

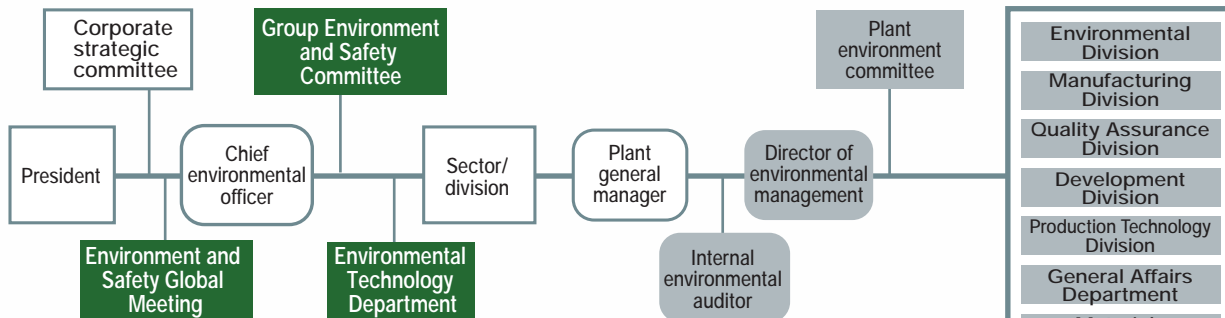
# Environmental Management

## Establishing the system that practices the environmental management promptly

The management holds the group and global meeting in March every year, where the year's policy and approach to the environment are thoroughly shared.

The working level holds the group environment and safety committee and the environment and safety global meeting to share information (please see page 14).

### Environmental Management Promotion System



**Environment and Safety Global Meeting (yearly)**  
It thoroughly communicates the group's environment and safety policy of the fiscal year, basic plan of the fiscal year, and medium-term basic plan to the plants and each company and gives the direction to reflect them in the individual plan.

**Group Environment and Safety Committee (quarterly)**  
It deliberates the environment and safety basic plan of the fiscal year and medium-term basic plan, as well as sharing practical issues and exchanging opinions to work out a solution. Among the deliberations and decisions made by the committee, the most important ones that require a managerial decision will be discussed at the corporate strategic committee and implemented only after its approval.

**Environmental Technology Department**  
The department has control over the environment and safety sections in the Japan domestic plants and domestic and overseas group companies. The roles are to collect information about the environment and to manage and offer technical support to the group's environmental activities. Directly reporting to the director executive who is supervising the environment and safety, the department promptly responds to and practices the decisions of top management.

## All domestic plants have acquired the ISO 14001 certification. The next step is the acquisition by overseas group companies.

We realize that the establishment of an environment management system helps the effective implementation of environmental efforts. Based on this philosophy, the group has promoted to acquire the ISO 14001 certification.

Nitto Denko Electronics Kyushu (former the Kyushu

Plant of Nitto Denko) acquired the group's first certification in 1997. Following that, all plants in Japan and major group companies in Japan acquired the certification by March 2001. Seven of the overseas group companies have obtained the certification. We will further promote the acquisition as planned.

### State of ISO14001 Acquisition

#### Nitto Denko

Plant name	Date
Shiga Plant	January,1998
Kameyama Plant	April,1998
Onomichi Plant	July,1998
Kanto Plant	September,1998
Tohoku Plant	October,1998
Toyohashi Plant	March,1999
Plants at headoffice area	July, 2000

#### Group Companies

Company name	Date
Nitto Electronics Kyushu Co., Ltd.	December,1997
Nitto Shinko Co., Ltd. Head Office	September,1998
PERMACEL	May,1999
Nitto Denko Electronics (Malaysia) Sdn. Bhd.	September,1999
Nitto Denko Materials Malaysia Sdn. Bhd.	September,1999
Kyoshin Corp.	May, 2000
Nitto Denko Matex Corp.	June, 2000
Matex Processing Corp.	June, 2000
Nitoms Inc. Toyohashi Plant	February, 2001
Nitto Life-tec Corp.	March, 2001
Nissho Corp. Head Office/Sales Office	March, 2001
Nitto Denko Australia, Inc.	March, 2003
Nitto Europe N.V.	June, 2003
Nitto Material (Thailand) Co., Ltd.	November, 2003
Nitto Denko Thailand Co., Ltd.	November, 2003

## Environmental Management

### ▶ **Strict and fair environmental audits for domestic and overseas group companies**

Nitto Denko defines the purpose and method of the environmental audit in detail in the Nitto Denko Regulations for Total Safety and practices the strict audit. By the end of fiscal 2003, the audit covered Nitto Denko itself and three major group companies in Japan only. From fiscal 2004, however, the coverage of the audit implementation expands and covers domestic and overseas group companies.

The results of the audit shall be classified into major nonconformity, minor nonconformity, and requires improvement and managed as they are. To respond to the adverse findings, a remedial action plan shall be designed and carried out. The items requiring improvement shall be confirmed the improvement at the next audit.

### ▶ **Double-checking the Environment-related laws and regulations to ensure the observance**

We thoroughly ensure the observance of all environment-related laws and agreements in our business activities. Each plant shall reflect the requirements from the laws and agreements into the plant operation standards and manage whether these laws are observed or not as well as double-checking the observance in the environmental audit.

To set standard values, we define self-imposed standard values, which are severer than the official regulations, and each plant immediately takes measures if the actual values exceed the standard values.

Moreover, the environmental technology division, a corporate-level managerial division, will provide information to plants inside/outside the country when a new important law is enforced.

### ▶ **Observing strictly rigorous environmental laws of California and the EU countries**

All Nitto Denko's products distributed within the U.S.A. bear the warning defined in Proposition 65 of California, which is said to be the most severe environmental regulations in the world.

About the products for EU countries, we identified all products using the prohibited materials based on the Restrictions on Hazardous Substances (RoHS) and are replacing the prohibited materials with alternative ones.

In addition, even for the products distributed outside the EU countries, we try to replace the prohibited materials with alternative ones wherever possible.

### ▶ **All employees and staff involved in Nitto Denko's business operations have to go through environmental education**

To thoroughly ensure the activities related to environment and safety. It is essential that each individual employee increase her/his awareness and acquiring skills and knowledge.

Nitto Denko defines the Education and Training Regulations for the Environment within the Company Regulations on Comprehensive Security and has the environmental education, from general introductory lessons to special education including expertise, for employees.

Not only to our employees but also to the external staff implementing the outsourced processes, the necessary educational and training opportunities are provided.

When we outsource operations that may have a conspicuous impact on the environment (operation of special facilities based on the Water Pollution Control Law, water treatment facilities and incineration facilities), we request the outsourcing contractor to submit a document that guarantees the completion of the necessary training.

### ▶ **Minimizing environmental risks by preparing for unexpected problems**

To minimize environmental risks, we exert utmost efforts for the reduction and management of hazardous substances. To prevent water pollution, we have installed oil spill detectors and pH measurers on each drainage route to be prepared for the accidental spillage of organic solvents, heavy oil, alkali, and acid, and we constantly monitor them. If any unusual status is detected, the responsible section will emergently block the drainage to prevent the leakage of the substances into public water and eliminate the substance. The drainage is resumed only after confirming the safety through the inspection.

For the solvent collection machines and deodorizing furnaces that prevent the emission of organic solvent to the air, if any unusual condition is detected, an alarm is activated and the responsible section will take appropriate measures.

For the prevention of soil contamination, we assumed all possible emergent situations. Based on them, we have prepared operational manuals to handle each different type of pollutants and established a responsive system in preparation for emergency.

### ▶ **Report of accidents**

No environmental accident occurred in fiscal 2003.