

## Message from the President

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## Message from the President



### Mission in *KAYAKU Vision 2025 (KV25)*

**The Nippon Kayaku Group aims to be a company with a strong presence that can consistently provide happiness and delight to the environment, society and all stakeholders under the KAYAKU spirit.**

The Nippon Kayaku Group's Corporate Vision is embodied by the **KAYAKU spirit**: "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences." We have inherited this **KAYAKU spirit** since the time of our founding and consistently engaged in our business activities with the attitude that we must do useful work for the world and its people. While our individual jobs and workplaces may differ, the **KAYAKU spirit** serves as the fundamental basis for the judgments and actions of all Group officers and employees.

Our new Medium-term Business Plan—**KAYAKU Vision 2025 (KV25)**—was launched in FY2022. The plan spans a period of four years, until FY2025. The key focus of KV25 is a set of five key company-wide material issues (Creation of New Business and Products, Mitigation of Climate Change, DX, Business Process Re-engineering, and Work Style Reform), which are the subject of efforts by the Materiality Cross-Functional Team (M-CFT). By integrating activities to achieve our ideal vision for our four businesses with M-CFT activities, we will generate synergistic effects and aim to realize the Group's mission of being a company with a strong presence that can consistently provide happiness and delight to the environment, society and all stakeholders under the **KAYAKU spirit**.

On April 1, 2022, we established our Basic Policy on Sustainable Management. Through a combination of activities in our four businesses and initiatives relating to materialities under KV25, which combines five key company-wide material issues with supplementary key sustainability issues, we will engage in sustainable management—a further evolution of CSR management that we have engaged in thus far—to create environmental, social and economic value. In September 2021, we joined the United Nations Global Compact (UNGC). We will incorporate the UNGC's 10 principles—covering the themes of human rights, labor, environment, and anti-corruption—into our day-to-day operations and strategies and contribute to the creation of a sustainable society by achieving the goals set forth under the Sustainable Development Goals (SDGs) through our business activities.

Going forward, we will continue to enhance our corporate governance and work to ensure thorough compliance, strengthen our management base, and increase our corporate value while practicing sustainable management with a high sense of ethics. I ask for the continued support of all our stakeholders moving forward.

July 2022

Nippon Kayaku Co., Ltd.  
President and Representative Director

A handwritten signature in black ink, appearing to read "Masahito Shikata".

## Messages from Group Company Presidents

The Nippon Kayaku Group is engaged in business operations in 12 countries and regions around the world. Here, we present messages from the presidents of 24 Group companies.



### South Korea Functional Chemicals Business

**Nippon Kayaku Korea Co., Ltd. President and Representative Director Naoki Shiroiwa**

Nippon Kayaku Korea imports and sells products of the Functional Chemicals Business, engages in contracted manufacturing operations in South Korea, and exports and sells various products and raw materials.

Since we handle a diverse range of business divisions there are inevitably many relevant laws and regulations (especially three key chemical-related laws), and we work to ensure compliance with those laws and regulations. Going forward, we will seek to enhance our corporate governance to ensure transparency and fairness in our business operations. Although our contribution may be small, we will make every effort to enhance environmental and social value and work as a team to implement sustainable management and meet the expectations of all stakeholders.



### United States Functional Chemicals Business and Safety Systems Business

**NIPPON KAYAKU AMERICA, INC. President Naofusa Miyagawa**

NIPPON KAYAKU AMERICA operates in North America, selling functional chemicals that contribute to the conservation of energy and resources, and engaging in sales promotions and technical support for automotive safety components.

As a business operator that handles chemical products we comply with laws and regulations, conduct rigorous quality control checks and sell safe and environmentally friendly products. We also engage in initiatives to propose products, technologies and services to customers and partners that can contribute to the realization of a sustainable society, not only from an environmental perspective but also from the perspective of social and economic value. Going forward, we will remain mindful of the **KAYAKU spirit** as we continue in our efforts to contribute to the creation of a more sustainable society, however small our contribution may be.



