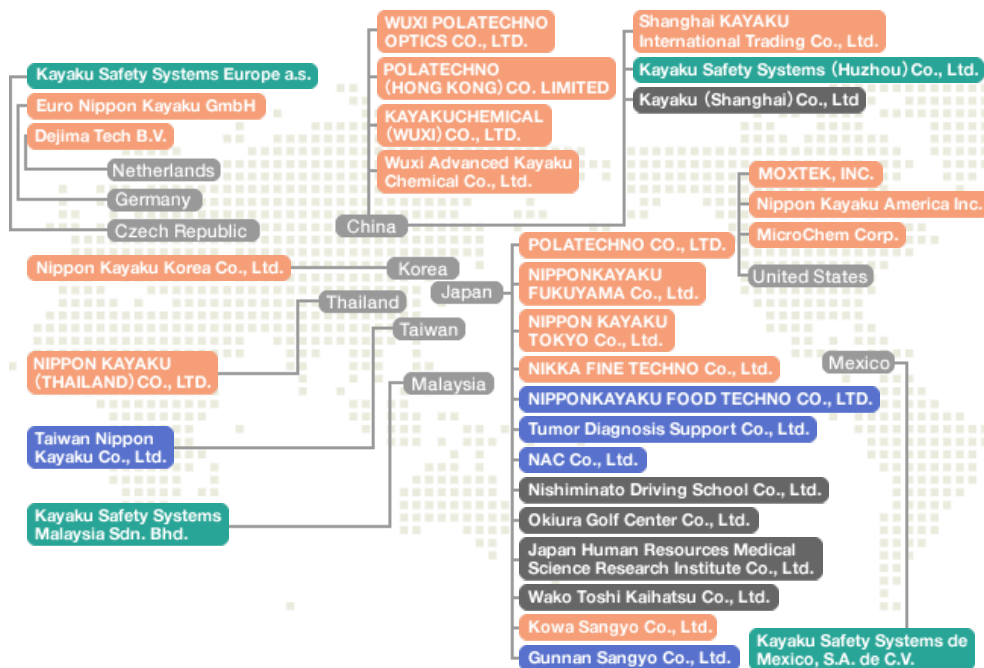




The Nippon Kayaku Group's CSR Commitment

The Nippon Kayaku Group has business operations in nine countries around the world, comprising 19 subsidiaries in Japan and 22 subsidiaries overseas. This section presents the unified CSR commitment of 31 consolidated group companies.



Japan Functional Chemicals Group

CEO & Representative Director & President Katsuhiko Sakitama, POLATECHNO CO., LTD



POLATECHNO specializes in the 'Light Control Business', and aims to provide distinctive characteristic products in various situations all over the world. At the Niigata Factory, our manufacturing base, we recycle waste liquids and materials, and detoxify emissions. Our energy saving program was rated highly and received the "Chairman Award of 2014 Tohoku 7 Prefecture Electricity Effective Use Promotion Committee". We will continue supplying characteristic products from our energy-saving and eco-friendly plant and keep contributing to the society.

Japan Functional Chemicals Group

Representative Director & President Tetsuo Kando, NIPPONKAYAKU FUKUYAMA Co., Ltd.



We strive to maintain stable production with zero accidents and zero disasters, help improve the environment, safety, and health as well as quality, and promote compliance. In order to revitalize the local economy, we will continue to provide the community with sports facilities (baseball, soccer, and tennis) as well as offer support to the summer festivals and rose festival held in Fukuyama. We will also play an active role in the development of our local region through taking part in activities outside of the office including fire and disaster prevention as well as occupational safety and health activities to enhance safety and security. Going forward, we will continue to strive to mutually benefit our society via CSR activity

promotion and earn recognition from society.

Japan Functional Chemicals Group

Representative Director & President Akira Saino, NIPPON KAYAKU TOKYO Co., Ltd.

At Nippon Kayaku Tokyo, we use 3C&SQE as a keyword in our approach to corporate management. This acronym stands for compliance, community, cost savings, safety, quality and ecology. With this in mind, we contribute to society through the production of colorants for ink jet printers.

We engage the local community through the Satsuki Festival (May), rice cake-making event (December), plant tours, and internships. As a plant located in a densely populated urban area, our volunteer firefighting activities help protect the plant and also form part of the disaster assistance agreements we have signed with local community associations. We also have an AED outside for the benefit of our employees and the surrounding community.



