

NITTO DENKO IN BRIEF

	Nitto Denko Group	Industrial Products
Outline	<p>The Nitto Denko Group supports a wide range of industrial activities by providing high-function products with various capabilities to markets worldwide. These functions include sealing, bonding, separation, permeation and diffusion. We create our products by combining polymer processing and synthesizing techniques with other leading-edge technologies. The 105 companies within the Group are making concerted efforts to make Nitto Denko a global leader in niche markets. Consolidated net sales for fiscal 2000 amounted to approximately ¥325,000 million.</p>	<p>We offer a diverse range of functional materials in a variety of fields, from leading-edge electronic materials to consumer goods such as home electric appliances and automobiles. Many of our products, including adhesive tapes, sealing materials, and surface protection film for automobile bodies enjoy a top share in their respective global markets.</p>
Goals of G-2002	<p>In June 2000, we introduced “G-2002,” a new management plan (fiscal 2001-2003). The plan sets out common goals for our entire Group, particularly the achievement of “high performance and group-wide growth through global niche-leader positions.”</p> <p><i>Strategic Business Aims</i></p> <p>Growth through new products, structural reform, selective market focus, and convergence of synergies</p> <ul style="list-style-type: none"> * Differentiation through technology creating original products * Focusing on markets with outstanding growth potential (3Es) * Implementation of business strategies on a global scale * Reorganization of business structure and reform of managerial infrastructure <p><i>Group Targets (for fiscal 2003, ending March 31, 2003)</i></p> <ul style="list-style-type: none"> * Sales: ¥420 billion * Income before income taxes: ¥45 billion * ROA: 12% 	<p>Improving the efficiency of management across the entire group from a global viewpoint and developing a business strategy for each market sector.</p> <ul style="list-style-type: none"> * Creation of new businesses in the electronics field on the basis of our accumulated tape material technologies * Development of environment-friendly technologies and products * Establishment of a low-cost operating system among Group companies
Focus on Fiscal 2000	<ul style="list-style-type: none"> * Carried out a reorganization of our business structure * Promoted consolidated Group management * Promoted the Supply Chain Management (SCM) project * Introduced a cash-pooling system * Introduced an “environment accounting system” 	<ul style="list-style-type: none"> * Carried out a reorganization of the electrical insulating materials business * Transferred the packaging materials business to a newly established subsidiary * Increased focus on environment-related products
Topics of Fiscal 2000	<ul style="list-style-type: none"> * In July 1999, established Group Management Committee as part of a strengthening of the Group management structure * “NIPOCS,” an LCD-use polarization converting system, received a 1999 Nikkei Superior Products and Services Awards (Nikkei Industrial Daily Awards for Excellence) 	<ul style="list-style-type: none"> * In November 1999, Nitto Denko Material (Thailand) Co., Ltd. began operations as a production base in Asia * In April 2000, transferred the general consumer products business to Nitoms Inc.

Electronic Products	Functional Products
<p>In response to the explosive and diversifying demand in the information field, we foresee market needs and develop functional products based on our accumulated base technologies. In particular, our products serve to sustain technological advances in the electronics industry. Examples of products that have already achieved a top share in the global market include LCD-use optical films (polarizing films and retardation films) and thin metal core boards for Magnetron Resistive Heads (MRH).</p>	<p>We are contributing to the “ecology” industry by developing a number of products related to the environment and health care. We provide medical-use tapes, transdermal therapeutic patches, polymer separation membranes that separate, refine, and condense water and chemicals, and engineering plastics developed utilizing our fluoroplastic processing techniques. Our reverse osmosis membranes used during the manufacture of semiconductors to generate ultrapure water enjoy a top position in the world market.</p>
<p>“Synergy” and “Agility,” the keys to becoming a global niche leader.</p> <ul style="list-style-type: none"> * Creation of new markets through development of new LCD-use optical films and achievement of a stable No.1 share of the market for these products * Development of a technology to mass-produce MRH thin metal core boards * Creation of next-generation businesses through development of new semiconductor encapsulating resins 	<p>Aggressive advance investments, business reorganization, and global business development in order to raise profitability.</p> <ul style="list-style-type: none"> * Obtaining a top share in the domestic market for transdermal therapeutic patches * Reorganization of the surgical materials business * Reforming the profit-making structure by launching new businesses in the engineering plastics field * Promoting production of membrane modules at selective locations in order to improve business efficiency
<ul style="list-style-type: none"> * Completed establishment of a system to mass-produce thin metal core boards for MRH * Launched full-scale production of “NIPOCS,” an LCD-use polarization converting system 	<ul style="list-style-type: none"> * Launched full-scale sales of transdermal therapeutic patches for asthma treatment * Promoted development of new applications for fluoroplastic porous films * Selectively focused on membrane products and markets
<ul style="list-style-type: none"> * In July 1999, the No.2 Factory at the Onomichi Plant went into production of optical films for large-size LCD panels * Set up processing bases in South Korea and Taiwan to carry out the converting process of LCD optical films * In April 1999, established Nitto Denko Vietnam Co., Ltd. for back-end process of FPC manufacturing * In January 2000, four manufacturing plants obtained QS9000 certification. Entered the auto electronics field on a full-scale basis 	<ul style="list-style-type: none"> * In May 1999, received several orders for our new UF membrane from a seawater desalination plant in Bahrain * In July 1999, launched sales of “Checlear O-157,” an O157 detection agent