



TOPIC 6 Strengthening Environmental Risk Management

Building an original system for integrated management of environmental information

Tighter control of chemical substances and of substances contained in products

Approaches to control of chemical substances

NEC Fielding has positioned environmental measures as key management agenda in its execution of business. In this connection, we have determined basic guidelines for control of chemical substances and are actively practicing them. We also respond promptly to existing international regulations governing chemical substances, and will continue to do so into the future.

■ Development of products and maintenance equipment

In our development of products and maintenance equipment, we make assessments of the contents of hazardous chemical substances, and preclude or limit them.

■ Product sales

For products we are to sell, we obtain advance information on the contents of hazardous chemical substances and material safety data sheets (MSDS)* from the suppliers so that we can rapidly respond to customer requests for such information.

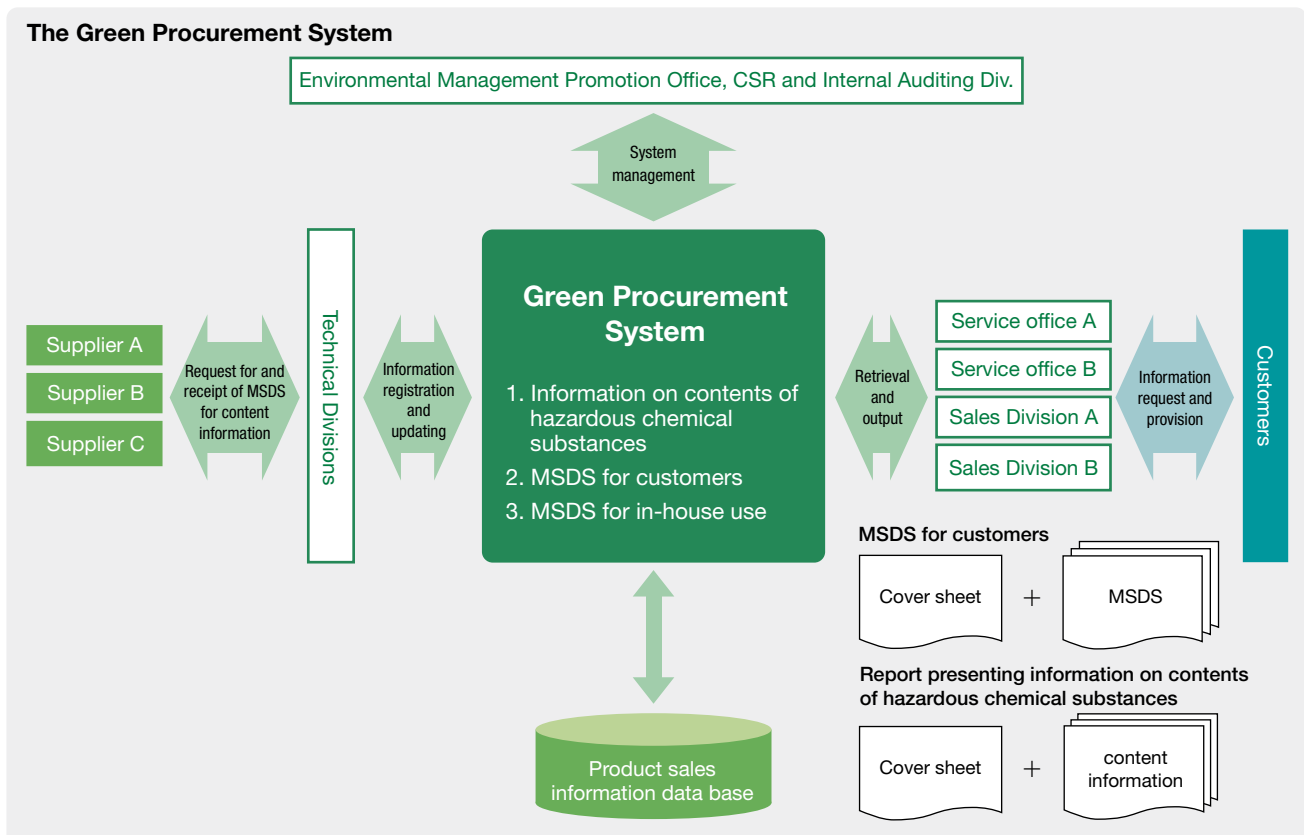
■ Maintenance service work

For solvents and other materials used in maintenance equipment, we obtain MSDS from the suppliers in advance and provide data in a common format to facilitate on-site use.

Green procurement (compliance with domestic and foreign regulations on hazardous chemical substances)

The Restriction of Hazardous Substances (RoHS) directive issued by the European Commission evidences the growing movement to tighten regulations on such substances around the world. In the Japanese market as well, customers sometimes request green procurement, in which a content free of hazardous chemical substances is a requirement.

NEC Fielding has established its own green procurement standards with consideration of the other domestic and foreign regulations on hazardous chemical substances. We require compliance with these standards in our procurement of all tangible materials and components needed for the execution of our business.



* MSDS : A material safety and data sheet that contains information required for the safe handling of chemical substances as well as raw materials and products containing them.

Construction of the Green Procurement System

Recent years have seen a rise in the number of inquiries we receive from customers about substances on the RoHS list and other hazardous chemical substances possibly contained in the products we sell. Formerly, when they received requests from customers for information about contents of such substances, our sales and service offices would make inquiries to our Technical Divisions, which, in turn, would obtain the desired information from suppliers. It consequently took

considerable time to get back to the customers.

To address this issue, NEC Fielding constructed a Green Procurement System based on the Product Sales System already in operation, and placed it into service in April 2008. The sales and service offices can directly access this system, and therefore can furnish immediate replies in response to customer requests for information about hazardous chemical substances.

Real-time response to customer inquiries

Building a Green Procurement System for integrated management of information on hazardous chemical substances contained in products

Masataka Ueno

Assistant Manager of Common Engineering Dep., Engineering Div.

In our former system, requests for information from customers about hazardous chemical substances possibly contained in products we sold were sent in succession from our sales offices to the Environmental Management Promotion Office, product development department of the Engineering Division, and finally the suppliers or manufacturers. They went through five or six stages in all. For this reason, customers sometimes had to wait more than one month for a reply.

We built our Green Procurement System with the objective of prompt provision of information to customers. At present, our sales offices can give answers directly to customers in real time.

I was in charge mainly of putting together the data base for the Green Procurement System. At first, we were somewhat unsure about the choice of registration procedure for data on contents of hazardous chemical substances in products we sell that were procured from others. However, we managed to construct the system, thanks especially to the Environmental Management Promotion Office as well as the Management Information Systems Division, product development department, and other concerned units. From now on, we intend to add more functions and make the system even more effective.



