



For a Greener world



For our Global resources



For future Generations



## NORITSU KOKI ENVIRONMENTAL & SOCIAL REPORT 2009

## Contents

- 01 Corporate Profile
- 02 Foreword Yukihiro Chayama, President and CEO
- 03 Corporate Governance  
Building a Management System for Swift Decision-Making / Board of Directors / Board of Auditors / Management Strategy Meetings / Compliance / Counseling and Reporting Arm / Corporate Governance System / Code of Behavior
- 04 Close-up: Our New Environmentally-friendly Product
- 06 Environmental Management  
Our Environmental Policy / Environmental Management System / ISO14001 Acquisition / Environmental Protection Promoting System / Green Procurement Guidelines / Environmental Education / Intra-Company Network / Greenery at the Head Office / Environmental Objectives, Targets, and Evaluations / Environmental Impact / Environmental Preservation Activities
- 15 Social Activities  
**Communicating with Society and the Local Community**  
Collection and Donation of Idle Clothing / Internships / Ambulance Donation / Disaster Prevention Drills / Cleanup Activities in the Local Area / Blood Drives  
**Communicating with Customers**  
Photo Event at a Kindergarten / Promotional Support / Demonstrations and Business Exchanges / Connections to End-Users / Acquired ISO9001 Accreditation  
**Communicating with Investors and Shareholders**  
Appropriate Disclosure of Information  
**Communicating with Employees**  
Talking with Stakeholders to Ensure a Mutual Understanding / Occupational Safety and Health Management System / Support for Employees

Cover Photo : Lupines Field in Hokuseinooka (Kamikawa, Hokkaido)

## About This Report

Like last year, we have entitled the 2009 edition of this environmental report “Environmental & Social Report” in order to make readers aware of our social commitments in addition to reporting on our environmental activities. While we have done our best to be as comprehensive as possible, we are also aware that this report may have some shortcomings. Therefore, we welcome any opinions that may help us to make improvements for future reports.

## Operations Covered in This Report

In addition to the main factory at the head office, Noritsu also has assembly and production plants in China (Shanghai) and Brazil (Manaus). However, most of the operations that are likely to have an impact on the environment take place at the head office. These operations include product planning and development, material purchasing, machining, painting, chemical handling, assembly, disposal of waste material, and consumption of energy. Noritsu Koki has obtained certification for ISO14001 for its operations at the head office, and therefore this report will cover operations and activities related to the head office.

**Period** Fiscal year 2008 (April 2008 - March 2009)

\*This report covers some activities in and after April 2009.

**Date Published** December 2009

## Contact

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General Affairs and Public Relations Group  
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URL: <http://www.noritsu.co.jp>

## Website information



This report and information on Environment Management and Social Responsibility can be viewed from the "About NORITSU" page of the company website.

URL: <http://www.noritsu.co.jp/company/index.html>



Yukihiro Chayama

President and CEO

茶山幸彦

We at Noritsu Koki share the strong conviction of our founder to “put the customer first” which has also become our business philosophy, and we have set for ourselves a corporate image as “always the No. 1 choice of customers, a company that leads the global market.”

We aim to become a leader in the global market by offering products and added-value services that match the needs of customers, both domestic and international, with each one of our employees and management contributing to their full potential.

With that, we will be working to develop our brand value both in Japan and abroad, and maximizing the use of our global market network, our leading technical capabilities in manufacturing and R&D, and the extensive management resources we have built over the years, to take steps that will earn us high marks from the marketplace and improve brand value.

Businesses today can no longer seek profits as the lone direction for enhancing corporate value and earning respect as a corporate citizen, because of the strong pressure placed on them to fulfill their social responsibilities. Environmental problems have grown to global scale and are requiring businesses to take creative measures to correct them.

Noritsu Koki has selected specific areas to address in this regards and is aggressively working to produce results with them, i.e., compliance with laws, regulations and social ethics, consumer protection, environmental preservation and protection, reduction of environmental loads, occupational safety and health, local investment, contributions to local communities, etc.

Through these efforts, Noritsu Koki is aiming to be a company with the following four attributes.

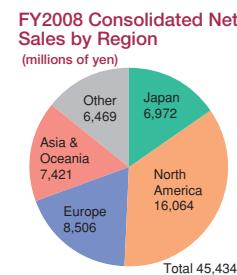
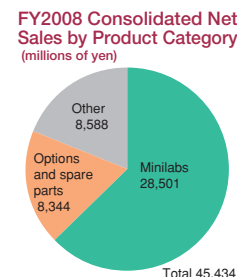
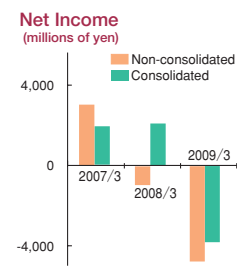
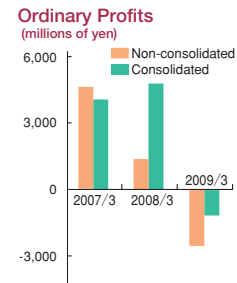
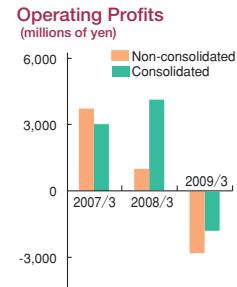
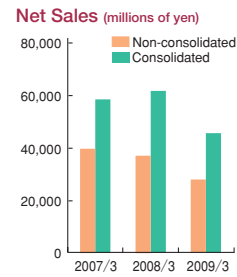
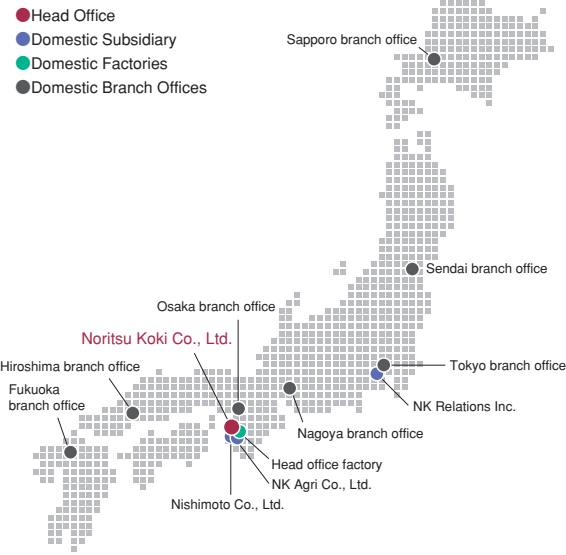
1. That continues to offer products and services that are even more appreciated by our customers
2. That continues to develop a working environment that offers even greater job satisfaction
3. That continues to be valued by society through increased contributions to society
4. That continues to create greater corporate value for shareholders

Noritsu Koki will be working to increase the number of opportunities to communicate with all of our stakeholders—customers and general consumers, shareholders, suppliers, employees and local residents—establish ourselves as a company agreeable to and trusted by all, improve corporate value and develop business.

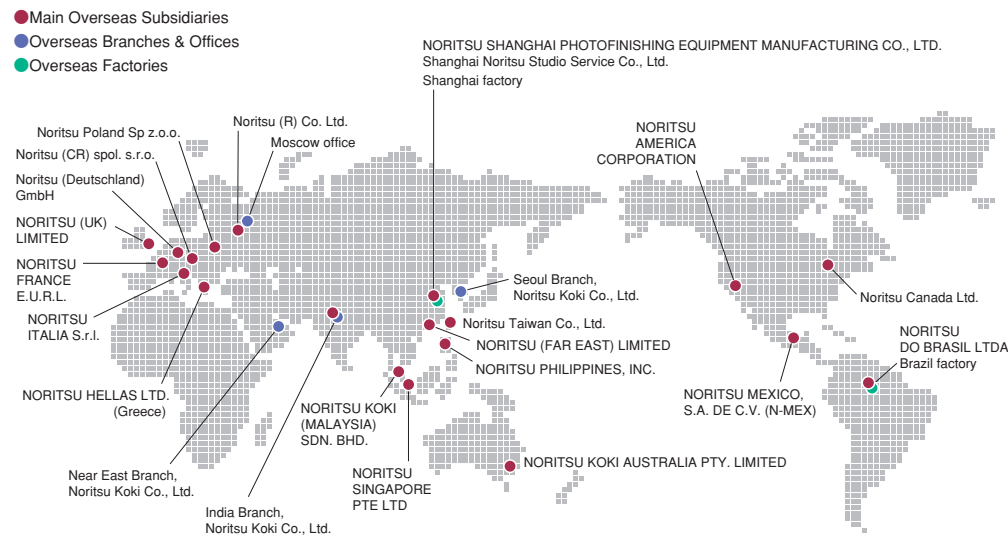
## Company Profile

Name: Noritsu Koki Co., Ltd.  
 Operations began: June 1951  
 Established: June 1956  
 Capital: ¥7,025,302,000  
 Number of Employees (Head Office) : 937 (As of September 30, 2009)  
 Head Office:  
 579-1, Umehara, Wakayama City, Japan  
 Phone: +81-73-454-0307  
 Fax: +81-73-454-0420

## Domestic Business Locations



## Overseas Business Locations



## Summary of Business

Development, manufacturing, and sales of the following:  
 - Minilab systems (Indispensable items for photo shops)  
 - Digital dry minilabs (Environment-friendly printers that meet the needs of the new digital age)  
 - Peripheral equipment and software  
 (Products that improve efficiency and increase the variety of services that can be offered)

## Major Products



## Corporate Governance

### Building a Management System for Swift Decision-Making

Noritsu Koki is building a management system for speedy decision-making in order to quickly react to changes in the business environment. To begin with, management and business units were separated and an Executive Officer System was introduced to strengthen corporate governance and increase managerial efficiency. Swift decision-making on the part of management is strengthening the organization and enhancing the efficiency of operations.

