



## CSR Action Plan

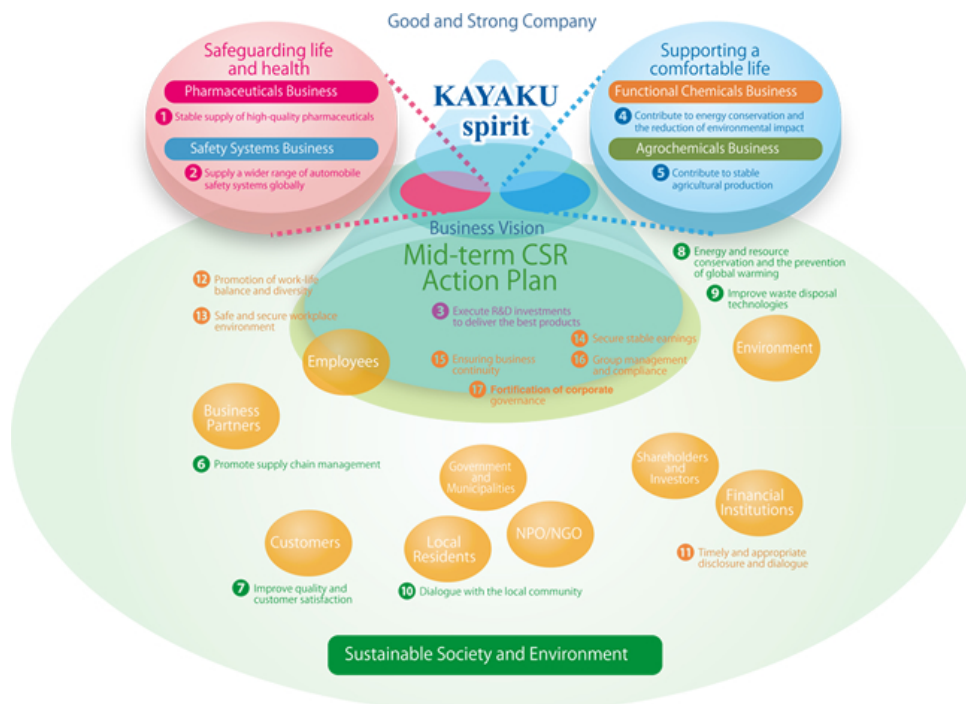
The Nippon Kayaku Group practices CSR management by realizing the KAYAKU spirit, which calls for "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences." The following section provides a closer look at the CSR Action Plan and how it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



