

A Dialogue Between Directors

The Board of Directors is dedicated to enhancing resilient management and human capital management by promoting Nitto-style ESG management, which constantly seeks to solve social issues and create economic value simultaneously.



Wong Lai Yong
Outside Director

Hideo Takasaki
Representative Director, President
CEO, COO

Striving to Achieve Management Targets with ESG at the Core

— Fiscal 2024 marked the midpoint of the current mid-term management plan. How do you reflect on the year?

Takasaki: With ESG at the core of our management approach, we remained committed to the Niche Top Strategy in pursuit of our 2030 Ideal State, that is, to become an “essential top ESG company.” Performance-wise, we achieved record highs in both operating profit and operating margin in fiscal 2024. Although revenue growth has not been our primary focus, surpassing the one trillion yen mark drew widespread praise from outside the company as well. We believe that ESG is meaningless unless it addresses social issues while enhancing the company’s economic value, and I have a feeling that we have begun to achieve this balance.

Wong: Recently, there has been a surge in raw material prices, geopolitical risks, and a growing trend in Europe and the U.S. to reconsider the direction of ESG investing. Despite these challenges, Nitto has consistently reaffirmed its original commitment to growth with ESG at the core, demonstrating its determination not to be easily swayed by the currents of the world, and I feel the strength of its will to remain true to the Nitto way. Its fiscal 2024 financial results would not have been possible without the hard work of every single employee of Nitto. While Takasaki-san spoke of our achievements rather modestly, I believe we can take greater pride in them, especially as our market capitalization have reached all-time highs.

Takasaki: Certainly, we have made remarkable achievements on the financial front. Yet, we are only halfway there, as we have not yet achieved all nine future-financial targets. Our management team is strongly committed to transforming future-financial value into financial value, and, ultimately into corporate value. We therefore view the shortfall in future-financial targets, particularly in

Index

Introduction

Vision

Strategy & Performance

► Governance

- > 53 A Dialogue Between Directors
 - 57 Directors and Auditors
 - 61 Vice Presidents
 - 62 Enhancing Management Security

Data Section

areas where the quality of outcomes is under close scrutiny, as a significant issue.

Wong: Every member of the Board is keenly aware that we still have progress to make before achieving our future-financial targets. We all recognize that ESG has always been central to our management approach, and discussions on strategies and tactics for meeting both financial and future-financial targets have remained consistent. There is not a single Board meeting where ESG is not part of the discussion. Moreover, during visits to Nitto's plants, I was genuinely moved to see employees on the ground putting their heart and soul into practicing the Niche Top Strategy.

Takasaki: You cannot talk about the Nitto-Style Innovation Model without mentioning the Niche Top Strategy. It is more than a mere strategy; it is a deeply ingrained part of our corporate culture. Along with *Sanshin* Activities, which we have been practicing for over 50 years, I can confidently say that this strategy has become an integral part of Nitto's corporate culture. In addition, the PlanetFlags/HumanFlags scheme, which recognizes products that are essential to the global environment and human society, is gaining traction. Our current focus is to increase the number of "double recognition" products, which are those recognized as both PlanetFlags/HumanFlags products and Niche Top products. We believe this approach ensures that ESG remains at the core of our management.

Visiting the Genba to Have Repeated Dialogues with the Employees Will Increase the Effectiveness of the Board

—What initiatives have you implemented to increase the effectiveness of the Board of Directors?

Takasaki: To enhance the effectiveness of the Board of Directors, we have introduced several approaches. At Board of Directors

meetings, we now brief the Directors and Corporate Auditors on monitoring reports and invite Outside Directors to participate in R&D Innovation Networking Conference (RINC) and Nitto ATP Finals events. Once a year, we conduct a survey to evaluate the Board's effectiveness. In the last one, we received high ratings for diversity among Board members, sufficient time for deliberation, open and constructive discussions and exchanges of opinions, and support for sustainability. However, there was room for improvement in facilitating discussions on succession plans for the CEO and other officers. To address this, we changed the structure of the relevant Advisory Committee and appointed an Outside Director as its chair. The atmosphere of the Board of Directors meetings is generally very free, open, and amiable, and we encourage everyone to share their candid views.

Wong: Since I assumed the position of Outside Director in 2020, I have consistently witnessed and participated in discussions that are not only free and open but also serious and engaging.

Takasaki: Yes, I must say that our discussions have become even more lively since you joined us! In all seriousness, despite the friendly atmosphere, everyone shares their opinions naturally. I know that Board members prepare thoroughly before meetings, including study and preliminary research. Their contributions often exceed expectations based on their skill matrix. Also, we ensure that once a year, a Board meeting is held at one of our plants. This allows members to deepen their understanding of our new products and technologies, gaining a tangible sense of our growth and the plant's atmosphere. These initiatives greatly enhance our decision-making speed and strengthen our monitoring system. Personally, I am always mindful of decision-making speed, and I think constantly about how we can make decisions without delay.

Wong: What impressed me profoundly during my visit to the plants was that the young researchers, regardless of gender, gave their technology presentations in a very lively manner. It was clear they genuinely enjoyed presenting, and I could see their passion



for developing new technologies that competitors cannot easily replicate. It is no wonder that Nitto has been recognized as one of Clarivate's Top 100 Global Innovators¹ for the fourth consecutive year and the 12th time overall. I believe it is essential to have your boots on the ground, because such opportunities are not just for presentations but often spark meaningful discussions as well. I have repeatedly engaged in dialogues with various employees such as plant managers and operators, sustainability leaders and women in leadership, and through participation in the RINC. These experiences have greatly contributed to enhancing the effectiveness of the Board of Directors. Every Board member is committed to increasing Nitto's corporate value. It is crucial that we maintain open communication not only during Board meetings but also in a variety of settings, regardless of the organizational level.

—Wong-san, you participated in RINC and the Nitto ATP Finals. How did you find them? Do you think that they helped you deepen your understanding of Nitto's management?

Wong: Yes, absolutely. Every year, we receive briefings from the CTO on Nitto's R&D strategy and have discussions as well. However, after attending the RINC, I gained a much clearer vision of what

Index

Introduction

Vision

Strategy & Performance

▶ Governance

- > 53 A Dialogue Between Directors
 - 57 Directors and Auditors
 - 61 Vice Presidents
 - 62 Enhancing Management Security
-

Data Section

Nitto could look like three to ten years from now. I was able to confirm that all development project themes are candidates for PlanetFlags/HumanFlags products, which provided assurance of Nitto's consistent approach, both now and in the future. Moreover, having seen researchers from various countries and regions engage in vibrant discussions gave me a true sense of "One-Nitto." The Nitto ATP Finals is another excellent example of this. Employees from diverse divisions come together to form a project team, making it not only a brand-strengthening event internally and externally but also an opportunity for employee development through hands-on experience. On the occasion, we also set up an exhibition to showcase Nitto's technologies to our stakeholders, and it would be wonderful to invite science and engineering undergraduate and graduate students from the host city of Turin. I am sure these interactions will lead us to attract diverse and talented human resources.

Takasaki: Nitto has always had a culture of supporting challenges, but we are now taking it a step further by fostering a culture of



"enjoying" challenges. The Nitto ATP Finals project team is comprised of members from around the world, with more than half being female. These team members start as complete strangers but part ways in Italy after six months of collaboration, which drives them to dedicate themselves all the more passionately. I must say that this energy and passion reflect a culture of enjoying challenges. It serves as a strong foundation for us to continue moving forward.

Wong: It certainly is! The Nitto ATP Finals project is a truly fantastic on-the-job training opportunity.

*1 Clarivate Top 100 Global Innovators: Based on patent ownership data, Clarivate Analytics selects the top 100 innovative companies worldwide, evaluating them on patent influence, success rate, global performance, and rarity. In 2025, 33 Japanese companies were selected.

Reaffirming the Importance of Safety—The Decisive Factor in Management and Quality

— Nitto was involved in a misconduct regarding the certification system of municipal water supply membrane modules, which could have compromised management security. What discussions did the Board have, and what recommendations did it make?

Takasaki: We take this incident with the utmost seriousness. We have already begun efforts to reform employees' mindset and strengthen our quality systems. This process began with a courageous report from an employee, allowing us to respond promptly once the issue came to our attention. The Nitto Way, which is an element of our Corporate Philosophy, emphasizes an "open, fair, and best" approach, and I believe the whistleblower came forward out of their wish to improve Nitto. This experience reinforced my belief in the importance of preserving this culture.

