What the Nitto Denko Group Needs to Do to Become a Global Excellent Company

To become a global excellent company, a company needs to do more than just achieve excellent business results. It needs to be highly respected by its stakeholders. Moreover, it must be a company in which its employees can take pride. To attain its goal of becoming a global excellent company in fiscal 2007, the Nitto Denko Group will make concerted efforts to foster CSR activities and improve its corporate brand value.



Table of Contents

- 2 Editorial Policy/Scope of Reporting
- 3 Products
- 5 Group & Global Development
- 7 Message from the CEO

To Fulfill Our CSR, We Will Achieve Our One-NITTO Goal and Improve Our Quality

9 Commitment from Executives

To Be the Kind of Company Customers Choose

We Will Fulfill Our Social Responsibility in All Our Activities, Keeping Our Promise

- 12 Corporate Governance/Internal Audits
- 13 Groupwide Awareness of Compliance

To Build Common Ethical Standards,

We Established the Nitto Denko Group Business Conduct Guidelines

15 CSR Management

Efforts for Environmental Conservation

- 17 Making the World's Largest Optical Film Plant More Environment-Friendly Onomichi Plant's Challenge in Energy Saving and the Effective Use of Water Resources
- 19 Environmental Impact Caused by Business Operations and Past Environmental Conservation Activities
- 21 Environmental Management
- 22 Material Flow in Business Operations
- 23 Achievement of Targets in the Voluntary Environmental Plan
- 24 Reduction in Industrial Waste
- 25 Prevention of Global Warming and Air Pollution
- 26 Environmental Conservation Activities by Nitto Denko Group Companies
- 27 Other Environmental Conservation Activities
- 28 Future Environmental Conservation Activities
- 29 Environmental Accounting
- 30 Environment-Conscious Products

Social Activities

- 31 Support Those Who Take on Challenges Employees Taking Initiative in Volunteer and Social Contribution Activities
- 33 Relationship with Shareholders
- 34 Relationship with Suppliers (Partners)
- 35 Relationship with Customers
- 37 Relationship with Employees
- 41 Relationship with Local Communities
- 42 GRI Content Index



Editorial Policy

- This report is published to help all stakeholders of the Nitto Denko Group deepen their understanding of the Group's measures to fulfill its social responsibility.
- Based on our policy of open, fair, and best business practices, we are committed to keeping information transparent by disclosing it in this report.
- The Nitto Denko Group conducts business in the manufacturing industry and deals with chemical substances. In this capacity, we believe that carrying out environmental conservation activities as part of our business is one of our most important social responsibilities. Accordingly, our focus in this report is on our activities to reduce environmental impact caused by our business operations.
- In creating this report, we referred to the 2002 Sustainability Reporting Guidelines published by the Global Reporting Initiative (GRI).

Please Visit Our Web Site for Details

Due to a lack of sufficient space, we were not able to include details of the environmental performance and social activities of domestic and overseas Nitto Denko Group companies in this report. However, as we did last year, we will make such information available on our Web site (scheduled to be posted in September 2006).

http://www.nitto.com/

Predictions, Forecasts, and Plans for the Future

In addition to the Nitto Denko Group's past and present achievements, this report includes predictions, forecasts, and plans for the future. These forward-looking statements are based on assumptions and judgments that were made according to information that was available at the time the report was prepared and, thus, contain uncertainties. Therefore, the predictions, forecasts, and plans described in this report may differ from the actual results of the Group's business activities and events in the future. Please note that the Nitto Denko Group shall not be liable for any damages arising from such discrepancies.

Scope of Reporting

We are still in the process of establishing our information gathering and tabulation system and were not able to report on all Nitto Denko Group companies for each data item. For example, our environmental performance data covers only the companies listed below. For other data items, we clearly show which companies are covered in relevant sections of the report.

■ Companies Covered in the Environmental Performance Data:

Nitto Denko Corporation (non-consolidated): Six domestic manufacturing plants

Tohoku Plant, Kanto Plant, Toyohashi Plant, Kameyama Plant, Shiga Plant, and Onomichi Plant

Domestic Group companies: Seven major domestic manufacturing companies

Nitto Shinko, Nitoms, Nitto Life-Tech, Aichi Nitto Denko, Nitto Electronics Kyusyu, Mie Nitto Denko, and Saitama Nitto Denko

Overseas Group companies:

Seven major overseas manufacturing companies

Permacel (in the United States), Hydranautics (in the United States), Nitto Europe (Belgium), Nitto Denko (Shanghai Song Jiang) (in China), Nitto Denko (Taiwan), Nitto Denko Electronics (Malaysia), and Nitto Denko Material (Thailand)

- Target Period: Fiscal 2005 (from April 2005 to March 2006)

 This report, however, will at times refer to activities conducted in a period other than fiscal 2005.
- Next Publication: July 2007 (planned)