

Directors and Auditors (As of July 1, 2022)



Outside Corporate Auditor
Masashi Teranishi

Corporate Auditor
Masami Kanzaki

Outside Director
Yoichiro Furuse

Director,
Senior Executive Vice President
Yosuke Miki

Director, Executive Vice President
Yasuhiro Iseyama

Outside Director
Takashi Hatchoji

Outside Corporate Auditor
Mitsuhide Shiraki

Outside Corporate Auditor
Masakazu Toyoda

Outside Director
Tamio Fukuda

Outside Director
Yasuhiro Yamada

Representative Director, President
Hideo Takasaki

Representative Director,
Senior Executive Vice President
Nobuhiro Todokoro

Outside Director
Michitaka Sawada

Outside Director
Wong Lai Yong

Corporate Auditor
Shin Tokuyasu

Director

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

Wong Lai Yong

Outside Director (Independent Director)

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

Nobuhiro Todokoro

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

Yasuhiro Iseyama

Director, Executive Vice President

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)

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	Outside 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)

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)
June 2022	Outside Director, Komatsu Ltd. (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)

Yasuhiro Yamada

Outside Director (Independent Director)

April 1987	Joined Bank of Japan
June 2018	Executive Director, Bank of Japan (retired in May 2022)
June 2022	Outside Director, Nitto Denko Corporation (present)

Corporate 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)

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 Adviser 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)

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)

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 (retired in June 2021)
June 2011	Outside Corporate Auditor of Nitto Denko Corporation (present)
March 2015	Outside Director of Canon Electronics Inc. (retired in March 2022)
June 2016	Outside Director of Murata Manufacturing Co., Ltd. (retired in June 2018)
June 2018	Outside Director of Nissan Motor Co., Ltd. (present)
July 2021	Chairman and CEO, Japan Economic Foundation (present)
March 2022	Representative Director, SPACE ONE 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
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
October 2021	Permanent Director of Japan Academy of International Business Studies (present)
April 2022	Professor Emeritus, Waseda University (present)
April 2022	Visiting Professor, Kokushikan University (present)

Skills matrix

Name	Title	Length of service	Gender	Leadership	Technology	Finance	Governance	Sustainability
Hideo Takasaki	Representative Director, President	14	Male	●				
Nobuhiro Todokoro	Representative Director	5	Male	●			●	
Yosuke Miki	Director	5	Male	●	●			
Yasuhiro Iseyama	Director	2	Male			●	●	
Yoichiro Furuse	Outside Director	15	Male	●		●	●	
Takashi Hatchoji	Outside Director	7	Male	●			●	●
Tamio Fukuda	Outside Director	4	Male	●	●			●
Wong Lai Yong	Outside Director	2	Female				●	●
Michitaka Sawada	Outside Director	1	Male	●	●			●
Yasuhiro Yamada	Outside Director	-	Male		●	●	●	
Masami Kanzaki	Corporate Auditor (full-time service)	7	Male				●	●
Shin Tokuyasu	Corporate Auditor (full-time service)	3	Male			●		●
Masashi Teranishi	Outside Corporate Auditor	14	Male	●		●	●	
Masakazu Toyoda	Outside Corporate Auditor	11	Male	●			●	●
Mitsuhide Shiraki	Outside Corporate Auditor	10	Male				●	●

*The table above shows skills specifically expected and is not all-inclusive.

*Director Hideo Takasaki is designated as Leadership only from the viewpoint that it is most important for him to oversee management as President-Director.

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, and so forth, the Company believes that the appropriate size of the Board of Directors is not more than ten (10) Directors (one third (1/3) or more of whom are Independent Outside Directors). Likewise, the Articles of Incorporation set an upper limit of ten (10). The Company also believes that the appropriate size of the Board of Corporate Auditors is not more than five (5) members (half or more of whom are Independent Outside Corporate 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 (5). 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.

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, "We place safety before everything else," which is one of the principles of "The Nitto Way," also encompasses "safety in business management." 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.

