

Promoting Green Procurement

In order to supply products to our customers that are even more eco-friendly, we conduct eco-friendly procurement of raw materials, parts and packing materials used for our products.

Promoting Environmental Management Systems at Business Partner Sites

Since the beginning of our Second Environmental Action Plan in 2001, we have been requesting our business partners' cooperation in constructing their own environmental management systems (EMS), and we have prioritized procurement from business partners who conduct eco-conscious business activities.

Aim of the Fourth Environmental Action Plan

Promoting environmental management systems (EMS) at business partner sites

Overview of Our Green Procurement

The FDK Group has established two conditions for green procurement, namely that our suppliers must construct and operate an environmental management system based on standards such as ISO 14001 and that our raw materials and parts must not contain the hazardous chemical substances designated by us. We give higher priority to procurement from business partners that fulfill these two conditions. We, further, request business partners to construct their own environmental management systems if they have not already done so.

Strategy and Procedure for Deployment

During the Third Environmental Action Plan phase, we expanded the scope of EMS establishment from manufacturers to sales sites. We will continue to promote the establishment of our environmental management system into the Fourth Environmental Action Plan phase. We have specifically focused on the permeation of EMS to sales sites, so that we may promote enhanced environmental awareness and activities throughout our supply chain. For those business partners that have difficulty in establishing an EMS that complies with international standards, we have prepared two simplified FDK environmental management systems (FDKEMS for short) as templates to assist them in the establishment of an EMS. The FDKEMS helps partners conduct management activities in line with basic ISO 14001 requirements.

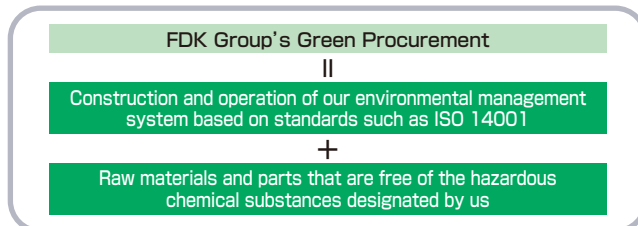
We do require, however, our business partners to eventually upgrade from our simplified EMS to a third party-certified EMS.

Green Procurement Results

While we did not host green procurement explanation meetings for business partners during FY2007, we did introduce the requirement of establishing an EMS, made our FDKEMS available and requested that each of our business partners without an EMS establish one.

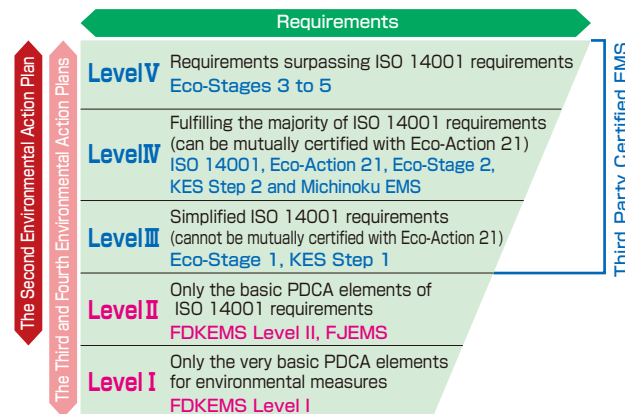
As a result of our efforts, 56 more business partners established an EMS during FY2007. Six of those business partners utilized FDKEMS.

Overview of Our Green Procurement



Raw materials and parts that do not contain harmful chemical substances are procured as a part of our quality assurance program.

Requirement Levels for the Establishment of an EMS



FDK Group Green Procurement Standards



FDKEMS Certification

Green Procurement of Office Supplies

Although it is not included in our mission for the Fourth Environmental Action Plan, we actually promote green procurement through the purchase of office supplies with environmental marks, supplies which take energy saving, recycling, resource saving, elimination of hazardous substances, and ease of safe disposal into consideration.