Here we will introduce examples of initiatives at one particular plant. This time we report on the activities of the Yamanashi Plant, comprised of the Fujii area, which primarily manufactures products, and the Hosaka area, which primarily conducts research and development for semiconductor processes.

Environmental Initiatives

The Yamanashi Plant has two dimensions, the production and assembly of products, and the research and development of semiconductor processes. The Process Technology Center at the Hosaka area, which is representative of such facilities in the group, conducts research and development related to next-generation semiconductor processes, and supports the making of products that help reduce the environmental impact of the semiconductor manufacturers. However, because research and development require copious amounts of electricity and water, the environmental impact is large compared to our other business sites.

Taking the opportunity presented during ISO 14001 certification in May 1998, the Yamanashi Plant started to tackle environmental activities with the participation of all employees.

EHS Management System

During fiscal 2001, we launched full-scale operation of the EHS Management System, which combines the environmental dimension with worker health and safety. We are improving operation of the system by correcting deficiencies identified during audits, such as training-related problems that arose when new staff were hired due to increased production.

Waste

We are trying to separate and recycle wastes thoroughly, but because of daily 24-hour operations of the Hosaka facility clean room in fiscal 2001, the amounts of discharged substances such as hydrofluoric acid, waste acid and waste alkali have increased.

Power Consumption

In fiscal 2001, we succeeded in reducing our electrical consumption to less than 90 percent of our target for the period. This was due to systematic efforts to shut down facilities during long vacations, and a reduction in production due to the global downturn in the information technology industry. The net power consumption increased, however, compared to fiscal 2000, due to a new building operation at the Fuji area, and the shift to 24-hour-a-day operation for Clean Room #6 at the Hosaka area. It is, therefore, important for us to continue efforts for energy conservation in the future.

Chemical Substances

We are managing chemicals according to TEL’s Chemical Management Regulations. When new chemicals are to be introduced, an audit is conducted in advance using TEL’s Chemical Substance Auditing Guidelines. In fiscal 2001, we carried out voluntary operation of the PRTR system, and organized a hearing to study the topic of reducing our releases of pollutants.

Use of PRTR Target Substances (fiscal 2001)

<table>
<thead>
<tr>
<th>Substance</th>
<th>Amount used</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>Ethylene Glycol</td>
<td>1,246 kg</td>
<td>No releases to air, water or soil</td>
</tr>
<tr>
<td>Copper salts (water-soluble, except complex salts)</td>
<td>191 kg</td>
<td>No releases to air, water or soil</td>
</tr>
<tr>
<td>Hydrogen fluoride and its water-soluble salts</td>
<td>1,335 kg</td>
<td>Mostly disposed as waste</td>
</tr>
<tr>
<td>Manganese and related compounds</td>
<td>Under review</td>
<td>More than 100 kg</td>
</tr>
</tbody>
</table>

Note: At the Yamanashi plant, chemical substances for which the amount used is 100 kg or less are not subject to controls and reporting under the PRTR Law.

Future Issues

In the future, we intend to use the fiscal 2001 quantitative data on waste emissions and energy consumption to expand our efforts to reduce net amounts. Since this plant has been designated as an energy management factory, we will work to develop a new energy management system that takes its guidance from the Ministry of Economy, Trade and Industry. In addition, a future safety goal will be to improve the control of chemical substances and the management of environment-related facilities.

As we continue to reduce consumption of electricity, gas and water to levels below those of fiscal 2001, we will also strive to cut the amounts of greenhouse gases and ozone depleting substances released, and work to make products that can help to reduce the environmental impacts of our customers.