Wong: It takes a lot of courage to blow the whistle, and without trust in the management team, employees would not feel secure

enough to do so. Ironically, all members of the Board viewed the report as a positive sign. Another thing I was made to realize was the importance of further enhancing compliance training for all employees of the Group. In 2024, numerous cases of corporate misconduct made headlines. While they may or may not involve our sector, each case offers lessons we can learn from. I believe we must continue to raise awareness among all employees by consistently providing relevant information. This will help foster a culture of safety and quality across the Group, which forms the basis of compliance.

Takasaki: For the past decade or so, the Nitto Group has consistently emphasized our safety slogan, "Place safety before everything else," reciting it at every meeting. The original intention was to reduce all occupational accidents and injuries at factories to zero, but "safety" is directly linked to management integrity and product quality. Through a global awareness campaign, I am pleased to say that this safety mindset has become deeply ingrained across the Group. That said, simply repeating the slogan is not enough: What truly matters is our ability to put it into practice.

Wong: As Takasaki-san pointed out, our safety slogan, "Place safety before everything else," is recited at morning assemblies in plants, Board meetings, and other gatherings. I believe that the role of the Board of Directors has evolved with the times. Today, the emphasis is on a multi-stakeholder approach, recognizing that increasing corporate value is not solely about boosting shareholder value. Furthermore, beyond employees, customers, and suppliers, there is growing recognition that the global environment and society, including future generations, are critical stakeholders. This perspective is gaining widespread acceptance. As members of the Board, we need to have serious discussions that consider the well-being of these stakeholders, as well as the impact our company has on them. By doing so, I believe we can genuinely enhance our corporate value over the mid- and long-term.

Index

Introduction

Vision

Strategy & Performance

▶ Governance

- > 53 A Dialogue Between Directors
 - 57 Directors and Auditors
 - 61 Vice Presidents
 - 62 Enhancing Management Security

Data Section

A Belief that Sustainability Initiatives Lay the Foundation for Corporate Value Enhancement

—Wong-san, what do you think has changed most at Nitto in terms of enhancing corporate value since you assumed office as an Outside Director?

Wong: I must say the most significant change has been in Nitto's approach and concrete actions toward sustainability and ESG. When I first joined, I had the impression that Nitto responded to societal and stakeholder expectations passively. However, that changed quickly: Nitto began taking active steps, placing ESG at the core of management. This shift enabled the company to achieve significant transformation, including establishing the PlanetFlags/HumanFlags recognition scheme, setting future-financial targets, and linking ESG performance to remuneration of Internal Directors. During my plant visits, I consistently suggested to those in charge of environmental matters that joining RE100 and obtaining SBT certification were important. This feedback contributed to the creation of the Global Green Committee (see P. 37), which addresses environmental issues through collaboration across business execution departments and regional management. What is wonderful about all this is that Nitto also involves frontline teams at its Group companies in working toward target values. Another thing I have kept recommending from the beginning is a commitment to the Women's Empowerment Principles (WEPs)². I am glad to see that concrete efforts are underway to become a signatory. It is symbolic of Nitto's integrity: Ensuring that declarations are backed by action.

Takasaki: Since we declared that ESG would be at the core of our management, joining RE100 and obtaining SBT certification have become essential. Timely and fair disclosure of these international initiatives is important, as they provide visible recognition of our commitment, even to those unfamiliar with Nitto. However, simply making an announcement is not enough; we must take action and

produce results. The Nitto Group has committed to Carbon Neutral 2050, aiming for net zero GHG emissions (Scope 1+2) by 2050. These initiatives for Scope 1+2 GHG emissions alone are high hurdles to overcome, but we decided to declare our support for these international initiatives because we have begun to see a clear path toward achieving the targets. Now that we have started addressing Scope 3 emissions, the challenges are even greater, but we are fully committed to reaching the goals we have proudly set.

Wong: To promote ESG, Nitto also uses posters and other communication tools at each workplace, which strikes me as a steady approach toward its goals. If I have a concern, it would be that the management team's decisions are made so quickly that individual employees may struggle to keep up. While we are making steady progress in work style reform, we also need to consider how to better support those seeking more flexible work styles or aspiring to leadership roles. It is definitely important to take proactive steps in recruiting and developing a diverse pool of management team members and future leaders.

² Women's Empowerment Principles (WEPs): An initiative jointly established by the UN Global Compact and UN Women, it outlines seven principles to guide businesses in promoting women's economic empowerment with the aim of enhancing corporate vitality and growth by placing gender equality and women's empowerment at the core of management practices, encouraging proactive initiatives.

Human Capital Management for Employees to Enjoy Challenges

—How do you go about promoting human capital management at Nitto?

Wong: I support the idea of treating "humans" as capital for the sake of corporate management but, unlike other kinds of capital, humans have their own set of diverse experiences, abilities, values, and emotions shaped from childhood. Ultimately, I believe that

what people pursue is a sense of happiness. Only when individuals lead fulfilling lives can they genuinely contribute to their company and society. That is why I believe management should avoid labeling employees with preconceived notions. Instead, we must respect each individual, trust their potential, and avoid a restrictive approach to human capital management.

Takasaki: With advice from Wong-san and other outside officers, the Nitto Group has set HR related future-financial targets that include the engagement scores, the challenge ratio and the female leaders ratio. What we put a particular emphasis on is fostering a culture of enjoying challenges. If you take on a challenge, you may sometimes fail, but if you never try, you never experience failure or growth. That is why I commend those who are willing to try, even if they fail. While we have established various training programs, including the Nitto Global Business Academy (NGBA), many employees still hesitate to step into leadership roles. In business, decisions are made by leaders, and I hope more employees will experience the joy of making decisions. My goal is to cultivate a workplace culture where leading others is seen as both fulfilling and enjoyable.

Wong: "Enjoying challenges" must be more than just a slogan: It should reflect genuine intent. What matters, I believe, is how the company can help each employee take that first small step and how we can encourage them to embrace challenges. Going forward, the key will be connecting the Company's purpose with the purpose and well-being of individuals. Employees should see how each product and technological innovation they create contributes to society, and how their dedicated work impacts the world. If we can establish this connection, I believe we will not only foster a culture of enjoying challenges but also drive the evolution of human capital management. Isn't it the case that a company and its people begin to grow in great strides when the Company's purpose aligns with that of its members?

Index

Introduction

Vision

Strategy & Performance

▶ Governance

- > 53 A Dialogue Between Directors
 - 57 Directors and Auditors
 - 61 Vice Presidents
 - 62 Enhancing Management Security
-

Data Section

Directors and Auditors

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

> 57 **Directors and Auditors**

61 Vice Presidents

62 Enhancing Management Security

Data Section



Shin Tokuyasu
Corporate Auditor

Yosuke Miki
Director,
Senior Executive Vice President

Tatsuya Akagi
Director,
Executive Vice President

Yasuhiro Yamada
Outside Director

Mariko Eto
Outside Director

Yasuhiro Ohwaki
Director,
Senior Executive Vice President

Yasuhiro Iseyama
Director,
Senior Executive Vice President

Toshihiko Takayanagi
Corporate Auditor

Kiyoshi Sono
Outside Corporate Auditor

Yasuko Kobashikawa
Outside Corporate Auditor

Michitaka Sawada
Outside Director

Hideo Takasaki
Representative Director,
President

Wong Lai Yong
Outside Director

Yoichiro Furuse
Part time Director

Tsuyoki Hattori
Outside Corporate Auditor

Directors

Hideo Takasaki

Representative Director, President

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, COO (present)

Yoichiro Furuse

Part time 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
 September 2010 Non-Executive & Independent Director, Global Logistic Properties Limited (retired in December 2017)
 July 2015 Chairman of Japan, Permira Advisers KK (retired in December 2020)
 October 2015 Director, Sushiro Global Holdings Ltd. (retired in December 2016)
 March 2016 Outside Director, Nasta Co., Ltd. (present)
 January 2018 Consultant of GLP Pte. Ltd. (present)
 January 2021 Consultant of Japan, Permira Advisers KK (retired in December 2022)
 June 2023 Part time Director, Nitto Denko Corporation (present)

Yosuke Miki

Director, Senior Executive Vice President

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, 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
 June 2022 Director, Senior Executive Vice President, CTO (present)