CSR Action Plan 2016 Achievements			FY17: Not achieved FY16: Partially achieved FY15: Fully achieved		
No.	Mid-term CSR Action Plan 2016-2018	CSR Action Plan 2016	CSR Action Plan 2016 Achievements	Assessment levels	
13 Sustaining life and health	1	Contribute to society by promoting innovations using our technological expertise, and by striving to supply high-quality pharmaceuticals coupled with truly reliable information	Proceed with development of polymeric micelle anti-cancer drugs and monoclonal antibody biosimilars for cancer fields, and launch generic anti-cancer drugs without delay	Results from past international trials in 1611 in groups with larger phase III trials were confirmed in 1000 in groups with smaller phase III trials for cancer fields, and general	★★★
	2	Contribute to public safety by globally supplying a wide range of automobile safety systems to improve automotive outdoor safety	Governed by safe operations, provide the strengthening and expansion of production systems of our Japanese and overseas bases, and deliver high-quality products to global markets	Brought three generic drugs to market and proceeded with development of biosimilars benefits	★★★
	3	Contribute to society, safeguard the life and health of the public, and support a comfortable life by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation	Strengthened safety operations, increase our Japanese and overseas production capacity in vehicles and expand high-quality products to global markets	Implemented the strengthening and expansion of production systems of our Japanese and overseas bases, and deliver high-quality products to global markets	★★★
14 Supporting a comfortable life	4	Contribute to the creation of a "Super Smart Society" by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation	Provide functional chemical materials that contribute to the progress of digital printing, and making semiconductors and electronic devices thinner, lighter, and more compact	Provided research and development connected to the best products that accurately capture the needs of society (customer values)	★★★
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers	Launch new insecticides, and develop unique and improved formulations using formulation technologies, and expand applications of existing products	Conduct research and development that integrates internal and external intellectual assets, operate and provide a place for cross-organizational research exchanges, and execute corporate research themes without delay	★★★
	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	Promote the creation, protection, and use of intellectual property, and strengthen the management system for domestic and overseas Group companies	★★★
15 Contributing to the development of a sustainable society and environment	7	Promote the additional improvement of customer satisfaction of product quality	Continue to implement activities to strengthen the global quality assurance system in the safety systems business	Established a global management system of intellectual property for our Chinese Group companies	★★★
	8	Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming	Promote initiatives for achieving our FY 2020 mid-term environmental targets	Conduct research and development connected to the best products that accurately capture the needs of society (customer values)	★★★
	9	Investigate and implement preservation technologies for water treatment	Promote initiatives to reduce our energy consumption per unit by more than 1% each year	Investigate and implement technologies to reduce the impact of waste water and optimize the operations of waste water facilities to improve waste water treatment technologies, including those at Group companies	★★★
16 Represent the embodiment of a good and strong company	10	Contribute to coexistence with the local society through communication with its residents	Continue to run events such as plant festivals, local community socials, local cleanup activities, Pink Ribbon Campaign, and interactive events for children (educational CSR) at each of our locations	Established a work environment 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 utilization rate, etc.)	★★★
	11	Carry out dialogue with stakeholders by providing appropriate information in a timely manner	Disclose financial and non-financial information with the aim to increase corporate value in a timely, fair and impartial manner while deepening the dialogue with stakeholders	Establish a work environment in accordance with the revised Gender Equality in Employment Act (addressing sexual harassment, maternity harassment and LGBT discrimination)	★★★
	12	Provide a work environment that focuses on respect for human rights and work-life balance, and promote HR training and diversity	Provide an environment for diverse human resources to play an active role, and implement HR training (Diversity & Inclusion), promote an active role of women in the workplace, global HR training, training to pass on and develop manufacturing technologies, etc.)	Promote health management that takes into account employee occupational safety and health (conduct mental health training, implement stress check-ups, promote improvements for a cleaner, healthier workplace, etc.)	★★★
17 Partly achieved in working from April 2017	13	Maintain a safe and secure work environment that is free of accidents and work-related disorders	Continue to conduct activities for preventing accidents and disasters in advance (fire drills, safety audits, comprehensive chemical management and more efficient risk assessments, etc.)	Conduct health management that takes into account employee occupational safety and health (conduct mental health training, implement stress check-ups, promote improvements for a cleaner, healthier workplace, etc.)	★★★
	14	Secure stable earnings as a corporate group with growth potential	Optimally allocate management resources, improve capital efficiency, and promote business operations that focus on achieving our mid-term business plan	Carry out health and safety activities of group companies in accordance with the Nippon Kaikou Group FY 2016 Responsible Care Policy, and implement environment and safety diagnoses and training for overseas Group companies	★★★
	15	Maintain business continuity even during an emergency	Implement training targeted at the workplace and continue to review the BCP manual	Establish an information security system to promote bolstering our corporate information management, while increasing employee awareness of the need for information management, and promote implementing information security systems in Group companies	★★★
	16	Implement CSR management throughout the group and continue to fully implement compliance	Continue to implement CSR and compliance training, which includes training for employees of the Group companies	Comply with local laws in each country/region, and quickly and properly address legal revisions	★★★
	17	Partly corporate governance throughout the group	Strengthen systems and continue to implement systems of internal control and risk management, and continue to conduct follow-ups and improve the effectiveness of internal audits	Establish an information security system to promote bolstering our corporate information management, while increasing employee awareness of the need for information management, and promote implementing information security systems in Group companies	★★★