### Board of Directors

In a move to further strengthen the management supervising capability of the company's Board of Directors, an outside director was invited to participate in the decision-making process and provide an independent and neutral outside view to management.

### Board of Auditors

Our company is adopting the Auditing System, and its Board of Auditors consists of four auditors, two of which are outside auditors. Their job is to build a fair and impartial system for auditing the company's business. Moreover, an Internal Audit Division was created underneath the CEO to conduct internal audits whenever necessary. In an effort to improve the quality of corporate audits, the Board of Auditors and Internal Audit Division work closely together sharing information and opinions through explanations of annual auditing plans, jointly conducted audits and the joint retention of auditing reports.

### Management Strategy Meetings

At Noritsu Koki, Management Strategy Meetings composed of the President, Executive Managing Director, and several Executive Officers and employees that the President selects are periodically held as an advisory organ on executive actions of the President. They report, discuss and coordinate basic issues from across all aspects of business, as well as important matters regarding the execution of corporate operations for referral to the Board of Directors. Auditors also attend these meetings.

### Compliance

Noritsu Koki does not think of "compliance" as merely "observing the law." It has the broader meaning of "fulfilling our social responsibilities as a company." The Compliance Committee launched in April 2004 plays a key role in our corporate compliance. In December 2004, the Code of Behavior was instituted based on our Basic Policy on Compliance. Awareness activities are being conducted to educate each and every employee.

### Counseling and Reporting Arm

At Noritsu Koki, the Internal Audit Division serves as the compliance office and, by auditing company operations, audits the actions of employees. Within the Internal Audit Division is a group to which employees can report incidents that happen in the company and seek counseling. This group maintains the privacy of anyone who reports information and it has added more staff to provide support for female employees. Requests from employees are gradually growing. The Compliance Committee also has a female attorney so that women's opinions on sexual harassment can be shared and effective action taken.

### Code of Behavior

Noritsu Koki has established the basic criteria for 28 areas of behavior. Here is provided only an outline.

#### General Provisions

1. Observance of Laws and Regulations

#### Society

2. Social Contributions
3. Fair Corporate Practices
4. Abstention from Relations with Antisocial Powers
5. Environmental Preservation and Protection
6. Observance of Trade Laws and Regulations
7. Export Security Control

#### Customers, Suppliers and Competitors

8. Product Safety
9. Observance of Antitrust Laws
10. Observance of Fair Trade and Subcontracting Laws
11. Relations and Gift Exchanging
12. Appropriate Publicity and Advertisement

#### Shareholders and Investors

13. Disclosure of Management Information
14. Prohibition of Insider Trading

#### Employees

15. Respect for Human Rights and Antidiscrimination
16. Observance of Labor Laws
17. Health and Safety in the Workplace
18. Sexual Harassment and Power Harassment
19. Protection of Personal Information

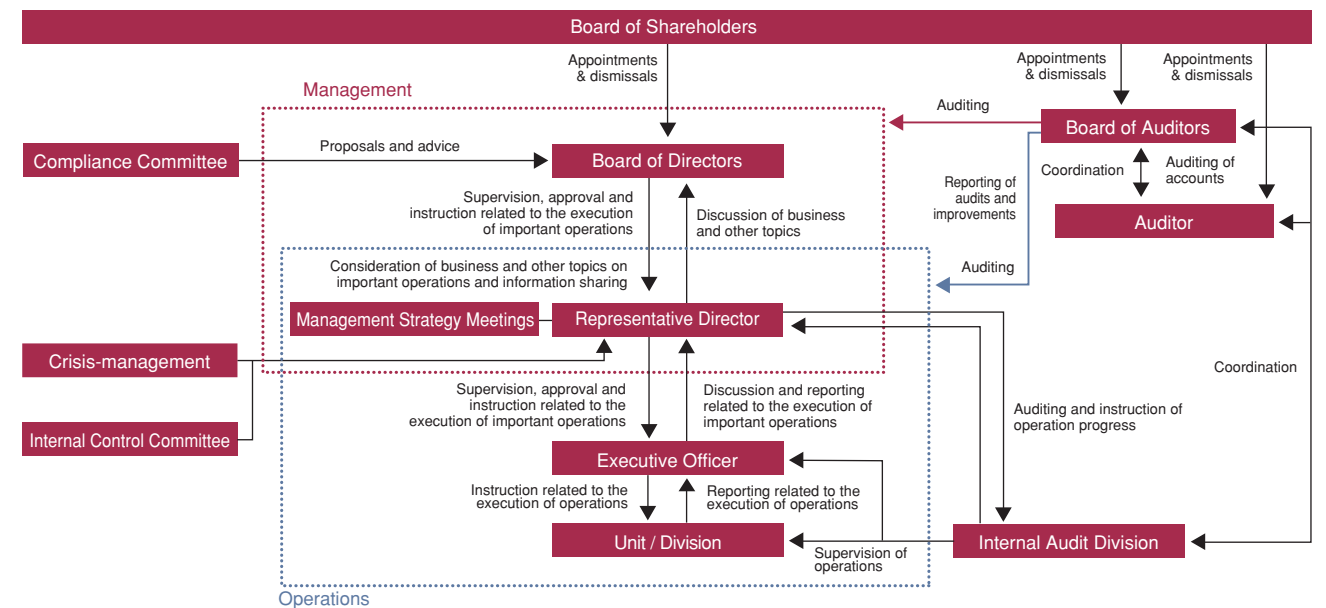
#### Company

20. Prohibition of Illegal Activities
21. Observance of Corporate Accounting Laws and Regulations
22. Management of Corporate Assets
23. Management of Corporate Confidential Information
24. Protection of Intellectual Property Rights

#### Supplemental Provisions

25. Scope of Application of this Code of Behavior
26. Amendments to this Code of Behavior
27. Counseling and Reporting Services
28. Punishments

## Corporate Governance System



## Noritsu Koki's Dry Minilabs continue their evolution towards even higher "added-value" and enhanced "environmental performance."

To remain a viable player in the 21st century, Noritsu Koki is working to develop and supply products of high added-value that meet with the diversifying needs of customers and excel in environmental performance. The Dry Minilab is one of those results. Noritsu Koki was the first in the world to develop a Dry Minilab on an inkjet system that did not use photographic chemicals subjected to special management and waste treatment requirements. Efforts were successfully directed at further enhancing its performance as an environmentally-friendly product and widening our lineup. This report introduces the D502 that was newly added to our Dry Minilab series in 2009.



**DIMA Vision Award Winner**  
The D502 received the DIMA Vision Award as an innovative product at PMA 2009, the largest international convention and trade show in North America for every kind of picture related product, held at the Las Vegas Convention Center in Las Vegas, Nevada, USA in March 2009.



## A long-awaited automatic duplex printer D502

The D502 inkjet dry minilab is equipped with the industry's first duplex printing function. It enables a wide variation of high quality prints for photo books, greeting cards, calendars and other compilations with photographic images that have been the growing craze in recent years. Additionally, a compact design that facilitates maintenance makes it possible to install the D502 anywhere in stores. And, because operation is so simple that anyone can use it, Noritsu Koki expects stores other than photo studios to employ it.

### D502 main features

- Wide variation of prints (duplex printing available)



- Chemical-free (Photographic chemicals not required)
- Energy- and space-saving design
- High image quality equal to silver halide prints

## SHOP INTERVIEW

Camera no Nishimoto is a photography and image chain with the most stores in Wakayama Prefecture. Using their extensive knowledge and experience, they provide customers with a host of services that convey the fun of photography. We asked Kazuki Sosaka, manager of their Izumiya store, which was one of the first to introduce the D502, what he felt about his new automatic duplex printer.

