

## End-of-life Equipment Recycling Initiative

As society becomes more and more recycling-based, Disco is aggressively promoting activities that give consideration to waste reduction, reuse and recycling. As a part of these activities, we have developed a recycling program for end-of-life equipment.

### Disco Assumes Responsibility from Manufacturing to Disposal

Launched in October 2003, the program collects end-of-life equipment that was manufactured and sold by Disco for a fee, and either recycles (or reuses) it or disposes of it properly. With the start of the program, in August 2003 Disco became the first company in the industrial machinery industry to be designated a Nationwide Recycler of Designated Industrial Refuse.

End-of-life equipment from customers is collected and transported to Hiroshima Works by a Disco-designated transport company, and after the equipment is disassembled the parts are sorted into those that can and cannot be reused. Reusable parts are reused as maintenance parts. Parts that cannot be reused are divided by material and appropriately processed by an industrial waste disposal company contracted with us.

Because we take apart the equipment that we ourselves manufacture, we are able to derive various ideas about disassembly-friendly design and what materials to use for parts. Disco leverages this know-how in product design, making it possible to provide customers with more environmentally conscious products and services.



Disassembly process for end-of-life equipment

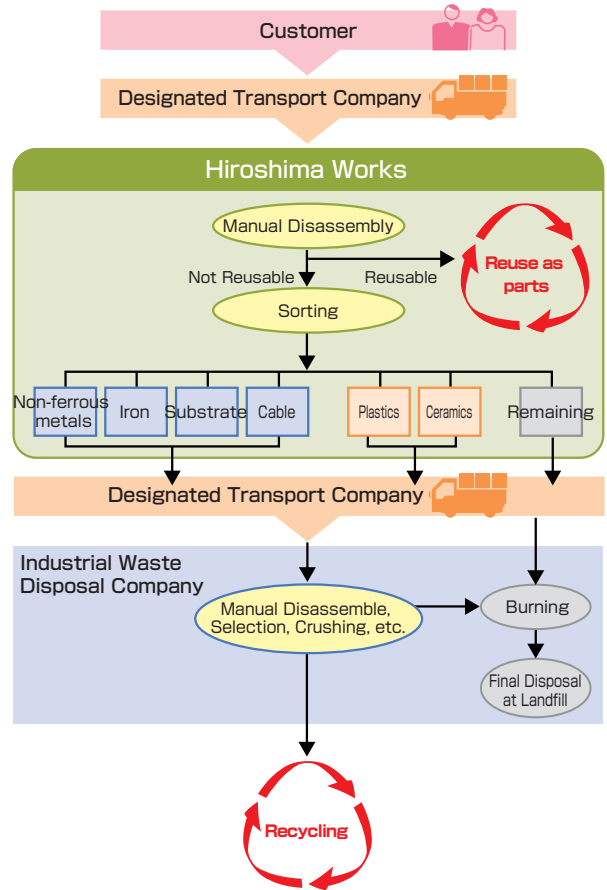
### Extremely High Recycling Rate

In fiscal 2004 we dramatically increased the number of used pieces of equipments we collected over the previous fiscal year. Around 99% of the collected equipment by weight was reused or recycled while the remaining one percent was disposed of in a landfill. As a result we have achieved an extremely high recycling rate.

### Future Initiatives

Presently, costs for collection and transport when recovering end-of-life equipment are high, and there have been cases when we have not been able to come to an agreement on price. We intend to transform our system into one that reduces logistics costs in order to provide a service that is easier for customers to opt into. This will enable us to contribute to the realization of a recycling-based society through high level recycling.

### Processing Flow for End-of-life Equipment



### FY2004 Recycling Rate for End-of-life Equipment

Total recovered amount (collected)(kg)
13,055

Category	Weight (kg)	Percentage	Recycling or Disposal Method
Recovered portion	61	0.47%	Reuse as parts
Ferrous metals	12,144	93.02%	Recycling
Non-ferrous metals	429	3.29%	Recycling
Substrate, cable, etc.	258	1.98%	Recycling
Ceramics	55	0.42%	Recycling
Plastics	164	1.26%	Recycling
Remaining	6	0.05%	Burning, Final Disposal at Landfill

※ “Remaining” refers to materials that are difficult to reuse or recycle.