



CSR Action Plan

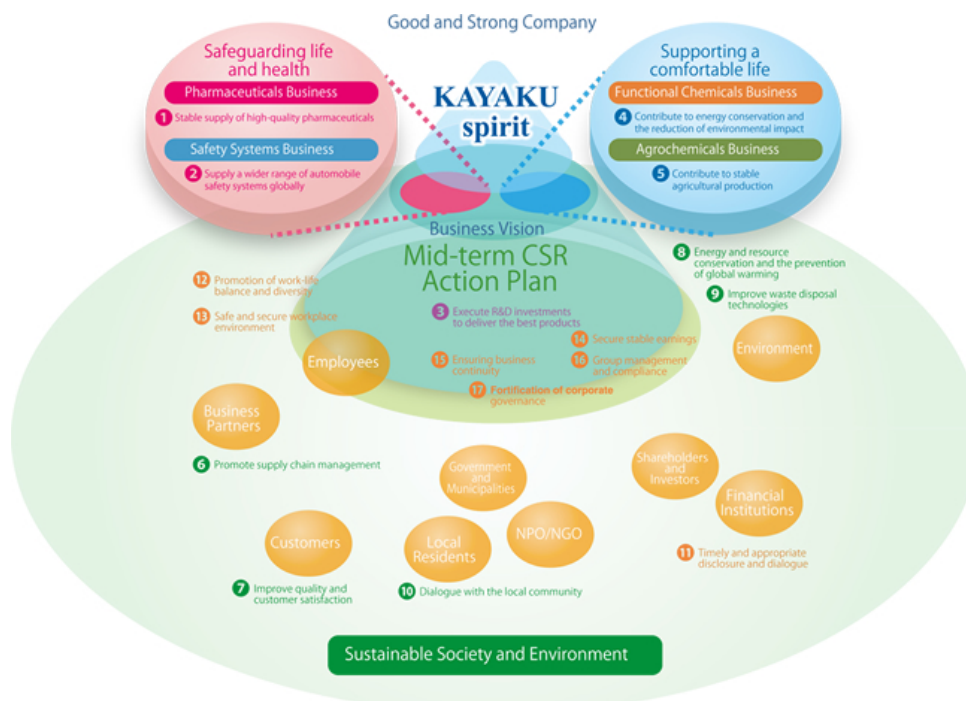
The Nippon Kayaku Group practices CSR management by realizing the KAYAKU spirit, which calls for "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences." The following section provides a closer look at the CSR Action Plan and how it is linked to our business activities.

Mid-term CSR Action Plan

The Nippon Kayaku Group has created a Mid-term CSR Action Plan 2016–2018 that is closely linked with the three-year mid-term business plan "Take a New Step 2016," launched on April 1, 2016, which contains the message "Coinciding with the centennial of our company's founding, we are on the verge of taking a new and innovative step forward."

Our goal is to realize the mid-term business vision, "Continuing to provide the best products, technologies, and services that safeguard the life and health of consumers, and support a comfortable life" through our four business segments, while creating a better and stronger company that contributes to a sustainable society and environment.

The Mid-term CSR Action Plan represents a total of 17 items carefully selected as a consensus of the Nippon Kayaku Group from the more than 400 action plans submitted by each business division, including administrative divisions, and consolidated subsidiary.



Please see the following table "Mid-term CSR Action Plan 2016–2018" for details about each action plan. The numerical data within the table matches

each item of the action plan.

Mid-term CSR Action Plan 2016 – 2018 and FY 2016 CSR Action Plan

Take a New Step 2016

Mid-term CSR Action Plan 2016-2018

No.	Mid-term CSR Action Plan 2016-2018	CSR Action Plan 2016
Safeguarding life and health	1. Contribute to society by promoting innovations using our technological expertise, and by stably supplying high-quality pharmaceuticals coupled with truly reliable information	Proceed with development of polymeric micelle anti-cancer drugs Develop and launch generic anti-cancer drugs without delay and supply monoclonal antibody biosimilar treatments
	2. Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety	Governed by safe operations, increase our Japanese and overseas production capacity as scheduled, and deliver high-quality products to global markets Implement next-generation designs, production, and sales that suit growing needs in global markets as planned
	3. Contribute to society, safeguard the life and health of the public, and support a comfortable life by executing R&D investments to consistently deliver the best products	Create new products and businesses by implementing R&D investments, coordinating and integrating group intellectual assets and technologies, and promoting open innovations with parties outside the company Create, protect, and use intellectual assets and establish a global management system
Supporting a comfortable life	4. Supply society with functional chemicals that help reduce environmental impact and conserve on energy usage	Promote business development of epoxy resins and industrial-use inkjet colorants that contribute to reducing environmental impact and energy usage, and develop and launch high-performance catalysts used to manufacture Acrylic acid
	5. Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers	Gear up for launch of new insecticides, develop a unique formulation using formulation technologies, and expand applications for existing products
Contributing to the development of a sustainable society and environment	6. Promote supply chain management	Maintain a stable supply chain and alleviate procurement risks through the promotion of CSR procurement, while promoting improved quality and proper purchasing
	7. Promote the additional improvement of customer satisfaction of product quality	Continue to implement activities to maintain our record of zero serious customer complaints (5-Whys analysis, cross-organizational sharing of case studies, preventing human error, etc.) Strengthen global quality assurance system in the safety systems business
	8. Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming	Promote initiatives for achieving our FY2020 mid-term environmental targets Promote initiatives to reduce our energy consumption per unit by more than 1% each year
	9. Improve environmental preservation technologies for water treatment	Review existing wastewater treatment technologies, including those at group companies, and seek out new treatment technologies
	10. Contribute to coexistence with the local society through communication with its residents	Continue to hold events, such as plant festivals, local community socials, local cleanup activities, Pink Ribbon Campaign, and interactive events for children at each of our locations and operate Asunaro house
Represent the embodiment of a good and strong company	11. Carry out dialogues with stakeholders by providing appropriate information in a timely manner	Increase both disclosure of non-financial information for stakeholders, and dialogue with shareholders and investors, to promote mutual understanding Timely and appropriate disclosure of financial information and preparations to introduce IFRS*
	12. Provide a work environment that focuses on respect for human rights and works-life balance, and promote HR training and diversity	Foster an environment conducive for diverse human resources to play an active role, and implement HR training (conform with the law to promote the active role of women in the workplace, global HR training, training to pass on and develop manufacturing technologies, etc.) Promote initiatives conducted in accordance with the Act on Advancement of Measures to Support Raising Next-Generation Children (support for child-rearing and nursing care, encourage men to participate in child rearing, reduction of overtime, improvement of the paid leave acquisition rate, etc.)
	13. Maintain a safe and secure work environment that is free of accidents and work-related disasters	Promote health management that takes into account employee occupational safety and health (continuing mental health training, implementing stress check-ups, developing data health plans, etc.) Continue to conduct activities for preventing accidents and disasters in advance (pre-drills, safety inspections, plant inspections by managers, employee trainings, etc.)
	14. Secure stable earnings as a corporate group with growth potential	Carry out health and safety activities at group companies in accordance with the Nippon Kayaku Group FY 2016 Responsible Care Policy Optimally allocate management resources, improve capital efficiency, and carry out business operations that focus on earnings improvement
	15. Maintain business continuity even during an emergency	Implement training adapted for the yield and review the BCP manual
	16. Instill CSR management throughout the group and continue to fully implement compliance	Continue to implement CSR and compliance training, which includes training for employees at group companies Comply with local laws in each country/region, and quickly and properly address legal revisions
	17. Fortify corporate governance throughout the group	Promote measures in accordance with the revised Companies Act and the Corporate Governance Code Continue to implement and strengthen systems of internal control and risk management (Top 5 risk control activities), as well as follow-up and improve on the effectiveness of internal audits Establish an information security system to strengthen corporate information management

