

Date: April 30, 2009

Listed company name: Nitto Denko Corporation
Head office: 2-5-25, Umeda, Kita-ku, Osaka
Stock exchange listings: Tokyo, Osaka, First Section
Code No.: 6988
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The Amount and Details of Compensation Provided as Stock Options to Directors

Nitto Denko Corporation (“the Company”) resolved at a meeting of its Board of Directors on April 30, 2009 to propose an agenda asking for approval of the amount of compensation provided as stock options to Directors and related details. The proposal will be made at the 144th Ordinary General Meeting of Shareholders to be held on June 19, 2009.

The specific matters concerning the issuance and allotment of stock purchase/subscription warrants (“Warrants”) as stock options shall be determined by a resolution at the Board of Directors’ meeting to be held after the General Meeting of Shareholders referred to above.

I. Reason for the proposal

The Company has granted two kinds of stock options: (i) general stock options to be granted to Directors and members of the management, with an aim at enhancing their commitment to pursuit of the business, its financial growth, and the increase of the value of the Company (since fiscal 2002), and (ii) stock options of equity-based compensation to be granted to Directors and Corporate Vice Presidents as a substitute for the abolished executives’ retirement benefits paid in cash (since fiscal 2004).

Warrants to be issued as stock options to the Directors are considered as a part of the “Compensation etc. for directors.” Therefore, with respect to the two kinds of stock options to be granted in the current fiscal year, it is proposed that the amount of stock option compensation and the related details be approved. Further, those who are granted the Warrants will not include the Outside Directors.

II. Details of the proposal

1. Amount of compensation provided as stock options

The present compensation for Directors was determined to be “up to ¥30 million per month (including ¥2 million or less for Outside Directors)” at the 143rd Ordinary General Meeting of Shareholders held in 2008. Separate from this maximum compensation amount, Warrants up to ¥164 million (this will be the amount calculated by the fair value at the time of issuing the Warrants, and the same will apply hereinafter) will be issued as stock option compensation for a period of 1 year from the date of this Ordinary General Meeting of Shareholders, which will consist of up to ¥24 million of general stock options and up to ¥140 million of

stock options of equity-based compensation. The number of Directors eligible to receive the Warrant will be 8, excluding the number of Outside Directors, on condition that the proposal of election of 10 Directors is approved at the 144th Ordinary General Meeting of Shareholders.

2. Details of Warrants as stock option compensation

The details of the Warrants to be issued as stock options within the extent of the above amount shall be as follows, and the specific matters concerning the issuance shall be determined by a resolution of the Board of Directors regarding the issuance of the Warrants.

(1) General stock options

(i) Total number of the Warrants and class and number of underlying shares that are subject to the Warrants

Total number of the Warrants: Up to 600 units

The number of shares that are subject to the Warrants is up to 60,000 shares of common stock and the number of shares per Warrant unit is 100 shares. In the event that the Company merges, undergoes corporate separation, or splits or consolidates its common stock and it becomes appropriate to change the number of shares, the Company shall make any adjustment deemed necessary.

(ii) Amount to be paid upon exercise of the Warrants

The amount to be paid for one underlying share of the Warrants (exercise value) shall be determined as follows.

The exercise value is calculated by multiplying the average of each day's closing price for the common stock of the Company on the Tokyo Stock Exchange during the month prior to that in which the Warrants are issued (excluding non-trading days) by 1.05, and amounts less than 1 yen shall be rounded up to the next yen; provided, however, that in the event that the exercise value is less than the closing price at the issue date of the Warrants (if that day falls on a non-trading day, then the closing price on the most recent trading day before the issue date), such closing price shall then be used as a substitute for the above average.

Further, if the payment amount needs to be changed because of merger, corporate separation, split of its common stock or consolidation of its common stock, etc. of the Company, the Company shall make adjustments deemed required.

(iii) Period during which the Warrants can be exercised

From January 1, 2010 to December 31, 2012

(2) Equity-based compensation stock option

(i) Total number of the Warrants and class and number of underlying shares that are subject to the Warrants

Total number of Warrants: Up to 550 units

The number of shares that are subject to the Warrants is up to 55,000 shares of common stock and the number of shares per Warrant unit is 100 shares. In the event that the Company merges, undergoes corporate separation, or splits or consolidates its common stock and it becomes appropriate to change the number of shares, the Company shall make any adjustment deemed necessary.

(ii) Amount to be paid upon exercise of the Warrants

The amount to be paid for one underlying share of the Warrants (exercise value) shall be 1 yen.

(iii) Period during which the Warrants can be exercised

The Company shall separately determine the period of 30 years or less from the day following the issue date of the Warrants.

(iv) Conditions for the exercise of the Warrants

Regardless of the provisions described in (iii) above, in principle, a holder of Warrants shall be able to exercise these Warrants only for a period separately determined from the day following the holder's retirement from the position as Director of the Company.