

# Vision and Action Related to CSR

## Expanding and Strengthening KAYAKU spirit and CSR

The Nippon Kayaku Group understands that putting the KAYAKU spirit into practice is a means of achieving CSR management. KAYAKU spirit is defined as “providing society with the best products which meet customers’ needs by means of endless innovation and real cooperation based on our high-esteemed ethics,” and represents the original corporate vision of the Nippon Kayaku Group, which is based on our Group culture. In 2008, we formulated our CSR philosophy based on the KAYAKU spirit, aiming to fulfill our responsibilities to society through our business activities. In 2009 we formulated the CSR Mid-Term Action Plan, and created a “KAYAKU spirit” booklet and wallet card which were distributed to all employees throughout the Group, in Japan and overseas, to ensure a common sense of mission. In 2010 the CSR Management Committee was launched, chaired by the president of the company, in order to strengthen our CSR system.

CSR Philosophy of the Nippon Kayaku Group  
“Providing society with the best products which meet customers’ needs by means of endless innovation and real cooperation based on our high-esteemed ethics.”

## Environmental Safety and Quality Management—An Essential Requirement for the Continued Existence of a Company Handling Chemicals

Based on the CSR philosophy and the spirit of Responsible Care\*<sup>1</sup>, and working from a management system centered on the Environment, Safety, and Quality Assurance Management Committee, the Nippon Kayaku Group is conducting internal audits of all workplaces, divisions, and Group companies as we work to maintain and improve our levels of environmental preservation, health and safety, and quality assurance. The international quality assurance standard ISO9001 and international environmental management standard ISO14001 have been acquired by all six of our plants in Japan, and by most workplaces and Group companies in Japan and overseas.

\*1: Responsible Care is the commitment by companies that manufacture or handle chemical substances to improving environmental, health, and safety measures in all processes involving chemical substances, from development, production, sales, and consumption to final waste disposal. Since its inception in Canada in 1985, Responsible Care has spread throughout the world and is currently practiced in more than 50 countries.

## Earthquake Damage and Recovery, and Our Approach to BCP

Following the Great East Japan Earthquake that struck on March 11, a central disaster headquarters was set up at the Nippon Kayaku Group Head Office and took the necessary action. The Group, including all affiliated companies, suffered no injuries, and there was no leakage of hazardous substances. A production recovery team was then launched to handle the recovery of equipment and facilities and for energy conservation measures, and at present all operations have recovered to approximately what they were before the disaster.

We are also reviewing our BCP (Business Continuity Plan) and have launched the Company-Wide BCP Formulation Project, as we work to ensure that our company is able to withstand disasters and other risks.

## Company-Wide Environmental Master Plan and Its Progress Status—Progress in Achieving the Mid-Term Environmental Targets as of the Fiscal Year Ended March 31, 2011

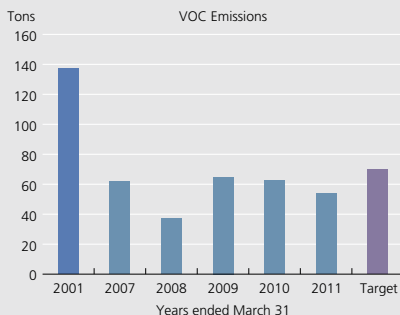
In order to create products that contribute to society, the Nippon Kayaku Group uses large amounts of chemicals and other raw materials, energy such as fuels and electricity, and water. We have evaluated the effects that our business activities have on the environment, and created a company-wide environmental master plan that incorporates the following three key issues: reducing the amounts of chemical substances released into the environment, reducing waste materials, and preventing global warming. Based on this plan, we have set numerical targets and are carrying out improvements.

With the exception of the target for landfill waste, we met all mid-term environmental targets for the year ended March 31, 2011. We have also formulated mid-term environmental targets up to the year ending March 31, 2021.

## Company-wide Environmental Master Plan

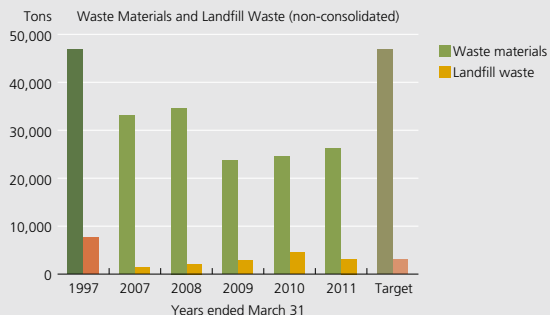
### Reducing the amounts of chemical substances released into the environment

- By the year ending March 31, 2011, reduce the amount of VOC (volatile organic chemicals) released into the atmosphere by 50% compared to the level of year ended March 31, 2001, to 70 tons or less.



