

Our Commitment to and Communication with Stakeholders



Customers

We identify customer needs through sales activities, and work to improve our products and services.

Shareholders / Investors

At the general shareholders' meeting, the president, who acts as the chairperson, provides explanations of the business report and business plan. We also hold an IR briefing meeting for institutional investors, analysts, and the media every half year to explain the overall conditions of our business.

Employees

Every year, the president visits offices, plants, and laboratories in Japan and overseas to deepen mutual understanding with employees.

Business Partners

We promote supply chain management and check our partners' CSR initiatives as necessary. (See page 40.)

Communities / Society

We interact with local communities through measures such as plant tours and visits to local elementary schools to give special classes.

Relationships with Customers

Quality Policy and Quality Targets

Our quality policy is "Providing products and services that satisfy customers." Under this policy, we set mid-term quality targets and implement yearly schedules along with the PDCA cycle in an ongoing effort to improve our management system and operations every year.

Moving forward, we will continue to improve our capability of meeting market needs that are becoming more diverse and complex. We will thereby develop ourselves further as a company that contributes to society.

Quality Policy

"Providing products and services that satisfy customers"

Quality Targets (for Achieving the Quality Policy)

- Quality assurance in all processes, from design and development to production, shipment, distribution, and delivery
- Taking corrective and preventive measures to address quality abnormalities and problems
- Strengthening supply chain management linked to business strategies

PDCA in Quality Assurance



TOPICS

Awarded by MSD as the Best Overall External Site

We provide Merck Animal Health with Fluralaner, an active ingredient of BRAVECTO®, which is a global veterinary pharmaceutical. In 2016, we won the "Best Overall External Site 2016", an award granted by the parent company of MSD to companies that ensure a stable supply of high-quality products including pharmaceuticals, and which have contributed to an increase in the profits of MSD.



Quality Assurance Management System

Our quality assurance management system is based on ISO9001 (QMS)*. Our plants have obtained ISO9001 certification. They each maintain and update their certification through the certifying body. They are also proceeding with revisions to the year 2015 version.

We have established a Quality Assurance Committee that promotes quality assurance activities. It is chaired by the head of the Environment, Safety & Quality Assurance Department. It consists of the officer in charge of the Environment, Safety & Quality Assurance Department and the heads of the Production Technology Department, Purchasing Department, all the business divisions, all the plants and all the laboratories. The committee meets regularly once a year.

The matters reported during the committee meetings are the results of activities, audits, improvements made in response to audit results, information about complaints, and improvements made in response to the complaints at Nissan Chemical and affiliates in the fiscal year under review. The members also discuss action policies related to quality assurance and other items for the following fiscal year. The results of the discussions are reported and approved at board meeting and the management meeting before the quality targets for the following fiscal year are determined.

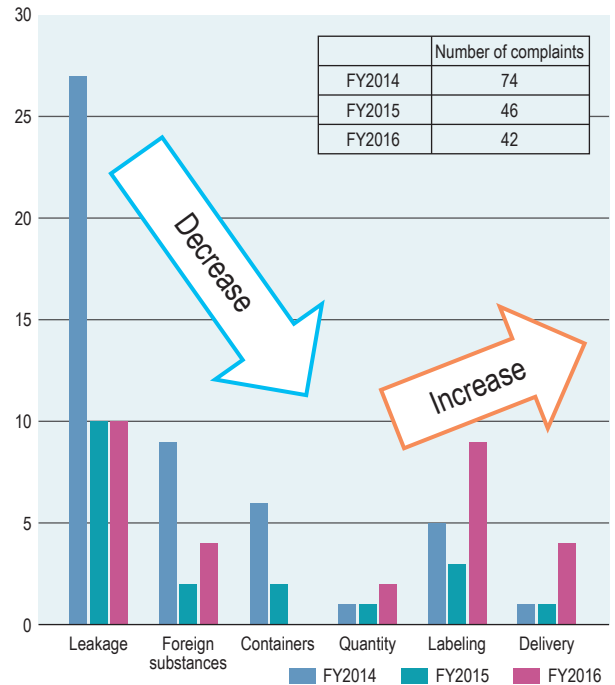
* An international standard on quality management systems

Reporting of Improvements and Survey Results at the Committee Meeting

We have a corporate network that requires us to promptly collect customer opinions concerning products (including complaints and product liability accident information), evaluate them, and take corrective action if necessary.

We have reduced by half the number of complaints about leakage, foreign substances and containers, which were the highest in number in the last three years. We have also checked the effectiveness of the measures that we implemented. Complaints in fields related to distribution – that is, quantity, labeling, and delivery – have been on an upward trend, so we have decided to conduct auditing and provide intensive guidance about these processes.

Number of complaints by cause



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We have passed rigorous inspections and obtained / renewed certifications!

• Onoda Plant underwent an inspection by the Food and Drug Administration of the United States, which judged that the quality system for Fluralaner, an active ingredient for veterinary pharmaceuticals, is functioning appropriately.



• Nagoya Plant and Toyama Plant received the first JIS certification renewal examination of AdBlue®, a high-grade urea solution manufactured at the plants, and passed the examination.

• At Toyama Plant, HI-LITE® that is manufactured there underwent inspections under the U.S. standards NSF / ANSI-50 (standards for equipment for swimming pools) and NSF / ANSI-60 (standard for drinking water treatment chemicals) and renewed the certifications.



Moving forward, we will promote continuous improvements together with the plants to provide customers with safer, higher-quality products.