Wong Lai Yong

Outside Director

September 2013 Founder, Principal Trainer and Consultant, First Penguin Sdn. Bhd. (present)
 July 2018 Director, Penang Women's Development Corporation (retired in September 2023)
 October 2019 Adjunct Associate Professor, Graduate School of Leadership and Innovation, Shizenkan University (present)
 June 2020 Outside Director, Nitto Denko Corporation (present)
 November 2022 Outside Director, Farmnote Holdings, Inc. (present)
 June 2024 Outside Director, MITSUI E&S Co., Ltd.
 June 2025 Outside Director (Audit and Supervisory Board Member), MITSUI E&S Co., Ltd. (present)

Yasuhiro Iseyama

Director, Senior Executive Vice President

June 1991 Joined Nitto Denko Corporation
 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
 June 2023 Director, Senior Executive Vice President, CFO (present)

Michitaka Sawada

Outside 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 (currently Panasonic Holdings Corporation) (present)
 January 2021 Director and Chair of the Board of Directors, Kao Corporation
 June 2021 Outside Director, Nitto Denko Corporation (present)
 June 2022 Outside Director, Komatsu Ltd. (present)
 March 2024 Special Advisor, Kao Corporation (present)

Yasuhiro Ohwaki

Director, Senior Executive Vice President

April 1984 Joined Nitto Denko Corporation
 June 2006 General Manager of Printed Circuits Department, Industrial Business Division
 April 2010 General Manager of Planning & Management Department, Information and Communication Technology Division
 April 2011 General Manager of Planning & Management Division, Tape Products Sector and General Manager of Planning & Management Department, Industrial Products Division
 April 2012 General Manager of Strategy Management Division, Functional Base Products Sector
 June 2012 Vice President, General Manager of Functional Base Products Sector
 October 2013 Vice President, General Manager of Automotive Products Sector
 April 2015 Vice President, General Manager of Quality, Environment & Safety Management Sector
 April 2017 Vice President, Director, Nitto Denko India Private Limited
 June 2017 Senior Vice President
 October 2018 Senior Vice President, CPO
 October 2019 Senior Vice President, CIO, CPO
 June 2020 Executive Vice President, CIO, General Manager of Corporate Sustainability Division
 June 2021 Senior Executive Vice President
 April 2022 Senior Executive Vice President, General Manager of Human Resources Management Division
 June 2023 Director, Senior Executive Vice President, General Manager of Human Resources Management Division
 Director, Senior Executive Vice President, CHRO (present)

Yasuhiro Yamada

Outside Director

April 1987 Joined Bank of Japan
 May 2018 Executive Director, Bank of Japan (retired in May 2022)
 June 2022 Outside Director, Nitto Denko Corporation (present)
 September 2022 Outside Director, SUSMED, Inc. (retired in September 2024)
 June 2024 Chairman, Custody Bank of Japan, Ltd. (present)

Tatsuya Akagi

Director, Executive Vice President

April 1993 Joined Nitto Denko Corporation
 May 2010 Director, Taiwan Nitto Optical Co., Ltd.
 April 2015 General Manager of Sales Management Division, Information Fine Materials Unit, Information Fine Materials Sector
 April 2016 General Manager of Business Management Division, Information Fine Materials Unit, Information Fine Materials Sector
 April 2017 Deputy General Manager of Information Fine Materials Sector
 June 2019 Vice President, General Manager of Information Fine Materials Sector
 June 2022 Senior Vice President, General Manager of Information Fine Materials Sector
 June 2024 Director, Executive Vice President, General Manager of Information Fine Materials Sector (present)

Mariko Eto

Outside Director

April 1994 Joined MITSUI & CO., LTD.
 October 2003 Resistered with Daini Tokyo Bar Association
 April 2015 Joined TMI Associates
 January 2017 Partner of TMI Associates (present)
 March 2019 Outside Corporate Auditor, OTSUKA KAGU LTD. (retired in August 2021)
 June 2020 Outside Corporate Auditor, Starzen Co., Ltd. (retired in June 2022)
 June 2022 Outside Director, Starzen Co., Ltd. (present)
 June 2023 Outside Director, Nitto Denko Corporation (present)
 March 2024 Outside Director (Audit and Supervisory Board Member), ASICS Corporation (present)

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

> 57 Directors and Auditors

61 Vice Presidents

62 Enhancing Management Security

Data Section

Corporate Auditor

Shin Tokuyasu Corporate Auditor		Toshihiko Takayanagi Corporate Auditor		Yasuko Kobashikawa Outside Corporate Auditor		Kiyoshi Sono Outside Corporate Auditor		Tsuyoki Hattori Outside Corporate Auditor	
April 1985	Joined Nitto Denko Corporation	April 1981	Joined Nitto Denko Corporation	February 2001	Registered as a Certified Public Accountant	April 1976	Joined The Sanwa Bank, Ltd.	April 1979	Joined Tokio Marine Fire Insurance Co., Ltd.
June 2017	Vice President, Representative Director, Nitto Automotive, Inc.	June 2009	Representative Director, Nitto Shinko Corporation	June 2006	Established MIKASA&Co (retired in August 2019)	May 2014	Director & Deputy Chairman, The Bank of Tokyo-Mitsubishi UFJ, Ltd.	May 2012	Outside Director, Matsuya Co., Ltd. (retired in May 2017)
July 2018	Vice President, General Manager of Compliance Division	August 2014	Vice President, Chairman, Nitto Denko (China) Investment Co., Ltd.	June 2015	Outside Director of ARTNATURE INC. (retired in June 2022)	June 2015	Chairman, Mitsubishi UFJ Financial Group, Inc.	June 2013	Managing Director, Tokio Marine & Nichido Fire Insurance Co., Ltd. (retired in March 2017)
April 2019	Vice President, General Manager of Corporate Sustainability Division	April 2018	Vice President, General Manager of Sales Management Sector & Manager of Tokyo Sales Branch	December 2017	Established JK & CREW Tax Accountant's Corporation (present)	May 2017	Vice Chair, Kansai Economic Federation (present)	April 2015	Senior Managing Executive Officer, Tokio Marine & Nichido Fire Insurance Co., Ltd. (retired in March 2017)
June 2019	Corporate Auditor (full-time service) (present)	June 2018	Senior Vice President	June 2023	Outside Corporate Auditor, Nitto Denko Corporation (present)	June 2017	Outside Director, Nankai Electric Railway Co., Ltd. (retired in June 2024)	June 2017	Representative Director & President, Nippon Automated Cargo And Port Consolidated System (NACCS) Inc. (retired in June 2021)
		June 2020	Executive Vice President, General Manager of Sales Management Sector, General Manager of Taiwan	June 2024	Outside Corporate Auditor, JVCKENWOOD Corporation	April 2019	Chairman/CAO, MUFG Bank, Ltd.	June 2024	Outside Corporate Auditor, Nitto Denko Corporation (present)
		June 2023	Corporate Auditor (full-time service) (present)	June 2025	Outside Director (Audit and Supervisory Board Member), JVCKENWOOD Corporation (present)	June 2019	Managing Executive Officer, Mitsubishi UFJ Financial Group, Inc. (retired in April 2021)		
						June 2019	Outside Director, Mitsubishi Motors Corporation (retired in June 2022)		
						April 2021	Special Advisor, MUFG Bank, Ltd. (present)		
						May 2021	Outside Director, Yomiuri Telecasting Corporation (present)		
						June 2022	Outside Corporate Auditor, Sompo Japan Insurance Inc.		
						April 2024	Outside Director (Audit and Supervisory Board Member), Sompo Japan Insurance Inc. (present)		
						June 2024	Outside Corporate Auditor, Nitto Denko Corporation (present)		
						June 2024	Outside Director (Member of the Nominating Committee and Audit Committee), The Kansai Electric Power Co., Inc. (present)		

Skills Matrix

Name	Title	Gender	Length of service	Leadership	Technology	Finance	Governance	Sustainability
Hideo Takasaki	Representative Director	Male	17	●				
Yosuke Miki	Director	Male	8	●	●			
Yasuhiro Iseyama	Director	Male	5			●	●	
Yasuhito Ohwaki	Director	Male	2	●			●	●
Tatsuya Akagi	Director	Male	1	●				
Yoichiro Furuse	Director	Male	18	●		●	●	
Wong Lai Yong	Outside Director	Female	5				●	●
Michitaka Sawada	Outside Director	Male	4	●	●			●
Yasuhiro Yamada	Outside Director	Male	3		●	●	●	
Mariko Eto	Outside Director	Female	2				●	●
Shin Tokuyasu	Corporate Auditor (full-time service)	Male	6			●	●	●
Toshihiko Takayanagi	Corporate Auditor (full-time service)	Male	2	●			●	
Yasuko Kobashikawa	Outside Corporate Auditor	Female	2			●	●	
Kiyoshi Sono	Outside Corporate Auditor	Male	1	●		●	●	
Tsuyoki Hattori	Outside Corporate Auditor	Male	1				●	●

- (Notes)
1. The table above shows skills specifically expected and is not all-inclusive.
 2. Director Hideo Takasaki is designated as Leadership only from the viewpoint that it is most important for him to oversee management as President-Director.

