

NITTO DENKO GROUP CSR & Annual Report 2010



The Nitto Denko Group has chosen to amalgamate both our Annual and CSR reports in order to demonstrate our purpose, the contributions that we have made to society and our 2009 business performance.

In a hope to reduce the size of our annual report we have narrowed down its contents. If additional information is required, please refer to our website.

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

This report relates to the business activities of the 110 companies of the Nitto Denko Group as of 31 March 2010, of which 102 are consolidated subsidiaries and the remaining 7 are made up of non-consolidated subsidiaries (accounted for using the equity method) and affiliated companies. In writing this report, we consulted the Sustainability Reporting Guidelines 2006 issued by the Global Reporting Initiative and used them as a guide for the disclosure of non-financial related information.

Stakeholders Around Us



Disclaimer This report contains future projections as well as past and present facts related to the Nitto Denko Corporation (non-consolidated) and the Nitto Denko Group (consolidated). These statements are based on information at the time of creation and may not be completely accurate at the time of reading. Please be advised that actual business activity results could differ materially from those described in the projections.

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Corporate Vision

"Creation of New Value"

Guided by "Open, Fair and Best" as the very basis of our actions, Nitto Denko Group will contribute to people's daily life and industry's future with its power to generate innovative and unique ideas.

Nitto Denko Group will:

- Swiftly create products and services offering new functions that give satisfaction to customers
- Honor autonomy and originality to enhance the working environment with the total freedom for the employees to take on challenges
- Pursue sound business activities and continually earn shareholders trust through appropriate information disclosures and communications
- Always be mindful of corporate social responsibility including sustainability and community relations

Guiding Principles

With the pride and resolve of a Nitto Denko Group employee, we will always act with integrity in accordance with "Open, Fair and Best".

We will:

1. Provide our customers with the highest quality in products and services
2. Place safety before everything else
3. Always act with a challenging spirit
4. Conduct ourselves with good sense, guided by laws and ethics
5. Keep in mind to help protect the global environment and conserve resources

Sales	601,859 million yen
Operating Income	56,086 million yen
Income before Income Taxes	53,698 million yen
Net Income	37,570 million yen
R&D Expenses	20,876 million yen
Capital Investment	37,147 million yen
Depreciation Cost	44,810 million yen

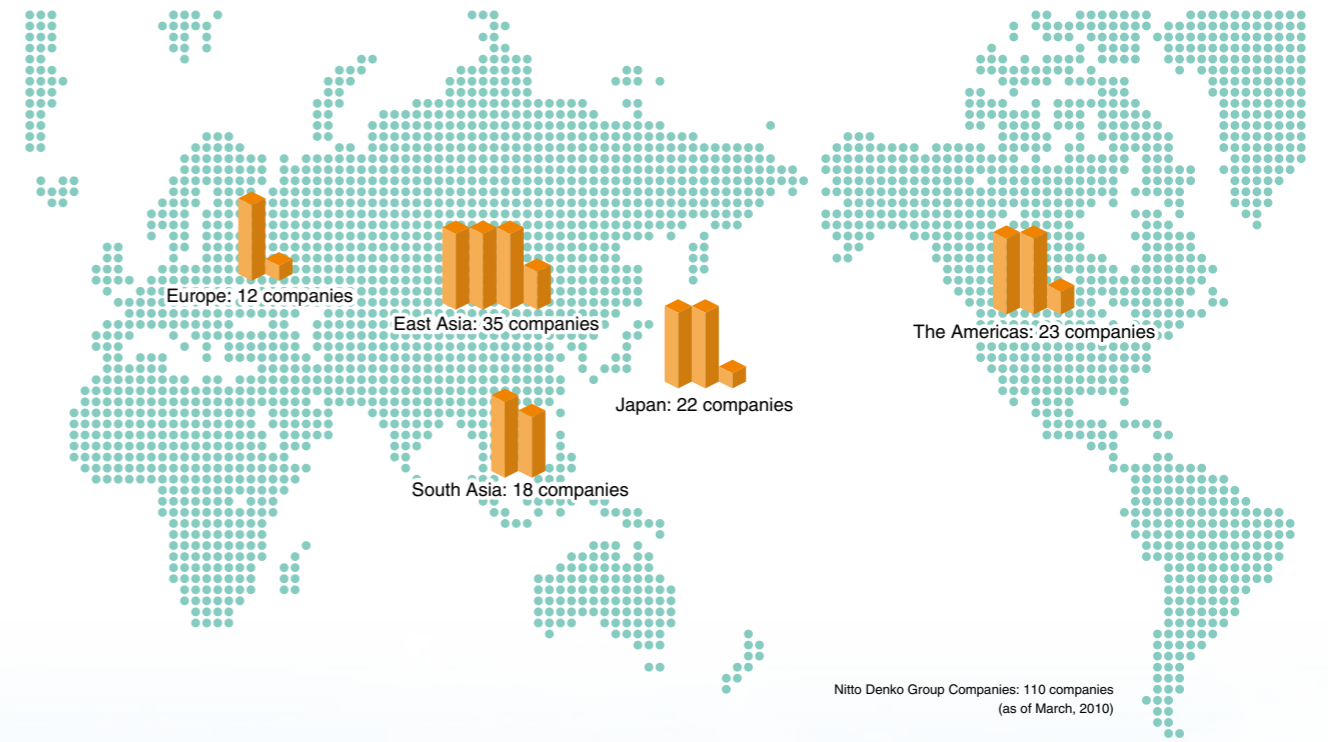
Total Assets	624,992 million yen
Equity	386,664 million yen
ROE	10.1%

Amount per Share

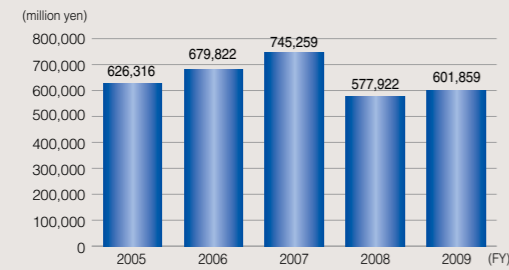
Net Income per Share	225.52 yen
Dividends per Share	40 yen

Regional Breakdown of Sales

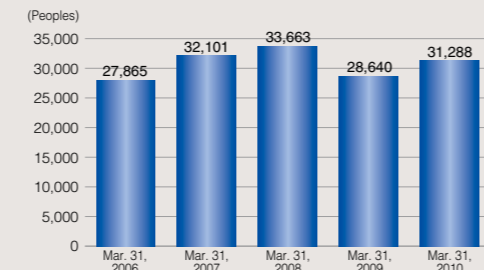
Japan	203,982 million yen
The Americas	37,766 million yen
Europe	26,933 million yen
Asia & Oceania	333,177 million yen



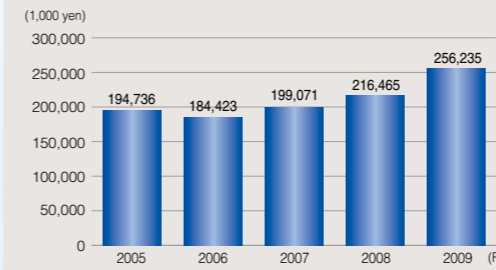
Sales



Number of Employees

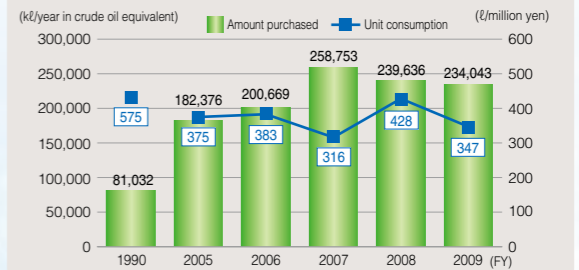


Total Amount Donated (non-consolidated)

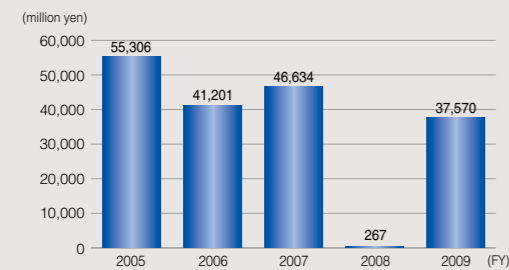


Reference

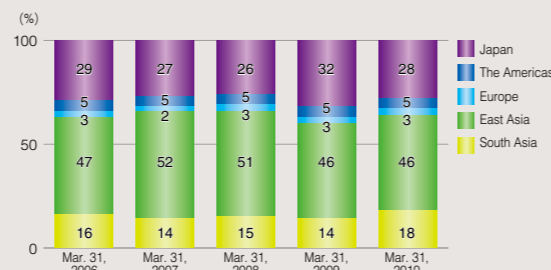
Energy Purchased and Unit Energy Consumption



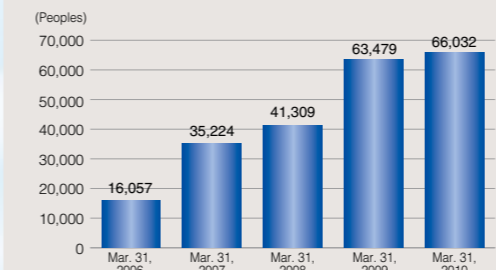
Net Income



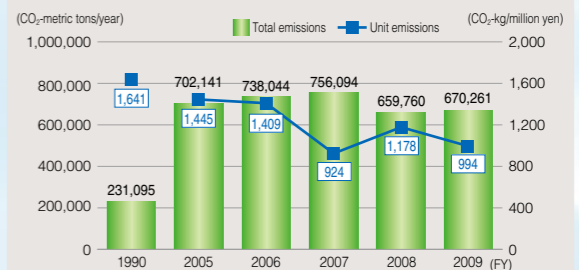
Breakdown of Employees by Region



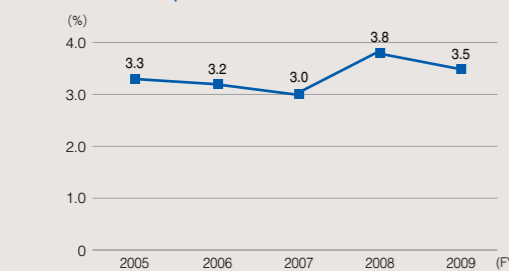
Number of Shareholders (non-consolidated)



Total and Unit CO₂ Emissions



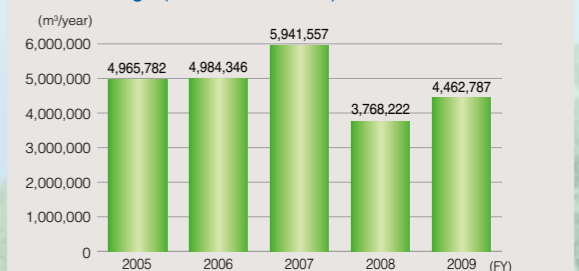
Ratio of R&D Expenses to Sales



Environmental Investment (non-consolidated)



Water Usage (non-consolidated)





To Our Stakeholders

**Fiscal 2010 - The "Year of our Offensive"
With "Green, Clean and Fine" as key themes, the Nitto Denko Group will develop new business areas.**

Yukio Nagira
President, Nitto Denko Corporation

I would like to express my appreciation for the understanding and patronage that the Nitto Denko Group has received from our shareholders, investors, customers, business partners and local communities. On behalf of the Nitto Denko Group, this report will outline our fiscal 2009 activities and present our key fiscal policies for 2010.

industrial materials for hybrid cars and functional materials such as transdermal drug delivery patches used for treating high blood pressure. Overall, sales increased 4.1% to 601.8 billion yen and our operating income rose 305.3% to 56.0 billion yen when compared to the same period in fiscal 2008.

Business Summary for Fiscal 2009

The business environment throughout fiscal 2009 gradually improved with the expansion of domestic demand in developing countries including China along with inventory adjustments and the economic-stimulus measures that took place in many countries. This all transpired despite concerns surrounding the global financial crisis which occurred in the second half of fiscal 2008.

Given the economic circumstances the Nitto Denko Group has promoted a growth plan centering on a fundamental reform of cost calculation which composed of three criteria; "Removing (Mu)", "Reducing (Gen)" and "Replacing (Dai)". In addition to "Mu Gen Dai" related activities, contributions to our business results were made from the sales of products which we had previously advanced the development of. Such products include electronic materials used in the production of LCD televisions, hard disk drives (HDD) and touch-sensitive panels,

Approaches for Fiscal 2010

In fiscal 2010, it is expected that the economy will continue to improve as a result of the influence of economic-stimulus measures in some countries. It is considered that corporations which meet the need in global markets will continue to experience an increase in profits. However the outlook for the economy from next autumn onwards is partly unpredictable. For this reason it will be important to judge the growth field well and to be highly sensitive to changing markets.

We consider fiscal 2010 as the "Year of the Offensive". Whilst keeping the activity of "Mu Gen Dai" in our hearts, which to date has contributed greatly to our business recovery, we will be focusing on developing several new potential growth areas and new products.

With respect to industrial materials, we will globally enhance our development of technology, production and distribution more than ever. We are currently constructing a mechanism of meeting domestic

demand across developing countries such as China, India and Turkey.

