

Corporate Governance

Directors and Auditors

Directors



Representative Director, President & CEO
Kojiro Kinoshita

Attendance at the Board Meeting 12/12

1977 Joined the Company
2002 Director, Head of Corporate Planning Department
2006 Managing Director
2008 Representative Director, President & CEO (to the present)



Director, Senior Executive Vice President
Junichi Miyazaki

Attendance at the Board Meeting 12/12

1974 Joined The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
2000 General Manager of International Department of The Industrial Bank of Japan, Limited (currently Mizuho Bank, Ltd.)
2003 Corporate Auditor of Mizuho Corporate Bank, Ltd. (currently Mizuho Bank, Ltd.)
2005 Managing Executive Officer of Kowa Real Estate Co., Ltd.
2005 Managing Director of Kowa Real Estate Co., Ltd.

2006 Joined the Company, Advisor
2006 Director
2007 Director, Head of Corporate Administration Department
2008 Managing Director
2011 Senior Managing Director
2013 Director, Senior Executive Vice President (to the present)



Director, Senior Executive Vice President
Hiroyoshi Fukuro

Attendance at the Board Meeting 12/12

1979 Joined the Company
2004 Director, Head of Electronic Materials Research Laboratories
2011 Managing Director
2013 Senior Managing Director

2014 Director, Senior Managing Executive Officer
2018 Director, Senior Executive Vice President (to the present)



Director, Managing Executive Officer
Katsuaki Miyaji

Attendance at the Board Meeting 12/12

1985 Joined the Company
2010 Director, Head of Chemical Research Laboratories
2011 Director, Head of Advanced Materials & Planning Department
2014 Executive Officer, Head of Electronic Materials Research Laboratories
2014 Executive Officer, Head of Materials Research Laboratories

2016 Managing Executive Officer, Head of Corporate Planning Department
2016 Director, Managing Executive Officer (to the present)



Director, Managing Executive Officer
Takashi Honda

Attendance at the Board Meeting 12/12

1981 Joined the Company
2012 General Manager of Planning & Development Department, Agricultural Chemicals Division
2014 Executive Officer, Deputy Head of Agricultural Chemicals Division, General Manager of Planning & Development Department, Agricultural Chemicals Division
2017 Managing Executive Officer, Head of Agricultural Chemicals Division
2017 Director, Managing Executive Officer (to the present)



Director, Managing Executive Officer
Hitoshi Suzuki

(newly appointed)

1985 Joined the Company
2007 General Manager of Semiconductor Materials Department, Electronic Materials Division
2010 General Manager of Semiconductor Materials Research Department, Electronic Materials Research Laboratories
2012 General Manager of Semiconductor Materials Department, Performance Materials Division
2013 Deputy Head of Performance Materials Division

2013 Director, Deputy Head of Performance Materials Division
2014 Executive Officer, Deputy Head of Performance Materials Division
2016 Executive Officer, Head of Materials Research Laboratories
2018 Managing Executive Officer, Head of Performance Materials Division
2018 Director, Managing Executive Officer (to the present)



Outside Director **Tisato Kajiyama**

Attendance at the Board Meeting 12/12

- 1969 Post Doctor Course, The University of Massachusetts Amherst, USA
- 1984 Professor of Faculty of Engineering at The Kyushu University (currently National University Corporation Kyushu University)
- 2001 President of The Kyushu University
- 2008 President of Independent Administrative Institution Japan Student Services Organization
- 2010 Outside Corporate Auditor of the Company
- 2011 Chairman, Board of Trustees and President of Public University Corporation Fukuoka Women's University (to the present)
- 2014 Outside Director of the Company (to the present)



Outside Director **Tadashi Ohe**

Attendance at the Board Meeting 11/12

- 1969 Qualified for attorney-at-law
- 1989 Instructor for the Legal Training and Research Institute of Japan (court representation in civil proceedings)
- 1994 Outside Corporate Auditor of Canon Inc. (to the present)
- 2004 Outside Corporate Auditor of Marui Group Co., Ltd. (to the present)
- 2006 Outside Corporate Auditor of Kao Corporation
- 2011 Outside Director of JECO Co., Ltd. (to the present)
- 2015 Outside Director of the Company (to the present)

Auditors

Corporate Auditor

Yasuyuki Nakajima

Attendance at the Board Meeting 12/12

Attendance at the Board of Corporate Auditors' Meeting 12/12

- 1979 Joined the Company
- 2008 General Manager of Semiconductor Materials Research Department, Electronic Materials Research Laboratories
- 2008 Associate Executive Officer, General Manager of Semiconductor Materials Research Department, Electronic Materials Research Laboratories
- 2010 Associate Executive Officer, General Manager of Semiconductor Materials Research Department, Electronic Materials Division
- 2015 Corporate Auditor of the Company (to the present)