Reinforcing industrial waste and recycling governance

Integrated management by waste control system

In fiscal 2008, NEC Fielding instated a waste control system and began integrated management of manifesto slips and consigned treatment agreements for all industrial waste derived at our sales offices nationwide.

In the past, each sales office managed compliance with laws and regulations by its own procedure, in respects including delivery and receipt of manifesto slips for industrial waste and effective terms of consignment contracts for their treatment and disposal. The instatement of this system represents the nationwide unification of such management. The system is equipped with an alarm function warning of the approach of expiration dates, and is in extensive use for centralized management of contracts related to industrial waste and manifesto reports

to the authorities in the following year. It has been linked to a major reinforcement of our industrial waste and recycling governance.

Waste management system

| System functions | Compliance management functions | Risk-hedging effects |
|--|--|--|
| Manifesto slip management | Management of delivery and receipt dates Warning alarm Manifesto reporting | Compliance with expiration dates stipulated by law Action in advance of expiration Avoidance of report omissions |
| Centralized management of contracts related industrial waste | Contract registration Management of permit expiration Contract search function | Prevention of neglect to contract Handling before permit expiration Prevention of redundancy in additional contracting |



Environmental Management

Themes of activities in fiscal 2008

We strived to legal compliance management, internal audits, chemical management, waste management, and supporting the development of environmental-management framework of our partners, in order to enhance our environmental risk management system.

Results of activities in fiscal 2008

1. Promoted company-wide environmental risk management activities through our environmental management system.
2. Conducted internal audits and periodic reviews, and confirmed that our environmental management system is functioning properly.
3. Offered the Fielding eco Net Service to advance environmental management at our corporate partners and affiliates.
4. Introduced the Green Procurement System and the Waste Management System to further enhance our environmental risk management system.

Future challenges

1. Enhance environmental management in the NEC Fielding Group, including subsidiaries and partners.
2. Further enhance the appropriateness of our legal compliance management, internal environmental audits, chemical management, and waste management.

Approach to environmental management

In full recognition of our corporate social responsibilities, we strive to implement an effective environmental management system that can reduce the environmental impacts of our business activities as well as those of society as a whole by offering environment-friendly products and services, and thereby contribute to building a sustainable society.

Environmental philosophy

In all of our business domains, NEC Fielding shall contribute to the emergence of an environment-friendly society.

Action guidelines

1. We shall contribute to the building of a sustainable, recycling-oriented society through provision of various services and products to support computer systems, telecommunications systems, and network systems, while also promoting activities to prevent global warming, reduce waste, and promote reuse and recycling in our sales of all types of product.
2. We shall strive to provide environment-friendly goods and services that help customers to alleviate their environmental burden, and practice green purchasing for office supplies used in the Company.
3. Besides observing the environmental regulations of national and local authorities and the items of agreements with customers, we shall apply our own voluntary control standards and work to prevent pollution on an ongoing basis.
4. We shall set forth an explicit program of environmental management activities and have all divisions and employees practice environmental management in their own ways, in accordance with their respective roles.
5. We shall confirm the status of activities through internal environmental auditing; make efforts of improvement, correction, and prevention; and strive to maintain and improve our environmental management system.
6. We shall systematically educate our employees about environmental preservation to raise their environmental awareness, so that each will act as good corporate citizens.
7. We shall actively disclose information on our Environmental Policy and environmental measures in our business activities, and make a positive contribution to society as a whole.

Operation of the environmental management system

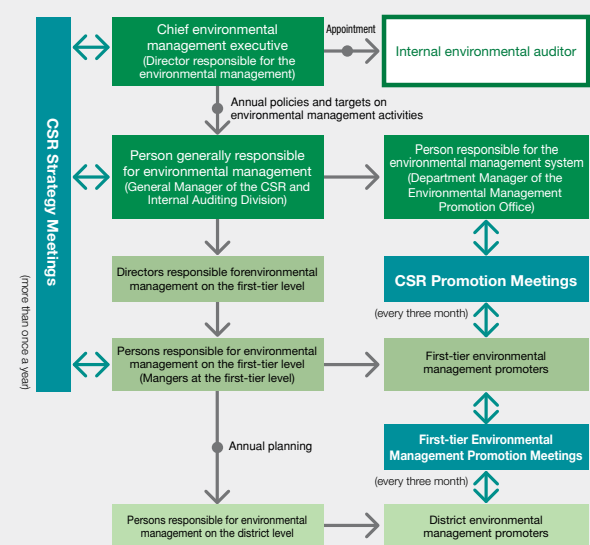
We maintain our environmental management system based on policies and targets on environmental management activities, which are determined by the chief environmental management executive and disclosed to persons responsible for the environmental management on the first-tier level. Then, annual planning and activities guidelines are formulated and given to each district.

In each district, environmental management activities are carried out along with the annual planning, and progress on these activities are checked by each district, first-tier, and company-wide level.

Accordingly, CSR Strategy Meetings are held for discussing deliberations on medium-term plans and in-house rules, while CSR Promotion Meetings for conducting environmental communication activities including horizontal promotions and activity follow-ups.

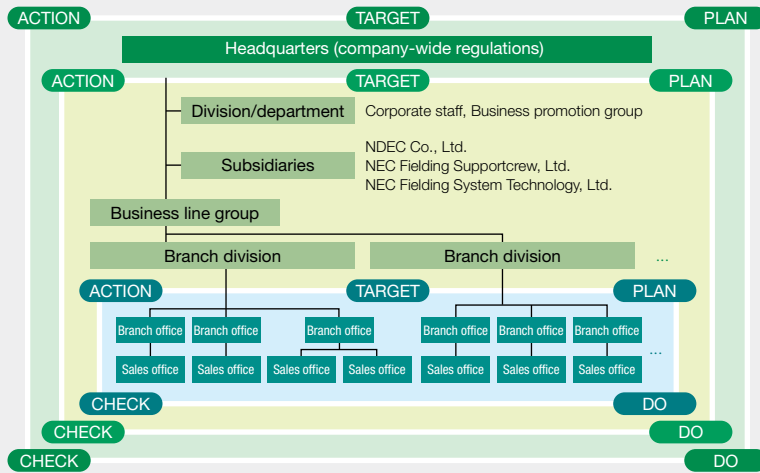
In addition, each year, an auditor appointed by the chief environmental management executive conducts the internal audit on the environmental activities in all districts to continuously improve them.

The environmental management system



Organization of environmental management system

We have developed a three-tiered T-PCDA system involving branch offices nationwide. (Three tiers: (1) companywide-level, (2) branch division/division/department-level, (3) branch office-level)



As of May 2009, a total of 412 locations in 126 districts have acquired ISO 14001 certification.

