Bonus for Directors comprises performance-linked portion (85%) that reflects the business results of the entire company and the individual evaluation portion (-15 to 15%) that reflects the achievements of individuals. The amount of the performance-linked portion is determined based on performance indicators (consolidated operating income and consolidated ROE). Consolidated operating income is chosen as an indicator for their commitment to delivering results, whereas consolidated ROE serves as an indicator for measuring business stability. The amount of the individual evaluation portion is determined according to the performance of individuals.

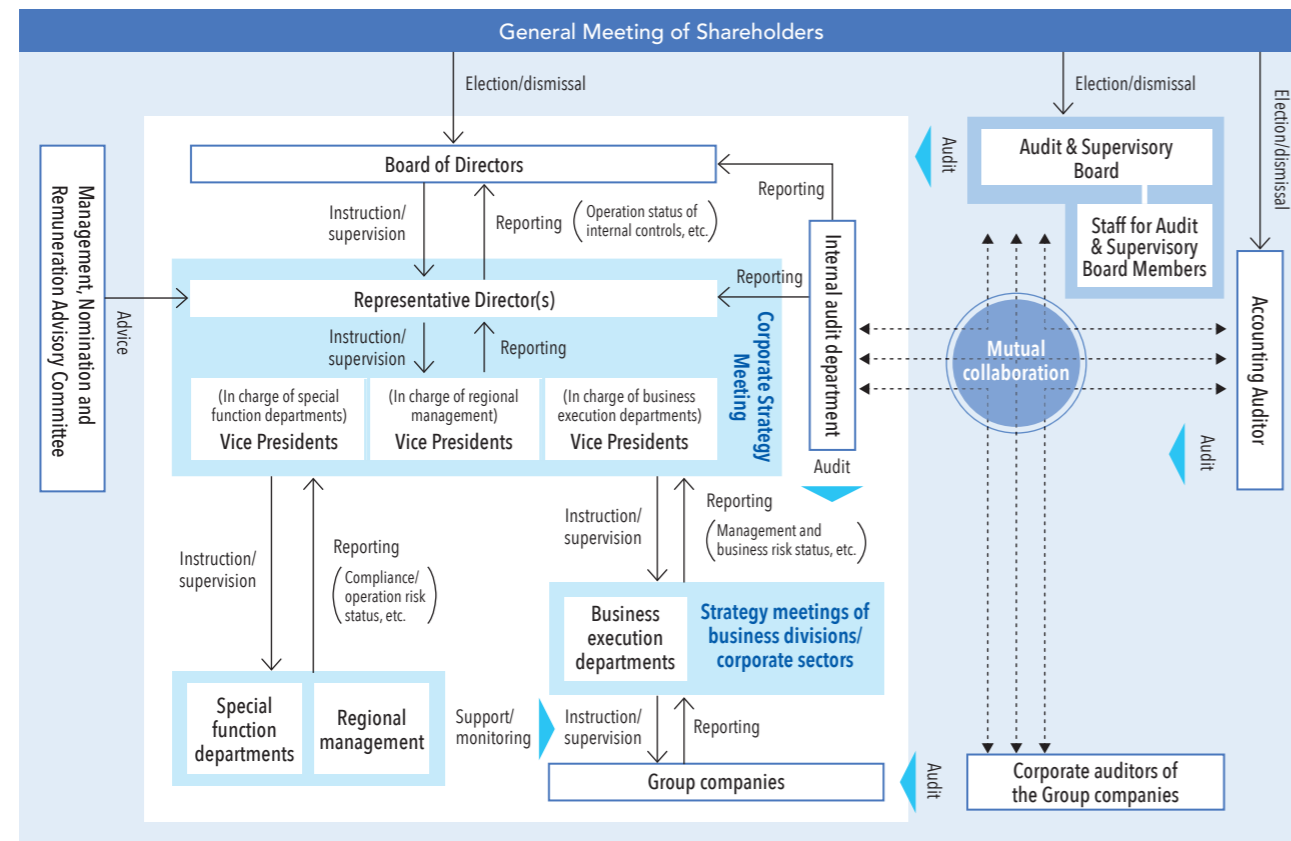


Corporate Governance System

Nitto recognizes that the structure we choose to build for corporate governance is vitally important to facilitate the promotion of business activities. Dedicated wholeheartedly to addressing social challenges, not to mention being careful not to do something illegal, we make constant efforts to improve corporate governance to realize a better management system.