*IFRS (International Financial Reporting Standards): Accounting standards issued by the International Accounting Standards Board (IASB)

Mid-term CSR Action Plan 2016 – 2018 

Mid-Term CSR Action Plan 2016–2018 for ISO26000 Core Subjects

The Nippon Kayaku Group has created a table of correspondence between the 37 Core Issues of ISO26000 and our each item of Mid-Term CSR Action Plan 2016–2018.

Take a New Step 2016
Mid-Term CSR Action Plan 2016-2018 for ISO26000 Core Subjects

No.	Mid-term CSR Action Plan 2016-2018	For identified products	ISO26000 Core Subjects and Related Issues													
			1	2	3	4	5	6	7	8	9	10	11	12		
Safeguarding life and health	1. Contribute to society by promoting innovations using our technological expertise, and by stably supplying high-quality pharmaceuticals coupled with truly reliable information															
	2. Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety															
	3. Contribute to society, safeguard the life and health of the public, and support a comfortable life by executing R&D investments to consistently deliver the best products															
	4. Supply society with functional chemicals that help reduce environmental impact and conserve on energy usage															
	5. Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers															
Supporting a comfortable life	6. Promote supply chain management															
	7. Promote the additional improvement of customer satisfaction of product quality															
	8. Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming															
	9. Improve environmental preservation technologies for water treatment															
	10. Contribute to coexistence with the local society through communication with its residents															
Contributing to the development of a sustainable society and environment	11. Carry out dialogues with stakeholders by providing appropriate information in a timely manner															
	12. Provide a work environment that focuses on respect for human rights and works-life balance, and promote HR training and diversity															
	13. Maintain a safe and secure work environment that is free of accidents and work-related disasters															
	14. Secure stable earnings as a corporate group with growth potential															
	15. Maintain business continuity even during an emergency															
	16. Instill CSR management throughout the group and continue to fully implement compliance															
	17. Fortify corporate governance throughout the group															

Mid-Term CSR Action Plan 2016–2018 for ISO26000 Core Subjects 

Results of MID-TERM CSR ACTION PLAN 2013-2015 and Results of FY 2015 CSR Action Plan

This page contains efforts results and self assessment of the three-year Mid-term CSR Action Plan 2013-2015 **Challenge 100A!** and also contains efforts results and self assessment of the fiscal 2015 CSR Action Plan.