With regards to electronic materials, the competition from Korean and Taiwanese rivals is tightening. We aim to maintain stable profits in the future through continued superiority in technology and through further improvements to our business structure.

In the area of functional materials, we will at an accelerated pace develop our medical-related materials (transdermal drug delivery patches) and polymer separation membrane (reverse osmosis membrane) into being pillars of our business.

Our 100th Anniversary since Inauguration

In 2018 Nitto Denko will have its 100th anniversary since its inauguration. We aspire to being regarded as "a corporation which keeps on growing" when that time comes about.

A great deal was lost throughout the recent financial crisis and it is considered that it will take one or two years for the global economy to return to a more stable position. Given the current global economic situation, we will focus on a number of specific areas and work towards targeting our growth within those areas. For us to realize this purpose we will need to take the helm whilst moving into new business fields. The keywords informing our approach are; "Green, Clean and Fine".

In the future, we will firm up both our core industrial tape business (sheet or film products) and optoelectronics business (electronics materials including peripheral material of next-generation displays) and develop new growth industry fields stemming from our "Green (contribution to the global environment), Clean (support for new energy) and Fine (life science)" core themes. We will develop these themes globally applying them to both new products and new applications. In order to ensure the overall quality improvement of the corporation, we will continue to cultivate and develop those of our human resource who demonstrate initiative, innovation and who are motivated to meet the challenge.

Profit Allotment Policy

The Nitto Denko Group management considers the return of profits to our shareholders to be of high-priority. As a manufacturer, in order to keep pace with rapid technological innovation and our need to serve our customers in a timely fashion, it is imperative that we make positive prior investments into research, development and production fields. When determining cash allotments we comprehensively assess the financial standing of our accounts, profit levels and dividend payout.

The interim dividend and year end dividend amounts for fiscal 2009 were the same at 20 yen per share whilst the annual dividend amount per share was 40 yen. Forthcoming annual dividends are projected to be 60 yen, an increase of 20 yen, in line with comprehensive calculations regarding future profits and business investment.

Corporate Social Responsibility

The corporate vision of the Nitto Denko Group is "Creation of New Value" and we consider this to be our purpose. The guiding principles which we embrace that will assist us actualize our corporate vision are "Open, Fair and Best".

At a time where we are experiencing a big turning point in the economy with new values emerging, corporate strength, social responsibility and true value are being put to the test. The Nitto Denko Group not only contributes to society through its business activities but also sincerely is committed to "quality", "safety", "challenge", "compliance" and the "environment" as reflected by our guiding principles. We hold on to these principles with a great deal of pride and conviction. We believe that through embracing this attitude in all that we do, we will be successful in realizing our responsibility to our stakeholders.

The Nitto Denko Group looks forward to your ever deeper patronage and further guidance.

The Nitto Denko Group has sound and transparent approaches to management and aims to be a group trusted by society.



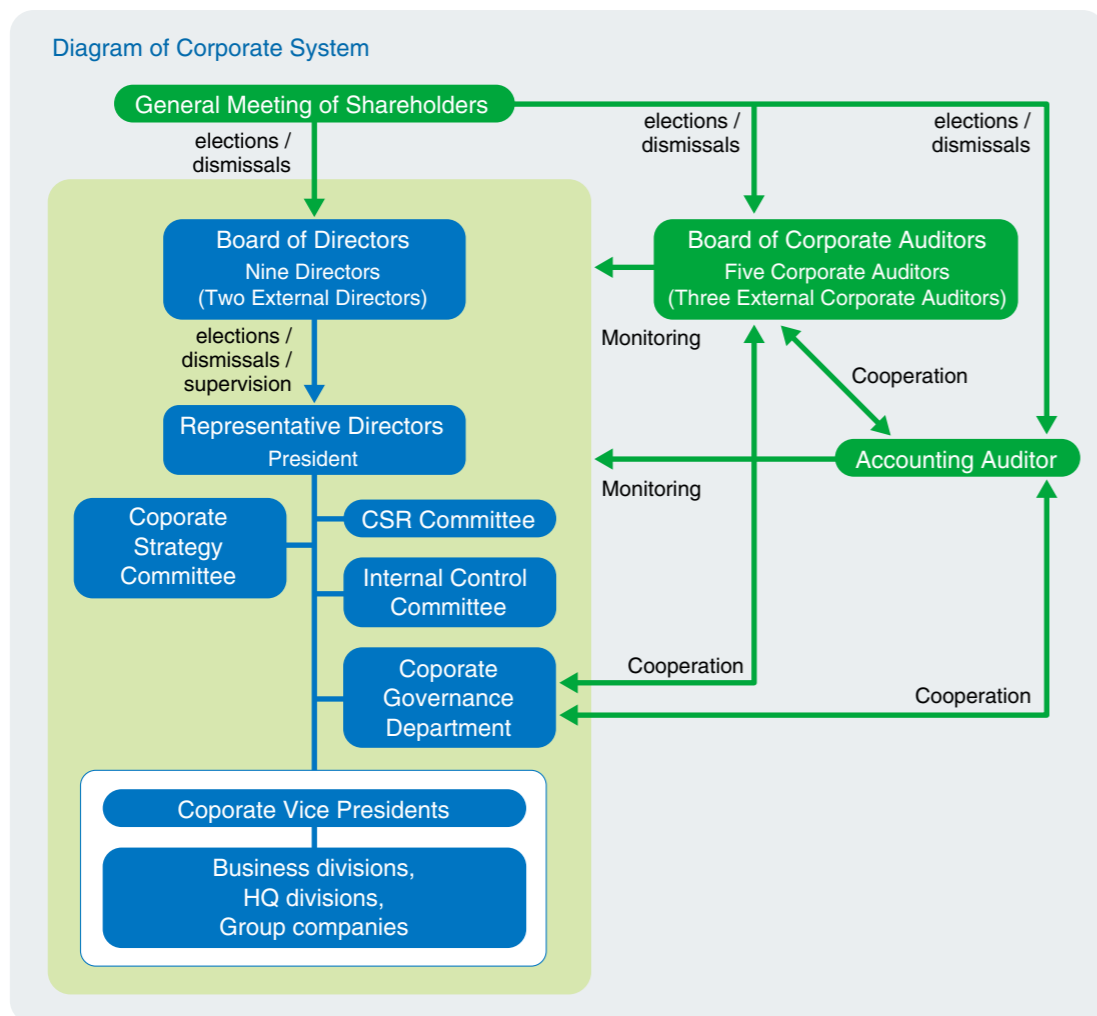
Corporate Governance

Aiming at implementing long-lasting harmonious activities involving every stakeholder

<Governance System>

The Nitto Denko Group believes that to enhance corporate value it is important to implement long-

lasting harmonious activities involving all stakeholders. The governance model we use to realize this is illustrated in the diagram below. We have nine directors and five corporate auditors each committed to maintaining fairness and transparency with the work that they do. Two out of the nine directors and three out of the five corporate auditors have been appointed to objectively carry out the function of governance.



<Basic Policy>

To ensure that the organizational system is proactive, the Nitto Denko Group has introduced policies based on action principles which target employees working in each particular field of our business. Some of the areas addressed concern; "basic policy of internal control under corporate law", "basic policy of internal control relating to financial reporting", "disclosure policy", "environmental policy", "quality policy" and "basic information security policy". Not only have we devised these operational policies but we have developed our "Corporate Vision", "Guiding Principles" and "Business Conduct Guidelines" as common guides for every employee to follow both as employees of the Nitto Denko Group but also as members of society.

Through the integration of both, governance becomes effective.

<Education and Training>

It is integral that we continue to develop our human resources if the Nitto Denko Group is to continue to earn societal trust. For this reason we embrace the ongoing training and professional development of all our employees. We conduct compliance training sessions for core management level employees every year. Furthermore, we conduct training sessions on CSR and other relevant subject matters for everyone in the Group. We aim to develop and encourage our employees to gain confidence, strong professional ethics and a wealth of good sense.

<Audit and Internal Control>

The Nitto Denko Group carries out many internal audits relating to export control, antisocial trading, the environment, safety and quality which are carried out by specialty units. The results of these audits are reported to the department responsible and the relevant management teams. Any identified problems are considered and followed up with strategies that are initiated to improve the situation as speedily as possible. We have also implemented the internal control evaluation measures which are outlined in the Financial Instruments and Exchange

Act. These measures focus on six areas; "control environment", "risk evaluation and response", "control activities", "information and transmission", "monitoring" and the "handling of IT". We believe that in order to enhance future governance, it is necessary to successfully combine our internal audits with the internal control evaluation measures.

<Risk Management>

In order to prevent misconduct, accidents from occurring and to keep our losses at a minimum, the Nitto Denko Group actively manages risk. We consider risk management to be an important component of good governance.

Risk management concerns all our business activities as well as any accidents and disasters that may occur globally. The CSR Committee investigates any risk areas that may present as serious concerns to management. Any potential risk areas are prioritized and the relevant departments are then engaged in a process focused on putting in place countermeasures aimed at prevention and transformation.

<Help Line>

We have two problem solving avenues available to employees, one of which is internal and the other being a helpline. Every employee is able to utilize either avenue in situations where the concerning issue relates to the Group. When any violation of the law or corruption is uncovered, the first step undertaken is for the employee to inform and consult their manager. In cases where the situation is not resolvable within the organization, then it is likely to be reported to the help line information desk.

In fiscal 2009, there were some reports made primarily concerning harassment within the workplace. We are taking preventative measures aimed at focusing on raising employee consciousness around the importance of individual human rights.

Associated Business Risks Listed in the Financial Report as of March 2010

Potential risks which may have an affect on our operational results, share prices and financial standing are indicated below.

1. Optical Business (LCD-related products)

Our optical business constitutes the core of the Group's sales. However, while demand for LCD TVs in emerging markets (particularly China) is anticipated to grow, there are many companies participating in this market and competition continues to be stiff. Our relationship with panel manufacturers (our customers), an imbalance between the supply and demand conditions of the industry, decline in prices, corporate reorganization among panel makers, intensified price competition due to new players entering the market, the under capacity of material suppliers and sharp increases in material costs could all negatively affect the performance of the Group.

2. Business Operations in North America

The Group focused on medical related products which received FDA approval for transdermal therapeutic patches and polymer separation membrane products for water related business and aimed to improve profitability and turn into black by reorganizing industrial products related subsidiaries in U.S. However, uncertainty in U.S. market and stiff competition could negatively affect the performance of the Group.

3. Financial Standing of Our Customers

The Group works with customers all over the world who meet its strict financial criteria. However, some customers are in rapidly changing business environments and serious financial problems could occur with such customers with whom the Group possesses account receivables. In particular, LCD-related products are significantly large compared with other businesses. If a default were to occur, the amount involved would tend to be quite significant.

4. Raw Material Vendors

For some key raw materials, the Group depends on specific vendors. Although it does endeavor to find multiple raw material vendors so as to reduce the

risk of being unable to procure key materials, for some raw materials we need to depend on specific vendors. Failure to obtain the necessary key raw materials due to a possible disaster or vendors going bankrupt could negatively affect the performance of the Group.

5. Currency Fluctuations

The Group manufactures and markets its products throughout the world; therefore, its business is affected by the trend of the global economy. A worldwide recession, a further and longer struggling global economy, country bankruptcy, fluctuations of crude oil prices and currency exchange rates could all negatively affect the performance of the Group.

6. Overseas Operations

The Group operates businesses in Europe, North America and Asia, actively pursuing future possible global business opportunities through marketing and focusing on the reduction of production costs in each area. Depending on the area, there are inherent unavoidable risks that can occur. Such risks include; unanticipated changes to laws and ordinances, taxes and regulations, deteriorating employment relationships and social disorder such as transportation delays and power outages due to incomplete social infrastructures, political disturbances, war and terrorism. The occurrence of such events could negatively affect the performance of the Group.

7. New Product Developments

Aiming at meeting high market expectations, the Group strives toward technological innovation and competitive costing across all areas of the Group's business. The Group continues to pursue new technologies and new product development, with research and development investment necessary for production process innovation, as well as plant and equipment investment based on its "Global Niche Top" strategy. However, it is not easy to accurately forecast changes in an industry in which market changes are so drastic. It is possible that another company could unexpectedly develop new technology or a new product that renders a product of the Group obsolete. The occurrence of such an event that may exceed contingency expectations could affect the management of the company.

8. Intellectual Property

The Group owns, maintains and manages valuable intellectual property rights. However there is a possibility that a third party might claim these rights to be invalid and the Group might not enjoy complete protection. The Group's property may be imitated in some areas and may be involved in lawsuits. Intellectual property rights infringements could negatively affect the performance of the Group.

9. Product Defects

The Group manufactures products according to ISO 9000 quality standards and carries out quality assurance management which is trusted by its customers. The Group has some end products; however the business activities of the Group mainly involve transactions between companies engaged in the manufacturing industry. Although the possibility of the Group being forced to directly compensate end users for its products or to conduct a product recall are slim, the Group cannot completely eliminate the risk of liability associated with product defects. If compensation exceeds the coverage of product liability insurance, this could negatively affect the performance of the Group.

