

## Environmental Risk Management

### We established a set of safety standards and a system for sharing information to implement environmental risk management throughout the NEC Electronics Group.

In addition to conventional regulations for handling and control of special gases, NEC Electronics own regulations for control of chemicals are implemented throughout the NEC Electronics Group in the effort to prevent industrial accidents. Also, reciprocal patrols are conducted by all of our manufacturing companies to reduce overall risk.

#### Strategies for control of special gases

In 1984, safety control standards for special gases\* were established in 1984 that incorporate NEC's accumulated know-how and experience. The most recent 8th edition of the standards (as of 2005) is the result of repeated revision and updating of the standards with respect to amendments to the High Pressure Gas Safety Law, accidents that have occurred in the semiconductor industry, and lessons learned from near-miss incidents in our factories.

In addition, our manufacturing subsidiaries carry out patrols to check each other's handling of special gases and verify that all sites using special gases are implementing appropriate safety control measures in compliance with regulations. The system has proved to be very effective; no major incidents of chemical leakage or explosions have occurred since the patrols were established.

\*The term special gases used by NEC Electronics signifies the group of specific high pressure gases and semiconductor material gases specified by laws and regulations such as the High Pressure Gas Safety Law.

Yearly plan for reciprocal patrol



A reciprocal patrol

#### Strategies for control of chemicals

We are implementing stronger measures to prevent leakage and applying them to a greater number of chemicals. After a review of regulations, we decided that it is essential to furnish equipment using these chemicals with an automatic shutoff function. We conducted group-wide inspections of all such equipment, and are in the process of reinforcing the safety of equipment where necessary in order of precedence, based on inspection results. In fiscal 2005, we began reciprocal patrols to check handling of chemicals in addition to handling of special gases.

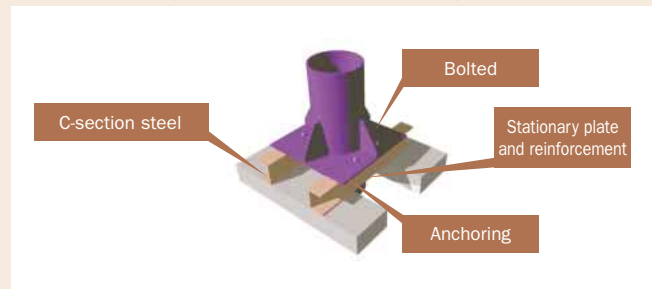
#### Strategies for response to earthquakes

In fiscal 2005, a company-wide project was undertaken to establish a crisis plan in response to the major earthquake predicted to occur in Japan in the near future. The plan incorporates the lessons learned from the 2004 Chuetsu earthquake in Niigata.

As a part of this effort, based on the expected seismic intensity (maximum seismic intensity of 7), we established a new set of regulations that specify standards for installation of structural elements of factory buildings and related plant facilities, and placement and anchoring of manufacturing equipment.

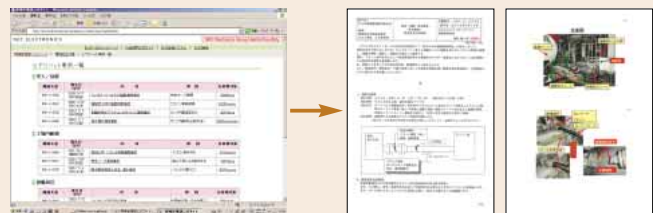
To ensure greater safety in factories, these regulations will govern all future construction and remodeling of all new lines. Also, we have begun carrying out necessary measures to reinforce the safety of existing manufacturing lines in order of priority.

#### Vertical piping anchored with a reinforcing plate



#### Information sharing

As part of our environment, safety, and health effort to prevent accidents, we have compiled collections of industrial accidents and near-miss incidents that are made available on our website to facilitate information sharing. All manufacturing subsidiaries in the NEC Electronics Group use the information to develop risk management activities. The progress of these activities is checked on the occasion of environmental management audits.



The website facilitates information sharing



### Soil contamination reports

In January 2006, we held a press conference to officially announce that fluorine, trichloroethylene, and cis-1,2-dichloroethylene (a product of the decomposition of trichloroethylene) were detected in the soil at the NEC Kyushu plant site in excess of the reference values specified by the Soil Contamination Countermeasures Law. At present, we do not use trichloroethylene, so presumably the leakage occurred from the temporary storage site formerly in use. Soil cleanup in the area where trichloroethylene and cis-1,2-dichloroethylene were detected was begun immediately and completed in April 2006. In the area where fluorine was detected, it is supposed that the fluorine leaked from an underground pipe utilized in the past for wastewater containing fluorine. As to this contaminated site, we are currently in discussions with Kumamoto City to determine how to resolve the problem. We have now switched to all aerial pipelines, so there is no longer any danger of chemicals leaking into the soil.

### Complaints from neighboring residents

In fiscal 2005, we received one complaint in Japan and no complaints overseas. The complaint in Japan concerned failure to notify the adjacent company of distracting noise associated with safety valve blow-off that is part of the co-generation system. In response, we reexamined the internal system.

### Violations of laws and regulations

In fiscal 2005, as in the past, we received no fines or penalties for violations of environmentally related laws and regulations.



The press conference held by NEC Kyushu President Imamura to officially announce soil contamination. (January 20, 2006)



Soil cleanup was completed in April 2006.