

Targets and Results of the Fiscal 2012 CSR Action Plan

This table lists the Nippon Kayaku Group's Fiscal 2012 CSR Action Plan as it relates to the Group's activities. Also included are self-assessments of those activities.

CSR Activities		Action Plan	FY 2012 Targets	FY 2012 Results	Assessment
Foundational CSR Activities		Assure business continuity	<ul style="list-style-type: none"> Enhance BCP procedures and manual Implement instruction and training 	<ul style="list-style-type: none"> Enacted 6 regulations regarding the BCP; revised the Hazard Management Manual and the Hazard Management Committee's regulations Implemented BCP drills 	◎
		Promote our corporate vision and CSR	<ul style="list-style-type: none"> Continue with training sessions and enhance content Manage organization of CSR-related projects in a trans-divisional fashion Continue with promotional activities through meetings and internal company magazine 	<ul style="list-style-type: none"> Continued implementing CSR educational training: 14 sessions Managed CSR projects (11 divisions with 13 participants) Continued carrying out promotional activities (6 notices in the internal company magazine; continued promotion in various meetings) 	○
		Promote compliance	<ul style="list-style-type: none"> Implement compliance training in pharmaceutical sales offices (not covered in FY 2011) as part of compliance training for all employees Further update the compliance survey (enhance question and answer choices) 	<ul style="list-style-type: none"> Held 41 compliance training sessions for 2,669 employees Revised questions in the survey to include specific mention of laws, internal regulations, and harassment 	○
		Resolve business issues proactively	<ul style="list-style-type: none"> Register 110 or more themes for creative group activities 	<ul style="list-style-type: none"> Held a meeting to discuss enhancing our creative group activities; held socializing/exchange events Registered 78 themes (for creative group activities) 	△
Social Responsibility CSR Activities	Customers	Gain trust	<ul style="list-style-type: none"> Prepare to disclose information based on the Guide for Transparency between Nippon Kayaku and Health Care Institutions (Confirm cumulative statistics for each disclosure item. Implement practice simulation in preparation for disclosure.) 	<ul style="list-style-type: none"> Currently in preparation for disclosure 	○
			<ul style="list-style-type: none"> Continue conducting onsite instruction efforts for the safe use of agrochemicals 	<ul style="list-style-type: none"> Conducted onsite instruction for the safe use of agrochemicals; increased the number of instruction briefings over last year 	○
	Society	Contribute to the health of society	<ul style="list-style-type: none"> Continue Pink Ribbon activities Expand distribution of campaign awareness products company-wide (3 additional business offices) Continue internal Pink Ribbon website 	<ul style="list-style-type: none"> Employees wore Pink Ribbon badges, made use of bumper stickers Distributed campaign awareness products (6 business offices) Continued internal Pink Ribbon website 	◎
			<ul style="list-style-type: none"> Continue managing and operating Asunaro House Review management practices in order to make the House as user-friendly as possible 	<ul style="list-style-type: none"> 153 families used Asunaro House in the 2012 calendar year Re-equipped all rooms with new AC units 	○
			<ul style="list-style-type: none"> Factory festivals visitors: 10,000 Enthusiastically promote public lectures and open house tours 	<ul style="list-style-type: none"> Plant festivals (9,000 visitors to 5 sites) Public lectures and open house tours (4 events) 	○
	Employees	Provide a safe workplace environment	<ul style="list-style-type: none"> Expand disaster preparation measures at each business location 	<ul style="list-style-type: none"> Reinforced business locations according to earthquake resistance standards Completed stocking each branch and sales office with emergency food supplies with 25-year expiration dates 	○
			<ul style="list-style-type: none"> Major accidents, lost worktime accidents, non-injury-related accidents: 0 cases; 1.0 or lower non-lost worktime accident rate (5 accidents) Achieve a vehicle accident rate of 4% or lower during work tasks or commuting by pharmaceutical MRs 	<ul style="list-style-type: none"> Major accidents, lost worktime accidents, non-injury-related accidents: 0 cases; non-lost worktime accident rate: 0.43 (2 accidents) Work-related vehicle accident rate: 11.9% (40 accidents) 	◎
			<ul style="list-style-type: none"> With an aim to raise the level of safety, continue implementing explosives safety instruction through the education program in place to promulgate safety awareness 	<ul style="list-style-type: none"> Implemented safety education and safety testing for employees with fewer than 5 years of experience at plants and research centers Occurrence of accidents related to explosives: 0 cases 	○