10. Environmental Issues

The Group regards environmental preservation measures as one of its key business policies and has been acting from a position whereby it takes social responsibility, focuses on reducing waste and prevents global warming and air pollution. The Group has not caused any serious environmental problems. To protect the global environment, the Group established a voluntary reduction plan, which it duly observes. However, there is a chance there could be changes in future laws and regulations which could result in significant expenses due to environmental issues and this could negatively affect the performance of the Group.

11. Laws and Regulations

The Group operates its business not only in Japan but also overseas where the Group is governed by the various laws and regulations of various countries and must abide by them. If these laws and regulations are strengthened or changed significantly, the activities of the Group may be

limited or the Group may incur additional costs relating to the compliance of laws which could negatively affect the performance of the Group.

12. Accidents and Disasters

The Group carries out safety measures to protect itself from accidents and disasters by following a safety first policy. In particular, Japan has a high occurrence rate of earthquakes. If a large-scale earthquake were to occur in a particular area within Japan, despite the existence of earthquake insurance, its coverage would be limited and costs incurred could influence the performance of the Group.

Injuries could occur throughout the production process due to fire or chemicals. Any injuries could cause loss of public confidence, business interruption, compensation for damages and other related expenditure. Moreover, if there were a massive outbreak of new infections across the world, depending on the nature of the outbreak, it may not only influence the global economy, but also the performance of the Group.

13. Retirement Benefit Liability

Employee accrued benefit costs and liabilities of the Group are calculated on the basis of assumptions made concerning such things as the discount rate and other actuarial calculations and expected returns of pension assets. When the actual results differ from the assumptions or when the assumptions are altered, effects will accumulate and be systematically recognized in the future. This may generally influence recognized costs and calculated liabilities in the future. If market interest rates go down or investment yields of pension assets deteriorate in the future, an increase in retirement benefit liability and a shortage of funds might occur and thus influence the business results of the Group.

QES Audit

Auditing quality, environmental impact and safety are fundamental in ensuring that a high standard of manufacturing is maintained. We have a specialized department delegated with the responsibility of carrying out such audits.

In order to ensure that the Nitto Denko Group is audited from the perspective of its stakeholders the QES Audit Department was created. This department audits from two separate standpoints. Firstly it looks at quality from a customers perspective and secondly environmental and safety aspects from an employee, their families' and the local communities perspectives. Any identified risks form the basis for future improvement works.

The target auditing group includes the 70 Nitto Denko Group bases concerned with manufacturing and design across Japan, Asia, Oceania, USA and Europe. In fiscal 2009 we audited 22 bases. Alongside this we carried out follow up audits on those bases audited during the previous fiscal year. In fiscal 2010 we will visit 42 bases and conduct audits focusing on three key areas; quality, environment and safety.

Any reported risks which are identified along with any suggested countermeasures are passed on to Nitto Denko's directors, corporate auditors and those in charge of each group company.

Product Risk Management

Aiming at providing safe and useful products for our customers

The Nitto Denko Group through setting up a "Product Risk Committee" aims to reduce risks associated with products.

Section meetings have been set up to address the risk areas identified throughout fiscal 2009.

We will continue to implement risk reduction measures throughout fiscal 2010.

(1) Product Liability Risk

As our products are mainly parts or component focused, it is rare that we market our products directly to consumers. Given this we have to manage the potential risk of situations where reparations are needed to be made against a single component product in order to prevent or minimize the possibility of further troubles with the final product.

In order to deal with such risks, we have contingency measures in place where establishing guidelines, specifying compensation on contracts and so on.

(2) Chemical Products Risk

Regarding legislative control requirements, we have considered countermeasures for RoHS and REACH.

For situations where harmful substances appear in materials, raw materials and consigned goods, we have established the Nitto Denko Group Green Procurement Standards, which have been thoroughly reviewed.

(3) Packaging and Indication Risk

Products are labeled according to legislative requirements for both inner and external packaging.

f.e.: GHS, UL, source and other indications

Product Risk Committee

Section Meeting of Risk	Actual Achievement of Fiscal 2009
Product Liability	<ul style="list-style-type: none"> Review of Basic Regulations for Product Safety Introduction of a System of Arrangement of Quality Assurance Agreement
Chemical Products	<ul style="list-style-type: none"> Review of Nitto Denko Group Green Procurement Standards Review of Nitto Denko Group Regulations on Voluntary Management of Chemicals Response to REACH Response to Amendment to the Chemical Substances Control Law
Packaging and Indicating	<ul style="list-style-type: none"> Purchase and Distribution of Classification Software of GHS
Others	<ul style="list-style-type: none"> Building of Document to Customer Management System

Procurement

Aiming towards global "Open, Fair and Best" procurements

Care for the natural environment and global laws and ethics are primary Nitto Denko Group procurement considerations. The priority we place on these considerations stems from our spirit of being "Open, Fair and Best".

In prioritizing "green procurement" we give consideration to the environment, safety and the use of chemical substances when procuring and work closely alongside the Chemical Substance Management Center.

We have established a "partner hotline" which allows our partners to report any violation of compliance or suspicion thereof. When a problem occurs, we attempt to deal with it rapidly.

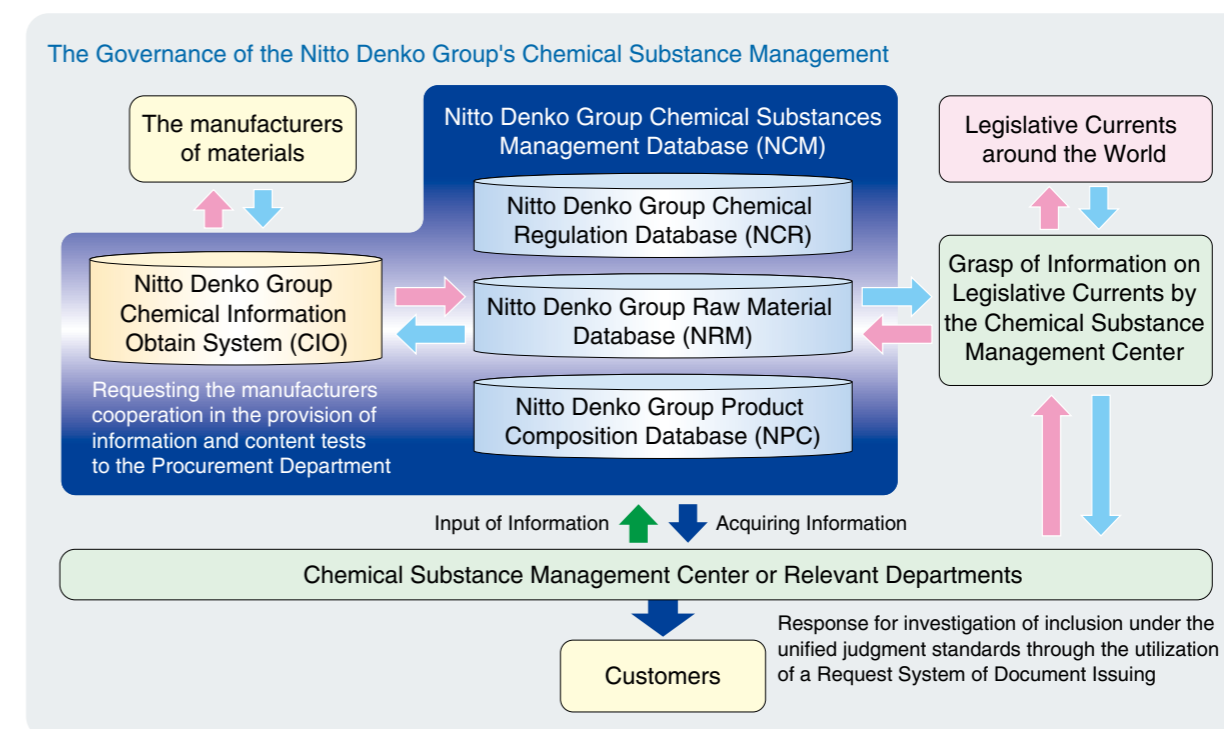
For further details, please visit the following website: <http://www.nitto.com/company/materials/index.html>

Quality and Chemical Substance Management

Aiming at consistent quality and safe products

In fiscal 2009, the Nitto Denko Group's Central Quality Management Department worked co-operatively with production engineering departments and the Quality, Environment & Safety Management Sector to improve the standard of facility design review. Both groups worked together embracing the motto; "our pursuit of quality makes for content customers". Through the introduction of various techniques, we have reduced the number of problems arising and have been able to make improvements in maintaining greater quality consistency.

To prevent the use of chemical substances which are harmful to humans and the environment, the Chemical Substance Management Center has established self-management regulations regarding the management of chemical substances used. The center continues to control raw material procurement within the group. The "Nitto Denko Group Chemical



Substances Management Database (NCM)* began in December 2008. In fiscal 2009 the center joined alongside other departments in our commitment towards wanting to ensure that we are responsive to customer inquiries about chemical substances that are used in our products.

This strategy has benefited the Nitto Denko Group's ability to better manage the overall governance of chemical substance usage.

With respect to certifications, on 27 August 2009, Nitto Denko Automotive, Virginia, Inc. obtained its ISO/TS16949 certificate. This certification relates to the automobile industry and quality management systems. On 24 September 2009, Nitto Denko Czech s.r.o. obtained its AEO (Authorized Economic Operator) EU certification. AEO is a system whereby custom houses can authorize corporations that have favorably demonstrated compliance and cargo management protocols. Once a corporation is authorized, they may receive favorable treatment throughout the export and import process.

Please refer to the following website to see other certifications gained in the past.
http://www.nitto.com/company/environment/env_0202.html

Safety Measures for Employees

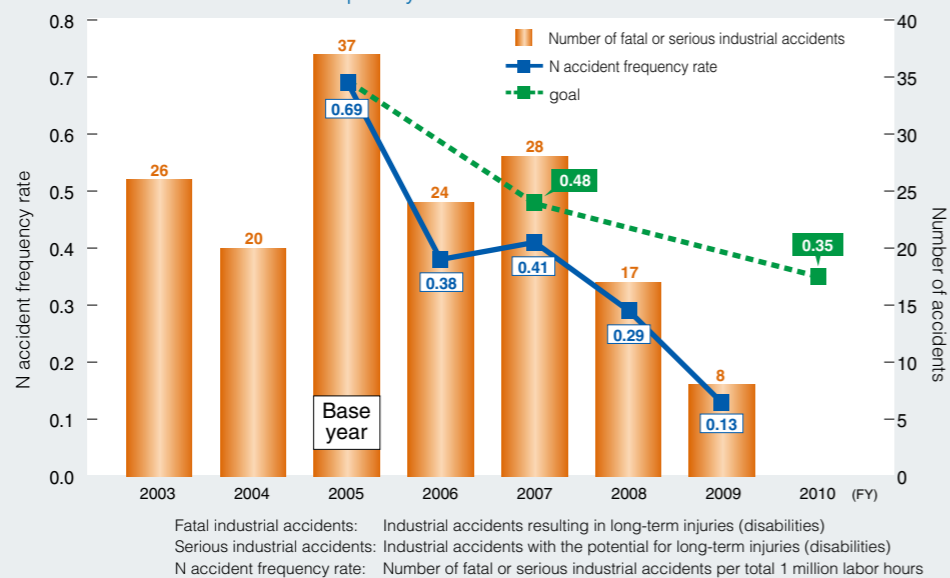
Occurrence of fatal accident in fiscal 2009

In an attempt to achieve the Group's objective of "Zero Fatal or Serious Industrial Accidents", the Nitto Denko Group has continued to implement robust safety activities at each base. For a long time, fatal or serious industrial accidents have been steadily reducing, however on 21 January 2010, an accident occurred at one of our bases in China and an employee died as a result. During a production process, an unusual work practice caused the generation of a poisonous gas which was inhaled by the employee and who died as a result.

The company concerned with the accident in China and Nitto Denko established an immediate countermeasures headquarters and gave due attention to the bereaved and the other administrative agencies involved. Furthermore, in order to prevent such accidents from reoccurring, we have given guidance not only at the plant where the accident occurred but also at every other plant, both domestically and abroad.

Please refer to the following website to view previous certifications obtained relating to health and safety.
http://www.nitto.com/company/environment/env_0203.html

Transition in "N" Accident Frequency Rate



Personnel Matters

Becoming a corporation where every employee is encouraged to live and participate within their local and broader communities

Nitto Denko Corporation has systems in place to ensure that employees maintain a vocational quality of life and live together within their community and society. They are as follows:

(1) Reserve paid holidays system

We have had a system in place for a long time which has allowed employees to use any unused vacation leave in situations involving illness, the provision of care during pregnancy and childbirth in addition to maternity leave and child-rearing and caring responsibilities. The situations where unused leave can be utilized have been expanded to include;

- Donor organ transplants
- Individual fertility treatments
- Volunteer activities including contributions to local communities and
- Taking child-support holidays during periods of compulsory education

(2) Welcome Home Plan

This is a system whereby retired employees due to family circumstances are able to return to work at Nitto Denko. Once retired, it was often difficult for people to reenter employment. However due to this system, retired staff are able to return to work if they have enrolled in the program before retirement.