Appointment and Dismissing of Directors and Corporate Auditors

The Officer Appointment and Dismissing Standards have been established as described below and are applied when appointing a Director or Corporate Auditor. In addition, in order to further enhance fairness and transparency in appointment of Directors, the Management, 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 values, attitudes and mindset, and code of conduct are based on placing safety before everything else, amazing and inspiring our customers, anticipating and leveraging change, taking on challenges for new value creation, acting promptly and following through on decisions with determination, transforming ourselves constantly, and having an attitude of integrity, and understanding and respecting diversity.

< 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.

Vice Presidents (as of July 1, 2022)

Name	Title (Position)	Responsibilities
Hideo Takasaki	Representative Director, President CEO, COO	
Nobuhiro Todokoro	Representative Director, Senior Executive Vice President	
Yasuhiro Ohwaki	Senior Executive Vice President General Manager of Human Resources Management Division	Human resources & education, and diversity & inclusion promotion
Yosuke Miki	Director, Senior Executive Vice President CTO General Manager of Corporate Technology Sector	Corporate technology (R&D)
Yukihiro Iizuka	Executive Vice President General Manager of North America and South America President, Nitto, Inc.	Management of North America and South America
Toshihiko Takayanagi	Executive Vice President General Manager of Sales Management Division General Manager of Taiwan	Sales management & sales support, and management of Taiwan
Sam Strijckmans	Executive Vice President General Manager of EMEA (Europe, the Middle East, and Africa) President & CEO, Nitto EMEA NV	Management of EMEA (Europe, the Middle East, and Africa)
Yasuhiro Iseyama	Director, Executive Vice President CFO General Manager of Corporate Accounting & Finance Division General Manager of Export Control Center	Accounting & finance, IR, and export control
Seiji Fujioka	Executive Vice President General Manager of Human Life Solutions Sector	Human life solutions business
Kazuki Tsuchimoto	Senior Vice President CIO Deputy CTO General Manager of Manufacturing & Production Engineering Division	IT and manufacturing & production engineering
Atsushi Ukon	Senior Vice President President, Nissho Corporation	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 and information fine materials business
Norio Sato	Senior Vice President General Manager of Advanced Film Solution Division	Advanced Film Solution
Katsuyoshi Jo	Senior Vice President General Manager of PRC Chairman and President, Nitto Denko (China) Investment Co., Ltd.	Management of PRC
Tatsuya Akagi	Senior Vice President General Manager of Information Fine Materials Sector	Information fine materials business
Yukihiro Horikawa	Senior Vice President General Manager of Information and Communication Technology Sector	ICT business
Nobuyuki Aoki	Senior Vice President General Manager of Management Strategy Division	Management strategy and PR
Kenjiro Asuma	Vice President Deputy General Manager of Advanced Film Solution Division	Advanced Film Solution Management of EMEA
Norikane Nabata	Vice President CSO General Manager of Corporate Sustainability Division	ESG promotion, and quality, environment & safety management
Scott Shu	Vice President General Manager of South Asia, India, and Oceania Chairman and President, Nitto Denko (Singapore) Pte. Ltd.	Management of South Asia, India, and Oceania
Hideo Takabuchi	Vice President CPO General Manager of Business Reform Promotion Division	Procurement, logistics, and business reform
Yasuhiro Hayashi	Vice President General Manager of Legal & Compliance Division	Legal and general affairs, compliance, and risk management
Shingo Suita	Vice President General Manager of Functional Base Products Sector	Functional base products business
Yoshihiko Terada	Vice President General Manager of Medical Division, Human Life Solutions Sector	Medical business
Hitoki Kanagawa	Vice President Deputy General Manager of Information Fine Materials Sector	Information fine materials business
Yoichiro Sugino	Vice President General Manager of Printed Circuits Division, Information & Communication Technology Sector	ICT business
Nao Murakami	Vice President General Manager of New Business Development Division, Corporate Technology Sector	Corporate Technology (New Business)