Japan Functional Chemicals Group • Safety Systems Group

Representative Director & President Shinya Fukuoka, NIKKA FINE TECHNO Co., Ltd.

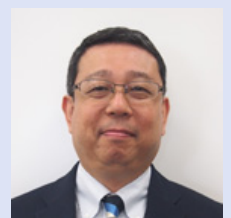
NIKKA FINE TECHNO is the only Nippon Kayaku Group company in Japan that serves as a trading company. Our core business focuses on the domains of Nippon Kayaku and its group companies, and leveraging our broad product lines and technical support capabilities, our employees carry out business activities fully compliant with relevant laws and fully aware of the company's code of conduct. We will realize the KAYAKU spirit and achieve sustainable growth by carrying out CSR management that fulfills the expectations and trust of all stakeholders.



Japan Pharmaceuticals Group

Representative Director & President Hiroshi Shimada, NIPPONKAYAKU FOOD TECHNO CO., LTD.

NIPPONKAYAKU FOOD TECHNO CO., LTD. manufactures and sells preservatives for food quality and other products. As part of our CSR-centered management, we aim to contribute to society through the provision of highly valuable services and excellent products that emphasize food safety and food and health. As a member of the Nippon Kayaku Group and to realize KAYAKU spirit, each and every employee abides by the Nippon Kayaku Group Charter of Conduct and Code of Conduct, following an esteemed set of ethical values with safe operations, compliance and environmental consciousness receiving top priority. With this stance, we are working to develop new fields in the food industry and also live up to the trust and expectations of our customers.



Japan Pharmaceuticals Business

Representative Director & President Koichi Ono, Tumor Diagnosis Support Co., Ltd.

The TD in TD Support stands for tumor diagnosis. We support the diagnosis of pathological tissue found in mammary glands. Today, breast cancer has the highest prevalence rate of any cancer in females. However, breast cancer is believed to be an extremely difficult type of cancer to diagnose accurately with pathological tissue. Without the right diagnosis, a patient will not be able to receive the most effective treatment. As part of the Nippon Kayaku Group's commitment to CSR management, TD Support is working day in and day out to contribute to an environment where breast cancer patients can receive treatment with the best possible outcome.



Japan Pharmaceuticals Business

Representative Director & President Mituyosi Simohira, NAC Co.,Ltd.

NAC Co., Ltd. is involved in providing reception, security and greening, and environmental conservation for the Tokyo Business District and Nippon Kayaku Tokyo Co., Ltd., a Sumida River ferry that serves as a mode of transportation for Nippon Kayaku Tokyo Co., Ltd., as well as delivering internal mail, letters, and consumables to each workplace, confidential document filing, and waste material handling for the Tokyo Business District. Additionally, NAC provides mainstay services involving pharmaceutical products, including consignment of standard quality testing and providing high quality data which plays a role in new compound and new preparation agent development and chemotherapy establishment and possesses the technology for delivering high quality pathological tissue specimens which contribute to accurate diagnosis of breast cancer.

One of our distinctive features is our inclusive workplace that hires persons with disabilities. We aim to evolve into a business where persons with disabilities can realize their fullest potential.



Japan Other Businesses

Representative Director & President Shigeyoshi Nose, Nishiminato Driving School Co.,Ltd.

Nishiminato Driving School is to help train safe and considerate drivers who will contribute to automotive society. We also host outreach programs at local elementary and high schools on traffic safety, and also organize presentations on traffic

safety for seniors and companies. We actively fulfill our role as a hub for community transportation safety education. Going forward, we will strive to become a positive company that continually contributes to society as a comprehensive base of traffic safety learning that has earned support and empathy from the community.



Japan Other Businesses

Representative Director & President Hiroshi Kanazawa, Okiura Golf Center Co., Ltd.

Okiura Golf Center was established in 1985 and began operations in 1986 with the goal of utilizing idle land. We offer one of the largest golf practice facilities in Hiroshima Prefecture, including a 250 yard driving range with 72 tee boxes, natural grass, a putting green, approach practice area, bunker practice area and even a restaurant. We are open from early in the morning to late at night and offer a host of golf lessons taught by professionals. Our facilities and services have earned us a strong reputation among customers. We have planted trees around our practice ranges being mindful of the environment. We take pride in welcoming customers of all ages, from children to seniors, to enjoy using our facilities with peace of mind. We are also promoting CSR management so that we can utilize our facilities as a venue for communication between members of the local community.



Japan Other Businesses

Representative Director & President Naoki Shiota, JHMS Co.,Ltd.

