Basic Attitude Concerning Conservation of the Environment

Corporate Environmental Policy

In keeping with the corporate concept of "harmony with nature" and "conserving natural resources to protect the natural environment" as the standard of our actions, the Nitto Denko Group considers environmental conservation to be a part of management. Based on the corporate environmental policy established by the company in 1996, our activities aim to achieve "environmental management" that supports both resource productivity and corporate growth.

Environmental Management

The Nitto Denko Group established the management concept of "creation of new value" in 1993 and "employee guidelines" as a guideline for daily corporate activities to achieve this. By continuing to provide customers with new value, we plan for healthy growth as a company and aim to be a company with existing value with the company, stockholders and employees all having a stake in the operations. Based on these employee guidelines, we have established a policy for realizing product safety and environmental safety on which customer satisfaction is based. Concerning environmental conservation, the Voluntary Plan (environmental conservation activities plan) was established in 1993. TheCorporate Environmental Policy was established and revealed to the public in 1996. The environmental policy was translated into English and overseas companies belonging to the Nitto Denko Group were informed of the policy as well.

Since the 1960s, the Nitto Denko Group has promoted dealing with that problem at its destination such as installation of solvent recovery units and deodorizing furnaces (equipment for incinerating solvents) primarily to prevent air pollution caused by organic solvents. We are currently switching from emphasis on dealing with that problem at its destination to source countermeasure and process reform such as manufacturing metho ds that do not use organic solvents or produce waste. We therefore hope to contribute to make a social contrbution by pursuing our business activities with respect for the environment through research and developpment and manufacturing technology development rather than just pursuing environmental conservation alone.

Corporate Vision

Creating New Value

- · Creating functional products that satisfy customers.
- Respecting the individuality of all employees and enabling them to achieve personal fulfillment throught their work.
- Respecting the environment and contributing the global community.

Employee Guidelines

- Remenber that our customers deserve exceptional product quality and outstanding
- Always put safety first.

 Approach every task with motivation and diligence. Use ethics and the law as your guides
- Strive to protect the environment and conserve natural resources.

CORPORATE ENVIRONMENTAL POLICY

Philosophy

At the Nitto Denko Group, we recognize the maintaining the health of the earth for coming gener- ations requires that humanity seriously address the issue of global environmental conservation. Consequently, the Nitto Denko Group, through its adoptions of the corporate vision "Creating new value," is committed to respecting and acting in the best interests of the environment, both locally and globally, in all its opera-

Environmental Policies

- 1. We will develop an internal environmental management system that promotes effective environmental
- 2. With a proper understanding of the environmental impact of our operatons, we will develop internal environmental objective and targets as far as is technically and economically practicable; moreover, we will pursue these objectives and targets in an organized manner to ensue the continual improvement of our environmental preservation efforts.
- 3. Our technical and product development will focus on the reduction of environmental load.
- 4. We will continue our efforts to conserve resources and energy, reduce industrial waste, and promote recycling in all aspects of our operations
- 5. As part of our dedication to reducing the load on the environment, we will develop alternative technologies intended to reduce consumption of the sources of environmental pollution as well as to control emissions of environmental pollutants to the greatest extent feasible
- 6. We will comply fully with environmental laws, regulations and agreements, and will impose our own environmental criteria as required in the interests of environmental preservation.
- 7. We will make sure that our enployees receive environmental training and information so that all understand the significance of our Corporate Environmental Policy, have increased awareness of the importance of environmental preservation, and act on our Corporate Environmental Policy.
- 8. We will conduct periodic environmental audits in order to monitor the effectiveness of our environmental management strategy and identify areas requiring improvement.
- 9. As part of our social contribution, we will publicize proprietary technologies and information that are likely to benefit the environment.

Environmental management aimed for by Nitto Denko Group Source countermeasures (suppression of waste production) Enhanced productivity

- · Voluntary plan
- · Solvent-free manufacturing technology
- · Elimination of toxic chemicals
- · Group development

Environmental management

Factor 4 (enhance resource productivity) Twice the abundance, half the resource consumption

Recycling resources

Raw materials: Switch from oil/solvents to animal/vegetable resources

Energy: Fossil fuels→ hydrogen

Environmental business / environment-conscious products | Corporate growth

Dealing with that problem at its destination

- · Adherence to laws and regulations
- · Publication of information (PRTR)
- · Bear more of environment cost
- · Can't survive

Environmental impact shift

- · Production in country with lax regulations
- · OEM (profit priority, environment ignored)
- · Loss of corporate brand