On the start of environmental management activities

NEC Fielding System Technology, Ltd. was established in June 2007. As a member of the Fielding Group, we provide services in support of higher levels of quality in system operation. Our environmental approaches were just launched with the start of fiscal 2009. We have determined seven agenda for environmental management and are going to heighten effects for alleviation of environmental burden. We are also encouraging our employees to take action to the same end in the home and the community.



Masayuki Ito
Assistant Manager of Business Div.,
NEC Fielding System Technology, Ltd.

Environmental audit

Regular audit for ISO 14001 certification (May 2009)

The environmental management system that we operate is a three-tiered system, which involves company-wide, branch division, and branch office levels. In fiscal 2009, we have updated the scope of audit for ISO certification to include NEC Fielding System Technology, Ltd. and underwent the regular audit by an outside audit firm.

We are committed to continuous improvement by taking corrective and preventive measures based on the results of these regular audits, aiming at more efficient operation of the environmental management system.

Internal environmental audit (November-December 2008)

NEC Fielding conducts the internal environmental audit annually since fiscal 1993.

Its environmental management system is audited by external auditors, and those on a level of division/department/branch division are inspected on a reciprocal basis by auditors of other divisions, departments, and branch divisions. Fiscal 2008 audit covers a total of 161 locations nationwide. For "failure" items, we have been implementing corrective and preventive measure to improve regulations and operational procedures.

Results of ISO 14001 certification audit in FY2008

| Scope of audit and registration | FY2007 | FY2008 |
|--|--|--|
| Number of registered locations | 37 divisions on the first-tier level 127 districts Total: 414 locations (departments, sales offices, and district centers) | 39 divisions on the first-tier level 126 districts Total: 412 locations (departments, sales offices, and district centers) |
| Number of employees in the registered scope | 8,485 | 8,747 |
| Results of audit | FY2007 | FY2008 |
| Instruction-for-improvement items (Category A) | 0 | 0 |
| Instruction-for-improvement items (Category B) | 0 | 0 |
| Opportunities for improvement | 17 | 9 |
| Strong points | 3 | 1 |

Results of internal environmental audit in FY2008

| Scope of audit | FY2007 | FY2008 |
|---------------------------------|--|--|
| Number of registered locations | 37 divisions on the first-tier level 127 districts Environmental Management Promotion Office Total: 165 locations | 38 divisions on the first-tier level 123 districts Environmental Management Promotion Office Total: 161 locations |
| Number of on-site confirmations | Interviews in 37 districts Electronic survey in 127 districts | Interviews in 38 districts Electronic survey in 105 districts |
| Number of district auditors | 10 internal auditors 7 external auditors | 10 internal auditors 9 external auditors |
| Results of audit | FY2007 | FY2008 |
| Failure (Category 1) | 1 | 0 |
| Failure (Category 2) | 6 | 7 |

Environmental risk management*

To prevent contamination of air, water, and soil, we have established stricter self-management standards and environmental audit systems while observing all pertinent laws and regulations. In addition, we prepare countermeasures for environmental risks that could be caused by various accidents.

Occurrence of accidents and complaints

We have not received any environment-related penalties, fines, or complaints up to the present.

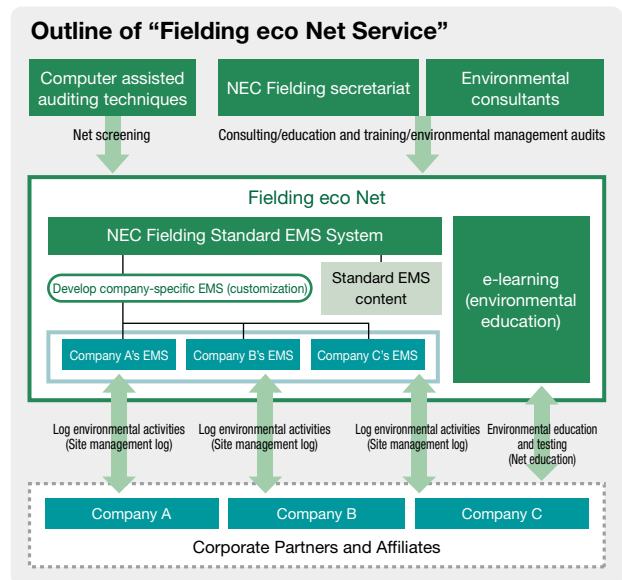
* Risk management : Please refer to page 19.



Supporting our partners and affiliates for the acquisition of ISO 14001 certification

Since fiscal 2007, we began offering the “Fielding eco Net Service” to help our suppliers build and operate environmental management systems (EMS). This service is to provide EMS contents suitable for the business category of each supplier as well as various kinds of support by our experienced staff from system development through operations, thereby enabling our suppliers to build a high quality EMS unit within a short period, and saving them a lot of time to acquire the ISO 14001 certification. The service also uses a computer assisted auditing technique* to review those obtaining ISO 14001 certification. This reduces the labor and cost of screening, enabling the company to undergo review faster. By the end of fiscal 2008, twelve companies of our partners have joined our Fielding eco Net Service, and of them, ten companies obtained certification.

