

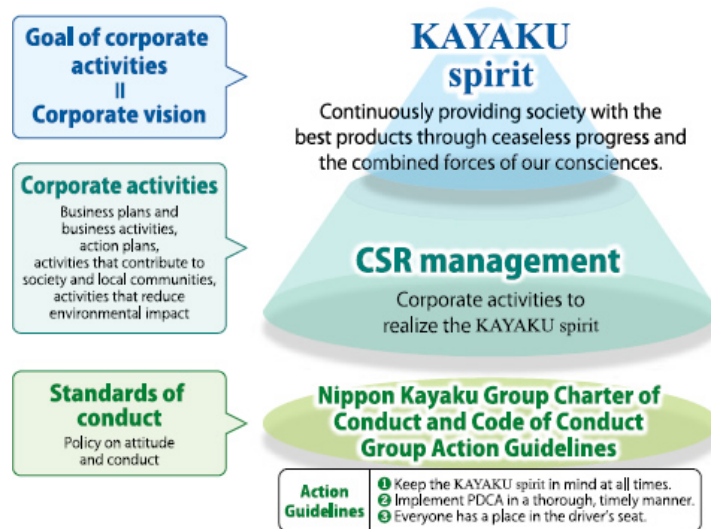


## Corporate Vision and CSR Activities

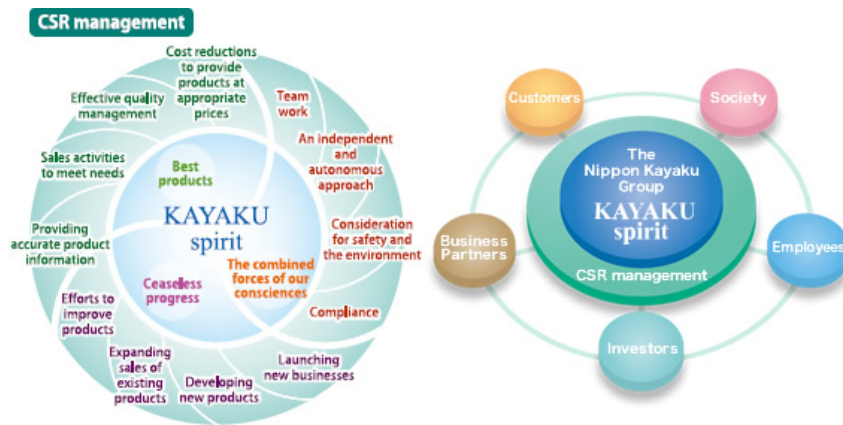
The Nippon Kayaku Group is implementing CSR management that fosters trust among all stakeholders through its focus on the KAYAKU spirit, which calls for "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences."

### 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.



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



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

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 structure that can monitor all of our business activities from a CSR perspective. Additionally, we have formulated a mid-term CSR action plan linked to our mid-term business plan to integrate our business strategy and CSR activities. This plan has been released to the public and we are currently carrying out the PDCA cycle for its implementation.

We hold dozens of CSR and compliance training sessions throughout the year in order to educate all Nippon Kayaku Group employees about CSR management and to ensure that executive management and the heads of business sites spread awareness of CSR to achieve an integrated approach to reaching our goals. We launched an organization-wide internal project to promote company-wide CSR initiatives. In addition, we have launched a trial program where the excellent initiatives of group companies are shared across the entire Nippon Kayaku Group.



## Mid-term CSR Action Plan and Corporate Image

We have compiled a Mid-term CSR Action Plan for the period of the Mid-term Business Plan "Challenge 100A!" to clarify the relationship between our approach to CSR management and the Mid-term Business Plan. In addition, we have created a new corporate image as "Smart Chemicals Company". This means that we will strive to develop smart products that are considerate of the environment and management the company in a smart manner.



KAYAKU spirit training

### Raising Awareness About the KAYAKU spirit at KSM Implementation of Corporate Vision KAYAKU spirit

Since KSM\*1 was founded in 2007, we have respected Japanese and Mexican culture and at the same time we have defined our own culture, incorporating the best of both. In 2011, we received information in English about the KAYAKU spirit, our corporate vision, from Nippon Kayaku, and then had it translated into Spanish.

We started to implement the KAYAKU spirit, putting into practice techniques where employees could not only listen, but rather participate actively in the process. These activities have included: showing videos during monthly training about related topics and interactive games to reinforce understanding. Once the employees understood, we decided to go to the next level by carrying the KAYAKU spirit to teamwork, generating commitment between all departments.



David Gutierrez / Sabel Cedillo Ayala

From 2013, we decided that the KAYAKU spirit should be extended to families of employees and society, through activities such as family events as well as donations of wheelchairs, toys, and clothing to support the community.

Today, we have a monthly training plan for the KAYAKU spirit. In the case of new personnel, we explain about this topic during the orientation process. Also, we have generated more media communication. Definitely, a key point for the implementation process has been our people, including their commitment with the company and with our products. Another key point has been the support of the senior management and managers.

We have seen the benefits that the KAYAKU spirit brings, such as a better work environment, low turnover and low absenteeism, and a shared commitment. We recognize that the KAYAKU spirit is not just a vision or concept, but rather a lifestyle.

\*1 [KSM] Kayaku Safety Systems de Mexico, S.A. de C.V.

Producer and seller of automobile safety components located in Monterrey, Mexico