Results of the three-year Mid-term CSR Action Plan 2013 - 2015

Challenge 100A! MID-TERM CSR ACTION PLAN 2013-2015 ASSESSMENT

Category	No.	Challenge 100A! / MID-TERM CSR ACTION PLAN	Challenge 100B! / Results of MID-TERM CSR ACTION PLAN 2013-2015 Initiatives (total 3-year statistics)	Self-assessment
Foundation	1	Improve employee awareness of CSR and compliance	<ul style="list-style-type: none"> CSR training implemented 65 times for more than 1,000 employees Group-wide Compliance training following different themes each year, implemented 146 sessions for 9,600 employees Group-wide Implemented annual compliance awareness surveys in order to assess the status quo and enact concrete measures 	***
	2	Assure business continuity during the event of an emergency	<ul style="list-style-type: none"> Implemented BCP training in the Pharmaceuticals Group, Safety Systems Group, and Agrochemicals Group. Established a BCP Manual more conducive to implementation Established an IT Manual, structured IT systems to be earthquake resistant, ensured usability and recoverability by adopting virtualization technologies, and guaranteed data through remote storage of backups 	**○
	3	Strictly adhere to regulations on chemical substances	<ul style="list-style-type: none"> Established, thoroughly utilized, and implemented training for systems such as a Chemical Substance Management Database Number of major violations related to chemical product laws and regulations, Zero 	***
	4	Continue to make societal contributions through research, development, and provision of product information on cancer and cancer-related fields	<ul style="list-style-type: none"> Brought two embolic microsphere products to market and increased the breadth of IVR treatments, which led to increasing treatment options Proceeded with development of polymeric micelle anti-cancer drugs 	**○
Social Responsibility	5	Thoroughly ensure the education of employees in knowledge and skills related to handling explosives	<ul style="list-style-type: none"> Followed through with plans to train 123 employees in order to thoroughly ensure the education of employees in knowledge and skills related to handling explosives 	**○
	6	Continue conducting onsite instruction efforts for safe agrochemical use	<ul style="list-style-type: none"> Managers held briefing sessions in each of their regions. Number of major violations or accidents due to incorrect use, Zero 	***
	7	Promote CSR procurement in cooperation with suppliers	<ul style="list-style-type: none"> Prepared and published a CSR Procurement Guidebook specifying a purchasing philosophy, basic purchasing policies, and guidelines for CSR procurement Working from the perspective of ensuring stable supply and quality, began efforts to build collaborative relationships with suppliers 	***
	8	Work toward preventative measures against environmental impacts and occupational injuries from major accidents	<ul style="list-style-type: none"> At each business site, continued to implement various initiatives such as safety training, risk assessments, near miss training, and the "pausing and calling" occupational safety method Major accidents, Zero cases, lost worktime accidents, 6 cases 	○(○)
	9	Reduce customer complaints and quality process mishaps	<ul style="list-style-type: none"> Created Nippon Kayaku "Why Why" Analysis Manual, which were posted in each plant and distributed to overseas Group companies. Strengthened workplace competence Series customer complaints, 4 serious quality process defects, 4 	**○(○)
	10	Communicate with the local community	<ul style="list-style-type: none"> Aquiras House, used by over 100 families each year Continued to carry out Pink Ribbon Campaign, plant festivals, local community socials, etc. As educational CSR events, offered chemistry experiment shows to local children at each business site 	***
	11	Provide timely and appropriate disclosure of information to stakeholders	<ul style="list-style-type: none"> Made our Annual Report, CSR Report, website and other necessary information available in a timely manner Improved timely disclosure and transparency by formulating and disseminating Group accounting policy rules, revising the adoption of IFRS (International Financial Reporting Standards), creating documentation for profit shifting, etc. 	**○(○)
	12	Utilize and foster diverse human capital	<ul style="list-style-type: none"> Accompanying the Act of Promotion of Women's Participation and Advancement in the Workplace, began plans to analyze current challenges and formulate an action plan Provided just male female participation and the appropriate living of non-full-time workers (part-time, senior, and temporary workers), and responded to revised labor laws and regulations Exchanged employees globally and promoted skills growth 	***
	13	Give due consideration to employee health and safety, and provide a working environment that allows for a good work-life balance	<ul style="list-style-type: none"> Implemented and thoroughly promoted mental health and health checks, while also establishing an implementation framework for stress check-ups Improved utilization rate of paid leave as part of improving employee work-life balance, while also continuing to promote the reduction of overtime hours 	**○(○)
	14	Protect human rights and privacy	<ul style="list-style-type: none"> Through compliance training, etc. improved awareness of privacy and human rights Worked to publicize and promote the whistleblower hotline. Responded promptly and appropriately to hotline reports (Group-wide awareness rate: approx. 90%) 	***
Environmental Responsibility	15	Expand our green procurement ratio	<ul style="list-style-type: none"> Endeavored to improve the operability of our indirect materials purchasing system. Achieved an 8% proportion of indirect materials purchased with consideration of environmental burdens 	**○(○)
	16	Achieve mid-term environmental targets with due consideration of the environment	<ul style="list-style-type: none"> Continued to implement initiatives at each business site while working to achieve mid-term environmental targets (for fiscal 2020) A portion of those items were not achieved (year-by-year data disclosed on the Nippon Kayaku website) 	**○(○)
	17	Improve waste water treatment technology and respond to environmental regulations	<ul style="list-style-type: none"> Increased the efficiency of activated sludge treatment and established wastewater treatment technology such as removing specific heavy metals, etc. 	**○(○)
Economic Responsibility	18	Strive to be a business with ever lower energy consumption	<ul style="list-style-type: none"> Systematically implemented energy efficiency checks and adopted energy saving equipment Achieved reductions and a 3-year average energy efficiency intensity of 34.3% 	***
	19	Assure stable earnings as a sustainable business group	<ul style="list-style-type: none"> Group-wide, adopted a mid- and long-term priority issue system and implemented an evaluation system based on it Implemented initiatives toward appropriate inventory management cognizant of the BCP Systematically sold off unused real estate and boosted the efficiency of assets 	**○(○)
	20	Launch products that contribute to the environment and to energy conservation	<ul style="list-style-type: none"> Expanded the marketing and application of Freelux reflective film to sunglasses. Promoted its expansion to other applications as well 	**○(○)
	21	Provide high quality pharmaceutical products that reduce economic burdens	<ul style="list-style-type: none"> Brought to market without delay high quality, low financial burden pharmaceutical products, including two bisimilar antibody drugs, generic anti-cancer drugs, etc. 	**○(○)
	22	Roll out low-cost automobile safety devices, using our proprietary technologies, to a global market in order to contribute to protecting lives	<ul style="list-style-type: none"> Established new business bases in major SE Asian markets and boosted the capacity of existing bases in order to strengthen our global presence Responded to increasing demands for safety devices needed in car-dependent societies around the world 	**○(○)
	23	Ensure the continued existence of manufacturing plants by handing down Japan's "monozukuri" technology	<ul style="list-style-type: none"> Held, as planned, a variety of presentations, study sessions, and meetings for each group of managers Implemented production technology training by veteran employees and strove to maintain and pass on the technologies of production plants 	**○(○)
	24	Produce and implement sustainable research programs	<ul style="list-style-type: none"> Established the Center for Innovative Research Started new joint research projects with overseas Group companies Promoted multiple joint research projects with groups outside the Company 	**○(○)

Future response for ★ items

1. ○ ○ ○ ★ ○ ○ We will strengthen instruction so that various safety activities can be incorporated into actual work. As traffic accident prevention measures, we will strengthen training for new employees and offer parking practice.

2. ○ ○ ○ ★ ○ ○ We will further disseminate the Nippon Kayaku "Why Why" Analysis Manual and work to prevent serious complaints and quality process accidents before they occur. We will roll these out to overseas Group companies as well.