### Germany Functional Chemicals Business

**Euro Nippon Kayaku GmbH Managing Director Yoshiyuki Dejima**

Euro Nippon Kayaku sells functional chemicals in Europe. Europe was the first region in the world to declare the goal of achieving zero effective emissions of greenhouse gases (becoming climate neutral) by 2050. Under the European Green Deal, efforts to integrate environmental policies with economic and social policies are accelerating faster and faster, and there are expectations for transformations from conventional society and the creation of new businesses.

Under these conditions, we aim to contribute to the creation of a sustainable society by supplying the best, safest and most environmentally friendly products to as many customers as possible.



### Japan Functional Chemicals Business

**NIKKA FINE TECHNO CO., LTD. President and Representative Director Nagafumi Saito**

NIKKA FINE TECHNO is a domestic trading company in the Nippon Kayaku Group. We aim to be a trading company that "realizes" our customers' "desires" by proposing and selling the most suitable products from our wide range of commercial materials.

Furthermore, in order to always be "a company that changes, adapts, and develops", each and every one of our employees will comply with our "Charter of Conduct and Code of Conduct", and we will prove worthy of all stakeholders' trust through the practice of sustainable management under the **KAYAKU spirit**.



**Japan Functional Chemicals Business**

**Kowa Sangyo Co., Ltd. President and Representative Director Kazuki Uchida**

Kowa Sangyo mainly handles manufacturing operations at Nippon Kayaku's Asa Plant, as well as related transportation and inspection operations. Based on our basic philosophy of prioritizing safety first over everything, each and every one of our employees engages in business activities in accordance with the Nippon Kayaku Group Charter of Conduct and Standards of Conduct. In order to achieve sustainable management, we first implement small changes that we can make in our work, such as eliminating wasteful energy consumption and reducing waste output. Through sustainability training and education, we hope to link these efforts to changes in individual employee awareness, so that every employee feels motivated to try and make a difference. Going forward, we will continue working to meet the expectations of all stakeholders, both as a member of the Nippon Kayaku Group and as a company with close ties to local communities.



**United States Functional Chemicals Business**

**KAYAKU Advanced Materials, Inc. President & CEO Jeremiah J. Cole Jr.**

KAYAKU Advanced Materials is located in Westboro, Massachusetts, USA. KAM has approximately 100 employees and is a specialty materials provider bringing innovative materials to the microelectronics marketplace. The Company is deeply committed to the responsible management of its business, through a strong foundation of principles including operational integrity, ethical business practices, good governance, uncompromising regulatory compliance and the explicit respect for our environment and community. The Company strives to provide its employees with an innovative, safe, diverse, inclusive, and respectful workplace, where individual contributions and personal development are highly valued and encouraged. Our corporate values are shaped by strict adherence to “KAYAKU spirit” which guides us to act responsibly in all we do. This, we believe, provides long term value to our customers, employees, community, and the Nippon Kayaku Group.



**China Functional Chemicals Business**

**KAYAKU CHEMICAL (WUXI) CO., LTD. General Manager Kazuhiko Ishii**

KAYAKU CHEMICAL (WUXI) is a wholly owned subsidiary of Nippon Kayaku, established in 2002 for the manufacture and sale of photocurable resins for electronic components. The company marks its 20th anniversary this year. In 2020, we began handling selling cleaners for LCDs and semiconductors, and are expanding our operations with the aim of achieving local production for local consumption in the Chinese market. In China, many issues—such as environmental problems—have arisen as a result of rapid economic development, and the conditions facing companies are becoming increasingly severe. In view of these conditions, sustainable management will become even more important to ensure the continuity and development of our business. At KAYAKU CHEMICAL (WUXI) we aim to realize the **KAYAKU spirit**. To implement sustainable management, we believe that it is of the utmost importance for each and every one of our employees to act in accordance with the Nippon Kayaku Group Charter of Conduct and the Code of Conduct. Going forward, we will continue to contribute to society by providing the high-quality products required by customers in a broad sense; not simply because everyone else is doing it, but by acting with a strong sense of moral responsibility while respecting local culture, history and business customs.



