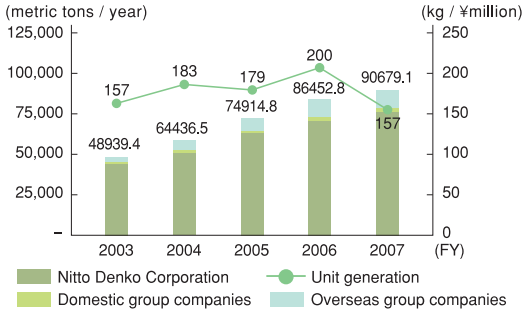
Environmental Practice

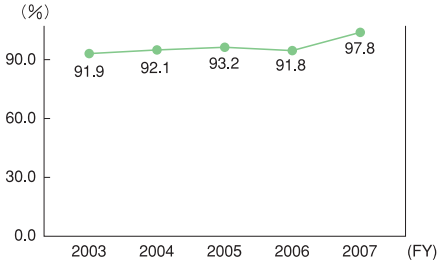
Efficient Utilization of Resources

In 2004 the Nitto Denko Group began a project known as the “Total Loss Reduction Task Force.” As part of the project, through constructing the best manufacturing system that we could, we have reduced not only the amount of materials and energy used in the production process but also the amount of industrial waste produced. Such activities are being developed throughout all Nitto Denko Group plants. We have targeted the production line used to produce reverse osmosis membrane and flexible printed circuit (FPC). More recently we have implemented strategies relating to improving resource efficiency within our optical film production sites overseas.

Total and Unit Generation of Industrial Waste (consolidated)



Recycling Rate (consolidated)



Enhancement of Legal Compliancy Using Industrial Waste Management System

Nowadays news relating to the illegal dumping of industrial waste is unending. The Nitto Denko Group has introduced into its domestic plants and group companies an industrial waste management system which aims to ensure that measures are in place to minimize risks associated with industrial waste. The system also aims to improve operating effectiveness and to ensure that legal compliance management is in order.

Wind Energy Program at Lakewood Plant of Permacel

In fiscal 2007, 16% of the Lakewood plant’s electrical usage was drawn from wind power. The positive effect of this to the environment was equivalent to the planting of 386 acres of trees, or taking 90 cars of the road. The percentage of wind power energy used by the same plant in fiscal 2006 was 6%. The rate of increase over the last fiscal year was made possible due to changing the source of the wind energy used from the Northwest to the Midwest (USA) which had a lower unit cost. Midwestern wind energy is more cost effective because land for building wind farms is less expensive and the prevailing wind is more favorable for electricity generation. Wind energy is a significant clean and sustainable energy source which when used contributes to the reduction of greenhouse gases. It is because of this that national projects are taking place in the USA. Within the USA, wind power takes third place with its current electrical generating capacity. Despite this and despite wind power electrical generation increasing at the largest rate in the world, the percentage of electrical consumption from wind power accounts for only 0.8%, and is unfortunately far below the world average.