



## Key Themes ("Materiality") and Our Action Plan

The Nippon Kayaku Group is implementing CSR management that fosters trust among all stakeholders through its focus on the **KAYAKU spirit**, which calls for "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences."

Practicing CSR management involves properly ascertaining the Key Themes facing our Group from both an internal and external point of view and formulating a mid-term CSR Action Plan that links to our business activities.

### CSR and Business Strategy

We believe that CSR is integral to managing our Company. To realize the **KAYAKU spirit** and increase the value of the Company, we believe it is necessary to take the dual approach of implementing both a mid-term business plan and initiatives toward a sustainable society and environment, and that we need to integrate these initiatives into our business strategy.

We have the basic management policy which is "The Nippon Kayaku Group engages in CSR management by outlining a mid-term CSR action plan that reflects the trust we receive from all our stakeholders. We continuously implement this mid-term CSR action plan to expand our management resources. This enables us to work towards maximizing our corporate value, achieving sustainable growth, and contributing to a sustainable society and environment."

Under this basic management policy, we ascertain our risks and opportunities by considering the business environment and listening to our stakeholders so that we can identify the Key Themes (CSR materiality) in our business over the medium-term, then we create our Mid-term Business Plan and Mid-term CSR Action Plan that syncs with Mid-term Business Plan. Our CSR activities, which are integral to our business strategy, are highly ethical and place priority on safe operations, strict compliance, and the environment in all of our businesses.

### CSR Key Themes ("Materiality")

In creating our mid-term business plan, **KAYAKU Next Stage**, which began in fiscal 2019, Nippon Kayaku went through the themes that it needs address as it strives to contribute to a sustainable society and to achieve sustainable growth for the Company. This exercise yielded our CSR Key Themes.

#### CSR Key Themes ("Materiality") Identification Process

In formulating our mid-term business plan, **KAYAKU Next Stage**, which kicks off in fiscal 2019, we have organized the themes that we should address and identified the CSR Key Themes (CSR materiality).

#### CSR Key Themes (CSR Materiality) Identification Process

##### ■ [Step 1 Recognition of the Themes]

Make a list of Themes, taking topics from the GRI standards on the items needed by a diversifying society and adding topics from the Nippon Kayaku Group's CSR Action Plan.

### ■ [Step 2 Assign Points from Internal and External Feedback]

#### A. Assignment of points from external assessments

Assign points from external assessments by linking the Themes on the list with assessment criteria for each of the Company's business segments from multiple international assessment organizations that promote responsible investing and SASB\* need criteria for each industry.

#### B. Assignment of points from internal assessments

Survey those responsible for Company's major departments, including its business divisions, to evaluate how much of an impact the Nippon Kayaku Group can have. Set up listening opportunities in the major departments to verify the Themes and rank them by priority. Assign points from the internal assessments by incorporating views on past key Themes addressed in CSR Action Plans.

\* An independent non-profit, SASB develops reporting standards that enable businesses around the world to identify, manage and communicate financially-material, sustainability information to investors.

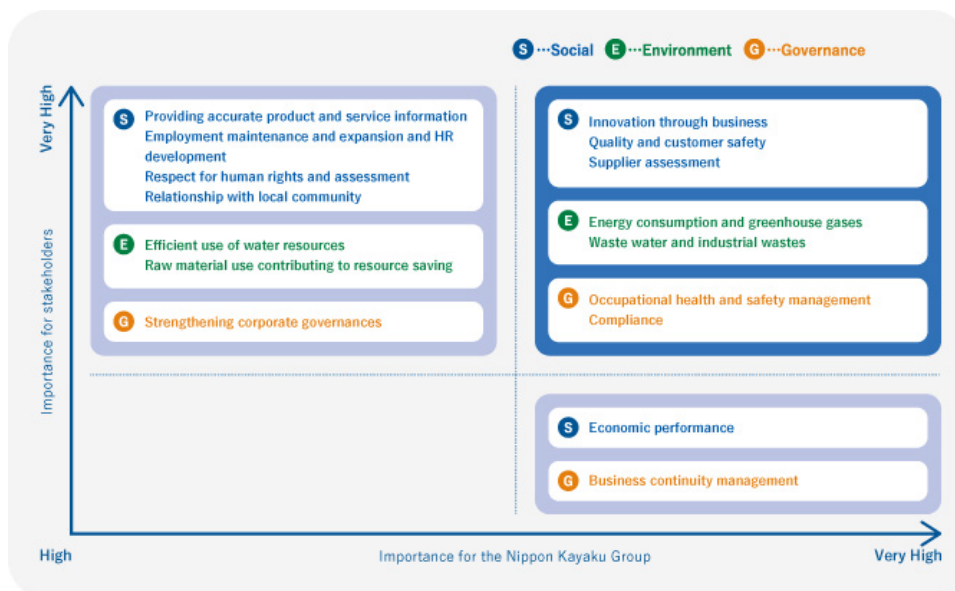
### ■ [Step 3 Materiality mapping]

