

ENVIRONMENTAL ACTIVITIES

“Promoting business activities in harmony with the natural environment” is one of the core tenets of our management philosophy. We aim to reduce the impact of our activities on the natural environment, and accordingly, have established mid- to long-term objectives in this regard. Our two most important goals are to develop products that do not damage the environment and to develop manufacturing technologies that do not generate industrial waste.

At the same time, we introduced an internally developed environmental accounting system in fiscal 2001, and actively promoted the implementation of this system to some Group companies in fiscal 2002.

As one of the main features of Nitto Denko’s environmental accounting system, we include the costs of raw materials used in processing industrial waste, and the costs associated with the purchase of energy, solvents and industrial-use water, in addition to the environmental conservation costs identified in the Ministry of the Environment’s “Guidelines for Introducing an Environmental Accounting System.”

Through this environmental accounting system, we intend to shift environmental policy from a conventional approach centered on waste management to the development and establishment of new manufacturing technologies that produce zero waste, together with pursuing a balance between environmental management and business performance.

Non-consolidated Environmental Costs

(Millions of Yen)

	Fiscal 2002	Fiscal 2001
Net sales	195,456	222,406
Environmental conservation costs		
General expenses	976	960
Waste disposal	925	949
Outsourcing	227	230
Salary and compensation	515	522
Depreciation and amortization	1,159	1,119
Technology development	1,141	1,115
Total	4,943	4,895
Environmental impact costs		
Waste costs	30,918	34,967
Energy	3,970	3,915
Solvent supply	1,561	1,693
Industrial water supply	260	227
Total	36,709	40,802
Environmental impact costs ratio to net sales	18.8%	18.3%

