

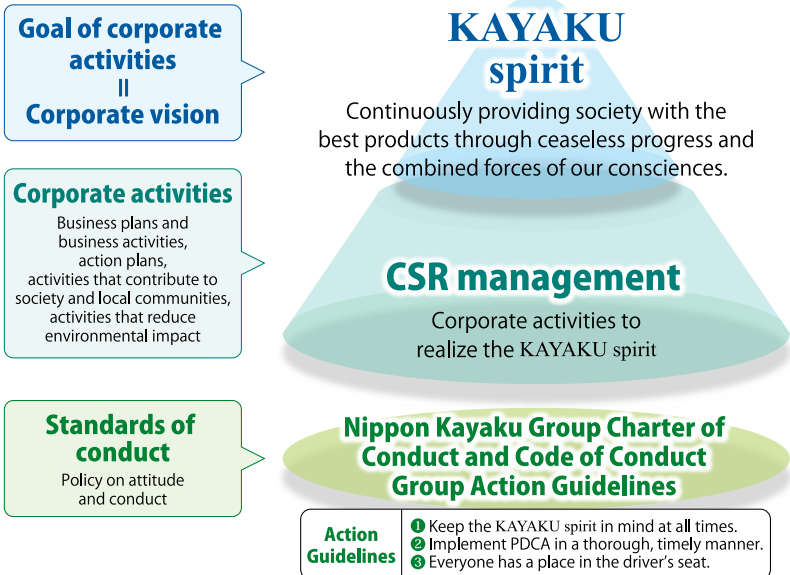
Corporate Vision and CSR Activities

Nippon Kayaku is implementing CSR management that fosters trust among all stakeholders through its focus on the KAYAKU spirit, or “continuously providing society with the best products through ceaseless progress and the combined forces of our consciences.”

KAYAKU spirit and CSR management

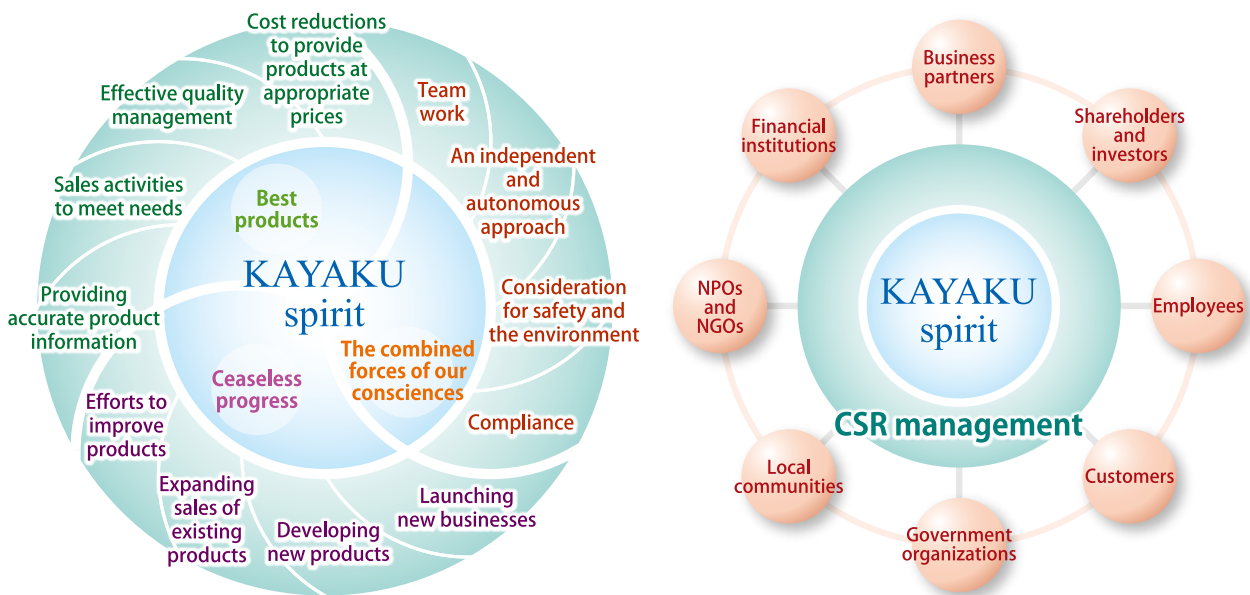
We engage in a wide range of businesses in locations around the world, but one constant is our shared approach to fulfilling Kayaku spirit as part of our global vision. We have defined Kayaku spirit in our management philosophy and company rules as well as made it thoroughly known to all of our executives and employees. This encourages action and unity in our efforts to achieve our goals. By engaging in corporate activities that realize the vision outlined in the KAYAKU spirit, we will fulfill our economic, social and environmental responsibilities as well as attain CSR management that fosters trust with each and every one of our stakeholders, from shareholders, customers and partners to employees and the local community.