Make a matrix of the Themes that have been assigned points from the external and internal assessments to create a materiality mapping. Include thresholds in the point-based map so that those Themes with points that meet or exceed the threshold are considered key.

### ■ [Step 4 Validity testing and approval]

Get feedback on the identification process and identification results from experts who specialize in CSR, review the process and results at the CSR Management Committee, which is the Company's decision-making body, and approve them after two sessions of deliberation.

Nippon Kayaku Group's CSR Key Themes ("Materiality")



## Identification and Implementation of Key Themes

Below, we describe the Nippon Kayaku Group's recognition of its identified Key Themes and how we intend to accomplish them by focusing on the most important of these themes.

### Innovation through business

## ■ Why Is This Key?

The world is moving in the direction of a better life for people. Technological progress is not the be-all and end-all. However, achievement of a sustainable society involves not only making the world more convenient, but also such major issues as enabling everyone to live safe and healthy lives, alleviating climate change, and protecting the global environment. Chemical companies need to take responsibility and tackle these issues seriously. At Nippon Kayaku, we believe that we need to acquire the new business opportunities and new technologies that will lead to innovation through continuous progress so that we can solve these wide-ranging, thorny problems and respond to the needs of society. We believe that tackling these Key Themes will enable us to contribute to a sustainable society by giving society the value that it is seeking.

## ■ Nippon Kayaku's Initiatives

The Nippon Kayaku Group's business vision is, "Continuing to provide the best products, technologies, and services that safeguard the life and health of consumers, and support a comfortable life." Since its founding, Nippon Kayaku has been striving to solve social issues as it has grown. In the future as well, we will continue making contributions toward a sustainable society and environment as we alter our three "genes" of explosives, dyes, and pharmaceuticals so that we can keep providing the best products, technologies, and services using the many elemental technologies that we have nurtured over our past century of history. Our endeavors involve honing our elemental technologies, taking advantage of open innovation, and carrying out corporate and other research that will support future growth for realizing a super-smart society and SDGs. This includes distinctive products based on resins, colorants, and catalysts, pharmaceuticals and ancillary products in our cancer-related specialty areas, products for advanced automobile safety components and future mobility technologies, high-quality environmentally friendly agrochemicals for supporting stable agricultural production, and the development of products and creation of businesses in new fields that merge these technologies. To this end, we are working to consolidate our entire corporate foundation in the utilization of advanced IT and the enhancement of our entire work force's skills. Tackling these themes also entails the key themes' [economic performance](#). In view of our initiatives with respect to key environmental issues, such as ["energy use and greenhouse gases,"](#) ["wastewater and waste,"](#) ["efficient use of water resources,"](#) and ["use of materials that contribute to resource conservation,"](#) we believe that new technologies and other innovations that will contribute to society are just around the corner.

[Click here to find out about other initiatives](#)

<a href="#">Quality and customer safety</a>	<a href="#">read more ▼</a>
<a href="#">Supplier assessment</a>	<a href="#">read more ▼</a>
<a href="#">Energy consumption and greenhouse gases / Waste water and industrial wastes / Efficient use of water resources / Raw material use contributing to resource saving</a>	<a href="#">read more ▼</a>
<a href="#">Occupational health and safety management / Compliance</a>	<a href="#">read more ▼</a>

## Mid-term CSR Action plan 2019-2021

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Based on the materialities that we identified, we have formulated our Mid-term CSR Action Plan 2019-2021, which sets forth specific initiatives and goals. The themes and goals of the Mid-term CSR Action Plan have been integrated with the medium- and long-term key themes set by each corporate division in order to flesh out the major themes of our mid-term business plan, **KAYAKU Next Stage**. The medium- and long-term key themes are linked with the more specific organizational goals of the entire Nippon Kayaku Group, as well as with the performance goals of each individual employee. Therefore, the Mid-term CSR Action Plan is being put into practice by all of our employees as part of our business strategy.

