

Risk Management

In Preparation for “If...”

Nowadays there are many potential risks facing the business world. Natural disasters like earthquakes and man made disasters such as accidents or illegal activities for instance are but to name a few. Such risks not only threaten the existence of companies but their influence may also have a ripple effect extending to other concerned parties and society.

The Nitto Denko Group attempts to wherever possible identify any potential or actualized risks and take various measures to promptly manage such risks. We are strongly committed to preventing inconvenience to our customers, stakeholders and our own employees.

Risk Management and Initial Response System

The Nitto Denko Group has an established system in place to ensure that the President is made aware of any actualized risk factors so that he can promptly respond. Employees are encouraged to report any risk indicators as they arise. These concerns are swiftly passed on to our Emergency Headquarters to investigate and come up with strategies and solutions to the particular problem.

Key Risk Areas Identified by the Nitto Denko Group

We have identified key risk areas requiring ongoing attention. These being; “Product/manufacture risks,” “Compliance risks,” “Labor risks,” “Accident/disaster risks,” “Environmental risks,” “IT risks” and “Company-targeted crime risks.” Each department has the responsibility of devising a risk management plan aimed at preventing and/or managing relevant risks if they arise.

In 2003 and 2006, investigations were conducted. Both of these investigations uncovered potential risks in our workplace. We have already taken measures to manage some of these risks. We are also in the process of writing a comprehensive risk prevention and management plan. Naturally our aim is to keep potential risk at a minimum.

Provisions Taken Against Natural Disasters

Business enterprises are unable to prevent natural disasters such as earthquakes, tsunamis and typhoons. Such natural disasters, especially earthquakes, are of great concern to the Nitto Denko Group given our headquarters, research and development and key manufacturing bases are located in Japan. According to recent research reports, earthquakes are predicted to occur within the near future in Tokai, Tonankai and off shore Miyagi. We are in the process of drawing up a Business Continuity Plan (BCP) as a measure to protect the company headquarters and manufacturing bases as best we can against possible future earthquakes. The fundamental purpose of the BCP is to ensure that damage to stakeholders is kept to a minimum if an earthquake affects our manufacturing bases. The plan will outline procedures geared towards ensuring that production is restored to normal levels as soon as possible after an earthquake occurs.

Implementation of Safety Confirmation System

The Nitto Denko Group places great priority on confirming the safety of employees and their family members in the advent of a natural disaster occurring. In fiscal 2006 we introduced a Safety Confirmation System and have carried out many tests since its introduction to ensure its effectiveness and reliability. At the Nitto Denko Group we aim to be an enterprise that is concerned first and foremost with our employees' safety whilst minimizing damage to our stakeholders.

Measures Against Avian Flu

As a preventative safety measure for staff against Avian Flu, Nitto Denko Electronics (Malaysia) Sdn. Bhd. has fully enclosed the canteen with windows. This action has resulted in birds being unable to enter the canteen.



Our previous open style canteen



Our upgraded enclosed canteen