

[Basic Policy on Internal Control Over Financial Reporting]

Nitto complies with the generally accepted evaluation standards of internal controls over financial reporting based on the requirements of the Financial Instruments and Exchange Act. Documentation and self-evaluation of internal controls are performed at bases targeted for evaluation within the Nitto Group, while the department in charge of internal controls monitors self-evaluation results from an independent perspective.

In addition, the J-SOX Committee, chaired by the Chief Financial Officer (CFO), has been established as an organization that deliberates on the effectiveness of internal controls throughout the entire Group. Taking into account the results of deliberation by the J-SOX Committee, final evaluation is performed by the managers (the President) who sign the internal control report.