



With Our Business Partners, Stockholders and Investors

The Nippon Kayaku Group engages in proactively communication with our valued Business Partners and Investors.

Initiatives for CSR Procurement

The Nippon Kayaku Group has established Basic Procurement Principles and Basic Procurement Policies governing purchasing activities that are appropriate for CSR management. They are published on our website. We are now working with every one of our business partners on CSR procurement.

Basic Procurement Principles

In order to realize the **KAYAKU spirit**, Nippon Kayaku Group will pursue mutual and sustainable growth with suppliers based on the understanding they are important business partners who help us produce products of the best quality.

Based on our basic procurement policy, we Nippon Kayaku and our affiliates conduct our transactions with fair, just and sincere attitude following with the laws and the social norms all the time.

Basic Procurement Policies

At Nippon Kayaku Group, all procurement operations will be carried out in accordance with the Basic Procurement Policies as set out below.

Compliance with Relevant Laws, Social Norms, and the Nippon Kayaku Group Charter of Conduct

1. We will comply with all relevant laws and regulations when conducting procurement operations.
2. We will judge the propriety of procurement activities based on Nippon Kayaku Group Charter of Conduct and the Nippon Kayaku Group Code of Conduct and Group Action Guidelines.

Open-door Policy, Fairness, Impartiality, and Transparency in Business Transactions

3. We will conduct procurement-related business transactions in a fair, impartial, and transparent manner, and follow an open-door policy with respect to businesses at home and abroad.
4. We will build partnerships with suppliers based on mutual understanding and trust, and pursue mutual sustainable growth.
5. In order to ensure transparency in all our procurement activities, we will undertake due procedures based on written documentation or electronic purchasing systems in accordance with the procurement operations standards.

Protection of Information

6. We will protect supplier-related information obtained in the course of our operations, and strive to prevent any information leakage.

Concern for the Environment

7. We will promote the procurement of eco-friendly goods and materials.

Basic Criteria for Selecting Suppliers

8. When selecting goods and materials, we will give due consideration to economic factors such as quality, price, and date of delivery. We will also consider other factors such as the supplier's operating foundations, technological competitiveness, and stability of supply.
9. When selecting suppliers, we will give due consideration to their commitment to corporate social responsibility (CSR), including their observance of relevant laws and regulations, respect for human rights, concern for the working environment, disaster preparedness and safety measures, efforts toward environmental conservation, and other efforts designed to fulfill their CSR.

BCP Initiatives

10. In addition to the above, we will give due consideration to whether or not the potential supplier has a risk management system such as BCP (Business Continuity Plan).

Initiatives for CSR Procurement

To fulfill its social responsibility, the Nippon Kayaku Group has set forth its procurement guidelines in a CSR Procurement Guidebook, which includes the Nippon Kayaku Group Charter of Conduct, the Nippon Kayaku Basic Procurement Principles, and the Nippon Kayaku Basic Procurement Policies.

Our CSR procurement policy takes into consideration respect for human rights, environmental preservation, work health and safety, and fair business practices vis-à-vis all of the business partners in our supply chain, from research and development, to the procurement of raw materials, production, marketing, and distribution.

We hold briefings so that our suppliers will understand our practices, and we are using daily communications and business meetings to gain their support for our CSR procurement policy.

Our goal is to meet our social responsibilities throughout the supply chain and to improve ties with our business partners so that we will gain the respect of our customers.

Safety Systems Group Annual Purchasing Conference

The Safety Systems Group organizes annual purchasing conference for its key suppliers. At these meetings, we provide information on our earnings forecast for the current fiscal year; business plan for subsequent fiscal years; status of the production system; development plan; medium- to long term business vision; as well as Basic Procurement Policies with the interest of helping our partners formulate their business plans.

Also, we presented one partner company which responded to our quality, costs, and delivery requirements in a model manner with Outstanding Partner Company Award.



Purchasing Conference

Polatechno Co., Ltd. and Moxtek, Inc. host booth at Finetech Japan

Polatechno Co., Ltd. and Moxtek, Inc. jointly hosted a booth at the 28th Finetech Japan – LCD/OLED/Sensor Technology Expo held at Tokyo Big Sight from December 5 to 7, 2018.

Finetech Japan is the world's largest expo specializing in display, lighting, and sensor devices that draw together the latest technology of LCD, OLED, and sensor technologies at one place.

Polatechno and Moxtek showcased products and technologies using achromatic polarizing plates^{*1}, high contrast, high durability dye-based polarizing plates^{*2}, and ProFLux[®]^{*3}, and provided detailed information using samples, demonstration equipment, and panels.

Many people visited the companies' booth including those representing domestic and international automobile and display manufacturers, material manufacturers, and university research institutes. The booth introduced the development and manufacturing technology of dye-based polarizing plates as well as inorganic polarizing plates of the Polatechno Group.

Polatechno Group's polarizing plates with a higher durability and visibility contribute to more convenient lifestyles while saving energy.

- ^{*1} Achromatic polarizing plate: A polarizing plate used in full color reflective LCD with a rapidly improved contrast (over ten times improvement compared to the company's conventional polarizing plates).
- ^{*2} High contrast, high durability dye-based polarizing plate: A high performance dye-based polarizing plate with a very high contrast while maintaining high durability performance using high performance pigments and orientation technology.
- ^{*3} ProFLux: Inorganic polarizing plate.



Communicating with Investors

Nippon Kayaku strives to earn the trust of all stakeholders and to continue to be an essential part of society. To achieve these goals, we disclose information to all of our shareholders, investors, and other stakeholders in a timely, impartial, and fair manner.

Communication with Shareholders

The Nippon Kayaku Group holds its ordinary general meeting of shareholders every year in June as a venue for communicating with its shareholders.

To provide our shareholders with business reports and voting resolutions in a more timely and easy to understand fashion, we are digitizing meeting notices and providing English-language meeting notices on our Company website, and are moving up the dates that we send out meeting notices and provide electronic disclosure.

Also, we are trying to make it easier for our shareholders to exercise their voting rights by installing an electronic voting system whereby shareholders may cast their votes on the internet if they are not



submitting a voting form.

We send out a business report every six months so that our shareholders can stay informed about our businesses and other topics.



General meeting of shareholders

Communicating with Investors

■ Earnings Presentations

We host earnings presentations for institutional investors and securities analysts in Japan following the announcements of our interim and fiscal year-end results. Nippon Kayaku's entire executive team, including the president, attends these presentations where we provide information on our financial results, earnings forecast and future management strategies. We also hold teleconferences during the first and third quarters to provide mid-term updates.



Earnings Presentations

■ One-on-one Meetings

We hold one-on-one meetings to communicate directly with institutional investors and securities analysts.

■ Open House Tours at Plants and Round-table Conferences with Investors

Nippon Kayaku host open house tours of our plants and round-table conferences for institutional investors and securities analysts every year, to promote better understanding of Nippon Kayaku's business activities.

Website development

The Nippon Kayaku website has business and solution, product, IR information, CSR information, company information, etc. We quickly post information especially about investor relations, including management policy, financial, quarterly financial results briefings, integrated reports for our shareholders and investors 's solid understanding.

[> Investor relations](#) 