

## Message from Management

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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 defined as the **KAYAKU spirit**: Continuously providing society with the best products through ceaseless progress and the combined forces of our conscience." It is this **KAYAKU spirit** which has guided generations of employees ever since our foundation, imbuing us with the belief that we must work towards the greater good of both individuals and society. It is this **KAYAKU spirit** which forges the conviction that sustains our Group's strength. And, though our workplaces and job descriptions may differ, it is this **KAYAKU spirit** which serves as the reference point for the actions and judgment calls of every manager and employee.

Having determined where we want to be based on this **KAYAKU spirit** - "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**" - we have devised a four-year Medium-term Business Plan to form our roadmap for getting there: **KAYAKU Vision 2025 (KV25)**, introduced in April 2022.

FY 2024 sees us enter the second half of **KV25**. With spiraling raw material costs and rising energy prices, our Group's operating environment continues to be tough. Hence, in response to our results and environmental changes over the past two years, we will reassess the profitability improvement efforts and portfolios of every business unit, and, through harnessing the Group's core strengths, steadily develop and establish our pillars of profitability. We will also seek a more accurate grasp of client and societal needs to deliver the necessary products, technologies and services. In that way shall we pursue compatibility between our quest for profitability and our desire to solve social problems, and strive to realize sustainable growth for both company and society.



From now on you will see our continued commitment to strengthening corporate governance and compliance actions, thereby enhancing our management base and raising the company's value via an ethically-grounded approach to sustainable business management. To our stakeholders, my message remains: I would humbly appreciate all the extra support you can spare.

Yours sincerely,

July 2024



Atsuhiro Wakumoto  
Member of the Board  
President and Representative Director

## A Message from our Director In-charge of Sustainability

A backdrop of seismic global change stemming from international affairs has upped the pace of international debate over issues such as climate change responses, biodiversity conservation and respect for human rights, and triggered each country and region to strengthen its laws accordingly. As the Nippon Kayaku Group is also not immune from demands to help achieve a sustainable society through its corporate activities, it is vital we accurately grasp those demands and expectations, and suitably respond.

Thus did FY2023 see Nippon Kayaku Group revise its Human Rights Policy, its Declaration on the Environment, Health, Safety and Product Quality, its Basic Policy on Anti-Bribery, and its Sustainable Procurement Guidelines. These latest revisions allowed us rethink our approach in each area towards meeting skyrocketing public demand for companies to proactively engage in resolving growingly complicated social problems. They are therefore designed to help us appropriately respond to environmental changes surrounding the sustainability of our entire Group's corporate activities, and strengthen our sustainability initiatives yet further. This is not about the mere fixing of policy, but about forging mutual links between each business unit so that issues can be rapidly resolved, measures can be rapidly implemented, and overall effectiveness can thereby be improved.

As a consequence of developing our business in a wide range of areas, the Nippon Kayaku Group is increasingly confronted with area-specific issues which oblige us to take on numerous sustainability challenges. But we also believe that these different areas bring new business chances to help resolve social problems.

Going forward, our revised policies will serve as the base to further promote sustainability initiatives as a component of management activities. We will work to ensure that these activities drive up corporate value, and that our appropriate disclosure of them deepens communication with all stakeholders.

July 2024



Yoshitsugu Ishida  
Member of the Board  
Representative Executive Vice President



## Messages from Group Company Leadership

The Nippon Kayaku Group currently conducts business in 12 countries and regions across the globe. Below are the introductory messages each of our 24 group company leaders.



### Czech Republic Mobility & Imaging Business Unit

#### Kayaku Safety Systems Europe a.s. President: Akinori Kanno

Since 1999, Kayaku Safety Systems Europe has been engaged in the manufacture and sale of automotive safety components from our eastern Czech Republic base of Vsetin. The critical safety components we supply to the market are high-quality, designed with operational safety in mind, and help provide enhanced protection to drivers behind the wheel. We aim to contribute to local communities through sustainable business management, environmental awareness, improved employee quality of life, and philanthropic activities.



