

Nippon Kayaku will actively and safety as a company

Nippon Kayaku values environment, health and safety as among the fundamental considerations of management, and joined the Japan Responsible Care Council as soon as it was established in 1995. In order to make certain that the Company is fully and positively engaged in environmental issues, safety and quality, we organized a management committee for environment, safety and quality assurance headed by the president as the chairman, and produced the Company's declaration on environment, safety and quality assurance. Also, in March 2000, Nippon Kayaku prepared an environmental report and disclosed our business activities, which thoroughly covered our system of environment, health and safety management on our own initiative.

All six domestic plants acquire ISO 14001 certification

In January 2001, the Himeji plant, which produces inflators for automobile airbags, acquired ISO 14001 certification, the international specification for environmental management. This completed certificate acquisition for all six domestic plants, starting with the Asa plant in September 1998 followed by plants in Tokyo, Kashima, Fukuyama, Takasaki and finally Himeji. We make it a rule to realize continual improvement as our basic philosophy of ISO 14001. Nippon Kayaku aims at becoming a corporation that constantly pursues environmental excellence, with the acquisition of ISO 14001 certification by all the plants as an important stepping stone.



Asa plant



Tokyo plant



Kashima plant



Fukuyama plant



Takasaki plant



Himeji plant

Publication of environmental reports

In March 2000, Nippon Kayaku published an Environmental Report summarizing measures taken to reduce waste and chemical byproducts for environmental conservation in FY 1999. An updated version was to be released in November 2001 describing environmental preservation activities carried out or begun in FY 2001.



engage in management of environment, health dedicated to protecting the healthy lives of people.

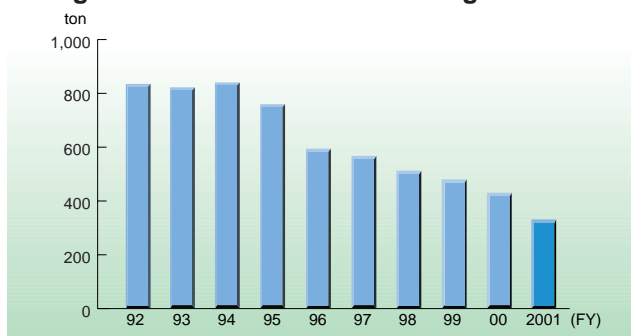
Environment, health and safety management

Nippon Kayaku implements risk assessment by conducting reviews by its safety committee when deciding to develop new products and new manufacturing approaches, or when building new facilities. Also, the Company strives to prevent accidents by issuance of Material Safety Data Sheets (MSDS), building a database of chemical substances, and issuance of yellow cards on transportation of goods.

Prevention of water pollution

Nippon Kayaku pays full attention to drainage, and strives to improve technology for disposal every day, making treatment of drainage a part of usual production activity. As a result, the amount of discharge of Chemical Oxygen Demand (COD, an index for measuring wastewater pollution) has improved year after year as shown in the graph below. Since Nippon Kayaku is a producer of color chemicals, the Company continues to study decoloration of wastewater, and at present is strongly pursuing research into treatment by bioreactors. As nitric acid causes sea eutrophication, facilities to recover nitric acid from waste liquid were installed at the Asa plant, thereby reducing nitrogen and endeavoring to prevent degradation of water quality.

Changes in Amount of COD Discharge



Prevention of atmosphere pollution

Nippon Kayaku is making concerted efforts to reduce the level of discharges of sulfur oxides (SOx) and nitrogen oxides (NOx), which pollute the atmosphere. At our Takasaki plant, heavy oil with high sulfur content was substituted with oil containing less sulfur. The plant introduced a flow through-type small boiler, thereby significantly reducing generation of NOx, SOx pollutants, as well as less smoke and dust discharge after 1989. In addition, at the Tokyo plant a gas boiler with low NOx characteristics was installed by 1991, and thus generation of NOx was reduced and emission of SOx stopped.

Reduction of waste materials

Nippon Kayaku takes a variety of actions to control the final amount of disposed waste materials. The Company

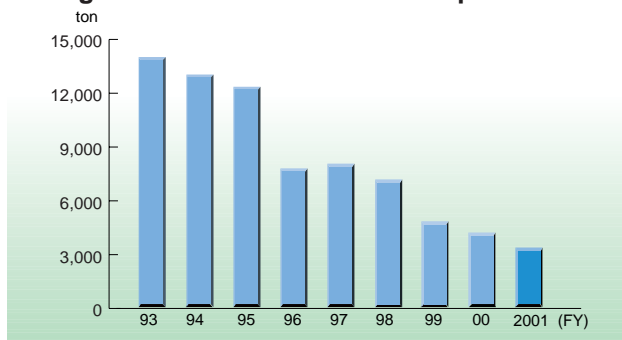


The ultimate disposal facility of controlled type

introduced systems for recycling organic solvents and for classifying waste materials according to type. Also, we installed an incinerator for filtered dregs, resulting in total elimination of dregs that previously were disposed of in

landfills. An ultimate waste disposal facility that adopts a diagnostic system for the function of filtering was built at the Takasaki plant, enabling highly controlled internal disposal processing.

Changes in Amount of Ultimate Disposal of Wastes



Reduction of discharged chemical substances

In order to reduce the amount of discharged chemical substances, we installed cleansing apparatus and decomposition equipment and we switched over to water-based solvents. As a result, the total amount discharged in FY 1996 of approximately 600 tons was reduced to 200 tons, or one-third, in FY 1999. In addition to complete abolition of benzene use since FY 1997, organic chloric solvents, considered a harmful substance, are gradually being replaced by solvents offering greater safety.

Changes in Amount of Environmental Discharge

