

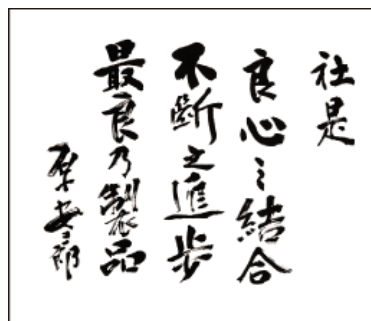
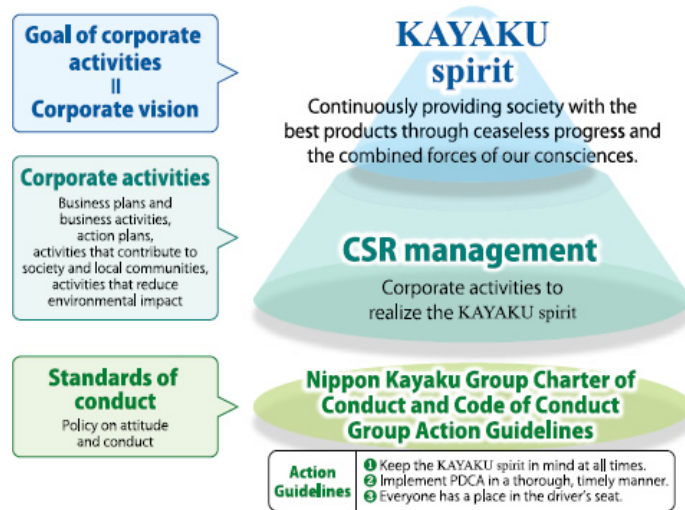


Our Corporate Vision and CSR Management

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."

The KAYAKU spirit and CSR Management

The **KAYAKU spirit**, or "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences," stands as the Nippon Kayaku Group's corporate vision. The **KAYAKU spirit** is based on the corporate motto created more than half a century ago and it has stood at the root of our CSR management ever since. We will be able to achieve our vision for CSR management that earns the trust of all stakeholders by engaging in corporate activities that realize the **KAYAKU spirit**.



The image at the bottom left is an overhead view of the **KAYAKU Spirit**.

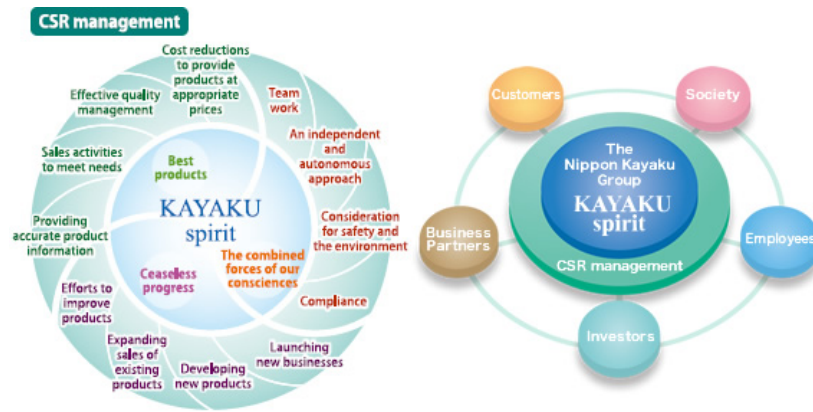
This image pictures the daily efforts of each of our employees, based on the concepts of "best products", "ceaseless progress" and "the combined forces of our consciences",

holding hands and supporting each other as they work towards achieving the corporate vision shown at the top.

This is our commitment to realize a CSR management that fulfills our social, economic and environmental responsibilities, and meets the

trust and expectations that our stakeholders have put into us as a corporate member of our society.

CSR management is positioned as a key corporate activity for achieving the vision outlined in the **KAYAKU spirit**



Stakeholders	Overview of initiatives	Means of communication
<p>Customers <u>Example initiatives</u></p>	<p>We conduct company-wide quality activities under our quality system in order to supply the best products to customers. We are mindful that product quality improvements, safety and reliability, as well as the provision of technical services and information are paramount to improving customer satisfaction.</p> <ul style="list-style-type: none"> • Users of resins, colorants ,catalyst, and optical materials • Car module manufacturers • Agrochemical manufacturers, agrochemical wholesalers, Japan Agricultural Cooperatives, and agrochemical retailers • Medical practitioners and patients 	<ul style="list-style-type: none"> • Confirming needs through sales activities • Improving products and services • Offering plant tours • Conducting customer satisfaction survey • Providing safety guidance on agrochemicals and proposing pest extermination methods • Providing information via information site
<p>Business partners <u>Example initiatives</u></p>	<p>We pursue mutual and sustainable growth with our suppliers, based on the understanding that they are important business partners who help us produce products of the best quality.</p>	<ul style="list-style-type: none"> • Exchanging information through purchasing briefings and visits • Conducting surveys
<p>Investors <u>Example initiatives</u></p>	<p>We strive to disclose information to all of our shareholders, investors, and other stakeholders in a timely, impartial, and fair manner, so they may have a proper understanding of the Group's business status, and the various initiatives we are taking.</p>	<ul style="list-style-type: none"> • Conducting briefings on financial results • Holding shareholders meetings • Conducting teleconferences
<p>Employees <u>Example initiatives</u></p>	<p>A company is nothing without its people. We respect the human rights of each and every employee, and strive to offer a workplace environment that offers peace of mind to them. Our goal is to be a company where employees can grow personally and professionally through work and feel a sense of motivation in what they do.</p>	<ul style="list-style-type: none"> • Conducting compliance awareness surveys and mental health checks • Issuing in-house reports • Operating a whistleblower system • Holding discussions with labor union
<p>Government agency/Industry group</p>		<ul style="list-style-type: none"> • Participating in outside initiatives • Participating in related associations, etc. • Complying with laws, regulations, and industry rules • Conducting local evaluations of agrochemical compatibility Prefectural administration (Agriculture and Forestry Office, etc.)