### China Mobility & Imaging Business Unit

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

A manufacturer and seller of automotive safety parts, Kayaku Safety Systems (Huzhou) (KSH) contributes to reducing automobile accidents with its stable supply of high-quality products to the market. In addition to responding appropriately to China's increasingly tougher safety and environmental demands, we are thorough in our approaches to corporate governance and compliance, and are also striving to boost economic value through continuous cost-reduction efforts. Through realizing Nippon Kayaku Group's core sustainable management policies in line with the **KAYAKU spirit**, KSH will continue striving to repay the trust of all our stakeholders.



### Mexico Mobility & Imaging Business Unit

#### Kayaku Safety Systems de Mexico, S.A. de C.V. President and Representative Director: Kazumasa Kurita

Established in May 2007, Kayaku Safety Systems de Mexico produces automotive safety parts for the North American market and the world at large. With priorities placed on product safety and quality, we are moving forward with A3 Activities (KAIZEN) and working towards a waste-free production line. Through the implementation of sustainable management practices under the **KAYAKU spirit** of "continuously providing society with the best products through ceaseless progress and the combined forces of our consciences," we are aiming to become a company that repays stakeholder trust across the board.



### Malaysia Mobility & Imaging Business Unit

#### Kayaku Safety Systems Malaysia Sdn.Bhd. Managing Director: Eishi Sato

Kayaku Safety Systems Malaysia was established in 2012 with the aim of manufacturing and selling automotive safety parts. Underpinned by our focus on safety and quality, our products can be found in cars across every ASEAN member state and across the wider world. We also practice sustainable business management in accordance with the **KAYAKU spirit**. Our aim is to earn the trust of every stakeholder through contributing to increased car safety with the parts we provide.



**USA Mobility & Imaging Business Unit**
**NIPPON KAYAKU AMERICA, INC. President: Kenji Yoshida**

NIPPON KAYAKU AMERICA concentrates on gathering information and promoting the sale of automotive safety parts in the North American region. As a seller of automotive safety components, we are rigorous in our approach to compliance and quality control as we bring safe and eco-friendly parts to the market. We are promoting products, technologies and services to clients and partners which aid the creation of a sustainable society, including from the standpoints of increasing environmental, social and economic value. With the **KAYAKU spirit** firmly in mind do we hope to contribute even slightly towards the advent of a sustainable society.


**Japan Mobility & Imaging Business Unit**
**POLATECHNO CO., LTD. President and Representative Director: Hirokazu Karino**

POLATECHNO has been given a fresh lease of life at Nippon Kayaku's Joetsu Plant. Within plant walls, our mantra is "Safety First", as we constantly strive to maintain favorable working conditions with zero industrial accidents. We also aim to optimize production through creating workplace unity and stronger camaraderie. Our environmentally-conscious measures have seen us boost energy-saving, reduce industrial waste, utilize and fix MFCA standards, reuse water, improve treatment methods for liquid waste, and recycle discarded plastics. In future, just as now, do we wish to see a locally-rooted Joetsu Plant continue its eco-friendly drive while stably supplying unique parts to world markets, thereby contributing to better living standards and a sustainable society.


**USA Mobility & Imaging Business Unit**
**MOXTEK, Inc. President: Michiyuki Yamamoto**

MOXTEK contributes to society with its utilization of cutting-edge nano-optical and X-ray technologies for imaging and analysis equipment. The core of our sustainability drive consists of: (1) growing in tandem with the local community; and (2) contributing to society with a technology-rooted approach. We already support local initiatives through proactive participation in a "Homeless Support Program" and delivery of extra-curricular science activities to local schools. And we are even helping to elucidate the beginnings of the universe through our contributions to the NASA Mars Exploration and Space Telescope projects! In short, we are working hard to be a locally-rooted company which aids the wider development of science.


**China Mobility & Imaging Business Unit**
**WUXI POLATECHNO OPTICS CO., LTD. General Manager: Hiroyuki Emori**

WUXI POLATECHNO OPTICS (WPLC) produces liquid crystal projector materials, conducts polarized film processing for automotive applications (Wuxi), and undertakes sales activities in China and other Asian countries (Shenzhen). As even China is now taking an increasingly stringent stance on environmental and safety issues, we need to fully grasp these environmental and social changes and respond accordingly. As such, WPLC has already introduced green electricity, and is working to reduce energy consumption, wastewater and industrial waste emissions. We also believe in the importance of all employees working as one to further enhance our response to change, holding every one of them accountable to the Nippon Kayak Group Charter of Conduct and Code of Conduct, and raising awareness of operational safety. We thus aim to continue our pursuit of a sustainable society by bringing the **KAYAKU spirit** into everyday operations.


