ONO Environmental Report 2009

We establish Charter for Good Behavior based on corporate mission and also environmental policy with regard to environmental protection as follows.

Environmental Guidelines

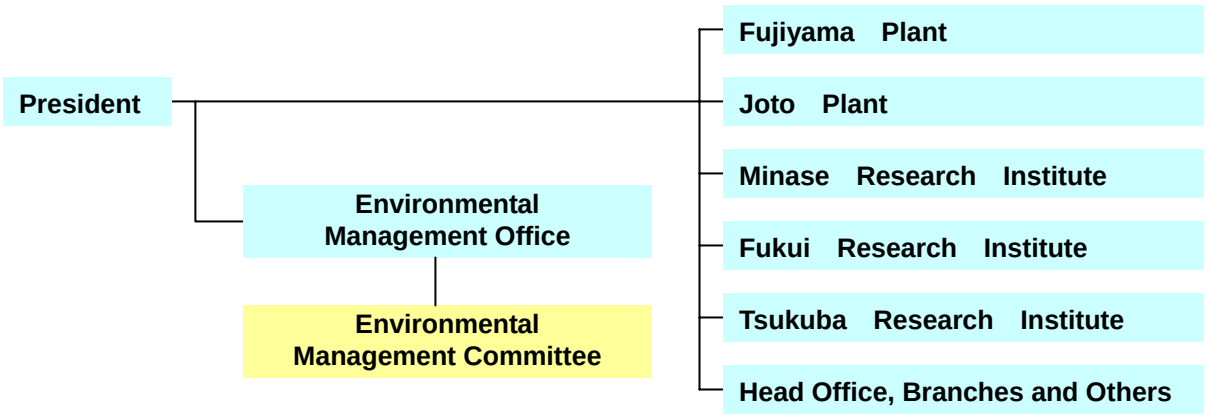
We recognize that our company has a social responsibility regarding the environment, and we will work to protect and preserve the global environment in all of our business operations.

- In addition to fully complying with all environment-related laws and regulations, we will establish targets and action plans in a continuous effort to protect and preserve the environment and natural resources.
- In all of our business operations, we will promote resource conservation, energy conservation and recycling, and will implement environment-focused measures such as reducing waste and preventing pollution.
- We will endeavor to produce eco-friendly products and will cooperate with society.
- With the participation of every employee, we will strive to further understand environmental issues and to promote environment-related activities.

Environmental Management Organization

Environmental Management Office is responsible for all environment-related issues at Ono. Meanwhile Environmental Management Committee consisting of members from sections across the company gains understanding of the current situation and promotes environmental management .

In addition, a facility with greater environmental burdens such as a research institute and a manufacturing plant establishes a subcommittee at each site and work on environmental issues.



Certification of compliance with ISO 14001 environmental management standards has been obtained for both the Fujiyama Plant in November 2002 and the Joto Plant in February 2004.

Environmental Self-regulating Action Plan

Objectives	Targets	Fiscal 2008 Results
Measures to save energy and to counter global warming	An average energy consumption in CO_2 emission between 2008 and 2012 will be reduced to the level lower than that in 1990.	CO_2 emission decreased in 2008 compared to that in 2007, and it was 22,938 tons-CO_2 in gross weight in 2008. We will continue our efforts from various aspects to achieve the target.
Management of chemical substances	Discharge and displacement of first class PRTR chemicals is allowed around 10 tons or less. However we not only strengthen compliance of laws and regulations but also wrestle for discharge reduction as much as possible.	Chemical emission in volume decreased to 6.46 tons in 2008 compared to that in 2007.
Waste reduction measures	By 2010 final disposal of wastes will be reduced to 20% of volume disposed in 1990.	Compared to 135 tons in 1990, final disposal of wastes was reduced to 38 tons in 2008, which is only 28.1 % of volume disposed in 1990. Recycling rate was 54.6 % in 2008 while it was 7.5% in 1990.
Measures against air and water pollution	Compliance of emission standards will be carried out thoroughly and continue our efforts so that there will be no environmental accident nor complaint from local communities.	There has been no environment-related accident or law suit so far. In addition, there was no complaint about environmental issues such as noise, bad smell or vibration.
Environmental accounting	Environmental accounting has been disclosed based on guidelines of Ministry of the Environment.	We carried out assessment of not only environmental efficiency but environmental cost, plant and equipment investment, economic effect, and environmental preservation effect as well. According to the assessment, environmental burden were reduced by 25.4 % in 2008, compared to that in 2000.
Environmental communication	In local communities, we participate in cleaning activity and make endeavor not to cause worker’s accident.	At our major business establishments such as manufacturing plants and research institutes, we participated in a cleaning campaign and firefighting activities in local communities.