# KAYAKU Next Stage



KAYAKU Next Stage Mid-term CSR Action Plan 2019-2021					
ID	Item	Important CSR Issues	Mid-term CSR Action Plan 2019-2021	Key Indicators (KPI)	FY2021 Targets
Highest Priority Issues	1	Innovation through business	<ul style="list-style-type: none"> <li>Business divisions will work as one team on pursuing R&amp;D with an eye on exit to market, and create new products and businesses in core businesses and areas of synergy.</li> <li>Invest management resources in medium and long-term R&amp;D themes while enhancing core technologies and meeting the future needs of society.</li> </ul>	Amount invested in R&D over three years	(Consolidated) 100 billion over 3 years
	2	Quality and customer safety	<ul style="list-style-type: none"> <li>Make ongoing improvements to the quality management system and work to strengthen local management capabilities, and create a stronger quality management and quality assurance system.</li> <li>Pursue quality management, improve the level of production technology and expertise, and work to reduce flaws in the process.</li> </ul>	Number of serious complaints by customers①	(Consolidated) 0 complaints
	3	Business partner assessment	<ul style="list-style-type: none"> <li>Implement supply chain management that takes environmental and social aspects into consideration, based on the CSR Procurement Guidelines.</li> </ul>	Number of serious flaws in processes①	(Consolidated) 0 incidents
	4	Energy use and greenhouse gases Wastewater and waste Efficient use of water resources Use of materials that contribute to resource conservation	<ul style="list-style-type: none"> <li>Pursue activities to save energy and combat global warming. Achieve the environmental targets for FY2020 and formulate targets for FY2020.</li> <li>Work to integrate ISO 14001 company-wide and advance environmental management that addresses both the risks and opportunities of environmental problems.</li> </ul>	Mid-term environmental targets	FY2020 Target (Non-consolidated) 79,500 tons or less
				Amount of CO2 emitted from energy sources	(Non-consolidated) 42 tons or less
				VOC emissions volume	(Non-consolidated) 150 tons or less
CO2 emissions volume				(Non-consolidated) 23,500 tons or less	
5	Occupational health and safety in the workplace	<ul style="list-style-type: none"> <li>Strictly follow basic rules on health and safety and improve equipment and work procedures to build a strong foundation for safe operations.</li> <li>Promote health management and provide a workplace environment that enables employees to work with enthusiasm and achieve work-life balance.</li> </ul>	Number of serious accidents②	(Consolidated) 0 incidents	
Important Issues	6	Compliance	<ul style="list-style-type: none"> <li>Exercise strict compliance, which is a basic principle upon which we conduct corporate activities, and operate the business in a fair manner.</li> <li>Establish a basic policy on preventing corruption, and maintain and strengthen an open and honest corporate culture with high ethical values.</li> </ul>	White 500 certification	(Non-consolidated) Maintain certification
				Percentage of employees taking paid leave	(Non-consolidated) 70%
	7	Provision of appropriate information on products and services	<ul style="list-style-type: none"> <li>Increase the presence of the Nippon Kayaku Group by complying with regulations in each business and providing appropriate information and technical services to customers.</li> </ul>	Percentage of employees who take mental health training	(Non-consolidated) 100%③
				Percentage of employees who undergo regular health check-ups	(Non-consolidated) 100%
	8	Maintaining and expanding employment and development of human resources	<ul style="list-style-type: none"> <li>Promote diversity and inclusion by hiring diverse human resources and effective human resource allocation and exchanges.</li> <li>Pass down and strengthen technical capabilities in monocular (manufacturing) and achieve globalization in human resources through ongoing human resource development.</li> </ul>	Number of serious compliance violations④	(Consolidated) 0 incidents
				Formulation of a basic policy on preventing corruption	(Domestic) 100%
9	Respect for human rights and assessment	<ul style="list-style-type: none"> <li>Operate businesses in a manner that considers the human rights of employees and all people involved in the supply chain.</li> </ul>	Coverage ratio of companies implementing compliance training	(Non-consolidated) 8%⑤	
			Percentage of female managers	(Non-consolidated) 2.3%	
10	Local communities	<ul style="list-style-type: none"> <li>Actively communicate with local communities where our businesses are located and strive to co-exist and prosper together with them as a company rooted in the local community.</li> </ul>	Amount invested in education and training per employee	(Non-consolidated) Note results only	
			Number of training sessions held on human rights	(Non-consolidated) Once a year or more	
11	Economic performance	<ul style="list-style-type: none"> <li>Generate stable profits and return profits to society while reinvesting profits as management capital to achieve sustainable growth and enhance corporate value.</li> </ul>	Total number of informal community gatherings	(Consolidated) Note results only	
			Expenditures on social contributions⑥	(Non-consolidated) Note results only	
12	Strengthening corporate governance	<ul style="list-style-type: none"> <li>Strengthen corporate governance of the entire group and manage in a highly transparent and sound manner.</li> </ul>	ROE	(Consolidated) 8%	
			Amount of tax paid	(Consolidated) ¥5.6 billion	
13	Ensuring business continuity	<ul style="list-style-type: none"> <li>Ensure business continuity by responding to the many different risks associated with our businesses, maintaining the production structure, securing the appropriate materials, and strengthening disaster response measures.</li> </ul>	Capital investments over three years	(Consolidated) ¥50.0 billion over three years	
			Number of times that the effectiveness of Board of Directors meetings is evaluated	(Non-consolidated) Once a year	
13	Ensuring business continuity	<ul style="list-style-type: none"> <li>Ensure business continuity by responding to the many different risks associated with our businesses, maintaining the production structure, securing the appropriate materials, and strengthening disaster response measures.</li> </ul>	Number of times Internal business audits are performed by the Audit Division	(Consolidated) 45 times over three years	
			Implementation rate for the top five risk control activities	(Consolidated) 100%	
				Number of times BCP drills are conducted	(Consolidated) Once a year or more

