

Environmental Protection Activity Report

Environmental Activity Flash Report for FY2005

Super Green Product Born

The FDK Group has been taking actions aiming at providing 'Super Green Products' by the end of 2006. The 'Super Green Products' are a category of green products incorporating such environmental elements as energy saving, 3R* (Reduce, Reuse, Recycle) design and removal of hazardous substances. Among them, the 'Super Green Products' are expected to be the top runners of the green products in terms of 'the first of its kind in the world,' 'the smallest in the world,' 'the first of its kind in Japan,' 'the first of its kind in the industry,' 'the smallest in Japan' and 'the smallest in the industry.' The efforts of the FDK Group have been fruitful in producing super-small layered power inductor 'MIPF2520D series.' This is the smallest of its kind in the industry by reducing about 40% of volume compared to the conventional products. (See P19)

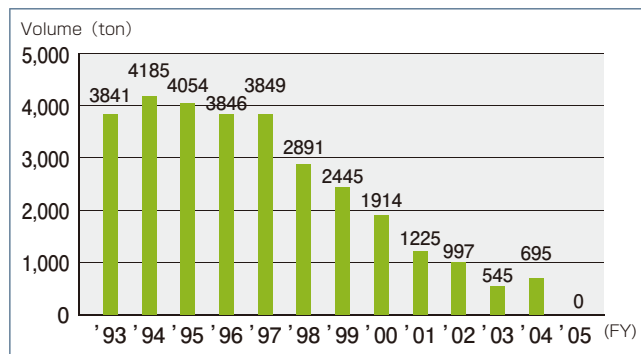


MIPF2520D Series

Zero Emission of Wastes* Achieved throughout the Year

Zero emission of waste at domestic production sites was achieved at the end of FY2004. Following FY2004, 'Zero Waste Emission Guideline' was continuously applied in FY2005 and zero emission of wastes throughout the year was successfully achieved for the first time. (See P26)

Shift of Incinerated and Landfilled Wastes



Newly established Taichung Plant of Fuchi Electronics Co., Ltd. Certified as ISO14001* Compliant

Taichung Plant of Fuchi Electronics Co., Ltd., established in China in April 2005 was successfully certified as an ISO14001 (2004 version) compliant plant in July 2005 together with its Taoyuan Plant. This marks that the environmental management system was set up at all of the FDK Group's production sites in and out of Japan in 2005. (See P17)



Taichung Plant of Fuchi Electronics Co., Ltd.

Launch of 'Route Delivery System' of physical distribution throughout Japan

The FDK Group has made efforts to shift from the conventional one-way delivery system to a route delivery system to deliver or pick up products and materials from business partners to FDK, and then from FDK to customers by making the rounds of multiple sites. This can reduce lead-time of delivering products to customers and the volume of work-in-process items. In addition, the total distance of travel can be reduced and hence the volume of CO₂ emission can be minimized as well. In FY2005, the route delivery system started in all of major FDK sites nationwide so that the system can cover all and every route to and from FDK and business partners/customers in Japan. (See P24)



Nationwide Development of Route Delivery System

Fuchi Electronics Won a Safety-and-Health Model Award

For the past decade, no labor-related disasters have been reported in Fuchi Electronics. In addition, Taichung and Taoyuan plants of the company were certified under the OHSAS 18001 (Labor Safety and Health Management System) in FY2005. Recognized of such successful records, Fuchi Electronics won the Award from the Industrial Development Bureau, Ministry of Economic Affairs for setting up a model of labor safety and health in the plants. (See P36)



Plaque of Safety-and-Health Model Award

* 3R stands for Reduce (emission of waste), Reuse (as marketable product or parts) and Recycle (as raw material or heat energy).

* Zero emission of wastes means a continuous and persistent effort to eliminate emission of industrial wastes and chemical substances to the environment.

* ISO 14001 is the international standard for management of environment requiring establishment of an environmental management system and continuous improvement of environmental activities.