

Reduction in Industrial Waste

We have set a unique indicator termed the “industrial waste value ratio” (the percentage of output, in monetary terms, that covers material cost and processing cost of industrial waste). Managing this indicator, we implement measures that improve the yield and manufacturing process to reduce the amount of waste generated in the production process. Moreover, we are attempting to recycle industrial waste through material recycling and thermal recycling.

Waste Reduction (Nitto Denko Corporation on a Non-Consolidated Basis)

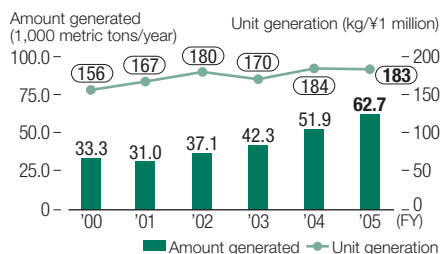
Achieving Medium-Term Targets for the Recycling Rate and Industrial Waste Value Ratio while Keeping Unit Waste Generation at the Same Level

We achieved the medium-term targets for the recycling rate and industrial waste value ratio, which were included in the Voluntary Environmental Plan as targets to be achieved by fiscal 2005.

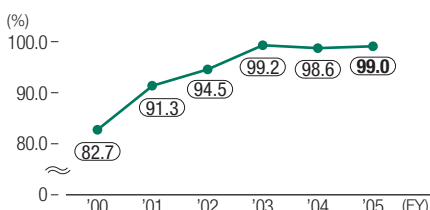
Also, by improving the yield and revising the production process, we were able to reduce unit plastic waste generation by

approximately 10%. Increased production of optical products, however, led to a rise in the amount of wastewater, and unit industrial waste generation remained at the same level as in the previous fiscal year. The Onomichi Plant is expanding its recycling equipment to recycle wastewater onsite.

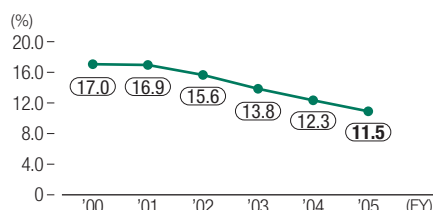
Industrial Waste Generated and Unit Industrial Waste Generation



Recycling Rate



Industrial Waste Value Ratio



TOPICS

Full Scale Operation of the Recycling Promotion Center for Waste Plastic

In November 2005, the Recycling Promotion Center started full operations at the Toyohashi Plant. This three-story, 2,059-square-meter recycling center processes approximately 13% (240 metric tons on a monthly basis) of industrial plastic waste generated by the Toyohashi Plant into pellets, which can be reused as materials (as of March 2006).

Nitto Denko Corporation began activities to reduce industrial waste in the 1980s. Subsequently, in 1992, Nitto U-tech (present Aichi Nitto Denko) started recycling plastics. Through these efforts and due to the zero waste campaign conducted at Nitto Denko Corporation’s plants in 1999, the recycling rate was improved, from 48% in fiscal 1998 to 91.3% in fiscal 2001. In accordance with an increase in production, however, the generation of industrial waste also increased, emissions of CO₂ surged due to thermal recycling. In consideration of these effects on the environment, including resource depletion, we thought it urgent

and necessary to promote material recycling and reuse industrial waste as resources.

The Recycling Promotion Center at the Toyohashi Plant processes waste sheets and tapes, which used to be included in the target for thermal recycling, into materials. The center also recycles end-of-life products recovered from customers under the Interregional Industrial Waste Recycling Manufacturer Appointment System.¹

We will further develop recycling technologies and strengthen the industrial waste processing capability of the recycling center.

1. The Interregional Industrial Waste Recycling Manufacturer Appointment System: Under this system, manufacturers are allowed to recover end-of-life products from customers in a wide area and recycle this industrial waste without obtaining a license for handling industrial waste.