Outside Corporate Auditor

Norihiro Suzuki

Attendance at the Board Meeting 12/12

Attendance at the Board of Corporate Auditors' Meeting 12/12

- 1983 Joined The Norinchukin Bank
- 2003 General Manager of Naha Branch
- 2008 General Manager of Cooperative Finance & Administration (Kanto Area) Div.
- 2010 Seconded to Eiraku Co., Ltd. as President (currently Norinchukin Facilities Co., Ltd.)
- 2012 Managing Director of The Norinchukin Bank
- 2014 Director of Nochu Bussiness Support Co., Ltd., and Director of Nochu Information System Co., Ltd.
- 2016 Outside Corporate Auditor of the Company (to the present)

Outside Corporate Auditor

Shuichi Takemoto

Attendance at the Board Meeting 10/10

Attendance at the Board of Corporate Auditors' Meeting 10/10

- 1982 Joined The Fuji Bank, Limited
- 2002 Deputy General Manager, IT & Systems Control Department of Mizuho Bank, Ltd.
- 2004 General Manager, Human Resources Division of Mizuho Information & Research Institute, Inc.
- 2008 General Manager, Fukuoka Branch of Mizuho Bank, Ltd.
- 2009 General Manager, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2010 Executive Officer, IT & Systems Planning Department of Mizuho Trust & Banking Co., Ltd.
- 2011 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd.
- 2013 Managing Executive Officer of Mizuho Trust & Banking Co., Ltd., and Managing Executive Officer of Mizuho Financial Group, Inc.
- 2014 Deputy President of Mizuho Private Wealth Management Co., Ltd.
- 2017 Advisor of Mizuho Trust & Banking Co., Ltd.
- 2017 Outside Corporate Auditor of the Company (to the present)

Outside Corporate Auditor

Noriyuki Katayama

Attendance at the Board Meeting 12/12

Attendance at the Board of Corporate Auditors' Meeting 12/12

- 1990 Qualified for attorney-at-law, Joined the law office of Nagashima & Ohno (currently Nagashima Ohno & Tsunematsu)
- 1996 Qualified for attorney-at-law in New York State, USA
- 1996 Joined Tokyo City Law & Tax Partners
- 2003 Joined City-Yuwa Partners (to the present)
- 2004 Statutory Auditor of Deutsche Asset Management (Japan) Limited (to the present)
- 2005 Statutory Auditor (part-time) of Deutsche Securities Junbi K.K. (currently Deutsche Securities Inc.)
- 2006 Outside Director of Accordia Golf co., Ltd.
- 2009 Visiting Professor of Toyo University Law School
- 2013 Supervisory Director of SIA REIT, Inc. (currently One REIT, Inc.)
- 2014 Examiner for the preliminary bar examination
- 2014 Outside Corporate Auditor of the Company (to the present)
- 2017 Supervisory Director of HEIWA REAL ESTATE REIT, Inc. (to the present)
- 2018 Outside Director of Nippon Denka, Ltd. (to the present)

Basic Philosophy

We think of corporate governance as a mechanism that ensures sound, efficient management to provide stakeholders with sustainable, medium- to long-term profits. Based on this idea, we strive to ensure management decisions are made promptly, and work to clarify the management responsibility and responsibility for executing operations. At the same time, we take initiatives for strengthening the management's monitoring function, compliance, risk management, and internal control system under our Board of Directors and Board of Corporate Auditors, whose members include highly independent outside officers.

Corporate Governance System

Execution and supervision of operations

By introducing a system with executive officers, we clarify the management's function of prompt decision-making and supervision and the function of executing operations, thereby strengthening both. We also strive to improve management's capabilities to develop and execute our management strategies. In addition, we have set a one-year term for each director and executive officer, thereby clarifying the management responsibility and the responsibility for executing operations.

