

This chapter shows activities of manufacturing plants of FDK and Group companies.

Started operation in	June 1963
A status a s	0001 Weehim

Kosai Plant

2281, Washizu, Kosai City, Shizuoka Prefecture 431-0495 Address 053-576-2151 Tel

Production items Switching power supplies, multilayer chip power inductors, high-frequency multilayer parts and toners Employees 559



Abundant in nature, Lake Hamanako is a home of diversified aquatic creatures and is famous for production of eels. In spring, a number of people come to the lake shore for enjoying digging clams. Kosai Plant is situated on the western part of Lake Hamanako, and is a center of R&D, technology and administration for the FDK Group.

Kosai Plant is in charge of setting up targets for the entire FDK Group and checks the progress of achieving the target to promote the activities of each site. In FY2006, the Plant wrapped up the results of the Third Environmental Action Plan of the FDK Group and documented the Fourth Environmental Action Plan. The Plant also conducts the environmental management activities in compliance to ISO14001 as Kosai Plant. The following two items were focused among the actions taken by the Plant in FY2006.

- 1.Establishment of the FDK Group's Chemical Substances Control System
- In preparation for the planned application of EU's RoHS as of July 1, 2006, the Plant promoted establishment of the Group's chemical substances control system for all of its production sites. 2.Reinforcement of the Environmental Internal Audit at Kosai
- Plant In order to further activate its environmental management activities as well as to improve it continuously, the Plant educated and trained its internal audit staff to raise their skills and revised

the way internal audits are done for betterment. The Plant is determined to contribute to the formation of a sustainable society and protection of the global environment as a core entity of the FDK Group.

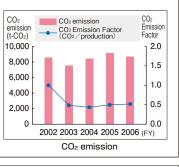




Lake Hamanako



Wastes Volume of wastes generated (t) Volume of wastes Recycling ratio recycled (t) 374 374 100 Energy Consumption Electricity Citv Gas CO2 eq. (t-CO2) urchased (MWh) (Km³) 19.689 237 8,929 Activity Data FY 2006



Sanyo Plant

Started operation in January 1970 5-ku, Honmachi, Sanyo-Onoda City, Yamaguchi Prefecture, 757-8585 Address 0836-72-1311 Tel Production items Piezoelectric parts and LCD back light inverter modules 138 Employees

Situated on the western side of the Seto Inland Sea facing to the Suounada Sea, Sanyo Plant is surrounded by abundant nature of Asa, north of Sanyo Onoda City in Yamaguchi Prefecture.

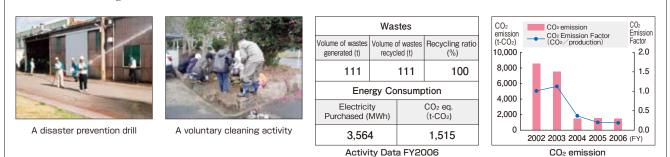
As a mass production plant of electronic parts using the superb material developing and application technologies of the Group, the Plant produces digital home electric appliances and devices to be installed in automobiles as well as communication equipment. Its environmental activities include:

1. promotion of manufacturing eco-friendly products, including

①response to various chemical substance control regulations and ⁽²⁾Promotion of controls for chemical substances included in products, 2. prevention of global warming by decreasing CO₂ emission, and 3. reduction of waste generation.

For each of the above three, a target is set and actions are taken to achieve it. Particularly for chemical substances, the Plant is dedicated to reinforce controlling them and use them appropriately, under the circumstances of ever increasing regulations on them.

The Plant also commits itself to protection of the local environments through volunteer activity of various types, including participation to the city's environmental councils and greenery promotion councils, etc. and cleaning campaigns to special nursing homes for the aged. The Plant will continue global environmental protection activities uniting the efforts of all employees in order to bring the sustainable society come to fruition.



*Note: The CO2 emission factors in the above graphs are calculated based on the achievement of FY 2002 as 1

📔 lwaki Plant

Started operationApril 2002 (by merging former lwaki Electronics Co., Ltd., which was established in December 1966.)Address1, Kamanomae, Joban-kamiyunagaya-machi, Iwaki City, Fukushima Prefecture 972-8322Tel0246-43-4161Production itemsManufacturing and sales of LCD back light inverter modules and VCOsEmployees417

PrDS: rought

Situated to the southeast corner of Fukushima Prefecture and facing to the Pacific Ocean to the east, Iwaki Plant is blessed with mild climate throughout the year. The Plant produces inverter modules and VCOs as one of the core mass production facilities of FDK. This year marked the 9th year after the Plant was certified as ISO14001 compliant. In order to reinforce its environmental activities directly related to its business, the Plant focuses on employee education and trainings. The regular study meeting for internal auditors was implemented once a week. The session was not a unilateral way of just an instructor talking to the participants, but valued on discussions among them in order to deepen their understanding of the subject issue.