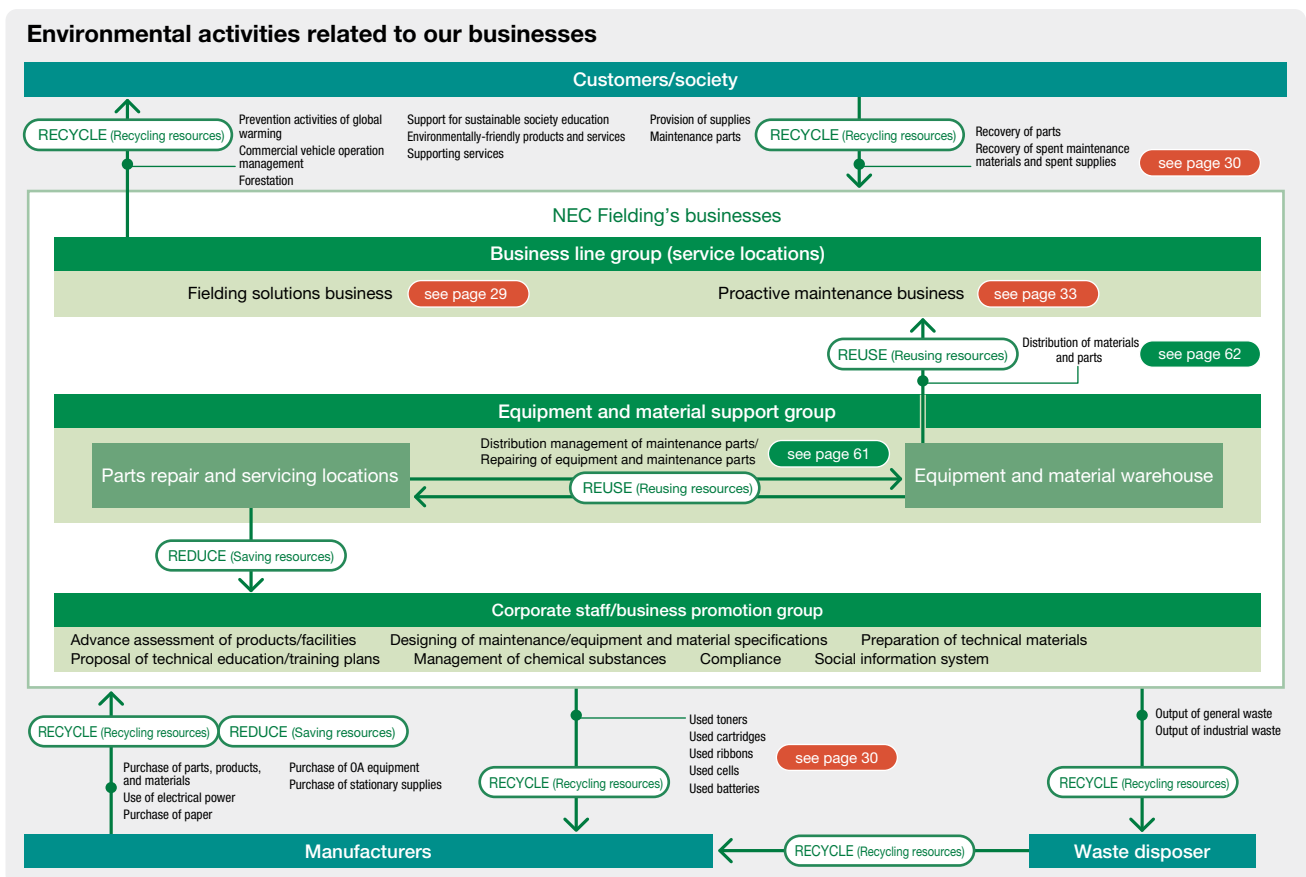
* **Computer assisted auditing techniques** : A screening system using an IT network, developed jointly by the Japan Quality Assurance Organization (JQA) and NEC.



Relationship between Fielding businesses and the environment

We conduct activities that address environmental aspects we should consider, such as preventing global warming, reducing waste, purchasing green products, and providing environmentally-friendly products and services, taking into account the characteristics of our businesses and the level of their impacts on society.

For this purpose, we have set two categories for these environmental activities based on our basic environmental management concept, those directly related to our business activities and those (we call “proactive activities”) where we can make contributions indirectly through our products and services.

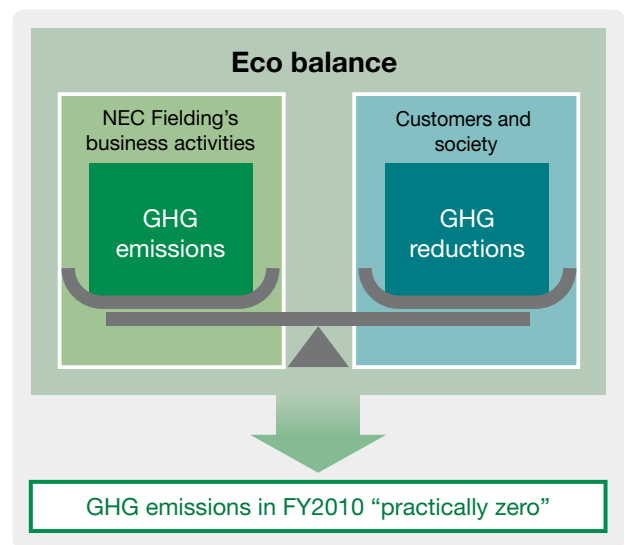


Environmental management targets toward 2010

We set targets as a long-term direction of environmental management toward 2010 linking with actual business activities, thereby promoting the transition to a sustainable business management.

2010 Environmental Management Targets

- Shift to a business structure with a low environmental burden
- Reduce total greenhouse gas (GHG) emissions from our business activities down to the same level as the reference year
- Actively introduce renewable resources and energies
- Encourage all employees to attain a higher level of environmental awareness (eco-excellence)
- Reduce CO₂ emissions from our customers' premises and communities through provision of eco IT solutions



Medium-term environmental management targets

We set specific targets with the following five categories as a medium-term environmental activities plan, based on the 2010 Environmental Management Targets. We also periodically self-evaluate the level of achievement on these targets in order to further improve our

activities.

Currently we are reviewing all target values taking into consideration the absorption merger of NEC Infrontia System Service Corporation in April 2009.

Medium-term environmental activities plan

| Activity topics | | FY2008 | | | FY2009 | Mid-term targets | |
|--|--|-------------------------------------|----------------|------------|------------------------|-----------------------------------|----------------|
| | | Target | Actual | Evaluation | Target | Target | Target year |
| Enhancement of environmental management see page 55 | Zero violation of laws, zero environmental accident ★ see page 56 | 0 | 0 | ○ | 0 | 0 | - |
| | Increase the number of companies joined Fielding eco Net ★ see page 57 | More than 14 companies | 12 companies | △ | More than 16 companies | More than 30 companies | FY2011 |
| Provision of environmentally-friendly products and services | Reduce CO ₂ emissions from customers and society ★ | 9,000t | 8,934t | △ | 12,000t | 15,000t | FY2010 |
| | No. of eco-appeal proposals ★ | 5/person | 9/person | ○ | <u>8/person</u> | <u>9/person</u> | FY2010 |
| | Increase sales of CSR supplies* ★ | ¥5,050 million | ¥4,774 million | △ | <u>-10%</u> | <u>-10%</u> (yoy) | FY2009 |
| Prevention of global warming see page 60 | Reduce GHG emissions from business activities ★ | <u>13,977t</u> | <u>12,126t</u> | ○ | <u>12,901t</u> | <u>-36%</u> (vs. ref. year) | FY2010 |
| Recycling of resources | Reduce total waste emission (general waste + industrial waste) ★ | <u>-15%</u> (vs. ref. year of 2005) | -13% | △ | <u>-20%</u> | <u>-25%</u> (vs.ref.year of 2005) | <u>FY2010</u> |
| | Zero emission of industrial waste | 99% | 99% | ○ | 99% | 99% | FY2006 onwards |
| Promoting of environmental awareness | Increase the number of employees with a high level of environmental awareness ("eco-excellence") see page 63 | 75% | 75% | ○ | 80% | 100% | FY2010 |

★: Star indicates items that were added or modified. Underline indicates points that were added or modified. Evaluation marks ○ Target attained △ At least 80% attained ✕ Below 80% attained — NA

* Sales of CSR supplies: Sales from CSR related products (environmentally-friendly products, risk-reduced products, etc.) + sales from wide-area 3Rs services



Environmental Performance

Themes of activities in fiscal 2008

We made our efforts to prevent global warming and reduce environmental burden as far as possible by steps such as conservation of resources and energy, decrease in industrial waste, and increase in recycling rates, for positive contribution to the prevention and solution of various environmental problems.