Result of FY 2016 CSR Action Plan PDF

FY 2017 CSR Action Plan

CSR Action Plan 2017			
No.	Mid-term CSR Action Plan 2016-2018	CSR Action Plan 2017	
13 Sustaining life and health	1	Contribute to society by promoting innovations using our technological expertise, and by striving to supply high-quality pharmaceuticals coupled with truly reliable information	Proceed with development of polymeric micelle anti-cancer drugs and monoclonal antibody biosimilars for cancer fields, and launch generic anti-cancer drugs without delay
	2	Contribute to public safety by globally supplying a wide range of automobile safety systems to improve automotive outdoor safety	Governed by safe operations, provide the strengthening and expansion of production systems of our Japanese and overseas bases, and deliver high-quality products to global markets
	3	Contribute to society, safeguard the life and health of the public, and support a comfortable life by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation	Strengthened safety operations, increase our Japanese and overseas production capacity in vehicles and expand high-quality products to global markets
14 Supporting a comfortable life	4	Contribute to the creation of a "Super Smart Society" by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation	Provide functional chemical materials that contribute to the progress of digital printing, and making semiconductors and electronic devices thinner, lighter, and more compact
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers	Launch new insecticides, and develop unique and improved formulations using formulation technologies, and expand applications of existing products
	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
15 Contributing to the development of a sustainable society and environment	7	Promote the additional improvement of customer satisfaction of product quality	Continue to implement activities to strengthen the 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 FY 2020 mid-term environmental targets
	9	Investigate and implement preservation technologies for water treatment	Promote initiatives to reduce our energy consumption per unit by more than 1% each year
16 Represent the embodiment of a good and strong company	10	Contribute to coexistence with the local society through communication with its residents	Continue to run events such as plant festivals, local community socials, local cleanup activities, Pink Ribbon Campaign, and interactive events for children (educational CSR) at each of our locations
	11	Carry out dialogue with stakeholders by providing appropriate information in a timely manner	Disclose financial and non-financial information with the aim to increase corporate value in a timely, fair and impartial manner while deepening the dialogue with stakeholders
	12	Provide a work environment that focuses on respect for human rights and work-life balance, and promote HR training and diversity	Provide an environment for diverse human resources to play an active role, and implement HR training (Diversity & Inclusion), promote an active role of women in the workplace, global HR training, training to pass on and develop manufacturing technologies, etc.)
	13	Maintain a safe and secure work environment that is free of accidents and work-related disorders	Continue to conduct activities for preventing accidents and disasters in advance (fire drills, safety audits, comprehensive chemical management and more efficient risk assessments, etc.)
	14	Secure stable earnings as a corporate group with growth potential	Optimally allocate management resources, improve capital efficiency, and promote business operations that focus on achieving our mid-term business plan
17 Partly achieved in working from April 2017	15	Maintain business continuity even during an emergency	Implement training targeted at the workplace and continue to review the BCP manual
	16	Implement CSR management throughout the group and continue to fully implement compliance	Continue to implement CSR and compliance training, which includes training for employees of the Group companies
	17	Partly corporate governance throughout the group	Strengthen systems and continue to implement systems of internal control and risk management, and continue to conduct follow-ups and improve the effectiveness of internal audits





FY 2017 CSR Action Plan PDF



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# Mid-term CSR Action Plan 2016-2018





	No	Mid-term CSR Action Plan 2016-2018
 <b>Safeguarding life and health</b>	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
 <b>Supporting a comfortable life</b>	4	Contribute to the creation of an “ Super Smart Society ” by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation*1
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers
 <b>Contributing to the development of a sustainable society and environment</b>	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
 <b>Represent the embodiment of a good and strong company</b>	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	

\*1: Partial change in wording from April 2017

# 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 Decision-making processes and structure	Human rights						Labor practices						The environment					
				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	Contribute to the creation of an " Super Smart Society " by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation*1																	○	○	○
	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	◎																			

\*1: Partial change in wording from April 2017

	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	Social investment
 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	Contribute to the creation of an " Super Smart Society " by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation*1																			
	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	○	○	○	○	○	○	○	○												