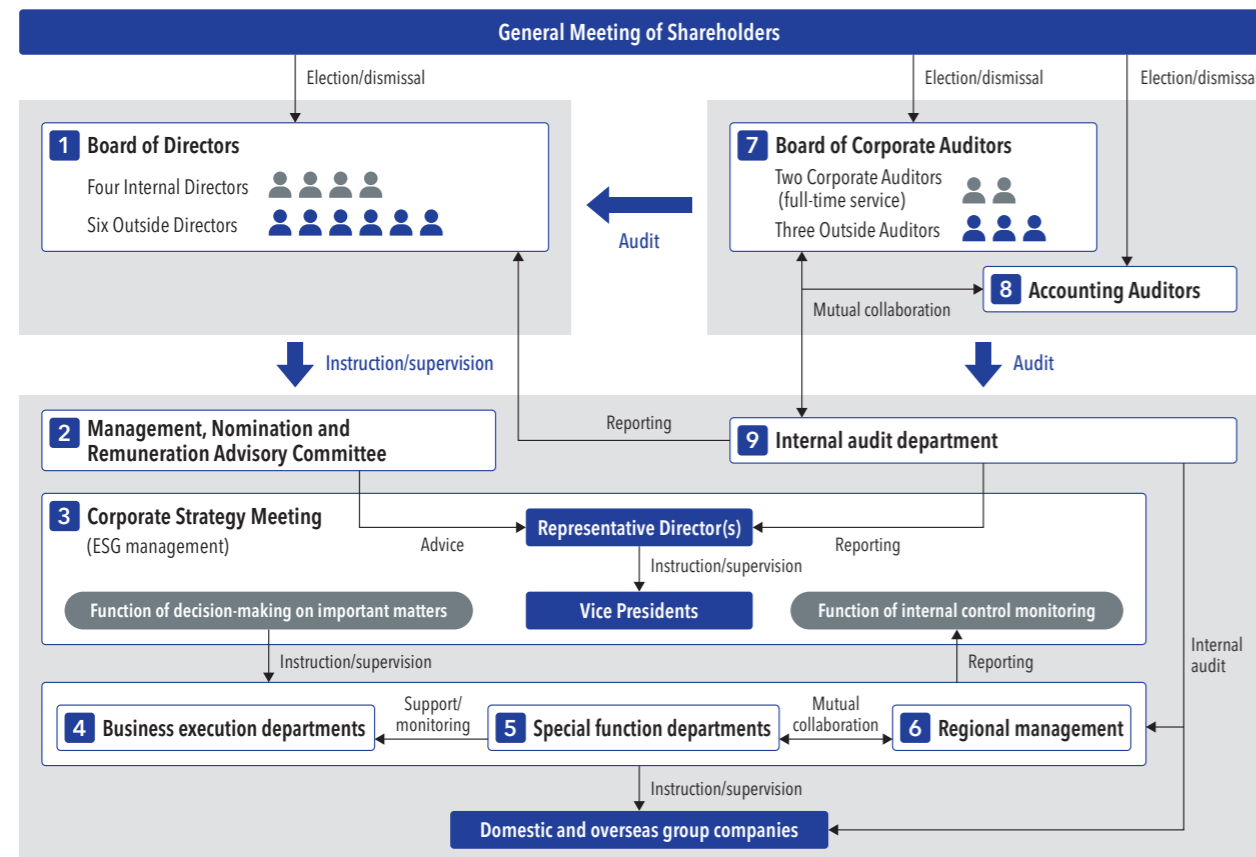
* CEO: Chief Executive Officer, COO: Chief Operating Officer, CTO: Chief Technology Officer, CFO: Chief Financial Officer, CIO: Chief Information Officer, CSO: Chief Sustainability Officer, CPO: Chief Procurement Officer

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 revised the Basic Policy of Internal Control to start a new corporate governance structure on April 1, 2021.

Corporate Governance System*



*The corporate governance structure has remained unchanged since April 1, 2021, but the diagram has been updated for greater ease of viewing.

System for Ensuring the Effectiveness of Internal Control Monitoring

The Company has appointed a Director in charge of compliance and risk management and established a department in charge within the special function departments. These systems promote compliance and risk management. In addition, the department in charge puts together the status of compliance and risks and reports to the Board of Directors and 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.

