

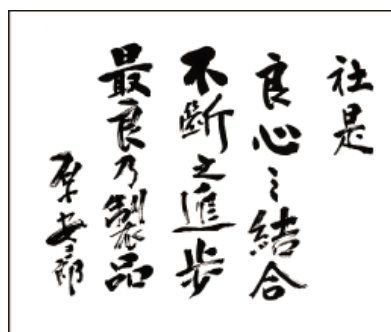
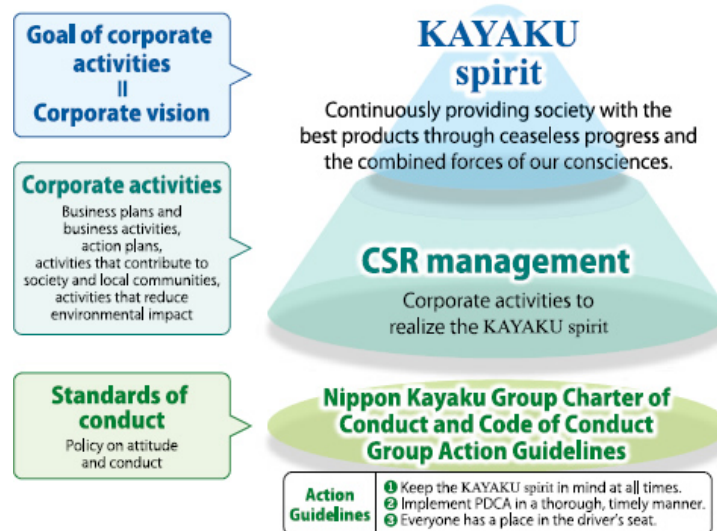


Corporate Vision and CSR Activities

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

The KAYAKU spirit and CSR Management

The KAYAKU spirit, or "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences," stands as the Nippon Kayaku Group's corporate vision. The KAYAKU spirit is based on the corporate motto created more than half a century ago and it has stood at the root of our CSR management ever since. We will be able to achieve our vision for CSR management that earns the trust of all stakeholders by engaging in corporate activities that realize the KAYAKU spirit.

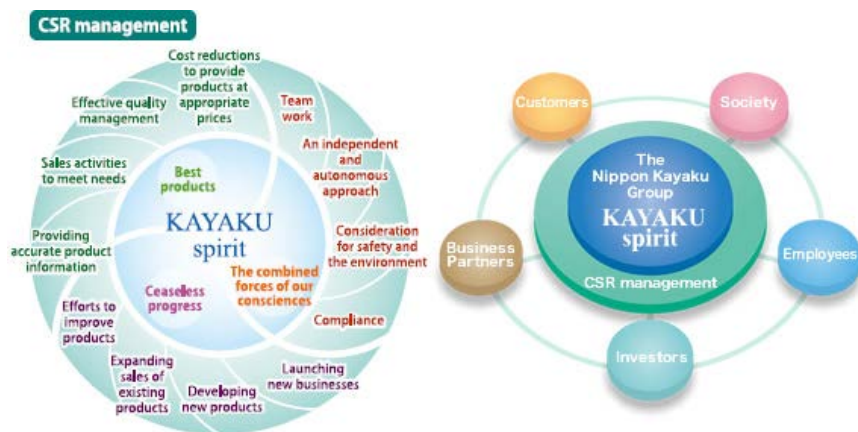


The image at the bottom left is an overhead view of the KAYAKU Spirit.

This image pictures the daily efforts of each of our employees, based on the concepts of "best products", "ceaseless progress" and "the combined forces of our consciences",

holding hands and supporting each other as they work towards achieving the corporate vision shown at the top. This is our commitment to realize a CSR management that fulfills our social, economic and environmental responsibilities, and meets the trust and expectations that our stakeholders have put into us as a corporate member of our society.

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



Respect for Human Rights and KAYAKU spirit

The words "combined forces of our consciences" can be found in the fundamental philosophy of the KAYAKU spirit. We believe that respecting the human rights of everyone, from employees to business partners, in all aspects of our corporate activities, and mutually combining forces of good consciences, form the basis of our corporate management.

The Nippon Kayaku Group Charter of Conduct, which forms the standards of conduct for the group, stipulates respect for basic human rights and the privacy of individuals. Furthermore, respect for human rights and privacy is the slogan of Article 24 in the Nippon Kayaku Group Code of Conduct, which is considered a principle of action for all employees to follow across the entire group.

The Nippon Kayaku Group has established an Ethics Committee chaired by the President, which deliberates on various topics to prevent workplace harassment and human rights violations. The committee periodically hosts internal training as well as seminars with guest speakers for managers and employees to promote consideration toward human rights, prevention of power, sexual, or maternity harassment, as well as promote understanding of LGBT. The company is committed to continuously creating a lively workplace environment that strives for employee diversity and inclusion.

Nippon Kayaku Group's basic policy on CSR Procurement, the Basic Procurement Policy, states decisions are made based on the Charter of Conduct and Code of Conduct. Moreover, Chapter 2 Human Rights and Labor of the CSR Procurement Guidelines specifically stipulates the prohibition of inhumane treatment, discrimination, forced labor, and child labor. Together with our business partners, we strive to conduct procurement activities with consideration for human rights.

CSR Action Plan and Management Strategy

The Nippon Kayaku Group has formulated its mid-term CSR action plan to meet the expectations of all stakeholders. Our basic management policy is to contribute to a sustainable society and environment as a corporation that continues to provide the best products, technologies and services that safeguard the life and health of consumers, and support a comfortable life. Under this basic management policy, we have created the Mid-term CSR Action Plan 2016 – 2018 as part of our medium-term initiatives. This action plan, which started in fiscal 2016, represents our commitment to all stakeholders to promote R&D for business development, implement CSR procurement through supply chain management, work toward achieving the mid-term environmental targets, and reinforce governance. Linked to this, we have established a mid-term business plan called Take a New Step 2016, under which we are executing a detailed business strategy.

In this manner, across all business areas, we will emphasize safe operations, thorough compliance and consideration for the environment, and with a high sense of ethical value, we will conduct CSR management closely aligned with management strategy.

CSR Implementation System

We established the CSR Management Committee in 2010 and set up the CSR Department within the Corporate Planning Division of the Strategic Corporate Planning Group. The CSR Department administers cross-functional CSR projects while business sites and group companies take the lead in implementing these projects.

CSR Management Committee

Chairman : President, Committee member: Managing Director

CSR Management Committee Secretariat

Executive director: Head of Strategic Corporate Planning Group
Staff : CSR Department
Corporate Planning Division

CSR project

Elected member of the head office business department and management department

Plant responsible person for CSR :

Head of each business site, Group company president



KAYAKU spirit Promotion Efforts using the Kayakuma the Bear



Kayakuma the Bear mascot character representing KAYAKU spirit

We have created a mascot character called Kayakuma the Bear in order to make KAYAKU spirit a concept that is more familiar to all Nippon Kayaku Group employees around the world. This character appears in part of the company newsletter that introduces CSR activities and activities for implementing the corporate vision using visual depictions that are easier to understand for all audiences. The mascot has also been incorporated into our daily stationery, clear file folders and even the designs of conference rooms. This ensures employees are always aware of Kayakuma the Bear and in touch with our corporate vision in all aspects of their work. We are currently filing for a trademark for Kayakuma the Bear and plan on widely using it as a symbol of the Nippon Kayaku Group in newspaper ads and novelty items and events, such as factory festivals.



Conference room and employee locker