



— Initiatives with Our Business Partners and Investors

The Nippon Kayaku Group engages in proactively communication with our valued Business Partners and Investors.

Initiatives for CSR Procurement

The Nippon Kayaku Group formulated its CSR Procurement Policy in 2015, and it is published on our website. We have established Basic Procurement Principles and Basic Procurement Policies governing purchasing activities that are appropriate for CSR management. We are now working with every one of our business partners on CSR procurement.

Basic Procurement Principles

In order to realize the KAYAKU spirit, Nippon Kayaku Group will pursue mutual and sustainable growth with suppliers based on the understanding they are important business partners who help us produce products of the best quality.

Based on our basic procurement policy, we Nippon Kayaku and our affiliates conduct our transactions with fair, just and sincere attitude following with the laws and the social norms all the time.

Basic Procurement Policies

At Nippon Kayaku Group, all procurement operations will be carried out in accordance with the Basic Procurement Policies as set out below.

Compliance with Relevant Laws, Social Norms, and the Nippon Kayaku Group Charter of Conduct

1. We will comply with all relevant laws and regulations when conducting procurement operations.
2. We will judge the propriety of procurement activities based on Nippon Kayaku Group Charter of Conduct and the Nippon Kayaku Group Code of Conduct and Group Action Guidelines.

Open-door Policy, Fairness, Impartiality, and Transparency in Business Transactions

3. We will conduct procurement-related business transactions in a fair, impartial, and transparent manner, and follow an open-door policy with respect to businesses at home and abroad.
4. We will build partnerships with suppliers based on mutual understanding and trust, and pursue mutual sustainable growth.
5. In order to ensure transparency in all our procurement activities, we will undertake due procedures based on written documentation or electronic purchasing systems in accordance with the procurement operations standards.

Protection of Information

6. We will protect supplier-related information obtained in the course of our operations, and strive to prevent any information leakage.

Concern for the Environment

7. We will promote the procurement of eco-friendly goods and materials.

Basic Criteria for Selecting Suppliers

8. When selecting goods and materials, we will give due consideration to economic factors such as quality, price, and date of delivery. We will also consider other factors such as the supplier's operating foundations, technological competitiveness, and stability of supply.
9. When selecting suppliers, we will give due consideration to their commitment to corporate social responsibility (CSR), including their observance of relevant laws and regulations, respect for human rights, concern for the working environment, disaster preparedness and safety measures, efforts toward environmental conservation, and other efforts designed to fulfill their CSR.

BCP Initiatives

10. In addition to the above, we will give due consideration to whether or not the potential supplier has a risk management system such as BCP (Business Continuity Plan).

CSR Procurement

In order to realize [KAYAKU spirit](#), procurement departments will pursue long-term mutual and sustainable growth with suppliers through active and thorough communication.

We will strive to conduct procurement transactions with our suppliers with an emphasis on important factors including quality, price, stability of supply, observance of relevant laws and regulations, respect for human rights, labor, health and safety, and environmental conservation.

In fiscal 2016, we sent out letters to all of our supplies in Japan and overseas requesting cooperation with CSR procurement and containing information on our Basic Procurement Principles and Basic Procurement Policies along with our CSR report. In turn, we received valuable feedback and comments from our suppliers.

Going forward, we plan to further our efforts among overseas group companies.

Safety Systems Group – Annual Purchasing Conference

The Safety Systems Group organizes annual purchasing conference for its key suppliers. At these meetings, we provide information on our earnings forecast for the current fiscal year; business plan for subsequent fiscal years; status of the production system; development plan; medium- to long term business vision; as well as Basic Procurement Policies with the interest of helping our partners formulate their business plans.

Also, we presented one partner company which responded to our quality, costs, and delivery requirements in a model manner with Outstanding Partner Company Award.



Purchasing Conference

Polatechno Co., Ltd. and Moxtek, Inc. host booth at Finetech Japan

Polatechno Co., Ltd. and Moxtek, Inc. jointly hosted a booth at the 27th [Finetech Japan – LCD/OLED/Sensor Technology Expo](#) held at Tokyo Big Sight from April 5 to 7, 2017.

Finetech Japan is the world's largest expo specializing in display, lighting, and sensor devices that draw together the latest technology of LCD, OLED, and sensor technologies at one place.

Polatechno and Moxtek showcased products and technologies using achromatic polarizing plates *1, high contrast, high durability dye-based polarizing plates *2, and ProFLux® *3, and provided detailed information using samples, demonstration equipment, and panels.

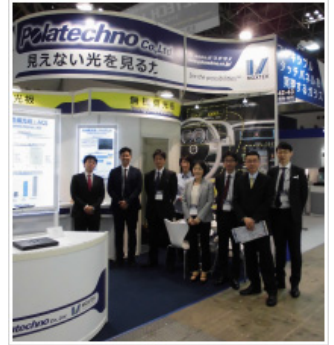
Over 200 attendants (a record high to date) visited the companies' booth including those representing domestic and international automobile and display manufacturers, material manufacturers, and university research institutes. The booth introduced the development and manufacturing technology of dye-based polarizing plates as well as inorganic polarizing plates of the Polatechno Group.

Polatechno Group's polarizing plates with a higher durability and visibility contribute to more convenient lifestyles while saving energy.

*1 Achromatic polarizing plate: A polarizing plate used in full color reflective LCD with a rapidly improved contrast (over ten times improvement compared to the company's conventional polarizing plates).

*2 High contrast, high durability dye-based polarizing plate: A high performance dye-based polarizing plate with a very high contrast while maintaining high durability performance using high performance pigments and orientation technology.

*3 ProFlux: Inorganic polarizing plate.



Communicating with Investors

Earnings Presentations

Nippon Kayaku strives to earn the trust of all stakeholders and to continue to be an essential part of society. To achieve these goals, we disclose information to all of our shareholders, investors, and other stakeholders in a timely, impartial, and fair manner.



Earnings Presentations

One-on-one Meetings

We hold one-on-one meetings to communicate directly with institutional investors and securities analysts.

Open House Tours at Plants

We host open house tours of our plants and R&D briefings for institutional investors and securities analysts every year, to promote better understanding of Nippon Kayaku's business activities.