① Environment ② Social ③ Governance  
 ①: 1 cases of 10 million yen or higher  
 ②: Accidents resulting in five or more deaths or five or more people hospitalized or accidents resulting in death  
 ③: Cumulative amount over the three-year period from 2018 to 2020  
 ④: Number of internally issued notices for the Ethics Committee or the Risk Management Committee  
 ⑤: Target for the end of FY2020  
 ⑥: Expenses for donations, disaster relief activities, joint festivals, and other local events

# Achievements of the Mid-term CSR Action Plan in Fiscal 2020

Below is a summary of the progress made in our Mid-term CSR Action Plan 2019-2021 in its second year of 2020.

KAYAKU Next Stage

## Achievements of the Mid-term CSR Action Plan in 2020

ESG No.	Reported CSR Issues	Mid-term CSR Action Plan 2019-2021	Key Indicators (KPI)	FY2020 Targets	FY2020 Progress	Notes on FY2020 activities	target SDGs
Highest Priority Issues	<p><b>1 Innovation through business</b></p> <p><b>2 Quality and customer safety</b></p> <p><b>3 Business partner assessment</b></p> <p><b>4 Energy use and greenhouse gases</b></p> <p><b>5 Wastewater and waste</b></p> <p><b>6 Efficient use of water resources</b></p> <p><b>7 Use of materials that contribute to resource conservation</b></p>	<p>● Develop devices and work on new beam on scanning TAD with an eye on IoT market, and create new products and business in core business and areas of strategy</p> <p>● Invest management resources and long-term R&amp;D teams while enhancing technology and meeting the future needs of society</p>	Amount invested in R&D over three years	(Committed) 45 billion over 3 years	(Committed) FY2020: 112.6 billion / FY 2019 - 2020: 104 billion	<p>Worked on various initiatives involving new products and business in all the Company's divisions</p> <p>● Acquired Tetsuya Tapping System Co., Ltd., a semiconductor manufacturing equipment manufacturer</p> <p>● Development of packet air for flexible packaging (first scheduled for release in fiscal 2021)</p> <p>● RFP in view of contributing to a hydrogen society, we aim to test a reactor for the production of a compact plant prototype using water heat</p> <p>● The 3rd and 4th trials made by Micron at board level. We continue activities in the sectors for these items</p> <p>● Conducted research on biotechnology and polymer technologies with pharmaceutical companies, etc.</p> <p>● Signed industries at Cadence Co., Ltd. for the domestic production of "Prophet"</p> <p>● Continue development of portable video devices for drones, and plan to commercialize and launch products in fiscal 2021</p> <p>● Promote acquisition of overseas registration for medicine life care</p> <p>● Promotion of various exploratory research and innovation/innovation studies for agricultural</p>	
		<p>● Make ongoing investments to the safety management system and work to strengthen local management capabilities, and create a storage quality management safety assurance system</p> <p>● Promote quality management, improve the level of production technology and expertise, and work to raise levels in the process</p>	Number of serious customer complaints by customer #1	(Committed) 0 complaints	(Non-committed) 0 complaints	<p>● Strengthen relationships with contract manufacturers and strengthen through quality control of contract manufacturers in order to reduce the impact of quality issues of contract manufacturers on the stable supply of our products</p> <p>● Analytical Chemical Group and Agricultural Group strengthened operation of GMS, including plants and laboratories</p>	