\*1: Partial change in wording from April 2017





# CSR Action Plan 2016 Achievements

★★★ Target achieved  
 ★★☆ Almost achieved  
 ★☆☆ Under-going efforts toward improvement  
 ☆☆☆ Not achieved

No	Mid-term CSR Action Plan 2016–2018	CSR Action Plan 2016	CSR Action Plan 2016 Achievements	Assessment levels
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	Results from joint international trials of NK105 in patients with breast cancer did not meet the prespecified statistical criteria of the primary endpoint, and planning for future clinical trials is underway	★☆☆
		Develop and launch generic anti-cancer drugs without delay and supply monoclonal antibody biosimilar treatments	Brought three generic drugs to market and proceeded with development of biosimilars favorably	★★★
		Governed by safe operations, increase our Japanese and overseas production capacity as scheduled, and deliver high-quality products to global markets	Implemented the strengthening and expansion of production systems at our Japanese and overseas bases as scheduled, and supplied a wider range of automobile safety components globally	★★★
2	Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety	Implement next-generation designs, production, and sales that suit growing needs in global markets as planned	Focused on products capable of handling quality requirements for global markets, and carried out development of new-generation designs	★★★
		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	<ul style="list-style-type: none"> <li>Promoted joint research with the Group's internal and external research institutes</li> <li>Launched three new corporate research projects in collaboration with each of the research laboratories</li> <li>Held a company-wide research presentation meeting and an exchange meeting for analytical evaluation technologies, and implemented initiatives to promote the integration of intellectual property and technologies</li> </ul>	★★☆
3	Contribute to the creation of an "Super Smart Society" by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation*1	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	Established a global management system of intellectual property for our Chinese Group companies	★★★
		Create, protect, and use intellectual assets and establish a global management system		★★★
		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	<ul style="list-style-type: none"> <li>Promoted business development of environmentally-friendly epoxy resins and industrial-use inkjet colorants</li> <li>Development is earnestly underway for high-performance catalysts used to manufacture acrylic acid</li> </ul>	★★★
4	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	Promoted registration procedures for new insecticides, and implemented information sessions on the safe use of agrochemicals in each representative's area	★★★
		Promote supply chain management	<ul style="list-style-type: none"> <li>Grasped procurement risks and maintained a stable supply chain by actively communicating with suppliers through audits and investigations</li> <li>Developed familiarization activities for suppliers in relation to CSR procurement</li> </ul>	★★★
5	Contribute to environmental preservation by promoting energy and resource conservation, and measures to prevent global warming	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.)	Serious customer complaints: Zero cases <sup>2</sup> Continued to implement quality assurance activities for making the workplace stronger through the Nippon Kayaku "Why Why" Analysis and quality engineering training	★★☆
		Strengthen global quality assurance system in the safety systems business	Established the Quality Assurance Division, and strengthened global systems	★★☆
		Promote initiatives for achieving our FY2020 mid-term environmental targets	Reviewed FY 2020 mid-term environmental targets based on the achievements of FY 2015, and started initiatives towards stricter targets	★★☆
		Promote initiatives to reduce our energy consumption per unit by more than 1% each year	Promoted the update of energy-conserving equipment and review of energy consumption methods, and implemented energy conservation inspections	★★☆
		Review existing wastewater treatment technologies, including those at group companies, and seek out new treatment technologies	Planned a project to implement a review of existing wastewater treatment technologies and seek out new treatment technologies, and activities are underway towards future results	★★☆
6	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	<ul style="list-style-type: none"> <li>Pink Ribbon Campaign: Implemented activities at each business site, including overseas Group companies, in October</li> <li>Interactive events for children (educational CSR): Offered chemistry experiment shows at each business site and event</li> <li>Plant festivals, local community socials, etc.: Implemented according to plan</li> <li>Asunaro House: used by over 104 families (51% occupancy rate)</li> </ul>	★★★