**Netherlands Mobility & Imaging Business Unit**
**Dejima Optical Films B.V. Managing Director: Jan Willem Venema**

As our name might suggest, we design, develop and produce optical films for the display industry and other methods of application, thereby contributing to Nippon Kayaku's Light Control Business. We are currently making every effort to implement Nippon Kayaku Group's sustainable management practices. Since establishment in 1999, we have, to the fullest extent possible, recycled both the Twistar™ packaging shipped to, and the raw materials received from, the Joetsu factory. Furthermore, we ensured that our facility built in 2008 was fitted with energy recovery devices for use at various stages of the production process, thereby keeping energy consumption to a minimum. And on top of that, we have held down environmental pollution stemming from our coating line by catalytically oxidizing organic solvent waste gases in an incinerator. Our production plant electricity comes with a so-called "Green Label" which certifies our wind-generated energy. And, although only able to supply a limited amount of our electricity needs, we are looking into the installation of solar panels on our roof in light of recent energy price hikes. Individual safety and environmental conservation are the themes reflected in every management decision taken at Dejima Optical Films.


**UK Mobility & Imaging Business Unit**
**RaySpec Ltd. Managing Director: Josh Wong**

RaySpec management pursues a fair and equitable workplace based on the importance of legal compliance, equal opportunities, zero discrimination, and a healthy working environment. All our new products are developed with environmental considerations in mind, while our capital investments and everyday activities proactively pursue reduced energy use. In the community, we are actively involved in charitable organizations and the promotion of fundraising efforts. We also apply a system to evaluate and limit the use of hazardous substances in RaySpec products, determine failure modes of machines, and conduct product quality checks, thereby contributing to the improved safety and wellbeing of users across the world.





**Japan Fine Chemicals Business Unit**
**NIKKA FINE TECHNO CO., LTD. President and Representative Director: Nagafumi Saito**

NIKKA FINE TECHNO operates as a domestic trading company within the Nippon Kayaku Group. We aim to be a company which tackles the customer's wants directly and brings them into reality, through both proposing and selling the optimum materials from myriad commodities. In order to become a company capable of "changing, adapting and developing," we will bind every employee to the Group Charter of Conduct and Code of Conduct, deliver sustainable business management rooted in the **KAYAKU spirit**, and repay the faith of each and every stakeholder.


**Korea Fine Chemicals Business Unit**
**Nippon Kayaku Korea Co., Ltd. President and Representative Director: Naoki Shiraiwa**

Nippon Kayaku Korea both imports and sells the products of our Fine Chemicals Business Unit, in addition to various other products and raw materials. On top of undertaking contracts concerning Korean domestic manufacturing projects, we both manufacture and sell automotive safety components, and provide relevant technical support.

The numerous diverse business operations we handle come with an inevitably large number of laws and regulations with which to comply; the three laws on chemical-related products being particularly exacting. We are therefore redoubling our compliance efforts across the board. We are also strengthening governance systems to ensure proper business transparency and fairness. Though our scope for impact is limited, we would like, in just a small way, to increase the value we add to society and the environment, and meet stakeholder expectations with a concerted company effort towards sustainable business management.


**Germany Fine Chemicals Business Unit**
**Euro Nippon Kayaku GmbH Managing Director: Yoshiyuki Dejima**

Euro Nippon Kayaku concerns itself with the sale of fine-chemical products to the European region. Europe is currently leading the world with its "Climate Neutrality Declaration," which aims to reduce greenhouse gases to zero by the year 2050. The European Green Deal has accelerated efforts to integrate environmental policies with economic and social ones, raising hopes of a shift away from current societal practices which brings new business opportunities. Against this backdrop does our company seek to provide safe, eco-friendly, and high-quality products to an ever-increasing band of customers, thereby spurring on efforts to achieve a truly sustainable society.


**Japan Fine Chemicals Business Unit**
**Kowa Sangyo Co., Ltd. President and Representative Director: Takuya Sakuramoto**

Kowa Sangyo is responsible for manufacturing operations at Nippon Kayaku's Asa Plant, and ancillary logistics and inspections. Guided by the core principle of "Safety trumping everything else," all employees conduct operations in line with the Group Charter of Conduct and Code of Conduct.