The Plant's energy saving activities included space-saving to optimize the production space in more economical way, revision of air conditioner layouts in line with it, and replacing obsolete air conditioner with more energy-saving models. Though the production volume was increasing, the volume of energy consumed in the Plant was successfully reduced due to the use of external air heat. Use of toluene was significantly reduced after revising flushing methods and other efforts. As a course of interactions with the local communities, an instructor was sent to Iwaki Occupational Skill Development and Promotion Center (Polytech Center Iwaki) for environmental education. Each waste separation box in the Plant now has a picture of waste so that everyone can understand which wastes should be put into which box.

CO

emission (t-CO₂)

10.000

8,000

6.000

4,000

2.000

0

CO₂ emission

CO₂ Emission Factor (CO₂/production)

2002 2003 2004 2005 2006 (FY)

CO2 emission

Wastes

recycled (t)

Energy Consumption

Activity Data FY 2006

Bunker A

(Kl)

189

315

I PG

(t)

40

Volume of wastes generated (t)

Electricity

irchased (MW

10.101

315

Volume of wastes Recycling ratio

100

CO₂ eq

(t-CO₂)

4,940





An environmental education session at outside of the Plant (Polytech Center Iwaki)

64

Employees

Waste separation boxes (with a picture of wastes on each of them)

FDK Engineering Co., Ltd.

 Started operation in
 September 1990 (by separation of machinery business function of FDK; Former Hosoe Plant started operation in November 1963)

 Address
 281, Hirooka, Hosoe-Cho, Kita-ku, Hamamatsu City, Shizuoka Prefecture 431-1302

 Tel
 053-522-5280

 Business lines
 Design, manufacture and sales of various manufacturing facilities

This is a manufacturer and designer of production facilities and more than 70% of sales are occupied with assembling systems for auto parts. Due to the recent trend of oil price hike, there have emerged the needs for upgrading fuel efficiency of machines. In line with this trend, more orders are placed to the company for part production systems. The company underlines 'eco-friendly design' and 'green factory' in the course of its environmental protection activities; the former aims at decreasing environmental burdens emitted from the customers' premises in using the facilities delivered by the company, and the latter aims at decreasing environmental burdens imposed by business activities of the company.

 Eco-friendly design of facilities: decreasing electricity consumption, non-use of PVC materials and solder containing lead, and small-in-size design 2. Green factory: decreasing electricity consumption and eliminating and reusing wastes

As a course of its efforts in decreasing electricity consumption, assembling systems and facilities are now concentrated to the same area. This enabled switching off of lighting equipment and air conditioners located at non-used areas, contributing to minimization of electricity consumption. In addition to this is decreasing the time required for assembling and adjustment of a facility to a minimum. Such energy saving activities could reduce CO_2 emission. The company is interaction with the local communities included: (Dparticipation to a local cleaning campaign on the 'Hosoe-Cho

Environmental Cleaning Day,' and

②taking part in 'Himesama Dochu (procession of princesses)' a local festival derived from an old local legend of the Edo era.



CO2

Emission Factor

2.0

1.5

1.0

0.5

0.0



FDK Energy Co., Ltd.

Started operation in August 2002 (by separating battery function of FDK. The former Washizu Plant started its operation in February 1950.) 614, Washizu, Kosai City, Shizuoka Prefecture 431-0431 Address 053-576-2111 Tel

A FLAMMAN

Manufacturing and sales of alkaline batteries and lithium batteries Business lines Employees 167

FDK Energy is a hub of manufacturing and technical development of alkaline and lithium batteries.

In FY2006, the challenges were how to reduce energy consumption and generation of wastes, while the sales increased by 15% vear-on-vear.

1.Promotion of eco-friendly products

The criteria for controlling chemical substances designated by the FDK Group were thoroughly observed.

2.Promotion of anti-global environment measures

As to reducing emission of CO_2 due to consuming energy, one of the measures taken was to change the conventional compressors to inverter compressors. This contributed to saving of energy.





