

Introduction

The Nitto Denko Group has been involved in many business activities and has worked in accordance with its standard of practice of “Open, Fair and Best”. We have set “Creation of a New Value” as our corporate vision statement. This year, like last year we have amalgamated both the *Annual* and *CSR reports*. When thinking about assessing someone’s personality, we have to have some idea about both his/her ability and character if we are to make a reasonable assessment. If we were to compare a corporation to a person, in order for every stakeholder to get a clear picture of our corporation, we believe that both financial news, reflecting our actual business performance and corporate power and non financial news, showing our commitment to the betterment of our society and our accountability to the same are inseparable and essential indicators. This report begins with a “top interview” and is followed by information relating to “governance”, “business activities”, “research and development”, “environment and safety” and “financial news” of the Nitto Denko Group.

This report relates to the Nitto Denko Corporation’s business as of 31 March 2008. It includes information relating to the corporation’s business and its additional 110 companies of which 105 are consolidated subsidiaries and the remaining 5 are non-consolidated subsidiary affiliates. In writing this report, we consulted the Sustainability Reporting Guidelines v3 issued by the Global Reporting Initiative and used them as a guide for the disclosure of non financial related information.

The Nitto Denko Group looks forward to your further understanding and patronage.

Tatsunosuke Fujiwara
CFO, Nitto Denko Group
Director, Nitto Denko Corporation
CSR Committee Chairman

Stakeholders Around Us



Index

Introduction	2	Corporate Governance
Highlight	4	The Nitto Denko Group Is Aiming for Transparent Management
Top Interview		10
Globalization Bears Fruit. Our goal is to achieve a 100,000 million yen operating income through both responsible share holdings and an increase in profit through refining our manufacturing technologies.	6	
Business Activities of the Nitto Denko Group		
History of the Nitto Denko Group	16	Feature
Evolving Product Family of the Nitto Denko Group ..	18	Nitto Denko Group's Involvement in the Water Business
Moving towards a More Advanced Optical Business ..	20	21
		Research and Development of the Nitto Denko Group · 27
Environmental Conservation Activities of the Nitto Denko Group		
History of the Nitto Denko Group's Approach to the Environment	30	Towards the Prevention of Global Warming
Material Flow in Fiscal 2007	32	Efficient Utilization of Resources
Environmental Performance Data	33	New Environmental Indicator
Environmental Management Index	34	Proper Management of Chemical Substances · 38
Safety First, Profits Second	39	
Relationship with Local Community		
Cosponsoring the Osaka International Ladies Marathon	40	Approach to a Better Society
		41
Business Results		
10-Year Summary	44	Consolidated Statement of Changes in Net Assets · 54
Analysis of the Business Results	45	Notes to Consolidated Financial Statements · 55
Business and Other Risks	48	Operating Segment Information
Consolidated Balance Sheets	51	Segment Information by Geographic Area
Consolidated Statements of Income	52	Sales to Customers outside Japan
Consolidated Statements of Cash Flows	53	Independent Auditors' Report
		62
The Nitto Denko Group's Corporate Vision and Guiding Principles		
		63
GRI Content Index	64	