

## Environmental Activities

# An Environmentally Responsible Global Corporation

As a global corporation providing products with leading world-market shares, Nitto Denko constantly endeavors to act upon its motto, "Open, Fair and Best." Our environmental policy is no exception. In 1993, Nitto Denko declared as a management policy, "We seek to achieve harmony with both nature and society," and as a standard for corporate conduct, "We will work to protect the environment and conserve resources." Nitto Denko also established a Voluntary Environmental Plan for environmental conservation activities and programs, with concrete goals that are communicated internally and publicized externally. Currently we are working toward the achievement of our targets for fiscal 2005. In 1996, the company also established a Fundamental Environmental Policy. In line with this policy we have been tackling a variety of problems to reduce our environment impact.



### Voluntary Plan Aims at Reducing Environmental Impact

The Nitto Denko Group is pursuing the five goals listed below in our Voluntary Environmental Plan for environmental conservation activities and programs:

#### 1. Reducing Waste —

This coincides with activities for reducing material loss in the manufacture of tape, our group's mainstay product. On this basis, in fiscal 2000 we introduced a unique environmental accounting statement in which we calculate and publicize the annual Value of Industrial Waste Ratio\*. (See below)

#### 2. Preventing Global Warming —

This involves activities to save energy and install power cogeneration equipment at each processing facility.

#### 3. Preventing Air Pollution —

To deal with emissions from the large volumes of organic solvents used in the manufacture of adhesive tape, we have installed deodorizing furnaces and solvent recovery unit, and are also developing non-solvent type products. (See facing page.)

#### 4. International Standards for Environmental Conservation —

Nitto Denko Co., Ltd. and its domestic Group companies completed their ISO 14001 Environmental Management System certifications by January 2001. Five of our overseas Group companies have already obtained ISO 14001 certification.

#### 5. Aiming for Global Activities —

For several years, we have been conducting a regular "G&G Global Conference" with managers from each Group Company. Starting in fiscal 2003, Nitto Denko has held "International Environment and Safety Conferences" with responsible officers from each company. In addition, we are taking measures to promote sharing of information and to upgrade of standards throughout the Group.

\*Value of Industrial Waste Ratio = Material Cost and Treatment Costs of Industrial Waste ÷ Product Amount

### Non-consolidated Environmental Costs

	Millions of yen	
	2004	2003
Net sales.....	¥ 278,024	¥ 225,450
Environmental conservation costs:		
General expenses.....	874	913
Waste disposal.....	1,162	1,039
Outsourcing.....	223	181
Salary and compensation.....	462	466
Depreciation and amortization.....	1,054	1,218
Technology development.....	883	972
Total.....	4,658	4,789
Environmental impact costs:		
Waste costs.....	36,058	33,554
Energy.....	4,084	4,085
Solvent supply.....	2,164	1,692
Industrial water supply.....	292	304
Total.....	42,598	39,635
Environmental impact cost ratio to net sales.....	15.3 %	17.6 %

Reference Chart: Nitto Denko Co., Ltd. "Environmental Accounting Statement"



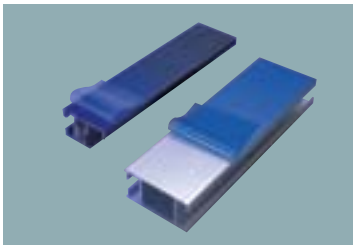
# Developing Low-environmental-impact Products and Products that Support Green Procurement

An essential element in environmentally conscientious management is “green” procurement: giving priority to suppliers that conduct operations with consideration for the environment, and purchasing environmentally friendly components and materials for manufacturing. As the movement to prevent depletion of the earth’s limited resources and to create an environmentally responsible society based on recycles spreads around the world, the number of industries and companies that practice green procurement is steadily increasing. In this sense, green procurement is not only an effort to reduce environmental impact; it has also become important from the standpoint of expanding business opportunities. As we minimize the risk to the environment by using environmentally friendly materials and developing manufacturing processes for them, Nitto Denko is also putting its strengths into the development of products that support green procurement.



## Tape Utilizing Water-based Adhesives

Chemicals in construction materials and paints that can damage human health cause the “sick house” syndrome. As a countermeasure, people are looking for ways to reduce volatile organic compounds (VOCs). These compounds, which evaporate or gasify at room temperature, include organic solvents. Nitto Denko has eliminated the use of organic solvents and converted over to water-based adhesive materials in the manufacture of adhesives for surface-protection tapes used on metal plates and related items. At the same time, we have improved the compounding of adhesives so that even with variations in metal material characteristics and surface hardness, tapes can be applied securely and accurately. As a result, while responding to our customers’ programs for green procurement, we simultaneously helped them reduce their inventory of protection tape, developing a product with extremely high customer satisfaction.

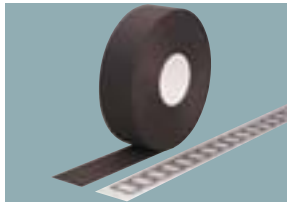


## Adhesive Tape for Non-halogen Wire Harnesses

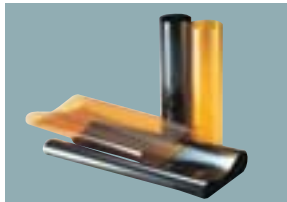
Dependable insulation treatment is an absolute requirement for wire harnesses that conduct electricity to a variety of electrical devices in automobiles. Traditionally, polyvinyl chlorides were used for this insulation, but there are concerns about their ill effects on the environment due to the emission of dioxins when PVCs are burned, the decay of plasticizers into environmental “hormones,” and other problems. Nitto Denko has therefore developed and marketed a non-halogen type of adhesive for wire harnesses with reduced PVC content. In addition, we have achieved lead-free tapes that also have reduced VOCs through the use of water-based adhesives. These new products have been well received since they compare favorably with PVC-based materials, and several automotive parts makers have ordered them in large quantities.



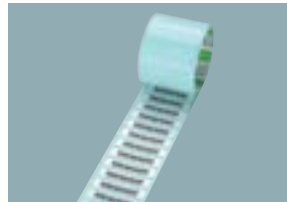
## Other “Green” Products



**Super clean foam**  
The world’s first halogen-free sealing material



**Polyimide seamless belt**  
Energy-saving material for printers and copiers



**DURATACK C40H**  
The first lead-free heat resistant label



**No. 395 (pink) curing tape**  
Tape that minimizes soil contamination by toxic substances during disposal