		Increase both disclosure of non-financial information for stakeholders, and dialogue with shareholders and investors. to promote mutual understanding	Improved optional items in business reports, and explained the corporate value creation process and improved non-financial information in the annual report.	★★☆
7	Carry out dialogue with stakeholders by providing appropriate information in a timely manner	Timely and appropriate disclosure of financial information and preparations to introduce IFRS	Continued to implement activities for the project to review the adoption of IFRS.	★★☆
		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.)	<ul style="list-style-type: none"> <li>Created an action plan for initiatives to promote the active role of women in the workplace, and announced the action plan and targets inside and outside the Company</li> <li>Continued to implement training to pass on and develop manufacturing technologies at each business site and Group company (Female manager employment rate: 6.7%<sup>2</sup>, Achieved the legally mandated 2.1% employment for workers with disabilities<sup>2</sup>)</li> <li>Implemented various initiatives towards Platinum Kurumin certification, and plan to lodge an application on our achievements at the end of the fiscal year</li> <li>Changed the system of leave for child-rearing and nursing care to make half-day increments also available</li> </ul>	★★☆
8	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.)	<ul style="list-style-type: none"> <li>Mental health training and health check-ups both achieved a 100% participation rate<sup>2</sup></li> <li>Implemented stress check-ups, and responded to employees with high-levels of stress</li> </ul>	★★★
		Continue to conduct activities for preventing accidents and disasters in advance (fire drills, safety inspections, plant inspections by managers, employee training, etc.)	<ul style="list-style-type: none"> <li>Incidence of major accidents: Zero cases<sup>2</sup></li> <li>Implemented activities to internally instill risk assessments focused on strengthening chemical substance management</li> </ul>	★★★
		Carry out health and safety activities at group companies in accordance with the Nippon Kayaku Group FY 2016 Responsible Care Policy	<ul style="list-style-type: none"> <li>Familiarized each Group company with the companywide Responsible Care Policy and targets together with confirming the status of these initiatives with environmental health and safety diagnostics</li> <li>Continued to implement health and safety activities at each Group company (various types of safety training, KYT, near-miss training, etc.)</li> </ul>	★★☆
9	Secure stable earnings as a corporate group with growth potential	Optimally allocate management resources, improve capital efficiency, and carry out business operations that focus on earnings improvement	<ul style="list-style-type: none"> <li>Did not achieve our net sales plan, but achieved our plan for operating income nevertheless through promotion of cost reductions</li> <li>Ensured appropriate inventory management to focus on capital efficiency, and promoted the sale of idle assets</li> </ul>	★★★
		Implement training adapted for the field and review the BCP manual	<ul style="list-style-type: none"> <li>Implemented BCP training for hypothetical typhoon damage for the Catalysts Division and Asa Plant</li> <li>Created BCP manuals for two Chinese Group companies</li> </ul>	★★★
10	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	<ul style="list-style-type: none"> <li>CSR training: Implemented 12 times for 260 employees, including 73 employees in seven Group companies</li> <li>Compliance training: Implemented group training in Japan in 33 times for 2,023 employees, DVD training for 1,422 employees, and for 506 employees in management roles in six overseas Group companies</li> </ul>	★★★
		Comply with local laws in each country/region, and quickly and properly address legal revisions	Executed business operations that complied with the laws in each country/region for the entire group, including laws related to chemical substances	★★☆
11	Fortify corporate governance throughout the group	Promote measures in accordance with the revised Companies Act and the Corporate Governance Code	Established opportunities for exchanging opinions with persons responsible for each business and advance briefings of agenda items for the Board of Directors for Outside Directors	★★☆
		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	<ul style="list-style-type: none"> <li>Evaluated the operating conditions of important meeting bodies, and confirmed that governance was functioning</li> <li>Implemented internal audits as planned, and carried out follow-up investigations on three Group companies</li> </ul>	★★★
		Establish an information security system to strengthen corporate information management	<ul style="list-style-type: none"> <li>Continued to implement information security training for employees in addition to new career hires</li> <li>Development is underway towards the implementation of the information security policy next fiscal year</li> </ul>	★★☆