Results of the three-year Mid-term CSR Action Plan PDF

Results of FY 2015 CSR Action Plan

Challenge 1001 / MID-TERM CSR ACTION PLAN & FY 2015 ASSESSMENT

Category	Item	2015 CSR Action Plan	Assessment Results	Target achieved	Actual achieved	Undergoing which kind of improvement	Not achieved
Environment	1	Reduce CO2 emissions by 10% compared to FY2014	CO2 emissions (Scope 1 and 2) decreased by 10.5% compared to FY2014.	100%	105%		
	2	Reduce water consumption by 5% compared to FY2014	Water consumption (Scope 1) decreased by 5.2% compared to FY2014.	100%	102%		
	3	Reduce waste generation by 5% compared to FY2014	Waste generation (Scope 1) decreased by 5.8% compared to FY2014.	100%	108%		
	4	Reduce energy consumption by 5% compared to FY2014	Energy consumption (Scope 1) decreased by 5.1% compared to FY2014.	100%	101%		
	5	Reduce greenhouse gas emissions by 10% compared to FY2014	Greenhouse gas emissions (Scope 1 and 2) decreased by 10.3% compared to FY2014.	100%	103%		
	6	Reduce hazardous waste generation by 5% compared to FY2014	Hazardous waste generation (Scope 1) decreased by 5.5% compared to FY2014.	100%	105%		
	7	Reduce water consumption in production sites by 5% compared to FY2014	Water consumption in production sites (Scope 1) decreased by 5.3% compared to FY2014.	100%	103%		
	8	Reduce energy consumption in production sites by 5% compared to FY2014	Energy consumption in production sites (Scope 1) decreased by 5.2% compared to FY2014.	100%	102%		
	9	Reduce greenhouse gas emissions in production sites by 10% compared to FY2014	Greenhouse gas emissions in production sites (Scope 1 and 2) decreased by 10.4% compared to FY2014.	100%	104%		
	10	Reduce hazardous waste generation in production sites by 5% compared to FY2014	Hazardous waste generation in production sites (Scope 1) decreased by 5.6% compared to FY2014.	100%	106%		
Human Resources	1	Improve employee satisfaction by 5% compared to FY2014	Employee satisfaction score increased by 5.2% compared to FY2014.	100%	102%		
	2	Reduce employee turnover rate by 5% compared to FY2014	Employee turnover rate decreased by 5.1% compared to FY2014.	100%	101%		
	3	Improve training hours per employee by 5% compared to FY2014	Training hours per employee increased by 5.3% compared to FY2014.	100%	103%		
	4	Improve diversity ratio by 5% compared to FY2014	Diversity ratio increased by 5.4% compared to FY2014.	100%	104%		
	5	Improve safety performance by 5% compared to FY2014	Safety performance score increased by 5.5% compared to FY2014.	100%	105%		
	6	Improve health and safety performance by 5% compared to FY2014	Health and safety performance score increased by 5.6% compared to FY2014.	100%	106%		
	7	Improve work environment by 5% compared to FY2014	Work environment score increased by 5.7% compared to FY2014.	100%	107%		
	8	Improve employee engagement by 5% compared to FY2014	Employee engagement score increased by 5.8% compared to FY2014.	100%	108%		
	9	Improve employee satisfaction in production sites by 5% compared to FY2014	Employee satisfaction in production sites score increased by 5.9% compared to FY2014.	100%	109%		
	10	Improve employee turnover rate in production sites by 5% compared to FY2014	Employee turnover rate in production sites decreased by 6.0% compared to FY2014.	100%	110%		
Community Relations	1	Improve community contribution by 5% compared to FY2014	Community contribution score increased by 5.1% compared to FY2014.	100%	101%		
	2	Improve social contribution by 5% compared to FY2014	Social contribution score increased by 5.2% compared to FY2014.	100%	102%		
	3	Improve environmental contribution by 5% compared to FY2014	Environmental contribution score increased by 5.3% compared to FY2014.	100%	103%		
	4	Improve economic contribution by 5% compared to FY2014	Economic contribution score increased by 5.4% compared to FY2014.	100%	104%		
	5	Improve cultural contribution by 5% compared to FY2014	Cultural contribution score increased by 5.5% compared to FY2014.	100%	105%		
	6	Improve sports contribution by 5% compared to FY2014	Sports contribution score increased by 5.6% compared to FY2014.	100%	106%		
	7	Improve social contribution in production sites by 5% compared to FY2014	Social contribution in production sites score increased by 5.7% compared to FY2014.	100%	107%		
	8	Improve environmental contribution in production sites by 5% compared to FY2014	Environmental contribution in production sites score increased by 5.8% compared to FY2014.	100%	108%		
	9	Improve economic contribution in production sites by 5% compared to FY2014	Economic contribution in production sites score increased by 5.9% compared to FY2014.	100%	109%		
	10	Improve cultural contribution in production sites by 5% compared to FY2014	Cultural contribution in production sites score increased by 6.0% compared to FY2014.	100%	110%		

Legend: 100% (Target achieved), 100% (Actual achieved), Undergoing which kind of improvement, Not achieved

Notes: 1. Data is based on FY2015. 2. Data is based on FY2015. 3. Data is based on FY2015. 4. Data is based on FY2015. 5. Data is based on FY2015. 6. Data is based on FY2015. 7. Data is based on FY2015. 8. Data is based on FY2015. 9. Data is based on FY2015. 10. Data is based on FY2015.

Results of FY 2015 CSR Action Plan 



Adobe Reader is required to view files in PDF format.
If you do not have Adobe Reader, click on the icon on the left and start downloading.

Challenge 100A ! MID-TERM CSR ACTION PLAN 2013-2015 ASSESSMENT

<Assessment levels> Target achieved: ★★★ Almost achieved: ★★☆ Under-going efforts toward improvement: ★☆☆ Not achieved: ☆☆☆