As part of this initiative, we have revised the Basic Policy on Internal Control to start a new corporate governance structure on April 1, 2021.

Diagram of Nitto's Corporate Governance System



Basic Policy on Internal Control

The Nitto Group has stipulated its Mission, "Contribute to customers' value creation with innovative ideas," to clarify the role the Group should fulfill. The Group has also established the Nitto Way to show the values, mind-set, and code of conduct that every Nitto officer and employee should follow. These form the Group's Corporate Philosophy. One of the principles of the Nitto Way is, "We place safety before everything else," which refers not only to physical safety but also to the safety of management. The Group recognizes that creating a system needed to ensure the appropriateness of business operations (internal control system) and confirming their operation status are part of important management process.

Based on this view, the Nitto Group has established the Basic Policy on Internal Control as below.

1. Compliance promotion system

(Article 362, paragraph (4), item (vi) of the Companies Act; Article 100, paragraph (1), item (iv) and item (v) of the Ordinance for Enforcement of the Companies Act)

(1) Development of the Code of Conduct

The Nitto Group has established the "Nitto Group Business Conduct Guidelines" as the basis of the Group's compliance practices that will guide the Group's officers and employees to act ethically in compliance with laws and ordinances in their business activities.

(2) Appointment of officers and departments in charge

An officer in charge of compliance (Director or Vice President) shall be appointed and a department in charge of compliance shall be established to promote compliance in the Group.

(3) Development of a whistleblowing system

The department in charge of compliance shall function as a contact point for the Nitto Group's whistleblowing system. In addition, an external professional organization shall function as an outside contact point to directly receive information from whistleblowers. The department in charge of compliance shall respond to reported incidents and develop a system to prevent their recurrence.

2. Risk management promotion system

(Article 100, paragraph (1), item (ii) and item (v) of the Ordinance for Enforcement of the Companies Act)

(1) Development of a business risk management system

Business execution departments shall manage risks associated with their business mix and overseas business operations, risks arising from external factors, such as foreign exchange fluctuations and country risks, and risks associated with technological competitiveness, such as capabilities to develop new technologies and intellectual property rights (hereinafter, "Business Risks").

(2) Development of an operational risk management system

Special function departments shall manage risks associated with safety, the environment, disasters, and product quality/defects and risks associated with measures for information security and antisocial forces, and antimonopoly and export control laws (hereinafter, "Operational Risks").

(3) Development of a risk monitoring system in each region

To build a global risk monitoring system, an officer in charge of regional management shall be appointed for each major geographic region to develop a regional oversight function.

(4) Development of a system of risk monitoring by officers

With respect to Business Risks, each business execution department shall provide reports to the Board of Directors and Corporate Strategy Meeting of Nitto Denko Corporation (hereinafter, "Nitto") as needed. In respect of Operational Risks, an officer in charge of risk management shall be appointed and a department in charge of risk management shall be established to create a system for Nitto's Board of Directors and Corporate Strategy Meeting to receive reports on Operational Risks.

(5) Development of a crisis management system

A system shall be developed to ensure that a report is promptly given to Nitto's President and its officer in charge of risk management upon the occurrence of an emergency, accident, or disaster (hereinafter, collectively referred to as the "Emergency"). Upon the occurrence of an Emergency, a crisis management task force shall be created under the command of Nitto's President to minimize the damage and to continue and promptly recover business operations.

3. Operational efficiency improvement promotion system

(Article 100, paragraph (1), item (iii) and item (v) of the Ordinance for Enforcement of the Companies Act)

(1) Promotion of efficiency improvement of the Board of Directors

As a basis for the system to ensure the efficient execution of duties by Nitto's Directors, the Board of Directors shall meet regularly, in principle, once a month, and have extraordinary meetings when needed.

