

Reduction of VOC Emissions and PRTR* Surveys

As a paint manufacturer, Nippon Paint actively implements various measures to minimize VOC emissions. Nippon Paint also monitors the release and transfer of chemical substances and reports the results to the government in accordance with the PRTR Law. Our aim is to reduce the environmental risks of chemical substances.

FY2008 Targets and Results

Targets

- Achieve 85% ratio of environmentally friendly products relative to total sales
- Reduce PRTR substance releases and VOC emissions by 25% compared to FY2000 (down to 114 tons or less)

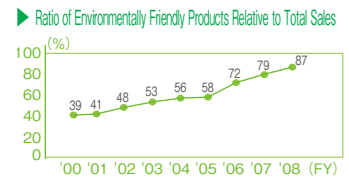
Results

- 87%
- 43% reduction compared to FY2000 (86 tons)

VOC Reduction as the Mission of a Paint Manufacturer

As a manufacturer of paints generating VOCs (volatile organic compounds), we consider it our important mission to reduce VOC emissions, and are concentrating our efforts toward achieving this end. As such, we have set a goal of achieving a 100% ratio of environmentally friendly products relative to total sales by fiscal 2010. To meet this goal, we are striving to develop and offer to our customers paints that contain fewer VOCs, yet deliver improved functionality such as enhanced material protection and superior

durability. These include high solid paints, water- and powder-based paints and solvent-free paints. While doing so, we will also exchange information and work collaboratively with our stakeholders to further reduce VOC emissions.



FY2008 PRTR-related Activities and Future Plans

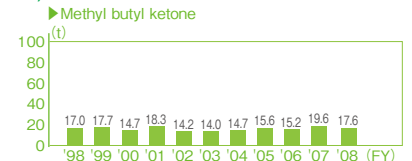
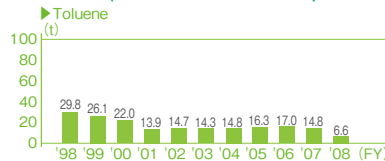
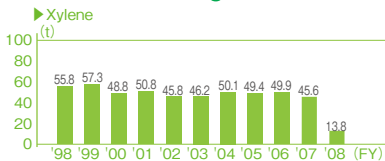
While chemical substances offer many functional benefits, they also present environmental risks. To assess these risks, Nippon Paint annually conducts a survey on 480 chemical substances consisting of 354 substances designated by the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (the PRTR Law) and an additional 126 substances specified by the Japan Chemical Industry Association (JCIA). It then reports these survey results to the government.

At our manufacturing plants, detailed calculation parameters were reviewed and a new automatic PRTR calculation system was put into operation in fiscal 2008. This system was originally developed by Nippon Paint, taking into consideration the deployment of equipment to reduce PRTR substances emissions and factors related to daily emissions-reduction activities, so as to enable more practical calculation.

Since fiscal 2002, we have also been using a PRTR survey support system for color-matching service stations to improve data accuracy. We will continue to assess the accuracy of data while maintaining compliance with the PRTR Law.

At our manufacturing plants, detailed calculation parameters

Release of Five Largest Emission PRTR Substances (based on data of the past two years)



Balance Sheet for PRTR Substances

Amount released to the atmosphere		Amount removed and treated	
86.0	0.15%	2.1	0.00%

Amount used	Resin/paint manufacturing	Products
56451.1 tons		54447.1 tons
100%		96.45%

Amount released to the atmosphere	Amount transferred to the environment	Amount transferred to third parties	Amount recycled
0.073	0.0	437.0	1478.8
0.00%	0.00%	0.77%	2.62%

As in fiscal 2007, we conducted surveys in fiscal 2008 for 480 JCIA-specified substances (including 354 PRTR Law-designated substances). Of these, 87 were handled at Nippon Paint, an increase of one substance from the previous year.

during the year totaled 86 tons, a substantial decrease of 43% from the fiscal 2000 level.

Thanks to the launch of the new automatic PRTR calculation system, along with reduced production in response to the recession that hit during the second half of the fiscal year, the calculated amount of substances released

* PRTR (Pollutant Release and Transfer Register)
A PRTR is an inventory of releases to the environment and offsite transfers of potentially hazardous chemical substances. Under the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR Law) enacted in 1999, it became mandatory for facilities manufacturing or using chemicals to report data regarding the usage, release and transfer of chemical substances to the national government once a year.