Category	No.	Challenge 100A ! MID-TERM CSR ACTION PLAN	Challenge 100A ! Results of MID-TERM CSR ACTION PLAN 2013-2015 Initiatives (total 3-year statistics)	Self-assessment
Foundational	1	Improve employee awareness of CSR and compliance	<ul style="list-style-type: none"> CSR training: implemented 65 times for more than 1,000 employees Group-wide Compliance training: following different themes each year, implemented 166 sessions for 9,600 employees Group-wide Implemented annual compliance awareness surveys in order to assess the status quo and enact concrete measures 	★★★
	2	Assure business continuity during the event of an emergency	<ul style="list-style-type: none"> Implemented BCP training in the Pharmaceuticals Group, Safety Systems Group, and Agrochemicals Group. Established a BCP Manual more conducive to implementation Established an IT Manual, structured IT systems to be earthquake resistant, ensured usability and recoverability by adopting virtualization technologies, and guaranteed data through remote storage of backups 	★★☆
Social Responsibility	3	Strictly adhere to regulations on chemical substances	<ul style="list-style-type: none"> Established, thoroughly utilized, and implemented training for systems such as a Chemical Substance Management Database Number of major violations related to chemical product laws and regulations: Zero 	★★★
	4	Continue to make societal contributions through research, development, and provision of product information on cancer and cancer-related fields	<ul style="list-style-type: none"> Brought two embolic microsphere products to market and increased the breadth of IVR treatments, which contributed to increasing treatment options Proceeded with development of polymeric micelle anti-cancer drugs 	★★☆
	5	Thoroughly ensure the education of employees in knowledge and skills related to handling explosives	<ul style="list-style-type: none"> Followed through with plans to train 123 employees in order to thoroughly ensure the education of employees in knowledge and skills related to handling explosives 	★★☆
	6	Continue conducting onsite instruction efforts for safe agrochemical use	<ul style="list-style-type: none"> Managers held briefing sessions in each of their regions. Number of major violations or accidents due to incorrect use: Zero 	★★★
	7	Promote CSR procurement in cooperation with suppliers	<ul style="list-style-type: none"> Prepared and published a CSR Procurement Guidebook specifying a purchasing philosophy, basic purchasing policies, and guidelines for CSR procurement Working from the perspective of ensuring stable supply and quality, began efforts to build collaborative relationships with suppliers 	★★★
	8	Work toward preventative measures against environmental impacts and occupational injuries from major accidents	<ul style="list-style-type: none"> At each business site, continued to implement various initiatives such as safety training, risk assessments, near-miss training, and the "pointing and calling" occupational safety method Major accidents: Zero cases, lost worktime accidents: 6 cases 	★☆☆
	9	Reduce customer complaints and quality process mishaps	<ul style="list-style-type: none"> Created Nippon Kayaku "Why Why" Analysis Manual, which were posted in each plant and distributed to overseas Group companies. Strengthened workplace competence Serious customer complaints: 4, serious quality process defects: 4 	★☆☆
	10	Communicate with the local community	<ul style="list-style-type: none"> Asunaro House: used by over 100 families each year Continued to carry out Pink Ribbon Campaign, plant festivals, local community socials, etc. As educational CSR events, offered chemistry experiment shows to local children at each business site 	★★★
	11	Provide timely and appropriate disclosure of information to stakeholders	<ul style="list-style-type: none"> Made our Annual Report, CSR Report, website and other necessary information available in a timely manner Improved timely disclosure and transparency by formulating and disseminating Group accounting policy rules, reviewing the adoption of IFRS (International Financial Reporting Standards), creating documentation for profit shifting, etc. 	★★☆
	12	Utilize and foster diverse human capital	<ul style="list-style-type: none"> Accompanying the Act of Promotion of Women's Participation and Advancement in the Workplace, began plans to analyze current challenges and formulate an action plan Promoted joint male-female participation and the appropriate hiring of non-full-time workers (part-time, senior, and temporary workers), and responded to revised labor laws and regulations Exchanged employees globally and promoted skills growth 	★★★
	13	Give due consideration to employee health and safety, and provide a working environment that allows for a good work-life balance	<ul style="list-style-type: none"> Implemented and thoroughly promoted mental health and health checks, while also establishing an implementation framework for stress check-ups Improved utilization rate of paid leave as part of improving employee work-life balance, while also continuing to promote the reduction of overtime hours 	★★☆
	14	Protect human rights and privacy	<ul style="list-style-type: none"> Through compliance training, etc. improved awareness of privacy and human rights Worked to publicize and promote the whistleblower hotline. Responded promptly and appropriately to hotline reports (Group-wide awareness rate: approx. 90%) 	★★★
Environmental Responsibility	15	Expand our green procurement ratio	<ul style="list-style-type: none"> Endeavored to improve the operability of our indirect materials purchasing system. Achieved an 8% proportion of indirect materials purchased with consideration of environmental burdens. 	★★☆
	16	Achieve mid-term environmental targets with due consideration of the environment	<ul style="list-style-type: none"> Continued to implement initiatives at each business site while working to achieve mid-term environmental targets (for fiscal 2020) A portion of these items were not achieved (year-by-year data disclosed on the Nippon Kayaku website) 	★★☆
	17	Improve waste water treatment technology and respond to environmental regulations	<ul style="list-style-type: none"> Increased the efficiency of activated sludge treatment and established wastewater treatment technology such as removing specific heavy metals, etc. 	★★☆
	18	Strive to be a business with ever lower energy consumption	<ul style="list-style-type: none"> Systematically implemented energy efficiency checks and adopted energy saving equipment Achieved reductions and a 5-year average energy efficiency intensity of 98.3% 	★★☆
Economic Responsibility	19	Assure stable earnings as a sustainable business group	<ul style="list-style-type: none"> Group-wide, adopted a mid- and long-term priority issue system and implemented an evaluation system based on it Implemented initiatives toward appropriate inventory management cognizant of the BCP Systematically sold off unused real estate and boosted the efficiency of assets 	★★☆
	20	Launch products that contribute to the environment and to energy conservation	<ul style="list-style-type: none"> Expanded the marketing and application of Frelux reflective film to sunglasses. Promoted its expansion to other applications as well 	★★☆
	21	Provide high quality pharmaceutical products that reduce economic burdens	<ul style="list-style-type: none"> Brought to market without delay high-quality, low financial burden pharmaceutical products, including two biosimilar antibody drugs, generic anti-cancer drugs, etc. 	★★☆
	22	Roll out low-cost automobile safety devices, using our proprietary technologies, to a global market in order to contribute to protecting lives	<ul style="list-style-type: none"> Established new business bases in major SE Asian markets and boosted the capacity of existing bases in order to strengthen our global presence Responded to increasing demands for safety devices needed in car-dependent societies around the world 	★★☆
	23	Ensure the continued existence of manufacturing plants by handing down Japan's "monozukuri" technology	<ul style="list-style-type: none"> Held, as planned, a variety of presentations, study sessions, and meetings for each group of managers Implemented production technology training by veteran employees and strove to maintain and pass on the technologies of production plants 	★★☆
	24	Produce and implement sustainable research programs	<ul style="list-style-type: none"> Established the Center for Innovative Research Started two new joint research projects with overseas Group companies Promoted multiple joint research projects with groups outside the Company 	★★☆

Future response for ★☆☆ items

- 8 . . . ★☆☆ We will strengthen instruction so that various safety activities can be incorporated into actual work. As traffic accident prevention measures, we will strengthen training for new employees and offer parking practice.
- 9 . . . ★☆☆ We will further disseminate the Nippon Kayaku "Why Why" Analysis Manual and work to prevent serious complaints and quality process accidents before they occur. We will roll these out to overseas Group companies as well.

Mid-Term CSR Action Plan 2016-2018 for ISO26000 Core Subjects

	No	Mid-term CSR Action Plan 2016-2018	ISO26000 Core Subjects and Related Issues																		
			Organizational governance	Human rights							Labor practices					The environment					
			Decision-making processes and structure	Due diligence	Human rights risk situations	Avoidance of complicity	Resolving grievances (**N/A)	Discrimination and vulnerable groups	Civil and political rights	Economic, social and cultural rights	Fundamental principles and rights at work	Employment and employment relationships	Conditions of work and social protection	Social dialogue (**N/A)	Health and safety at work	Human development and training in the workplace	Prevention of pollution	Sustainable resource use	Climate change mitigation and adaptation	Protection of the environment, biodiversity and restoration of natural habitats	
Safeguarding life and health	1	Contribute to society by promoting innovations using our technological expertise, and by stably supplying high-quality pharmaceuticals coupled with truly reliable information																			
	2	Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety																			
	3	Contribute to society, safeguard the life and health of the public, and support a comfortable life by executing R&D investments to consistently deliver the best products																			
Supporting a comfortable life	4	Supply society with functional chemicals that help reduce environmental impact and conserve on energy usage																	○	○	
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers																	◎	◎	
Contributing to the development of a sustainable society and environment	6	Promote supply chain management		◎	◎	○													○		
	7	Promote the additional improvement of customer satisfaction of product quality																			
	8	Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming																	◎	◎	
	9	Improve environmental preservation technologies for water treatment																	◎	○	
Represent the embodiment of a good and strong company	10	Contribute to coexistence with the local society through communication with its residents							○												
	11	Carry out dialogue with stakeholders by providing appropriate information in a timely manner	○																		
	12	Provide a work environment that focuses on respect for human rights and work-life balance, and promote HR training and diversity		◎	◎						○	◎	○	◎				◎			
	13	Maintain a safe and secure work environment that is free of accidents and work-related disasters													◎		○				
	14	Secure stable earnings as a corporate group with growth potential	◎																		
	15	Maintain business continuity even during an emergency	◎												○						
	16	Instill CSR management throughout the group and continue to fully implement compliance	◎			○			○	○	○	○									
17	Fortify corporate governance throughout the group	◎																			

