

Global Warming Prevention Measures

We promote energy saving, and improve distribution efficiency and recycling at plants and offices in every phase of our business activities as a part of our global warming prevention measures.

Reduction of Business-Related Greenhouse Gas Emissions

The FDK Group strives to reduce energy consumption and CO₂ emissions with our energy saving facilities, including cogeneration facilities, and improvement of the operational management of existing facilities as a part of our global warming countermeasures.

Aim of the Fourth Environmental Action Plan

Reduce FY2006 levels of energy consumption-based CO₂ emissions by 2% by the end of FY2010.

Energy-Saving Activities

We continued from the previous term with the below-listed energy saving activities in FY2007. We have also confirmed energy-saving achieved through our company-wide business reform initiatives. For example, through our production efficiency project, we were able to reduce energy consumption per unit produced, and reduce power consumption for heating, cooling and lighting by reducing the area required for production. We will continue to promote Cool Biz as well.

- Introduction of energy-efficient air conditioners
- Introduction of energy-efficient compressors
- Introduction of energy-saving lighting fixtures
- Replacing substation equipment with energy-efficient models
- Optimizing air-conditioning settings and power conservation for lighting and OA equipment
- Improving energy saving measures by reevaluating operating conditions and facility management

As a result of our efforts, we reduced energy-consumption-related CO₂ emissions to 24,543 tons, a 6% reduction from the previous term. In addition to energy saving measures, this reduction was also due to a lowered production volume of inverter modules for LCD back lights.

Domestic production sites of the FDK Group have reduced greenhouse gas emissions by 63% compared with FY1990. This, by far, surpasses the goal of "reducing greenhouse gas emissions by 6% from 1990" set by the Kyoto Protocol. This achievement was due to our energy saving activities, as well as our shift from energy-intensive ferrite production to the production of modularized products as a part of our business structure reform.

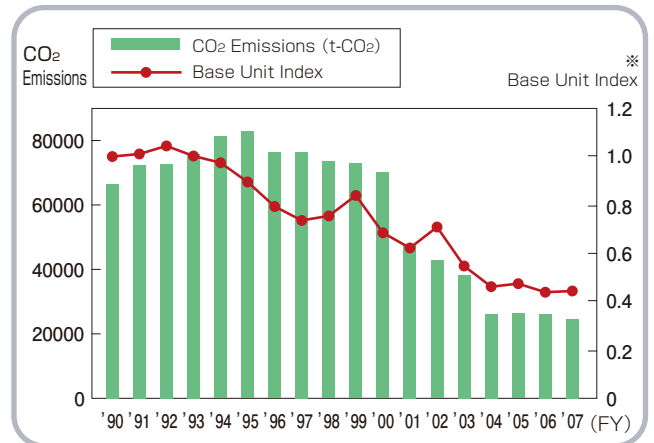
Promoting Awareness about CO₂ Reduction, and Practicing It at Home

We provide education and awareness programs pertaining to global warming through our Intranet. In addition, we promote lifestyles that reduce CO₂ emissions at home. In FY2007, we requested families of our employees to "turn off the lights and TVs, and spend a quiet evening together," as proposed by the Ministry of Environment in their "Black Illumination 2007" campaign. We also conducted a lights-out campaign at our plant offices on July 7, 2008, the first day of the G8 Hokkaido Toyako Summit.

Greenhouse Gases Other Than CO₂

Six types of greenhouse gases covered by the Kyoto Protocol are CO₂, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons, and sulfur hexafluoride. Since CO₂ is the only greenhouse gas on this list emitted by the FDK Group, we focus our efforts on controlling CO₂ emissions.

