

Environmental Protection Activities Report

Operating Activities and Environmental Burdens

We established the "FDK Group Environmental Policy", and we are promoting environmental protection activities based on the Environmental action plan ,through out the entire FDK Group.

FDK Group Environmental Policy

FDK Group considers it necessary to address environmental protection as a part of its corporate activities. This includes prevention of global warming, reduction of wastes and thorough control over hazardous chemical substances, all of which should be implemented not only based on laws and regulations of central and regional governments of Japan, but also based on the wider global perspectives. This must be a shared idea among other companies toward the sublime proposition of realizing the sustainable society. In addition to its own activities, FDK Group is decided to promote environmental protection in cooperation with Fujitsu Ltd. and adapt an environmental policy, a fundamental for environmental activities of Fujitsu Ltd. The "FDK Environmental Policy" is the essence of the group's environmental activities, aiming at promoting robust environmental protection activities through a synergy effect of voluntary reduction of environmental burdens and cooperative actions with Fujitsu Ltd.

Philosophy

The FDK Group recognizes that environmental protection is a vitally important business issue. By utilizing our technological expertise in the IT industry and our creative talents, we seek to contribute to the promotion of sustainable development. In addition, while observing all environmental regulations in our business operations, we are actively pursuing environmental protection activities on our own initiative. Through our individual and collective actions, we will continuously strive to safeguard a rich natural environment for future generations.

Slogan

FDK Group Loves Nature for the Future of the Earth

Principles

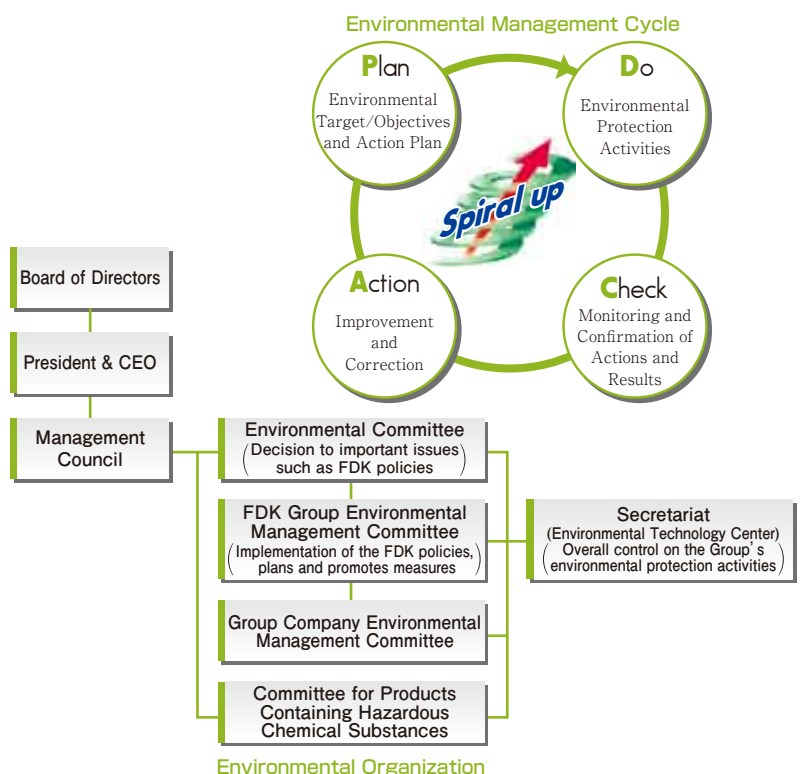
- 1 We strive to reduce the environmental impact of our products throughout the product life cycle.
- 2 We are committed to conserving energy and natural resources, and practice a 3R approach (Reduce, Reuse, Recycle) to create best-of-breed eco-friendly products.
- 3 We seek to reduce risks to human health and the environment from the use of harmful chemical substances or waste.
- 4 Through our IT products and solutions, we help customers reduce the environmental impact of their activities and improve environmental efficiency.
- 5 We disclose environment-related information on our business activities, products and services, and we utilize the resulting feedback to critique ourselves in order to further improve our environmental programs.
- 6 We encourage our employees to work to improve the environment, bearing in mind the impact of their business activities and their civic responsibilities.

Organizational Structure

Important issues such as policies on environmental activities are discussed in the 'Environmental Committee.' The resolutions made by the committee will then be implemented after approval by the 'Management Council.' Detailed action plans including policies and measures are decided at the "Plant Environmental Management Committee" established at the environmental management system level based on ISO14001.

The plans are implemented by repeating the cycle of PDCA (Plan, Do, Check and Action) for continuous improvement to achieve "spiral up."

Hazardous chemical substances contained in products are managed at the "Committee for Products Containing Hazardous Chemical Substances," a newly established internal organization in October 2004, to eliminate use of hazardous substances and appropriate control of them. (See page 22 for further information.)



Environmental Action Plan

In order to set detailed target for put the 'Environmental Policy' into practice, the FDK Group revises its 'Environmental Action Plan' once in three years. The FY 2005 is in the middle of the 'Third Environmental Action Plan (FY 2004 - 2006)'. Some of the plan has been achieved in the form of providing Super Green Products and reduction of energy consumption and CO₂ emission. The FDK Group will further pay its entire efforts to achieve the plan fully for the remaining periods of the plan.