**I chose the D502 automatic duplex printer to meet both customer and environmental needs.**



**Kazuki Sosaka**  
Manager, Camera no Nishimoto Izumiya store

### Customer opinion keyed us to introducing the D502

Our store introduced the D502 in May 2009. We already had been offering photo book services, but many customers had expressed their wishes for faster turnaround of finished products. The problem was that work was outsourced, so it took time from when an order was placed until the book could be handed over. In that regard, since the D502 is of space-saving-size, we installed one in the store and started having staff perform the production work, and now can turnaround projects the same day. Moreover, we were able to offer duplex printing, which was the second most demanded service. Wanting to serve customer opinion was the biggest reason for introducing the D502.

### Environmental-friendliness was another key factor

Another key factor in introducing the D502 was its low

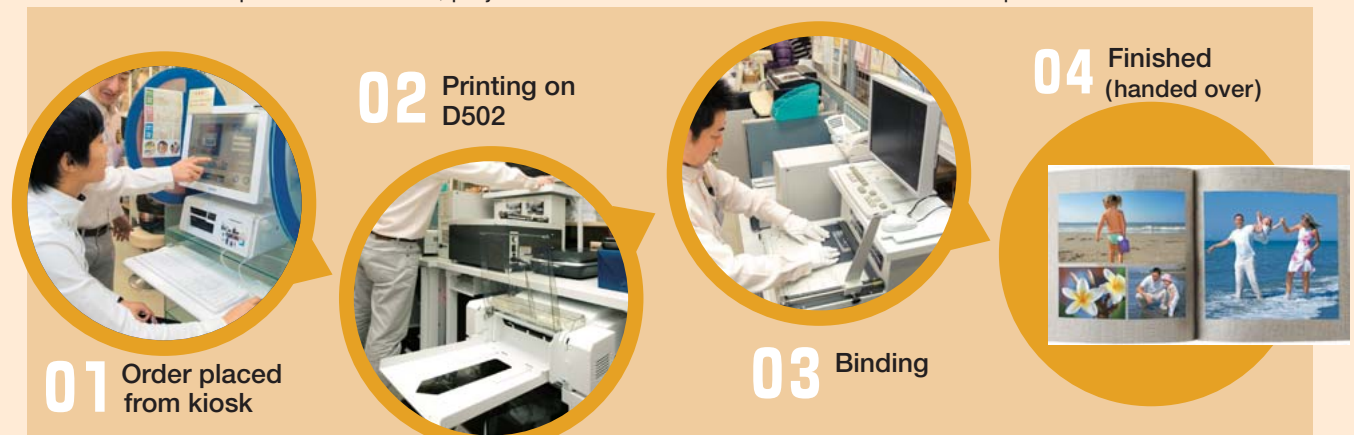
environment load. Our company is promoting efforts to eliminate waste liquors from photographic chemicals and, in our stores, we are aggressively conserving energy and doing other things to help the environment. In today's world, we can't be indifferent to environmental issues. I think we need to more constructively appeal to customers the fact that we are using environment-friendly equipment.

### Better conveying the fun of photography via a plethora of services

Amongst our services that employ the D502, photo book production is the biggest and practically every customer who uses this service is glad they did. Another good thing about this is that they are showing friends their photo albums they had made and giving them as presents, which is having a positive effect of increasing use of this service by word of mouth. And, besides photo books, printing orders for calendars and greeting cards are steadfast climbing. I want to push the merits of the D502, such as printing for duplex calendars and business cards, with more customers.

### Photo book production flow

Because books are produced in-house, projects are finished in a few hours after an order is placed.

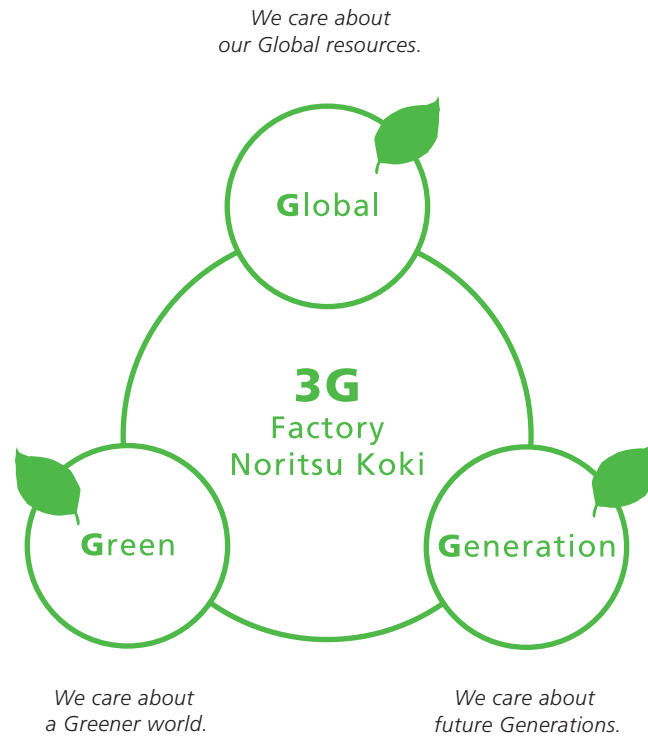


### Noritsu employees do their part to live harmoniously with nature and with society.

Noritsu Koki wants to be a company that makes contributions in a wide variety of areas, including the environment, social welfare, education, the arts, and culture; and through our actions we are striving to live up to our reputation as such a company.

We received certification for ISO14001 in October 1999, and have implemented the “Environmental Policy” comprised of the “Philosophy” and “Action Agenda” described below, and are also implementing environmental-preservation activities.

We are also making social contributions by actively participating in events and activities that benefit the community.



### Philosophy

With the company's head office bordering on both the Seto Inland National Park and the Kisengo Prefectural Natural Park, Noritsu Koki is highly aware of the importance of the relationship between mankind and the environment.

From research and development to production, sales and service of Noritsu's products, we are initiating corporate activities that contribute to society.

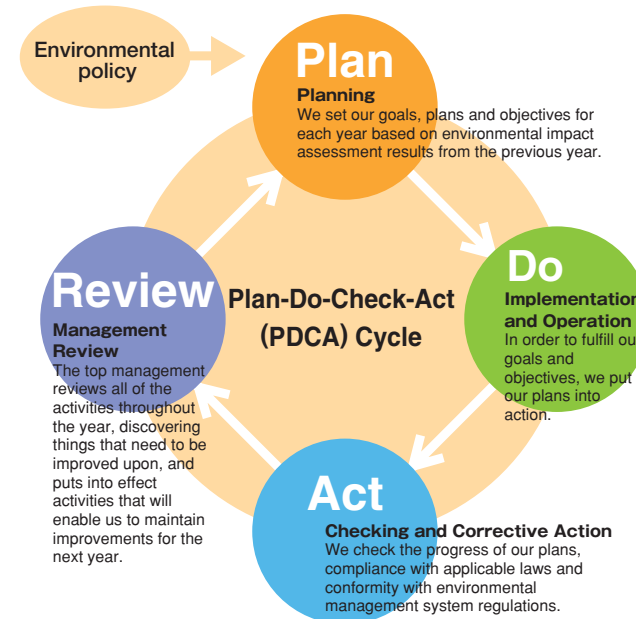
Noritsu will continue to actively implement measures to assist with worldwide environmental protection and harmonious coexistence with our immediate environment.

### Action Agenda

- 1 Continuously improve and maintain our environmental management system to firmly establish environmental action in our corporate activities, products, and services.
- 2 Strictly comply with all laws, regulations, and other environmental requirements for our company; work to prevent pollution; and in communication with the local community and related government agencies, promote environmental protection activities, improve the greenery around the factory, and use all economic and technical means to further improve the environment.
- 3 As actions related to environmental protection, periodically review the following specific measures according to key goals and objectives.
  - (1) CO2 reduction via the promotion of energy conservation
  - (2) Effective use of resources by promoting the 3Rs (Reduce, Reuse, and Recycle)
  - (3) Improvement to the environmental performance of products (low energy consumption, material recycling, environmental safety, etc.)
  - (4) Reduced use of hazardous substances
- 4 Raise awareness of the company's environmental policy and environmental activities among all company employees and aggressively publicize the same from a CSR perspective.

### Environmental Management System

We have established an environmental management system in which all parts of the system work together to achieve continual improvement in accordance with ISO 14001 standards, so as to guide the company in the appropriate direction.