(2) System to promote efficiency through the delegation of authorities

Important matters concerning the Group's concrete management policies and strategies shall be subject to a resolution of Nitto's Board of Directors depending on the degree of their importance. They also shall be subject to a resolution at a meeting of the Corporate Strategy Meeting, which consists of Nitto's Directors (excluding Outside Directors) and Vice Presidents and, in principle, convenes once a month; a resolution of a meeting organized by the relevant business execution department; or an approval through a *ringi* collective decision-making process.

(3) Development of the Nitto Group's reporting system

The appropriateness of business operations of the entire Group shall be ensured by establishing a system whereby Nitto is involved in the Group companies' decision making on their management issues and other important matters. These include requiring a resolution of, prior consultations with, or reporting to Nitto.

(4) Appointment of officers in charge

The Group's decision-making regulations and standards and other instruments (hereinafter, the "Decision-Making Rules") shall be developed to clarify matters such as a decision-making entity, a responsible person, the scope of his or her responsibilities, business execution procedures, and the recipients of reports, concerning the business execution of the Group. An officer in charge of management strategies shall be responsible for developing the Decision-Making Rules and shall periodically review their contents.

(5) Development of a system for management and safekeeping of business documents

All documents associated with the execution of duties by Nitto's Directors, including, but not limited to the minutes of Nitto's general meetings of shareholders, Board of Directors meetings, and Corporate Strategy Meetings, and *ringi* collective decision-making documents, shall be safekept and managed in a manner that is appropriate and reliable for the chosen storage medium, such as printed paper or electromagnetic media, in accordance with the regulations on control and safekeeping of documents, and shall be kept in a condition that allows inspection as necessary.

4. Internal audit system (Article 362, paragraph (4), item (vi) of the Companies Act)

An internal audit department shall be created to conduct internal audits within the Nitto Group. The results of internal audits shall be reported to the Board of Directors.

5. Policy on support for audits by Audit & Supervisory Board Members

(Article 100, paragraph (3) of the Ordinance for Enforcement of the Companies Act)

(1) Support for audits by Audit & Supervisory Board Members in general

Nitto's Directors shall recognize and comprehend the importance and usefulness of audits by Audit & Supervisory Board Members, ensure that such recognition and comprehension are shared throughout the Nitto Group, and strive to enhance the Group's internal audit system.

(2) Appointment of staff for Audit & Supervisory Board Members

Staff for Audit & Supervisory Board Members shall be appointed as employees who should assist the duties of the Audit & Supervisory Board Members of Nitto.

- Staff of Audit & Supervisory Board Members shall be affiliated with an independent department and perform their duties under the direct command of Audit & Supervisory Board Members.

- The appointment and transfer of staff for Audit & Supervisory Board Members shall be determined with the approval of full-time Audit & Supervisory Board Members.

- Full-time Audit & Supervisory Board Members shall determine the evaluation of staff for Audit & Supervisory Board Members.

- Staff for Audit & Supervisory Board Members shall not hold a concurrent position that concerns business execution.

(3) Development of a system of reporting to Audit & Supervisory Board Members

- Nitto's Directors and employees shall report to the Audit & Supervisory Board Members of Nitto significant matters that may affect the operations and/or performance of the Nitto Group in accordance with the audit plan determined by the Audit & Supervisory Board and/or its Members.

- Notwithstanding the above, Audit & Supervisory Board Members of Nitto may, whenever necessary, demand reports from Nitto's Directors and employees, their attendance at important meetings, and access to the minutes of such meetings or *ringi* collective decision-making documents and other reports.

- A system shall be established to ensure that Nitto's Audit & Supervisory Board Members are reported to promptly and adequately concerning whistleblowing and the Emergency.

- A system shall be established to prevent any disadvantageous treatment of a person on the ground of him or her making a report to Nitto's Audit & Supervisory Board Members.

(4) Policy on expenses for audits by Audit & Supervisory Board Members

- When Nitto's Audit & Supervisory Board Members of Nitto demand from Nitto any advance payment or reimbursement of expenses that are incurred in the execution of their duties, such expenses or liabilities shall be processed promptly after deliberations by the division in charge, unless it is proven that the expenses or liabilities thus claimed were unnecessary for the execution of duties by the Audit & Supervisory Board Members in question.