	No	Mid-term CSR Action Plan 2016-2018	ISO26000 Core Subjects and Related Issues																	
			Fair operating practices					Consumer issues					Community involvement and development							
			Anti-corruption	Responsible political involvement	Fair competition	Promoting social responsibility in the value chain	Respect for property rights	Fair marketing, factual and unbiased information and fair contractual practices	Protecting consumers' health and safety	Sustainable consumption	Consumer service, support, and complaint and dispute resolution	Consumer data protection and privacy	Access to essential services (**N/A)	Education and awareness	Community involvement	Education and culture	Employment creation and skills development	Technology development and access	Wealth and income creation	Health
Safeguarding life and health	1	Contribute to society by promoting innovations using our technological expertise, and by stably supplying high-quality pharmaceuticals coupled with truly reliable information									◎									
	2	Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety								◎	◎									
	3	Contribute to society, safeguard the life and health of the public, and support a comfortable life by executing R&D investments to consistently deliver the best products									◎									
Supporting a comfortable life	4	Supply society with functional chemicals that help reduce environmental impact and conserve on energy usage									◎									
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers								◎	◎									
Contributing to the development of a sustainable society and environment	6	Promote supply chain management			○	◎														
	7	Promote the additional improvement of customer satisfaction of product quality				○			○		◎			○						
	8	Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming																		
	9	Improve environmental preservation technologies for water treatment																		
Represent the embodiment of a good and strong company	10	Contribute to coexistence with the local society through communication with its residents												○	◎	◎	○	○	○	○
	11	Carry out dialogue with stakeholders by providing appropriate information in a timely manner								○							○	○	○	○
	12	Provide a work environment that focuses on respect for human rights and work-life balance, and promote HR training and diversity																		
	13	Maintain a safe and secure work environment that is free of accidents and work-related disasters																		
	14	Secure stable earnings as a corporate group with growth potential			○						○									
	15	Maintain business continuity even during an emergency																		
	16	Instill CSR management throughout the group and continue to fully implement compliance	○	○	○	○	○	○	○	○			○							
17	Fortify corporate governance throughout the group	○	○	○	○	○	○	○	○			○								

Challenge 100A ! MID-TERM CSR ACTION PLAN 2013-2015 ASSESSMENT

<Assessment levels> Target achieved: ★★★ Almost achieved: ★★☆ Under-going efforts toward improvement: ★☆☆ Not achieved: ☆☆☆

Category	No.	Challenge 100A ! MID-TERM CSR ACTION PLAN	Challenge 100A ! Results of MID-TERM CSR ACTION PLAN 2013-2015 Initiatives (total 3-year statistics)	Self-assessment
Foundational	1	Improve employee awareness of CSR and compliance	<ul style="list-style-type: none"> CSR training: implemented 65 times for more than 1,000 employees Group-wide Compliance training: following different themes each year, implemented 166 sessions for 9,600 employees Group-wide Implemented annual compliance awareness surveys in order to assess the status quo and enact concrete measures 	★★★
	2	Assure business continuity during the event of an emergency	<ul style="list-style-type: none"> Implemented BCP training in the Pharmaceuticals Group, Safety Systems Group, and Agrochemicals Group. Established a BCP Manual more conducive to implementation Established an IT Manual, structured IT systems to be earthquake resistant, ensured usability and recoverability by adopting virtualization technologies, and guaranteed data through remote storage of backups 	★★☆
Social Responsibility	3	Strictly adhere to regulations on chemical substances	<ul style="list-style-type: none"> Established, thoroughly utilized, and implemented training for systems such as a Chemical Substance Management Database Number of major violations related to chemical product laws and regulations: Zero 	★★★
	4	Continue to make societal contributions through research, development, and provision of product information on cancer and cancer-related fields	<ul style="list-style-type: none"> Brought two embolic microsphere products to market and increased the breadth of IVR treatments, which contributed to increasing treatment options Proceeded with development of polymeric micelle anti-cancer drugs 	★★☆
	5	Thoroughly ensure the education of employees in knowledge and skills related to handling explosives	<ul style="list-style-type: none"> Followed through with plans to train 123 employees in order to thoroughly ensure the education of employees in knowledge and skills related to handling explosives 	★★☆
	6	Continue conducting onsite instruction efforts for safe agrochemical use	<ul style="list-style-type: none"> Managers held briefing sessions in each of their regions. Number of major violations or accidents due to incorrect use: Zero 	★★★
	7	Promote CSR procurement in cooperation with suppliers	<ul style="list-style-type: none"> Prepared and published a CSR Procurement Guidebook specifying a purchasing philosophy, basic purchasing policies, and guidelines for CSR procurement Working from the perspective of ensuring stable supply and quality, began efforts to build collaborative relationships with suppliers 	★★★
	8	Work toward preventative measures against environmental impacts and occupational injuries from major accidents	<ul style="list-style-type: none"> At each business site, continued to implement various initiatives such as safety training, risk assessments, near-miss training, and the "pointing and calling" occupational safety method Major accidents: Zero cases, lost worktime accidents: 6 cases 	★☆☆
	9	Reduce customer complaints and quality process mishaps	<ul style="list-style-type: none"> Created Nippon Kayaku "Why Why" Analysis Manual, which were posted in each plant and distributed to overseas Group companies. Strengthened workplace competence Serious customer complaints: 4, serious quality process defects: 4 	★☆☆
	10	Communicate with the local community	<ul style="list-style-type: none"> Asunaro House: used by over 100 families each year Continued to carry out Pink Ribbon Campaign, plant festivals, local community socials, etc. As educational CSR events, offered chemistry experiment shows to local children at each business site 	★★★
	11	Provide timely and appropriate disclosure of information to stakeholders	<ul style="list-style-type: none"> Made our Annual Report, CSR Report, website and other necessary information available in a timely manner Improved timely disclosure and transparency by formulating and disseminating Group accounting policy rules, reviewing the adoption of IFRS (International Financial Reporting Standards), creating documentation for profit shifting, etc. 	★★☆
	12	Utilize and foster diverse human capital	<ul style="list-style-type: none"> Accompanying the Act of Promotion of Women's Participation and Advancement in the Workplace, began plans to analyze current challenges and formulate an action plan Promoted joint male-female participation and the appropriate hiring of non-full-time workers (part-time, senior, and temporary workers), and responded to revised labor laws and regulations Exchanged employees globally and promoted skills growth 	★★★
	13	Give due consideration to employee health and safety, and provide a working environment that allows for a good work-life balance	<ul style="list-style-type: none"> Implemented and thoroughly promoted mental health and health checks, while also establishing an implementation framework for stress check-ups Improved utilization rate of paid leave as part of improving employee work-life balance, while also continuing to promote the reduction of overtime hours 	★★☆
	14	Protect human rights and privacy	<ul style="list-style-type: none"> Through compliance training, etc. improved awareness of privacy and human rights Worked to publicize and promote the whistleblower hotline. Responded promptly and appropriately to hotline reports (Group-wide awareness rate: approx. 90%) 	★★★
Environmental Responsibility	15	Expand our green procurement ratio	<ul style="list-style-type: none"> Endeavored to improve the operability of our indirect materials purchasing system. Achieved an 8% proportion of indirect materials purchased with consideration of environmental burdens. 	★★☆
	16	Achieve mid-term environmental targets with due consideration of the environment	<ul style="list-style-type: none"> Continued to implement initiatives at each business site while working to achieve mid-term environmental targets (for fiscal 2020) A portion of these items were not achieved (year-by-year data disclosed on the Nippon Kayaku website) 	★★☆
	17	Improve waste water treatment technology and respond to environmental regulations	<ul style="list-style-type: none"> Increased the efficiency of activated sludge treatment and established wastewater treatment technology such as removing specific heavy metals, etc. 	★★☆
	18	Strive to be a business with ever lower energy consumption	<ul style="list-style-type: none"> Systematically implemented energy efficiency checks and adopted energy saving equipment Achieved reductions and a 5-year average energy efficiency intensity of 98.3% 	★★☆
Economic Responsibility	19	Assure stable earnings as a sustainable business group	<ul style="list-style-type: none"> Group-wide, adopted a mid- and long-term priority issue system and implemented an evaluation system based on it Implemented initiatives toward appropriate inventory management cognizant of the BCP Systematically sold off unused real estate and boosted the efficiency of assets 	★★☆
	20	Launch products that contribute to the environment and to energy conservation	<ul style="list-style-type: none"> Expanded the marketing and application of Frelux reflective film to sunglasses. Promoted its expansion to other applications as well 	★★☆
	21	Provide high quality pharmaceutical products that reduce economic burdens	<ul style="list-style-type: none"> Brought to market without delay high-quality, low financial burden pharmaceutical products, including two biosimilar antibody drugs, generic anti-cancer drugs, etc. 	★★☆
	22	Roll out low-cost automobile safety devices, using our proprietary technologies, to a global market in order to contribute to protecting lives	<ul style="list-style-type: none"> Established new business bases in major SE Asian markets and boosted the capacity of existing bases in order to strengthen our global presence Responded to increasing demands for safety devices needed in car-dependent societies around the world 	★★☆
	23	Ensure the continued existence of manufacturing plants by handing down Japan's "monozukuri" technology	<ul style="list-style-type: none"> Held, as planned, a variety of presentations, study sessions, and meetings for each group of managers Implemented production technology training by veteran employees and strove to maintain and pass on the technologies of production plants 	★★☆
	24	Produce and implement sustainable research programs	<ul style="list-style-type: none"> Established the Center for Innovative Research Started two new joint research projects with overseas Group companies Promoted multiple joint research projects with groups outside the Company 	★★☆

