

# Material Procurement

## Promoting green procurement

### Procuring materials with less environmental impact at appropriate costs

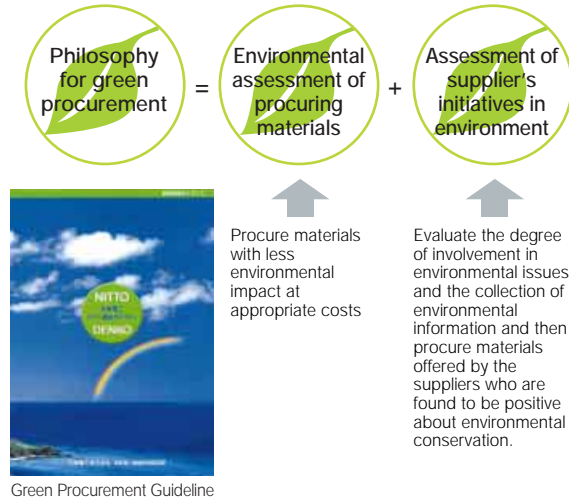
Nitto Denko practices to minimize the environmental impact on our business activities as well as promoting green procurement that materials (raw materials, production facilities, etc.) with less environmental impact are procured at appropriate costs to offer environmentally friendly products to customers.

For this purpose, we prepared the "Guideline for Green Procurement" to apply to the purchasing products from suppliers and the business activities of suppliers such as raw materials, spare parts, sub-materials, equipment, jigs/tools, fixtures, general office supplies, and subcontracted.

When selecting the procurement of materials, we examine both the environmental assessment of procuring materials and assessment of supplier's initiatives for the environment to determine the materials to be procured. In other words, we totally evaluate the degree of involvement in environmental issues and the collection of environmental information and then procure the materials offered by the suppliers who are found to be positive about environmental conservation. We prepared the "Green procurement supplier's evaluation checklist" to collect information that is used in the judgment of suppliers. Each plant adds items according to its procurement status to the list and manages the list individually. The guidelines are disclosed on Nitto Denko's website. (It was amended in June 2004.) We are committed to promoting green procurement based on it.

### Nitto Denko's philosophy for green procurement

Before the selection of materials, the company examines both the environmental assessment of procuring materials and the assessment of supplier's initiatives for the environment in determining the materials to be procured.



### Green procurement of office supplies

The company introduced Internet procurement for office supplies, as it clearly indicates which are environment-friendly products, and places a priority on such products. Although the unit price of environment-friendly products tends to be higher than conventional products, we are committed to promoting positive green procurement now and in the future.

### List of applicable materials

Applicable materials		Request to suppliers	
		Concerning assessment of materials	Concerning assessment of suppliers
Raw materials used for product manufacturing at Nitto Denko	Raw materials for film and plastic	<ul style="list-style-type: none"> <li>We ask the supplier to fill out and turn in MSDS.</li> <li>We ask the supplier turn in the materials checklist specified by Nitto Denko.</li> <li>We ask the supplier to develop and introduce environment-friendly products.</li> </ul>	We ask the supplier to fill out and turn in the questionnaire concerning the supplier's environmental initiatives.
	Packaging materials used for raw materials, etc.	We ask the supplier to consider and make suggestions concerning reusable, returnable, and recyclable packaging and sub-materials.	
Subcontracted work	Subcontracted processing	Supplier should take measures to ensure that auxiliary materials used for subcontracted work do not pose a threat to the environment or worker's health.	We ask the supplier to fill out and turn in the questionnaire concerning the supplier's environmental initiatives.
Production equipment/facilities	New production equipment	We ask the supplier to provide the basic data required for consideration prior to a decision.	
Spare parts and office supplies	Desktop consumables, pamphlets, etc.	We ask the supplier to introduce environment-friendly products, such as eco-mark certified products and products recommended by the Green Purchasing Network.	