

Practicing Risk Management

In an effort to develop even better relationships of mutual trust with the local community, we have initiated risk communication activities. We have appointed "Risk Communicators" at each site in order to inform local residents of the impacts that our business activities may have.

Strengthening Special Safety Measures for Hazardous Articles and Harmful Chemical Substances

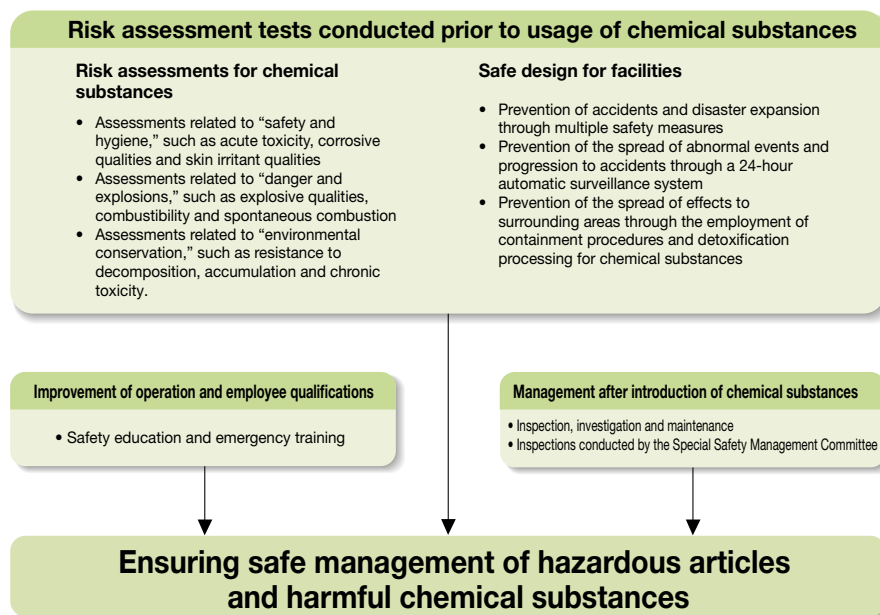
Over a wide range of activities, from R&D to production, we conduct safety management of hazardous articles and harmful chemical substances (special safety management).

In special safety management, especially with regard to the handling of high-risk hazardous articles and harmful chemical substances, we conduct mandatory risk assessment tests. This system is used to investigate and confirm the toxic or explosive qualities of the substances before they are used, as well as their impact on humans and the environment.

In addition to the ordinary daily maintenance and inspection duties that ensure facility safety, we have installed multiplex safety measures to prevent possible accidents and disaster expansion.

The Special Safety Management Committee functions to improve the level of safety in operations at all sites. In preparation for the possibility of an emergency situation, the committee conducts training, safety education programs, and inspections on the use of hazardous articles and harmful chemical substances.

Management of hazardous articles and harmful chemical substances



Risk Communicators Appointed at Eight Domestic Sites

We are promoting "risk communication" at each domestic site to enhance mutual understanding with residents living near our sites. Efforts include exchanging opinions and providing information on topics. This includes voluntary environmental activities and the impact our business activities may have on the local environment, such as effluents, exhaust gases, noise and vibration and their effects on health.

In fiscal 2003, 22 employees were assigned to "risk communicator" posts at each domestic site. All Risk Communicators make an effort to share and upgrade their information, such as receiving special training based on our unique "Risk Communication Manual."

In addition, we disclosed information using environment information panels at promotional events such as the Sharp Festival.

Furthermore, as means to enhance understanding of the company's progress and efforts related to purification measures for soil and groundwater pollution, the Nara and Yao Sites hold information meetings every April with local government and resident associations.



Information meeting on cleaning up polluted groundwater (Nara site)

Progress in the Purification of Soil and Groundwater

Based on a survey conducted in 1998 on soil and groundwater, chlorine solvent pollution was identified in four areas, near the Nara, Yao, Tenri and Shinjo Sites, and we have been conducting purification and monitoring operations at these sites under the directions of the local authorities. In fiscal 2003, we began additional purification measures with the use of biotechnology as a way to expedite the purification process. We hope to complete the cleanup process during fiscal 2004.

As of September 1999, the use of the chlorine solvents that were the cause of this type of pollution was completely discontinued.

Progress in cleaning up soil and groundwater

Site	Cleanup status for fiscal 2003
Nara Site	<ul style="list-style-type: none"> Since October 1999, we have conducted operations to prevent off-site pollution and purify polluted soil. We are also studying ways to speed up the process to complete cleanup at the earliest possible date. We inform and confirm our progress with local resident associations and government authorities every year.
Yao Site	<ul style="list-style-type: none"> As of September 1999, cleanup was completed in two of the three areas involved, and we continue to periodically monitor the areas. Steady progress is being made in the remaining area, where we are studying additional purification methods in order to speed up the process. Periodic on-site inspections of the cleanup process are held for local authorities.
Tenri and Shinjo Sites	<ul style="list-style-type: none"> Pollution was minor at both sites, but we still perform periodic monitoring of groundwater and provide reports to local resident associations. We use biotechnology, which employs micro-organisms to achieve results better than those set by the ordinary environment standards.