Results of activities in fiscal 2008

1. Reduced GHG emissions by 15% more than our target.
2. Eliminated all use of CFC-alternative gas (HFC-152a).
3. Made active proposals of environmentally-friendly services ("eco-appeal proposals").

Future challenges

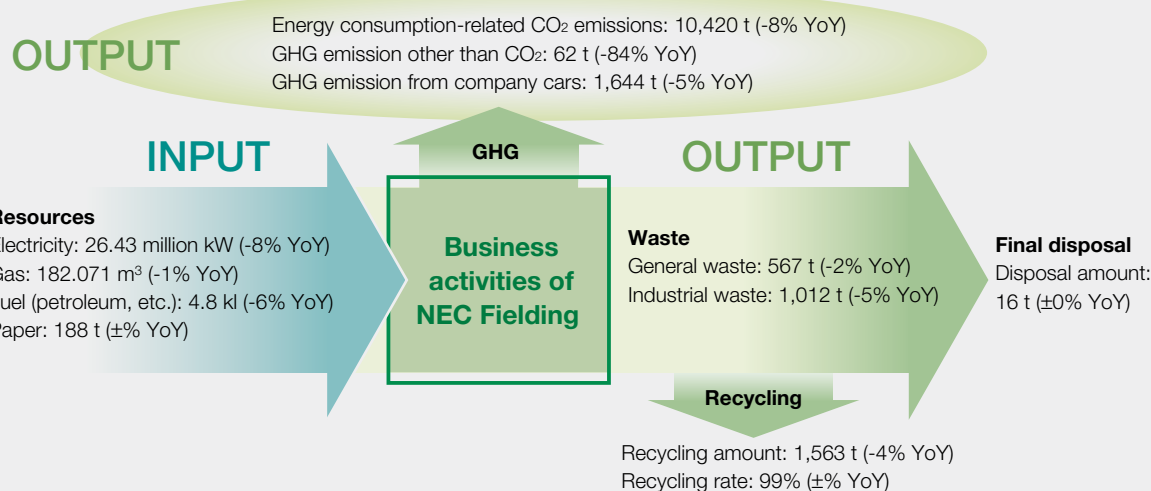
We will set our next ultra long-term targets for the reduction of CO₂ emissions, and work to combat global warming.

Mass balance model

We use a mass balance (material balance) modeling approach that clearly displays the environmental burden resulting from business activities, in order to measure and improve our environmental performance.

In fiscal 2008, we managed to lower the absolute values relative to the previous year for many items of environmental burden.

Mass balance related to business activities in 2008



Environmental accounting

Environmental accounting for FY2008

| Classification | Items | Expenditures (millions of yen) | | |
|-------------------------------|--|--------------------------------|--------------|--------------|
| | | FY2006 | FY2007 | FY2008 |
| Cost within the business area | Resource recycling cost, waste/recycling treatment outsourcing cost | 137 | 134 | 109 |
| Upstream/downstream costs | Recovery of maintenance parts 3Rs (parts maintenance cost*) | 6,623 | 5,844 | 5,672 |
| Management activity cost | Personnel expenses for environmental activities (wages and attendant costs) | 46 | 49 | 57 |
| | ISO maintenance and environmental auditing (costs of transportation, inspection, and registration) | 1 | 1 | 1 |
| | Human resource development (training of auditors and inspectors) | 1 | 2 | 1 |
| | Environmental information system development and operation | 33 | 39 | 38 |
| | Other operating costs (for outsourcing of re-commercialization, environment-related annual dues, etc.) | 1 | 1 | 1 |
| R&D costs | Conservation of resources and energy through IT | 312 | 914 | 786 |
| Social activity cost | Donations (excluding political donations) | 4 | 4 | 1 |
| Total | | 7,158 | 6,988 | 6,666 |

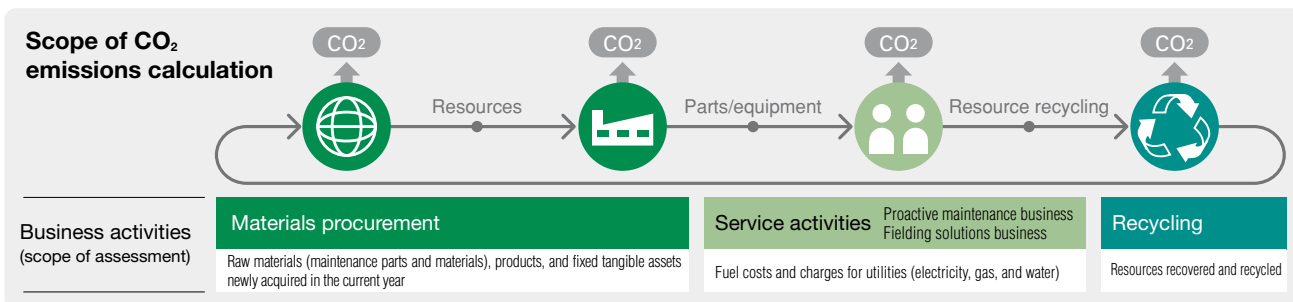
* Repair cost of maintenance parts that can be repeatedly used upon repair. The amounts saved by repairing, instead of purchasing new parts, were ¥7,030 million in FY2007 and ¥6,508 million in FY2008.

Approach to the prevention of global warming

CO₂ emissions from business activities

Since fiscal 2001, we have been calculating the total amount of CO₂ emissions from our business activities based on accounting data, with the cooperation of NEC Fundamental and Environmental Research Laboratories. In doing business, we take account of

indirect environmental burden off the company premises in all phases, from “resource procurement” where we procure maintenance parts and materials from outside suppliers, and “service activities” through “recycling activities.”