Stakeholders	Overview of initiatives	Means of communication
Society <u>Example initiatives</u>	We aim to be a company closely rooted in communities through our involvement at the local level, proactive engagement with all stakeholders and support for the educational needs of the next generation.	<ul style="list-style-type: none"> • Holding local events and contributing to local communities • Offering plant tours • Exchanging information with local governments
General consumers		<ul style="list-style-type: none"> • Providing product information and handling inquiries via website • Holding local explanatory meetings and providing guidance to farmers and individuals
Environment <u>Example initiatives</u>	We are committed to achieving a balance between the efficiency of production and reducing its impacts on the environment. For this reason, we consider environmentally friendly management to be an important task. We are now striving to achieve the various environmental targets we have set. We are working to improve facilities and treatment processes in order to use energy more efficiently, reduce exhaust gas including greenhouse gas emissions, and to lower the amount of substances released from effluent and waste that impact the environment.	<ul style="list-style-type: none"> • Reducing environmental burden through collection and reuse of solvents • Reducing energy use and CO₂ emissions

Participation in external initiatives

Nippon Kayaku's initiatives in the ESG (environment, social, and governance) go beyond mere compliance with international standards. We believe that collaboration with other institutions and corporations is critical, and we are proactively participating in such initiatives.

■ External initiatives participating in

Name	When selected (participated in)	Scope	Relationship with corporate philosophy and reason for agreeing with
Responsible Care Global Charter	2014	In Japan	The Company signed the Responsible Care Global Charter in 2008 and the revised global charter in 2014. Many Nippon Kayaku Group companies handle various chemical substances and develop, manufacture, and sell numerous chemical products. We will continue to actively promote responsible care activities in order to "continuously provide society with the best products through ceaseless progress and the combined forces of our consciences", our corporate vision, the KAYAKU spirit .

United Nations Global Compact	2021	Whole group	<p>The KAYAKU spirit is based on the corporate motto and it has stood at the root of our CSR management. We will be able to achieve our vision for CSR management that earns the trust of all stakeholders by engaging in corporate activities that realize the KAYAKU spirit. UNGC requires participating organizations incorporate UNGC 10 principles on human rights, labor, the environment, and anti-corruption, into their daily operations and strategies, and actively engage in CSR activities. The principles are in line with the Nippon Kayaku Group Charter of Conduct and Code of Conduct. The Nippon Kayaku Group supports the principles and will contribute to sound globalization and the realization of a sustainable society by working to resolve social issues.</p>
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■ Membership qualifications of major external organizations

Name	When to join	Membership	Activity content
KEIDANREN (Japan Business Federation)	1946	Executive member	<p>The Company agrees with the idea of contributing to the autonomous development of Japan's economy and improvement in the living standards of Japanese.</p> <p>Nippon Kayaku has been a member of various committees including the Executive Member Meeting of the Policy Board, Committee on Administrative Reform, Committee on Social Security, and Committee on Diversity & Inclusion. We contribute to creating a sustainable society and economy by broadening exchanges and relations beyond individual industries and broadly leveraging the knowledge and experience of the business world.</p>
The Japan Chemical Industry Association (JCIA)	1948	Director Policy Coordinating Committee	<p>Yasusaburo Hara, the Company's third president, served as the first director of the Japan Chemical Industry Association for fourteen years, starting in 1948, the year the association was founded. Having built the foundation of the post-war recovery of the chemical industry, he worked to introduce and expand the petrochemical industry, one of the driving forces of Japan's strong economic growth.</p> <p>Carrying on the purpose established by Hara, the Company contributes to the expansion and improvement of the chemical industry.</p>
The Japan Dyestuff and Industrial Chemicals Association (JDICA)	1948	Director	<p>Yasusaburo Hara, the Company's third president, served as the first director of the Japan Dyestuff and Industrial Chemicals Association for thirty-three years, starting in 1948.</p> <p>Carrying on the purpose established by Hara, the Company contributes to safety and the environment, internationalization, proposals on and promotion of measures related to business support, and surveys and research in fields related to the chemical industry.</p>

