

Environmental Management

The Nitto Denko Group formulated the Corporate Environmental Policy in 1996.

Based on the policy, the group is endeavoring to realize environmental management that enables both improvement in resource productivity and business growth.

In fiscal 2005, we will set the group's targets for the environmental management index and accelerate the activities on a group-wide and global scale.

Establishing an environmental activity promotion system

Seven group companies participated in the Group Environment and Safety Committee to share information.

The Group Environment and Safety Committee and the Environment and Safety Sector Global Meeting have been held since fiscal 2003. Members in charge of the environment and safety participate in the committee and meeting to share information within the group. Nissho Corporation, Kyoshin Corporation, and Nitto Denko Matex Corporation newly joined the committee in fiscal 2004 in addition to four Japan domestic group manufacturing companies*1.

*1 Japan domestic group manufacturing companies include Nitto Shinko Corporation, Nitoms Inc., Nitto Life-tech Corporation, and Nitto Electronics Kyusyu Co., Ltd.

Acquisition of ISO 14001 certification

Two overseas group companies aim at acquiring the certification.

All Japan domestic plants and major group manufacturing companies acquired the certification by March 2001. Eight of the overseas group companies have obtained the certification. As of fiscal 2005, Nitto Denko (Shanghai Songjiang) and Nitto Denko (Taiwan) are in the process of acquisition.

Internal audit

To reduce risks, the group internal audit that covers the fields of environment, safety, and quality has been implemented.

Nitto Denko established the Specialty Technology Audit Department in September 2004, followed by formulation of the Nitto Denko Group Regulation for Specialty Technology Audit in the Fields of Environment, Safety, and Quality in August 2004 and its enforcement in October 2004. The whole

group is subject to the regulation, where an annual audit in the fields of environment, safety, and quality is defined. The focus of the audit is not on the system itself as in a conventional audit, but on the remedy for the root causes of risks to identify and reduce risks.

Fiscal 2004 was the first year using this system. Thirteen sites, seven Nitto Denko Japan domestic plants, five Japan domestic group manufacturing companies, and one overseas group manufacturing company were audited, and dozens of items requiring improvement were pointed out at each site. Each of the companies is currently endeavoring to improve the items. In fiscal 2005, 33 major domestic and overseas manufacturing companies will be audited. In addition, Nitto Denko will provide training opportunities for auditors as well as heads of auditee sections. The training opportunities for the section heads will enable them to provide extensive management of their own responsible sections.

Setting environmental management index

The environmental management index is set to evaluate environmental impact and value-added comprehensively.

The Nitto Denko Group set the group's common environmental management index (vs. throughput*2 per unit of production) at the Environment and Safety Sector Global Meeting in fiscal 2004. The purpose of the index is that the group will make a concerted effort to reduce all environmental impacts generated from business activities. The index comprehensively evaluates the relation between environmental impact and value-added, also converts all environmental impacts into CO₂ emission equivalents (direct, indirect and constructive) to prevent global warming in the end.

In fiscal 2005, the group will draw up action guidelines on the concrete efforts required for the realization of group's environmental management and also set the middle- and long-term targets for fiscal 2006 or later.

*2 Throughput: The value added by the company through its activities.

Environmental Management Promotion System



Environment and Safety Sector Global Meeting (yearly)
It thoroughly communicates the group's environment and safety plan of the next fiscal year to the plants and each company and gives the direction to reflect them in the individual plan.

Group Environment and Safety Committee (quarterly)
It deliberates the environment and safety mid-term and fiscal year plans, as well as sharing practical issues and exchanging opinions to work out a solution. Especially, important items will be discussed at the corporate strategic committee and will be implemented only after its approval.

Environment and Safety Center
This center has control over the environment and safety sections in Japan domestic plants and domestic and overseas group companies. The roles are to collect and provide information about environment and safety to manage and offer technical support to the group's environment and safety activities. Directly reporting to the executive who is supervising the environment and safety, the center promptly responds to and practices the decisions of the top management.