(assumed that chemical spill occurred)

FDK Mechatronics Co., Ltd.

Started operation in November 1, 1989 2281, Washizu, Kosai City, Shizuoka Prefecture 431-0431 Address

053-575-3011 Tel Business lines Manufacturing and sales of stepper motors 49 Employees

FDK Mechatronics designs and manufactures stepper motors, doing business to make a plant a mass production plant and promoting and controlling motor businesses in general. Its environmental management activities in FY2006 mainly included reinforcement of our eco-product promotion organization in preparation for the start of application of RoHS Directive in July 2006. More precisely, chemical substances inspection was conducted to all suppliers in and out of Japan to investigate the status of chemical substances used to all parts currently produced and delivered to us. Inspection organization was reinforced to ensure that the progress of the inspection was 'visualized' so that everyone can understand it. To a supplier of parts considered that stronger

control would be necessary, a process audit was conducted to confirm that a system to totally avoid use of banned products to products was set up in the supplier. As a result, for some suppliers which failed to improve their system, we stopped purchasing items from them to ensure that we comply with the relevant laws and for the purpose of assuring quality of products we manufacture. Internally, employee education on chemical substances was continued. In addition, we have set up a rule on analyzing such chemical substances and a control and assurance system in operation to check them at a design review conducted when a product is designed.



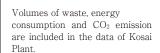




Analysis of chemical substances using an X-ray fluorescent spectrometer



Assessment of products developed



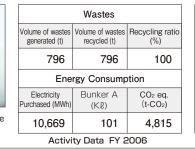
Activity Data

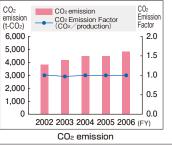


As a result, emission of CO2 successfully reduced was 4,815 ton against the target of 5,360 ton. However, while the sales were increased by 15%, the reduction of CO₂ emission remained in 7%. 3. Promotion of Green Factory

As a part of our activities to reduce generation of wastes, waste oil was decomposed using bacteria and waste plastic bags in the plant were reused. In order to protect the plant, an emergency response drill is carried out every year.

We are determined to unite the efforts of the entire employee to continue further improving the irreplaceable global environment.







Lifetec Corporation	
in May 1, 1971	
2281, Washizu, Kosai City, Shizuoka Prefecture 431-0431	
053-576-3121	
Employee welfare for the FDK Group, life insurance agency and sales of green teas, etc.	
63	Contractions and

Started as an outsourcing company in charge of employee welfare for FDK Corporation, FDK Lifetec operates at three offices, i.e. Head Office in Kosai City, Shizuoka Prefecture, Iwaki Branch and Sanvo Sub-Office.

As a part of its employee welfare business for FDK Corporation, this company manages a canteen where calories contained in each food are indicated on the menu so that each employee can control the volume of calorie intake. Our nutritionists are working for developing healthy foods, reduced-salt foods and other new menus. In Kosai Region, a plaque, 'Bit of Knowledge Corner' is placed on each table in the canteen to provide knowledge on meals and health in order to raise awareness of the employees for maintaining health.



FDK I

Started operation in Address Tel Business lines Employees



A 'Bit of Knowledge' plaque

Tea leaves produced in Shizuoka Prefecture are powdered and sold using the unique manufacturing technique of this company

to the life of people.



'Run-Run Sabo' Series



The company also addresses environmental protection. In order to prevent global warming, actions are taken to reduce energy consumption by gas and electrical equipment in the kitchen by setting concrete targets. Food wastes generated from the canteen are reused as fertilizers using a waste food processor. In the future, we will commit ourselves in ISO14001 environmental management activities as one of the FDK Group companies. As a part of its social contribution activities, a vending machine with a donation function was introduced in the company in FY2006. We are determined to contribute to the society by providing a comprehensive support to the life of people including health, welfare, environment and culture that are closely related

> Data relating to reduction of wastes, energy consumption and CO₂ emission in the head office. Sanyo Branch Office and Iwaki Branch are included in those for Kosai Plant, Sanyo Plant and Iwaki Plant respectively.