**Japan Functional Chemicals Business**

**Teikoku Taping System Co., Ltd. President and CEO Ichiro Tomonaga**

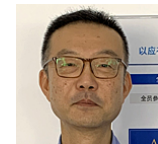
Teikoku Taping System (TTS) designs, develops, manufactures, sells and provides maintenance services for semiconductor manufacturing equipment. The “TTS Values” outlined in our corporate philosophy include ideas that clarify the ideal vision of our company, our goals, and basic management concepts. Through these TTS Values, we maintain awareness of sustainable management and activities to promote sustainability from our daily business process to all activities.



**China Functional Chemicals Business**

**WUXI ADVANCED KAYAKU CHEMICAL CO., LTD. General Manager Ryo Fujimori**

WUXI ADVANCED KAYAKU CHEMICAL manufactures dyes for textiles, paper manufacture and inkjet printing, based on a management policy of delivering human-oriented, environmentally friendly, and customer-satisfying products. In addition to requirements for environmental conservation and safe production, the requirements for carbon neutrality in China are becoming increasingly challenging. Going forward, we will continue to conserve energy and reduce wastewater and waste output in our production processes while giving maximum consideration to improving the working environment for our employees. At the same time, we will deliver highly safe dyes with Bluesign® certification and increase our lineup of products that lead to the conservation of energy and resources and reduction of environmental impact by customers, as we work to contribute to the creation of a sustainable society.



**China Functional Chemicals Business**

**Shanghai KAYAKU International Trading Co., Ltd. General Manager Ryo Fujimori**

Shanghai KAYAKU International Trading sells dye and pigment-related products such as textile dyes, inkjet inks for printing, and coloring agents for heat sensitive applications to Asian markets, primarily China. In order to support efforts in the textile industry, such as the protection of water resources in the supply chain and the improvement of working environments, as represented by ZDHC, in addition to safe and secure products we will continue to provide various solutions such as problem solving and process shortening, contributing to customer reductions in wastewater output, energy conservation, increased productivity and improvements in the work environments at factories.



**United States Functional Chemicals Business**

**MOXTEK, INC. President and CEO Shigeyuki Kawamura**

MOXTEK contributes to society by utilizing cutting-edge nano-optical and X-ray technologies for imaging and analysis equipment. The basic aspects of our sustainability activities are (1) growing together with local communities and (2) making contributions to society, rooted in technology. We actively support local community activities; cooperating with science-related extracurricular activities at elementary schools that participate in programs to support homeless people. At the same time, we also cooperate actively with efforts to unravel the mysteries of the universe and its origins, such as through our contributions to NASA exploration of Mars and space telescope projects. We are deeply rooted in the local community and make efforts to contribute to the development of science.



**Thailand Functional Chemicals Business**

**NIPPON KAYAKU (THAILAND) CO., LTD. President and Representative Director Tetsuya Tomita**

NIPPON KAYAKU (THAILAND) was established in 2018 with the main roles of selling Functional Chemicals Business products in the ASEAN and South Asian regions, procuring raw materials and intermediates from those regions, and conducting research in related markets. Looking ahead, all of our employees will work together to ensure compliance and make significant contributions to local communities in countries in the ASEAN and South Asian regions by providing safer materials, and materials that can contribute to energy conservation.



**China Functional Chemicals Business**

**WUXI POLATECHNO OPTICS CO., LTD. General Manager Hiroyuki Emori**

WUXI POLATECHNO OPTICS (WPLC) is engaged in the production of materials for liquid crystal projectors, post-processing of polarized films for automotive applications (Wuxi), and sales activities in China and other Asian countries (Shenzhen). In China, too, the environmental and safety-related demands placed on companies are increasing, and it is necessary for us to understand and adapt to changes surrounding environmental and social issues. WPLC has already introduced green electric power, and is also engaged in energy-saving activities and efforts to reduce wastewater and waste output. To adapt to such changes, we believe it is important for each and every one of our employees to comply with the Nippon Kayaku Group Charter of Conduct and Code of Conduct, have an awareness of safe operation, and work together as a team. Going forward, WPLC will continue to practice the **KAYAKU spirit** and contribute to the creation of a sustainable environment and society.