System for Ensuring the Effectiveness of ESG Management Promotion

The Company has appointed a Director in charge of ESG promotion and established a Director in charge within a special function 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.

Institution	Roles, etc.
1 Board of Directors [Chairperson] Hideo Takasaki, President-Director	[Composition] Four (4) Internal Directors and six (6) Outside Directors (ten (10) in total) · 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 Management, Nomination and Remuneration Advisory Committee [Chairperson] Hideo Takasaki, President-Director	[Composition] Two (2) Representative Directors, six (6) Outside Directors, three (3) Outside Corporate Auditors (eleven (11) in total) · Voluntary advisory committee · A structure where Representative Director receives 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 important management themes, nomination of Directors, and executive remuneration
3 Corporate Strategy Meeting [Chairperson] Hideo Takasaki, President-Director	[Composition] Twenty-six (26) Directors and Vice Presidents (including those concurrently serving as Directors; twenty-seven (27) in total) · 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) · Support, control and monitoring based on the characteristics of each region, implemented in cooperation with special function 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] Masami Kanzaki, Corporate Auditor (full-time service)	[Composition] Two (2) Corporate Auditors (full-time service) and three (3) Outside Auditors (five (5) Auditors 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.

Findings on the Nitto Board Effectiveness Evaluation

Please find below an executive summary of the findings of the fiscal 2021 effectiveness analysis/evaluation of Board of Directors of Nitto Denko Corporation. The analysis/evaluation was conducted based on Japan's Corporate Governance Code stipulated by Tokyo Stock Exchange, Inc.

1. Analysis/evaluation method

As was in the last year, Nitto's Board of Directors analyzed and evaluated the effectiveness of the Board based on the results of a survey conducted by a third-party organization, which were discussed at the Board.

2. Categories of the survey questions

• Board composition	3 questions
• Operation of the Board	8 questions
• Risk management	3 questions
• Discussions at the Board of Directors meetings	9 questions
• Monitoring function of the Board	3 questions
• Training for Directors and Corporate Auditors	2 questions
• Dialogues with shareholders	2 questions
• Efforts by individual Directors and Corporate Auditors	7 questions
• Overview	3 questions
Total of 40 questions	

3. Overview of the analysis/evaluation results

1) Conclusions

It has been concluded that the effectiveness of Nitto's Board of Directors is ensured.

2) Analysis and evaluation

All the Directors and Corporate Auditors responded to the Board effectiveness survey that used a five-point scale for each question. The respondents chose "Appropriate" or "Largely appropriate" for many of the questions (93% of the entire survey). In particular, as in the last year, the survey confirmed that open discussions took place at the Board of Directors meetings among the Board members including Outside Directors and Outside Corporate Auditors and that the agenda items and deliberation times were generally appropriate.

With respect to the creation of a Group-wide internal control system and the supervision of its operational status, which had been recognized as a challenge in the last year, the Basic Policy on Internal Control has been revised and a structure has been put in place, which enables special function departments and regional headquarters to collaborate with each other to compile risk information and the Board and the Corporate Strategy Meeting to receive regular reports. In addition, robust discussions also took place on human resource development, resulting in the establishment of a new Basic Policy on Human Resource Management.

As its challenges in the current fiscal year, the Board recognizes that it needs to have more in-depth discussions on human resource strategy and take actions on the skill matrix. In addition, opinions were expressed on the promotion of ESG management as in the last year.