		<p>● Enhance supply chain management that takes environmental and social aspects into consideration based on the Code of Procurement Guidelines</p>	Number of three assessments of main business partners who performed	(Non-committed) 50 assessments	(Non-committed) 50 assessments	<p>● The latest third-party audits of business partners were not possible due to the impact of the spread of COVID-19. However, a written audit was conducted</p> <p>● Conducted audit plans (total: 10 on-site audits, 20 written audits, 60 written audit plans) in preparation for</p> <p>● Conducted the following from Q1 response to a CSR questionnaire sent to 450 of our business partners</p> <p>● Continued production business to realize environmental impact, social initiatives, etc. in addition to environmental, distribution, forward-looking, and responsible work hours of night, or other industrial or adverse behavior</p>	
		<p>● Promote activities to save energy and combat global warming. Advance environmental targets for FY2020 and formulate targets for FY2021</p> <p>● Work to improve CO2 intensity ratio and advance environmental management that addresses both the risk and opportunities of environmental problems</p>	<p>Mid-term environmental targets</p> <p>Amount of CO2 emitted from energy sources</p> <p>CO2 emissions volume</p> <p>CO2 emissions intensity</p> <p>Volume of waste generated</p> <p>Recycling rate</p> <p>Zero emissions rate</p> <p>Compliance rate of ISO 14001</p> <p>Proportion of 20th environmental targets</p>	<p>FY2020 Target</p> <p>(Non-committed) 80,330 tons</p> <p>(Non-committed) 17.8 tons per million yen (Non-committed) 17.8 tons</p> <p>(Non-committed) 102.6 tons</p> <p>(Non-committed) 20.7 tons</p> <p>(Non-committed) 25.5 tons or more</p> <p>(Non-committed) 80.7%</p> <p>(Non-committed) 64% or higher</p> <p>(Non-committed) 5% or lower</p> <p>Formulation</p>	<p>(Non-committed) 80,330 tons</p> <p>(Non-committed) 17.8 tons</p> <p>(Non-committed) 102.6 tons</p> <p>(Non-committed) 20.7 tons</p> <p>(Non-committed) 25.5 tons or more</p> <p>(Non-committed) 80.7%</p> <p>(Non-committed) 64% or higher</p> <p>(Non-committed) 5% or lower</p> <p>Formulation</p>	<p>● Achieved all medium-term environmental targets for fiscal 2020</p> <p>● Completed work on formulation of ISO26000 to opening</p> <p>● Regarding the new medium-term environmental targets set for fiscal 2021, the scope of global warming-related measures was expanded to include global companies, greenhouse gas emissions (Scope 2) using electricity generated from the same location, and the scope of CO2 emissions and waste reduction items was maintained as Japan Kayaku Co., Ltd. is a non-comparable base. CO2 emissions are calculated from the new medium-term environmental targets because the achievement of the targets for fiscal 2020 is expected to be achieved in the target</p>	
		<p>● Identify follow-up tasks such as health and safety and promote equipment work procedures to build a strong foundation for safe operations</p> <p>● Promote health management and provide a workplace environment that enables employees to work with satisfaction and achieve work-life balance</p>	<p>Number of serious workplace safety incidents</p> <p>Work-life satisfaction</p> <p>Percentage of employees taking paid leave</p> <p>Percentage of employees who take mental health training</p> <p>Percentage of employees who undergo regular health check-ups</p>	<p>(Committed) 0 incidents</p> <p>(Committed) 100%</p> <p>(Committed) 100%</p> <p>(Committed) 100%</p> <p>(Committed) 100%</p>	<p>(Non-committed) 0 incidents</p> <p>(Non-committed) 100%</p> <p>(Non-committed) 100%</p> <p>(Non-committed) 100%</p> <p>(Non-committed) 100%</p>	<p>● Acquired certification for 2021 Certified Health and Productivity Management Organization (large corporations) in fiscal 2019, while not only extending health and productivity management operations (large-scale corporations) across the same location, but also extending them to 100+ smaller sites from fiscal 2020. We added that from fiscal 2020 onward we will address the working conditions of employees in health and productivity management operations (large-scale corporations) ahead</p> <p>● Mental health training (scheduled) was set for the fiscal of the COVID-19 Pandemic</p> <p>● The number of employees being paid leave increased from 68.1% in fiscal 2019, although the target for fiscal 2020 was not achieved</p>	