**Japan Functional Chemicals Business**

**POLATECHNO CO., LTD. President and Representative Director Hirokazu Karino**

POLATECHNO has made a new start as Nippon Kayaku's Joetsu Plant. Going forward, we will continue to make safety our top priority as we work to maintain a safe and comfortable workplace with zero industrial accidents. We aim to create a sense of unity in the workplace and optimize manufacturing while working to create a greater sense of camaraderie among employees. As a strategy to help improve the global environment, we are actively engaged in energy-saving activities and efforts to reduce industrial waste output, such as utilizing and firmly establishing MFCA, reusing water, improving waste liquid treatment methods, and recycling waste plastics. Looking ahead, we will aim to create a Joetsu Plant that is both friendly to the global environment and firmly rooted in the local community, as we continue contributing to the enrichment of life and the creation of a sustainable society through the stable supply of distinctive products to the world.



**Netherlands Functional Chemicals Business**

**Dejima Optical Films B.V. Managing Director Jan Willem Venema**

At Dejima Optical Films we design, develop and produce -among others- Liquid Crystal Polymer based optical films for the display industry and other applications. With these activities we contribute to the "Light Control Business" of Nippon Kayaku Functional Chemical Group. We are fully committed to sustainable management of Nippon Kayaku. Since the start of Dejima in 1999 we recycle as much as possible our packaging material of Twistar™ that is shipped to the Joetsu plant in Niigata as well as for the raw materials that we receive from Joetsu factory. When we built our new facility in 2008 much effort was put in the design to minimize energy consumption and various equipment was installed for energy recovery from our manufacturing plant. Furthermore the waste gas of organic solvents of our coating lines is catalytically oxidized in an incinerator in order to minimize environmental pollution. The electric power required for our plant has a so-called green-label and is certified generated by wind energy. With the sharp increase of the energy prices we are now studying the possibility to install solar power panels on the roofs of the buildings, although it will be only capable to serve a limited percentage of our power consumption. At Dejima we take into account human and environmental safety in all our management decisions.



**Japan Pharmaceuticals Business**

**NIPPONKAYAKU FOOD TECHNO CO., LTD. President and Representative Director Tomomasa Tsuchibuchi**

NIPPONKAYAKU FOOD TECHNO manufactures and sells preservatives such as ethanol preparations and oxygen absorbers that help preserve the quality of food products, and health food ingredients such as chitosan. Through the provision of excellent products and high value services that ensure food safety and health based on sustainable management, we aim to contribute to society by reducing food loss (with preservatives) and proposing good health through food (with health food ingredients). In order to realize the **KAYAKU spirit** as a member of the Nippon Kayaku Group, we place our highest priorities on safe operation, compliance, and care and consideration for the environment. We work to ensure that each and every one of our employees complies with the Nippon Kayaku Group Charter of Conduct, in order to answer to the trust and expectations of our customers.



**Japan Pharmaceuticals Business**

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

Tumor Diagnosis Support (TD Support) supports histopathological analysis of mammary gland tissue to diagnose tumors. Breast cancer now ranks first in terms of numbers of cancer cases (prevalence) among women. Despite this, it is still considered a very difficult type of cancer to diagnose by histopathological diagnosis, and effective treatment is not possible without an accurate diagnosis. TD Support works every day to contribute to the development of an environment in which the best medical care can be provided to patients with breast cancer, as part of the sustainable management efforts of the Nippon Kayaku Group.



**Japan Pharmaceuticals Business**

**Gunnan Sangyo Co., Ltd. President and Representative Director Daisuke Funagoshi**

Gunnan Sangyo is contracted to manage cleaning of buildings, landscaping and greenery operations at Takasaki Plant, the only manufacturing plant of the Nippon Kayaku Group's Pharmaceutical Business division, and the management of the "Hisho" training center, a HR development location for Nippon Kayaku Group employees. Takasaki Plant is located in rich natural surroundings, surrounded on three sides by the Karasu, Ino and Kasu rivers (all designated as first-class rivers) and adjacent to the IDA Forest of Gunma (Gunma no Mori Prefectural Forest Park) on the north side. The plant manufactures various pharmaceuticals that help to protect people's lives. Going forward, we will continue to implement sustainable management by providing a comfortable environment for employees at the Takasaki Plant, the training center, and its local residents.