Future response for ★☆☆ items

- 8 . . . ★☆☆ We will strengthen instruction so that various safety activities can be incorporated into actual work. As traffic accident prevention measures, we will strengthen training for new employees and offer parking practice.
- 9 . . . ★☆☆ We will further disseminate the Nippon Kayaku "Why Why" Analysis Manual and work to prevent serious complaints and quality process accidents before they occur. We will roll these out to overseas Group companies as well.

Challenge 100A ! MID-TERM CSR ACTION PLAN & FY 2015 ASSESSMENT

<Assessment levels> Target achieved : ★★★ Almost achieved : ★★☆ Under-going efforts toward improvement : ★☆☆ Not achieved : ☆☆☆

Category	No.	Challenge 100A ! MID-TERM CSR ACTION PLAN	FY 2015 CSR Action Plan	FY 2015 CSR Action Plan Results	Self-assessment
Foundational	1	Improve employee awareness of CSR and compliance	Continue CSR and compliance training including Group companies	<ul style="list-style-type: none"> CSR Training: including overseas Group companies, we held 36 sessions for 558 employees. Participants also became instructors themselves and provided CSR training at their own business sites Compliance training: 52 sessions with 2,718 participants were held for domestic group training; 541 employees received DVD training; and 6 training sessions at our Chinese subsidiary were attended by 206 employees 	★★★
	2	Assure business continuity during the event of an emergency	Reassess the BCP Manual at each workplace and establish a BCP Manual more conducive to implementation Carry out training based on the IT Manual to secure business continuity during emergencies	Established at all business sites The IT Manual was completed as a standards manual for handling information system disasters and has three versions: start-up operations, recovery operations, and maintenance operations.	★★★
Social Responsibility	3	Strictly adhere to regulations on chemical substances	Enhance in-house instructional programs related to chemical substance regulations. Share information with customers through SDS*1 in compliance with each country's standards (continue securely handling GHS adoption in each country)	<ul style="list-style-type: none"> In-house instructional programs related to chemical substance regulations: Implemented training for new employees/mid-career employees/technical employees Information disclosure via SDS*1: Worked to ensure legal and standards compliance in the U.S., China, and elsewhere 	★★★
	4	Continue to make societal contributions through research, development, and provision of product information on cancer and cancer-related fields	Proceed with development of polymeric micelle anti-cancer drugs. Supply Japan's first monoclonal antibody biosimilar treatments	<ul style="list-style-type: none"> Proceeding with development of polymeric micelle anti-cancer drugs Supplying monoclonal antibody biosimilar treatments included efforts to deepen medical professionals' understanding by reporting new clinical results, etc. 	★★☆
	5	Thoroughly ensure the education of employees in knowledge and skills related to handling explosives	Implement a rank-based education program taught by the explosives safety maintenance team	Lectures: Implemented 3 lectures for 20 novices and 1 lecture for 49 intermediate/advanced participants	★★☆
	6	Continue conducting onsite instruction efforts for safe agrochemical use	Continue conducting onsite instruction efforts for safe agrochemical use	Briefing sessions: Each representative held briefing sessions as needed in each geographical area Number of major violations or accidents due to incorrect use: Zero	★★★
	7	Promote CSR procurement in cooperation with suppliers	Use the supplier-targeted website and other tools to begin education for CSR procurement. Roll out CSR procurement at Group companies	<ul style="list-style-type: none"> Published the CSR Procurement Guidebook on our website Asked Group companies to implement CSR procurement initiatives 	★★★
	8	Work toward preventative measures against environmental impacts and occupational injuries from major accidents	Have zero major accidents, zero lost worktime accidents, zero non-injury-related accidents, and 5 or fewer non-lost worktime accidents. Vehicle accident rate during work tasks or commuting by pharmaceutical MRs: 4% or lower	<ul style="list-style-type: none"> Major accidents: Zero cases, lost worktime accidents: 3 cases, non-injury-related accidents: 2 cases, non-lost worktime accidents: 5 cases Vehicle accident rate during work tasks*3 or commuting by pharmaceutical MRs: 16.8% 	★☆☆
	9	Reduce customer complaints and quality process mishaps	Serious complaints: 0, serious quality process defects: 0; Strengthen workplace competence through "Why Why" analysis and roll it out at Group companies	<ul style="list-style-type: none"> Serious customer complaints: Zero, serious quality process defects: 1; Promoted "Why Why" Analysis at domestic plants and also rolled out this approach to Group companies in China 	★★☆
	10	Communicate with the local community	Continue operating Asunaro House. Carry out Pink Ribbon Campaign, plant festivals, and local community socials, local cleanups, and public lectures with the local community	107 families used Asunaro House (56% occupancy rate) <ul style="list-style-type: none"> Pink Ribbon Campaign: Distributed notices around the communities of each business site in October Plant festivals & local community socials: Implemented according to plan As educational CSR events, offered chemistry experiment shows to local children at each business site 	★★★
	11	Provide timely and appropriate disclosure of information to stakeholders	Website: enhance website content Investors: enhance communication with investors Internal company magazine: create greater NK camaraderie	<ul style="list-style-type: none"> Website: Updated our IR site and launched a 100th anniversary site Dialogue with investors: Held a plant tour at Polatechno Co., Ltd. Internal company magazine: Printed a 100th anniversary special feature 	★★★
	12	Utilize and foster diverse human capital	Carry out preparations for adopting IFRS (International Financial Reporting Standards). Comply with the BEPS*2 action plan, emphasizing transfer pricing	<ul style="list-style-type: none"> Started up and move forward a project to review the adoption of IFRS Collected information for handling BEPS and wrote reports (drafts) for each country At our Chinese Group's global accounting conference, held a tax seminar on profit shifting systems taught by an outside instructor 	★★☆