		Work-life balance	<ul style="list-style-type: none"> Raise the utilization rate of paid leave days Implement well-designed programs for staggered work schedules and no-overtime days 	<ul style="list-style-type: none"> Increased the number of paid leave days utilized per employee (from 9.3 days to 10.0 days on average) Implemented performance assessments twice a year at each business office with the Work Load Advisory Committee comprised of members from both labor and management 	○
			<ul style="list-style-type: none"> Mental health training: achieve 100% participation in lectures as per a newly commenced 3-year plan Health check-ups: continue 100% participation rate High workload employees: achieve 100% participation rate in consultations 	<ul style="list-style-type: none"> Mental health training: participation in lectures is on-going as per the 3-year plan (which is in its 1st year) Health check-ups: 100% participation rate High workload employees: 100% participation rate in consultations 	○
			<ul style="list-style-type: none"> Actively continue hiring workers with disabilities 	<ul style="list-style-type: none"> Began periodic hiring from a special school for the disabled 	○
			<ul style="list-style-type: none"> Use a working committee for the Act on Advancement of Measures to Support Raising Next-Generation Children to increase awareness inside the workplace of related programs and possible work environment improvements 	<ul style="list-style-type: none"> Implemented further awareness activities by updating the internal website 	○
			<ul style="list-style-type: none"> Post whistleblower hotline Q&A entries in the internal company magazine and work to spread understanding of the hotline Respond appropriately to future reports to the whistleblower hotline 	<ul style="list-style-type: none"> Posted whistleblower hotline Q&A entries in the internal company magazine and worked to spread understanding of the hotline Responded appropriately to 9 reports to the whistleblower hotline 	○
Share information internally	<ul style="list-style-type: none"> Communicate information and share internal company news using the internal company magazine and intranet 	<ul style="list-style-type: none"> Published the internal company magazine (20 issues) 	○		
Environmental Responsibility CSR Activities	Customers	Expand green procurement	<ul style="list-style-type: none"> Implement aggregate accounting for quantities of raw materials and indirect materials acquired through green procurement 	<ul style="list-style-type: none"> Ratio of raw materials and indirect materials acquired through green procurement: 23% and 6% respectively, based on total purchase amounts 	○
	Society	Strictly adhere to regulations on chemical substances	<ul style="list-style-type: none"> Spearheaded by the newly formed Chemical Substances Control Office, Enhance instructional programs related to chemical substance regulations and promote chemical substance compliance from the bottom up Advance the effective use of MSDgen and respond swiftly to issuing and revising SDS for products on the market and products under development Further encourage suppliers and users to share REACH importer information by using OR2IS within the supply chain 	<ul style="list-style-type: none"> Spearheaded by the Chemical Management Office, Carried out instruction and set in place legal checks and rules regarding imports/exports and sample products Improved the quality of SDS and shortened delivery times by enhancing our approval framework Ensured that REACH importer information from users was reported to Nippon Kayaku's ORs (Only Representative) and suppliers 	○
		Reduce environmental impacts of overseas production bases	<ul style="list-style-type: none"> Continue to further implement measures to remove pigments from waste water while reducing COD Zhaoyuan Advanced Chemical Co., Ltd. (China): commence operation of waste water electrolysis equipment Wuxi Advanced Kayaku Chemical Co., Ltd (China): expand scale of activated sludge treatment equipment and prepare for the introduction of new products 	<ul style="list-style-type: none"> Measures to remove pigments from wastewater while reducing COD: Zhaoyuan Advanced Chemical Co., Ltd. (China): installed absorption cohesion treatment equipment; reduced COD and dye levels; responded to new wastewater standards Wuxi Advanced Kayaku Chemical Co., Ltd (China): improved activated sludge removal rate by investing in chemical treatment facilities handling pre-treatment → completed preparations for wastewater measures related to new products to be introduced in the next 5 years 	◎