### ISO 14001 Acquisition

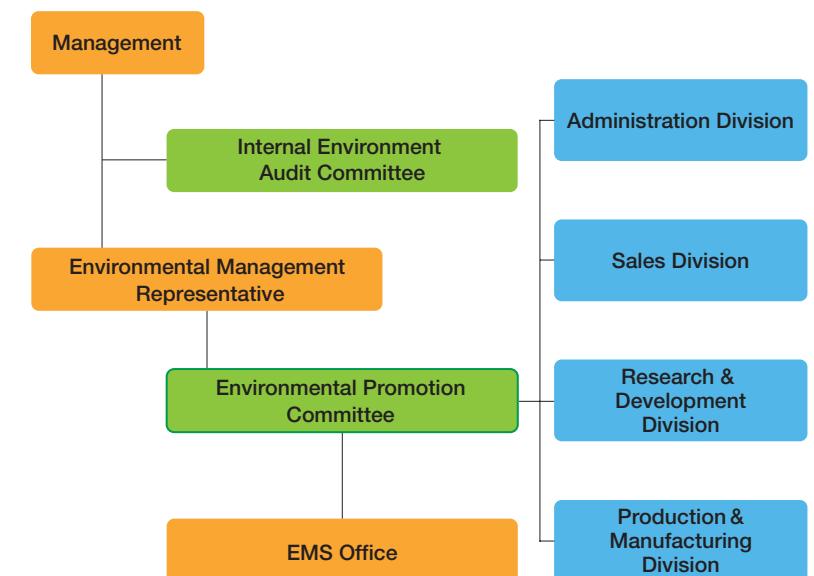
Noritsu Koki is taking positive steps to protect the global environment, live harmoniously with the surrounding habitat, and contribute to society; as we consider these topics to be of the utmost importance. In relation to these activities, we received certification for ISO 14001 at the head office on October 20, 1999, after careful planning and preparation which began on October 1, 1998. We will continue to take even greater steps to improve and maintain our environmental agenda, improve the life cycle assessment of our products, and work to develop environment-friendly products.



### Environmental Protection Promoting System

To make all employees fully aware of Noritsu's environmental stance, we have established a system for the promotion of environmental protection. Under the direction of environmental representatives, important matters are discussed to set our policies among committee members who are appointed from each major division/unit, enabling us to better promote environmental protection. Also, we established an internal environmental audit committee to confirm once a year that environmental preservation activities are being carried out in accordance with the rules of the environmental management system, that the environmental goals and objectives, and the implementation plan are being achieved, that all laws and requirements are being obeyed, and that the system is in compliance with the ISO 14001 standards.

Environmental Preservation Organization (Fiscal year 2008)



## Green Procurement Guidelines

In March 2008, we revised our Green Procurement Guidelines. Besides complying with environmental laws and regulations, we now prioritize business with suppliers that aggressively undertake environmental protection activities. By procuring products that lend themselves to safety, material recycling and energy conservation, this will help us not only to provide products of less environmental load but also to reduce environmental load across the entire supply chain. To be fair and impartial, these guidelines have been posted on our website for anyone to view.



Green Procurement Guidelines on company website

## Environmental Education



### Environmental education to all employees

We provide education to Noritsu employees on all levels concerning subjects including the environmental management system, the purpose and goals of our environmental activities, our annual plans for environmental activities, waste sorting and recycling procedures, and our progress in achieving our environmental goals.

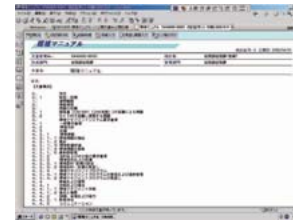
### Environmental awareness articles in Noritsu's magazine for employees

Various information and issues related to the environment are included in the "ISO 14001 information" section of the company magazine, "HOTNY," enabling employees to increase their awareness and understanding.

## Intra-Company Network

### Environment-related documents are disclosed on company network

We have established a management system based on ISO 14001 requirements. We use a company network to post environmental documents (Environment Manual, Environment Standards, Environmental Procedure), which are created to enable continuous improvement in environmental-preservation activities, enabling any employee to view these documents any time.



### Equipment assessment in electronic data form

We have devised an electronic data system to check production equipment before it is introduced at the factory, remodeled, or disposed of. Under this system we check to see if there are any applicable laws or regulations that need to be obeyed, if it is energy-saving equipment, and whether recyclable materials are being used. Employees in the applicable divisions enter the required information, and this information is put into practice after approval is received from the EMS office, the person in charge of equipment management, and the environmental management representative.

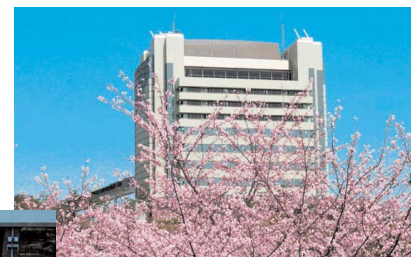
### Industrial waste disposal tracing form (Manifesto)

In order to make sure that we are in compliance with the Waste Disposal and Public Cleaning Law (The Waste Disposal Law) and prevent illegal dumping of industrial waste, we are using software to issue the Industrial Waste Disposal Tracing Form (Manifesto) and make sure that the returning deadlines are strictly adhered to.

## Greenery at the Head Office

### Greenery awards

Our greenery activities have been recognized and we have received various awards including the Greenery Award of Excellence from the Minister of International Trade and Industry.