(5) Other policies

- A system shall be established to allow Nitto's Audit & Supervisory Board Members to conduct audits efficiently in collaboration with accounting auditors, the department in charge of internal audits, and others concerned, and through exchanges of opinions and information with corporate auditors of Group companies.

- In addition to the audit described above, a system shall be established to allow Nitto's Audit & Supervisory Board Members to demand a report from corporate auditors, directors, and senior executives of the Nitto Group companies whenever necessary.

Risk Management

Review of Major Risks

In fiscal 2020, the Nitto Group's management team determined the major risks for its business activities by gathering information from business execution departments, regional management, and special function departments to analyze risk factors.

Major risks are roughly classified into two: "Business Risks," which concern risks associated with business and "Operational Risks," which concern other risks that can affect the Nitto Group overall. Starting from fiscal 2021, "Governance for overseas Group companies" was added to the list of Operational Risks in reaction to the misconduct that was found at one of our overseas Group companies in fiscal 2019.

Major Risks

Business Risks	Business environment	Risks for each business segment • Industrial Tape • Optronics • Life Science • Others
	International trade, forex risks	
	Customers' financial conditions	
	Access to raw materials	
	R&D	
Operational Risks	Product safety	Infectious diseases
	Environment	M&As
	Information security	Intellectual property rights
	Changes in laws/regulations & compliance	Securing human resources
	Governance for overseas Group companies	Working environment
	Accidents and injuries	Defined benefit liabilities

-> See details of the major risks on Nitto's website <https://www.nitto.com/jp/en/sustainability/governance/management/>

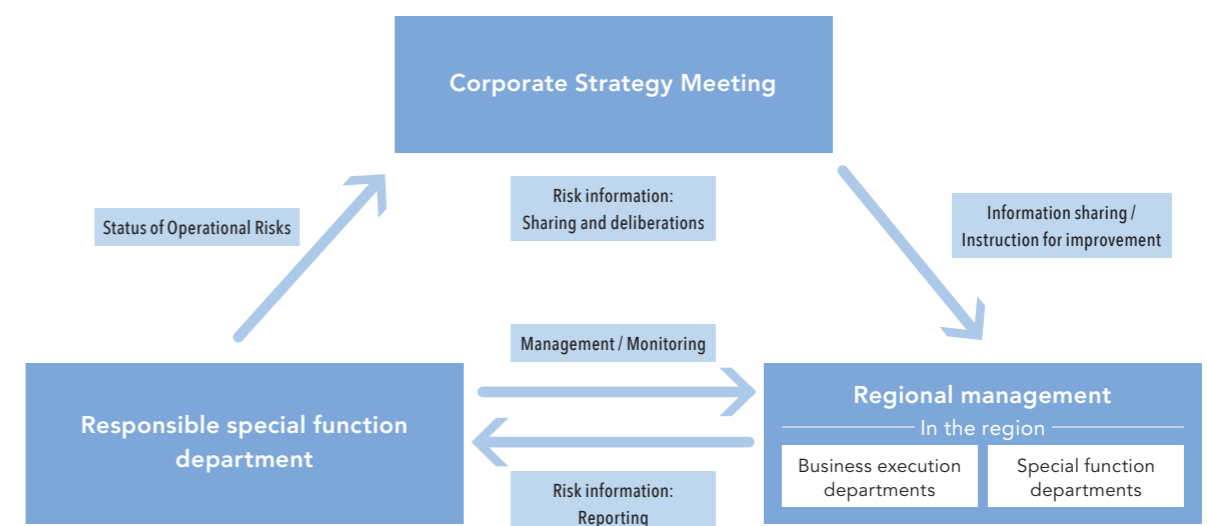
Rolling Out a New Risk Management System

The Nitto Group takes extra care to properly manage various business risks. As a new initiative in this regard, in fiscal 2021, we began rolling out a new risk management system, placed under the supervision of a newly-appointed officer responsible for corporate risk management.