Cultivation of Human Resources

Provision of basic knowledge through use of Nitto Denko's original educational materials

There are many mandatory knowledge areas which employees of the Nitto Denko Group have to have received training in. With a view to enhancing the quality of employees, employees themselves are encouraged to participate in training employees. The training received relates to many areas such as the history of Nitto Denko, production, maintaining quality, safety, environmental conservation, laws and accounting.



Training scenery (Nitto Denko (Taiwan))



Training scenery (Aveva Drug Delivery Systems, Inc. in USA)

TOPICS

Promoting Vaccination against the H1N1 2009 Virus by Two Companies in USA

The H1N1 flu pandemic spread around many countries between 2009 and 2010. During the National Influenza Vaccination Week, Hydranautics and Nitto Denko Technical Corporation hosted an on-site flu vaccination clinic on 19 January 2010 for all employees.



A total of 128 employees received vaccinations

Health Check in Nitto Denko (Australia)

Australia has no law requiring employers to conduct employee health checks. Despite this the Victorian Government offered a subsidy and Nitto Denko (Australia) Pty. Ltd. carried out health checks on its staff on 23 November 2009.

Fiscal 2009 Achievements and Future Prospects

Both the optical and electronics businesses are strong. With the development of future new products, transdermal drug delivery patches will be produced for the global market.

Optical Business

Throughout fiscal 2009 our optical business ran smoothly as demand for LCD televisions rebounded greatly as a result of the economic stimulus measures initiated by many countries. Such initiatives included the eco point system in Japan and the introduction of a policy in China which promoted the common place use of household electrical appliances in rural villages. Continuous cost reduction and productivity improvement activities also contributed to our business results.

We were able to respond promptly to the demand for big screen televisions in Japan, Europe and USA and the replacement demands of CRT-based televisions in developing countries. Furthermore, new LCD televisions which load LED (semiconductors called light-emitting diode) backlights were introduced onto the market. These devices have enjoyed popularity due to their slim lines, being lightweight, having a vivid image and low power consumption. Our optical films have and continue to play a part in the popularity of the new LCD's.



Optical films for LCD

Throughout fiscal 2010, we will continue to contribute to innovative 3 dimensional LCD demand through fully utilizing our technological capabilities in the production of optical films.



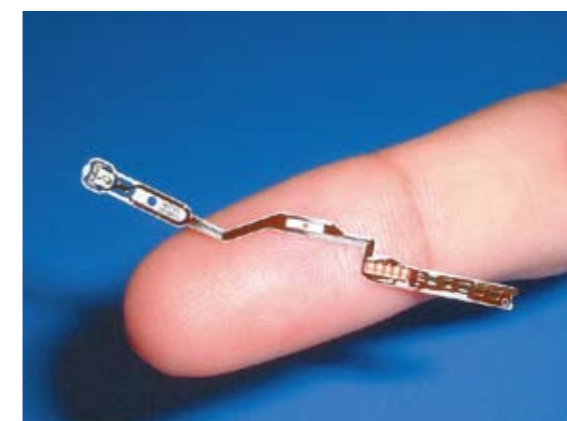
Transparent conductive film ELECRYSTA™

Throughout fiscal 2009, as demand for mobile devices such as multifunctional smart phones with touch-sensitive panels increased, as did the demand for transparent conductive film ELECRYSTA™ as well as our optical films.

If the LCD market reaches its maturity in the not so distant future, we will pour our energy into further improvements and innovative product development aiming to be a business which produces stable and continued profits.

Electronics Business

Our printed circuit materials, flexible printed circuit "NITOFLEX®" and thin-film metal base board with high resolution circuit "CISFLEX®" performed well with the increase in demand for hard disc drives (HDD) used in personal computers. To date HDD have been loaded onto personal computers, but with the appearance of netbook computers, the external



Thin-film metal base board with high resolution circuit "CISFLEX®"

HDD model types have increased in popularity. They have begun to be commonly used for storing a range of visual and media content as a result of the expanding applications for printed circuit materials.

In relation to semiconductor encapsulating materials, the markets throughout fiscal 2009 did not fully recover. Despite this our environment-responsive resin made a mild recovery.

Electronic processing materials ended on a down note, as the materials for semiconductors were affected by customer business investment restraint and the entry of other rival general-purpose products. On the other hand, demand increased for materials used for electronic components on the back of an increase in consumer demand for flat-screen televisions, personal computers, mobile phones and so on. This in turn resulted in the production of our electronic processing materials rebounding.

Toward the future, we will focus our efforts on increasing profits through further the rationalization of existing products and the development of new products in growth fields.

Nitto Denko Receives the Electric & Electronic Component Award of 'CHO' MONODZUKURI Innovative Parts and Components Award 2009

"CISFLEX®" received the "Electric & Electronic Component Award of 'CHO' MONODZUKURI Innovative Parts and Components Award 2009", which was presented at the Conference for the Promotion of MONODZUKURI and Nikkan Kogyo Shimbun Ltd. These awards began as a way of promoting and recognizing business efforts that have and continue to make a contribution to the restoration of Japan's manufacturing power and the development of Japan's industry and society as a whole. The awards focus on recognizing products and materials which are integral "backseat players".

The characteristics of "CISFLEX®" are unique with "photosensitive polyimide" and micro wiring which takes advantage of a "semi-additive process" resulting in wiring with plating.

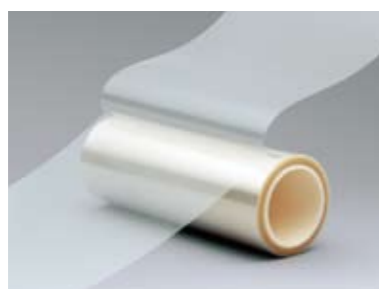


At the award ceremony, the third person from the left is a Nitto Denko employee

Tape Business

Due to the increase in demand for flat-screen televisions, personal computers, HDD and so on in developing countries including China, the sale of surface protective products for optical elements and sealing materials was strong.

Owing to the increase in smart phones with touch panels, the production demand for transparent double-coated adhesive tapes has expanded rapidly. Touch panels are constructed from a laminated body made from several materials, one of which is transparent conductive film. In order to glue together the various elements needed to make a touch screen, transparent double-coated adhesive tapes are used. These films not only fill gaps on the



Transparent double-coated adhesive tapes "LUCIACS"



Electrical insulating materials for hybrid cars

inside of touch panels but also adjust the refractive index of light. Furthermore they contribute towards projecting a more vivid image. In order to respond to the diversifying demands associated with the spread of touch panels, we will aim to strengthen our future product lineup.

With regards to materials produced for the automobile industry, we were able to record strong sales of electrical insulating materials owing to an increase of production of hybrid cars from tax cuts for eco-friendly cars. This occurred despite the decrease in production that took place in the first half of the fiscal year.

As part of our efforts to expand domestic-demand in markets of growing developing countries, we settled on an overseas affiliated company in India in November 2009 and started to construct business models centering on further expanding our tape business. We will look to positively expand our tape business into other developing countries where high growth looks promising. Furthermore, we will continue to promote earth-conscious "manufacturing" as we pour energy into new-product development.

Establishment of the First Overseas Affiliated Company in India

In India high economic growth centering around the automobile, mobile phone and home electric appliance industries shows promise. With the easing of regulations concerning direct investment from foreign companies, the amount of foreign investment is increasing yearly. The Indian economy is domestic-demand-led with huge amounts of money being invested in infrastructure. India's gross domestic product continues to significantly grow and like a number of developing countries, so too does the market potential. Given these circumstances, for us to push ahead with further expansion of our business in India, we have established an overseas subsidiary company in India for the first time.

<General Appearance of a New Company>

Company's Name: Nitto Denko India Private Limited
 Description of Business: Marketing, sales and processing of adhesive tapes and related business
 Date of Foundation: November, 2009
 Location: Manesar, Haryana (approximately 50km southwest of New Delhi)
 Capital: 300,000,000 Yen
 Gross Area: 3,300 m²
 Number of Employees: Approximately 20 (Start-up)



Nitto Denko India, established in November, 2009

Medical Business

Throughout fiscal 2009, many people were frugal with their usage of drugs and medicines. The Nitto Denko Group's transdermal clonidine drug delivery patches (for hypertension) received USA authorization and were launched onto the market and have achieved healthy sales results. Currently, there are eight items using transdermal drug delivery patch technology on sale throughout Japan and USA. We aim to increase the range of transdermal drug delivery patch products whilst at the same time driving expanded global sales of transdermal drug delivery patch products and further enhancing product development in developing countries including China.

In China, our tulobuterol patch (drug for asthma) is being sold after gaining import approval. Further efforts will be targeted toward strategies aimed at increasing sales.

Our medical business is closely linked to "Fine" which is one of our three key values in developing new business areas. The three values are; "Green (contribution to global environment), Clean (support for new energy) and Fine (life science)". In order for us to further expand our business in the medical arena beyond the production of transdermal drug



NittoPhase®HL

delivery patches, we aim to make steady progress in the biomedical field using our core polymer synthesis and processing technology. An example of the way we have applied biomedical technology relates to the field of nucleic-acid drugs. These drugs will hopefully prove to become the cure for many diseases. Our USA subsidiaries, Nitto Denko Technical Corporation and Kinovate Life Sciences Inc. have developed a solid polymer support "NittoPhase®HL" for oligonucleotide synthesis and have launched its sale. Continued research on biodegradable polymers useful in molecular-targeted therapy will be conducted. Molecular-targeted therapy is a treatment which delivers drugs to targeted parts of the body.

We hope to minimize patient discomfort and in doing so the discomfort experienced by families through our products which have been developed through utilizing technologies accumulated through transdermal drug delivery patches and our advanced polymer synthesis and processing technologies.

Clonidine Patch

On 18 August 2009 Aveva Drug Delivery Systems Inc., our USA group company received authorization from the Food and Drug Administration for the clonidine patch, a transdermal drug delivery patch used to treat hypertension.



Clonidine patch (treatment of hypertension)

As a license holder, Aveva exclusively supplies Par Pharmaceutical Companies, Inc. (HQ: New Jersey, USA) with the clonidine patch. The transdermal drug delivery patches which are mass-produced in the USA are; the clonidine, fentanyl (cancer pain lenitive), nicotine, and granisetron (antiemetic drug) patches. We will continue to expand our medical business within the USA, which has the largest market in the world.

Membrane Business

Reverse osmosis membrane is a part of our business that is closely linked to "Green (contribution to global environment)", another of our key values in developing new business areas. In fiscal 2009, demands from developing countries such as the Middle East and India were strong, but due to the downturn in the economy during the fiscal year, deals for industry use within Japan, Asia, Europe and the USA slowed down.

Only a few deals involving seawater desalination projects in fiscal 2009 were made with overall business slowing.

Despite the difficult business environment, we have managed to bring new products onto the market. An example of this being the creation of the world's most energy efficient seawater desalination product, boasting an effective membrane area that is 10%



"Energy-saving and low cost" reverse osmosis membrane element "SWC™6-MAX" used for seawater desalination

"Ultralow pressure and low contamination" reverse osmosis membrane element "PROC™20" for industrial water to be used in China

larger than existing products. Another is a new product which allows raw water containing saline matter and pollutants to be filtered, where the power consumption required for the process is 30% less than that required by existing products. Based on an assumption that there will be increases in future demand, a new reverse osmosis membrane manufacturing plant began operating in 2009 within the Shiga Plant in Kusatsu City in Shiga Prefecture.

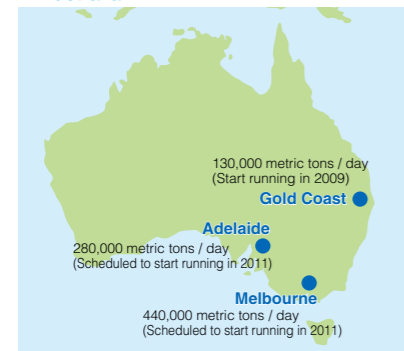
In fiscal 2010, it is expected that markets will rebound where new growth is likely to be experienced. We aim to increase the number of orders for seawater desalination and wastewater recycling projects through using our new products and through maximizing our increased production capacity.

Accepting an Order from a Desalination Plant in Australia for our Latest Model Reverse Osmosis Membrane

The Nitto Denko Group accepted an order for a new model reverse osmosis membrane "SWC™6-MAX" from Thiess Degremont Joint Venture (AquaSure), which will be used in a desalination plant now being constructed in the State of Victoria, Australia.

In Australia, approximately 60% of land is farmland and two thirds of all water used is for the purpose of agriculture. However, Australia has low rainfall and is said to be the driest continent in the world. In particular, since 2000, Australia has suffered from many serious droughts. It is because of this that a desalination plant is now being constructed in Bass Coast near the south part of Wonthaggi in Victoria.