> > Activity Data

Fuchi Electronics Co., Ltd (Taiwan)

Started operation in	January 1981	
Address	No.355,Section 2,Nankan Road,Rutsu Shan,Tao Yuan,Taiwan	
Tel	+886 3 322 2124	
Business lines	Manufacturing and sales of LCD signal processing modules and LCD back light inverter modules	
Employees	975人	-

Since it was certified as ISO14001 compliant in January 2000, Fuchi Electronics have worked for making a continuous improvement of its environmental management system. More recently, we came to see a grand transformation that environment-oriented business activities to comply with the ever growing consciousness of people toward the environment are the key to win favorable assessment of them to us, obtain new businesses and make the market ecofriendly. Under such circumstances, this company operates various businesses with a strong sense of crisis to the global environment such as global warming. Our major activities include:

1. Provision of green products (green procurement, lead-free,etc.),

2. Minimizing risks (reduction of hazardous chemical substances),

- 3. Measures against global warming (energy-saving),
- 4. Introduction of LCA (life-cycle assessment) and



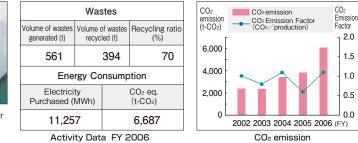


A seminar on greenhouse effect gasses An X-ray fluorescent spectrometer



5. Recycled use of resources through reduction of wastes. In our green procurement activities, a green partner system, unique to us, are introduced to cooperate with our customers in maintaining and raising reliability of our products. The number of suppliers designated as a green partner has exceeded 300 as of FY2006. An X-ray fluorescent spectrometer is used to measure hazardous substances in-house. In FY2006, the volume of CO2 emitted from our company was increased, which is mainly attributable to our Taichung Plant in full operation in order to increase production.

Fuchi Electronics is determined to provide products that can respond to the requirements of its customers and to fulfill its due corporate responsibility in order to protect the employees and their family members as well as their future generations.







In order to reduce various environmental burdens that impose adverse influences on the environment. PT FDK Indonesia obtained an ISO14001:1996 certification in June 2003, in order to protect the global environment. Since then the company is actively committed to protecting the environment.

PT FDK Indonesia (Indonesia)

+62 21 89982111

Started operation in August 1989

1 0 3 0

Address

Tel

Business lines Employees

More precisely, the activities include elimination of hazardous chemical substances, energy-saving activities (mainly electricity), reduction and separation of wastes generated, monitoring and measurement of gasses discharged to the air, and green planting activities. As to the reduction of electricity consumptions and wastes, targets are set up in its environmental management plan and achievement of them is promoted under a periodical surveillance. Waste water discharged is monthly monitored and measured,

the result of which is reported to the industrial complex and governmental authorities in a regular manner.

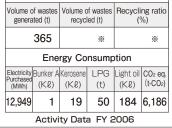
In FY2006, its waste water treatment facilities were overhauled and new air conditioner controlling system was introduced as an energy saving measures. In order to minimize environmental risks, an emergency response drill against chemical spillage and a practice of implementing countermeasures against it were conducted. The volume of CO2 emission was increased in FY2006, which was largely because of an increased production of alkaline batteries.

PT FDK Indonesia is determined to continue compliance with environment-related laws, regulations and requirements and unite the efforts of the entire employees to reduce environmental burdens.

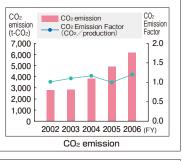




atment companies was



Wastes



*As the data on the recycling of wastes as resources by outside was unavailable, the figures relating to it are not listed here. The CO₂ emission volume is calculated using a factor used in Japan FDK Lanka (PVT) Ltd (Sri Lanka)

Started operation in November 1990

Ring Road 3. Phase II E.P.Z. Katunavake. Sri Lanka Address

+94 11 225 3492 Tel

Business lines Manufacturing and sales of optical communication parts, magnetic heads for FDD and rotary transformers 2.058 Employees

After certified as ISO14001 compliant in 2003, FDK Lanka has completed shifting of the certification to ISO14001:2004 in February 2006. This company has set three year targets on the following items to be achieved by FY2008 and is actively working toward it.

- 1. To reduce CO₂ emission per-unit by 15%
- 2. To reduce waste generation per-unit by 5%
- 3. To reduce chemical substance consumption per-unit by 30%
- 4. To reduce noise level at the peripheral area of the plant

In FY2006, the number of air conditioner units was reduced in a course of space saving in its production innovation campaigns and lighting equipment was used in an optimized manner for saving



Potable water purifying system

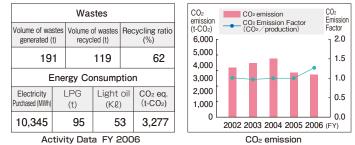


Compressor oil separator

energy consumptions.