## Environmental Objectives, Targets, and Evaluations for the Fiscal Year 2008

### Direct impact on the environment

😊 Attained target or better   😊 Attained target   😞 Did not attain target

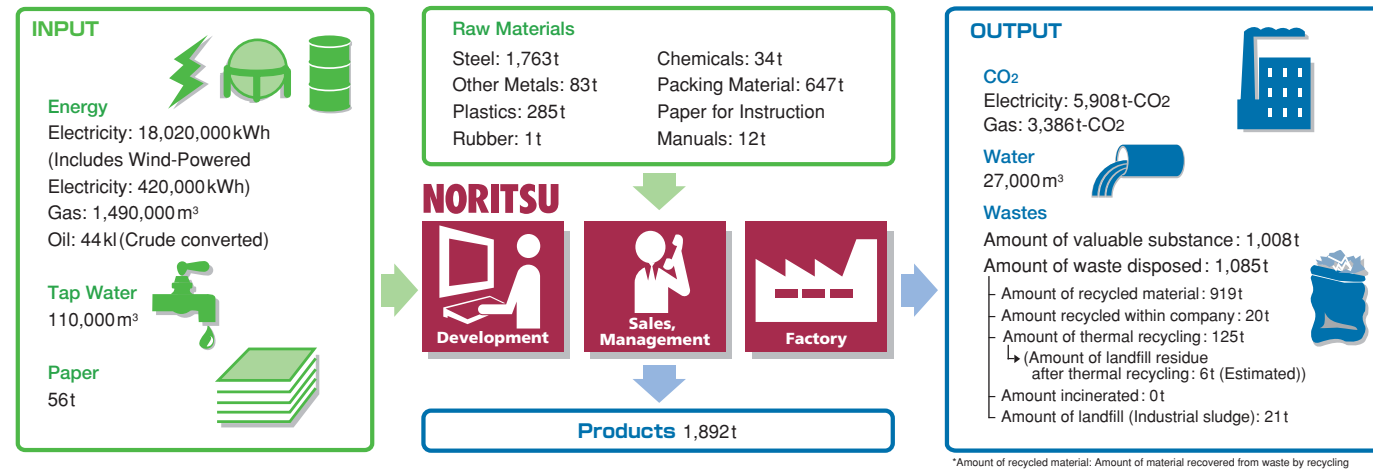
Objective	Target	Responsible department	Attainment progress
Waste reduction (Recycle rate improvement for laser engines)	75% return rate for laser engines	CS Division	😊
Energy conservation	Reduce power consumption by 500 kWh by turning off unnecessary demands in guest rooms of the Center Building.	General Administration Division, Human Resources Division, Legal Division	😊
Reduce the amount of resources used	Keep new PC purchases to a minimum by using existing PCs to reduce resource consumption. Target : 30 PCs	Management Information Systems Division	😊
	Reduce copy paper use by 17% or more (896 kg→750 kg) from the previous year.	Finance Division	😊
Energy conservation	Encourage employees to leave the office by 18:30 (twice monthly except in April and October).	Finance Division	😊
Correlation of environmental safety to sales promotion	Enhance awareness of environmental safety and associated laws and regulations. (Hold workshops 3 or more times /year.)	Sales & Marketing Unit	😊
Environment-friendly Design	Increase know-how of environment-friendly design and apply it to product design (industrial field).	Plasma Business Promotion Division	😊
	Increase know-how of environment-friendly design and apply it to product design (medical field).	Plasma Business Promotion Division	😊
Energy conservation	Encourage employees to leave the office (twice monthly) to reduce power consumption, and turn off lights during breaks.	Production Unit	😊
	Reduce work outside of regular business hours. (Reduce by 20% from the previous year.)	Production Unit (Production Control Group)	😊
Reduce regulated chemical substances	Reduce use of eutectic solder by 5% from 154.5 kg.	Manufacturing Division 1 (Printed Circuit Board Group)	😊
Reduce the amount of resources used	Reduce discharge of solder slag by 10% from 301 kg.	Manufacturing Division 1 (Printed Circuit Board Group)	😊
Energy conservation	Reduce energy consumption by consolidating processing machines.	Manufacturing Division 1 (Machining & Molding Group)	😊
Reduce the amount of resources used	Reduce internal defects by 30%.	Manufacturing Division 1 (Machining & Molding Group)	😊
	Reduce outflow of defects to outside (within company) by 50%.	Manufacturing Division 1 (Machining & Molding Group)	😊
Obey all applicable laws and meet other requirements	Comply with wastewater quality standards. (Manage COD values in degreasing wastewater treatment.)	Manufacturing Division 1 (Sheet Metal Works Group)	😊
	Measure water quality for 19 items in water pollution control law twice a year. Measure water quality for 2 items in water pollution control law four times a year.	Manufacturing Division 1 (Sheet Metal Works Group)	😊
Waste reduction and recycle promotion	Improve plastic recycling rate by thoroughly sorting waste and promoting recycling. (Target: 80% )	Manufacturing Division 2 (Assembly Groups 1, 2, and 3)	😊
	Reduce general waste by thoroughly sorting waste and promoting recycling. (Target: 5% or more from the previous year)	Production Engineering Development Division	😊
Waste reduction	Build, operate and specify the report format for a market quality adequacy evaluation method using TM, and reduce component waste loss by 30%.	Product Quality Assurance Department	😊
Environmental Preservation	Survey suppliers about their environmental efforts and work to reduce environmental load. (Survey 9 companies on-site.)	Procurement Division	😊
Environment-friendly Design	Establish environment-friendly design by: 1) Clarifying standards and processes for managing chemicals contained in products. 2) Setting targets for environmental specification items of products and clarifying required specifications. 3) Clarifying standards for managing product assessment.	Research & Development Unit, Product Development Divisions 1, 2, 3, and 4, Intellectual Properties Division	😊
Obey all applicable laws and meet other requirements	Obey the Energy Conservation Law. (Reduce use of energy by 1% from the previous year.)	All divisions	😊
	Comply with the Act on Promotion of Global Warming Countermeasures (including the Wakayama Prefectural Ordinance on Global Warming Countermeasures. (Reduce CO2 emissions.)	All divisions	😊
Obey all applicable laws and meet other requirements	Obey the Water Pollution Control Law as well as the applicable local law, the Setouchi Law. (These laws involve regularly checking and monitoring of the water quality.)	General Administration Division (Facility Maintenance Group), Manufacturing Division (Sheet Metal Works Group)	😊
	Obey the Waste Disposal Act. (Keep up manifesto thoroughly.)	General Administration Division	😊
Obey all applicable laws and meet other requirements	Obey the Poisonous and Deleterious Substances Control Law. (Establishes and regulates inventory requirements for industrial and agricultural chemicals.)	Product Development Divisions 1 and 2, Product Quality Assurance Department, CS Division, Manufacturing Division, General Administration Division	😊
	Obey the PRTR (Pollutant Release and Transfer Register) Act. (Involves thorough management of the amount used and discharged.)	Plasma Business Promotion Division, Product Development Divisions 2 and 3, Product Quality Assurance Department, CS Division, Manufacturing Division, Production Engineering Development Division, General Administration Division	😊
Obey all applicable laws and meet other requirements	Obey Noise/Vibration Regulation Acts as well as the applicable local law, the Wakayama Prefecture Pollution Prevention ordinance. (Control and maintain levels.)	Manufacturing Division	😊
	Obey the Air Pollution Control Law as well as the applicable local law, the Wakayama Prefecture Pollution Prevention ordinance. (Control and maintain levels thoroughly.)	Manufacturing Division, General Administration Division	😊
Obey all applicable laws and meet other requirements	Obey the Fire Prevention Act. (Control and maintain levels thoroughly.)	Manufacturing Division	😊
Obey all applicable laws and meet other requirements	Obey the High Pressure Gas Safety Law. (Control and maintain levels thoroughly.)	Manufacturing Division	😊
Obey all applicable laws and meet other requirements	Obey the Package and Container Recycle Act. (Grasp the shipping volume of applicable paper containers, and carry on the consignment contract.)	CS Division (Parts Center)	😊
Obey all applicable laws and meet other requirements	Implement a no-driving-to-work day.	All divisions	😊
Obey all applicable laws and meet other requirements	Comply with EU directives.	Environmental Promotion Committee	😊
Environmental accounting	Introduce and test an environmental accounting system.	General Administration Division	😊

### Indirect impact on the environment

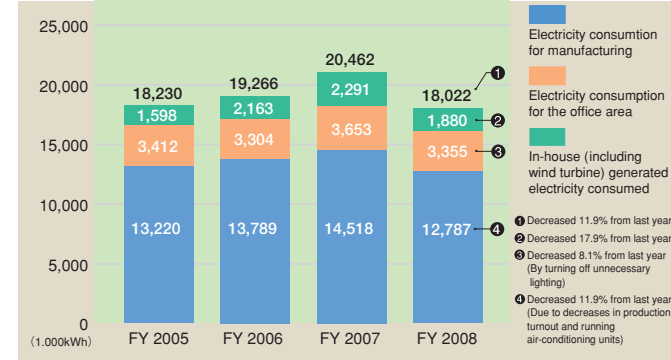
Reduce the effect our products have on the environment	Assess the effect our products have on the environment.	Product Development Divisions 1, 2, and 3	😊
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## Environmental Impact

Everyday at Noritsu Koki is an effort to correctly identify and appropriately mitigate the environmental loads of our business activities.

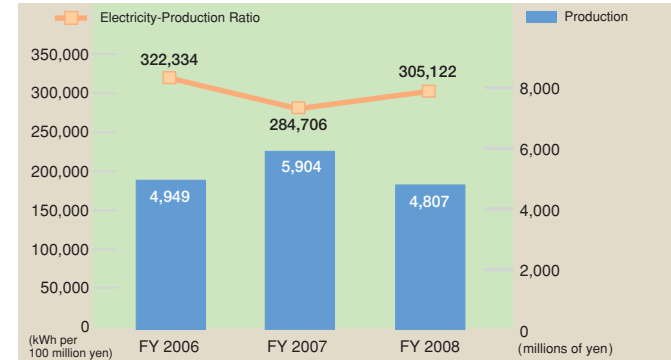


### Power Consumption



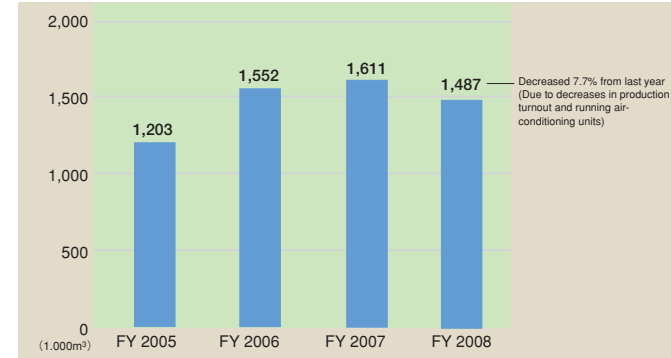
\*Wind power generation decreased 15.6% to 420,802 kWh from 498,722 kWh of the year before. This was because the average wind speed was down from the previous year.

### Electricity-Production Ratio (Electricity used to produced 100 million yen worth of equipment\*)

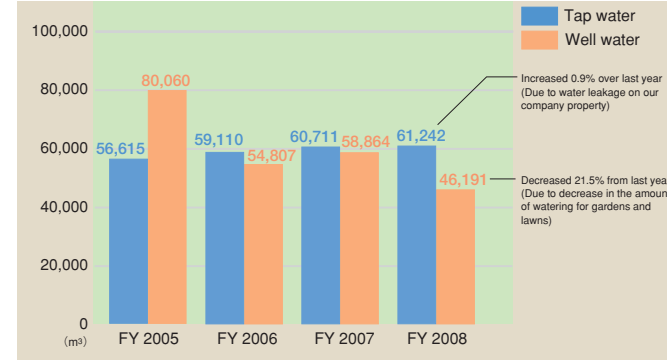


\*Does not include power consumed for office operations not associated with manufacturing.

