

Thinking and Action Related to CSR

■ Basic Thinking Related to CSR

Based on the “KAYAKU spirit” that is at the top of corporate vision, the Nippon Kayaku Group has established the CSR philosophy of “continuing to provide the best products to society through the combined force of technological innovations and our consciences.” To meet the expectations of our stakeholders, we have positioned the three concepts of “safe operations,” “environmental activities,” and “compliance” as key concepts that are needed for a company to survive and to fulfill the corporate responsibilities that are demanded of it by society.

■ Programs for Safe Operations, Environmental Activities, and Compliance

Nippon Kayaku is working for environmental preservation, health and safety, and quality assurance with the spirit of Responsible Care.* In order to ensure that our business activities are all conducted in good conscience, we are working to improve the understanding and awareness of the importance of compliance among all executives and employees.

* 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 40 countries.

Safe Operations

Safe operations are a precondition for the survival of a manufacturer that handles chemical substances. The Nippon Kayaku Group is constructing a labor health and safety management system, and is working together to carry out programs aimed at preventing work accidents and other accidents. We have achieved a labor accident rate that is below the average level for the chemical industry.

Our health and safety activities take two primary forms: 1) environmental health and safety diagnosis, and 2) safety investigations for risk assessment that are conducted by the Head Office. To these are added the ongoing daily activities that are carried out at each work place. When a new product is developed or manufactured, or when materials or other elements are changed, a safety investigation is performed for the purpose of risk assessment, and we strive to prevent accidents before they occur. We carry out daily safety activities such as risk prediction activities, safety patrols, and safety monitoring at each work place.

Thinking and Action Related to CSR

Environmental Activities

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. At our production plants, we are working to reduce the amounts of chemical substances released into the environment, as well as to prevent air pollution and water contamination, conserve energy, and reduce noise. 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. Based on this plan, we have set numerical targets and are carrying out improvements.

Company-wide Environmental Master Plan

(1) Reduce the amounts of chemical substances released into the environment

By the fiscal year ending May 2011, reduce the amounts of VOC (volatile organic chemicals) released into the atmosphere by 50% compared to the levels of the fiscal year ended May 2001, to 70 tons or less.

(2) Reduce waste materials

By the fiscal year ending May 2011, reduce the increase in the amounts of waste materials over the levels of the fiscal year ended May 1997 to zero.

In the fiscal year ending May 2011, reduce landfill waste by 60% compared to the levels of the fiscal year ended May 1997.

(3) Prevent global warming

By the fiscal year ending May 2011, reduce CO₂ emissions from energy sources by 8.6% compared to the levels of the fiscal year ended May 1991.

Compliance

The Nippon Kayaku Group understands that compliance means more than observing laws and internal rules; it also means observing corporate ethics and conducting fair business practices. Each year we formulate a Compliance Action Plan, and are executing a PDCA cycle to improve the understanding and awareness of the importance of compliance among all executives and employees (including temporary and part-time staff).

■ Relationships with Our Customers

The Nippon Kayaku Group provides the best products to our customers, and works to maximize our customers' profits.

Provision of MSDS

To contribute to the environmental health and safety of our customers, we have created and provide MSDS (material safety data sheets) for all Nippon Kayaku chemical products, not just those for which the data sheets are required under the PRTR (Pollutant Release and Transfer Register) Law, Occupational Health and Safety Law, and Poisonous and Deleterious Substances Control Law.

Provision of Drug Information

Nippon Kayaku maintains a lineup of anti-cancer drugs, and operates a pharmaceutical business that is specialized for cancer. In addition to providing these products, our more than 400 MR (medical representatives) across Japan provide a broad range of information to health-care professionals – information ranging from drug use, efficacy, and side effects to the latest methods of treatment. "MINK Web," our medical information site for health-care professionals, provides various types of cancer-related information, focusing on information related to Nippon Kayaku Products. Our Pharmaceutical Information Center also provides reliable and faithful answers to questions from health-care professionals, as well as from patients and their families.



■ Relationship with Society

Nippon Kayaku 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 through operation of the Asunaro House and Pink Ribbon Campaign.

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

We operate the Asunaro House in Saitama City, Saitama Prefecture, 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 the Pink Ribbon Campaign (Breast Cancer Awareness Campaign)

In order to provide information that will improve the quality of health care and promote the correct use of our company's products, Nippon Kayaku provides support for study meetings for health care professionals concerning image diagnosis (such as mammography and ultrasound) and treatment of breast cancer. So that ordinary persons also have a correct understanding of breast cancer, we also have joined the Pink Ribbon Campaign and help sponsor the "Breast Cancer Info Navi" website that provides information about breast cancer.



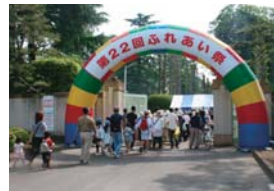
Breast Cancer Info Navi http://www.nyugan-infonavi.jp/n_navi/

Relationships with Local Communities

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

Community Interaction Through Plant Festivals and Events

Each plant and office holds plant festivals or other events where the residents of local communities can spend an enjoyable time, and which help develop an understanding of our business activities. We also conduct other activities such as chemistry experiment classes for local elementary school students and local clean-up activities.



Plant festival (Takasaki plant)



Clean-up activities (Kashima plant)

Relationships with Employees

The core of a company's operations is its people. 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 expand and improve a range of mechanisms and systems inside the company while also keeping a close eye on the changes in the times.

Creating an Environment for Best Use of Abilities

Our training programs include new employee training, additional training programs after one year and three years and for mid-career employees, for each job type and level in order to improve our employees' professional abilities, and a broad range of voluntary training programs. We also actively carry out group activities aimed at resolving workplace issues.

Maintaining the Work Environment

In addition to mental health measures and work hour management, we have also actively introduced programs in response to the nation's falling birthrate and aging society, including a child-raising leave system and other next-generation childcare support, and a senior partner system. Nippon Kayaku was recognized by the Tokyo Labor Bureau on October 29, 2008 as a company with next-generation childcare support programs.