

Environmental Conservation Activities

Other Approaches

Activities Geared Toward the International Standardization of Material Flow Cost Accounting

Material Flow Cost Accounting (MFCA) is a measure of environmental accounting specialized for inner management of enterprises, which was developed in Germany in the latter half of the 1990s. By focusing attention on the loss of resources and energy throughout the production process, we define raw materials, energy, labor costs and so on invested to the loss as “negative product”, thus making possible the visualization of waste both quantitatively and monetarily, consequently promoting cost reductions, increasing productivity and enhancing “corporate persons’” awareness of the environment.

In 2000 Nitto Denko Corporation introduced MFCA for the first time to Japan. The target was a production line of adhesive tapes for electronics which despite its then growing market encompassed many costly processes and was prone to generate a large amount of waste material. At the outset of introduction of MFCA “negative product” costs such as snippets from tapes or unwanted adhesive compound accounted for 32% of production costs, but we managed to reduce the negative product costs to 22% in fiscal 2004 by analyzing the cause of generation of wastes (the loss) and implementing improvement measures in accordance with MFCA.

Under the initiative of Japan’s Ministry of Economy, Trade and Industry, the Nitto Denko Group is taking the action of proposing to the International Organization for Standardization (ISO) that MFCA be established as an international standard as part of the ISO14000 series. This project is one of those to which the Japanese government is presently concentrating their efforts to the fullest so that Japan may become a leader in the field of environmental management.

In the event that MFCA becomes adopted as an international standard, a clear base will be established amongst enterprises thus making use of MFCA and the prospects for its promotion on an international basis even higher, and in turn this could lead to the realization of a society characterized by compatibility between the environment and the economy.

In line with these aspirations, the ISO initiated the formal process of establishing MFCA as an international standard at the General Assembly held in Bogota, Colombia, June 21~28, 2008. Yoshikuni Furukawa of our Group, acting representative of the Japan industrial sector, is serving as organizer of the Working Group which bears the task of deliberations until standards

become established.

The Working Group is aiming for the establishment and effectuation of ISO14051 by March 2011, and Furukawa continually plays a central role.

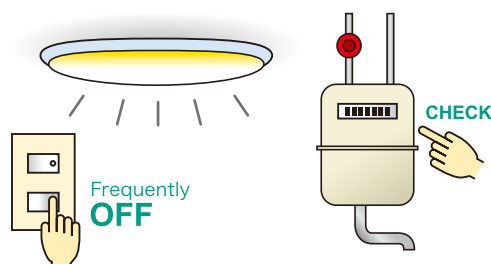
In the Nitto Denko Group various approaches exist for contributing to society, but we can say that this activity represents a new style of being involved.

Approaches in Employees’ Homes

In order to preserve the global environment, it is important that unrelenting efforts are made not only at the corporate level but also by each and every one of us. At the Nitto Denko Group, we promoted eco-activities in the household through an “Eco-awareness Boosting Marathon,” in which we aimed at CO₂ reduction by having Group employees and their families maintain a high awareness of the environment and take care to implement pro-environment behaviors.

Setting the month of September as a standard, employees and their families converted their monthly electricity and gas consumption into “CO₂ emissions” scores, then measured their level of emissions for each month and competed with one another based on their results. Additionally, the Nitto Denko Group solicited eco-ideas applied in employees’ homes and posted them in our company magazine.

We were blessed with high levels of participation and comments such as, “It was good,” “I enjoyed it,” and “I’ll continue eco-activities for a while.”



Switching 100% of Purchased Electricity to Green Energy

< Nitto Europe Going for Green Energy >

On the 1st of January 2009, Nitto Europe NV switched to green energy delivered from energy supplier Eneco. Green Power from Eneco is 100% guaranteed to be coming from different renewable energy sources.

“The selection to go for green energy fits Nitto Europe’s vision for the future. As a manufacturing company we have to take our responsibility towards man and nature. We have to use the given resources, such as energy, very carefully,” clarifies Eric Pass, Director Corporate Planning & Communications of Nitto Europe NV.

“In view of our Vision 2012 it was very important to find a supplier for green energy, that could supply us under the same conditions as a supplier of grey energy, but moreover, could guide us in our further efforts in efficient use of (alternative) energy sources,” explains Johan De Boeck, General Manager Supply Chain. When Nitto Europe NV performed its market investigation, several suppliers made offers, but could not guarantee 100% green energy at all times. “In the end, Eneco was selected as the best supplier. Next to their 100% guarantee for green energy, they are also very committed to help us in decreasing our energy consumption in the future. Even with the idea of producing our own energy they are willing to share their expertise! An extra asset, is the fact that Eneco is no more expensive than our former supplier of mixed energy. Moreover, thanks to a number of tax deductions we are now paying less. Green energy is not always more expensive,” concludes Johan De Boeck.

< Sustainable Development >

In its Mid-term Plan, the company states clearly that ‘durability’ is the key-message for the future. With its Vision 2012 “REACH 2012 as a Clean, Green & Healthy company”, Nitto Europe is going for a new style of doing business. The switch to energy supplier Eneco confirms the eagerness of the company. “Our vision for the future is no hollow promise,” explains Eric Pass, “Every day, we have to take steps towards becoming a clean, green and healthy company.”