Achievements of the Third Environmental Action Plan (FY 2004 - 2006)

Items	Action Plan	Progress (as of the end of FY 2005)
Reinforcement of environmental management	<p>To establish own frameworks of environmental management in all the Group's affiliates and subsidiaries, which are based on the environmental management system (EMS), by the end of FY 2005</p> <ul style="list-style-type: none"> EMS to be introduced in the entire corporate structure of FDK in Japan including its head office and sales offices. 	<p>After examining various types of EMS, Eco-Stage System was chosen as the most appropriate system for FDK's Head Office and Sales Offices. A declaration to kick-off installation of the system was made both by the Head Office and Sales Offices and it is currently in the investigation stage of the current conditions at each site. (See page 17 for further information.)</p>
Green procurement	<p>Promotion of EMS to suppliers</p> <ul style="list-style-type: none"> To encourage business partners in Japan with no EMS to introduce it. The scope of EMS include those certified by a third party certification-organization such as ISO14001, EMAS, Eco-Action 21, Eco-Stage, local environmental management system equivalent to them, Fujitsu Group Environmental Management System (FJEMS), FDK Group Environmental Management System (equivalent to FJEMS), and other EMS systems unique to each business partner approved by FDK. 	<p>As of FY2004, 22 suppliers including those newly started business transactions with the FDK Group established the environmental management system. The figure was jumped to 88 in FY2005. Among them total 20 suppliers introduced FDKEMS. (See page 18 for further information.)</p>
Environmentally compatible products	<p>Provision of Super-Green Products by the end of FY 2006</p> <ul style="list-style-type: none"> "Super Green Products" are the advanced form of green products incorporating such properties as energy saving, 3R (Reduce, Reuse, Recycle)-based design, and elimination of hazardous chemical substances. They are forerunners having the "world's 1st" "world's smallest" "nation's first" "industry's first" "nation's smallest" and "industry's smallest" characteristics, which are intended to be released by the end of FY 2006. 	<p>Total 31 themes have been extracted as the target for developing Super Green Products. Among them, small-size chip inductor 'MIPF2520D Series' was recognized as the first super green product for the FDK Group. The mass-production started in February 2006. (See page 19 for further information.)</p>
	<p>To eliminate use of hazardous substances designated by Fujitsu Group in manufacturing products by the end of FY 2005, except for those designated by RoHS whose elimination target is the end of December 2004</p> <ul style="list-style-type: none"> Use of hazardous substances listed in 31 categories of Fujitsu Group's list will be totally eliminated by the end of FY 2005. For products shipped to Europe and covered under the RoHS Directive, use of mercury, hexavalent chromium compounds, PBB and PBDE will be totally eliminated by the end of December 2004. 	<p>Use of prohibited chemical substances out of the hazardous substances designated by the Fujitsu Group was totally eliminated. As to the substances to be totally eliminated, those designated by RoHS were successfully eliminated from all products directed to Europe to which the customers required us to use substitution substances in lieu of them. However, some products not required so by the customers due to quality concerns were delivered with such substances designated by RoHS. (See page 22 for further information.)</p>
Measures against global warming	<p>Energy consumption and emission of CO₂ reduced at the end of FY 2006 by 15% of those in FY 2000</p> <ul style="list-style-type: none"> The scope of these reductions includes FDK's plants and offices in Japan. 	<p>As to energy consumption, the volume of CO₂ emission was successfully reduced by 62% of the actual emission made in FY2000. (53,998 ton-CO₂ in FY2000 was reduced to 20,397 ton-CO₂ in FY2005.) (See page 23 for further information.)</p>
	<p>Contribution to the reduction of greenhouse gas emission</p> <ul style="list-style-type: none"> Reduction of CO₂ emission is promoted through improvement of logistics, recycled use of products and packaging materials, and development and purchase of energy-saving products. 	<p>Revision of delivery truck route to shorten the travel distance of a truck and use of returnable containers (TP trays) to enhance the truck loading efficiency were addressed. (See page 24 for further information.)</p>
Promotion of green factory	<p>Discharge of chemical substances under the Pollutant Release and Transfer Register (PRTR) reduced at the end of FY 2006 by 15% of those discharged in FY 2001</p> <ul style="list-style-type: none"> The scope of the reductions includes FDK plants and offices in Japan. 	<p>The emission of the designated chemical substances was successfully reduced by 41% of those actually emitted in FY2001, but was an increase by 87% over the previous fiscal year. (5.5 ton in FY2001 → 3.3 ton in FY2005) (See page 25 for further information.)</p>
	<p>Generation of wastes reduced at the end of FY 2006 by 3% of those generated in FY 2003</p> <ul style="list-style-type: none"> The scope of reductions includes FDK plants and offices in Japan. Zero emission of wastes will be achieved by the end of FY 2004 ahead of the target shown in the "Second Environmental Action Plan" by 1 year. 	<p>Generation of waste was reduced by 24% over that in FY 2003. (2,081 ton in FY 2003 → 1,590 ton in FY 2005) The zero emission of wastes achieved in the end of FY2004 was continued in FY2005 as well. (See page 26 for further information.)</p>

Since FY 2005 is the middle of the "Third Environmental Action Plan (FY 2004-2006)," we do not evaluate the degree of achievement. Only the activity results are reported here.