

Prevention of Global Warming

Nippon Paint is working to reduce CO₂ emissions to a level that goes beyond the Kyoto Protocol target specified for Japan—a 6% reduction in greenhouse gas emissions compared to fiscal 1990.

FY2008 Targets and Results

Targets

- Reduce CO₂ emissions by 14.5% compared to FY1990

Results

- 23.6% reduction compared to FY1990 (32,743 tons-CO₂)

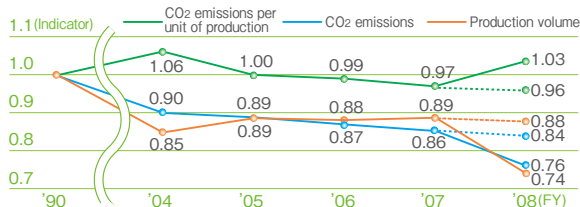
FY2008 Activities

In fiscal 2008, Nippon Paint reduced CO₂ emissions by 23.6%, which was far above our target of 14.5% reduction compared to fiscal 1990. This target was set voluntarily in accordance with the Energy Saving Law and the Law to Promote Global Warming Measures.

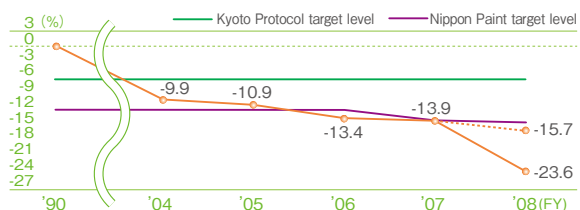
However, this reduction was largely attributed to decreased production due to the economic downturn that started in the second half of the fiscal year (see graph below). Dashed lines in the graph show CO₂ emissions levels estimated from first-half data. These estimates show a 15.7% reduction in CO₂ emissions compared to fiscal 1990, but it still reveals the positive outcomes of energy-saving efforts promoted at each site.

Energy-saving activities implemented at each site include temporarily turning off non-production-related air conditioners and lights, review of equipment operation during nighttime and on holidays, and turning lighting off during a break to cut wasted energy. Some sites also improved equipment to promote energy conservation, such as upgrading gasoline-powered forklifts to use gasoline and LP gas, heat insulation measures for steam pipes, and the use of inverter-type equipment. Some of these activities are shown below.

CO₂ Emissions-related Indicators (compared to FY1990)



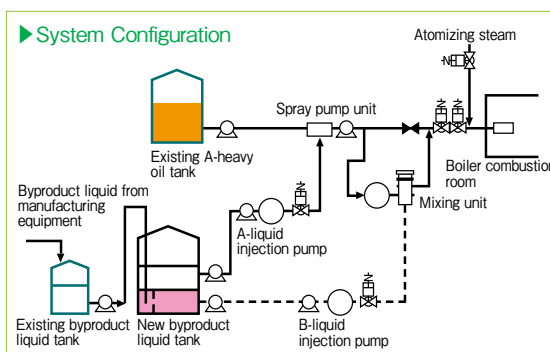
CO₂ Emissions Reduction Rate (compared to FY1990)



Dashed lines show estimated data in the case of no decrease in production volume, based on the fiscal 2008 first-half data.

1 Okayama Plant

The Okayama Plant deployed a cogeneration system fueled by waste oil generated from the manufacturing process. This is expected to make a substantial contribution to reduction of CO₂ emissions and waste in the future.



2 Chiba Plant

At the Chiba Plant, CO₂ emissions reduction targets were set individually for various departments to promote energy-saving activities. Activities included energy-saving patrols and energy-saving meetings. These efforts led to quick solutions for steam leakage, and shorter time required for dispersion. The Chiba Plant also replaced heavy oil boilers with upgraded gas boilers, which helped reduce energy usage significantly.



Gas boiler in Chiba Plant

In fiscal 2009, we will strive to enhance production efficiency through the concentration of production facilities and improvement of equipment, while continuing energy-saving efforts such as turning lights off during a break. By actively promoting energy conservation activities, we can further reduce CO₂ emissions.

As required by the revised Energy Saving Law, we will also assess energy usage at mid- and small-sized sites such as sales offices, in addition to the major sites in which our previous energy-saving efforts were concentrated.