

Chemical Substance Management

Managing in-house information on chemical substances properly

Our Position on Chemical Substance Management

As a manufacturer dealing with chemical substances, we have a responsibility to understand sufficiently the dangers of chemical substances, to prevent environmental pollution, disasters and accidents and to ensure the chemical substances we employ do not adversely affect human health, ecosystems or the environment. This led us to establish the Corporate Chemical Substances Department to manage chemical substances.

Our Risk Management of Chemical Substances

We conduct activities from three standpoints as stated below in order to deliver safe products to our customers and to allow local residents and employees to live with peace of mind.

Activities for preventing disasters and accidents caused by chemical substances

We conduct risk management to prevent potential fires or industrial accidents from occurring resulting from the use of chemical substances. If it is determined that serious risks exist, we review facilities and work practices to reduce the risks.

Activities for preventing adverse affects on human health

We establish chemical management levels by assessing the overall risks of chemical substances used within the Group from the standpoint of their harmful effects on human health. As a result of the assessment, high risk chemical substances are banned from use or restricted in the amount used.

Activities for preventing adverse affects on ecosystems and the environment

We execute proper processing in-house in order for chemical substances used in our manufacturing settings not to have harmful effects on the environment. We also regularly hold presentations to obtain local community understanding of our handling processes.

These activities are conducted in conformity with "Nitto

Denko Group Regulations on Voluntary Management of Chemicals." Furthermore, since December 2008 we have been making use of the "Nitto Denko Group Chemical Substances Management System (NCM)," a voluntary measure, as a tool to manage smoothly information on individual chemicals and information on the regulation of substances.

Quality Management

In order to constantly enhance customer satisfaction with our outstanding quality and services

Quality Standards to Ensure Customer Satisfaction

Under our Corporate Vision of "Swiftly create products and services offering new functions that give satisfaction to customers" and "Always be mindful of corporate social responsibility, including sustainability and community relations", and aiming to constantly enhance customer satisfaction with our outstanding quality and service, we set up "Quality Standards to Ensure Customer Satisfaction" as our policy on quality and put it into practice.

Quality Risk Management

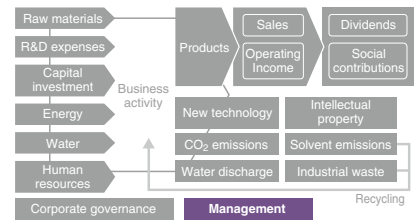
For the establishment of "Quality Standards to Ensure Customer Satisfaction", we introduced "Advanced Quality Management (AQM)" in fiscal 2005, in order to solve problems before the occurrence of quality issues or any claims. While we had previously conducted activities to enhance our quality assurance system with a "Quality Management System," we are able to enact more effective improvements with AQM.

Cultivation of Human Resources and Information Sharing

However cautious an employee might be, human errors occur. In order to maintain superior quality, it is a priority to improve our workplace to the point where we do not make human errors, or in the case of errors, such errors do not manifest as serious issues. To that end, education is necessary. We initially cultivated 40 instructors from 17 bases in the East Asia area, where the number of employees is largest.

We conduct this activity in "Quality Sector Area Exchange Meetings," which are held in East Asia, South Asia, the Americas and Europe every year, aiming for the sharing





and solving of issues related to quality management and the facilitating of interactions. In fiscal 2012, 48 employees from 42 bases participated in the meeting.



Quality Sector Area Exchange Meeting in the Americas



Quality Sector Area Exchange Meeting in Europe

conservation and safety activities. Through each base or workplace recognizing the results, we aim to manufacture better products. In addition, we relate cases of improvement observed in the audits to other bases.

We carry out follow-up audits to audits done 6 months earlier to assess progress. In fiscal 2012, we visited 15 bases for initial audits and 12 bases for follow-up audits.

Future Policy

In fiscal 2013, by auditing promptly companies new to the Nitto Denko Group, or plants newly constructed, we will get a grasp of each initial level of safety and focus on activities leading to early improvement.

Furthermore, we will cultivate human resources by utilizing audits, having employees who are in charge of quality assurance, environmental conservation and safety activities participate in audits of other bases. By having employees share cases of good practice observed during audits with their own workplaces, we aim for a high level of human resources and activities at each base.

Through such activities, we aim to raise the level not only of audits, but also of manufacturing.

*QES=quality, environment and safety

QES* Audit

For better quality, environmental and safety activities across the whole group

Visualization of Risks and Improvement of Activities

By means of our standard, we ascertain where and what kind of risks there exist in quality assurance, environmental

Information Supplement on Chemical Substances Contained in Our Products

In line with the recent worldwide escalation in interest in environmental concerns, the number of customer inquiries about the safety of our products is increasing. Most of them are as to whether our products contain chemical substances banned by the customers or substances controlled by each country.

The Nitto Denko Group has a department to deal with

such inquiries and provides accurate information promptly to our customers.

In fiscal 2012, we introduced a new IT tool in order to create "Safety Data Sheet (SDS)," reflecting information on laws and regulations in our customers' countries. In the future, we will continue efforts to satisfy our customers.