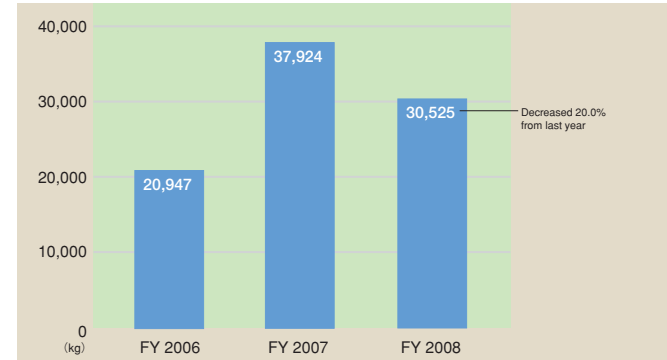
### Natural Gas Consumption



### Water Consumption

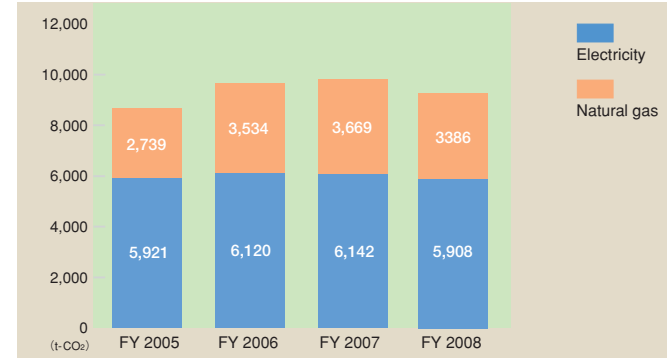


### Paper Purchased (Manuals excluded)



\*A system introduced in FY2007 replaced the previously used shipping slips and so forth with copy paper.

### CO<sub>2</sub> Emission



## Environmental Presevation Activities

### Laws and Other Requirements

No item was found to qualify as the “environmental debt” that was introduced in FY2010 as accounting criteria.

Laws concerning our business and other requirements (Example)

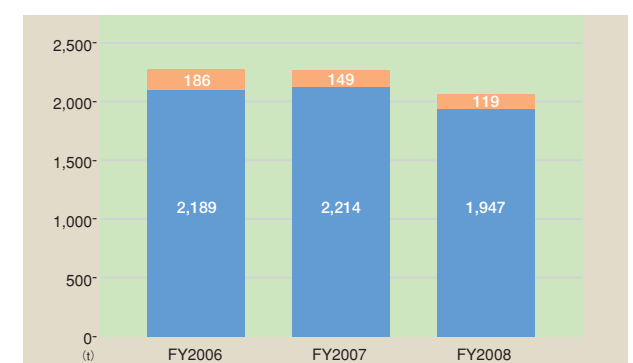
- Laws concerning the natural environment: Air Pollution Control Law, Soil Contamination Countermeasures Law, Water Pollution Control Law, etc.
- Laws promoting the effective use of resources: Waste Management and Public Cleansing Law, Home Appliance Recycling Law, Law for Promotion of Sorted Collection and Recycling of Containers and Packaging, etc.
- Laws concerning corporate environments: Industrial Safety and Health Law, Environmental Education Promotion Law, etc.
- Overseas laws and regulations: RoHS Directive (EU), WEEE Directive (EU), TSCA (USA), GHS (UN), etc.

### Reducing Waste / Recycling Garbage Separation

At Noritsu, waste materials are divided into 63 categories based on the table of garbage separation rules. The Garbage in each division is collected, sorted by type, and then each type of garbage is weighed. These amounts are

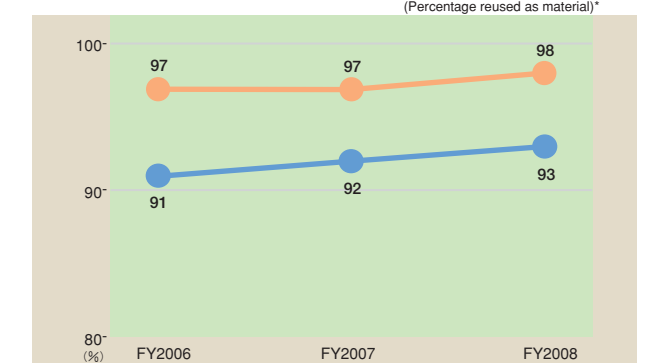
then recorded and compiled. Dividing the waste material into types and subdividing these types helps to increase the percentage of waste materials that are recycled and to reduce the amount of garbage that is incinerated and landfilled. In this way, we promote efforts toward the realization of Zero Emission.

### Amount of Recycling



\*Amount of recycled material: Includes amount of valuable substance and amount recycled within/outside company.

### Recycling Rate



\*Material recycling rate = Amount of recycled material/Total amount of waste disposed  
Zero emissions attainment rate = Amount of recycled material + Amount of thermal recycling / Total amount of waste disposed

Material recycling means to recover used products and waste produced in production processes, process that in ways that make it easy to use, and reuse (recycle) that

material for new products or raw material. Thermal recycling means not only to incinerate waste but also to recover and use the heat energy generated in incineration.

### Classification and disposal/recycle method of waste items (examples)

Classification	Disposal/recycle method
Bottles, glass	Glass is reduced to cullet, and this is used to make recycled glass.
Cans	Aluminum Aluminum cans are sent to an aluminum factory where they are melted and then recycled.
	Steel Steel cans are sent to a steel factory where they are melted and then recycled.
Disposable batteries	Alkaline/Manganese, Lithium These are used to make recycled zinc, steel, cadmium, nickel and cobalt.
Rechargeable batteries	Nickel/Cadmium batteries, small shielded lead batteries, Nickel hydrogen batteries, lithium ion batteries
Scraps (Regular)	Non-electric parts Industrial syringe After dismantling and sorting, we separate the recyclable components (mostly metals) from the other components that are sent to the incinerator (mostly plastics). After incineration, the ash and residue from the other components are used as landfill for a governmental man-made island in the Osaka bay area.
	Electric parts
Office equipment	This is sent to a recycling center where it is dismantled. The parts are sorted and then recycled.
Fluorescent lights	The mercury inside of the fluorescent light tube is collected and recycled. The metal portion is sent to a metal factory where it is recycled. The glass is also recycled.
Pruned branches	We use the chipper machine to reduce the pruned leaves and branches into small chips which are buried in the ground. With the help of microorganisms, over time this becomes fertile soil. This fertile soil is then used in the gardens at Noritsu.
Scraps that can be exchanged for money	Metal scraps Each type of metal is recycled.
	Wire pieces Recycled as copper.
	PCBs Rare metal is extracted from the PCBs and recycled.
	Rollers The stainless steel portion and titanium portion are recycled. The plastic portion is incinerated during the melting process.

Environmental Presevation Activities



Saving Energy and Resources, Preventing Global Warming

Developing eco-friendly products to reduce the impact on the environment

The rapid spread of digital cameras and broadband has increased the need for digital printing services, therefore Noritsu Koki tied up with Seiko Epson to develop a dry minilab system. Built with inkjet technology, this system reduces environmental impact over earlier products because, in addition to being space-saving, low cost and highly dependable, it does not require liquid chemicals and therefore does not produce any waste solution.

Wind turbine

In FY2008, this wind turbine generated about 2.3% of the energy consumed at our head office, equating to a 154t reduction in CO2 emissions.



Lights-down campaign

Every year, Noritsu Koki participates in the Lights-Down Campaign of the Global Environment Bureau of Japan's Ministry of the Environment. We turned off the lights to the corporate signs on the rooftops of our Development Center and Head Office building, which are seen far and wide outside the company, to make people aware of the fact that reducing CO2 emissions by turning down the lights is one way to combat climate change, an issue of increasing importance for all of mankind.



Natural gas and electric vehicles used to conserve energy

Noritsu Koki has introduced a compressed natural gas truck for collecting garbage at the head office and two similar specification shuttle buses for transporting employees to and from work, and it has also installed on-site natural gas replenishing facilities for these vehicles. And, to further reduce CO2 emissions, electrically-powered vehicles have also been added as a means of getting around the vast site.



Planting in front of the Center Building Entrance

Trees that had been damaged by typhoons around the entrance to the Center Building were replaced with a different variety that holds up well against droughts and salt water carried by typhoons.

Motion-triggered lighting

We are making efforts to conserve energy by replacing the night lights along the staircase that leads to the parking lot with motion-triggered lights that turn on when people pass by.



Resumed use of deep ground well

The water treatment system for the deep ground well that had been taken out of service because of water quality problems was reconditioned, and is now being used again. Through this kind of effective utilization of water resources, we are promoting a reduction in tap water consumption.

Duct cleaning for ceiling fan coil units



As we improve efficiency by cleaning inside the ducts of the factory's fan coil units. This helps to improve efficiency by reducing the load placed on absorption liquid chillers.

Installation of air curtains

We installed air curtains in six factory corridors without air conditioning in order to improve efficiency of air conditioning on both sides of the curtain by shutting out hot and cold drafts.



Development Center remodeled as office

To deal with the increased use of office equipment, the Development Center was remodeled into office space, and carpeting was laid in this area. The carpet eliminates the need to wax the floor and use chemicals like strippers in the process, while it also provides insulation which helps to improve the efficiency of the heater in the winter.

Preventing Water Pollution

We take meticulous care to prevent water pollution and maintain extremely high water quality. In fact, we have adopted a standard that is higher and stricter than that of the Water Pollution Prevention Act and the Wakayama Prefecture Drain Water requirements, in regard to BOD, COD and SS figures.

