

Promotion of Environmental Management

Recognizing that environment is the key for management of the company, the FDK Group is promoting environmental management by actively involving itself in environment-related businesses, and not only preserving the environment through abiding by environmental rules and regulations in its business activities.

Establishment of the Framework of Environmental Management based on the Environmental Management System (EMS)

The FDK Group has introduced EMS to mainly its production sites, as the basis of its environmental management of the company. In the Third Environmental Action Plan, the EMS has been introduced to non-production sites such as Head Office and Sales.

Targets of the Third Environmental Action Plan

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

EMS to be introduced in the entire corporate structure of FDK in Japan including its head office and sales offices.

EMS at Production Sites

Introduction of EMS was completed at all production sites of the FDK Group both in and out of Japan at the end of FY2004. In FY2005, all production facilities of the FDK Group, including Taichung Plant of Fuchi Electronics Co., Ltd. started operation in April 2005 were certified as ISO14001:2004 compliant. In FY2006, in addition to the ongoing activities in FDK sites such as anti-global warming and reduction of wastes, the FDK Group involved itself in environmental activities relating to its original business domains. Also stressed were environmental contribution activities in and out of the site, such as provision of eco-friendly products.

EMS at Non-Production Sites

In FY2006, organizational systems and environmental policies were revised at the Head Office and all sales sites (Tokyo, Sapporo, Sendai, Nagoya, Osaka, Hiroshima, Fukuoka and Okinawa), in accordance to the simplified EMS. An environmental aspect survey was conducted to identify major action items to be done at the office functions. Two common targets were extracted from the major action items, which were achieved within the FY2006.

Environmental Education and Training

In order to continuously improve its EMS, all production sites of the FDK Group have implemented general education on global environmental issues, as well as specialty education on waste disposal and internal auditing. The former is targeted to all employees, while the latter is targeted to each employee in charge of their respective specialty field. Separation of waste and emergency response measures are taught at each site as well. All domestic sites of the FDK Group implement enlightenment education on how to reduce CO₂ emissions to all employees and their family members, all of whom are participating in the 'Team Minus 6% Campaign' to prevent global warming.

Future Actions

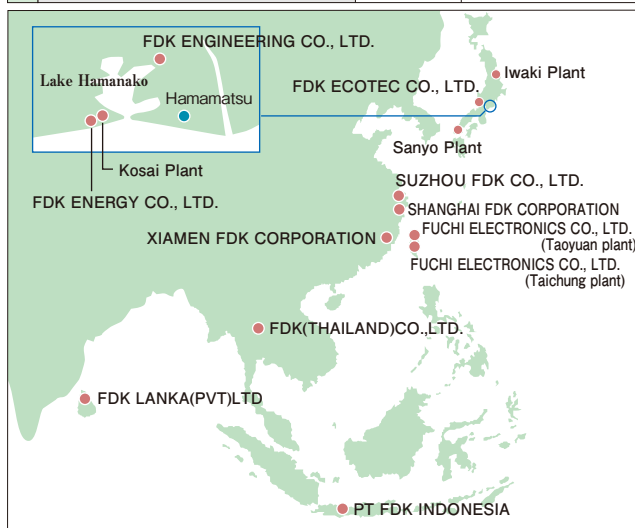
The following are FDK Group actions that are scheduled to be implemented in a course of reinforcing the environmental management frame of the company, in line with EMS, which is delineated in the Fourth Environmental Action Plan.

- (1) Raising the level of office functions
- (2) Strengthening cooperation with overseas production sites

ISO Certification at FDK Group Production Sites

Japan	
Kosai Plant	Date of acquisition: October, 1998 Date of renewal: October, 2004 Scope of certification: FDK CORPORATION: Kosai Plant, Sanyo Plant, FDK ENERGY CO., LTD., FDK ENGINEERING CO., LTD., FDK MECHATRONICS CO., LTD., FDK LIFETEC CORPORATION, FUJIDENKA RESEARCH AND ANALYSIS CENTER CO., LTD., and FDK ECOTEC CO., LTD. ● Development and design of various electronic parts, batteries, and machines, and environmental businesses
Iwaki Plant	Date of acquisition: January, 1998 Date of renewal: July, 2004 Scope of certification: FDK CORPORATION: Iwaki Plant, FDK LIFETEC CORPORATION: Iwaki branch office ● Development, design and manufacturing of electronic parts relating to telecommunication equipment

Overseas (Consolidated subsidiaries)	Subsidiaries	Country	Date of Acquisition
	XIAMEN FDK CORPORATION	China	January 1999
	FUCHI ELECTRONICS CO., LTD. (Taoyuan plant)	Taiwan	February 2000
	FUCHI ELECTRONICS CO., LTD. (Taichung plant)	Taiwan	July 2005
	SHANGHAI FDK CORPORATION	China	December 2000
	FDK LANKA (PVT) LTD.	Sri Lanka	February 2003
	PT FDK INDONESIA	Indonesia	June 2003
	FDK (THAILAND) CO., LTD.	Thailand	June 2003
	SUZHOU FDK CO., LTD.	China	December 2004



Results of the Third Environmental Action Plan

- All production sites including overseas sites were certified as ISO14001 compliant by the end of FY2005.
- Introduction of EMS was kicked off and initial survey was conducted to the Head Office and Sales function by the end of FY2005. In FY2006, FDKEMS was established and is in operation now.