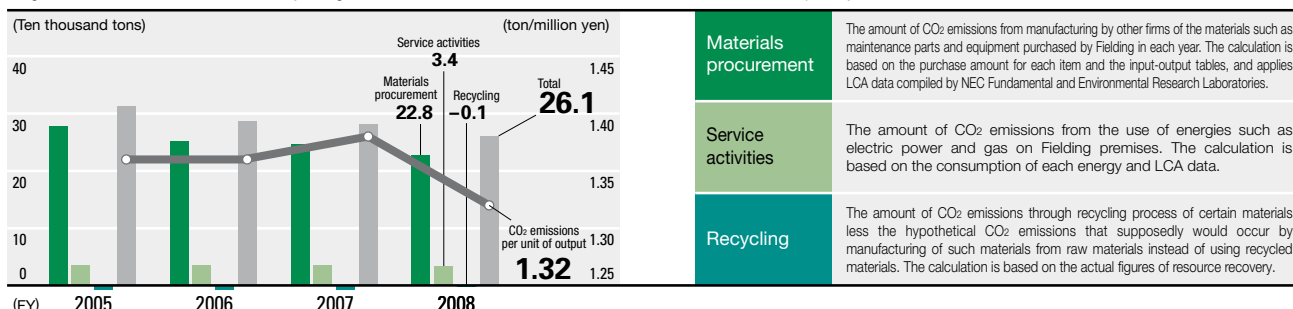


Overall CO₂ emissions in fiscal 2008 were reduced around 7% (21,000 tons) compared to fiscal 2007, to around 261,000 tons. This is as a result of reduction in CO₂ emissions at the stage of materials procurement

and service activities, and partly a decrease in sales. In terms of CO₂ emissions per unit of output, we have achieved a more than 4% decrease compared to fiscal 2007.

CO₂ emissions

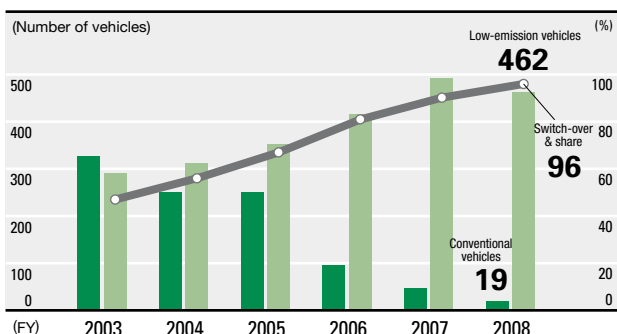
* Figures are calculated and evaluated by using the “Business Environmental Burden Evaluation Method” developed by NEC Fundamental and Environmental Research Laboratories.



Switch to eco vehicles

In fiscal 2003, we began to make the switch to eco vehicles, mainly for leased vehicles which make up most of our company cars. In fiscal 2008, we have increased the share of our fleet occupied by low-emission vehicles to 96%. We intend to continue promoting the switch with the goal of increasing the share to 100% by the end of fiscal 2010.

Trends in numbers of eco cars introduced and rate of switch-over to eco cars



Elimination of all use of a CFC substitute (HFC-152a)

NEC Fielding has been using dust blowers applying HFC-152a, a CFC substitute with a high global warming coefficient* of 140, as a cleaning tool in maintenance work. We have consequently been working to reduce its use and the emissions.

To this end, we recently developed an eco-blower that uses liquefied carbon dioxide gas, which has a global warming coefficient of 1. We began an across-the-board switch to this equipment in October 2008, and so greatly reduced GHG emissions in our maintenance work.

* Global warming coefficient : A figure indicating the level of the global warming effect of a substance when that of CO₂ is assigned the value 1.

Trend in GHG emissions from maintenance operations

| | Emission (unit: CO ₂ -t) | | | |
|---------------------------|-------------------------------------|--------|--------|-------------------|
| | FY2006 | FY2007 | FY2008 | FY2009 (estimate) |
| CO ₂ | 0 | 1 | 1 | 2 |
| CFC substitute (HFC-152a) | 610 | 377 | 61 | 0 |



Eco-blower



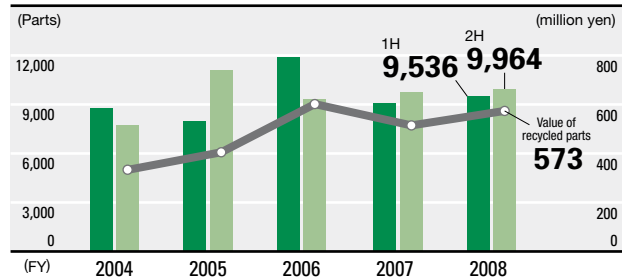
Recycling

Our recycling performance under the Wider-area Treatment Certification System

NEC is designated as a certified industrial waste-treating enterprise for its wider-area operation. Having been commissioned by NEC, we have built a system for recycling parts and components of IT equipment. Through the system, we collect used IT devices that our customers no longer need, and remove, inspect, and repair their parts.

In fiscal 2008, we have achieved a certain level of success in our environmental activities: the results showed an increase in our recycling performance both in terms of volume and value.

Our recycling performance per year



* Value of recycled parts is calculated based on the unit price of new replacement parts.

Decrease in environmental burden through production innovation

In October 2006, NEC Fielding launched a campaign of production innovation. The Repair Division, which is our only unit engaged in production activities, and the Logistics Division mounted approaches and greatly reduced levels of environmental burden.

When customer IT equipment is out of order, the Repair Division receives the problem parts or products from the Logistics Division, repairs them to enable their reuse, and sends them back in good condition as its main business. The major stages in the repair process are intake, diagnosis, repair, inspection, and shipping.