Previously, the Internal Control Committee, which is managed by a group of limited members, was the Nitto Group's primary vehicle for risk management. Starting from fiscal 2021, given the increasing importance of risk management and the associated need for improved effectiveness of internal control, we will use the Corporate Strategy Meeting, whose members include Directors and Vice Presidents, as a vehicle to share information and deliberate on major risks.

As before, Business Risks will be monitored by relevant business execution departments. For Operational Risks, the selection of risks to be managed will be initially sorted by the new system, after which the special function department responsible for managing the risks thus identified will be determined. The corporate special function department supervises and monitors business execution departments and special function departments in each region and reports and shares the risk information thus compiled at the monthly Corporate Strategy Meetings. On the other hand, regional management is responsible for putting together and monitoring risk information within their region. Risk information and deliberation results shared at the Corporate Strategy Meeting will be fed back to relevant business execution departments via regional management or otherwise. Thus, with each party playing an active role and making systematic improvements to maintain this cycle, we will reinforce internal control.

Flow of Operational Risk Management by the Nitto Group



Reinforcing BCP/BCM

Education/Training

For us to take prompt and appropriate action in times of emergency, we are enhancing our Business Continuity Plan (BCP) and Business Continuity Management (BCM) framework. In fiscal 2020, we organized a business continuity seminar for management and a decision-making drill in the event of an earthquake.

At the seminar, participants learned about topics on the heightening risks that businesses are exposed to, including the latest information in this regard. They also deepened their understanding of the status of BCP at their companies.

The decision-making drill was participated in by individuals to be included in the Disaster Response Headquarters at emergencies. They were given experiences of making decisions in several simulated disasters. On the occasion, outside experts were invited to give advice on important things in decision-making and matters that need to be prepared at ordinary times. As the participants compared notes, they reached a consensus on information and process necessary for making decisions in emergency situations.

We will continue supporting these activities in order to establish BCP/BCM and increase their effectiveness.

Revising the BCP Manual

In response to the COVID-19 pandemic, we have made an overall review of the BCP manual to control infectious diseases smoothly.

Our Responses to COVID-19

Formation of Disaster Response Headquarters

On January 28, 2020, we set up the China Region Disaster Response Headquarters and the Nitto Group Disaster Response Headquarters, which are chaired by the General Manager of the China region (Vice President) and the President of Nitto Denko Corporation, respectively. As the infection began to spread thereafter, the Nitto Group Disaster Response Headquarters increased measures to protect the Nitto Group from infection by cooperating and sharing information with each region, in order to ensure that prevention strategies were thoroughly known and implemented and that supplies for communicable disease control are accommodated within the Group.

Prevention of COVID-19

As per our policy outlined in the Nitto Way, "We place safety before everything else." To live up to this, we have introduced necessary measures depending on operational formats at each site, including staggered commuting and work-from-home, placing the safety and health of our employees and their family members before everything else. To facilitate the expansion of work-from-home, we have enhanced our ICT infrastructure by, for instance, reinforcing communication networks and introducing an electronic sealing system.

To prevent localized epidemics, we have tightened control of access to shared facilities and entry to the company premises and drawn up procedures to prevent contagion should someone become infected.

In case of closure of a site pursuant to the procedures or suspended operations under the guidance of local governments, we have prepared plans for alternative and early resumption of production. Thanks to our comprehensive preventive efforts, we have had no COVID-19 clusters within the Group.

In anticipation of the need to cope with COVID-19 for the foreseeable future, we will reinforce our BCP/BCM to prepare ourselves for the outbreak of more unknown infectious diseases in the future.

Compliance

Upgrading the Compliance Promotion System

The Nitto Group takes a strong stance to ensure that each of our members is strictly compliant and does not overlook even the smallest concern that is reported or otherwise brought to attention. Our goal is to be an ethically sound organization where any cases of noncompliance are reported immediately and subsequently improved and corrected.

In the past, the CSR Department governed compliance and risk management under the supervision of the officer responsible for CSR. In April 2021, however, the Compliance Promotion Department was established to undertake these duties under the supervision of the officer responsible for compliance.