4. Future action

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 fiscal 2021

Management	<ul style="list-style-type: none"> - Formulation of the Mid-term Management Plan - Formulation of the policy on compensation for Directors and Corporate Auditors - Revision in the Basic Policy on Internal Control - Formulation of and revision in the Basic Policy on Sustainability and other basic policies - Measures against climate change - Visualization of products contributing to the environment/human life
Monitoring	<ul style="list-style-type: none"> - Verification of the implementation status of internal control
Other	<ul style="list-style-type: none"> - Cross-shareholdings - Dialogue with investors

Major consultations and deliberations discussed in the Management, Nomination and Remuneration Advisory Committee during fiscal 2021

Management	<ul style="list-style-type: none"> - Operation and DX of the General Meeting of Shareholders - How to achieve dialogue with shareholders by Outside Directors/Corporate Auditors
Nomination	<ul style="list-style-type: none"> - Candidates for Board members - Efforts to increase the number of female managers
Remuneration	<ul style="list-style-type: none"> - Confirmation of executive compensation structure - Addition of ESG items to executive compensation

Compensation for Directors and Corporate Auditors

Compensation for Directors consists of "compensation in cash" (fixed compensation), "bonus for Directors in cash" (short-term performance-linked compensation), "performance-linked share-based remuneration" (medium-term performance-linked compensation), and "restricted share remuneration" (medium- and long-term performance-linked compensation). 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.

Outside Directors and Outside Corporate Auditors receive "compensation in cash" (fixed compensation) only on a monthly basis.

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 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 Management, Nomination and Remuneration Advisory Committee. The details are as follows:

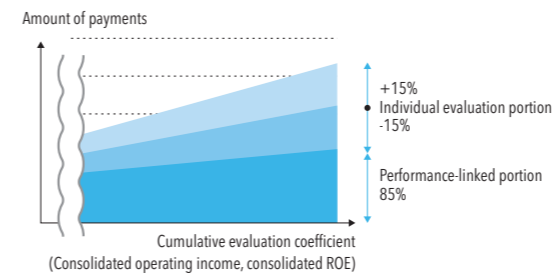
Compensation in cash

Monthly compensation as determined by position, etc.

Bonus for Directors in cash

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 income and consolidated ROE.

Breakdown of Bonus for Directors



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 ranges from 50% to 150% and depends on the progress made toward achieving the key performance indicators of consolidated operating income, consolidated ROE, and ESG-related items (CO2 emissions reduction, status of efforts to increase the proportion of women employees in management positions, etc.)

* ESG-related items have been added to the list of key performance indicators since the beginning of fiscal 2022. Performance evaluation period: April 1, 2022-March 31, 2025

Table of shares issued

Number of shares delivered individually
= Number of shares to be issued (1) x Payment rate (2)

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.

Position	Total amount of compensation, etc.	Compensation by type				Number of eligible Directors and Corporate Auditors
		Fixed compensation	Performance-linked compensation			
			Compensation in cash (cash)	Bonus paid to Directors (cash)	Bonus paid to Directors (cash)	
Directors (excluding Outside Directors)	609	198	330	-	80	4
Outside Directors	79	79	-	-	-	5
Corporate Auditors (excluding Outside Corporate Auditors)	67	67	-	-	-	2
Outside Corporate Auditors	44	44	-	-	-	3

Notes:

- The maximum amount of base remuneration and bonuses for directors was resolved at the 156th Ordinary General Meeting of Shareholders held on June 18, 2021 to be no more than 1 billion yen per year (including no more than 100 million yen for Outside Directors). As of the close of this Ordinary General Meeting of Shareholders, the number of Directors is nine (of which, five are 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 is five.
- The above bonuses to Directors, excluding Outside Directors, are the amounts scheduled to be paid by resolution of the Board of Directors based on the resolution of the General Meeting of Shareholders as described in Note 1.
- 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 48,400 shares a year at the 153rd Ordinary General Meeting of Shareholders. 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 32,000 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 compensation 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 under review, the Company's consolidated operating income was 132,260 million yen and consolidated ROE 12.6%. There will be no payment of performance-linked share-based remuneration as the Company did not achieve its targets. 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 under review 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 compensation policy.
- Salaries (including bonuses) of Directors concurrently serving as employees are separate from the above compensation, etc., but no employee salaries were paid in the fiscal year under review.