Actual Performance of Delivery and Acceptance of Orders of RO Membrane in Australia



The plant is expected to be completed by the end of December 2011. Once it begins operating it will supply 440,000 metric tons of water a day, 150,000,000 metric tons a year, for Melbourne, Geelong, the south Gippsland and west of Port Town.

The "SWC™6-MAX", which has been promoted this occasion, is a reverse osmosis membrane which boasts industry-leading rates of both permeability and elimination of salt. It can reduce the operation pressure required in the desalination of seawater which in turn contributes to energy-saving.

The Nitto Denko Group maintains a leading market share with its products being responsible for a cumulative 4,700,000 metric tons of desalinated water being produced a day throughout the world.

Research and Development Trends

Development of New Materials Using the SPring-8 Large-Scale Synchrotron Radiation Facility

Dedicated beamline for industry-academia consortium completed

1. Overview

The Advanced Softmaterial Beamline Consortium was formed on 15 February 2008 by 19 enterprise groups, including our own, in order to construct a contract beamline using the advanced light sources available at the SPring-8 Large-Scale Synchrotron Radiation Facility* for the development of new cutting-edge materials.



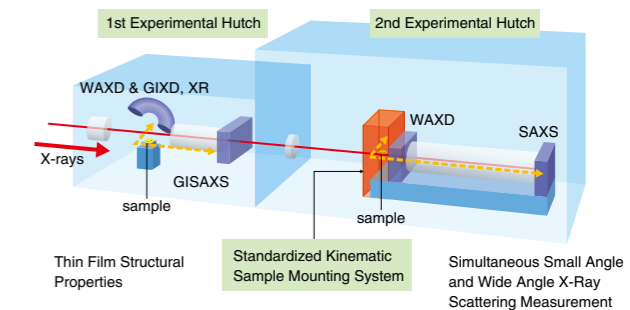
An aerial view of the SPring-8 large-scale synchrotron radiation facility © RIKEN/JASRI

The BL03XU contract beamline, which is the first of its kind at SPring-8, was completed on 4 February 2010. The advanced light sources made available by the government at this large-scale synchrotron radiation facility have made it possible for academics to use their knowledge and for private sector researchers to use their skills in the quest for new polymer materials, with the hope that further advances in polymer science will be made.

* SPring-8 was constructed in Hyogo Prefecture's Harima Science Park City by the Institute of Physical and Chemical Research (Riken). It is a third generation large-scale synchrotron radiation facility capable of producing the highest quality available synchrotron radiation in the world. Synchrotron radiation is a thin, strong electromagnetic wave emitted from electrons that have been accelerated to almost the speed of light which have had their paths bent by a magnetic field. The name SPring-8 is derived from the description of the facility, which is a Super Photon ring 8 GeV (8 giga electron-volts) facility.

It is hoped that the use of synchrotron radiation as a tool will lead to the development of new innovative applications for polymer materials.

2. Contract Beamline Overview



An overview of the Advanced Softmaterial Beamline

Through using the contract beamline constructed by the consortium, it is possible to carry out X-ray analysis and the scattering measurement of polymer materials on a nano-submicron level simultaneously. By using a special brightness enhancement light source device it is possible to achieve high resolution and the formation of micro-beams. The contract beamline consists of Hutch 1 (thin film structural properties) and Hutch 2 (dynamic nano-meso scale structural properties).

The aim of the first experimental hutche is to evaluate the dynamic structural properties of organic and polymer thin film surfaces and interfaces. This involves examining the degree of crystallization, crystalline deformation and the long-term structural nature of crystalline polymer thin films in order to ascertain the microphase separated structure of block copolymer thin films and the molecular aggregation of supramolecular aggregates in the thin film state under various environmental

conditions. This system is useful in controlling the structure of polymer materials used in the surface and interfacial regions of polymer thin films. It is expected to significantly contribute to the development of high performance soft matter for use in a wide range of fields, including electronic devices (organic EL, organic FETs and organic memory materials), adhesion, coating, printing and biomaterials.

The aim of the second experimental hutch is to discover the correlation between the dynamic structure of polymer materials and their physical properties in order to develop novel materials. With this setup it is possible to carry out measurements to clarify the formation and deterioration mechanisms of polymer materials resulting from changes in external conditions, such as stress associated with stretching and spinning, heating and cooling, pressure and solvent evaporation. It is also possible to evaluate the structural properties of polymer materials on a microscopic level, the electron density distribution of polymer crystals, the deformation mechanism of molded polymer products and the structural properties of polymer materials in processes such as molding and processing. Furthermore, the area where the second hutch is located is large enough to allow for the use of a standardized kinematic sample mounting system. This system makes it possible for enterprise groups to bring in their own large-scale devices, such as manufacturing lines, making it possible for them to take full advantage of the features of the contract beamline.

3. Future Developments and the Ripple Effect

By utilizing this contract beamline it is our aim to develop and use new analysis and evaluation technologies to examine the surface and internal structure of materials that would be impossible to evaluate using other methods.

It is our hope that we will be able to make a significant contribution to the economic growth by producing an innovative new framework based on polymer materials that can be used to develop the next generation of cutting-edge materials.

Nitto Denko Support for National Research and Development Projects

We are dedicated to using our technology to participate in national research and development projects that are in line with the future national strategy.

1. CO₂ Recovery Technology

(This government-subsidized research is being carried out by Nippon Steel Engineering Co. Ltd. in conjunction with the Ministry of Economy, Trade and Industry.)

In this project we are developing membrane modules for concentrating CO₂ gas emitted by sources such as power stations in conjunction with the Research Institute of Innovative Technology for the Earth (RITE) and four private companies. In fiscal 2009 we carried out test operations using one of our prototype membrane modules with gas generated by a new type of power plant. It is hoped that membrane modules will prove to be highly energy efficient and it is our intention to continue to develop them in the future.



Test Plant (ECOPRO: JCOAL project sponsored by the Ministry of Economy, Trade and Industry.)

2. Bioethanol Concentration Technology

(NEDO: New Energy and Industrial Technology Development Organization)

In recent years, bioethanol has been in the limelight as a fuel additive for automobiles. Recently, research

and development is being actively carried out regarding ethanol made using cellulose from materials such as wood and rice straw. Such materials do not compete with the supply of food. As a participant in the NEDO project, Nitto Denko is carrying out research and development into achieving concentrations of higher than 99.5% using our proprietary membrane modules on 3-5% ethanol which has been manufactured from cellulose.

Nitto Denko Asia Technical Centre Combines Optoelectronics with Medical Technologies

The Nitto Denko Asia Technical Centre (NAT) was opened at Fusionopolis, Singapore's latest technopark, in November 2008 with two major missions; one being to develop new products using the company's proprietary materials for use in environmental and medical applications, and the other to establish long-term partnerships with Singapore-based research and development organizations.

NAT currently consists of 18 young scientists and technicians from seven Asian countries of which more than half of them hold doctoral degree. This brings a unique mix of cultures and perspectives to the work being undertaken at NAT. NAT has submitted 20 patent applications over the past 15 months.

Great progress has been made over the last year in the technological development of NAT's organic optoelectronic sensor device for biomedical applications. It has come about through a combination of Nitto Denko's original and unique polymer technology and Singapore's outstanding R&D infrastructure.



A typical optoelectronic sensor. The biometric information can be obtained instantly by inserting a sample into a small portable device.



An optical waveguide. Light, which enters from the left hand side, passes through the waveguide. The waveguide is a light path formed by precision polymer processing and is located at the bottom of the center wall. The letters, formed by the waveguide, appear on the right hand side.

Biometric information can be obtained instantly through the use of sensor devices which can help with the early detection and prevention of diseases. Furthermore, through using electronic communications alongside "telemedicine", more efficient disease management should be possible. With the potential increase in demand for medical services along with an ever increasing aging population it is hoped that new medical services will make up for a lack of medical staff and hospital beds.

In order to bring products using our proprietary organic optoelectronic sensors onto the market, it is important to find avenues of being able to mass produce sensor devices which are highly sensitive and accurate yet at low cost. Nitto Denko's polymer technology provides a much greater degree of flexibility in the design of integrated organic optoelectronic devices and a lower cost of organic optical waveguide production.

In fiscal 2010, we will make further efforts to perfect these products and to develop new applications.



NAT personnel come from diverse cultural backgrounds.

Through the setting of high and unique standards alongside the implementation of a number of strategies, the Nitto Denko Group has improved its local and global environmental protection management.

Concept of Environmental Management

In conformity with our corporate vision, voluntary environmental action plans and other environmental regulations, the Nitto Denko Group approaches global environmental conservation with two goals in mind; the "reduction of environmental load associated with business activities" and the "development of business conducive to environmental conservation".

The Nitto Denko Group uses our own environmental management index as a means of assessing and ensuring that the environmental load resulting from our business activities is minimized where possible.

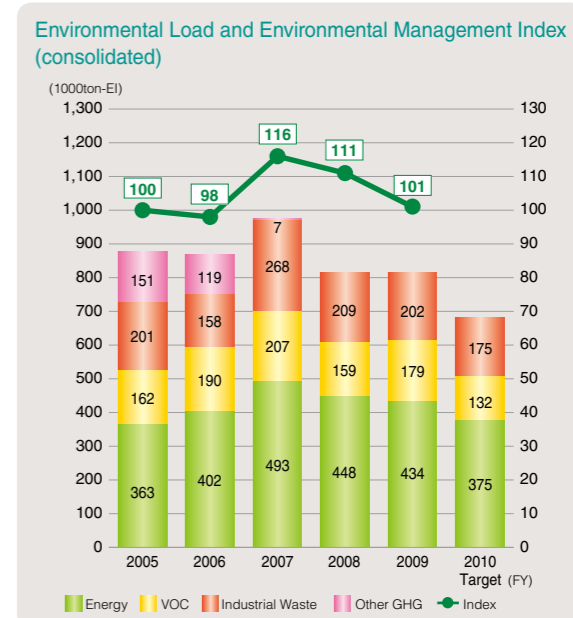
Additionally we promote the development and provision of products and functional parts to our customers which support an overall reduction in the creation of environmental load.

Environmental Management Index

The Nitto Denko Group is implementing environmental load reduction activities aimed primarily at the prevention of global warming. An example of this has been the establishment of a unique environmental efficiency index. This index incorporates corresponding target values in a way that allows us to better manage our efforts at reducing environmental load.

The environmental management index (environmental load value-added productivity) has been set based on the added value*1 created from corporate activities divided by environmental load*2. Through using the fiscal 2005 environmental load level as a benchmark, we aim to double our environmental efficiency by fiscal 2015.

In fiscal 2009, both product sales and environmental



	Fiscal 2005	Fiscal 2006	Fiscal 2007	Fiscal 2008	Fiscal 2009
Index	100	98	116	111	101

load increases were almost equivalent to the previous year, but due to an increase in material costs a decrease in added value was experienced. This decrease resulted in an overall environmental load value-added productivity result that approximated the result obtained in the 2005 fiscal year, despite improvements in the environmental management index.

In the future, we will implement sweeping measures to reduce the environmental load generated from production, whilst continuing to increase our efforts to create high value-added products. This will be achieved through not only developing products which are manufactured without relying on using organic solvents and which minimize the generation of industrial waste, but also through improving the manufacturing methods used for such new products.