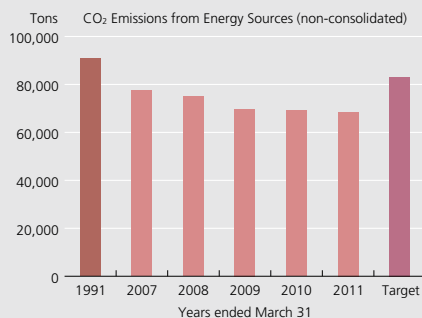
### Reducing waste materials

- By the year ending March 31, 2011, reduce to zero the increase in the amount of waste materials over the level of year ended March 31, 1997.
- In the fiscal year ending March 31, 2011, reduce landfill waste by 60% compared to the level of year ended March 31, 1997



### Preventing global warming

- By the fiscal year ending March 31, 2011, reduce CO<sub>2</sub> emissions from energy sources by 8.6% compared to the level of year ended March 31, 1991.



## Relationships with Our Customers

The Nippon Kayaku Group is dedicated to providing fast, accurate information to all of our stakeholders, and understands that it is our mission to provide the best-quality products and services.

### Relationships with Health Care Staff through Our MR Activities

Nippon Kayaku maintains an extensive lineup of anti-cancer drugs, and operates a pharmaceuticals business that is specialized for cancer. In addition to providing these products, our more than 400 MRs (medical representatives) across Japan provide a broad range of information to health-care professionals—information ranging from methods of correct drug use, efficacy, and safety to the latest methods of treatment.

### Programs for Safety of Pharmaceuticals and Medical Devices

In the fiscal year ended May 31, 2011, a drug developed by Nippon Kayaku for relief of dry mouth symptoms was scheduled for re-examination\*<sup>1</sup> that confirmed there was no change in the efficacy or safety of the product from when it was first approved. We also revised the precautions for use of pharmaceuticals and medical devices based on side-effect information collected during our safety control initiatives. This information in turn was provided to health-care professionals (20 ingredients, 20 cases) in an effort to reduce risk to patients.

\*1: Re-examination: Refers to a review conducted of a drug's actual track record over a predetermined time period after approval to reconfirm the safety and efficacy of an already-approved new drug product that contains different effective ingredients, indication, and dosage regimen compared to conventional drug products.

## Relationship with Society

The Nippon Kayaku Group delivers pharmaceuticals and other products that are beneficial to society, and also contributes to society in areas closely related to our main business, such as the Pink Ribbon Campaign and the Asunaro House.

**Providing Support for LRI Activities—Research Concerning the Effects of Chemicals on Human Health**  
LRI\*<sup>1</sup> is a long-term initiative that supports research related to the effects of chemicals on human health and the environment, including subjects such as endocrine disrupting effects, neurotoxicity, and chemical carcinogenesis. The Nippon Kayaku Group has actively backed LRI from its start in 1999 by offering financial support for LRI activities.

\*1: LRI (Long-Range Research Initiative) is a project that is carried out with the cooperation of the chemical industries in Japan, the United States, and Europe (Japan Chemical Industry Association, American Chemical Society, and European Chemical Industry Council).

### Pink Ribbon Campaign for Breast Cancer Awareness

In order to provide information that will improve the quality of health care and promote the correct use of our company's products, in many regions Nippon Kayaku provides support for study meetings for health care professionals concerning image diagnosis (such as mammography and ultrasound) and treatment of breast cancer. In addition, so that ordinary persons recognize the importance of early detection, diagnosis, and treatment of breast cancer, our staff distribute campaign goods at the station nearest our head office during the Pink Ribbon Campaign Month each year in October, and also help sponsor the "Breast Cancer Info Navi" website that provides information about breast cancer.



Breast Cancer Info Navi [http://www.nyugan-infonavi.jp/n\\_navi/](http://www.nyugan-infonavi.jp/n_navi/)

### Asunaro House—a Lodging Facility for Caregivers Accompanying Children with Intractable Diseases

We operate the Asunaro House in Saitama City, a suburb of Tokyo, a lodging facility for caregivers accompanying children with intractable diseases such as cancer, or who are receiving bone marrow transplants. This facility has been used by many caregivers from all parts of Japan since it first opened in December 1998.



### Support for Earthquake Recovery: Relief Funds and Supplies

We collected and donated to the Japan Red Cross a relief fund of approximately 50 million yen collected from Nippon Kayaku and the Nippon Kayaku Group companies and affiliated companies for people affected by the Great East Japan Earthquake. Volunteers from our Group also contributed approximately 8 million yen to the Japan Red Cross. In addition, we contributed approximately 11 million yen in relief supplies to support recovery in the affected regions, in the form of Nippon Kayaku Group products such as anti-virus and -dust masks and ethanol preparations for disinfecting hands.

### Relationships with Local Communities

The Nippon Kayaku Group has concluded agreements with the local communities surrounding our plants related to preventing pollution and to providing mutual aid in the event of a disaster, and we are carrying out our business in ways that observe these agreements. Through activities such as plant festivals, public openings of plant facilities, clean-up activities, and discussion meetings, we are working for mutual harmony and prosperity with local communities.

### Relationships with Employees

People are the core of company activities. The Nippon Kayaku Group understands the importance of the job satisfaction that employees feel when they are able to, with confidence, make the best use of their abilities and contribute to society through their work. In order to make this possible, we are working to improve our rules and systems of mechanisms and systems inside the company while also keeping a close eye on the changes in the times, including the declining birthrate and aging of the Japanese population\*<sup>1</sup>.

\*1: In Japan, the declining birthrate and aging population are a significant social issue, presenting problems that include a diminishing workforce.