Board Meeting

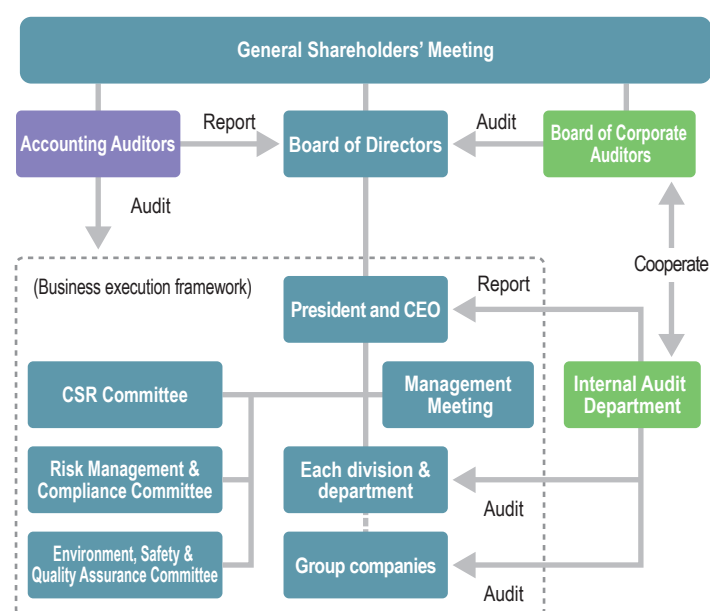
Our board meets monthly in principle, to resolve important management matters. It also supervises the execution of operations by directors and executive officers. We ensure that important management matters are determined through careful deliberations at the board meetings or management meetings in our efforts to eliminate or reduce business risks. In addition, the details of decisions made at the management meetings and the results of business executions based on decisions made at the board meetings, etc. are reported to the Board of Directors to enhance the supervising function of the board meeting. The Company further strives to ensure and improve effectiveness in execution of roles and responsibilities of the Board of Directors by conducting the effectiveness evaluation on the overall Board of Directors every fiscal year.

Internal Audit

We have the Internal Audit Department, which conducts fair and independent internal audits in accordance with the "Nissan Chemical Group Internal Audit Rules". Business activities are checked by the Finance & Accounting, Legal, Intellectual Property, and Environment, Safety & Quality Assurance Departments, with each applying its respective expertise.

Audit by Corporate Auditors

We have established the Board of Corporate Auditors. In accordance with auditing plans formulated by the Board of Corporate Auditors, corporate auditors audit the execution of directors' operation by participating in the board meetings and other important meetings, and by regularly visiting each division / department of the Head Office and plant / laboratory to exchange opinions.



Accounting Audit

We have appointed the Yaesu Audit Company as our accounting auditor. They audit at the end of each fiscal year, and during the fiscal year as necessary.

Support for Outside Directors and Corporate Auditors

The Corporate Planning Department supports outside directors by giving them prior explanations of the contents of the agenda and other matters to be discussed at the board meetings, and serves as a contact for inquiries. For outside corporate auditors, we have appointed audit assistants in response to requests from them. Audit assistants are employees who help outside corporate auditors fulfill their duties efficiently and smoothly. They serve as coordinators for holding internal audits, Board of Corporate Auditors' meetings, and other meetings, help outside corporate auditors conduct audits, and collect and provide information to them.

Policy and Procedures in the Nomination of Officer Candidates

Decisions regarding the nomination of candidates for directors and corporate auditors are made at board meetings attended by outside directors and proposed at the general shareholders' meeting. In addition, nominations of corporate auditor candidates are approved by the Board of Corporate Auditors in advance.

Nominate Policy

	Policy	Number stipulated in the Articles of Incorporation	Current number	Number of outside officers included in the figure on the left
Directors	<p>We operate business activities globally in diverse fields, including chemicals, performance materials, agricultural chemicals, and pharmaceuticals. Accordingly, in nominating candidates for our directors, we consider the balance between knowledge, experience, capabilities, and other elements of the overall board of directors and its diversity to ensure that our directors can make decisions regarding the above business activities and supervise the execution of operations in an appropriate and flexible manner.</p> <p><Inside Directors> Human resources who have expertise, knowledge and other capacities in each business field such as corporate planning, personnel, finance & accounting, research and development, production technology, environment, safety & quality assurance and others.</p> <p><Outside Directors> Human resources who are capable of giving opinions proactively, raising questions and giving advice on growth strategies, the enhancement of governance and other issues from the viewpoints of various stakeholders and society.</p>	12	8	2 (2)
Corporate Auditors	Human resources with experience and knowledge in a wide range of fields including finance & accounting who are capable of giving opinions and advice to the management from a fair and neutral standpoint, in addition to auditing the execution of operations.	5	4	3 (1)

The figure in () indicates the number of directors / corporate auditors designated as independent officers

