

Initiatives with Our Customers

The Nippon Kayaku Group continually strives to develop sound products and services that are both safe and reliable in order to provide the best possible solutions to its customers around the world.

From Green Procurement to CSR Procurement

Nippon Kayaku is aggressively working to reduce the environmental impact from its procurement activities.

Our green procurement activities involving raw materials and other goods now enable us to select relevant items, tally results for each item and business, as well as set targets. Moving forward, we will continue to work with our partners to ensure that the entire supply chain is able to reduce its impact on the environment.

Our electronic purchasing system for indirect materials enables us to display green labeled products as well as products compliant with Japan's Law on Promoting Green Purchasing in our electronic catalogue. It also makes it possible to search only for target products from among indirect materials to be purchased. We are committed to promoting the use of this electronic purchasing system and to further increasing our ratio of green procurement going forward.

We also recognize the importance that practicing CSR throughout the entire supply chain plays in our broader promotion of CSR. As a result, Nippon Kayaku will examine the promotion of CSR procurement together with its suppliers by setting specific CSR procurement standards going forward.

Developing Products that Promote Energy Conservation and Moving into the Photovoltaic Power Generation Market

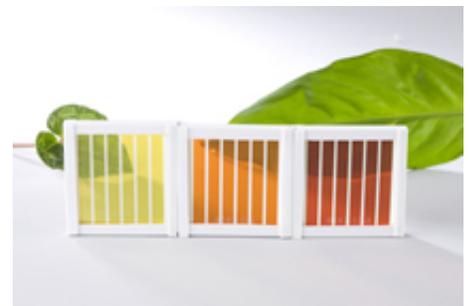
Nippon Kayaku displayed a dye-sensitized solar cell (DSC) at the PV Japan 2011 trade show held at Makuhari Messe outside Tokyo in December 2011 in order to conduct market research.

This DSC is an all new type of solar cell that consists of many organic materials, unlike the current mainstream silicon-type cell, while it boasts a high power generation performance for indoor light. DSC can also be customized in terms of color tone and transparency to meet the needs of specific applications.

PV Japan, a trade show for photovoltaic technologies in the spotlight today, is attended by large numbers of visitors from various sectors. As such, we recognized the event would offer a great platform to discuss our DSC and differentiate it from existing products.

Nippon Kayaku is currently moving forward with the development of unique DSC-related products that combine its highly competitive dye and resin technologies with its long-researched DSC modularization technologies. In particular, we have been developing cutting-edge sensitized dye, the key material that largely determines performance, to help improve photovoltaic power generation performance. We are also partnering with companies and universities that possess technologies for manufacturing modules related to the various elements used in DSC. By actively engaging in the photovoltaic power generation market through the development of new cell-related products, we hope to further revolutionize technologies aimed at achieving greater energy conservation as well as those aimed at playing a lead role in the development of a renewable energy-based society.

Moving forward, we will continue to solicit information and feedback from visitors to various trade shows, such as PV Japan, which will help align our development with the needs of international markets.



Dye-sensitized solar cell

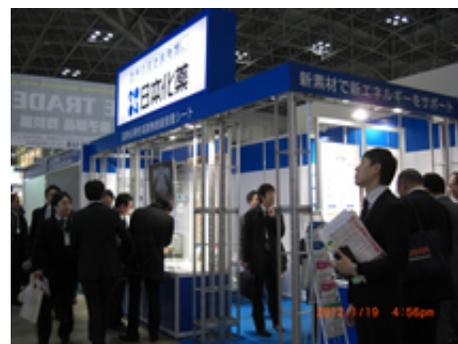
Heat Release Sheet Displayed as a Product that Promotes Energy Conservation

Nippon Kayaku's Functional Chemicals Group displayed and introduced the KTM series

thermal conductive bonding sheet at the Internecon 2012 trade show, held at Tokyo Big Sight in January 2012, as a product that promotes energy conservation.

The semiconductor sector has seen a further acceleration in demand for high speed and high integration production. As a result, the question of how best to manage the large amount of heat involved in these processes has become more important than ever.

Many visitors to the trade show demonstrated a strong interest in our products that help promote energy conservation, which made the event an important opportunity to hear feedback directly from our customers. Moving forward, we plan to participate in even more trade shows as part of our commitment to help society develop by creating products that meet the needs of our customers in the areas of the environment and energy conservation.



Exhibition booth

Inflators Exhibited at TEPIA

The Nippon Kayaku Group has sponsored an exhibit of its proprietary developed inflators at the exhibition space in the Advanced Technology Exhibition Hall @TEPIA run by the Association for Technological Excellence Promoting Innovative Advances (TEPIA).

This particular kind of inflators is used in automobiles to instantaneously inflate airbags. The Nippon Kayaku Group's long-time experienced explosive technologies are utilized in these inflators to inject gas into an airbag faster than a blinking eye once activated, or just 0.04 seconds. Once inflated, airbags help to cushion vehicle occupants from serious collisions. The Nippon Kayaku Group began by developing inflators for driver and passenger airbags, but has since expanded its reach to include side airbags, curtain airbags and even knee airbags. This demonstrates our steadfast commitment to helping make vehicles safer.

We hope to teach consumers about how our inflator systems work through this exhibition and also make further contributions to the safety of vehicle occupants going forward.

- [Advanced Technology Exhibition Hall @TEPIA](#) 

Chemical Substance Information Management and Provision

A Material Safety Data Sheet (MSDS*1) provides information necessary for the safe handling of chemical substances and is required under laws such as the Pollutant Release and Transfer Register (PRTR) Law and the Industrial Safety and Health Law of Japan. We use a database to manage the distribution of MSDSs and records of such distribution to ensure that the latest information is made available at all times.

Following efforts in 2009, Nippon Kayaku continued to work toward the institutionalization of various countries' MSDSs and use of the GHS*2 in labels again in 2010. In addition, we utilized our newly rolled out Chemical Substance Management System to aggregate and report our manufacture, import quantities and shipment volume of general chemical substances under Japan's Amended Chemical Substances Control Law.*3

- *1 MSDS (Material Safety Data Sheet): A document issued by the supplier of a chemical product to the user to ensure its safe handling. The MSDS includes detailed information on the danger and hazardousness, safety measures, and emergency countermeasures.
- *2 GHS (Globally Harmonized System of Classification and Labeling of Chemicals): The danger and hazardousness of chemical substances are classified according to certain international standards and labeled in an easily understandable way. Product labels and MSDSs follow these rules to prevent accidents and to protect human health and the environment.
- *3 Amended Chemical Substances Control Law: Requires companies to report the manufacture, import quantities and uses of all chemical substances annually.

Ethical Drug Information

As of September 2010, Nippon Kayaku supplies a total of 74 ethical drug products and medical devices.

The Medical Information Service Center received a total of 24,000 inquires from customers over the last year. The Center addresses each call in a professional manner so as to provide the most appropriate drug product information to ensure that our products are the best possible solution. Feedback received from our customers is also reported to relevant divisions. Our motto is to strive to raise the bar for customer satisfaction and promote the appropriate use of our ethical drug products.



Medical Information Service Center