As to the measures against noise emitted from generators, in addition to the company's continuous efforts to reducing it, suction filters were improved in FY2006. With these measures, noises were successfully reduced to the target level. Waste water used for flushing was recycled after purifying it using a filter. In addition, a potable water purifier and a drain oil separator were set up in the company.

Under the slogan of 'FDK Group Loves Nature for the Future of the Earth,' we are committed to continuing our environmental protection activities for protecting the beautiful land of Sri Lanka and for the prosperity of FDK Lanka.



🚺 Xiam	en FDK Corporation(China)		5
Started operation in	n March 1994		
Address	No.16, Malong Road, Huli District, Xiamen, Fujian, China		102
Tel	+86 592 603 0576		and the second s
Business lines	Manufacturing and sales of LCD back light inverter modules, switching	g power supplies, motors and coil devices	the second second of the
Employees	2,326		
Xiamen FDK	e than 400 companies located at Xiamen Hich-Tech Zone, acquired a consolidated certification of ISO combining 4001 and OHS18001 in FY2006. The followings were major	included in products. Additional	ergy saving and chemical substan ly, a series of enlightenment educat y year by designating the month as

- activities in FY2006 1.Reduction of using chemical substances: Use of toluene and xylene was reduced by 9% and 45% respectively over the previous year.
- 2.Control of chemical substances contained in products: The company's chemical substance control organization was reinforced and improved the system. Purchased materials were checked that they satisfied the relevant laws, regulations and requirements. Customer assurance activities were also implemented.
- 3.Environmental education: For new recruits, a handbook on ISO14001 and other standards was distributed to each of them to raise understanding of them to the standards applicable to us. For existing employees, a series of education is provided every year, including such subjects as





Cleaning activities at Mt. Xianyuesan

A certificate of an advanced company of safety production



Started operation in August 1995

Employees

1.906

499 Dong Qu Road.Songijang Industrial Zone.Shanghai.China Address +86 21 5774 2028 Tel Business lines Manufacturing and sales of coil devices and LCD signal processing modules

With the corporate philosophy of 'Contributing to the society through the growth of the company' and the action guideline of 'Manufacturing for co-existence with the nature,' as well as under the environmental policy of 'Provision of clean products to protect the environment from contaminations by abiding by the relevant laws and regulations,' Shanghai FDK unites the efforts of the entire employees for realization of a better society. Shanghai FDK's activities FY2006 mainly consisted of the following items.

1.'Blackboard News' was issued every month to inform various information on the environment and to raise awareness of the employees toward it. Especially, for new recruits, an orientation is implemented to educate them on hazardous chemical substances and details of the company's environmental management system.

2.Due to the increased production of coil devices, energy consumption





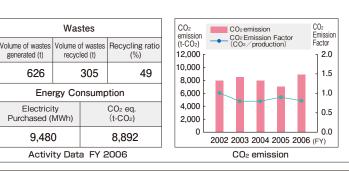
Green area in the plant premises

ation

s the month of environment to raise the awareness of the employees on the environment. 4.Award presentation: Accredited as having advanced safety control

system, we won the Award for Advanced Safety Production Control Company in Xiamen High-Tech Zone in FY2006. At the same time, Mr. Huang Huang, Director of Administration Department won the award for individuals on advanced safety manufacturing practice, on recognition of his skills as a superb controller with the highest degree of insight in enhancing the level of safety activities within the company.

Xiamen FDK is committed to advancing its environmental activities based on the environmental policy, with the whole efforts of the entire employees.

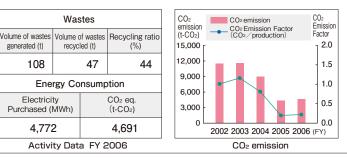




was increased compared to the previous year. In FY2005, CO2 consumption was significantly decreased which was largely attributable to that the production of ferrites was shifted to Nanjing FDK. 3.Chemical substances hazardous to the environment were more strictly controlled. Document control method was also revised to ensure this, in compliance to the requirements of our customers.

4.As a part of its social safety activities, we took part in traffic safety campaigns hosted by Songjiang Industrial Zone and the police authority. In May every year, we hold a safety production campaign to ensure safety of the production employees. In line with this, a firefighting training is carried out.

Shanghai FDK is dedicated to continue its environmental improvement activities to contribute to the protection of the global environment.



