

Promotion of CSR

The foundation of our business activities is our corporate principle: "Contributing to the society in harmony with the environment based on our excellent technologies, products, and services", and we believe that implementation of this principle is our CSR activities.

In order to strengthen our CSR activities, we established the CSR Promotion Council. The Secretariat of the Council is in the Corporate Planning Department.

CSR Basic Policies

The Company defines the stakeholders as "customers, shareholders/investors, employees, communities/society, and business partners" and decided the following basic policies in order to respond to the expectations of all stakeholders and strengthen their confidence in us.

- 1.To strengthen corporate governance and secure stability, soundness and transparency of management.
- 2.To further focus on appropriate chemical substance management and reduction in environmental load and try to protect global environment.
- 3.To place value on the communication with all stakeholders and disclose information appropriately.



Corporate Governance

Basic Principles

The Company understands corporate governance as "the system for sound and efficient management to achieve sustainable and long-term profit for our stakeholders". In order to achieve it, we are working on the acceleration of management decision-making,

clarification of management and executive operation responsibilities and strengthening the auditing function of the management, compliance system, risk management and internal control system.

Overview of the Corporate Governance

Management Structure

Our "Board of Directors", consisted of 7 Directors including 1 external Director who is disinterested in the Company, is held regularly every month, and important decisions concerning management are made at the meeting. At the same time, the Board of Directors has a function of supervising the business execution of the Directors.

In April 2014, we introduced the Executive Officers' system. By clarifying the decision-making and execution functions of the management, we will try to strengthen both functions and enhance our capacity to establish and implement our management strategies. At the same time, we clarified the management responsibilities and executive operation responsibilities by making the term of the office of Directors and Executive Officers for 1 year. Important matters concerning the management are decided at

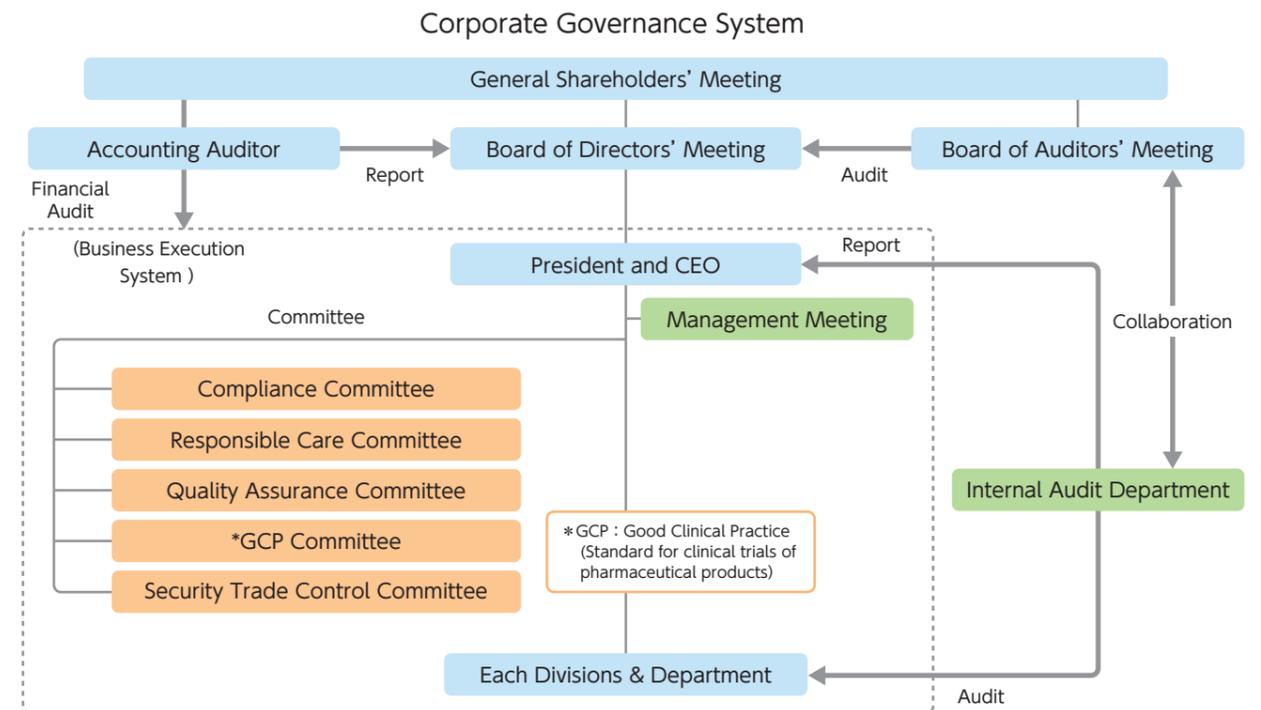
the "Board of Directors" or "Management Council" which is consisted of Directors who also hold the positions of Executive Officers in accordance with the Internal Regulations of the Company.

Internal Audit

The Company has the Internal Audit Unit, and based on the Internal Auditing Regulations, fair and independent internal audit is carried out. The business activities are checked by the Departments of Accounting, Legal Matters, Intellectual Property, and Environment, Safety, and Quality Assurance from the experts point of view.

Audit by Corporate Auditors

In accordance with the audit plan developed at the Board of Auditors' Meeting, the Corporate Auditors attend Board of Directors and other important meetings and audit business execution of the Directors.



Products that Contribute to the Society
 CSR Management
 Responsible Care Activities
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 Communication with the Society
 Site Report
 ISO 26000 Core Subjects Comparison Table