Japan Human Resources Medical Science Research Institute Co., Ltd. has a mission to contribute to society as a company providing comprehensive business support solutions to the healthcare and other fields. Our business lines span a wide range of pharmaceutical support businesses for medical devices, including video productions, human resources development, training, worker dispatch, worker recruiting, and medical statistics. We also abide by related laws and regulations and we hope to continually meet the needs of our customers, despite our small scale operations.



Japan Other Businesses

Representative Director & President Naohiko Takeuchi, Wako Toshi Kaihatsu Co., Ltd.

Wako Toshi Kaihatsu engages in the real estate lease business. We own land and a six-story building located in front of Wakoshi Station in Saitama Prefecture, which is leased to retailer Itoyokado's Wako store. We also lease two company housing buildings and one employee dormitory to Nippon Kayaku as well as the building used for Asunaro House, a facility for supporting families of children with pediatric cancer, intractable diseases or who require bone marrow transplants and are being treated at specialist institutions. Our facilities, including Asunaro House, are used by a large number of people, and this is why we strive to continually update and upgrade each to ensure user safety and comfort.



Japan Functional Chemicals Group

Representative Director & President Kazuki Uchida, Kowa Sangyo Co., Ltd.

Kowa Sangyo mainly carries out manufacturing work at the Asa Plant. Our important health and safety initiatives include providing opportunities for employees to experience dangers and threats to their safety firsthand using apparatuses. We also offer emergency first-aid and AED training as well as support the local volunteer firefighting brigade to instill employees with the knowledge and techniques needed to quickly respond in an emergency. The Wasshoi! Kayaku Festival co-sponsored with the Asa Plant every November has become an integral event for the local community. Moving forward, we will aim to contribute to the community through the corporate activities of each and every employee.



Japan Pharmaceuticals Business

Representative Director & President Yasuhiro Okabe, Gunnan Sangyo Co., Ltd.

Gunnan Sangyo is responsible for the security of the Takasaki Plant, landscaping and greenery, as well as property management for Hisho, which is a training center used to develop the human resources of the Nippon Kayaku Group. We are working to carry out CSR activities by providing a more comfortable environment for local residents and the people that work at Takasaki Plant and the training center.



The Netherlands Functional Chemicals Group

Managing Director Henk Kalsbeek, Dejima Tech B.V.

Dejima aims to conduct its business in a socially responsible and ethical manner, to contribute to the community in which it operates and to respect the needs of employees, shareholders, customers, suppliers, regulators and other stakeholders. Dejima is committed to maintain a healthy and safe working environment that ensures tolerance, respect and dignity for all its employees. Dejima is committed to providing equal opportunity in all aspects of employment and will not engage in



or tolerate unlawful workplace conduct, including discrimination, intimidation, or harassment. Dejima recognizes that pollution prevention, biodiversity and resource conservation are key to a sustainable environment, and will effectively integrate these concepts into its business decision-making. All its employees are responsible and accountable for contributing to a safe working environment, for fostering safe working attitudes, and for operating in an environmentally responsible manner.

Europe Functional Chemicals Group

Managing Director Naoya Miyachi, Euro Nippon Kayaku GmbH

In Germany, there is a labor court that exclusively handles labor issues and companies are required to carry out business activities following CSR management and give consideration to their employees. In this regard, people are very aware of CSR in Germany. At Euro Nippon Kayaku we use printed versions of the KAYAKU spirit to broaden understanding of CSR management, and to ensure employees safety and create healthy workplaces, we strive to prevent all accidents and injuries during the commute and make sure employees take all their paid leave. Moving forward, we are committed to actively carrying out CSR activities in consideration of the local community.



Europe Kayaku Safety Systems Europe a.s. President Shinji Ichikawa

Kayaku Safety Systems Europe a.s. manufactures and sells safety components for automobiles. Products we supply serve as important safety related components that help to save the lives of passengers. With safety being our utmost concern, we provide the market with high quality products. We aim to contribute to the community through implementing CSR-centered management, practicing environmental awareness, improving the quality of life of employees, and organizing charity activities.



United States Functional Chemicals Group

CEO & President Shigeyuki Kawamura, MOXTEK, Inc.

MOXTEK makes contributions to society through utilizing the latest nano optical technology and x-ray technology in visualization and analysis equipment.

As part of our CSR activities, we support programs in the local community by active participation in the Homeless Assistance Program. We strive to continue operating as a well rooted local business in the community.