Environmental Accounting

Costs for environmental preservation activities, plant and equipment investment, economic effect and environmental efficiency have been disclosed based on guidelines of Ministry of the Environment. Environmental efficiency index, which is an assessment indicator, is also disclosed. According to the assessment, environmental burden were reduced by 25.4 % in 2008, compared to that in 2000.

(Thousands of yen)

Items of Costs	Expenses		Investment	
	2007	2008	2007	2008
Pollution prevention (air, water, soil subsurface water, harmful chemicals, noise, vibration and bad smell)	94,666	62,267	13,225	102,090
Global environmental preservation (global warming prevention and environmental preservation)	317,390	217,244	297,917	19,419
Resources circulation (waste reduction, proper disposal of waste, effective use of resources)	78,296	67,777		
Management (time and other costs required for engagement in the committee, ISO activity and environmental management)	6,358	7,072		
Research and Development	173,262	185,728		
Social contribution activity (landscaping and planting promotion in local communities)	567	1,150		
TOTAL	670,541	541,239	311,142	121,509

Economic Effect by Environmental Activity

(Thousands of yen)

Environmental definition	2007	2008
1 Expense reduction by energy saving	12,639	5,361
2 Reduction of waste disposal expense by recycling	69	0
3 Gain on sale of products collected by recycling	61	116
TOTAL	12,769	5,477

Environmental Preservation Effect

Environmental definition		Reduction of environmental burden		Environmental burden	
		2007	2008	2007	2008
Effect corresponding to costs in business areas	SO_X emission (tons)	0.0	-0.1	0.1	0.0
	NO_X emission (tons)	0.8	-0.9	5.8	4.9
	Water use (thousand m^3)	-11	-0.6	302	29.6
	BOD burden (tons)	0.2	0.1	2.8	2.9
	CO_2 emission (thousand tons-CO_2)	0.8	0.3	23.7	2.53
	Energy use (thousand GJ)	-10.8	1.3	464.3	47.7
	Total waste emission (tons)	89	-177.4	719	542
	Landfill waste emission (tons)	-4	-5.6	30	24

Environmental Efficiency Index

	2000	2004	2005	2006	2007	2008
Environmental efficiency index	100	93.9	86.2	80.8	87.3	**74.6**

(Factors used in environmental efficiency index and its calculation method)

Quantity of Environmental burden means such quantity of each item affecting environment by business activities and the following environmental factors were used for evaluation.

Chemicals:	Quantity of PRTR designated material emission
Global warming:	Quantity of carbon dioxide emission
Waste:	Quantity of final disposal
Water:	Quantity of BOD emission
Air:	Quantity of dusts, NOx and SOx emission

Environmental burden basic unit: quantity of each item of environmental factors divided by sales of the fiscal year

Environmental burden index: Total environmental burden index
$= 20 \times (A / A_0 + B / B + C / C_0 + D / D_0 + E / E_0)$

Environmental burden factors in base year (2000) are described as A, B, C, D and E, and those in the year of evaluation are described as $A_{0,}$ $B_{0,}$ $C_{0,}$ $D_{0,}$ and $E_{0.}$