Index

Introduction

Vision

Strategy & Performance

▶ Governance

- 53 A Dialogue Between Directors
- > 57 Directors and Auditors
- 61 Vice Presidents
- 62 Enhancing Management Security

Data Section

Policies and Procedures for Electing and Dismissing Directors and Corporate Auditors

Appropriate Structure of the Board of Directors and Board of Corporate Auditors

Given the current scale of business, the need to facilitate substantial discussions at Board of Directors meetings and Board of Corporate Auditors meetings and to ensure an appropriate number of Outside Directors, etc., we believe that the appropriate size of the Board of Directors is not more than ten Directors (one third or more of whom are independent directors). Likewise, the Articles of Incorporation set an upper limit of ten. We also believe that the appropriate size of the Board of Corporate Auditors is not more than five members (half or more of whom are independent auditors), who are individuals having appropriate experience and ability as well as necessary knowledge in finance, accounting, and legal affairs, with at least one (1) Corporate Auditor who has sufficient expertise in finance and accounting. Likewise, the Articles of Incorporation set an upper limit of five. Furthermore, in order to make important policy decisions in an ever-changing business environment and to exercise a sustained supervisory function, we have identified five qualities, knowledge, experience, etc. (hereinafter collectively referred to as "skills") in "leadership," "technology," "finance," "governance," and "sustainability" for the Board of Directors and Board of Corporate Auditors and believe that a composition that ensures a good balance of such skills will contribute to management.

Appointment and Dismissal of Directors and Corporate Auditors

The Officer Appointment Standards and the Officer Dismissal Standards have been established as described below and are applied when appointing or dismissing a Director or Corporate Auditor. In addition, in order to further enhance fairness and transparency in appointment and dismissal of Directors, the Nomination and Remuneration Advisory Committee meets and reports the results of its deliberations to the Board of Directors, and the Board of Directors makes the final decision by taking such report into account.

<Officer Appointment Standards>

1. A person who practices the Nitto Way*
2. A person who can contribute to the Company with the five skills identified by the Company.

*Our unique values consisting of safety, sustainability, diversity and human rights, customer, anticipation of change, challenge, *Sanshin* Activities, Niche Top, speed and perfection, corporate culture, personal development and sense of ownership.

<Officer Dismissal Standards>

1. An act was committed that was contrary to public order and morality;
2. A violation of the laws and ordinances, the Articles of Incorporation, or any other regulations of the Group was committed, and Nitto suffered a substantial loss or hindrance to Group business operations due to such violation;
3. A material inconvenience was caused to the execution of the duties of an Officer; or
4. Any of the quality requirements set forth in the Officer Appointment Standards is no longer satisfied.

Five Skills Identified by the Company

Skill	Reason for Selection
Leadership	For a company to keep growing in a dramatically changing business environment, it needs to make bold business decisions. For this reason, we have chosen leadership qualities and experience in a global organization, such as being part of a management team or a person responsible for a large project at a listed company, or a manager of a venture company, or having a key role in a government, as a skill we seek in our Board members.
Technology	To achieve Nitto's mission, "Contribute to customers' value creation with innovative ideas," we need to keep investing in innovation. For this reason, we have chosen in-depth knowledge in science and technology not only in relation to our existing businesses but also in relation to IT, DX, quality, the environment, safety technologies, and new areas as a skill we seek in our Board members.
Finance	To manage a company, we need scientific investment measures based on financial indicators. For this reason, we have chosen knowledge in finance and accounting as a skill we seek in our Board members.
Governance	The statement, "Place safety before everything else," which is one of the principles of "The Nitto Way," also encompasses "management security." For this reason, we have chosen insights into and board experience in areas such as legal matters, risk management, and labor as a skill we seek in our Board members.
Sustainability	For a company to keep growing, it needs to help build a sustainable society in addition to achieving its own growth. For this reason, we have chosen a background in areas, such as diversity, environmental contribution, and brand value, as a skill we seek in our Board members.

Index

Introduction

Vision

Strategy & Performance

► Governance

53 A Dialogue Between Directors

> 57 **Directors and Auditors**

61 Vice Presidents

62 Enhancing Management Security

Data Section

Vice Presidents (As of July 1, 2025)

Name	Title (Position)	Responsibilities
Hideo Takasaki	Representative Director, President CEO, COO	
Yasuhito Ohwaki	Director, Senior Executive Vice President, CHRO General Manager of Corporate Human Resources Division	Human resources & education, Diversity, equity & inclusion promotion, Management of Japan
Yosuke Miki	Director, Senior Executive Vice President, CTO General Manager of Corporate Technology Sector	Corporate technology
Yasuhiro Iseyama	Director, Senior Executive Vice President, CFO General Manager of Corporate Accounting & Finance Division, General Manager of Export Control Center	Accounting & finance, IR, Export control, Internal audit
Sam Strijckmans	Executive Vice President General Manager of EMEA (Europe, the Middle East, and Africa) President, Nitto EMEA NV	Management of EMEA (Europe, the Middle East, and Africa)
Seiji Fujioka	Executive Vice President General Manager of South Asia, India, and Oceania Representative Director, Nitto Denko (Singapore) Pte.Ltd.	Management of South Asia, India, and Oceania
Kazuki Tsuchimoto	Executive Vice President General Manager of Quality Assurance Division	Quality
Tatsuya Akagi	Director, Executive Vice President General Manager of Information Fine Materials Sector	Information fine materials business
Yukihiro Horikawa	Executive Vice President	Corporate strategy (specially assigned)
Atsushi Ukon	Senior Vice President President, Nitoms, Inc.	Management of business companies
Bae-Won Lee	Senior Vice President General Manager of South Korea Representative Director and President, Korea Nitto Optical Co., Ltd.	Management of South Korea, Information fine materials business
Katsuyoshi Jo	Senior Vice President Representative Director, Nitto Shinko Corporation	Management of business companies
Kenjiro Asuma	Senior Vice President General Manager of Taiwan Chairman and President, Taiwan Nitto Corporation	Management of Taiwan
Yasuhiro Hayashi	Senior Vice President General Manager of Legal & Compliance Division	Legal & general affairs, Compliance, Risk management
Hitoki Kanagawa	Senior Vice President General Manager of Functional Base Products Sector	Functional base products business

*CEO: Chief Executive Officer, COO: Chief Operating Officer, CHRO: Chief Executive Human Resources Officer, CTO: Chief Technology Officer, CFO: Chief Financial Officer

Name	Title (Position)	Responsibilities
Yoichiro Sugino	Senior Vice President Deputy General Manager of EMEA (Europe, the Middle East, and Africa) Director, Nitto EMEA NV	Management of EMEA (Europe, the Middle East, and Africa)
Shingo Suita	Vice President General Manager of North America and South America President, Nitto, Inc.	Management of North America and South America
Yoshihiko Terada	Vice President General Manager of Medical Division, Human Life Solutions Sector	Medical business
Nao Murakami	Vice President	Corporate strategy (specially assigned)
Naoki Makino	Vice President General Manager of Sales Management Division	Sales management
Michihiro Hagiwara	Vice President General Manager of Production Division	Manufacturing & production engineering, Environment & safety management
Junichi Matsumoto	Vice President General Manager of Advanced Film Solution Division	Advanced film solution business
Hiroyuki Katayama	Vice President General Manager of Human Life Solutions Sector General Manager of Membrane Division	Human life solutions business, Membrane business
Futoshi Shiomi	Vice President General Manager of PRC Chairman and President, Nitto Denko (China) Investment Co., Ltd.	Management of PRC
Kei Nakamura	Vice President General Manager of Corporate Research & Development Division, Corporate Technology Sector General Manager of Digital Promotion Division	Research & development, Digital promotion
Kenshi Tozuka	Vice President General Manager of Corporate Strategy & ESG Management Division	Corporate strategy, PR, ESG promotion
Naoki Takahashi	Vice President General Manager of Supply Chain Management Division	Procurement, Supply chain management
Yasunari Oyabu	Vice President General Manager of Information and Communication Technology Sector	ICT business
Makoto Kawauchi	Vice President Deputy General Manager of Information Fine Materials Sector	Information fine materials business