The Japan Pharmaceutical Manufacturers Association (JPMA)	1968	Board member	<p>We agree with idea of and participate in contributing to improvements in the health of and medical care for Japanese and people throughout the world through the development of innovative, highly-useful pharmaceuticals and the sound expansion of the pharmaceutical industry.</p> <p>As a manufacturer of new drugs, we contribute to the sound development of the pharmaceutical industry by creating and promoting a vision related to code compliance, distribution improvements, promotions, clinical evaluations, PMS, quality, pharmaceutical affairs, and R&D.</p>
The Biosimilar Association (JBSA)	2016	Director Company Chairman	<p>Four companies involved in the biosimilar business established the association in April 2016 to spread and promote the biosimilar business. The Company actively takes part as a founding member.</p> <p>By exchanging information with and making proposals to various stakeholders, including administrative authorities, through the Japan Biosimilar Association, the Company contributes to restraining medical costs and improving medical access for patients who are reluctant to seek treatment using biopharmaceuticals for financial reasons.</p>
Pharmaceutical manufacturers' association of Tokyo	-	Director	<p>The Pharmaceutical Manufacturers' Association of Tokyo consists of manufacturers and sellers of all types of pharmaceuticals, including new drugs, generic drugs, and OTC products.</p> <p>As a pharmaceutical manufacturer in east Japan, we contribute to better medical services through the examination and sharing of information related to pharmaceutical affairs, intellectual property, medical product safety, and education/training.</p>
Japan Investors Relations Association	1993	Board member	<p>The Company participates to improve the quality of its IR activities, gather information, and create a network of IR staff.</p> <p>Efforts are also made to improve communication with shareholders and investors and win greater trust from financial and capital markets.</p>

CSR Implementation System

We established the CSR Management Committee and set up the CSR Department within the Corporate Planning Division of our Strategic Corporate Planning Group. When reviewing the CSR Action Plan's goals and accomplishments, the CSR Management Committee takes a top-down approach in its deliberations and decision-making.

At the same time, the CSR Department administers cross-functional CSR projects, while the business sites and group companies take the lead in implementing these projects.



SDGs and the KAYAKU spirit

Sustainable Development Goals (SDGs) consist of the 17 economic, social, and environmental goals that were adopted by all United Nations Member States for the purpose of building a sustainable world and that are to be accomplished by various institutions, organizations, and other entities by fiscal 2030. The concept behind SDGs is synonymous with the Nippon Kayaku Group's corporate vision of "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences." This is because we believe that our corporate initiatives to realize the **KAYAKU spirit** are consistent with the goals of the UN in realizing its SDGs, although they differ in terms of their scale and targets. The business initiatives being taken by our Functional Chemicals, Pharmaceuticals, Safety Systems, and Agrochemicals Businesses, whose business vision is "to continue to provide the best products, technologies and services that safeguard the life and health of consumers and support a comfortable life," also align with the goals of the SDGs.

Realizing the **KAYAKU spirit** will enable us to promote CSR management that gains the trust of all our stakeholders so that we will be able to communicate the initiatives that we have taken so far in the lingua franca of SDGs.



Instilling the Company with the KAYAKU spirit

To instill all of our domestic and overseas employees with the **KAYAKU spirit**, we have translated and distributed a booklet describing our corporate vision and Group Action Guidelines into the language of each country where we operate, for a total of eight languages. In fiscal 2019, we revised this booklet to make it easier to understand. We will also be revising and distributing the versions for each language. We are also creating opportunities to spread the **KAYAKU spirit** among our domestic and overseas employees at Management Strategy Meetings and joint forums on the Mid-term Business Plan and through such means as group training and e-learning.

Our aim is to be a company where all employees throughout the world are united in sharing our vision, regardless of which area they work in, be it production, development, sales, management, or anywhere else.



The booklet describing our corporate vision and Group Action Guidelines. It comes in eight versions: Japanese, Czech, Chinese, English, Korean, Spanish, Malay, and Thai.

KAYAKU spirit Promotion Efforts using Kayakuma the Bear

We have created a mascot character called Kayakuma the Bear in order to make KAYAKU spirit a concept that is more familiar to all Nippon Kayaku Group employees around the world. This character appears in the CSR section of our company newsletter, where we introduce our CSR activities and initiatives for implementing our corporate vision, using visual depictions that are easy to understand for all audiences. The mascot has also been incorporated into our daily stationery, clear file folders and even the designs of conference rooms. This ensures our employees are always aware of Kayakuma the Bear, and in touch with our corporate vision in all aspects of their work. We are currently filing for a trademark for Kayakuma the Bear and plan on using it widely as a symbol of the Nippon Kayaku Group in newspaper ads, on novelty items, and at company events such as factory festivals.



Kayakuma the Bear mascot character representing KAYAKU spirit



Conference room and employee locker