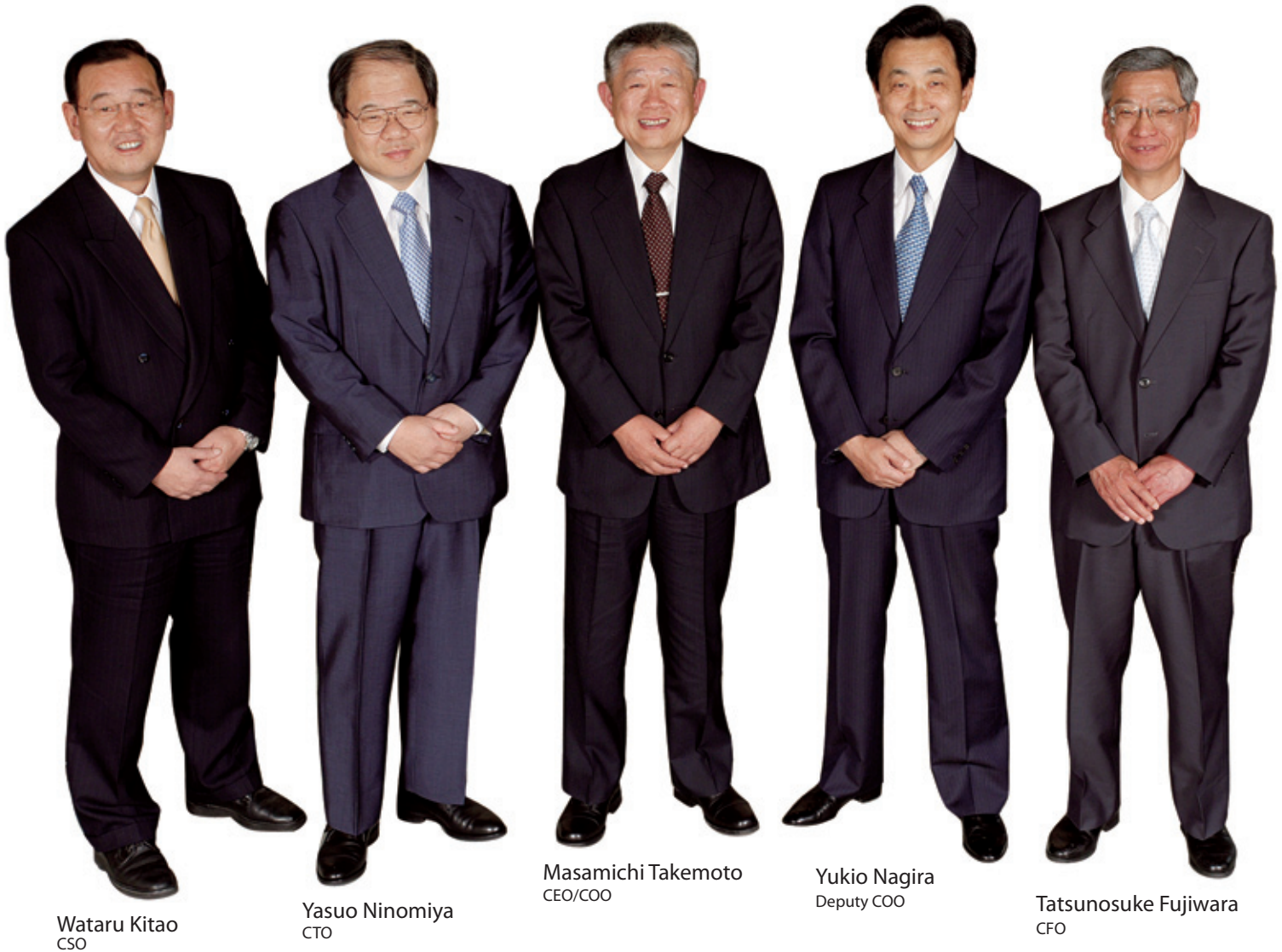


Corporate Governance



Wataru Kitao
CSO

Yasuo Ninomiya
CTO

Masamichi Takemoto
CEO/COO

Yukio Nagira
Deputy COO

Tatsunosuke Fujiwara
CFO

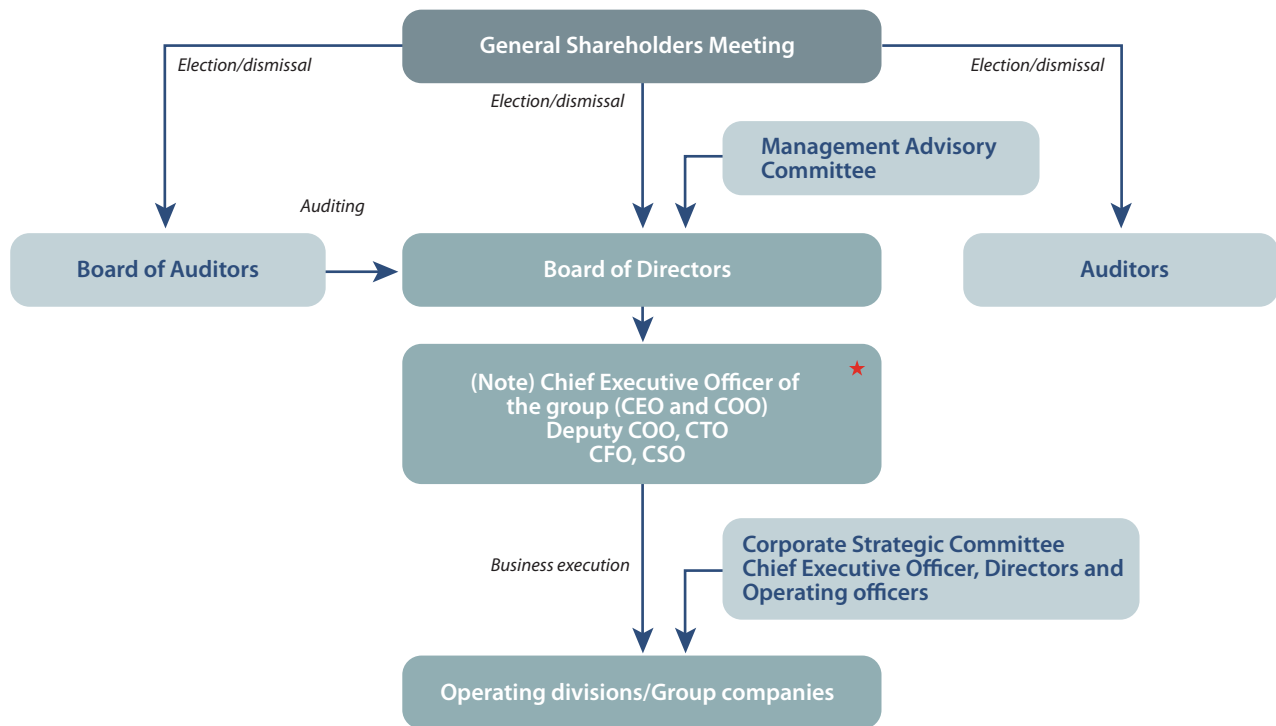
Corporate governance is an extremely important issue to Nitto Denko, one that impacts the interests of all stakeholders who support our activities, and one that is closely related to the continuous and long-term maximization of shareholder value. Nitto Denko Group is dedicated to sound and transparent management based on the fundamental principles of “open, fair and best”: to share information openly, to judge fairly and to do our best based on those judgments.

We have introduced a Chief Officer System for operations and management, a system designed to ensure that decisions are made swiftly, fairly and openly. Corporate directors combine

their regular duties with the added responsibility of conducting group management. We also introduced the Operating Officer System to clarify the roles of management and operational functions. The company’s Board of Directors is responsible not only for making decisions about important management issues, but also serving in a supervisory role over the managerial conduct of directors and company executives.

To ensure sound management and transparency at Nitto Denko Group, we also established a Management Advisory Committee to provide advice from well-informed individuals from outside the company. In addition, a Corporate Strategic

Governance Structure



★ Note

- CEO** (Chief Executive Officer): Chief Executive Officer of the group
- COO** (Chief Operating Officer): Chief Operating Officer of the group
- CTO** (Chief Technology Officer): Chief Technology Officer of the group
- CFO** (Chief Financial Officer): Chief Financial Officer of the group
- CSO** (Chief Strategy Officer): Chief Strategy Officer of the group

Committee is held each month to share (and decide on) information from both management and executives.

The company also employs a system of auditors to act in a supervisory role over management. In addition to attending Board of Directors meetings and other important gatherings, auditors perform surveillance and auditing of the corporate management setup. This involves a broad range of activities, from receiving business reports from employees and accessing various important documents, to investigating business departments, factories, research labs and subsidiaries, both domestic and overseas. Moreover, three of

the five auditors are outside auditors, with no personal relationships, investments, transactions or other interests with or in Nitto Denko Group.

We have also established an Internal Audit Office to inspect the thoroughness of the group's internal controls, and the suitability of company work processes (including those of related domestic and overseas companies), management propriety and efficiency. Furthermore, specialist groups conduct environmental, safety, quality and export management audits in cooperation with the Internal Audit Office.