Water pollution prevention requirements (mg)

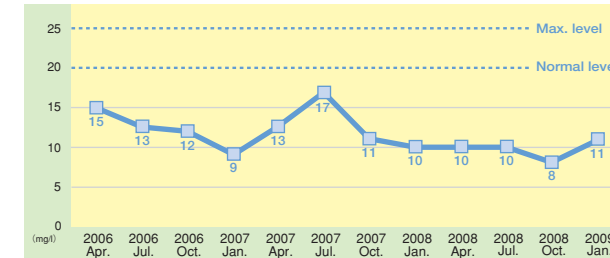
Title	National requirements	Local requirements	Septic tanks at Noritsu		Large washing unit at Sheet Metal Dept.		Remarks
			Noritsu's standard (max)	Tested	Noritsu's standard (max)	Tested	
PH	5.0~9.0	5.8~8.6	5.8~8.6	Once every 3 mo.	5.8~8.6	Once every 6 mo.	(COD) The septic tanks and washing units are automatically monitored.
BOD	Less than 160	Less than 120	Less than 15		Less than 15		
COD	Less than 160	Less than 30	Less than 25		Less than 20		
SS	Less than 200	Less than 150	Less than 50		Less than 50		
Phenol, etc.	Less than 5	Less than 5	Less than 5		Less than 5		
Copper and copper compounds	Less than 3	Less than 3	Less than 3		Less than 3		
Zinc and zinc compounds	Less than 5	Less than 5	Less than 5		Less than 5		
Iron	Less than 10	Less than 10	Less than 10		Less than 10		
Manganese	Less than 10	Less than 10	Less than 10		Less than 10		
All chrome	Less than 2	Less than 2	Less than 2		Less than 2		

Environment Monitoring Results

COD levels

In 1985 we adopted machines that automatically test the water 24 hours a day, and we have been using these to check the COD level ever since. Keeping a careful eye on this number at all times gives us the ability to maintain clean water and also to stop the discharge any time in the event that the COD level were to exceed Noritsu's standard.

COD levels



Green Purchasing

"Green purchasing" means that we procure items that are energy-saving, easy to recycle, and will not discharge any substances that are harmful to the environment when they are used or disposed. A reduction in the amount of waste disposal is expected as a result of implementing this green purchasing policy.

Introduction of an electrostatic fluid cleaner

An electrostatic fluid cleaner has been introduced to molding machines to clean working fluid. This has eliminated the need for periodic fluid replacement and, as a result, we realized a reduction of working fluid consumption.



Reuse and recycling of roller shafts

Using a press, the plastic used on rollers is stripped from the stainless steel shafts so that the shafts can be reused. Also, rollers that cannot be salvaged and were resultantly discarded as waste are now being recycled for their materials by a newly developed company.

FY2008 Execution Plan												
2008 Apr - Jun			2008 Jul - Sep			2008 Oct - Dec			2009 Jan - Mar			
Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	
Total purchases (Top line: Monthly, Bottom line: Total) [Items]												
562	414	386	463	477	404	509	448	427	425	359	4396	
562	976	1,362	1,825	2,302	2,706	3,215	3,663	4,090	4,515	4,874	5,270	
Green purchases (Top line: Monthly, Bottom line: Total) [Items]												
407	320	293	365	403	329	425	368	346	334	273	315	
407	727	1,020	1,385	1,788	2,117	2,542	2,910	3,256	3,590	3,863	4,178	
Percentage of goal achieved (Green purchases / Total purchases x 100) Average: 77.5%												
72.4	74.5	74.9	75.9	77.7	78.2	79.1	79.4	79.6	79.5	79.3	79.3	



Environmental Presevation Activities

Product Life Cycle Assessment

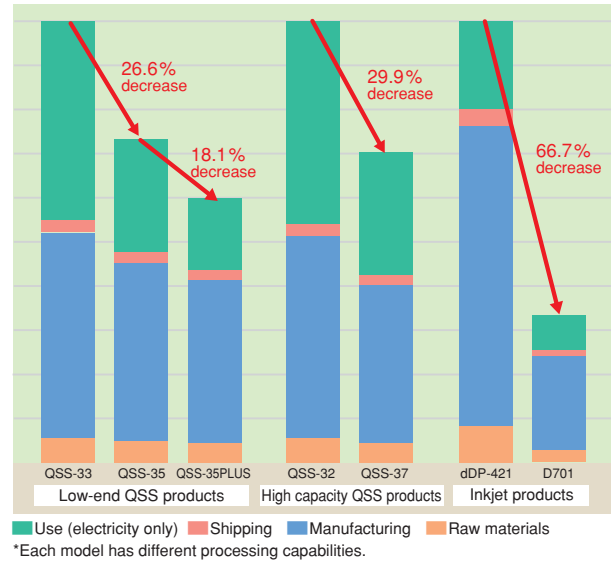
Noritsu Koki has been conducting product assessments to identify the effect on global resources and the global environment that our products have across their full life cycle from design and development to sales and discard. The objective of these assessments is to use findings to design and develop products that meet the following 6 targets.

Product assessment targets

01	Size, weight and quantity reductions	Lighter weight, / smaller products / Fewer parts / Standardization with other products
02	Reusing resources (Recycling)	Easy to dismantle / Easy to disassemble parts / Easy to sort and process / Easy to remove print circuit boards / Integration of resinous materials
03	Ease of treatment as waste	Less toxic and dangerous when incinerated / Less liquid residue / Easy to dispose of by landfill
04	Environmental protection	Reduced noise emissions
05	Material safety	No use of materials potentially harmful to people
06	Energy and resource conservation	Lower power consumption / Lower water consumption / Adoption of low energy-consuming mechanisms

In addition, we quantitatively measure levels of environmental burdens of our products by implementing a procedure established for the simplified product life cycle assessment.

Comparison of lifetime environmental burdens by product category...CO2(kg)



Chemical management

We obtain the MSDS (Material Safety Data Sheet) relative to the chemicals we handle. Obtaining the MSDS prior to handling the applicable chemicals enables us to gain a full understanding of the properties and federal regulations pertaining to the chemicals, and make sure they are handled in accordance with prescribed procedures. Also, if we handle any substances that are covered in the PRTR Act, we make sure that the amount input, amount used, and the amount output to each type of destination (disposal facilities, water, the atmosphere, and the soil), are recorded by each applicable division. These amounts are added up and if any of the total amounts exceed the legal limit we report this to the appropriate government authority. Organic chlorine solvent, which was heavily consumed in operations, was completely replaced by alternatives substances in 2008. In

January 2005, Noritsu Koki launched a WEHS Committee to kick-start compliance activities for the EU's RoHS Directive and WEEE Directive, and other new laws aimed at eliminating hazardous substances. Those roles were consolidated in the Environmental Promotion Committee in 2007, and the committee has built schemes so as "not to introduce, use or release" hazardous substances, as well as a system for evaluating and auditing those efforts, and then it strives to make this a permanent part of the system.

Emergency management planning

In the preparation for potential emergencies, we have developed an Emergency Management Plan which includes the basic procedures for the prevention of accidents, a list of who should be contacted in the case of an emergency and steps to ease the impact on the environment. We also train and prepare our employees for potential emergencies, according to the procedure outlined in this plan.

(Fiscal year 2008)			
No.	Emergency Situations	Applicable equipment and facilities	Group in charge
01		Chamber for washing greased metal parts	
02	Hydrocarbon solvent spill and fire	Area for storing unused hydrocarbon solvent for washing greased metal parts	Machining & Molding Group
03		Area for storing used hydrocarbon solvent for washing greased metal parts	
04		Gas cooling and heating system (R1, R2) Development Center	
05		Gas cooling and heating system (GR3, GR4) Factory building	General Administration Division, Facility Maintenance Group
06	Lithium bromide spill	Gas cooling and heating system (GR1, GR2) Factory building	
07		Hot water absorbing cooling and heating system (CU1, CU2, CU3) Factory building	
08		Gas cooling and heating system (GR1, GR2, GR3, GR4) Center Building	
09	Halon emission	Fire extinguishing equipment (Center Building, 1F Machine Room)	General Administration Division, Facility Maintenance Group
10		Halon fire extinguishers	
11		Halon fire extinguishers (for NC lathe)	
12	Waste solution spill	Barrel Room	Machining & Molding Group
13	Photofinishing solution spill	Waste solution tank	Manufacturing Division 2, Technical Service Division
14	Unprocessed drain water spill	Septic tank (for 1500 people)	General Administration Division, Facility Maintenance Group
15		Septic tank (for 2000 people)	
16	PAC spill	Polyaluminum chloride tank (Barrel Room)	Machining & Molding Group
17	Water soluble cutting agent spill	Machining center, NC lathe, grinding machine, Sparoll processing machine	Machining & Molding Group
18	Caustic soda spill	Caustic soda tank (Barrel Room)	Machining & Molding Group
19	Caustic soda spill	Caustic soda tank (Wastewater processing agent tank)	Sheet Metal Works Group
20	Spent oil spill and fire	Spent oil tank	Machining & Molding Group
21		Generator lubricating oil service tank	General Administration Division, Facility Maintenance Group
22		Injection machine	Machining & Molding Group
23	Industrial oil spill and fire	Right angle shear, bending machine, turret punching press machine	Sheet Metal Works Group
24		Auto bender, VS	
25		Compressor, NC lathe, machining center, electrical discharge machine tool	
26		Spray fluxer, mask washer	Printed Circuit Board Group
27	Bio cleaner spill	Degreased resin washing agent tank (Barrel Room)	Machining & Molding Group
28	Ferric chloride spill	Ferric chloride (Wastewater processing agent tank)	Sheet Metal Works Group
29	Hydrochloric acid spill	Hydrochloric acid (Wastewater processing agent tank)	Sheet Metal Works Group
31	Fuel oil (heavy oil) spill and fire	Heavy oil tank (Cafeteria)	General Administration Division, Facility Maintenance Group
32		Emergency generator fuel (Development Center)	