Our approach to sustainable management begins with the little things we can do, such as eliminating wasteful energy use and reducing overall waste. Our further hope is that our sustainability workshops and training raise awareness of the key issues and encourage employees to say: "Let's try introducing these new steps." In the future, just as in the present, as both a member of the Nippon Kayaku Group and a company with strong regional bonds will we strive to meet the expectations of our trusted stakeholders.


**China Fine Chemicals Business Unit**
**KAYAKU CHEMICAL (WUXI) CO., LTD. General Manager: Katsuhiko Oshimi**

KAYAKU CHEMICAL (WUXI), a wholly-owned Nippon Kayaku subsidiary, has principally manufactured and sold UV-curable resins for electronic components since its establishment in 2002. The year 2020, however, saw us embark upon the sale of LCD and semiconductor cleaners. Since then, we have continued to expand Chinese market operations under the principle of "local production and local consumption." Rapid economic development in China has given rise to various issues – not least environmental ones – which have led to tougher surrounding conditions in which businesses operate. Sustainable management has therefore become yet more important to ensuring business continuity and development. We believe it is of central importance to translate the **KAYAKU spirit** into action through sustainable management practices, and to bind each employee to the Group's Charter of Conduct and Code of Conduct so that it may influence their actions. Looking ahead, we aim to contribute to wider society through the supply of, in the broadest sense, the high-quality products that our customers demand. We will do this through respecting local culture, history and business customs, and through each individual acting in line with a firm moral standpoint rather than simply following the actions of the herd.


**USA Fine Chemicals Business Unit**
**KAYAKU Advanced Materials Inc. President & CEO: Kenichiro Yoshioka**

Based in Westboro, Massachusetts, KAYAKU Advanced Materials (KAM) employs around 110 people and, paying heed to operational safety and the environment, furnishes the microelectronics market with innovative specialty materials. The company is deeply committed to responsible business management through sincere and ethical business practices, strengthened governance, exemplary compliance, evident respect for the environment and society, and contributing to local communities via philanthropic activities. Moreover, we are providing our employees with an innovative, safe and diverse environment in which it is both comfortable and rewarding to work, highly valuing and rewarding their individual contributions and efforts to self-improve.

KAM's business value comes from its commitment to the **KAYAKU spirit**, and shaping itself through responsible actions. It is this lodestar which will guide us towards delivering long-term value for our customers, our staff, local communities, and the Nippon Kayaku Group.



**Japan Fine Chemicals Business Unit**
**Teikoku Taping System Co., Ltd. President & CEO: Ichiro Tomonaga**

Teikoku Taping System (TTS) tasks itself with the design, development, manufacture, sale and maintenance of semiconductor manufacturing equipment. The “TTS Values” outlined in our corporate philosophy are replete with crystal clear thoughts on the kind of company we should be, the objectives we should be working towards, and our basic management concepts. These TTS Values will form the backbone of an increased awareness of sustainable management and sustainability promotion, which we seek to apply to everything from everyday work to myriad other activities.


**China Fine Chemicals Business Unit**
**WUXI ADVANCED KAYAKU CHEMICAL CO., LTD. General Manager: Kazuhiko Kosano**

WUXI ADVANCED KAYAKU CHEMICAL manufactures dyes for textiles, paper and inkjet printing based on a management policy of delivering human-oriented and environmentally-friendly products which satisfy our customers. In addition to tough Chinese requirements concerning environmental conservation and production safety, we also have to contend with increasingly challenging stipulations on carbon neutrality. As such, we will continue conserving energy, reducing wastewater and cutting waste output from our production processes while devoting maximum attention to improving the workplace environment for all employees. Through providing highly safe Bluesign®-certified dyes and increasing our lineup of products which help customers reduce their environmental impact and conserve energy and resources do we aim to take steps towards a sustainable society.