*1: Value calculated from sales subtracting material costs, outside order expenses and energy costs
 *2: A unique unit utilized by the Nitto Denko Group, indicating environmental load into which we convert energy purchased, industrial waste generated, VOC purchased and the like through the use of a coefficient (unit: ton-EI)

Regarding the environmental self-acting program: http://www.nitto.com/company/environment/env_01.html
 As to the position of acquiring ISO14001: http://www.nitto.com/company/environment/env_02.html

Reduction of Global Environmental Load Associated with Business Activities

Minimizing global environmental load generated from our business activities is our responsibility

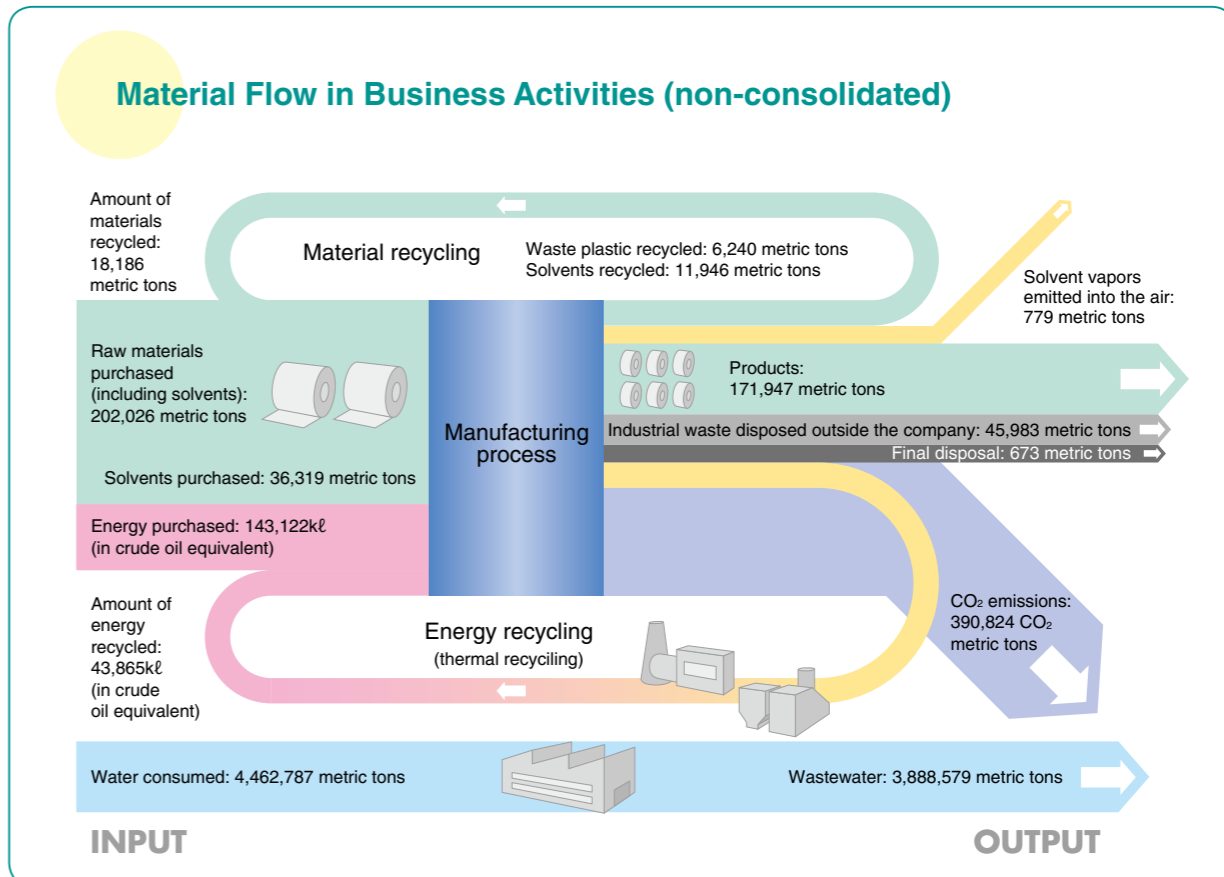
- Reduction of greenhouse gases
- Reduction of air pollutants
- Management of chemical substances
- Solvent-free processes
- Reduction of industrial wastes

Development of Businesses Contributing to the Global Environment

Reduction of global environmental load through our customers' using Nitto Denko Group products

<Illustrations>

- Contributions Towards Energy Saving Versus Existing Methods and Products
- Contributing to Weight Reduction of Automobiles through Damping and Reinforcement



Environmental Conservation Activities

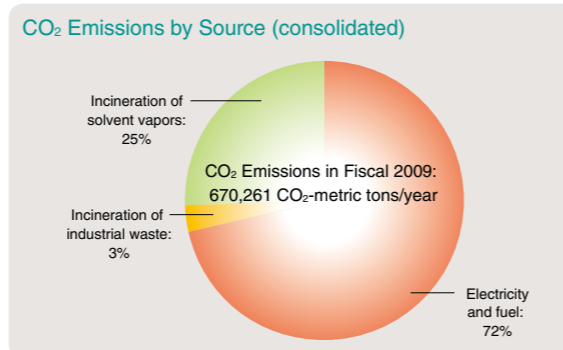
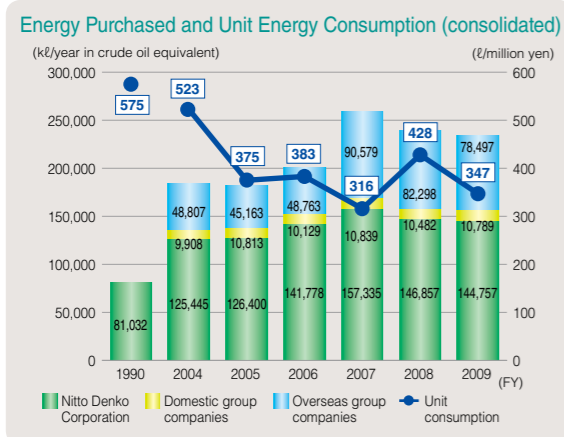
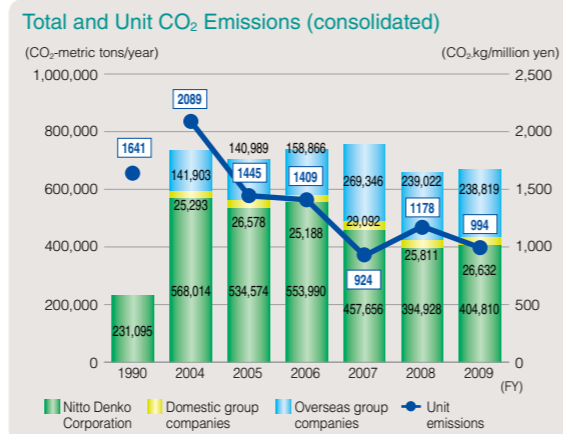
Environmental Performance Data Aiming towards preventing global warming

The Nitto Denko Group collectively is aiming to prevent global warming.

In order to reduce CO₂ associated with our business activities, we are taking steps to improve our energy efficiency, to conserve energy wherever possible and to switch to fuels which produce less CO₂ emissions.

Our unit CO₂ emissions (CO₂ emissions per 1 million yen of production output) throughout fiscal 2009 improved 12% in comparison to fiscal 2008 and total CO₂ emissions reduced 4.5% (approximately 30,000

metric tons) compared to fiscal 2005. The most significant improvements made stemmed from the reduction of CO₂ emissions as a result of energy savings throughout the years.



Improvement in Energy Efficiency in the Drying Process of Coating Machines

In producing adhesive tapes, a large amount of energy is used in order to dry adhesive components. Thermal energy is required to oven dry off the adhesive component coated on to the film. Two kinds of adhesive components (solvent-based and emulsion) are used in our products. In drying solvent-based adhesive components, combustible gas is generated. This gas concentration within the oven increases creating the possible risk of an explosion. In contrast, our products using emulsion do not create any risk of explosion. We conducted experiments using a

coating machine which produces emulsion adhesive tapes. The results indicated that we could reduce energy usage by 40% whilst maintaining product quality.

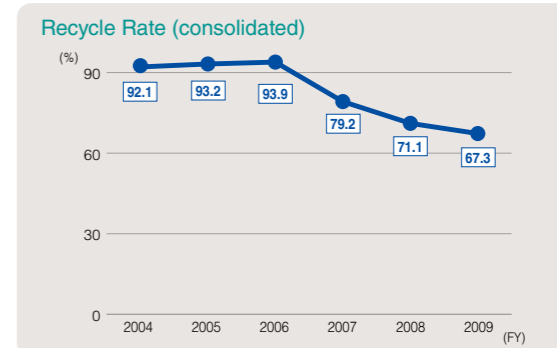
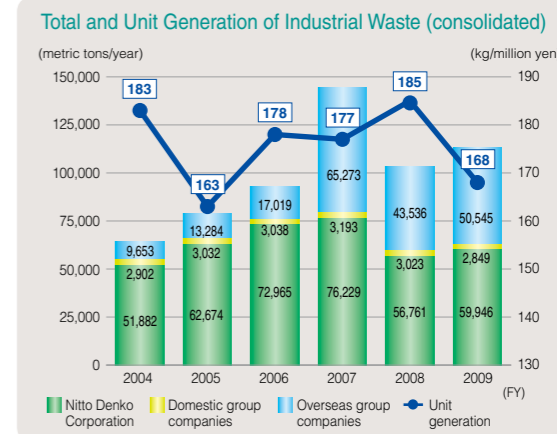
In the future we will continue to introduce any positive advancement to our emulsion adhesive tape operations whilst also measuring product quality. Regarding solvent-based adhesive components and their practical applications, we will continue to conduct experiments focusing on safer usage.

Environmental Performance Data Effective utilization of resources

Most of the industrial waste generated from production activity within the Nitto Denko Group consists of solid material and liquid waste. The solid waste consists of log roll edges, off cuts from the production process whilst the liquid waste is comprised of etching and iodine waste and the like. Solid waste is created due to the production processes involved in making adhesive tapes and optical products. Waste liquid is generated from the production of circuit boards.

Domestically in Japan, we have been recycling both industrial thermal and material waste since fiscal 1998, with Nitto Denko Corporation (non-consolidated) accomplishing a recycling rate of 98% in fiscal 2003 and the domestic Group accomplishing a recycling rate of 98% in fiscal 2006. Both of these recycling rate levels continue to be maintained. Meanwhile with our overseas Group companies, raising recycling rates has proven difficult as the circumstances surrounding recycling processes differ from country to country.

On the other hand, the object of industrial waste reduction activities is to significantly reduce the amount of industrial waste created. Adopting and implementing approaches that result in the efficient use of industrial waste is very important. Initially it is



important to consider that the generation of industrial waste stems from the inefficient use of resources. Through determining the source of any industrial waste, we are able to implement strategies aimed at rectifying the situation. Such strategies will result in improved resource efficiency, a reduction in the generation of industrial waste and environmental load and improved savings as a result of time saved. From now on we will focus on further reducing the amount of industrial waste created.

Approaches to Converting the Industrial Waste into Valuable Resources

One of industrial wastes generated from the Toyohashi Plant are waste adhesive compounds. Waste liquids and solvents are able to be sold as valuable resources because they are able to be recycled as fuels. However, the waste adhesive compounds turns into gel with their viscosity increasing over time. Therefore recycling them into useable sources of fuel is difficult. It is for this reason that they are treated as industrial waste. We are now considering the possibility of how we can prevent adhesive compounds from gelling so that we may be able to recycle them and also sell

them on.

There are many types of waste adhesive compounds. Given this it is necessary to select anti-gelling agents which will match the composition of each adhesive compound. We have completed an experimental evaluation of each compound which has provided positive results. From now on we will continue to expand our research and encourage other plants to also engage in research activities that may lead to improvements in our overall management of waste.

Environmental Performance Data Reduction of organic solvent

The Nitto Denko Group aims to reduce organic solvent used as a means of avoiding the possibility of hazardous explosions as well as reducing environmental load. Due to the known negative effects of solvent chemicals to humans, we need to be prepared for a time when such solvents will not be used.

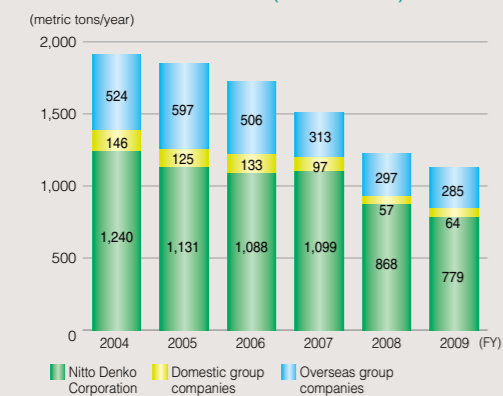
We will continue to develop our manufacturing technologies of solvent free products through drawing on our previous experiences and will look towards any worthwhile innovations being adopted throughout the whole group. Apart from this we will continue to follow up on customer and market

requests as a means of informing future production. As a leading manufacturer of adhesive tapes, we will continue to produce products which positively contribute to our society and the global environment.

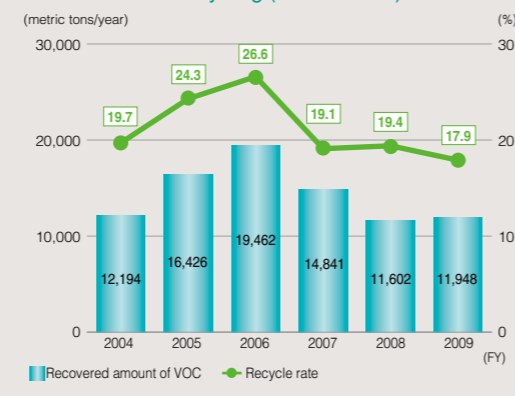
The Nitto Denko Group has since the 1990's taken cornerstone measures to prevent air pollution being generated from organic solvents. One such measure involves the installation of oxidizing equipment (incinerating equipment used for solvent gas) throughout our plants. As a result, the amount of organic solvent which is discharged into the air has been reduced to 1,128 metric tons in fiscal 2009. We have also installed solvent recovery units which allow us utilize resources more effectively through the reuse of organic solvent.

Previous data regarding the environment:
http://www.nitto.com/company/environment/pdf/env_data_2005-2009.pdf

Amount of VOC Emissions (consolidated)



Amount of VOC Recycling (consolidated)



Receiving the Reduction of VOC Award from the Taiwan Government

Nitto Denko (Taiwan) Corporation participated in the "VOC reduction campaign in the southern Yunchia region" which has been promoted by the Industrial Development Bureau, Ministry of Economic Affairs since October 2008. Nitto Denko (Taiwan) has worked hard to reduce

VOC under the technical guidance from experts. The award received was in recognition of our achievements in this area. Nitto Denko (Taiwan) was one of five corporations which were considered the most successful amongst the 120 participating corporations.