**United Kingdom Functional Chemicals Business**

**RaySpec Ltd. Managing Director Peter Smith**

RaySpec places a key emphasis on legal compliance, works to create a workplace environment with consideration for equal opportunities and good health without discrimination, and conducts its business operations in a fair and impartial manner. We consider the environmental impact of all new product development efforts and actively engage in energy-saving initiatives, both through our capital investments and day-to-day activities. RaySpec actively involves itself with charitable organizations and supports fundraising activities. RaySpec products use systems that can evaluate and limit the use of hazardous substances to determine failure modes of machines and check the quality of products, contributing to the safety and well-being of people around the world.



**Taiwan** Pharmaceuticals Business and Functional Chemicals Business

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

Taiwan Nippon Kayaku engages primarily in product sales and market research for the Pharmaceuticals Business and Functional Chemicals Business divisions. Currently we are engaged in three key initiatives to help realize the **KAYAKU spirit**: (1) working to improve the quality of daily operations to accurately grasp customer needs and communicate them to the relevant departments within the company; (2) contributing to local cultural and economic exchanges by actively participating in and cooperating with various activities and events such as the Japan Exchange Association and the Taipei Municipal Industrial and Commercial Association; and (3) maintaining constant awareness of the **KAYAKU spirit** by establishing a Corporate Vision Board in the middle of the company offices and carrying portable reference cards at all times when engaging in daily activities. Going forward, we will continue to actively engage in sustainability promotion activities to contribute to local communities.



**Mexico** Safety Systems Business

**Kayaku Safety Systems de Mexico, S.A. de C.V. President and Representative Director Susumu Tokutake**

Kayaku Safety Systems de Mexico (KSM) was founded in May 2007, and celebrated its 15th anniversary this year. Despite cultural differences in Mexico, we have been working continuously to spread the **KAYAKU spirit**, our corporate vision, and have provided a stable supply of high-quality automotive safety components to countries around the world. Going forward, we will aim for long-term growth and continued progress while coexisting with our various stakeholders. KSM has also adopted an ideal vision for itself as a Nippon Kayaku Group company. This vision includes new initiatives that the company has never attempted before, such as in working to reduce greenhouse gases emissions. While they are aware of the term sustainable management, it seems that many Mexican employees do not yet fully understand its details—but I believe that all of our employees will work together as a team to implement sustainable management, because the **KAYAKU spirit** has been instilled in them. And I think that it is only by realizing our vision that we can build a better, more sustainable future.



**Czech Republic** Safety Systems Business

**Kayaku Safety Systems Europe a.s. President Akinori Kanno**

Kayaku Safety Systems Europe has been manufacturing and selling automotive safety components since 1999, in the city of Vsetin, in the eastern part of the Czech Republic. The products we supply are important safety components which help to protect the lives of vehicle occupants. We supply high-quality products to the market, with safe operation as our top priority. Going forward, we will continue to implement sustainable management, giving consideration to environmental issues, improving the quality of life for our employees, and aiming to contribute to our local community through various charitable activities.



**Malaysia** Safety Systems Business

**Kayaku Safety Systems Malaysia Sdn.Bhd. Managing Director Yasushi Yoshida**

Kayaku Safety Systems Malaysia was established in Malaysia in 2012, for the manufacture and sale of automotive safety components. The products we supply are installed in vehicles on the road in ASEAN member countries and other countries around the world. Safety and quality are the top priorities in our production activities. We practice sustainable management under the **KAYAKU spirit**, which is the corporate vision of the Nippon Kayaku Group. Going forward, we will continue to contribute to improving safety in our automotive society through the supply of automotive safety components, and aim to secure and maintain the trust of our stakeholders.



**China** Safety Systems Business

**Kayaku Safety Systems (Huzhou) Co., Ltd. General Manager Takumi Fujita**

Kayaku Safety Systems (Huzhou) (KSH) manufactures and sells safety-related components for automotive applications, contributing to the reduction of damage caused by automobile accidents by continuing to safely provide high-quality products. In addition to responding appropriately to China's increasingly stringent safety and environmental requirements, we also implement rigorous corporate governance and compliance measures. We will also work to increase economic value through continuous cost reductions. Going forward, KSH will continue working to earn the trust of all its stakeholders by practicing the **KAYAKU spirit** in accordance with the Nippon Kayaku Group's Basic Policy on Sustainable Management.