Since our founding, Noritsu Koki has enjoyed the support of the local communities of Wakayama where our headquarters are located, and as an expression of our gratitude for that support, we have developed constructive activities in the fields of environmental protection, social welfare, education, culture and sports as a contribution to these local communities. Moreover, we believe that "people make this company" and, therefore, have endeavored to make the workplace safe and pleasant in recognition of our responsibility to protect our employees. We will also continue to develop social activities valuing communications with all stakeholders related to our company.

Communicating with Society and the Local Community

Collection and Donation of Idle Clothing

We encourage our employees to provide clothing their families are no longer using to be donated via the NPO Japan Relief Clothing Center to people living overseas who have difficulty obtaining clothing due to regional conflicts, natural disasters, economic circumstances, and other reasons. We started the program in 2006, and by October 2009 Noritsu Koki's employees and their families and friends had donated at total of about 670 kilograms filling 66 cardboard boxes.

Internships

Noritsu Koki offers an internship program to vocational school and university students to enhance their desire to work and help them choose a career. In 2009, 6 students got hands-on experience working in production together with employees for 3 days.

Ambulance Donation

As part of our activities aimed at making a social contribution to the local community, we donated an ambulance to Wakayama City during celebrations to mark our 45th year of business. A second ambulance was donated to the Japanese Red Cross Society Wakayama Medical Center to commemorate our 50th year of business. Both ambulances are fully equipped and today are used to transport emergency patients.

Disaster Prevention Drills

Because of our location overlooking most of Wakayama City, we signed a memorandum to act as a center for security activities in the event of a major disaster for police offices and fire stations. Further, we stage drills for a hypothetical major earthquake.

Cleanup Activities in the Local Area

Every year for the annual Wakayama City Cleanup, Noritsu Koki sends about 50 volunteers. In cooperation with local communities, we stage cleanup activities not just in the center of the city but also around our headquarters site.

Blood Drives

Twice a year, the blood drive bus visits the company and we ask employees to donate blood. This has been going on for more than ten years and, as a gesture of gratitude, the Japan Red Cross presented us with a certificate of appreciation in 2005.



## Communicating with Customers

### Photo Events at a Kindergarten

On October 31 (Sat.), 2009, Noritsu Koki staged a photo event at a kindergarten in Wakayama Prefecture so as to convey the “fun of expression with photographs” and the “fun of printing” to the upcoming young generation. About 100 persons between the students and their families took part in the event, printing pictures they took with digital cameras on our Pribo 2 with self-printing support and then arranging them into decorative works.



### Promotional Support via “refocus site” and “NORITSU.INFO”

Noritsu Koki operates the website “refocus site” loaded with hints on store decorations and end-user needs, as a sales promotion support tool for photography stores. Moreover, rather than just provide information, Noritsu created the website “NORITSU.INFO” (Japan only) where visitors can download design templates for promotional tools and instructions on making crafts, to make it easier for stores to undertake sales promotion activities.



refocus<sup>+</sup>

NORITSU.INFO

## Communicating with Investors and Shareholders

### Appropriate Disclosure of Information

Noritsu Koki is very careful about disclosing important information dealing with company management, finances, and social and environmental aspects, in a fair, timely and appropriate manner. In addition to complying with laws on securities trading and rules of stock exchanges where the company is listed, Noritsu Koki is always concerned with ensuring shareholders, investors, supporting local

### Demonstrations and Business Exchanges

In July 2009, Noritsu Koki held road shows and business exchanges in seven locations across Japan. There, we reproduced model photo shops with necessary elements that we determined through independent studies, and presented ideas and rules for making sales.

### Connections to End-Users

Noritsu Koki constructively offers general consumers the opportunities presented by digital prints. The company launched the “fotofoo” online service (Japan only) where anyone can order digital prints over the internet. Moreover, we manage a website called “DPEgg” (Japan only) that connects general consumers with photography stores.



fotofoo

DPEgg

### Acquired ISO9001 Accreditation

In order to increase customer-assurance in regards to our products and services, Noritsu Koki acquired ISO9002 accreditation of our quality control and assurance system in 1993. Moreover, in 2003, we acquired ISO9001 accreditation for all operations in design, production and incidental services. We will continue efforts to improve product quality and services via the PDCA cycle of ISO9001 in order to further enhance customer satisfaction.



Registration No.: TUV 100 06 0682  
Scope of accreditation: Design, production and sales of photo processing equipment and digital printers

## Communicating with Employees

### Talking with Stakeholders to Ensure a Mutual Understanding

Since October 2008, small meetings have been held to promote communication between management and employees. Every month, the Management-Labor Council meets in an effort to build healthy relations between management and labor. Moreover, employees are surveyed from time to time to gauge their level of satisfaction.

### Occupational Safety and Health Management System

Occupational Safety and Health Management System (OSHMS) is certified by the Japan Industrial Safety & Health Association. And, the company established a policy on safety and health to constructively promote the system further, and then established five codes of conduct under the basic policy shown below. Efforts are being made to eliminate on-the-job accidents and ensure the safety and health of our employees. Moreover, in order to improve our occupational safety and health management system, the company adopts safety and health management guidelines and targets every April and departments individually undertake activities to attain these.



### Policy on safety and health Basic policy

Noritsu Koki Co., Ltd. strongly recognizes the need to ensure employee safety and health, and provide a pleasant working environment, and is putting that understanding into practice across the entire company and workforce in our efforts to research, develop, produce, sell and service photo processing equipment and other products based on a business philosophy of “development and management where the customer comes first.”

### Workplace safety and health patrols

Workplace patrols are conducted to prevent unexpected accidents and disasters by effectively improving the workplace environment and work operations.

### Health check-ups and consultation

To help employees stay fit and healthy at work and home on a regular basis and prevent occupational diseases from occurring, annual health check-ups are given to the employees, and health check-ups are also given to those who travel abroad. Also, detailed check-ups are periodically



given to employees engaged in special jobs that involve organic solvents, etc.

Noritsu Koki has full-time industrial physicians and health experts to help manage the workplace environment, work operations and health, and educate the workforce about their health. The industrial physicians are available to employees for periodic health consultations. Moreover, it offers an Employee Assistance Program (EAP) including telephone counseling and business trip counseling to promote mental healthcare.

### Support for Employees

#### ● Educational Opportunities and Encouragement to Acquire Licenses and Qualifications

Noritsu Koki offers a Hierarchical Training Program and a Nomination Training Program (open to all employees) of fourteen courses taught by outside instructors. Moreover, the company encourages employees to seek licensing and qualifications by offering constructive incentives such as financial assistance for taking classes in various skills, etc.

#### ● Introduction of a new personnel system

From April 2005, Noritsu Koki has been gradually introducing a new personnel system. The requirements for management level human resources and general employees have been made clear and employees have become involved in upgrading their position and designing their careers based on autonomy and accountability.

#### ● Support for balancing home and work

Along with the new personnel system, Noritsu Koki created a system that enables employees to raise children while they work (below table). Moreover, a 2 Days Holiday and a Birthday Holiday were instituted to encourage employees to take annual paid holidays in a well-planned manner and, thereby, help them balance work and personal life.

Maternity leave	6 weeks prior to delivery to 8 weeks after delivery
Child care leave	Employees can take leave to raise children to the age of 1 (1 1/2 in special cases).
Childcare leave	Employees can take leave to care for sick or injured children up until enrolling in elementary school.
Other	Aiming at a balance between work and child-raising, systems are in place so that employees can work shorter hours, not work more than a specified number of hours and not work overtime so that they can tend to their children.

#### ● Harassment Consultation

Noritsu Koki created a compliance-required consultation service for sexual harassment, power harassment, etc.



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