Left: Masato Yoshikawa (President) receiving a plaque

Contributing to the Environment

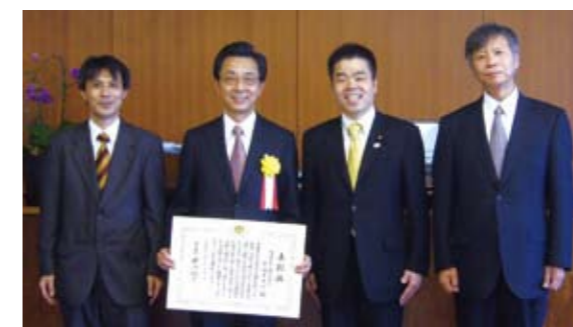
Each Nitto Denko Group company has been involved in different positive efforts which have been aimed at working in harmony with the environment and contributing towards the creation of more sustainable societies.

The following are some examples of initiatives undertaken throughout fiscal 2009.

Onomichi Plant Receives an "Eco Commutation" Award

The Nitto Denko Onomichi Plant has promoted "Eco Commutation" by running eco friendly buses regularly since 2007. With our efforts recognized, we became certified and registered as the first "Excellent Eco-Commuting Workplace" from The Foundation for Promoting Personal Mobility and Ecological Transportation ("Eco-Mo Foundation") in July 2009.

Furthermore, for CO₂ reduction, the easing of traffic congestion in the region and a reduction of risks of traffic accidents, we also received the highly recognized Minister of Land, Infrastructure, Transport and Tourism Award. This award is given in recognition of environmental protection excellence in the area of public transport by the Minister of Land, Infrastructure, Transport and Tourism in 2009.



Second left: Yukio Nagira (President)
Third left: Mikazuki (Parliamentary Secretary for Land, Infrastructure, Transport and Tourism)

Holding of UNEP World Environment Photographic Exhibition at Some Group Companies

In fiscal 2009 the Nitto Denko Group implemented an employee environmental awareness campaign called "Green Design Action". Further to this, on the heels of "the light dimming campaign", we held an UNEP (United Nations Environmental Programme) World Environment Photographic Exhibition: Focus on Your World at bases and group companies both domestically and overseas. This exhibition served to raise environmental awareness amongst all Nitto Denko Group employees globally. In order to further boost awareness of environmental problems, we will continue to promote this campaign in all our workplaces.



For details, please visit the website of Nitto Denko.
http://www.nitto.com/company/contribute/gda_02.html

Hydranautics is the First Membrane Manufacturer to Join The Climate Registry

Hydranautics has become the first US-based membrane manufacturer to join The Climate Registry. The Climate Registry is a nonprofit organization that sets consistent and transparent standards by which to calculate, verify and report greenhouse gas emissions. It is composed of more than 331 major companies, cities and government and non-governmental agencies that have committed to tracking and publicly sharing their greenhouse gas emissions through the registry.

By joining The Climate Registry, Hydranautics has set a baseline goal for further reducing their greenhouse gas emissions as part of their continued commitment to responsible environmental stewardship.

Our report is available from [The Climate Registry website](http://www.climate-registry.com).

As to other activities, please refer to the following website: <http://www.nitto.com/company/contribute/index.html>

Links to Local Communities

We continue to work towards a better society by participating in a variety of honest and ethical activities in various countries around the world.

Contributing to Local Communities

USA Group Companies Engage in Supportive Activities for 2010 Haiti Earthquake

The Haiti earthquake occurred on 12 January 2010 and was of a catastrophic magnitude. The earthquake resulted in many deaths and a great amount of damage. Aveva Drug Delivery Systems, Inc. along with its Haitian employees decided to support the disaster without delay. As Aveva produces and distributes medically related products, they were able to team up with the Medical Division of Nitto Denko and jointly donated medical supplies to a body which then dispatched the supplies and medical staff to the scene. In addition they solicited for daily commodities and monetary donations from their employees and donated them to the Red Cross Society.

Fund-raising campaigns were also run at Nitto Denko America, Inc. and Hydranautics. Donations raised including the donation given by Nitto Denko Technical Corporation were to assist the disaster victims in Haiti.

The total monetary donation raised from the four companies, including the matching company donation was 13,100 dollars (approximately 1,230,000 yen).



Employees of Aveva donating daily commodities

"Fund-raising for Digging Wells" Brings a Well to Completion in Cambodia

Through "Fund-raising for Digging Wells", we supported children to be freed from the harsh and laborious task of drawing water from wells. Such children have to often travel dozens of kilometers everyday and do not have enough time to attend school. In total 670,000 yen was raised by the group companies in Japan between December 2009 and January 2010. All donations were donated to the Japan Asian Association and Asian Friendship Society. This donation helped to bring the digging of a well to completion in Cambodia. Following the good works that occurred arising from donations received the abovementioned associations plan to build further wells in Nepal, Bangladesh and Sri Lanka.



Donations being given in the company



Residents surrounding a completed well in Treang, Takeo province, Cambodia

Receiving a Certificate of Appreciation for Cosponsoring a Pink Ribbon Campaign in Fukui

The death rate from breast cancer in the Fukui Prefecture is the second highest across Japan. Most breast cancer patients are women, and early

detection through health checks is the key to reducing the number of fatalities. In addition to promoting medical examinations, Nitto Shinko Co. Ltd. has co-sponsored "Fukui TV Pink Ribbon Campaign" for the past four years. Monetary donations have been used to assist with the provision of free breast screening examinations throughout the prefecture.

On 31 March 2010 Nitto Shinko received a certificate of appreciation for their efforts.

* Pink Ribbon is a worldwide campaign aimed at preventing breast cancer through educating and promoting breast screening examinations primarily amongst women at an early stage.

Supportive Activities for Typhoon "Ketsana"

From late September to early October 2009, typhoon "Ketsana" raged around Southeast Asia. In Calamba City, Laguna Province where Nitto Denko (Philippines) Corporation is located*, a great deal of flood damage was caused to many people's homes. Houses were both flooded and destroyed by the severe flooding and mudslides that took place. Employees of Nitto Denko (Philippines) distributed food parcels which held an equivalent value of 150,000 pesos (approximately 300,000 yen) by hand among the disaster victims throughout the city.

* Nitto Denko (Philippines) moved to Saint Rosa City in April 2010.



A car used to support Nitto Denko (Philippines) food parcel distribution effort



Left: A labor union president of Nitto Denko Vietnam giving a monetary donation

The same typhoon also caused great damage affecting the lives of 163 people throughout central Vietnam. Nitto Denko Vietnam Co. Ltd. organized a fund-raising

effort, sending a donation of 30,000,000 dong (approximately 145,000 yen), comprising of money donated by both Nitto Denko Vietnam and its employees to the disaster stricken area through the Vietnam Singapore Industrial Park where the company is located.

Lending a Hand to a Moon Cake Production Factory that Supports Employment for People with Disabilities in Taiwan

In Taiwan the Children Are Us Foundation aims to assist people with moderate intellectual disabilities gain greater independence. The foundation works from the premise that if you "teach a man to fish; he'll eat for a lifetime". The Children Are Us Foundation operates a moon cake production factory, which provides people with intellectual disabilities the opportunity to work. Moon cakes are an essential part of the mid autumn harvest festival celebrations in Taiwan, so orders for moon cakes rush in at that time. Nitto Denko (Taiwan) Corporation rounded up volunteers who used their weekends and vacation leave to help with the wrapping and packing of moon cakes.



Employees Supporting Families Who are Homeless and out of Work

Gleaners Community Food Bank "nourishes communities by feeding hungry people". Of every dollar donated, Gleaners uses 95 cents for food and its food programs. One dollar provides three meals for a hungry neighbor.

Michigan experiences a very high unemployment rate and many families are struggling to make ends meet. Nitto Denko Automotive employees continue to support their community during these difficult economic times by participating in a quarterly food drive*. We have just completed our second food drive for April 2010.

* A Food Drive is an activity involving collecting food donated from individuals or corporations and then distributing it to families and homes experiencing difficulties in getting food.

Walk for Millions

"Walk for Millions" is an annual charity event organized by the Community Chest in Hong Kong. Participants can obtain sponsorship from their colleagues, friends and relatives to support their participation in a 10km walk. Funds raised from the event benefit local services that provide services for the elderly. A total of 21 staff of Nitto Denko Hong Kong and their relatives took the initiative to raise funds with Nitto Denko Hong Kong topping up the sponsorship amount. All participants finished the 10km walk and the total amount raised by both Nitto Denko Hong Kong and our staff was HKD 17,000. This activity was a wonderful opportunity for our staff to get together to demonstrate their commitment to caring and supporting our society.



Holding a certificate after reaching the goal

Supporting Sports

Co-sponsoring 2010 Osaka International Ladies Marathon

In line with the theme of "Backing up Challengers", we co-sponsored the Osaka International Ladies Marathon and the Osaka Half Marathon this year for the sixth time. Despite it raining on the day about 450 Nitto Denko employees participated in the event as volunteers. Some helped with the organizing of the event whilst others helped clean the site.



Starting (Photo credit—the Sankei Shimbun)



Volunteer taping services by the "Maki-maki Tai (Tape-winding Group)"



Volunteer water service

Volunteer Activities at the Kaohsiung World Games

Nitto Denko (Taiwan) Corporation co-sponsored the 8th World Games, held in Kaohsiung City from 16-26th July. The World Games are held once every four years and promote competitive sports not played at the Olympics. This year about 3,000 players from 84 countries participated. Chosen volunteers supporting the event assisted with checking entrance tickets and ushering ticket holders to their seats.



The new approach of Nitto Denko (Taiwan) which has recently celebrated its 40th anniversary since its founding is testimony to a company which its employees are proud of.



Company volunteers chosen

Promoting Education and International Interaction

Donation of Picture Books to Municipal Schools in Thailand



There are many children residing in the mountainous areas of Thailand who want to go to school but are unable. "Kodomonity" is a not for profit organization which offers opportunities and places for education to such children and sells picture books as part of their drive. In July 2009 Nitto Denko Material (Thailand) Co. Ltd. bought 4,000 picture books from "Kodomonity" and donated them to 50 municipal schools in Ayuthea. The picture books were of Japanese folk stories, each one being translated into Thai. We hope that such disadvantaged children in the future will be able to attend school. In the meantime we hope that these picture books provide children with an opportunity to learn about Japanese culture and to develop a feeling of kinship with Japan.

Sponsoring KRC Genk

Nitto Europe has been a sponsor of KRC Genk since 1998. The sponsorship includes fifty stadium seats, thirty of which are distributed amongst our employees. The other twenty seats are reserved for local non-profit organizations working with children. These organizations are nominated by our own employees.

At KRC Genk, football is a family fun activity. We want to share this experience with children less fortunate.

A Disabled Student from Fukui Prefecture Receives Laboratory Training

Nitto Shinko took on a trainee from Reihoku School for Children with Special Needs for three weeks from 30 November 2009. Though it was for a short time, the experience for all concerned was positive.



A trainee at work

Backup of Scholarship System in Turkey

Nitto Europe engages in social action programs through adopting the suggestions of employees. In 2009 we made a donation of 2,000 euros (approximately 260,000 yen) to an organization named "Cagdas Yasami Destekleme Dernegi" in Turkey. This organization was nominated by one of our employees at Nitto Denko Turkey. The organization supports progress in Turkey by giving scholarships to young people, especially girls, to help assist them in finishing basic schooling and even to begin university. One of the students that they assisted ended up graduating from college with a scholarship as an intern to the United Nations. Nitto Europe chose to support this organization's good work as a way of promoting greater education opportunities for more young people.



Students learning how to use a fire hydrant

experienced extinguishing a fire using a fire hydrant under the guidance of Nitto Denko employees. At an arranged tea party, the students shared their impressions of their visit whilst playing with the souvenirs they had received. Interestingly some students reflected on how different 'fathers' looked and behaved at work compared to when at home.

Graduate Students of Melbourne University Undertake Work Experience

In Nitto Denko (Australia) Pty. Ltd. located in Melbourne, Australia's second largest city, two graduate students of Melbourne University undertook work experience for two months beginning from December 2009. The task that they were assigned related to researching future marketing trends over the next 20 years in relation to renewable energy in Australia. The students seemed happy to have the opportunity to utilize and practice their skills and abilities.



