Initiatives for Reducing CO₂ Emission

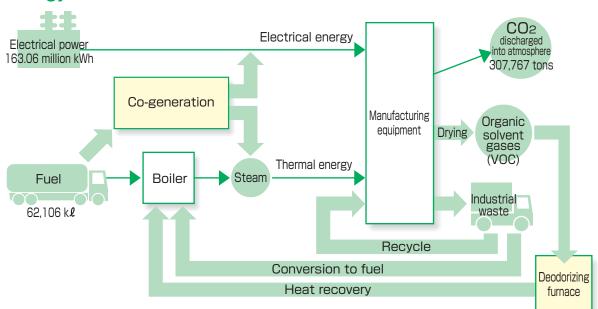
Saving energy by co-generation

Co-generation (recovering heat in the form of steam produced when generating own power) is an effective means of controlling emission of carbon dioxide (CO₂) and saving energy. The first co-generation unit was installed at the Toyohashi plant in 1999 and the second in 2000. The units have reduced emission of CO₂ and have im-

proved consumption of energy per product unit.

*The conversion factor of the Japan Report (1994) based on "UN Convention on Climatic Change" published by the Government of Japan in 2001 is used for quantity of CO2 resulting from consumption of electric power and fuel. Quantity of CO2 emitted from deodorizing and incineration furnaces is calculated from analysis data.

Energy flow

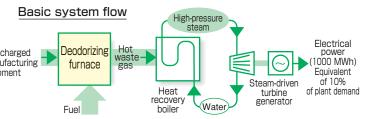


New equipment at Toyohashi plant eligible for NEDO support

The turbine generator powered by a boiler heated by recycled heat from the deodorizing furnace was introduced with technical assistance of NEDO (New Energy and Industrial Technology Development Organization). The system converts surplus steam from a boiler heated by waste heat into electricity by means of a steam-driven turbine. The system effectively saves energy when demand fluctuates and can also adapt to fluctuation of heat to power ratio. Used in combination with co-generation, the system can cover 75% of the company's energy needs, and is able to save 245 kiloliters per month by crude oil Gas discharged from manufacturing positioned in the continuous contin



■Steam turbine that produces electricity



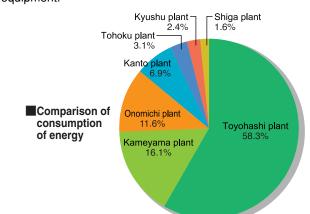
Consumption of energy and Consumption of energy per product unit

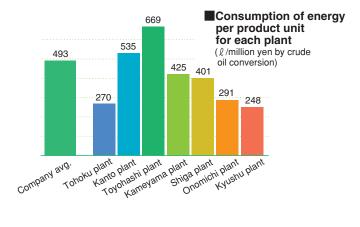


In addition to the second cogeneration unit at the Toyohashi plant beginning to operate, consumption of energy per product unit production of transdermal therapeutic patches at the Tohoku plant and other high valueadded products at various plants. Now that the turbine generator powered by a boiler heated by recycled heat from the deodorizing furnace has begun operating, it appears the targets for fiscal 2002 will be achieved.

Comparison of plants (fiscal 2000)

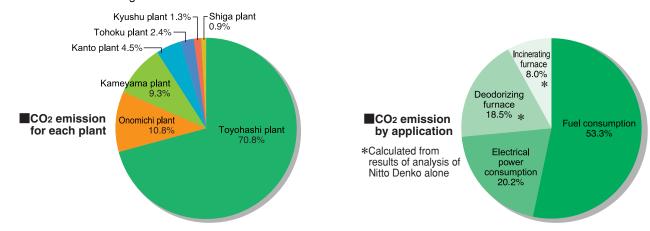
The Tohoku, Kanto and Kameyama plants are now considering following the Toyohashi plant by introducing co-generation equipment.





Consumption of energy and CO₂ emission (fiscal 2000)

The ratio of CO₂ emission has decreased by about 19% together with a decrease in power consumption, compared with the previous year by application, but increased by 15% due to fuel consumption. This is primarily due to introduction of co-generation.



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