Ensuring Strict Compliance

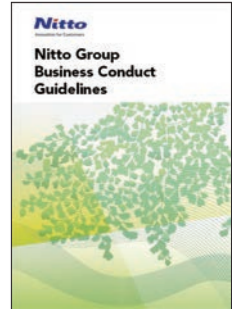
At the Nitto Group, the Nitto Group Business Conduct Guidelines have been the foundation, as well as the cornerstone, of compliance ever since they were established in 2006. Now available in 16 different languages, every member of the Group has a copy of these Guidelines so that they can follow them.

For international trade, we obtained blanket permission pursuant to the Foreign Exchange and Foreign Trade Act in 1994 and a license as an authorized exporter pursuant to the Customs Act in 2008, and have since consistently engaged in the Japanese exporting business. In order to ensure compliance for CSR-based procurement, in 2016 we established the CSR-Based Procurement Guidelines (subsequently revised in 2019) to involve suppliers in our initiative in this regard.

In the Nitto Group Basic Policy on Human Rights revised in 2018, we declared our respect for the human rights of every business partner throughout our supply chain.

As described above, the Nitto Group has a history of providing its employees with thorough compliance training by expanding the scope of compliance from "goods" to "people" in accordance with the Business Conduct Guidelines.

In fiscal 2020, the Compliance Promotion Department provided training courses on such topics as power harassment, CSR for recruits (including compliance), Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors, and Customs Act.



Nitto Group Business Conduct Guidelines

Whistle-Blowing System

The Nitto Group has continuously upgraded its whistle-blowing system, starting with an internal system for its employees, the Partner Hotline, which allows business partners to file reports on CSR-based procurement with Nitto, and another that allows its employees to report to independent organizations. This framework has since been expanded to Americas, South Asian countries, China, and Taiwan and will be introduced to South Korea and Europe in fiscal 2021.

We will further implement each system to facilitate the early detection of legal violations and ethical issues and ensure prompt action against them.

Topics

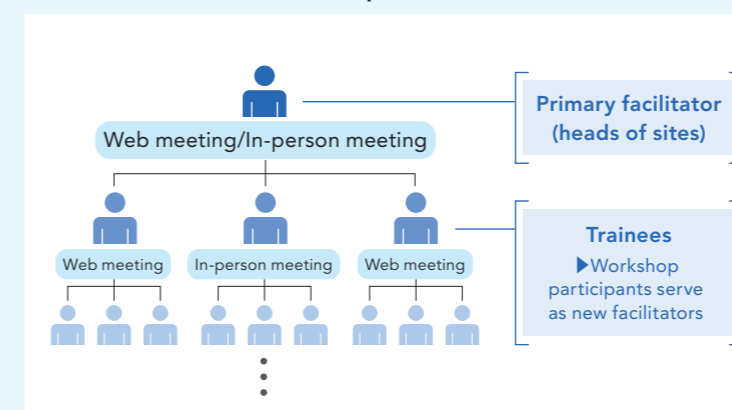
Sustainability Workshops to Gain Ownership of Sustainability Challenges

To prevent misconduct and urge everyone to address material issues for sustainability, the Nitto Group began offering Sustainability Workshops in fiscal 2020. Unlike its previous incarnation, CSR workshops for managers, which were organized and taught by the CSR department, Sustainability Workshops are organized independently by each site and Group company under the lead of the respective sustainability promotion managers (heads of each site and local subsidiary). This structure was chosen out of our wish to have Nitto Group employees develop ownership of such issues and spontaneously act on them.

In fiscal 2020, the Sustainability Workshop was offered to Assistant Managers and above on the two topics of "How to prevent misconduct" and "Addressing material issues for sustainability." It was originally supposed to take place in the *Kuruma-za* round-table setting but was partially given online because of COVID-19.

Though we are still in a trial stage, we are hoping to spread this initiative to all of our sites and Group companies to bring about changes in the way each employee thinks and acts, which we believe will lead to finding solutions to the challenges of the Nitto Group.

Administration of Workshops



Original anti-misconduct textbook



Online Kuruma-za discussions