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

> 61 Vice Presidents

62 Enhancing Management Security

Data Section

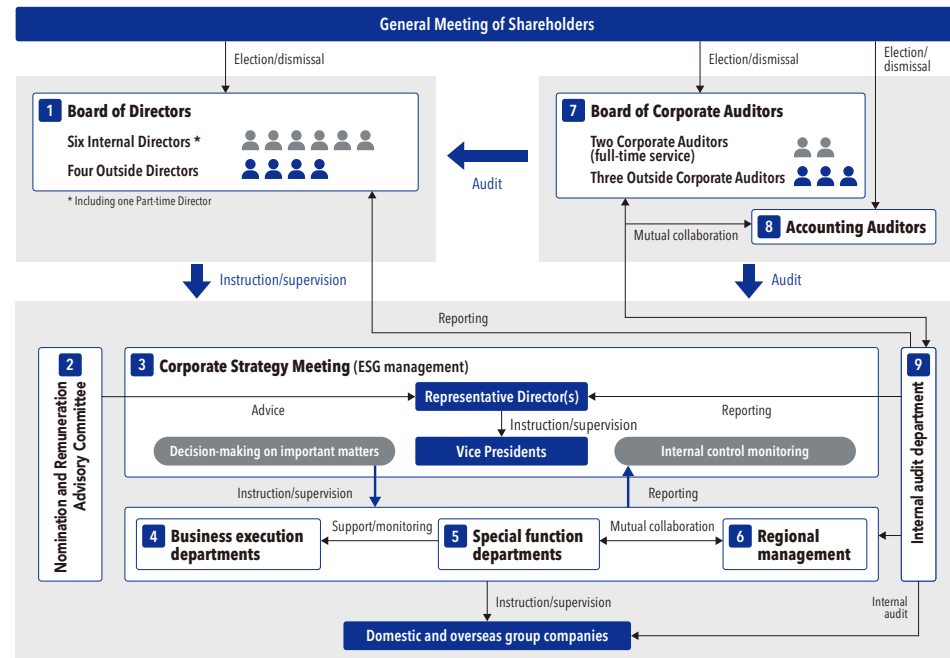
Enhancing Management Security

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, Nitto maintains the corporate governance structure as below.

Corporate Governance System



Descriptions and Roles of the Organizations

Institution	Roles, etc.
1 Board of Directors [Chairperson] Hideo Takasaki, President-Director	[Composition] Six (6)* Internal Directors and four (4) Outside Directors (ten (10) in total) * Including one Part-time Director · Decision-making on important matters such as basic policies and strategic management decisions, including management policy, mid-term management plan, and ESG management · Supervision of business execution by Representative Directors, Vice Presidents, etc. · Establishment of internal controls and supervision of its operational status · Decision-making on other legal resolutions
2 Nomination and Remuneration Advisory Committee [Chairperson] Michitaka Sawada, Outside Director	[Composition] One (1) Representative Director, four (4) Outside Directors, three (3) Outside Corporate Auditors (eight (8) in total) · Voluntary advisory committee · A structure where appropriate engagement and advice from Outside Directors and Outside Corporate Auditors in advance and important matters are deliberated at the Board of Directors thereafter · Advice on important issues including nomination of Directors, and executive remuneration
3 Corporate Strategy Meeting [Chairperson] Hideo Takasaki, President-Director	[Composition] Twenty-eight (28) Directors and Vice Presidents (including those concurrently serving as Directors; twenty-nine (29) in total) * Members may be limited for discussion of urgent/technical agenda items · Decision-making on important management matters · Discussion and decision-making on measures to promote ESG management · Internal control monitoring and decision-making on corrective measures
4 Business execution departments	· Execution of business delegated by the Representative Director(s) · Decision-making on important business operations through meetings hosted by the business execution departments (chaired by the Head of said department).
5 Special function departments	· Support for business execution departments from a professional perspective by special function departments organized by function, such as management strategy, human resources, accounting and finance, etc. · Control and monitor compliance of business execution departments through the formulation of rules and regulations, etc.
6 Regional management	· Established in major overseas regions (Americas, EMEA, China, Korea, Taiwan, South Asia/India/Oceania) · Support, control and monitoring based on the characteristics of each region, implemented in cooperation with special function departments
7 Board of Corporate Auditors [Chairperson] Shin Tokuyasu, Corporate Auditor (full-time service)	[Composition] Two (2) Corporate Auditors (full-time service) and three (3) Outside Corporate Auditors (five (5) in total) · Monitoring of directors' execution of duties through attendance at Board of Directors meetings · Attendance at important meetings, interviews with Directors and employees on the status of their activities, inspection of approved documents and other important documents, inspection of the head office, technology and business divisions and offices, and domestic and overseas group companies, as well as interviews with the Accounting Auditors on their audit reports and exchanges of opinions
8 Accounting Auditors	KPMG AZSA LLC · Audit of appropriateness and legality of accounting and internal control over accounting
9 Internal audit department	· Internal audits of the accuracy, legitimacy, and reasonableness of management activities at each Group company for the purpose of contributing to the improvement of operations and business performance, independent of the execution of those activities · Internal audits include QES audits for quality, environment, and safety, and external evaluations on a regular basis

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Characteristics of Nitto's Corporate Governance Structure

From the standpoint of unitary audits, independent of execution that contribute to the Company's enhanced governance, Nitto has chosen to be a company with the Board of Corporate Auditors. It has also adopted the executive officer system and promotes quick decision-making by making each Vice President's authority clear. Further, it has established the Nomination and Remuneration Advisory Committee that mainly consists of Independent Outside Officers to build a system to hear neutral opinions. Nitto's corporate governance structure has the following characteristics:

1. Diversity of the Board of Directors and the Board of Corporate Auditors to consolidate multifaced opinions

Comprehensively taking into account diversity including elements such as the balanced allocation of specializations (e.g., skill, specialty, and length of tenure) to be fully acquired, gender, age, work experience, race, ethnicity, or cultural background, Nitto appoints members of the Board of Directors and the Board of Corporate Auditors, who can practice The Nitto Way or a set of values that expresses what the Nitto Group should cherish and its standard for judgment.

2. Open and robust discussions by the Board of Directors

The Nitto Board Effectiveness Evaluation, which the Company conducts annually, confirms that open and robust discussions on each management issue are among its Board of Directors' strengths.

3. The Nomination and Remuneration Advisory Committee as a place to hear broad opinions

As a place for its members to exchange opinions and provide advice for Representative Directors, the Nomination and Remuneration Advisory Committee hears valuable opinions each time its meeting is convened. Chaired by an Outside Director, the Nomination and Remuneration Advisory Committee provides advice on key agenda items, including the nomination of Directors and the remuneration of Directors and Corporate Auditors. It should be noted that, under the Companies Act, decisions regarding nominations and remuneration are formally made by the Board of Directors, which engages in open and robust discussions. Accordingly, the Nomination and Remuneration Advisory Committee is not expressly required to report to the Board of Directors.

4. Triple axis management for adequate resolution of management issues

Nitto has built a system for adequately resolving management issues through supplementary and collaborative operations of the following three axes: the business axis centering on the business execution departments, the functional axis centering on the special function departments, and the regional axis centering on the regional oversight function.

5. ESG management promotion system to ensure effectiveness

Under the slogan, "Place ESG at the core of our management," Nitto has appointed a Director or Vice President in charge of ESG promotion and established a department in charge within a specialized functional department. The relevant department makes proposals on sustainability, including the identification of materiality issues, based on which the Board of Directors and the Corporate Strategy Meeting make decisions. The Representative Directors and Vice Presidents, who are members of the Board of Directors and the Corporate Strategy Meeting, instruct the responsible business execution departments and Group companies in their respective areas to implement the proposals, ensuring the effectiveness of ESG management promotion.