Pictured from left: Kaoru Aizawa (Director of Nitto Denko Corporation), a representative of the organization and Philip Lewandowski (Director of Nitto Europe and Nitto Denko Turkey)

Elementary School Students in Shenzhen Visit a Plant

On 17 October 2009, the fifth-grade students of Nanshan School Affiliated with China National Institute for Educational Research visited Nitto Denko Materials (Shenzhen) Co. Ltd. The students seemed surprised to see automated production lines on the manufacturing floor and expressed an interest in the importance of safety. The students also



Student interns (second and third left)

As to other activities, please refer to the following web site. <http://www.nitto.com/company/contribute/index.html>

**Business Results
10-Year Summary (consolidated)**

April 1 - March 31

	Yen in Millions										U.S. dollars in Thousands
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2009
Statement of income											
Sales	365,697	338,930	378,705	452,726	514,867	626,316	679,822	745,259	577,922	601,859	6,468,820
Operating income	34,824	19,314	33,901	55,912	70,018	89,224	69,037	77,954	13,838	56,086	602,816
ratio to sales	9.5%	5.7%	9.0%	12.4%	13.6%	14.2%	10.2%	10.5%	2.4%	9.3%	9.3%
Ordinary income	35,330	19,748	35,832	58,045	71,828	90,196	67,319	74,468	14,807	58,833	632,341
ratio to sales	9.7%	5.8%	9.5%	12.8%	14.0%	14.4%	9.9%	10.0%	2.6%	9.8%	9.8%
Net income	15,850	1,115	19,237	33,386	41,842	55,306	41,201	46,634	267	37,570	403,805
ratio to sales	4.3%	0.3%	5.1%	7.4%	8.1%	8.8%	6.1%	6.3%	0.0%	6.2%	6.2%
Segment information											
Operating Segment Information											
Industrial products (Note 1)- Sales	196,535	183,699	192,179	191,682	207,366	251,384	268,888	256,910	209,491	194,711	2,092,767
Operating income	13,229	4,640	11,502	13,437	16,539	22,938	28,019	27,921	8,300	14,667	157,642
Electronic products (Note 1)- Sales	132,144	119,626	146,780	219,709	261,541	327,398	356,941	432,332	314,315	355,357	3,819,400
Operating income	16,391	10,633	16,848	38,881	47,152	58,713	31,449	40,852	-933	37,290	400,795
Functional products- Sales	37,018	35,604	39,745	41,333	45,959	47,533	53,991	56,016	54,114	51,789	556,632
Operating income	5,203	4,039	5,550	3,592	6,326	7,573	9,568	9,180	6,470	4,128	44,368
Segment information by geographic area											
Japan- Sales	248,009	237,459	252,881	286,322	295,115	271,186	268,364	256,288	207,263	203,982	2,192,412
Operating income	28,776	16,727	29,803	51,158	65,918	76,888	52,535	44,969	3,305	34,897	375,075
North America- Sales	37,983	31,337	33,386	37,216	35,836	38,580	42,349	45,054	39,002	37,766	405,911
Operating income	1,402	172	1,027	-2,399	-2,479	-1,078	-663	338	-1,298	2,012	21,625
Europe- Sales	17,614	13,287	14,496	16,422	17,392	19,395	23,787	29,172	25,519	26,933	289,478
Operating income	1,024	248	447	509	246	693	1,587	2,178	-20	1,147	12,328
Asia & Oceania- Sales	62,090	56,845	77,940	112,764	166,522	297,153	345,321	414,743	306,136	333,177	3,581,008
Operating income	3,495	1,340	2,396	6,547	5,936	12,575	12,382	27,614	8,368	17,952	192,949
Per share information											
Net assets per share	1,305.8	1,314.5	1,367.4	1,360.7	1,583.8	1,943.7	2,192.3	2,297.1	2,148.2	2,320.9	24.95
Net income per share	93.5	6.4	108.5	198.0	252.7	332.3	248.3	280.1	1.6	225.5	2.42
Dividends per share	21.0	22.0	24.0	40.0	50.0	60.0	70.0	80.0	80.0	40.0	0.43
Shares outstanding (thousands)	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	173,758	—
Shareholders	14,903	15,556	17,144	20,999	16,725	16,057	35,224	41,309	63,479	66,032	—
Balance sheet											
Total assets	357,653	350,340	379,811	389,525	443,264	556,934	604,208	595,972	558,258	624,992	6,717,455
Equity	226,893	228,409	237,560	223,114	261,090	321,464	364,942	382,627	357,839	386,664	4,155,890
ROA	4.6%	0.3%	5.3%	8.7%	10.0%	11.1%	7.1%	7.8%	0.0%	6.4%	—
ROE	7.2%	0.5%	8.3%	14.5%	17.3%	19.0%	12.0%	12.5%	0.1%	10.1%	—
Equity to total assets	63.4%	65.2%	62.5%	57.3%	58.9%	57.7%	60.4%	64.2%	64.1%	61.9%	—
Capital investment	26,716	34,684	28,306	31,731	40,101	60,889	75,324	59,406	55,926	37,147	399,258
Depreciation cost	18,344	20,442	21,143	21,386	24,681	31,470	40,169	49,617	50,556	44,810	481,621
R&D expenses	12,423	13,053	13,851	15,822	16,739	20,489	21,733	22,096	21,716	20,876	224,377
Number of employees (Note 2)	13,834	13,685	15,389	18,926	22,454	27,865	32,101	33,663	28,640	31,288	—

Note 1. From FY1999 to FY2002, electronic component-related products are categorized in "Industrial products".
 2. Part-time employees are included.
 3. The exchange rate Japanese yen and US dollars is the rate at March 31, 2010, which was JPY93.04 to USD1.00.

Consolidated Financial Statements
Consolidated Balance Sheets

Assets	(Yen in Millions)	
	Amount	
	As of March 31, 2010	As of March 31, 2009 (Reference)
Current assets:	381,554	289,234
Cash and deposits	171,921	113,965
Notes and accounts receivable-trade	135,727	93,524
Merchandise and finished goods	19,776	20,300
Work in process	27,031	28,960
Raw materials and supplies	11,120	11,726
Deferred tax assets	8,444	7,164
Other	8,364	14,264
Allowance for doubtful accounts	△ 831	△ 672
Noncurrent assets:	243,438	269,023
Property, plant and equipment	208,405	230,188
Buildings and structures	99,069	100,566
Machinery, equipment and vehicles	73,921	81,019
Tools, furniture and fixtures	7,972	8,716
Land	19,119	19,688
Construction in progress	8,323	20,198
Intangible assets:	7,273	8,579
Goodwill	56	65
Software	4,030	3,633
Other	3,186	4,880
Investments and other assets:	27,758	30,255
Investments securities	8,890	7,578
Deferred tax assets	9,703	8,674
Prepaid pension cost	5,642	9,682
Other	3,771	4,620
Allowance for doubtful accounts	△ 248	△ 301
Total assets	624,992	558,258

Liabilities	(Yen in Millions)	
	Amount	
	As of March 31, 2010	As of March 31, 2009 (Reference)
Current liabilities:	149,688	153,718
Notes and accounts payable-trade	79,531	53,879
Short-term loans payable	10,667	28,832
Commercial papers	—	25,000
Accrued expenses	18,590	11,667
Income taxes payable	15,746	1,545
Other	25,153	32,793
Noncurrent liabilities:	86,579	43,409
Bond payable	50,000	—
Long-term loans payable	14,316	20,923
Provision for retirement benefits	19,219	18,351
Provision for directors' retirement benefits	514	506
Deferred tax liabilities	181	348
Negative goodwill	0	574
Other	2,347	2,705
Total liabilities	236,268	197,127
(Net assets)		
Shareholders' equity	406,969	379,310
Capital stock	26,783	26,783
Capital surplus	56,153	56,166
Retained earnings	352,316	324,740
Treasury stock	△ 28,284	△ 28,380
Valuation and translation adjustments	△ 20,304	△ 21,471
Valuation difference on available-for-sale securities	1,755	1,040
Deferred gains or losses on hedges	△ 284	△ 129
Foreign currency translation adjustment	△ 21,775	△ 22,382
Subscription rights to shares	1,067	1,086
Minority interests	992	2,204
Total net assets	388,724	361,130
Total liabilities and net assets	624,992	558,258

Consolidated Financial Statements
Consolidated Statements of Income

	(Yen in Millions)	
	April 1, 2009 - March 31, 2010	April 1, 2008 - March 31, 2009 (Reference)
Net sales	601,859	577,922
Cost of sales	440,714	455,763
Gross profit	161,144	122,158
Selling, general and administrative expenses	105,058	108,320
Operating income	56,086	13,838
Non-operating income:	6,297	4,808
Interest and dividends income	394	663
Foreign exchange gains	304	899
Miscellaneous income	5,597	3,245
Non-operating expenses:	3,550	3,838
Interest expenses	1,348	1,278
Equity in losses of affiliates	84	173
Miscellaneous loss	2,116	2,386
Ordinary income	58,833	14,807
Extraordinary income:	967	995
Gain on sales of noncurrent assets	227	93
Other	739	902
Extraordinary loss:	6,103	14,127
Loss on sales and retirement of noncurrent assets	3,299	5,359
Impairment loss	256	5,014
Special retirement expenses	226	739
Other	2,320	3,014
Income before income taxes	53,698	1,676
Income taxes-current	18,669	3,232
Income taxes-deferred	△ 2,695	△ 2,820
Minority interests in income	153	995
Net income	37,570	267

Consolidated Financial Statements
Consolidated Statements of Cash Flows (for reference)

	(Yen in Millions)	
	April 1, 2009 - March 31, 2010	April 1, 2008 - March 31, 2009
I. Net cash provided by (used in) operating activities		
Income before income taxes	53,698	1,676
Depreciation and amortization	44,810	50,556
Decrease (increase) in notes and accounts receivable-trade	△ 41,992	43,149
Increase (decrease) in inventories	2,892	8,354
Increase (decrease) in notes and accounts payable-trade	26,358	△ 41,844
Interest expenses paid	△ 1,520	△ 1,369
Income taxes paid	1,418	△ 19,831
Other, net	16,832	10,599
Net cash provided by (used in) operating activities	102,498	51,290
II. Net cash provided by (used in) investing activities		
Increase (decrease) in time deposits	△ 61,013	660
Purchase of noncurrent assets	△ 33,955	△ 61,396
Proceeds from sales of noncurrent assets	729	509
Other, net	△ 2,348	△ 524
Net cash provided by (used in) investing activities	△ 96,588	△ 60,751
III. Net cash provided by (used in) financing activities		
Increase (decrease) in short-term loans payable	△ 23,838	21,046
Proceeds from issuance of bond	50,000	—
Increase (decrease) in commercial papers	△ 25,000	25,000
Repayment of long-term loans payable	△ 420	△ 781
Cash dividends paid	△ 9,995	△ 13,325
Other, net	123	14,765
Net cash provided by (used in) financing activities	△ 9,129	46,703
IV. Effect of exchange rate change on cash and cash equivalents	124	△ 2,758
V. Net increase (decrease) in cash and cash equivalents	△ 3,095	34,484
VI. Cash and cash equivalents at the beginning of period	113,722	79,238
VII. Cash and cash equivalent at the end of period	110,627	113,722

Consolidated Financial Statements
Consolidated Statements of Changes in Net Assets

April 1, 2009 through March 31, 2010

(Yen in Millions)

	Shareholders' equity				
	Paid-in capital	Capital Surplus	Retained earnings	Treasury stock	Total Shareholders' equity
Balance as of March 31, 2009	26,783	56,166	324,740	△ 28,380	379,310
Changes of items during the period					
Dividends from surplus			△ 9,995		△ 9,995
Net income			37,570		37,570
Purchase of treasury stock				△ 3	△ 3
Disposal of treasury stock		△ 13		99	86
Net changes of items other than shareholders' equity					
Total changes of items during the period	—	△ 13	27,575	95	27,658
Balance as of March 31, 2010	26,783	56,153	352,316	△ 28,284	406,969

(Yen in Millions)

	Valuation and translation adjustments				Subscription rights to shares	Minority interests	Total net assets
	Valuation difference on available-for-sale securities	Deferred gains or losses on hedges	Foreign currency translation adjustments	Total valuation and translation adjustments			
Balance as of March 31, 2009	1,040	△ 129	△ 22,382	△ 21,471	1,086	2,204	361,130
Changes of items during the period							
Dividends from surplus							△ 9,995
Net income							37,570
Purchase of treasury stock							△ 3
Disposal of treasury stock							86
Net changes of items other than shareholders' equity	714	△ 155	607	1,166	△ 19	△ 1,211	△ 64
Total changes of items during the period	714	△ 155	607	1,166	△ 19	△ 1,211	27,594
Balance as of March 31, 2010	1,755	△ 284	△ 21,775	△ 20,304	1,067	992	388,724

For further detail, please see our Business Report on NITTO DENKO's website. <http://www.nitto.com/ir/enterprise/pdf/145.pdf>

About Front Cover

The image of a big flower and a person with an unconstrained demeanor holding the flower, represents the Nitto Denko Group's "Green, Clean and Fine" business focus and their positive intention towards meeting their goals and ideals for the creation of an ideal environment.

Illustrator Tetsuro Okabe



Printing and Binding

This report was printed in Nitto Denko Himawari Co. Ltd., by a member of the Nitto Denko Group.

Nitto Denko Himawari has 61 employees of which 41 have disabilities and 9 are elderly people. The remaining 11 staff work together operating a business centering around the cutting, wrapping and packaging of various tapes, a printing business and the cleaning of working clothes. The disabled people who carry out this work do so with wholehearted enthusiasm.

In March 2010, the company received a certificate from the Ministry of Health, Labor and Welfare in recognition of Nitto Denko Himawari being a company of good standing that promotes the employment of people with disabilities.



"Heartful Ribbon" logo



Members of the printing group



Nitto Denko Group CSR & Annual Report 2010

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