● Corporate Vision of the Nippon Kayaku Group



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

CSR management



All of our business activities are grounded in the vision embodied by the KAYAKU spirit. We will foster trust among all of our stakeholders through CSR management that aspires to fulfill this Kayaku spirit.

Initiatives to achieve CSR management

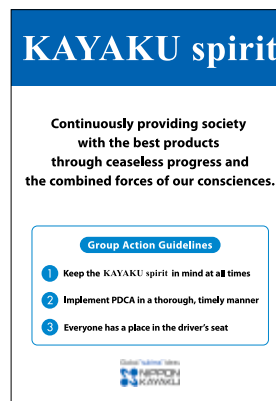
In June 2010, Nippon Kayaku established the CSR Management Committee chaired by its President. This committee, whose members consist of executive officers in charge of each of our business divisions, ensures that we have a structure that can monitor all of our business activities from a CSR perspective.

Beginning in 2009, we launched an organization-wide internal project aimed for strengthening our CSR promotion structure that has enabled us to promote company-wide initiatives.

We also hold dozens of CSR and compliance training sessions throughout the year in order to spread our corporate vision and CSR-focused mindsets to all of our employees. These themes are incorporated particularly into our training programs given to new hires, mid-career hires and managerial employees.

In fiscal 2011, we began an article series in each edition of our internal newsletter that covers specific case studies that embody the KAYAKU spirit. In addition, we distributed a pamphlet and portable card—both localized into six languages—that provide

commentary on our corporate vision to employees at Group companies. We also created corporate vision boards localized into six languages that illustrate KAYAKU spirit and Nippon Kayaku Group Action Guidelines. Today these boards are displayed in the offices of all of our Group companies.



▲Corporate vision board



● Displaying the corporate vision board at Nippon Kayaku Group companies



▲Kayaku Safety Systems de Mexico, S.A. de C.V.



▲Nippon Kayaku Korea Co., Ltd.



▲Wuxi Advanced Kayaku Chemical Co., Ltd.

Initiatives at Kayaku Safety Systems (Huzhou) Co., Ltd.

Kayaku Safety Systems (Huzhou) Co., Ltd. was the first Group company to create a Chinese language version of KAYAKU spirit. As part of its efforts to raise awareness, the company displays the corporate vision board in its office, assembly line, GG line, warehouse and cafeteria. A briefing was also given on the board to mid-level employees at a managerial meeting. However, it found that Chinese employees had a difficult time comprehending the corporate vision board. This is why the company decided to focus on explaining details in meetings and training sessions held in each department as well as on the job in order for employees to first understand the basic essence of the vision.

For example, employees are taught about complying with laws on dangerous substances, how to respond to danger during various work processes, appropriate procurement practices, and protection of confidential corporate and personal information. This ensures that they will be able to identify in advance and strictly respond to any compliance violations.



▲Fostering awareness in daily operations by displaying the board on the assembly line and in the records room.

Going forward, the company plans to share which case study applies to which part of the Nippon Kayaku Group Action Guidelines on KAYAKU spirit. This will foster greater awareness and empower employees to naturally follow the guidelines in their everyday work processes.