		<p>● Develop strict compliance, which is a basic principle upon which we conduct corporate activities, and operate the business in a fair manner</p> <p>● Establish a basic policy on preventing corruption, and monitor and strengthen an open and honest corporate culture with high ethical value</p>	<p>Number of serious compliance violations</p> <p>Compliance rate of basic policy on preventing corruption</p> <p>Compliance rate of corporate implementing compliance training</p>	<p>(Committed) 0 incidents</p> <p>(Committed) 100%</p> <p>(Committed) 100%</p>	<p>(Non-committed) 0 incidents</p> <p>(Committed) 100%</p> <p>(Committed) 100%</p>	<p>● No significant compliance violations</p> <p>● Revised a Bill of the Basic Policy on Combating Bribery and Anti-Bribery and Fairness</p> <p>● Conducted training on domestic and overseas under the theme of "Government of Power Measurement Legislation"</p>	
Important	<p><b>8 Provision of appropriate information on products and services</b></p> <p><b>9 Maintaining and expanding employment and development of human resources</b></p> <p><b>10 Respect for human rights and assessment</b></p> <p><b>11 Local communities</b></p> <p><b>12 Economic performance</b></p> <p><b>13 Strengthening corporate governance</b></p> <p><b>14 Ensuring business continuity</b></p>	<p>● Increase the presence of the Nippon Kayaku Group by complying with regulations in each business and providing appropriate information and technical services to business partners</p>	<p>Regularly conducting customer education seminar</p>	<p>(Non-committed) Information</p> <p>(Committed) Information</p>	<p>● Our Functional Chemicals Business, we provide customers with SDS and safety data sheets that conform to national standards, and provide information on chemical substances and appropriate handling instructions to ensure the safe use of our products. In addition, we respond to inquiries regarding products from customers and provide appropriate survey results and information</p> <p>● Our Pharmaceutical Business, we enhanced a reduction in the cost and environmental risk for inquiries to the Pharmaceutical Information Center</p> <p>● Our Safety Systems Business, have contributed to customer satisfaction as well as business sales, quality policies, and targets based on responses to customer satisfaction surveys, and it is contributing to customer satisfaction</p> <p>● Our Agricultural Business, we have established a system for collecting harmful insects, evaluating their effectiveness, and providing feedback to pesticide agencies, and respond to claims to verify the effectiveness of applications</p>		
		<p>● Promote diversity and inclusion by living diverse human resources and effective human resource allocation and exchanges</p> <p>● Promote diversity and strengthen human capital in manufacturing, manufacturing and software development in human resources through ongoing human resource development</p>	<p>Percentage of female managers</p> <p>Percentage of people with disabilities employed</p> <p>Amount invested in education and training per employee</p>	<p>(Non-committed) 60.1%</p> <p>(Non-committed) 2.9%</p> <p>(Non-committed) Not measurable only</p>	<p>(Non-committed) 60.1%</p> <p>(Non-committed) 2.9%</p> <p>(Non-committed) Not measurable only</p>	<p>● The ratio of female managers increased further from 61.1% in fiscal 2019</p> <p>● The percentage of female managers is set at 11% as a new target for fiscal 2021</p> <p>● The number of male employees taking disability leave increased to 31 (61.1% of the target: 28.8%) in fiscal 2019</p> <p>● Continue collaboration with support outside as we continue to study work with disability</p> <p>● Disabled or disadvantaged some training due to the COVID-19 Pandemic</p>	