United States Functional Chemicals Group · Safety Systems Group

President Go Mizutani, NIPPON KAYAKU AMERICA, INC.

Nippon Kayaku America sells and promotes functional chemical products and automotive safety components to customers in North America and also provides technical support. We are located in California, which has some of the most rigorous environmental regulations and worker protection measures of any state in the United States. We comply fully with these rigorous laws and market chemical products that are safe and eco friendly. We also promote products that contribute to the environment and energy efficiency and constantly work to propose even safer automotive safety components to customers. Moving forward, we will continue to proactively engage in CSR activities with the goal of practicing KAYAKU spirit to its fullest.



United States Functional Chemicals Group

President & CEO Jeremiah J. Cole Jr., MicroChem Corp.

MicroChem is committed to its corporate responsibilities for the welfare of our employees and to creating economic value for the community, environment, and stakeholders. We are dedicated to helping our customers succeed through our innovative products and technologies. In addition, we ensure that our business success is in line with MicroChem's high ethical principles and societal expectations.



Mexico Safety Systems Group

Director General Susumu Tokutake, Kayaku Safety Systems de Mexico, S.A. de C.V.

Kayaku Safety Systems de Mexico (KSM) has been promoting the KAYAKU spirit among its employees and striving to implement CSR-centered management since its establishment in May 2007. Besides social contributions targeting employees and the local community, we are also providing assistance by donating food and clothing to the southern and central regions of Mexico that are prone to earthquakes.

As the automobile industry has become globalized, automobile safety components made by KSM are used in countries around the world. We aim to continually grow as a company that is recognized by various stakeholders both locally and globally through provision of high quality products with explosive safety technology as our core competence, which serves to protect human lives from automobile accidents.



China Functional Chemicals Group

General Manager Yoshihiro Ogawa, Wuxi Polatechno Optics Co., Ltd

Kayaku Chemical (Wuxi) was established in 2003 in Wuxi, Jiangsu Province as a plant responsible for the post processes of POLATECHNO CO., LTD. In China, local region oriented CSR activities geared towards environmental protection and social contribution have become increasingly important. It is crucial to ensure a safe work environment for each and every employee following the WPLC Charter of Conduct. We are also conducting efforts aimed to developing our company into a corporation that fulfills its responsibilities to all stakeholders.



China Functional Chemicals Group

General Manager Jiro Hanada, POLATECHNO (HONG KONG) CO., LIMITED

POLATECHNO (HONG KONG) is an important sales company that accounts for more than 70% of the POLATECHNO Group's sales. Our direct customers include Chinese LCD manufacturers and Japanese project manufacturers, but our end products are widely used around the world in final products for automobile, LCD projectors, electricity and water meters, medical devices, and home electronics. These products include products indispensable to our daily lives and many more are associated with energy efficiency, safety and health. We are committed to contributing to society, albeit indirectly, through the sales and marketing activities for our products.



China Functional Chemicals Group

General Manager Kazuyuki Murata, KAYAKU CHEMICAL (WUXI) CO., LTD.

China is faced with many environmental issues and other problems associated with its rapid economic growth, which has heightened the challenging nature of the business environment here. CSR management has become more important in terms of continually growing our business in this environment. We find it extremely important for each and every one of our employees to take action based on our corporate principles and behavioral standards in order to practice CSR management for the realization of KAYAKU spirit. We will continue to contribute to society by continually supplying products of the highest quality, in the wider sense, demanded by customers, through actions based on individual ethical values, instead of what others are doing, while respecting the local culture, history and business practices.



China Functional Chemicals Group

General Manager Tadayuki Kiyoyanagi, Wuxi Advanced Kayaku Chemical Co., Ltd.

China's President Xi Jinping has called for a shift from the country's focus on GDP to setting and achieving indicators for worker's income and environmental protection. As a result, China's environmental regulations are becoming more rigorous and thoroughly implemented, which has caused issues in the raw materials supply chain of certain chemicals companies, such as operating restrictions or forced shutdowns for raw materials manufacturers.

Wuxi Advanced Kayaku Chemical has introduced a new biological effluent treatment system this fiscal year as part of its further response to tighter regulation. We are also strengthening our relationships with raw materials manufacturers to ensure the stable supply of our products, which is considered an important CSR issue.



China Functional Chemicals Group

General Manager Hiroshi Shichijo, Shanghai KAYAKU International Trading Co., Ltd.

