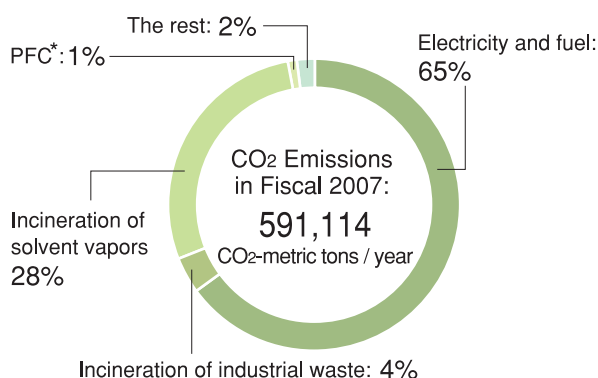


Towards the Prevention of Global Warming

The Nitto Denko Group works cooperatively in addressing the issue of global warming. An example of this is the Nitto Logi-Com Corporation (which is in charge of distribution of goods throughout the Nitto Denko Group) which has initiated a strategy that is expected to result in a reduction in CO₂ being produced through focusing on the way that materials and products are distributed between plants.

In fiscal 2007 we implemented our reduction of CO₂ strategy, focusing on the way that in-process materials were transferred between plants. Through changing the transportation methods used to distribute materials between the Toyohashi Plant and the Onomichi Plant from trucks to trains and through using special trestles in order to increase carry efficiency, we have furthered our efforts in practically reducing our environmental load. We aim to further broaden this strategies scope of influence through addressing methods of distribution to customers both domestically and internationally.

CO₂ Emissions by Source (consolidated)

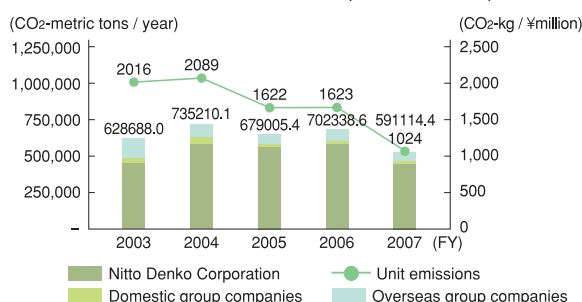


* Perfluorocarbon (PFC) environmental influence measured in terms of CO₂ equivalent.

Nitto Europe NV in Belgium is our central European office managing our emissions trading within the European Union (EU-ETS). There are two types of CO₂ emissions by Nitto Europe NV; the first is generated through the consumption of energy (natural gas) and the second is generated through the disposal of VOC as part of the production process. Through increasing the efficiency of the burner reactors of VOC processing equipment and through implementing energy-saving measures applicable to other production equipment, we have reduced our CO₂ emissions. As a result, in Phase 1 (1 January 2005~31 December 2007) of the emissions trading that took place, we were able to keep within 94% of the emissions limit assigned to us by the Belgium nation. (Limits on emissions=110,484CO₂-metric tons /Phase 1, Result=103,470 CO₂-metric tons).

For Phase 2 (2008~2012), stricter limits on emissions have been set. In order to achieve our target, we are planning to shift from combustion treatment to recovery treatment of VOC and to promote the adoption of further energy conservation measures that can be applied to our production equipment.

Total and Unit CO₂ Emissions (consolidated)



New Plant in Czech Republic Begins Operating

In 2008, in order to source parts locally and to keep up with the increasing demand of especially large components used in Eastern Europe, we will open a plant specifically for the fabrication of optical film at the Cernovicka Terasa Industry Park in the Czech Republic. In Europe, production plants manufacturing televisions have sprung up throughout Eastern Europe in places such as the Czech Republic and Poland. If full-scale production of LCD televisions were to start, we expect to experience an increase in demand for liquid crystal panels.

The new Czech industrial park was built on cleared land. The excavated soil not needed for the building of our plant was given to neighboring farm families and is now being used in wheat fields.



A wheat field in Czech Republic