

Editorial Policy

- This report is published by the Nitto Denko Group with the aim of informing the world about our environmental conservation efforts and social activities. For the detailed information not included in this report about the activities at our Japan domestic plants, as well as its additional information, please check our homepage as this information is to be uploaded in September.
- In last year's "Environmental Report 2003", we focused solely on our environmental activities; however, we have expanded our coverage to include some of our social activities since this year. Moreover, we have changed the title of this report to the "Environmental and Social Activity Report" and aim to enhance its content in a calculated manner by fiscal 2008.
- As in keeping with our "Environmental Report 2003", we have continued the special feature on group companies outside Japan. In this report, we introduce the efforts of Nitto Europe (please see page 11).
- In compiling and selecting contents for this report, we have chosen items in accordance with and referenced Environmental Reporting Guidelines (fiscal 2000 and fiscal 2003 editions) from the Ministry of the Environment and Sustainability Reporting Guidelines 2002 from the Global Reporting Initiative.

Report Scope

Ideally, this report should be a report with all items relevant to the Nitto Denko Group; however, due to information gathering and an editorial structure which did not fall completely into place, we have arranged the scope of this report in the following manner.

● Data Coverage

Financial Data:

Nitto Denko Group (consolidated)

Environmental Data:

Nitto Denko Corporation (non-consolidated*)

Environmental Accounting Data:

Nitto Denko Corporation (non-consolidated*)

Five Japan domestic manufacturing companies

Seven overseas manufacturing companies

Labor Accident Data:

Nitto Denko Corporation (non-consolidated*)

*Non-consolidated refers to the following six bases; Tohoku Plant, Kanto Plant, Toyohashi Plant, Kameyama Plant, Shiga Plant, Onomichi Plant

● Term

From April 2003 to March 2004

● Next issue

June 2005 (Planned)

Contents

| | |
|--|----|
| Corporate Profile | 2 |
| Editorial Policy/Report Scope/Contents | 4 |
| Our responsibilities ----- | |
| Managers comments instead of an introduction | 5 |
| Close Up I | |
| Products and Technology | 7 |
| Close Up II | |
| Environmental Efforts Abroad | 11 |
| Close Up III | |
| Our Efforts | 13 |

Environmental Report from Nitto Denko

| | |
|---|----|
| Corporate Environmental Policy | 15 |
| Environmental Management | 16 |
| Overall View of Environmental Impacts | 18 |
| Environmental Accounting | 19 |
| Results of Environmental Voluntary Plan..... | 21 |
| Environmental Voluntary Plan 1 | |
| Reduce industrial wastes | 22 |
| Environmental Voluntary Plan 2 | |
| Prevent global warming | 23 |
| Environmental Voluntary Plan 3 | |
| Prevent air pollution | 24 |
| Other Environmental Performance Data | 25 |
| Controlling Chemical Substances | 26 |
| Environmentally Conscious Products | 27 |
| Material Procurement | 28 |
| Environmental Communication Activities in Fiscal 2003 | 29 |

Nitto Denko's Efforts for Social Responsibility

| | |
|--|----|
| Compliance Policy | 30 |
| Making the Workplace Safe and Comfortable | 32 |
| (Occupational Health and Safety) | |
| To Be a Fair Company to People and Society | 34 |
| (Human Rights and Employment) | |
| To Fulfill our Responsibility to Customers | |
| as a Manufacturer | 36 |
| (Consumer Protection and Product Safety) | |
| Relationship with the Local Community | 37 |
| Comparative Table with MOE Environmental | |
| Reporting Guidelines (Fiscal 2003) | 38 |

● Prospection, anticipation, and plans for the future

This report includes the prospection, anticipation, and plans for the future as well as the facts of present and past about the Nitto Denko Corporation and its affiliates companies (the Nitto Denko Group). These are the results of assumptions or judgments based on the information that could be obtained when this report was prepared and thus may contain uncertainties. Therefore, they may be different from the results of future business activities or phenomena that may occur in the future. Certain sections in this report contain predictions about the future. Please note, however, that future predictions are based solely on our prospectations, and we do not guarantee their reliability or accuracy, nor are we liable for any damages that could arise from this information.