Transition of CO₂ Emissions

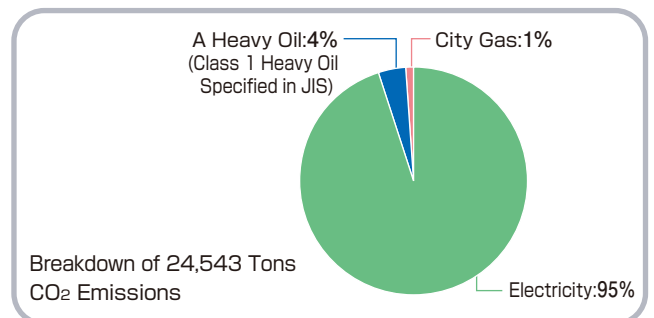


※ Base unit index: 1990 base unit for production output is set to be 1

CO ₂ Emissions						Unit (t-CO ₂)
'90	'91	'92	'93	'94	'95	
66,468	72,443	72,793	75,742	81,265	82,790	
'96	'97	'98	'99	'00	'01	
76,239	76,493	73,516	72,877	70,071	47,382	
'02	'03	'04	'05	'06	'07	
42,811	38,228	26,146	26,318	26,239	24,543	

※ Since the introduction of 0.555t-CO₂/MWh as the conversion factor from electricity, we have recalculated past emissions.

Energy Type Status



Environmental Consideration in the Distribution Process

The FDK Group consigns all logistical tasks involving our business partners and customers to shipping companies. Therefore, we attempt to promote the recycling of packaging material and the reduction of transportation-related CO₂ emissions by requesting cooperation from the relevant shipping companies.

Aim of the Fourth Environmental Action Plan

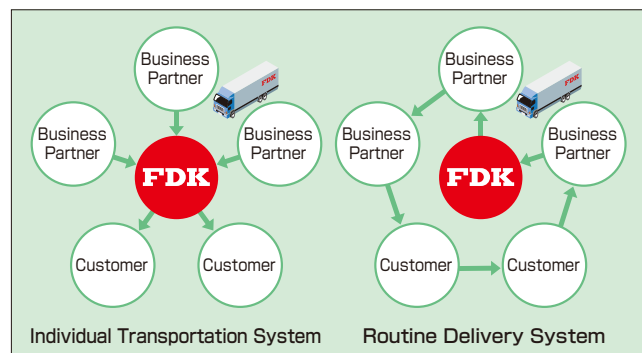
Reduction of transportation-related CO₂ emissions

Deployment of Routine Delivery and Joint Shipment

We have switched our FDK/customer and FDK/business partner delivery systems from an individual transportation system to a routine delivery system with designated multiple stops throughout the country. This new system aims to reduce the amount of CO₂ emitted from trucks by shortening the overall distance traveled, as well as reduce delivery lead time and works in progress.

Since FY2006, in collaboration with shipment companies, we have also been taking advantage of joint shipments, transporting our goods along with other companies' goods in order to reduce transportation-related CO₂ emissions while increasing load efficiency.

Shipment Methods



Reducing the Number of Partially-Loaded Chartered Trucks

As a new initiative in FY2007, we decided to cancel all partially-loaded chartered trucks and ship such loads by general delivery service. As a result, we managed to reduce 12 chartered trucks per month from the previous year.

Our Efforts for Modal Shift

We are in process of considering a modal shift toward JR (Japan Railway) freight trains for the reduction of transportation-related CO₂ emissions.

Increasing Load Efficiency by Improving Packaging Methods

Formerly, we shipped raw materials and products in cardboard boxes. We are now collaborating with our business partners and customers to gradually replace these with plastic containers (TP trays) to allow repeated use. For those shipments made using cardboard boxes, we have been using less packing material in order to improve load efficiency. In addition, we have been recycling the boxes. Finally, we are also reducing packing material use. Meanwhile, we are optimizing/minimizing transportation itself through a company-wide introduction of the Toyota Production System (TPS), a system that discourages unnecessary transport by proposing the transport of necessary items only.



Before (Cardboard Boxes)



After (TP Trays)

Establishment of a Ton-Kilometer Determination System

Ton-kilometer is the unit used for measuring transportation activities, with the weight of cargo in tons multiplied by the distance transported in kilometers. According to the revised energy-saving law enacted in April 2006, "notification of cargo transportation volume" is required when an owner of cargo ships more than 30 million ton-kilometers per year, regardless of whether the cargo is shipped directly by the owner or consigned. Although FDK has not reached this level, we have established a system to measure transportation ton-kilometers, and post the information on our Intranet monthly as a part of our transportation management.

In the near future, we plan to supplement the ton-kilometer method by keeping track of transportation-related CO₂ emissions by other methods as well.