Shanghai KAYAKU International Trading (SKT) sells dyes, ink for industrial ink jet printers and heat-sensitive developing agents to the China and ASEAN markets. Environmental and energy conservation issues in these regions will only grow importance moving forward. In particular, environmental consideration and energy efficiency are very important issues facing customers who dye textiles. We are actively rolling out dyes that take about half the normal time to complete, which contributes to our customers' production efficiency, energy conservation and reduction in wastewater.



China Safety Systems Group

General Manager Shigeyuki Kawamura, Kayaku Safety Systems (Huzhou) Co., Ltd.

Kayaku Safety Systems (Huzhou) Co., Ltd. has created a corporate vision focused on the five key word phrase of "safety number one, commitment to quality, technological improvement, employee development, and market-focused" in an effort to realize KAYAKU spirit. We have a TS-16949 based system in place for stable quality and enhancing customer satisfaction, while in terms of safety and the environment, we have advance our efforts based on ISO 14001 and OHSAS 18001.

In addition, we focus on training in order to heighten employee awareness and input in our CSR-centered management. We offer training in Japan as well as training and lectures led by outside institutions and employees visiting from Nippon Kayaku, which have delivered positive results to date. We will continue to contribute to the improved safety of automotive society and benefit society, while ensuring all employees keep KAYAKU spirit close at heart.



China Other Businesses

General Manager Masayuki Arakawa, Kayaku (Shanghai) Co., Ltd

Kayaku (Shanghai) Co., Ltd. implements activities to mitigate management risks of Nippon Kayaku Group companies in China. We implement regular compliance training to ensure employees of group companies are cognizant of correct compliance information while carrying out their daily duties. In addition, we also provide accurate information regarding financial and legal matters to promote appropriate and efficient business operations.



South Korea Functional Chemicals Group

Representative Director & President Keitaro Tada, Nippon Kayaku Korea Co., Ltd.

Nippon Kayaku Korea imports and sells functional materials and pigment materials of Nippon Kayaku in Korea as well as exports pigment material and safety related raw materials from suppliers in Korea to Japan and overseas group companies. While laws in Korea that govern the import and sales of chemical materials into the country, namely the Act on the Registration, Evaluation, etc. of Chemicals (K-Reach) and Chemicals Control Act are being revised (made stricter) yearly, we strive to accurately meet all revised criteria with the aim of realizing the KAYAKU spirit.



Taiwan Pharmaceuticals Group · Functional Chemicals Group

General Manager Daisuke Komagata, Taiwan Nippon Kayaku Co., Ltd.

Taiwan Nippon Kayaku markets products from the Pharmaceuticals Group and Functional Chemicals Group and also carries out market research. Currently, Taiwan Nippon Kayaku is carrying out daily activities to realize the KAYAKU spirit. Our commitments include: (1) correctly understanding customer needs and striving to improve quality of daily work, conveying these practices to related departments; (2) contributing to cultural and economic exchange by actively participating and supporting activities and events of the Interchange Association Japan and the Taiwan Chamber of Commerce; and (3) displaying corporate vision boards primarily inside to constantly raise awareness of the KAYAKU spirit and carrying a card at all times that contains our corporate vision. Moving forward, we will continue to proactively carry out CSR activities for the benefit of the local community.



Malaysia Safety Systems Group

Managing Director Yoichiro Wada, Kayaku Safety Systems Malaysia Sdn. Bhd.

Kayaku Safety Systems Malaysia is a young company established in Malaysia in December 2012 to manufacture and sell automotive safety components. In 2015, we finally initiate the shipment of mass produced products. Because we are a young company, our workforce is also youthful as well as pliable and sensible. We constantly share the message of KAYAKU spirit within the company to raise employee morale. With safety of paramount importance, we supply only the highest quality products knowing that these products can directly affect the lives of our customers and have helped to reduce the number of automobile accident fatalities in the community. We are also mindful of the environment and constantly work to generate added value for the community, while improving quality of life and economic activity.



Thailand NIPPON KAYAKU (THAILAND) CO., LTD.

Managing Director Tetsuya Tomita

NIPPON KAYAKU (THAILAND) CO., LTD. is a company newly established in 2018. Its primary business focuses on the sale of products from the Functional Chemicals Business in ASEAN and the South Asian region, procurement of raw materials and intermediates, as well as surveys of related markets.

Together with all of our employees, we will embrace the KAYAKU spirit and make great contributions to ASEAN and local communities in Southern Asia through observance of compliance and provision of safer materials and materials that lead to energy saving.