Please note that Nitto has not established a sustainability or ESG committee to which some members belong. Rather, it designates the Corporate Strategy Meeting for which the President is responsible and to which all Vice Presidents belong as a place to discuss ESG management promotion.

6. Compliance and risk management promotion system leading to voluntary activities

Nitto has appointed a Director or Vice President in charge of compliance and risk management and established a department in charge within the specialized functional departments. These systems promote compliance and risk management. In addition, the department in charge puts together the status of compliance and risks (human rights, human capital, whistleblowing, environment, safety, information security, etc.) to report to the Board of Directors and the Corporate Strategy Meeting on a regular basis. Representative Directors and Vice Presidents, who are members of the Board of Directors and the Corporate Strategy Meeting, instruct the responsible

business execution departments and Group companies in their respective areas to make improvements, thereby ensuring the effectiveness of internal control monitoring.

Please note that Nitto has not established a risk committee or a committee for each target risk as a place for final monitoring. Rather, it has a system in place where the Corporate Strategy Meeting for which the President is responsible and to which all Vice Presidents belong receives compliance and risk monitoring results as their own problems.

7. Alignments to ensure audits by Corporate Auditors

It is characteristic of Nitto for Corporate Auditors to participate in its key meetings and strongly align with the departments in charge of internal audits and the Nitto Group's auditors, in order to ensure the effectiveness of audits by Corporate Auditors.

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Findings on the Nitto Board Effectiveness Evaluation

Nitto conducted an effectiveness analysis and evaluation of its Board of Directors for fiscal 2024, which confirmed that the Board is effective. The following shows a summary of the evaluation process and findings:

1. An outline of the evaluation process

Nitto engaged a third party organization to conduct a survey of all its Directors and Corporate Auditors. And based on the results of this survey, it analyzed and evaluated the effectiveness of its Board of Directors, following discussions by the Board.

2. Questions

[Items presented in a five-point scale]

The current state of the Board of Directors, the composition of the Board, the operations of the Board, discussions at the Board meetings, monitoring functions of the Board, an overview

[Items requesting free statements]

The supervisory functions of the Board; the acceleration and promotion of ESG management; deeper involvement of Outside Directors in management; enhanced engagement with stakeholders, including investors; and other items

3. Overview of the analysis/evaluation results

Nitto has confirmed that the strength of its Board of Directors is the open and robust discussions it has on all management issues, which was also found in the fiscal 2023 evaluation.

Concerning efforts by the Board to address the challenges recognized in the fiscal 2023 evaluation, the company identified the deeper involvement of Outside Directors in management as a challenge, and it implemented initiatives to deepen their understanding of the Group and enhance their deliberations at Board of Directors meetings by strengthening their collaboration on discussions at the Corporate Strategy Meeting* and their participation in research theme presentations within the Group.

For its challenge for fiscal 2025, it was suggested that the Board should take measures to enhance discussions on succession plans for the CEO and other executives.

*It is the highest decision-making body for business operations, comprising the President and all executive officers.

4. Future actions

With the above analysis/evaluation findings in mind, Nitto's Board of Directors will remain committed to further enhancing the effectiveness of the entire Board.

Topics discussed at Board of Directors meetings in FY2024

Management	<ul style="list-style-type: none"> Progress of the mid-term management plan Revision in decision-making standards Discussion on cash allocation
Monitoring	<ul style="list-style-type: none"> Verification of the implementation status of internal control Quality activity reports Summary of activities in respective regions and business execution departments
Others	<ul style="list-style-type: none"> Dialogue with investors Discussion on share splits

Major consultations and deliberations discussed in the Management, Nomination and Remuneration Advisory Committee during FY2024

- Approach to future-financial targets in Nitto-style ESG Strategy
- Ideal approach to director system, including components of remuneration

Remuneration for Directors and Corporate Auditors

Remuneration for Directors and Corporate Auditors of the Nitto Group is structured as follows. The policy related to the standard amount, calculation method, component ratio among different types of remunerations, 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 such factors 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 Nomination and Remuneration Advisory Committee.

For the purpose of standard evaluation, the target component ratio of remuneration is: Remuneration in cash: Bonus for Directors: Restricted share remuneration = 30%:60%:10%. Performance-linked share-based remuneration is not provided for a standard evaluation since it is additional remuneration that serves as an incentive for the improvement of medium-term performance.

In light of their roles and independence, Part-time Directors, Outside Directors, and Corporate Auditors are remunerated by fixed remuneration only.

The overview of each type of remuneration is as follows.

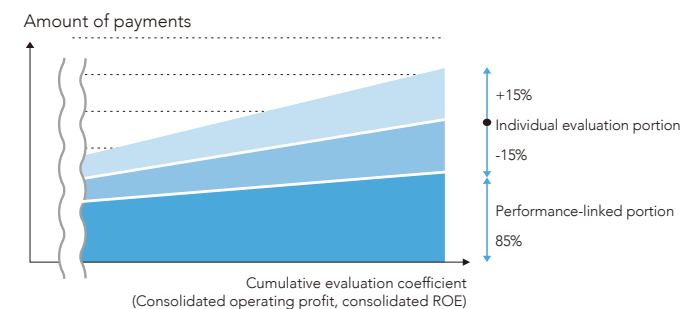
Bonus for Directors

Comprises the performance-linked portion (85%), which reflects the Group's performance, and the individual evaluation portion (-15% to 15%), which reflects individual performance. The amount of the performance-linked portion is determined based on progress made toward achieving the Group's key performance indicators of consolidated operating profit and consolidated ROE.

Components of remuneration

Category	Descriptions
[Fixed remuneration] Basic remuneration	Pursuant to a resolution of the Board of Directors, remuneration is determined by position, responsibility, and length of service and is paid by the President.
[Short-term performance-linked remuneration] Bonus for Directors	As an incentive for performance improvement, remuneration is determined based on the achievement of the Group's consolidated operating profit and ROE performance indicators for each business term, as well as the progress made against targets set for each Director's areas of responsibility, and is paid by the President.
[Medium-term performance-linked remuneration] Performance-linked share-based remuneration	The number of shares granted is determined based on consolidated operating profit, consolidated ROE, ESG items, and other factors at the end of the three-year performance evaluation period, within a range from 0% to 150%.
[Medium- and long-term performance-linked remuneration] Restricted share remuneration	Share-based remuneration, restricted until retirement and determined by position, etc., is granted to align the interests of Directors with shareholders and to reflect medium- and long-term business performance. The amount of remuneration is linked to the market price.

Breakdown of Bonus for Directors



Index

Introduction

Vision

Strategy & Performance

► Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Performance-linked share-based remuneration

The number of shares to be issued to each Director has been calculated by multiplying (i) the number of shares to be issued according to position by (ii) the payment rate linked to their performance, etc.*1. The numbers for (i) and (ii) during the evaluation period between April 1, 2025 and March 31, 2028 are as follows.

(i) Number of shares to be issued

Position	Number of shares to be issued
President-Director	27,000
Director, Senior Executive Vice President	9,500
Director, Executive Vice President	8,000
Director, Senior Vice President	5,000
Director, Vice President	4,000

*1 Any fraction of less than 100 shares resulting from the calculation will be rounded down to the nearest 100 shares.

(ii) Payment rate

Consolidated operating profit	Consolidated ROE		Number of ESG items ² achieved	Payment rate
	Up to 15%	15% and above		
Up to 170 billion yen	0%		9 items achieved	30%
170 billion yen or more—less than 185 billion yen	30%	100%	7–8 items achieved	20%
185 billion yen and above	50%	120%	5–6 items achieved	10%
			0–4 items achieved	0%

<Note> Performance-linked share-based remuneration tied to financial results will not be granted unless both the consolidated operating profit and consolidated ROE for the fiscal year ending March 31, 2028, exceed the corresponding figures for both fiscal 2026 and fiscal 2027.

<Note> Performance-linked share-based remuneration tied to future-financial results will not be granted unless the number of ESG items achieved in the fiscal year ending March 31, 2028, equals or exceeds the corresponding number in both fiscal 2026 and fiscal 2027.

