

# Financial Highlights

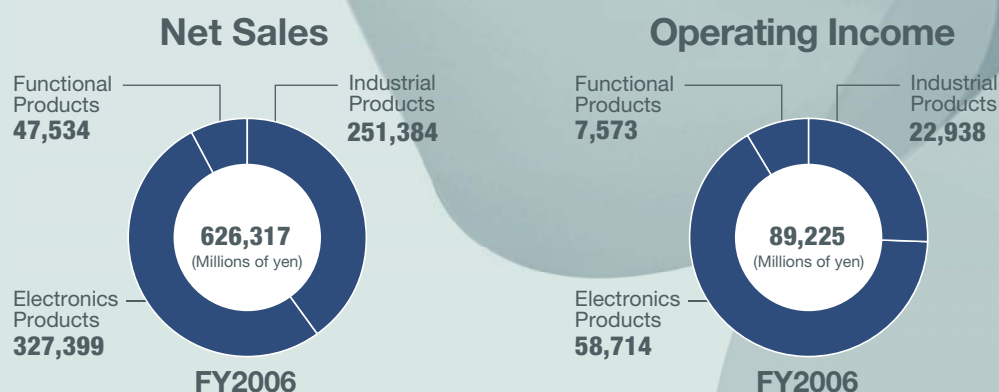
Nitto Denko Corporation and Consolidated Subsidiaries  
For the Years ended March 31, 2006 and 2005

Millions of yen except per-share amounts

Thousands of U.S. dollars  
except per-share amounts

	2006	2005	2006
<b>For the year:</b>			
Net sales	¥ 626,317	¥ 514,868	\$ 5,331,719
Operating income	89,225	70,019	759,556
Net income	55,307	41,843	470,818
Capital expenditures	61,567	52,914	524,108
Depreciation and amortization	31,471	24,681	267,907
R&D expenses	20,489	16,739	174,419
<b>At year-end:</b>			
Current assets	¥ 307,707	¥ 227,206	\$ 2,619,452
Plant and equipment, at cost	206,907	166,524	1,761,360
Total assets	556,934	443,264	4,741,074
Current liabilities	191,464	145,219	1,629,897
Long-term liabilities	31,263	26,686	266,136
Shareholders' equity	321,465	261,091	2,736,571
<b>Per share data</b>			
	Yen		U.S. dollars
Net income:			
Basic	¥ 332.30	¥ 252.72	\$ 2.83
Diluted	331.72	252.58	2.82
Cash dividends	60.00	50.00	0.51
Shareholders' equity	1,943.73	1,583.77	16.55

The U.S. dollar amounts in this report represent translations of Japanese yen, for convenience only, at the rate of ¥117.47=U.S.\$1, the approximate exchange rate on March 31, 2006.

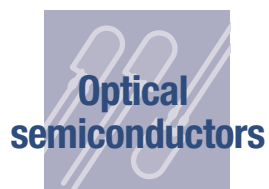
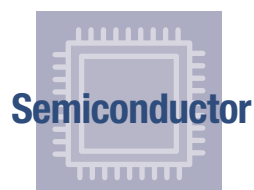


## Cautionary Note with Respect to Forward-looking Statements

Statements contained in this report with respect to the Nitto Denko Group's plans, strategies and beliefs that are not historical facts are forward-looking statements about the future performance of the Nitto Denko Group, which are based on management's assumptions and beliefs in light of the information currently available to it. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Nitto Denko Group's actual results, performance or achievements to differ materially from the expectations expressed herein.

## Global Niche Top™ Products

Nitto Denko continues to develop a host of new GNT products in the FPD, mobile communications, electronics, automotive and ecology sectors. GNT products in the following fields are contributing significantly to the Group's operating performance.



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# Global Niche Top™ Strategy is the Answer

## It's all about our marketing and technologies.

With market needs changing at an incredible pace, steadily introducing new products is essential, but not sufficient. We must also expand our technical and marketing expertise to ensure sustained and organic development.

Maintaining a customer focus is at the core of Nitto Denko's marketing activities. By working intimately with our customers, we can anticipate their needs and develop products to match. We will continue developing new applications and products to meet the needs of existing markets and technologies, while at the same time pursuing developments that meet emerging market needs.

### Our Core Technologies

Nitto Denko has leveraged its original varnish synthesis technology for electrical insulating materials into a number of core technologies, including high-polymer synthesis, coating, film synthesis and circuit-forming technologies. We have applied this technical process to develop a host of value-added products in numerous fields. We will continue expanding our technical base, combining and adding new technologies as we work to add products with specific functions to meet client needs.

### Industrial Products

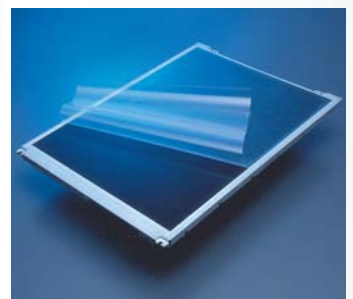
- Double-coated adhesive tapes
- Surface-protection films
- Advanced sealing materials



Double-coated adhesive tapes



Vibration-damping materials



Surface-protection films



Polarizing film for LCDs



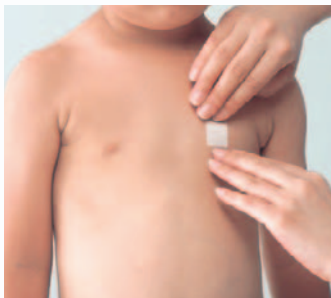
Polarization conversion film for LCDs



Thin metal core board for magneto resistive heads



Semiconductor sealing materials

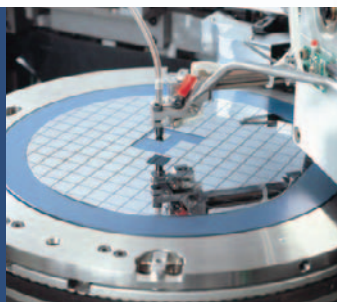


Transdermal therapeutic patches



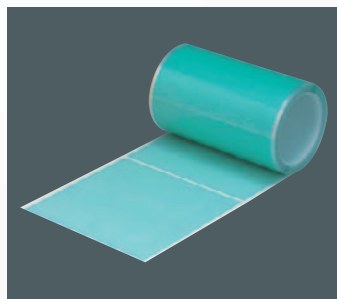
Surgical tapes

## Electronics Products



Semiconductor wafer protection and fixing tapes

- Polarizing films
- Retardation films
- Polarization conversion films
- Semiconductor encapsulating resins
- Thin metal core boards for MR heads
- Protection sheet and laminating device applicator for semiconductor wafer processing



Thermal release sheets

## Functional Products



Cultivated ginseng

- Transdermal therapeutic patches
- Surgical tapes
- Tissue-cultured ginseng
- High-polymer separation membrane modules
- Fluoroplastic porous films
- Fluoroplastic adhesive tapes



Reverse osmosis membrane



Vent filter for automobile lamps