		Reduce emissions of chemical substances	<ul style="list-style-type: none"> Mid-term environmental targets up to FY 2020 VOC emissions: reduce annual aggregate emissions of all organic chemical compounds released into the atmosphere to 45 tons or less (applicable not only to those compounds stipulated by government or JClA regulations) COD emissions: hold to 180 tons or less annually 	<ul style="list-style-type: none"> Results (in-progress) up to FY 2012: VOC emission: 81.4 tons (11.1% reduction over 92 tons last FY) COD emissions: 124.1 tons (no YoY change) 	○
		Minimize production of wastes	<ul style="list-style-type: none"> Mid-term environmental targets up to FY 2020 Total waste produced: 30,000 tons or less Total landfill waste produced: 3% or lower zero emission rate Improve recycling rate: 70% or better 	<ul style="list-style-type: none"> Results (in-progress) up to FY 2012: Total waste produced: 20,423 tons (8.4% reduction over 22,298 tons last FY) Total landfill waste produced: 7.9% zero emission rate (5.2% decrease over the 13.1% rate last FY) Recycling rate improvement: 61.8% (2.8% worse than the 63.5% rate last FY) 	○
		Prevent global warming	<ul style="list-style-type: none"> Mid-term environmental targets up to FY 2020 Achieve a 15% reduction (over FY 1990 levels) of energy-derived CO₂ emissions, including business office divisions 	<ul style="list-style-type: none"> Results (in-progress) up to FY 2012: Energy derived CO₂ emissions, including business office divisions: 729,00 tons or a 24.2% reduction over FY 1990 levels (3.8% decrease over 758,00 tons last FY) 	○
Financial Responsibility CSR Activities	Customers	Develop products that benefit patients	<ul style="list-style-type: none"> NK105 polymeric micelle anti-cancer drug: commence phase III trial; NK012: complete phase I and plan phase II Biosimilars: prepare for application and formulate plans for phase I/II comparative clinical trials Embolc microspheres products: follow up on application for marketing approval 	<ul style="list-style-type: none"> Commenced phase III trial for NK105 polymeric micelle anti-cancer drug Biosimilars: preparing for marketing approval (application submitted in September 2013) Embolc microspheres products: applied for marketing approval (marketing approval received in June 2013) 	○
		Increase number of environmentally friendly products	<ul style="list-style-type: none"> Functional chemical products: achieve a 2% year-on-year increase in net sales of ecofriendly semiconductor encapsulation materials 	<ul style="list-style-type: none"> Ratio of ecofriendly materials (including ecofriendly semiconductor encapsulation materials) in relation to total sales of epoxy resin-related products: 70.1% (approx. 5% YoY increase) 	○
		Automotive safety parts	<ul style="list-style-type: none"> Automotive safety parts: set targets for weight reduction for each part and continue moving forward with development 	<ul style="list-style-type: none"> Developed new products (the first of which is scheduled for launch in FY 2013) through SE (Simultaneous Engineering) 	○
		Review new agrochemicals that use food additives for ingredients	<ul style="list-style-type: none"> Review new agrochemicals that use food additives for ingredients 	<ul style="list-style-type: none"> Proceeded with development of insecticides that work by obstructing the spiracles (respiratory organs) of insects 	○
		Enhance information disclosure practices	<ul style="list-style-type: none"> Use the new cancer-specialist MR system and boost the level of MR competency Establish a framework for promptly responding to drug side effect issues using the new information devices 	<ul style="list-style-type: none"> Began operation of a specialist MR training system Established and began operating a framework for promptly responding to drug side effect issues using new information devices 	○
		Provide the best products to customers	<ul style="list-style-type: none"> High-level complaints (claims with damages amounting to ¥10 million or greater): zero High-level quality process mishaps (incidents with damages amounting to ¥10 million or greater): zero 	<ul style="list-style-type: none"> High-level (those of ¥10 million or greater) complaints: 1 High-level (those of ¥10 million or greater) quality process mishaps: 1 	△
	Develop products gentle on the users	<ul style="list-style-type: none"> Contribute to enhancing technology for further safeguarding vehicle passengers and pedestrians through the development of gas projection devices for use in pop-up engine hoods and seat lifting mechanisms 	<ul style="list-style-type: none"> Gas projection devices for pop-up engine hoods: 2 products brought to market 	○	
Shareholders	Boost information dissemination and continue information disclosure	<ul style="list-style-type: none"> Continue holding appropriate financial results briefings, responding to interview requests, and disclosing information to further earn the confidence of shareholders 	<ul style="list-style-type: none"> Held two financial results briefings, responded to interview requests, and disclosed information on the Company website 	○	

◎ : target achieved ○ : almost achieved △ : under-going efforts toward improvement