(1) Delivery standard stock

Position	Number of shares to be issued
President-Director	5,400
Director, Senior Executive Vice President	1,900
Director, Executive Vice President	1,600
Director, Senior Vice President	1,000
Director, Vice President	800

(2) Payment rate

		Consolidated ROE			
		Up to 12%	12%-less than 13%	13%-less than 14%	14% and above
Consolidated Operating Income	Up to 140 billion yen	0%			
	Above 140 billion yen-less than 175 billion yen	50%	80%	100%	
	175 billion yen and above	70%	100%	120%	
ESG-related items	After seeking opinions from the Management, Nomination and Remuneration Advisory Committee, the Board of Directors determines the payment rate, which ranges from 0% to 30%. If the payment rate in light of the standards on operating income and consolidated ROE is 0%, no payment will be made for ESG-related items.				

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

Risk Management

Basic Policy

At the Nitto Group, we gather information from business execution departments, regional management, and special function departments and analyze risk factors so that the management team may determine major risks for business activities. The list of such major risks undergoes periodic reviews.

Major risks are roughly classified in one of two categories: "Business Risks," which concerns risks associated with business, and "Operational Risks," which concerns other risks that can affect the Nitto Group overall.

Departments responsible for managing each class of major risk do so by establishing a system for managing and monitoring key risk indicators (KRIs) at all Group companies. Such initiatives are brought up for discussion at the monthly Corporate Strategy Meeting, which reports to the Board of Directors periodically as part of the Group-wide risk management.

→See details on Nitto's website
<https://www.nitto.com/jp/en/sustainability/governance/management/risk/>

Risk Management System

At the Nitto Group, we ensure that all sorts of risks are under proper management. In fiscal 2021, we appointed a vice president in charge of risk management and put the new risk management system into operation.

Previously, the Internal Control Committee, which is

managed by a group of limited members, was the Nitto Group's primary vehicle for risk management. Given the recognition that risk management is one of the overriding managerial issues for the Group, however, the Corporate Strategy Meeting, whose members include Directors and Vice Presidents, now serves as a vehicle to share information and deliberate on major risks on a monthly basis, thus increasing the effectiveness of internal control. (Please see the Diagram of Nitto's Corporate Governance System on page 61.)

Each relevant business execution department continues to be responsible for monitoring Business Risks. With regard to Operational Risks, under the new management system, special function departments that are responsible for managing such risks are specified, and the list of risk events to be managed and KRIs are selected (1. Plan), while our sites and Group companies around the world prepare documents on the control of said risks and perform their duties accordingly (2. Do). Special function departments responsible for managing such risks monitor the state of control of each risk at sites and Group companies and report/share risk information thus compiled at the monthly Corporate Strategy Meeting. Regional management, on the other hand, organizes risk information in their own region and assumes the responsibility for monitoring such risks (3. Check). The state of control of risks shared at the Corporate Strategy Meeting, details of deliberations, directions for improvement, opinions, or otherwise will be fed back from regional management or other parties to sites or other organizations across the globe, and each recipient of feedback voluntarily takes action for improvement (4. Action). By keeping this cycle going, we ensure that internal control is strengthened.

Compliance

Ensuring Strict Compliance / Compliance Promotion System

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 and learns about them at training courses and other opportunities. The Guidelines are also uploaded on the corporate website to provide stakeholders with easy access to the document. Another document that is made available to the public in multiple languages is the Nitto Group Basic Policy on Human Rights, which was revised in 2018.

To promote compliance, we established the Compliance Promotion Department under the vice president for compliance, which is engaged in a variety of activities such as respect for human rights, as well as legal compliance, through cooperation with responsible persons at business sites and Group companies across the globe. Also, originally formed in 2004, the Human Rights Enlightenment Committee has been reorganized into the Human Rights, Labor Relations, and Corporate Ethics Council to give renewed emphasis to this cause.

Awareness and Educational Activities for Compliance

In fiscal 2021, we administered training on human rights, labor relations, and corporate ethics at Group companies in Japan with the following details. Starting from fiscal 2022, we will include foreign vice presidents in the candidate list for the global training program for newly-appointed vice presidents at Group companies.

