

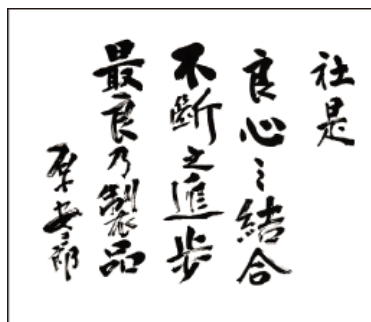


Our Corporate Vision and CSR Management

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**.



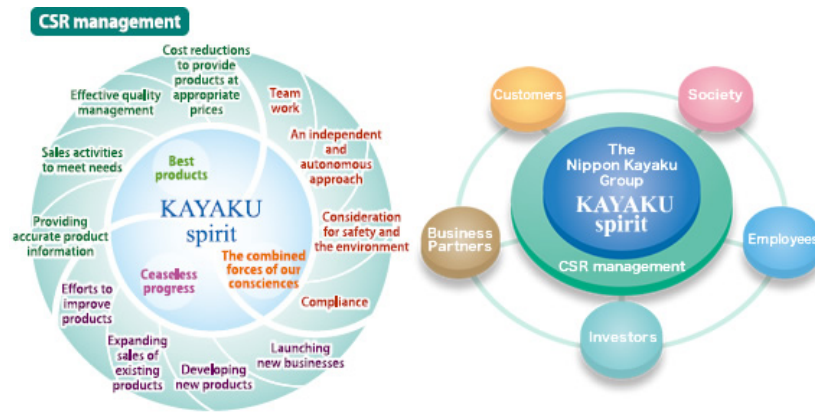
The image at the bottom left is an overhead view of the **KAYAKU Spirit**.

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**



Stakeholders	Overview of initiatives	relevant page
Customers	We conduct company-wide quality activities under our quality system in order to supply the best products to customers. We are mindful that product quality improvements, safety and reliability, as well as the provision of technical services and information are paramount to improving customer satisfaction.	With Our Customers
Business partners	We pursue mutual and sustainable growth with our suppliers, based on the understanding that they are important business partners who help us produce products of the best quality.	With Our Business Partners
Investors	We strive to disclose information to all of our shareholders, investors, and other stakeholders in a timely, impartial, and fair manner, so they may have a proper understanding of the Group's business status, and the various initiatives we are taking.	With Our Shareholders and Investors
Employees	A company is nothing without its people. We respect the human rights of each and every employee, and strive to offer a workplace environment that offers peace of mind to them. Our goal is to be a company where employees can grow personally and professionally through work and feel a sense of motivation in what they do.	With Our Employees
Society	We aim to be a company closely rooted in communities through our involvement at the local level, proactive engagement with all stakeholders and support for the educational needs of the next generation.	With Our Local Communities
Environment	We are committed to achieving a balance between the efficiency of production and reducing its impacts on the environment. For this reason, we consider environmentally friendly management to be an important task. We are now striving to achieve the various environmental targets we have set. We are working to improve facilities and treatment processes in order to use energy more efficiently, reduce exhaust gas including greenhouse gas emissions, and to lower the amount of substances released from effluent and waste that impact the environment.	Initiatives for Environmental Protection Environment/Health/Safety/Quality Management System

Participation in external initiatives

Nippon Kayaku's initiatives in the ESG (environment, social, and governance) go beyond mere compliance with international standards. We believe that collaboration with other institutions and corporations is critical, and we are proactively participating in such initiatives.

Membership qualifications of major external organizations

Group Name	
KEIDANREN (Japan Business Federation)	Japan Crop Protection association
The Japan Chemical Industry Association (JCIA)	Japan Initiative for Marine Environment (in the Japan Petrochemical Industry Association)

Group Name	
The Japan Chamber of Commerce and Industry (JCCI)	The Institute of Internal Auditors – Japan
The Japan Dyestuff and Industrial Chemicals Association (JDICA)	Association of Risk Management
The Japan Pharmaceutical Manufacturers Association (JPMA)	The Japan Association for Chemical Innovation(JACI)
The Biosimilar Association (JBSA)	Nanotechnology Business Creation Initiative (NBCI)
Pharmaceutical manufacturers' association of Tokyo	Nanotechnology Business Creation Initiative
Japan explosives industry association	Japan Open Innovation Council (JOIC)
Japan Auto Parts Industries Association	National Federation of UNESCO Associations in JAPAN

CSR Implementation System

We established the CSR Management Committee and set up the CSR Department within the Corporate Planning Division of our Strategic Corporate Planning Group. When reviewing the CSR Action Plan's goals and accomplishments, the CSR Management Committee takes a top-down approach in its deliberations and decision-making.

At the same time, the CSR Department administers cross-functional CSR projects, while the business sites and group companies take the lead in implementing these projects.



SDGs and the KAYAKU spirit

Sustainable Development Goals (SDGs) consist of the 17 economic, social, and environmental goals that were adopted by all United Nations Member States for the purpose of building a sustainable world and that are to be accomplished by various institutions, organizations, and other entities by fiscal 2030. The concept behind SDGs is synonymous with the Nippon Kayaku Group's corporate vision of "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences." This is because we believe that our corporate initiatives to realize the **KAYAKU spirit** are consistent with the goals of the UN in realizing its SDGs, although they differ in terms of their scale and targets. The business initiatives being taken by our Functional Chemicals, Pharmaceuticals, Safety Systems, and Agrochemicals Businesses, whose business vision is "to continue to provide the best products, technologies and services that safeguard the life and health of consumers and support a comfortable life," also align with the goals of the SDGs.

Realizing the **KAYAKU spirit** will enable us to promote CSR management that gains the trust of all our stakeholders so that we will be able to communicate the initiatives that we have taken so far in the lingua franca of SDGs.



Instilling the Company with the KAYAKU spirit

To instill all of our domestic and overseas employees with the **KAYAKU spirit**, we have translated and distributed a booklet describing our corporate vision and Group Action Guidelines into the language of each country where we operate, for a total of eight languages. In fiscal 2019, we revised this booklet to make it easier to understand. We will also be revising and distributing the versions for each language. We are also creating opportunities to spread the **KAYAKU spirit** among our domestic and overseas employees at Management Strategy Meetings and joint forums on the Mid-term Business Plan and through such means as group training and e-learning. Our aim is to be a company where all employees throughout the world are united in sharing our vision, regardless of which area they work in, be it production, development, sales, management, or anywhere else.



The booklet describing our corporate vision and Group Action Guidelines. It comes in eight versions: Japanese, Czech, Chinese, English, Korean, Spanish, Malay, and Thai.

KAYAKU spirit Promotion Efforts using Kayakuma the Bear

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 the CSR section of our company newsletter, where we introduce our CSR activities and initiatives for implementing our corporate vision, using visual depictions that are easy 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 our 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 using it widely as a symbol of the Nippon Kayaku Group in newspaper ads, on novelty items, and at company events such as factory festivals.



Kayakuma the Bear mascot character representing **KAYAKU spirit**



Conference room and employee locker