Resource Conservation

We at promoting reduction of paper use, mainly at ISO14001-certified plants, as a means of conserving natural resources. At all our facilities, we use recycled paper for everything except certain special uses. We have also reduced our water consumption through day-to-day water conservation activities and installation of cooling-water circulation systems and dry vacuum pumps.

Examples of Initiatives to Reduce Paper Usage

• At the Saga Plant, we reduced use of copy paper by 2.9 million sheets between fiscal years 1996 and 1999 (61% reduction), largely as a result of promoting use of electronic media in lieu of paper. To continue reducing paper usage, we consider it crucial to further promote conversion to electronic media and to place priority on revamping operating procedures and reducing use of forms.

• At the Ozu Plant, we switched over to completely recycled paper (i.e. 100% used-paper content) from April 1999. In August, we rebuilt our drawing printers so they would be able to accommodate completely recycled paper. As a result, we have achieved a completely recycled paper usage rate of 94% at the Ozu Plant.

• At the Koshi Plant, we reduced paper usage by copying on both sides of copy paper and making reduced-size copies. We are also proceeding with conversion to electronic media to further minimize paper usage.

• At the Sagami Plant, we reduced paper usage by some 1.4 million sheets (approximately 6 tons) in fiscal year 1999 through such means as using both sides of paper, making reduced-size copies, and streamlining document distribution. This is a 22% year-over-year reduction, which achieved the plant’s target. The plant is also recycling all discarded copy paper. Moreover, recycled paper accounts for over 90% of its copy paper usage.

Examples of Initiatives to Reduce Water Consumption

• At the Saga Plant we reduced total municipal water consumption by 50% in fiscal year 1999, exceeding the target of 35%.

• At the Ozu Plant, we modified pure-water production equipment in March 1999 in the aim of reducing industrial water consumption. This has resulted in a 19% (9,200 m³) annual reduction in industrial water usage.

• The Kumamoto and Koshi Plants’ aggregate water consumption had been rising since the Koshi Plant commenced operation in fiscal year 1998, but water consumption is now declining by virtue of water circulation equipment installed in the middle of fiscal year 1999. We think we can reduce these plants’ water consumption by as much as 75,000 t per year.

Kumamoto and Koshi Plants’ Water Consumption

<table>
<thead>
<tr>
<th></th>
<th>FY96</th>
<th>FY97</th>
<th>FY98</th>
<th>FY99</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kumamoto</td>
<td>128,000</td>
<td>75,000</td>
<td>70,000</td>
<td>82,000</td>
</tr>
<tr>
<td>Koshi</td>
<td>100,000</td>
<td>50,000</td>
<td>40,000</td>
<td>45,000</td>
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