*2 Nine future-financial targets laid out in the mid-term management plan, Nitto for Everyone 2025

Restricted share remuneration

Share remuneration is granted in the quantity determined by the recipient's position, etc. The amount of remuneration is linked to the market price by setting restrictions on transfer until retirement.

Amount of remuneration for Directors and Corporate Auditors for the fiscal year under review pursuant to the executive remuneration policy (Yen in millions)

Position	Total amount of remuneration, etc.	Remuneration by type				Number of eligible Directors and Corporate Auditors
		Fixed remuneration	Performance-linked remuneration			
		Basic remuneration (cash)	Bonus for Directors (cash)	Performance-linked share-based remuneration	Restricted share remuneration	
Directors (excluding Outside Directors)	1,028	285	505	135	102	6
Outside Directors	76	76	-	-	-	5
Corporate Auditors (excluding Outside Corporate Auditors)	88	88	-	-	-	2
Outside Corporate Auditors	48	48	-	-	-	5

<Notes>

- The above includes one Director (an Outside Director) and two Corporate Auditors (Outside Corporate Auditors) who retired mid-term during fiscal 2024.
- The maximum amount of base remuneration and bonuses for Directors was resolved at the 157th Ordinary General Meeting of Shareholders held on June 17, 2022, to be no more than 1 billion yen per year (including no more than 120 million yen for Outside Directors). The number of Directors at the close of the said Ordinary General Meeting of Shareholders was ten (of which, six were Outside Directors). The maximum amount of basic remuneration for Corporate Auditors was resolved at the 156th Ordinary General Meeting of Shareholders held on June 18, 2021, to be no more than 144 million yen per year. The number of Corporate Auditors at the close of said Ordinary General Meeting of Shareholders was five.
- The above bonuses to Directors, excluding Outside Directors, are the amounts paid by resolution of the Board of Directors based on the resolution of the General Meeting of Shareholders as described in Note 2 and excluding Part-time Director.
- The upper limits of the total value and the number of shares to be granted to Directors (excluding Outside Directors) in the form of performance-linked share-based remuneration were set at 364 million yen and 242,000 shares a year at the 153rd Ordinary General Meeting of Shareholders held on June 22, 2018. The number of Directors at the close of the said Ordinary General Meeting of Shareholders was nine (of which, three were Outside Directors).
- The upper limit of the total value and the number of shares to be granted to Directors (excluding Outside Directors) in the form of restricted share remuneration were set at 243 million yen and 160,000 shares a year at the 153rd Ordinary General Meeting of Shareholders held on June 22, 2018. The number of Directors at the close of the said Ordinary General Meeting of Shareholders was nine (of which, three were Outside Directors).
- In accordance with the determination process, the Board of Directors has delegated the determination of the specific details of remuneration in cash and bonuses for directors to Hideo Takasaki, President-Director based on a resolution of the Board of Directors.
- Consolidated operating income and consolidated ROE are adopted as indicators based on which bonuses for Directors and performance linked share-based remuneration are calculated. For the fiscal year, the Company's consolidated operating profit was 185,667 million yen and consolidated ROE 13.5%. With regard to performance-linked share-based remuneration, we are considering basing evaluation on the results of ESG categories listed in P.21. Restricted share remuneration is linked to the market price of the Company's shares. There is nothing that needs to be disclosed in relation to its performance.
- Individual remuneration and so on granted to Directors and others for the fiscal year are (or will be) paid in accordance with the determination process. The Board of Directors considers that their details are in line with the Company's remuneration policy.
- Salaries (including bonuses) of Directors concurrently serving as employees are separate from the above remuneration, etc., but no employee salaries were paid in the fiscal year.
- We implemented five-for-one common stock split, with the record date of September 30, 2024, and the effective date of October 1, 2024. The number of shares listed in 4. and 5. reflects the stock split.

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Compliance

Compliance Promotion System/Code of Conduct

The Nitto Group established the Nitto Group Business Conduct Guidelines (BCG) as a code of conduct for its officers and employees. By thoroughly promoting awareness of the BCG globally, we aim to enhance compliance awareness and management security across the Group. To advance compliance efforts, we established a framework where the officer and the department in charge of compliance work closely with the heads of each site and Group company worldwide.



Compliance Management System

The Nitto Group maintains a unique compliance management system, developed with reference to the “management system” concept commonly used for quality control and other purposes. Given the global nature of the Nitto Group’s business, a separate council is established for each of three levels: Group-wide, regional, and site-specific, and an executive office led by the compliance department was also set up. These councils follow a PDCA cycle for every fiscal year to make continued efforts to raise the level of compliance and reduce associated risks. We have also established a system that enables information sharing across all levels of the councils, with the

aim of achieving both autonomous management tailored to regional and company-specific circumstances and globally aligned governance. To facilitate the operation of the management system, members from around the world gather at the annual Global Meeting to discuss future directions. At the most recent meeting in May 2025, participants from each region shared the progress of their initiatives and highlighted priority areas aligned with their regional characteristics.

Other programs in this regard include compliance surveys for all Group employees, as well as identification of risks through self-checks and monitoring. As we refine the PDCA cycle by taking into account a broad range of information, such as environmental changes both within and outside the company, on top of the findings of such programs, we ensure that the effectiveness of our management system is constantly enhanced.

We will remain committed to strengthening management security worldwide by reinforcing relevant systems and improving their operations.



Publicity and Dissemination of BCG

The BCG is now available in 18 languages. We keep the BCG education curriculum updated for each trainee group to help employees be more aware of compliance issues that may arise in their work.

Starting in Japan, we designate the 25th day of odd-numbered months as BCG Day, which provides employees with regular opportunities to reflect on and deepen their understanding of BCG. This practice has been gradually introduced at Group companies outside Japan since fiscal 2024. Each workplace is coming up with original ideas to promote BCG, such as reading BCG in a group, discussing BCG content at Nitto Group’s original *Kuruma-za* round-table talk, and using cartoons in supplementary materials to make it easily understandable. Throughout the Nitto Group, we are witnessing steady progress in raising compliance awareness and fostering an organizational culture that prioritizes compliance.



Handouts (four-frame cartoons) used to introduce BCG



BCG Day activities at sites outside Japan

Whistle-Blowing System

At the Nitto Group, we maintain an open whistle-blowing system for employees to enable the early discovery and correction of legal violations and ethical issues. In fiscal 2024, we completed the installation of the Partner Hotline, a channel for our business partners to report noncompliance or suspicious activity, in all regions. We are currently working to raise awareness of this externally operated service among partner businesses.

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Risk Management

Basic Policy

Nitto Group has established a risk management policy on Basic Policy on Internal Control for major risks that management believes may have a material impact on its business activities.

Business risks include risks related to business operations, such as risks related to business mix and overseas business operations, risks based on external factors such as exchange rate fluctuations and geopolitical factors, and risks related to technological competitiveness, such as new technology development capabilities and intellectual property rights. Business execution departments are responsible for these risks. Operational risks include risks related to functional operations for entire Group, such as risks related to safety, environment, disasters, product quality, and defects, information security, responses to antisocial forces, and risks related to the antimonopoly law and the export trade control order. Special function departments are responsible for these risks.

Thus, we have carried out appropriate risk management classifying major risks into these two types.

Risk Management System

Regarding the risk management system, business axis centered on business execution departments controls and manages business risks, while functional axis centered on special function departments controls and manages operational risks.

In addition, regional axis centered on regional management located in major overseas regions conducts monitoring on each regional basis. Information on risks that are controlled, managed, and monitored by these three axes is reported by the officer and department in charge of risk management to the Corporate Strategy Meeting, which is composed of directors and vice presidents, and is deliberated there on monthly basis. These deliberation results are immediately directed to the responsible departments, those departments promptly implement measures to control risks, such as tightening controls, and eventually the actions taken and the status of improvements are reported to and confirmed again in the Corporate Strategy Meeting.