\*1: Partial change in wording from April 2017 \*2: Nippon Kayaku non-consolidated basis figures

# CSR Action Plan 2017

	No	Mid-term CSR Action Plan 2016–2018	CSR Action Plan 2017
 <b>Safeguarding life and health</b>	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 and monoclonal antibody biosimilars for cancer fields, and launch generic anti-cancer drugs without delay
	2	Contribute to public safety by globally supplying a wider range of automobile safety systems to improve automotive collision safety	Governed by safe operations, promote the strengthening and expansion of production systems at our Japanese and overseas bases, 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	Promote research and development connected to the best products that accurately capture the needs of society (customer values) (Execute cross-sectional research and development that integrates internal and external intellectual assets, operate and provide a place for cross-organizational research exchange, and execute corporate research themes without delay)  Promote the creation, protection, and use of intellectual property, and strengthen the management system for domestic and overseas Group companies
 <b>Supporting a comfortable life</b>	4	Contribute to the creation of an “Super Smart Society” by providing functional chemical materials that offer special characteristics for the fields of information and communication, and energy and resource conservation*1	Provide functional chemical materials that contribute to the progress of digital printing, and making semiconductors and electronic devices thinner, lighter, and more compact
	5	Contribute to stable agricultural production by offering agrochemicals that suit the needs of the market environment and our customers	Launch new insecticides, and develop unique and improved formulations using formulation technologies, and expand applications of existing products
	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
 <b>Contributing to the development of a sustainable society and environment</b>	7	Promote the additional improvement of customer satisfaction of product quality	Continue to implement the Nippon Kayaku "Why Why" Analysis, initiatives to prevent human error, widespread communication to prevent recurrence, and risk assessments to have zero serious customer complaints  Continue to implement activities to strengthen the 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 FY 2020 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	Investigate and implement technologies to reduce the impact of waste water and optimize the operations of waste water facilities to improve waste water treatment technologies, including those at group companies
	10	Contribute to coexistence with the local society through communication with its residents	Continue to run events such as plant festivals, local community socials, local cleanup activities, Pink Ribbon Campaign, and interactive events for children (educational CSR) at each of our locations
 <b>Represent the embodiment of a good and strong company</b>	11	Carry out dialogue with stakeholders by providing appropriate information in a timely manner	Disclose financial and non-financial information with the aim to increase corporate value in a timely, fair and impartial manner while deepening the dialogue with stakeholders  Continue to implement preparations and surveys leading to introduction of IFRS
	12	Provide a work environment that focuses on respect for human rights and work-life balance, and promote HR training and diversity	Foster an environment for diverse human resources to play an active role, and implement HR training (Diversity & Inclusion), (promote an 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 raising, reduction of overtime, improvement of the paid leave utilization rate, etc.)  Establish a work environment in accordance with the revised Gender Equality in Employment Act (addressing sexual harassment, maternity harassment and LGBT discrimination)
	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 (continue mental health training, implement stress check-ups, promote improvements for a cleaner, healthier workplace, etc.)  Continue to conduct activities for preventing accidents and disasters in advance (Fire drills, safety audits, comprehensive chemical management and more efficient risk assessments, etc.)  Carry out health and safety activities at group companies in accordance with the Nippon Kayaku Group FY 2016 Responsible Care Policy, and implement environment and safety diagnoses and training for overseas Group companies
	14	Secure stable earnings as a corporate group with growth potential	Optimally allocate management resources, improve capital efficiency, and promote business operations that focus on achieving our mid-term business plan
	15	Maintain business continuity even during an emergency	Implement training targeted at the workplace and continue to 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 of the Group companies  Comply with local laws in each country/region, and quickly and properly address legal revisions
	17	Fortify corporate governance throughout the group	Implement assessments of the effectiveness of the Board of Directors and strengthen the governance system through timely exchanges of information with Outside Directors and Outside Audit & Supervisory Board Members with local laws in each country/region, and quickly and properly address legal revisions  Strengthen systems and continue to implement systems of internal control and risk management, and continue to conduct follow-ups and improve the effectiveness of internal audits  Establish an information security system to promote bolstering our corporate information management, while increasing employee awareness of the need for information management, and promote implementing information security systems in Group companies

\*1: Partial change in wording from April 2017