		<p>● Operate businesses in a manner that considers the human rights of employees and all people involved in the supply chain</p>	<p>Number of training sessions held on human rights</p>	<p>(Non-committed) Once a year or more</p>	<p>(Non-committed) Once</p>	<p>● Conducted training on the Basics of Basic Human Rights "Unethical discrimination"</p>	
		<p>● Actively contribute with local communities where our businesses are located and strive to do good and prosper together with them as a company rooted in the local community</p>	<p>Total number of internal community exchange</p> <p>Expenditure on social contribution</p>	<p>(Committed) 4%</p> <p>(Committed) 19.2 billion</p> <p>(Committed) Not measurable only</p>	<p>(Committed) 4%</p> <p>(Committed) 19.2 billion</p> <p>(Committed) Not measurable only</p>	<p>● Many regional meetings were discontinued due to the COVID-19 Pandemic</p> <p>● Social contribution expenditures decreased due to the cancellation of many events affected by the spread of COVID-19 Pandemic</p>	
		<p>● Maximize value creation and return profits to society while realizing profits and management capital to achieve sustainable growth and enhance corporate value</p>	<p>ROE</p> <p>Amount of tax paid</p> <p>Capital investments over three years</p>	<p>(Committed) 16%</p> <p>(Committed) 16.2 billion</p> <p>(Committed) 16.2 billion over three years</p>	<p>(Committed) 16%</p> <p>(Committed) 16.2 billion</p> <p>(Committed) 16.2 billion over three years</p>	<p>● Both net value and net income decreased 1% year on year due to the impact of the spread of COVID-19 Pandemic</p> <p>● Report to public investors, we will consider the impact of the COVID-19 Pandemic on our financial position, clarify our priorities, and make necessary investments</p>	
		<p>● Strengthen interdivisions communication of the write group and manage in a highly transparent and sound manner</p>	<p>Number of times that the effectiveness of Board of Directors meetings is evaluated</p> <p>Number of times internal business audits are performed by the Audit Division</p>	<p>(Non-committed) Once a year</p> <p>(Committed) 45 times over three years</p>	<p>(Non-committed) Once</p> <p>(Committed) 45 times over three years</p>	<p>● Establishment and holding of the Nomination and Remuneration Advisory Committee</p> <p>● Establishment and Disclosure of Corporate Governance Basic Policy</p> <p>● Added new outside director</p>	
<p>● Enhance business continuity by responding to various different risks associated with our business, including the production structure, securing the appropriate reserves, and strengthening disaster response measures</p>	<p>Implementation rate for the risk management audit</p> <p>Number of times BCP activities conducted</p>	<p>(Committed) 100%</p> <p>(Committed) Once a year or more</p>	<p>(Committed) 100%</p> <p>(Committed) 2 times</p>	<p>● Conducted BCP drills during multiple sites via the web</p> <p>● Produced diagrams work and accompanying manuals at the head office, product centers, and related to overseas group companies, and conducted the use of online conferences as a measure to combat the outbreak of COVID-19 Pandemic</p>			

①: Cases of 10 million yen or higher  
 ②: Accidents resulting in loss of work for three or more people simultaneously or accidents resulting in death  
 ③: Cumulative amount over the three-year period from 2018 to 2020  
 ④: Number of incidents deemed serious by the Ethics Committee or the IRB Management Committee  
 ⑤: Target for the end of FY2020  
 ⑥: Expenses for donations, Asahara House activity expenses, plant festivals, and other social events

> Achievements of the Mid-term CSR Action Plan in Fiscal 2020

## Mid-term CSR Action Plan 2019-2021 for ISO26000 Core Subjects

The Nippon Kayaku Group has created a table of correspondence between the 37 Core Issues of ISO26000 and our each item of Mid-term CSR Action Plan 2019-2021.