Social Activities Report

Environmental Protection

Site Report



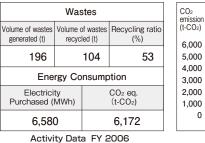
Started operation in	June 2001	
Address	43 Building Fengqiao Industrial Park 158-88 Huashan Road	,Suzhou New District Jiangsu,China
Tel	+86 512 66619392	at total and the state
Business lines	Manufacturing and sales of LCD signal processing modules	
Employees	1,600	
items. 1.An orientatic protection of leaflet was di educations or control of ch based on the 2.As to noises noise for sevy was successfi 3.An evacuatic year.	ken by Suzhou FDK in FY2006 included of the following on was provided to new recruits to raise awareness to the environment. For this purpose, an environmental stributed to each of them. For other general employees, a internal audit, environmental laws and regulations and emical substances contained in products were provided company's annual education program. emitted from the plant, thanks to the efforts of reducing eral years, the noise level at night around the plant area ally reduced to the standard level. n drill and a firefighting training are carried out every mical substances contained in products, as a result of the	tee to the effect that no hazardous materials are contained in the products delivered to us. At the same time, hazardous substance inspections are periodically carried out in-house using an X-ray fluore cent spectrometer. S.As to the efforts for reducing use of resources and energy-saving, target values are set and actions are taken to achieve them. Use of pape water and chemicals was reduced compared to the previous year. At to energy-saving, due to the increased production volume, the volume of electricity used was increased. Suzhou FDK is committed to abiding by the relevant environmental law and regulations and satisfying the requirements of its customers. I order to protect the global environment and for the sake of survival of human beings, we are determined to pay utmost efforts to contribute to the society through environmental protection activities.

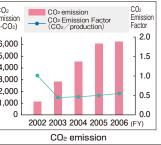




Emergency evacuation drill

Firefighting training

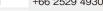




FDK (Thailand) Co., Ltd. (Thailand)

Started operation in December 2001

60/118 [Navanakorn Industrial Estate Zone 3] Moo 19, Phaholyothin Road, Tambon Klongnung, Amphur Klongluang, Pathumthani 12120, Thailand Address +66 2529 4930 Tel



589

Business lines Manufacturing and sales of motors

Employees

Incorporated in December 2007, FDK (Thailand) is a manufacturer and seller of stepper motors for office automation equipment and automobiles. The company has only a 6 year of history, but is in business for 18 years if Fujitsu (Thailand), the predecessor of the company is included. FDK (Thailand) maintains the following environmental policies.

- 1.To abide by laws and regulations on environment set up by the Kingdom of Thailand, where we operate businesses, as well as those required by our customers.
- 2.To continue improvement of systems in the company, to prevent contaminations arising from our business activities and to minimize adverse impacts of our businesses on soil, water and air through effectively utilizing wastes 3.To utilize resources effectively and to promote protection and saving of energy

4. To raise the consciousness of the entire employees toward protection of the environment

In FY2006, the priority action items included 'reduction of energy



Application of heat insulating coating on the plant roof top



An energy-saving control system installed to an air conditioner

consumption' and 'control of chemical substances contained in products in compliance to RoHS, etc.' In order to reduce energy consumption, an energy-saving control system was installed to a half of the air conditioners in the plant. On the roof, ceramic was coated to reduce electricity consumption of air conditioners in the plant by isolating

external heat transmitted to inside of the plant building through its roof. As to the compliance with the RoHS Directive, an audit was done to selected suppliers in order to strengthen control to them. We believe the audit was effective in communicating them how we will control chemical substances contained in products in practice. The level of controlling them was raised through implementing in-house educations to all employees including contracted employees.

FDK (Thailand) is determined to dedicate to make a continuous improvement on its environmental activities with the efforts of the entire employees and to make a leap forward while maintaining harmonious existence with the environment.

Wastes		CO ₂ emission			D2 emiss D2 Emis		actor		CO2 Emissio	
Volume of wastes generated (t)	Volume of wastes recycled (t)	Recycling ratio (%)	(t-CO ₂) 6,000	-	• (C	02/pro	ductio	actor on)	F	actor 1 3.0
551	520	94	5,000 4,000					•		2.5
Energy Consumption		3,000				1			1.5	
Electricity Purchased (MWh)	LPG (t)	CO2 eq. (t-CO2)	2,000 1,000		•					1.0 0.5
4,926	8	4,941	0 0.0 2002 2003 2004 2005 2006 (FY)							」 (FY)
Activity Data FY 2006			CO₂ emission							