			Continue working toward each target. Publicize our female manager target ratio	<ul style="list-style-type: none"> Achieved the legally mandated 1.9% employment for workers with disabilities (52 workers) Female manager employment rate: 5.7% (non-consolidated, including seconded employees) Publicized target rate for female manager employment: 8.0% (non-consolidated, excluding seconded employees; targeted for achievement in FY 2020) 	★★★
	13	Give due consideration to employee health and safety, and provide a working environment that allows for a good work-life balance	Mental health training: achieve year-1 lecture attendance target of the 3-year plan; Health check-ups: 100% participation. Stress check-ups: establish a check-up program	<ul style="list-style-type: none"> Support training that also included the families of employees posted overseas: on-going implementation as needed Non-Japanese employees: 10 (domestic, non-consolidated) Provided internships to non-Japanese researchers and study abroad language courses 	★★★
Formulate an action plan, and publicize it externally, in line with the basic content of the Act on Advancement of Measures to Support Raising Next-Generation Children			<ul style="list-style-type: none"> Mental health training: implemented as planned Health check-ups: 100% participation rate Stress check-ups: Established a framework and formulated stress check-up implementation guidelines 	★★★	
14	Protect human rights and privacy	Spread awareness of the whistleblower hotline and respond appropriately to reports	<ul style="list-style-type: none"> Thorough work load management: Convened a Work Load Advisory Committee comprised of members from both labor and management Reduction of overtime work hours: Averaged 12.4 hr/employee (per month) Next Generation Childcare Support program plan: Published previous FY results and action plan on our website 	★★☆	
Environmental Responsibility	15	Expand our green procurement ratio	Spread awareness of the whistleblower hotline and respond appropriately to reports	Whistleblower hotline: Spread awareness of the hotline during compliance training; responded appropriately to hotline reports	★★★
	16	Expand our green procurement ratio	Continue green purchasing with a target of approximately 8	Proportion of indirect materials purchased with consideration of environmental burdens: 8%	★★★
	17	Achieve mid-term environmental targets with due consideration of the environment	Reduce emissions of chemical substances: continue working toward achieving Mid-Term Environmental Targets set for FY 2020 (details reported on our website)	Continued to implement initiatives at each business site; see p. 21 (of this report) for figures, also disclosed on our website	★★☆
	18	Improve waste water treatment technology and respond to environmental regulations	Complete current review projects for wastewater treatment technology by the end of FY 2015 and take on new projects thereafter	<ul style="list-style-type: none"> Established treatment technology for removing specific heavy metals from wastewater Nearly completed existing review topics at plants; finished proposing equipment plans Undergoing tests in actual equipment to verify a new method for removing pigments 	★★☆
Economic Responsibility	19	Strive to be a business with ever lower energy consumption	Continue improving energy efficiency intensity by 1% or more YoY	<ul style="list-style-type: none"> Systematically implemented energy efficiency checks. Surveyed new energy-saving equipment and proceeded with installation guidance. Energy usage: 1.5% reduction YoY Energy intensity: worsened 103.5% YoY 	★☆☆
	20	Assure stable earnings as a sustainable business group	Spread awareness of the mid- and long-term priority issue system to Group companies, and implement an evaluation system based on it	<ul style="list-style-type: none"> Implemented the mid- and long-term priority issue system at all Group companies Implemented an evaluation system based on this at relevant Group companies 	★★★
			Strive Company-wide to optimize inventories and systematically sell off unused real estate	<ul style="list-style-type: none"> Implemented initiatives toward appropriate inventory management in each division Sold off unused real estate at the Tokyo business center 	★★☆
	21	Launch products that contribute to the environment and to energy conservation	Expand sales of Freelux reflective film	Expanded use to sunglasses and moved forward with further applications as well	★★☆
	22	Provide high quality pharmaceutical products that reduce economic burdens	Bring generic anti-cancer drugs to market without delay	Brought four formulations of generic anti-cancer drugs to market	★★☆
	23	Roll out low-cost automobile safety devices, using our proprietary technologies, to a global market in order to contribute to protecting lives	Commence production at our Malaysia base and increase and strengthen production facilities at our China, Mexico, and Czech Republic bases	Started production as planned at our Malaysia business location and proceeded smoothly with production equipment preparations at other locations	★★☆
	24	Ensure the continued existence of manufacturing plants by handing down Japan's "monozukuri" technology	Promote internal presentations at all NK companies globally, promote information sharing through presentations, etc., and systematically implement training programs for young employees	<ul style="list-style-type: none"> Held, as planned, a variety of presentations, study sessions, and meetings for each group of managers Continued NK's unique small-group activities and developed improvement projects as well as HR training Implemented production technology training by veteran employees as planned 	★★☆
	25	Produce and implement sustainable research programs	Establish connections between the newly created Center for Innovative Research and each R&D division (including Group companies), and continue to generate corporate research themes	<ul style="list-style-type: none"> Launched two new corporate research themes Launched one theme in collaboration with overseas Group companies 	★★☆

*1 SDS: Safety Data Sheet

*2 BEPS: Base Erosion and Profit Shifting

*3 Reference for "work tasks by pharmaceutical MRs": according to Japan Pharmaceuticals Manufacturers Association publications, there was a 21.0% rate of at-fault accidents in FY 2014 (total number of at-fault accidents/total number of vehicles) when looking at all vehicle types.

Future response for ★☆☆ items

8 . . . ★☆☆ We will strengthen instruction so that various safety activities can be incorporated into actual work. As traffic accident prevention measures, we will strengthen training for new employees and offer parking practice.

18 . . . ★☆☆ In addition to energy saving inspections for our equipment, we will proceed with eliminating unnecessary production processes and will aim to improve our energy intensity.