No	Candidates	Periods	Times	Participant count
1	New hires*	From April 2021 (monthly)	12	Approximately 300
2	Those newly promoted to Associate Manager	November 2021	1	65
3	Those newly promoted to managerial positions	July 2021	1	90
4	New vice presidents at Group companies	May and August 2021 February 2022	3	14

* Any employment status. Including mid-career employees

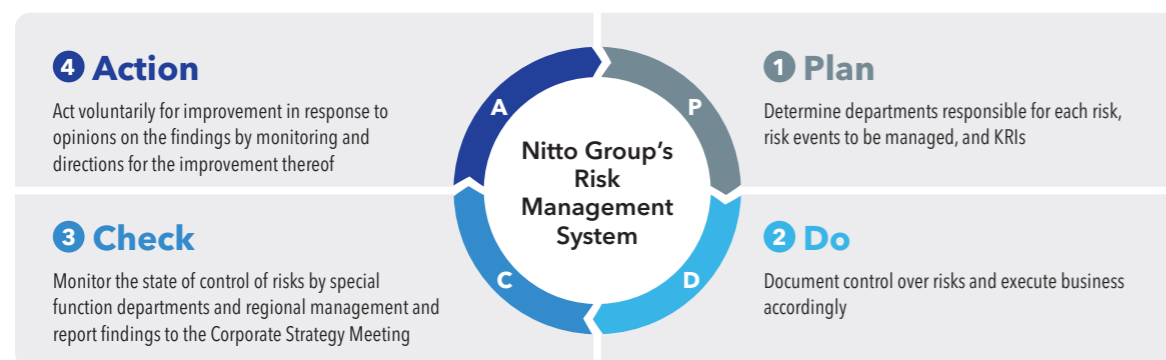
Activities to Ensure Transparency

The Nitto Group has established a system for monitoring the spread of compliance awareness in a transparent manner. We have introduced and operated a whistle-blowing system for employees of any employment status that allows them to file reports to both internal and external contacts. The Partner Hotline, as it is called, is also available for business partners, including those from subcontracting businesses and construction services. In fiscal 2021, a third-party whistle-blowing system was introduced in South Korea and European countries, which completed a global network of internal and external contacts for whistle-blowing across all countries and regions, including Japan, East Asia, South Asia, Europe, and the Americas.

Furthermore, these contacts keep whistle-blowers' privacy strictly confidential, and anonymous reports are allowed. Respondents handle the reports thus made in line with confidentiality obligations, and the operational rules of the system stipulate that whistle-blowers should never be treated unfairly and that no form of threat or reprisal against them should be tolerated. We are making aggressive efforts to make this system known to everyone in the Group by posting it on the Nitto Group intranet, and placing posters on company premises for those employees who do not have access to the Group intranet.

At the Human Rights, Labor Relations, and Corporate Ethics Council and elsewhere, we determine challenges and goals based on employee survey results and input from stakeholders, and, according to an annual action plan, are working to prevent, mitigate, and improve cases of non-compliance and human rights infringements. Towards the end of each fiscal year, we monitor and self-evaluate the efforts we have made over the course of the year to offer input on an action plan for the following fiscal year. In fiscal 2021, we followed this procedure at 14 sites (non-consolidated) and 18 Group companies in Japan. Going forward, we plan to expand the scope of this initiative to our Group companies outside of Japan.

PDCA for the risk management system



Messages from Outside Directors



Impressed by the High Effectiveness and Prompt Decisions/Actions Cultivated from Ample Experience in B2B and Customer-Oriented Approaches

Wong Lai Yong
Outside Director

**Presenting Concrete Designs of Focus Areas and Technology Innovation That Makes Them a Reality
Incubating New Businesses from All Types of "Connections" with People at the Core**

Michitaka Sawada
Outside Director



High effectiveness demonstrated by speed and performance

In a nutshell, I have been most impressed by how effective Nitto's Board of Directors and business are. Almost two years have passed since I took the office of outside director and what surprised me most was that discussions at Board meetings are instantly fed back on-site. In particular, once the management announced its commitment to "place ESG at the core of our management," a series of decisions and actions were taken at an astonishing speed. I can say that management leadership and great teamwork have led us to great performance.