**China Fine Chemicals Business Unit**
**Shanghai KAYAKU International Trading Co., Ltd. General Manager: Ryo Fujimori**

With its sights trained on the China-centered Asian market, Shanghai KAYAKU International Trading engages in the sale of textile dyes, inkjet printing ink, and other pigment-related products such as coloring agents for heat-sensitive applications. In order to support fiber industry efforts, exemplified by ZDHC, on supply chain issues such as protecting water resources and improving working conditions, we must not only deliver safe and reassuring products, but continue to present various solutions for problem-solving and process streamlining. That includes contributing to a reduction in customer wastewater, moving towards energy-saving, improving productivity, and augmenting the working environment.


**Thailand Fine Chemicals Business Unit**
**NIPPON KAYAKU (THAILAND) Co., Ltd. President and Representative Director: Tetsuya Tomita**

Established in 2018, NIPPON KAYAKU (THAILAND) mainly sells Fine Chemicals Business Unit products to the ASEAN and South Asian markets, and handles the procurement of raw materials and intermediary purchasing from the same region, as well as surveys of related local markets. All staff will be united in our stance on compliance as we seek to provide yet safer materials with energy-saving potential, and significantly contribute to the ASEAN and South Asian region as a whole.


**Japan Life Science Business Unit**
**NIPPONKAYAKU FOOD TECHNO CO. LTD. President and Representative Director: Tomomasa Tsuchibuchi**

NIPPONKAYAKU FOOD TECHNO concerns itself with the manufacture and sale of food-quality preservatives, such as ethanol preparations and oxygen adsorbers, as well as health food ingredients such as chitosan. With sustainable management as our bedrock, we aim to make yet bigger contributions to society through delivering excellent products and high-value service from the mission standpoints of “Food Safety” and “Food and Health.” Our food-quality preservatives aim to reduce food waste, while our health food ingredients aim to deliver “healthy lifestyle proposals through food.” In order to realize the **KAYAKU spirit** as a Nippon Kayaku Group member, we will prioritize safe operations, proper compliance, and environmental considerations. With high ethical standards shall every employee follow the Group’s Charter of Conduct in our quest to repay the trust and expectations of our customers.


**Taiwan Life Science Business Unit**
**Taiwan Nippon Kayaku Co., Ltd. General Manager: Daisuke Komagata**

Taiwan Nippon Kayaku is chiefly involved in the manufacture, sale, and conducting of surveys regarding the products of the Pharmaceuticals and Fine Chemicals business units. We bring the **KAYAKU spirit** into reality by: (1) making efforts to improve our daily working environment by accurately grasping customer needs and conveying them to the relevant internal departments; (2) contributing to local cultural and economic exchanges by proactively supporting and participating in the various activities of the Japan Exchange Association and the Taiwan Municipal Industrial and Commercial Association; and (3) promoting constant awareness of the **KAYAKU spirit** by erecting a Corporate Vision Board at the center of the office, and inscribing our vision on reference cards carried by every employee when they carry out their daily business. So as to continue contributing to local communities going forward, we will remain proactive in our sustainability promotion activities.



**China Kayaku (Shanghai) Co., Ltd. General Manager: Sumito Suekiyo**

Guided by the **KAYAKU spirit**, Kayaku (Shanghai) promotes the twin mottoes of strengthened corporate governance and thorough compliance. The nature of our work involves providing useful information and services that support risk-reduction and resolution of management problems within the Nippon Kayaku Group and China-based group companies. Specifically, we provide information related to laws and taxes that may impact management operations, and engage in several activities to promote better governance and compliance, including legal services, interpretation, translation, public relations and the handling of surveys.

**Japan Wako Toshi Kaihatsu Co., Ltd. President and Representative Director: Masatomi Akezuma**

Wako Toshi Kaihatsu primarily conducts two types of real estate business: (1) leasing the commercial building facilities in our possession to hypermarket businesses and (2) leasing our three company-dormitory-style buildings in the capital region to Nippon Kayaku. Through this business do we aim to play a part in providing people with food, clothing and shelter, bring smiles to those who live and work under our roofs, and be seen as a necessary presence in the eyes of our customers. We will also work towards aligning our vectors with those of our client business partners in a bid to solve social problems, and promote both thorough compliance and sustainable management under the **KAYAKU spirit**. Specifically, we are taking steps to increase the value of our real estate assets by providing our users with better comfort, health and safety through: (1) upping energy efficiency and resource efficiency through the use of low energy devices and durable materials, and (2) installing and strengthening our facilities' infrastructure and disaster prevention equipment.