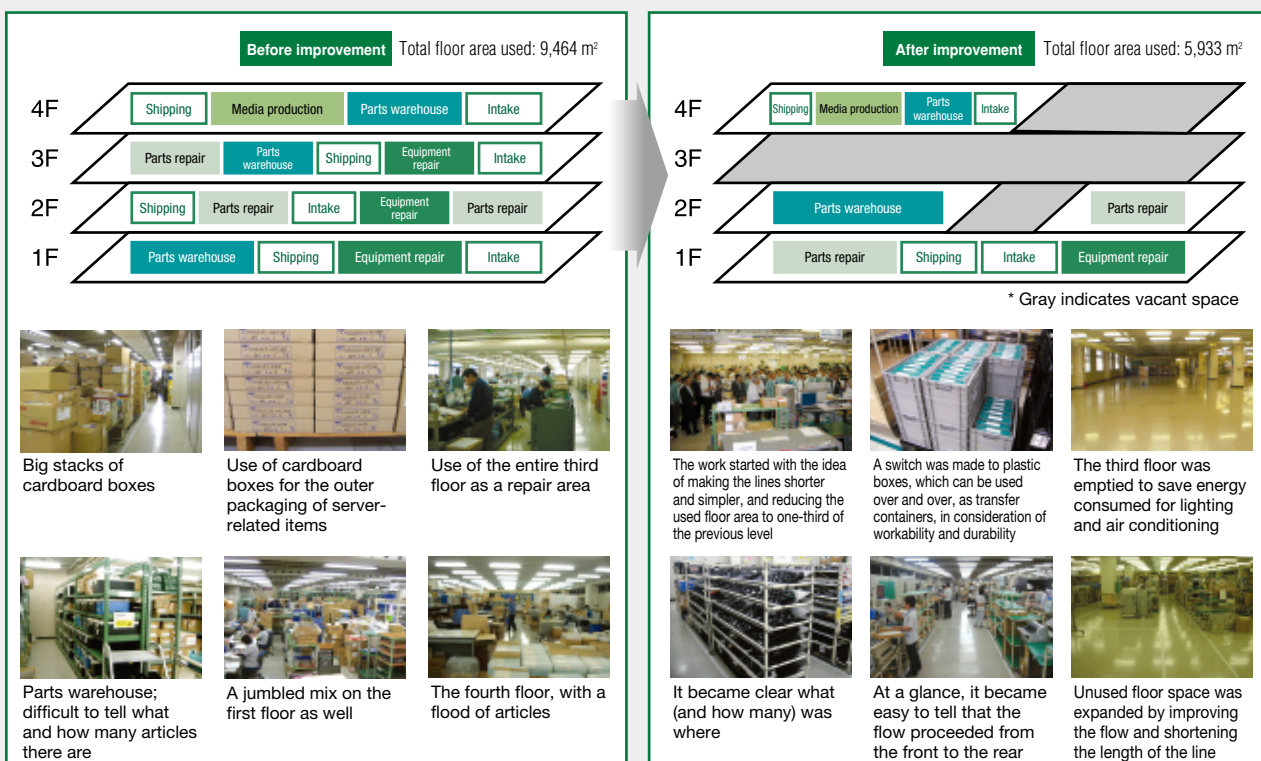
As a first step, the Division carried out a rigorous campaign for neat arrangement and fixing of placement locations, items, and quantities in each workplace. The

second step consisted of a fundamental review and improvement of each stage in the repair process.

The campaign decreased the use of electricity thanks to the reduction in total floor area used, and reduced the amount of cardboard waste through alteration of packaging methods. These and other effects brought a big decrease in the environmental burden.

We are going to promote further improvement. In fiscal 2009, and are planning for relocation of the Repair Division to Kawasaki for consolidation there as part of a program encompassing improvement of the Logistics Division. As this indicates, we intend to lower environmental burden inclusive of the logistics end.

Comparison of status before and after the production innovation campaign (Yamato Techno-center, Repair Division)



Implementing a modal shift strategy and reducing transportation costs for maintenance parts

We use a wide range of parts to maintain IT systems. It will be best if we have all spare parts ready when and where they are needed; however, there is a limitation on types and quantities of parts we can keep at hand.

When a system problem is discovered, it is important to deliver as soon as possible the needed parts to the needed location for a prompt recovery. On the other hand, if we give top priority to speed up the delivery time, we will need more costs and energy consumption. We thus determined to adopt the following methods in combination to reduce our costs and CO₂ emissions.

Combined transportation using regular mixed-load trucks and ships to supply and collect parts

We stock required spare parts at our parts centers nationwide. When any parts are consumed, they will be restocked by the next morning from the spare-parts supply center located in Kawasaki.

To supply spare parts and collect used parts, we use the NEC Group's mixed-load truck network which connects its production plants and distribution centers. We try to increase the efficiency of the transportation network by sharing with other group companies.

We have also adopted a full-scale modal shift to bring back collected used parts to the spare-parts supply center, in order to reduce both shipping costs and CO₂ emissions. For example, we connect ship transport with the mixed-load truck network to bring back collected parts from Okinawa, achieving a preferable balance of environmental protection, transport speed, and transportation costs.

This program is the flagship of our production innovation campaign, and we are advancing it throughout the Company. Moving forward, we will increase our load efficiency and reduce transportation costs.

Bicycle delivery in urban areas

Our Shinjuku parts center uses bicycles to make urgent parts deliveries to locations that are relatively close, within a distance of 3 km. Bicycles are a faster, safer, and cheaper



means of transportation as well as a traffic jam-free alternative. This "mini modal shift" generates no emissions, and through this practice we reduced our CO₂ emissions again in fiscal 2008.

High speed transport using Rail Go Service

When our Sendai, Morioka, or Niigata parts centers require urgent spare parts due to their shortage, we use the Rail Go Service, whenever possible, via the Tohoku and Joetsu Shinkansen (bullet train) lines, for the rapid delivery of urgent parts from Tokyo.

The service now accepts orders and cargo handovers during a long period of time between 7:00 am to 11:30 pm, so we make active use of such convenient option.

Express bus transport

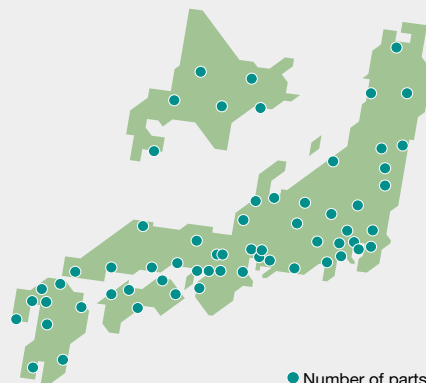
We use long-distance express buses for urgent parts deliveries. These buses are originally meant for passenger transport, and run regular routes traveling on expressways. Although we cannot use this form of transport for larger volumes, valuables, or items requiring confidential handling, it is the perfect method for shipping small parcels of parts to relatively remote locations.

We believe that this means of transport is safer, cheaper, more reliable and environmentally-friendly with a better cost performance than using motorcycle delivery each time.

Consolidation of parts centers

Formerly, supplies at our 210 parts centers nationwide were replenished by shipping spare parts to them from the spare-parts supply center in Kawasaki. Our campaign for production innovation motivated action for achievement of the kind of parts center capabilities demanded by the changing times. We began consolidating the 210 parts centers in the second half of fiscal 2007, and plan to reduce the number to 63 by the end of the first half of fiscal 2009. In the hauling of spare parts, this consolidation will slim down the mixed-load truck network between the Kawasaki center and each of parts centers. In addition, the supply of parts to maintenance offices will make more effective use of the existing routed truck transport between the parts centers and the maintenance offices. These steps will enable an increase in loading efficiency and reduction of transport costs.

