

Activities Plan for Fiscal 2002

Outline of Fiscal 2002 Environmental Activities Plan

Concerning environmental management for fiscal 2002, the Nitto Denko Group, which aims for harmony of environment and management, has established its environmental activities execution plan based on the corporate environmental policy and is proceeding according to the plan.

Environmental activities execution plan for fiscal 2002

The environmental activities execution plan for fiscal 2002 establishes the following 3 themes as important activities and puts emphasis on carrying out these activities.

(1) Preparation of a system of dealing with environmental risk communication
In order to achieve accountability to all stakeholders, we intend to publish information concerning our environmental activities, including the environmental report. By making use of the electronic version of the environmental report published on our Web site, we hope to provide environmental information publication with dual directionality and we are devising a system whereby we can apply the stakeholders' opinions in our activities.

(2) Bolstering of voluntary plan promotion system
The voluntary plan ranks fiscal 2002 as the year we will achieve our targets. Based on a summarization of our efforts up to now, the system of promoting the voluntary plan is to be bolstered and the targets reconsidered for fiscal 2002. The next period targets have been established. Group targets are incorporated into the targets for individual plants and offices and are continuing individual initiatives. Concerning energy savings, which has been unfavorable, we have established a special subcommittees for saving energy for all companies and are vigorously promoting energy saving activities.

(3) Globalization of environmental activities and completion of management tools
Nitto Denko has established a network of overseas Nitto Denko Group companies in countries all over the world.

Because laws and conditions differ from country to country, environmental activities must be pursued with attention on fine details. Centered around overseas expansion of environmental accounting, we are attempting to spread global environmental activities based on environmental impact cost reduction activities. We are also synchronizing our conscious-sharing and activities by considering a global environmental management assessment system and holding international conferences on the environment.

We are also involved in the following initiatives.

Outline of fiscal 2002 environmental activities execution plan

Corporate environmental policy	Targets	Main measures
To expand linked statement of accounts of environmental activities as Nitto Denko Group.	Synchronization of environmental activities	Environmental auditing of overseas Nitto Denko Group companies, proposal of management standardization measures
Aiming for "environmental management" whereby environment and business are as one, we take the various aspects of the environment into account for our activities and act accordingly. While simultaneously contributing to preservation of the global environment, we are attempting to realize total low cost.	Environmental communications	Linking environmental accounting with domestic/overseas Nitto Denko Group companies and holding international conferences
	Revision of voluntary plan targets and establishment of execution plan	Executing accountability for publishing PRTR-related data, considered for all Nitto Denko projects
	Expansion of environmental accounting application Effective management guidelines	Establishment of midterm plan at each plant or office and having budget for plan
	Chemical substance management	Initiation of special subcommittees for saving energy for all Nitto Denko Group companies and proposal of new energy saving measures
	Environment-conscious activities execution by environmental impact assessment of product, LCA and promotion of green procurement	Bolstering of development of solvent-free adhesive tape technology and establishment of targets for dealing with that problem at its source
		Research and implementation of environmental guidelines and assessment method
		Trial of flow cost accounting and consideration of implementation
		PRTR system operation and maintenance
		Get understanding of toxic chemicals (voluntary controlled substances) and reduction plan proposal
		Establishment of method of assessing environment-conscious products and adoption of some products
		Adoption of some products concerning publishing of information and LCA execution
		Application of green procurement guidelines and creating of survey information database

New initiatives to be started in fiscal 2002

Summary and policy of environmental accounting

Continuing to reduce environmental impact costs is an important theme. Advancing technology development centered around reduction of value of industrial waste that accounts for a large per-

centage of this, we would like to continue our activities aiming to reduce environmental impact costs to 13% by fiscal 2005. In addition to the main manufacturing group companies participating in environmental accounting I fiscal 2001, we will implement environmental accounting at 7 main manufacturing group companies: Nitto Denko (Shanghai Son-

gjiang) Co., Ltd. (China), Nitto Denko (Taiwan) Corporation, Nitto Denko Electronics (Malaysia) Sdn. Bhd., Nitto Denko Material (Thailand) Co., Ltd., Permacel (America), Hydranautics (America), and Nitto Europe N.V. (Belgium).

Summary of fiscal 2001 environmental accounting

- The ratio of environmental impact costs is still large. Nitto Denko non-consolidated base:18.8%
5 domestic Nitto Denko Group companies:5.4%
- In addition to Nitto Denko non-consolidated base, 5 new companies are participating: Nitto Shinko Corp., Nitoms Inc., Saitama Nitto Denko Corp., Mie Nitto Denko Corp., and Nitto Life-tech Co., Ltd.
- Value of industrial waste accounts for majority of environmental impact costs.

Environmental budget and policy of fiscal 2002

- Value of industrial waste ratio budget
Nitto Denko non-consolidated base:17.2%
5 domestic Nitto Denko Group companies:5.1%
7 overseas Nitto Denko Group companies:12.5%
- Reinforcement of securing profits and cost competition by activities for reducing value of industrial waste
- Reinforcement of initiatives for achievement of fiscal 2002 targets of voluntary plan

Voluntary plan target revisions

Fiscal 2002 is the year for achieving targets of the voluntary plan. Because of progress made in fiscal 2001, targets for consumption of energy per product unit cannot be achieved. Next period targets will be established for fiscal 2005 and later and environmental activities will be promoted.

Voluntary plan promotion plan

Plan to be executed in accordance with ISO14001 for achieving fiscal 2002 targets.

Voluntary plan 1

Along with achieving elimination of waste discharge for all plants by reduction and proper treatment of industrial waste, the entire Nitto Denko Group will start initiatives.

Voluntary plan 2

Although it appears that targets for energy saving will not be achieved for fiscal 2002, we will reset our sights for fiscal 2005 (establishment of next period targets).

Voluntary plan 3

Reduction of amount of solvents used by solvent-free technology for adhesive tape and reinforcement of production technology will help to reduce emission of organic solvents into the atmosphere (establishment of next period targets).

Voluntary plan 4

Raise efficiency by unifying internal auditing.

Voluntary plan 5

Global expansion of environmental accounting

History of environmental conservation activities

1960s

- Installation of solvent recovery unit
- Adoption of low-sulfur heavy oil

1970s

- Production of solvent-free adhesive tape started

1980s

- Installation of reuse (rectification) unit for recovered solvents
- Installation of deodorizing furnace (organic solvent gases incinerator)
- Changing of industrial waste to fuel

1993

- Establishment of voluntary plan

1996

- Establishment of corporate environmental policy

1997

- ISO14001 certification obtained (Certification obtained for all domestic production plants in fiscal 1998)

1999

- Operation of PRTR system
Published environmental report

2000

- Adoption of environmental budget and environmental accounting system

2001

- Adoption of green procurement system
- Trial of environment-conscious products
- Trial of flow cost accounting