The abilities to flexibly respond to and act in any situation—something that Nitto has fostered through its customer-oriented approaches in the B2B market—manifest themselves in the discussions at Board meetings and the implementation of the outcome of such discussions in business. I feel that this is what makes Nitto unique and competitive.

Making Climate Change Our Own Business, to Achieve Our Targets

Nitto's initiatives are unique in two respects: target setting and the discussion process.

To achieve carbon neutrality by fiscal 2050, Nitto has raised the bar and set a higher target for CO₂ emissions reduction. To ensure that the target will be met, Nitto also made it clear to allocate 60.0 billion yen for environmental investment by fiscal

2030. This I believe shows Nitto's resolve and commitment to do its utmost in combating climate change through its business.

Its discussion process is also very unique. In setting the targets, we had discussions at the Green Committee, which is comprised of members from across the globe. They treated advice from me and other external specialists with respect and reached a conclusion after the most down-to-earth discussion process, which I appreciate very much. The fact that many "Nitto Persons" are directly involved in the process makes it natural for them to consider climate change as "their own business." As a result, we see initiatives on climate change in business strategies at different entities within the Nitto Group.

In Pursuit of Cognitive Diversity of the Entire Workforce

Besides attending monthly Board meetings, I take every opportunity available to have dialogue with employees. Because human resources is one area where I can leverage my expertise, I host lectures for employees, join *Kuruma-za* group discussions, and speak with employees in casual settings whenever possible.

If we are to harness the collective strength of our 28,000-strong workforce, we must include each and every Nitto Person. As a KPI for this cause, we have set the ratio of women in management, but this is a transitional period. I believe that our ultimate goal is to pursue "cognitive diversity" where every single employee is included.

Board of Directors Resolutely Backs ESG Initiatives Unique to Nitto

After I assumed the position of Outside Director at Nitto about a year ago, the Board of Directors has spent much time discussing ESG, which I think prompts employees at each department and on each shop floor to practice and internalize ESG initiatives. My understanding is that this is the case for individual initiatives that come from the bottom up and suddenly take on a concrete shape, stimulated by the discussions at the Board of Directors. In my opinion, the Board of Directors is similar to our parents. When an operating entity is hesitant, they give it a push or put the brakes on it if they think it goes too far. As far as ESG is concerned, a strong push was applied.

Every company needs something that makes it unique. And I think Nitto has two traits that set it apart from the rest. These are: an abundance of creative ideas inspired by curiosity and the will to take up a challenge induced by enthusiastic desire. With the addition of a multiplier coefficient of "speed," Nitto is made to be resilient.

With this understanding of Nitto's unique disposition, I intend to fulfill my duties as Director and get involved in Nitto's management in a responsible manner.

How We Perceive the Concept of Human Life Will Be Key

At one Board meeting, I had an opportunity to share my idea that the concept of "human life" is a very broad one and

that how we perceive and define the concept will be the key. In other words, in what domains can we leverage our technology and strengths the most, how can we lead technology to an exit, how can we create new business models, etc. It's so important to redesign all of this. If we can design a new "human life" business with technological innovation that is conceived from connections among people, between people and society, and between people and planet Earth, I would imagine that we can give rise to new businesses that benefit ESG and that we will eventually see the "entrance" and "exit points" open wider.

Ensuring Mid-/Long-Term Business Growth with PlanetFlags/HumanFlags

"Placing ESG at the core of our management" is crucially important for any business to ensure their sustainability. To make that happen, it takes a good understanding of and practice by management, as well as employees and those in the field. In other words, we need to incorporate ESG into our work and put it in our own agenda.

In this sense, I cannot praise enough Nitto's PlanetFlags/HumanFlags (products contributing to the environment/human life), as they urge employees to deepen their understanding of ESG management and to own it. At the same time, I believe that it is important for Nitto to remain consistent in this regard, that is, all offerings from Nitto, whether or not they are certified as such in light of the most stringent criteria, are equally ESG-conscious.