Parts centers after the consolidation





Environmental Education

Themes of activities in fiscal 2008

We continuously worked on providing four categories of environmental education including general environmental education to all employees, with a target to increase the number of "Eco Excellence" employees to more than 75% of the total within the Company. Eco Excellence employees are those who have environmental knowledge and action capabilities, and their achievement level can be identified through the NEC Group's Environmental Management Awareness Survey.

Results of activities in fiscal 2008

We have achieved the above target of 75%, as a result of our environmental education activities provided to all employees on an annual basis since fiscal 2005.

The followings are the progress of our environmental education;

- General education (including basic education for new employees; basic refresh courses every three years; on-the-job trainings; and Environmental Education 2008 for all employees): 14,645 employees
- Special education (for employees newly assigned to special works; Green Procurement Education has been newly added): 5,939 employees
- Manager education (for employees newly assigned to managers and promoters for environmental management): 81 employees
- Auditor education (for employees newly assigned to internal environmental audit and environmental patrol): 64 employees

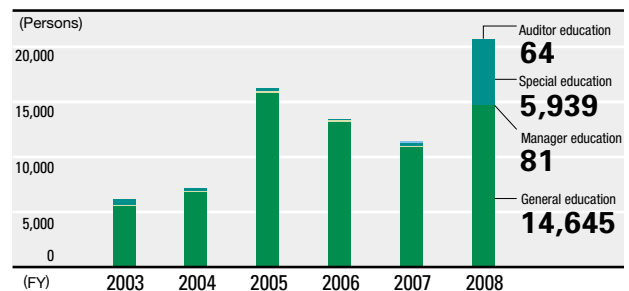
Future challenges

We will work actively to enable 100% of our employees to achieve an Eco Excellence level through continuous environmental education, in order to enhance our environmental management capabilities through the involvement of all employees.

Management of environmental education status

We provide environmental education through TRAINS-IV (see page 43), a web-based, self-directed learning system. All study records controlled under TRAINS-IV are automatically incorporated into our environmental information system. We then edit and display the status of environmental education for each subject and division, for further advancement of environmental education.

Number of employees receiving environmental education



* The number of people taking the refresh course differs each year, because employees only take the course once every three years.

* Each year, 100% of target students take courses.

Types of environmental education

| | Eligibility for participation | Objectives |
|-------------------|---|--|
| General education | All employees | Outline of the Environmental Policy and environmental management system, the role of employees, and understanding and awareness of workplace rules |
| Special education | Waste managers | Understanding of roles, responsibilities, and procedures for persons in charge of special work and their training |
| | Hazardous substance managers | |
| | Persons in charge of advance environmental assessment | |
| | Persons in charge of green procurement | |
| Manager education | Persons in charge of recovering CFCs and handling high-pressure gas | Understanding and awareness of environmental effects assessment, plan preparation, and operation management in the organizational unit |
| | Persons responsible for environmental management on the first-tier/district level | |
| Auditor education | Promoters for environmental management on the first-tier/district level | Understanding of roles, responsibilities, and procedures of auditors |
| | Internal environmental auditors | |
| | Persons in charge of environmental patrol | |

Number of employees with environment-related qualifications

| Qualification | FY2006 | FY2007 | FY2008 | Qualification | FY2006 | FY2007 | FY2008 |
|---|--------|--------|--------|---|--------|--------|--------|
| Registered energy manager | 1 | 1 | 1 | Pollution control manager, etc. | 1 | 2 | 2 |
| EMS auditor | 8 | 13 | 14 | Manager of high-pressure gas safety manufacture and sales | 3 | 3 | 3 |
| Internal environmental auditor | 165 | 157 | 159 | Special controlled industrial waste manager | 7 | 19 | 19 |
| Hazardous materials handler | 827 | 823 | 812 | Organic solvent work manager | 29 | 29 | 26 |
| Building sanitation management technician | 1 | 1 | 1 | Operation chief for specified chemical substances | 9 | 9 | 9 |

Environmental Communication

Themes of activities in fiscal 2008

We worked on to enhance our environmental communication activities, by offering greater amounts of information to all stakeholders in an easy-to-understand format, in order to gain their understanding of our environmental management activities. In fiscal 2008, we implemented practical education, popularization, and action initiatives in order to strengthen our brand power.

Results of activities in fiscal 2008

1. Rated as No.1 service provider by IntegreX in its First Survey on Corporate Action and Management Systems for Climate Change
2. Carried out the following activities to combat global warming;
 - Creating the Fielding Forest
 - Holding the Fielding Environment Month (solicited environmental slogans and posters from employees and their families)

Future challenges

We will work to achieve environmental communication capable of providing more information to our stakeholders in an easy-to-understand format.

Fielding Environment Month

We host a slogan competition every year under a theme “Approaches to Prevention of Global Warming” as part of our efforts to improve environmental awareness. Gradually, the competition has become widespread among employees, and in fiscal 2008, we have received a large number of 10,496 entries. We also solicit environmental posters containing selected slogans from our employees and their families, and have received 125 entries for the same year. The highest awarded poster will be posted at all sites of our activities for one year, while advancing environmental initiatives.



Environmental Poster 2008

Creating the Fielding Forest

Under our medium-term environmental activities plan, and from the perspectives of preventing global warming and preserving the earth's biodiversity, one of our efforts is to establish a “Fielding Forest” on the island of Kalimantan in Indonesia in order to recover and restore tropical rain forests* since 2006.

We have successfully planted total of 1,500 trees by fiscal 2008.

We also organized the 3rd Fielding Forest and Tree Planting Tour, aiming to provide environmental education to raise the awareness of the importance of global environment and foster people to protect it. This time fourteen employees and their family members participated in the tour, observed the forest and planted 100 commemorative trees.



Fielding Forest and Tree Planting Tour (February 2009)

* **Tropical rainforests** : Tropical rainforests, where we can find various kinds of organism species, are said to supply half of all terrestrial oxygen. They are currently in an extremely serious state of forest destruction, due to forest fires and deforestation, which will cause a further increase in CO₂ and decrease in wildlife species.

News 2008

No.1 ranking in the service industry in a climate change MS survey

NEC Fielding ranked at the top of the service industry in the First Survey on Corporate Action and Management Systems (conducted by IntegreX Inc.) in July 2008.

The survey examined the management setups of various firms as regards approaches to reduction of CO₂ emissions, which is thought to be indispensable for halting climate change due to global warming. NEC Fielding is committed to continued vigorous action to stop global warming.

Participating in the Fielding Forest and Tree Planting Tour

VOICE

Getting a firsthand look at the tour sites, I realized that stabilization of the lives of the local people—meaning eradication of poverty—is essential for protection of the environment. The tour was a precious opportunity for me to think about what I could do to this end. It led me to purchase of fair-trade products and involvement in micro financing projects.



Satoru Takahashi
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