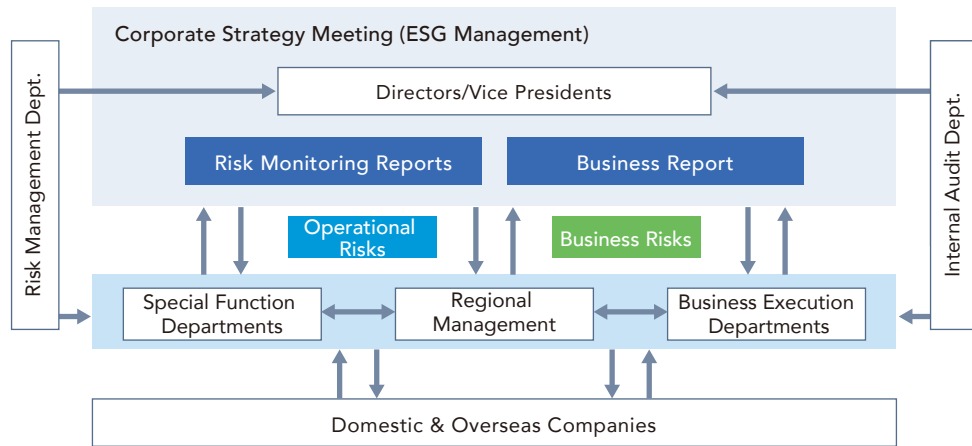
Management Status of Major Risks

Regarding major risks, the Group has analyzed the importance of each risk on the following two axes, with the degree of impact on the business if a risk is materialized and an incident occurs as the vertical axis, and the probability of occurrence as the horizontal axis. Thus, the Group recognizes and visualizes the relative importance of the major risks.

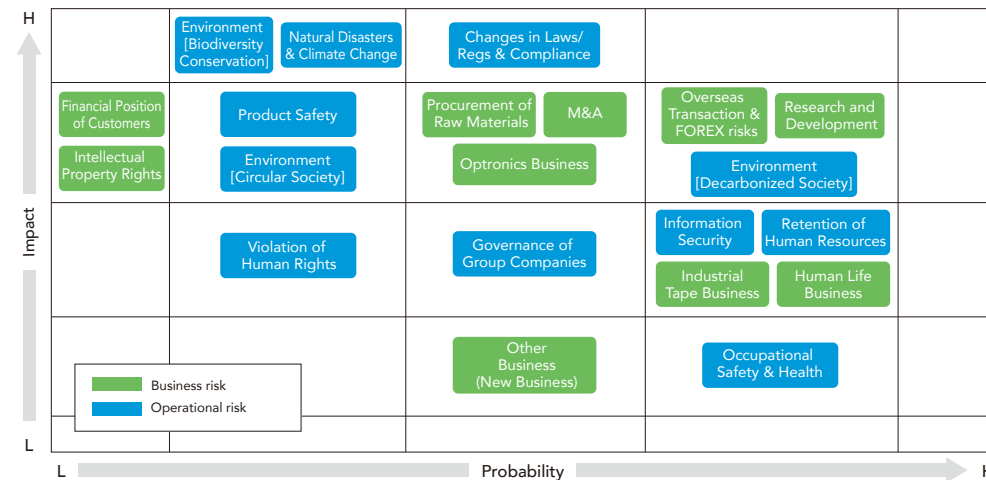
At the end of fiscal year, each responsible department conducts self-assessment for the major risks (business risks and operational risks) that have been reported and deliberated in the Corporate Strategy Meeting, based on assessment criteria such as the establishment of a management system, the actions for controls and countermeasures, and the occurrence of an incident and responses to the incident. In addition, the officer and the department in charge of risk management conduct independent assessments and report those assessment results to the Corporate Strategy Meeting and the Board of Directors.

The results of each risk assessment at the end of fiscal year are shown on the following page. The year-end assessment of each risk is measured by whether the risk has increased since the beginning of the year.

Risk Management System



Risk Map of FY2024



Index

Introduction

Vision

Strategy & Performance

► Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section

Risk Assessment Results of FY2024

	Major Risks	Direction	Assessed Items	Risk Measures
Business Risks	Overseas Transactions & Foreign Exchange Risks	↗	Deterioration of cash flow Exchange rate fluctuation	-Timely monitoring of the internal cash balance, finance situation and asset & liability by currency in the group -Control of currency volatilities by using exchange contracts against depreciation of JPY
			Trade restrictions/ incidents Impact of conflict/ geopolitical risks	-Monitoring of US tariff policy impact on market, supply chain, and raw material cost -Strengthening of logistics management such as visualization and BCP -Identification and improvement of high-risk operations -Promoting education and system development for export managers
	Financial Position of Customers	→	Irrecoverable receivables	-Adequate credit checks and insurances to prevent bad debts
	Procurement of Raw Materials	→	Change of supply chain conditions Deterioration of procurement conditions & environments	-Establishing of permanent departments for reviewing and taking measures for geopolitical risks and chemical regulations -Planning of establishing stronger sustainable procurement system
	Research & Development	→	Delayed/obsolete R&D	-Intensive investment of R&D resources for PlanetFlags/ HumanFlags
	Intellectual Property Rights	→	Intellectual property infringement	-Actions to detect infringement of our IPs in coordination with business divisions
	Industrial Tape Business	→	Changes in electronics related market Changes in automobile productions Delay in addressing growth market	-Focusing on creating the high value-added products for growing markets -Continuous establishment of our constitution resilient to the market conditions
	Optronics Business	→	Generalization & obsolescence of products & technologies Maturity & shrinkage of market Entry of competitors Delay of new product development	-Establishment of supply chain system such as various production sites and productivity responding flexibly to drastic market fluctuations and changes
	Human Life Business	→	Changes in customer demand Decline in competitive advantage/value Rising raw material prices, supply shortage	-Ensuring of the competitive technologies in line with progresses of customers' R&D -Continuous establishment of constitution resilient to increase of raw material and labor cost
	Other Business M&A	↗	Failure of new business Failure of assumed business plan	-Promotion of new business taking into accounts market trends and customer needs

↗ : Increased → : No Change ↘ : Decreased

	Major Risks	Direction	Assessed Items	Risk Measures
Operational Risks	Product Safety	→	Product defect Stricter regulations Solving Quality compliance issues	-Continuous improvement by acquisition of international quality management system -Actions taken for products quality compliance such as education, hard-development on production and inspection sites, and quality audit by 3 lines of defense
	Environment (Decarbonized Society)	↗	Response to environmental regulations Incompliance of regulations	-Actions taken for carbon pricing cost increase due to uncertain geopolitical risks and strict global environmental regulations -Promotion of energy conservation in manufacturing processes
	Environment (Circular Society)	→	Higher renewable energy cost Higher emission rights cost Higher waste treatment cost	-Promotion of the effective use of resources and the recycling on the entire supply chain
	Environment (Biodiversity Conservation)	↗		-Reduction of pollution and hazardous substance -Revision of disposal procedures and SOP on abnormal cases
	Information Security	→	Cyber crime/attack IT system destruction/failure	-Actions taken such as information security education/ training, and ensuring compliance with information management rules
			Information leakage/Illegal use	-In addition to establishment of measures against incidents, conduct of BCP training
	Changes in Laws, Regulations & Compliance	→	Revision of laws and regulations Violation of laws Breach of compliance	-Conduct of compliance surveys and education for business conduct guidelines, and improvement of whistle-blowing system (for all employees in the group) -Establishment of compliance hot line (for suppliers in all region)
	Governance of Group Companies	→	Accounting frauds/deficiencies Irregularities of purchase Management overrides/deficiencies	-Strengthening of governance system, and comprehensive monitoring by promoting three-axes management
	Natural Disasters & Climate Change	→	Earthquakes Heavy Rain, Floods, Typhoons (Warming)	-Conduct of evacuation drills, disaster-related decision-making drills -Establishment and revision of BCP
	Retention of Human Resources	→	Loss of human resources Insecurity of human resources	-Enhancing of engagement such as realizing comfortable work environment which makes it easy to try -Initiatives to acquire, develop and retain diversified human resources
	Occupational Safety & Health	→	Accidents/Disasters	-Continuous efforts to identify and mitigate risks, and initiatives to ensure compliance of rules
	Human Rights	→	Human rights violations (In the Group)	-Strengthening of measures for global human right issues by Corp. Council (HR, Labor, Ethics)
Human rights violations (Supply chain)			-Implemented ESG training program (for all employees in Japan region) -CSR checklists and third-party assessments (for suppliers)	

For details of major risks, please visit our website below.

<https://www.nitto.com/jp/en/sustainability/governance/management/risk/>

Index

Introduction

Vision

Strategy & Performance

▶ Governance

53 A Dialogue Between Directors

57 Directors and Auditors

61 Vice Presidents

> 62 Enhancing Management Security

Data Section