Appointment of Outside Officer

	Name	Reason for appointment
Outside Directors	Tisato Kajiyama Appointed in June 2014	Dr. Kajiyama has acquired as the President of Kyushu University, the President of the Independent Administrative Institution Japan Student Services Organization and the President of Public University Corporation Fukuoka Women's University. We believe that he has reflected his broad range of knowledge, experience and expertise as a doctor of engineering in our corporate management with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	Tadashi Ohe Appointed in June 2015	We believe that Mr. Ohe has reflected his extensive experience, including his experience of outside director at several companies and expertise as attorney-at-law in our corporate management with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
Outside Corporate Auditors	Norihiro Suzuki Appointed in June 2016	Mr. Suzuki has a wide range of knowledge, including extensive experience and finance expertise those are cultivated through many years of business at financial institutions. We believe that he has reflected his knowledge in our corporate audit with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	Shuichi Takemoto Appointed in June 2017	Mr. Takemoto has a wide range of knowledge, including extensive experience and finance expertise those are cultivated through many years of business at financial institutions. We believe that he has reflected his knowledge in our corporate audit with objective and neutral standing-point, and will continue to fulfill the duties appropriately.
	Noriyuki Katayama Appointed in June 2014	Mr. Katayama has an extensive experience including the experience of outside director / auditor at several companies and expertise as attorney-at-law. We believe that he has reflected his knowledge in our corporate audit and will continue to fulfill the duties appropriately.

Number of Major Meetings and Attendances (FY2017)

Board Meeting	12 times	Board of Corporate Auditors' Meeting	12 times
Attendance of outside directors at board meetings	96%	Attendance of outside corporate auditors at board of auditors' meetings	100%
Attendance of outside corporate auditors at board meetings	100%		

Officers' Remuneration

The fundamental principle in officers' remuneration is to maintain its system that is in line with management policy by ensuring that officers contribute to increasing operating performance on a continual basis over the mid- to long-term and toward increasing the overall value of the group, thereby meeting shareholder expectations. At the same time, the basic policy is to set remuneration at an appropriate level, taking into account such factors as the management environment, operating performance and consistency with the treatment of employees.

The remunerations of individual directors are determined at the board meeting attended by outside directors as well within the total amount determined by resolution of the general shareholders' meeting. The remunerations of individual corporate auditors are determined through discussions by corporate auditors.

Officer	Number of officers	Remuneration (million yen)
Directors (excluding outside directors)	9	321
Corporate Auditors (excluding outside corporate auditors)	1	27
Outside officers	6	80
Total	16	428

(Note) The above number of officers and remuneration include remuneration for two directors and one corporate auditor who retired at the close of the 147th general shareholders' meeting held on June 28, 2017.

Analysis and Evaluation of the Effectiveness of the Overall Board of Directors (Effectiveness Evaluation of Boards)

We consider the primary roles and responsibilities of the Company's Board of Directors as follows and annually analyze and evaluate whether the roles and responsibilities are fulfilled. In order to ensure the neutrality and objectivity of the executioner of the effectiveness evaluation, evaluation is conducted every few years by third-party that is not related to the Company and interests. Effectiveness evaluation in FY2017 was conducted with the cooperation of external organization.

The Primary Roles and Responsibilities of the Board of Directors

- (1) Establishing a strategy for achieving sustainable growth and increasing the Company's corporate value over the medium to long-term, and facilitating the execution of the foregoing
- (2) Providing appropriate support for risk-taking by the management by developing an enhanced internal control system and other systems
- (3) Strengthening the swift management decision-making and oversight function and the execution function through clarification of both function
- (4) Further enhancing management transparency, soundness and objectivity through, among other efforts, appointment of Outside Officers who monitor and oversee the management from external viewpoints

Evaluation Procedures

The Company prepared a questionnaire for directors and corporate auditors and analyzed the results of their responses, and conducted individual interviews with all directors and corporate auditors. Based on the results of these responses and interviews, all independent directors (two outside directors and one outside corporate auditor), the President, the Vice President, the Director and Head of the Corporate Planning Department, and external organizations analyzed and evaluated at the meeting of exchange of ideas. The results of the meeting were discussed and summarized at the board meeting.

Evaluation Results

As a result of deliberations by the board meeting, it is concluded that the Board of Directors assured the effectiveness considering its structure, operation and appropriate content to discuss. Implemented countermeasures against the results of effectiveness evaluation implemented in FY2016 were also taken into account. However, it is necessary to assess following items as future initiatives at the boards' effectiveness evaluation later than 2018 and improve subsequently and take remedial action as necessary.

Future Initiatives

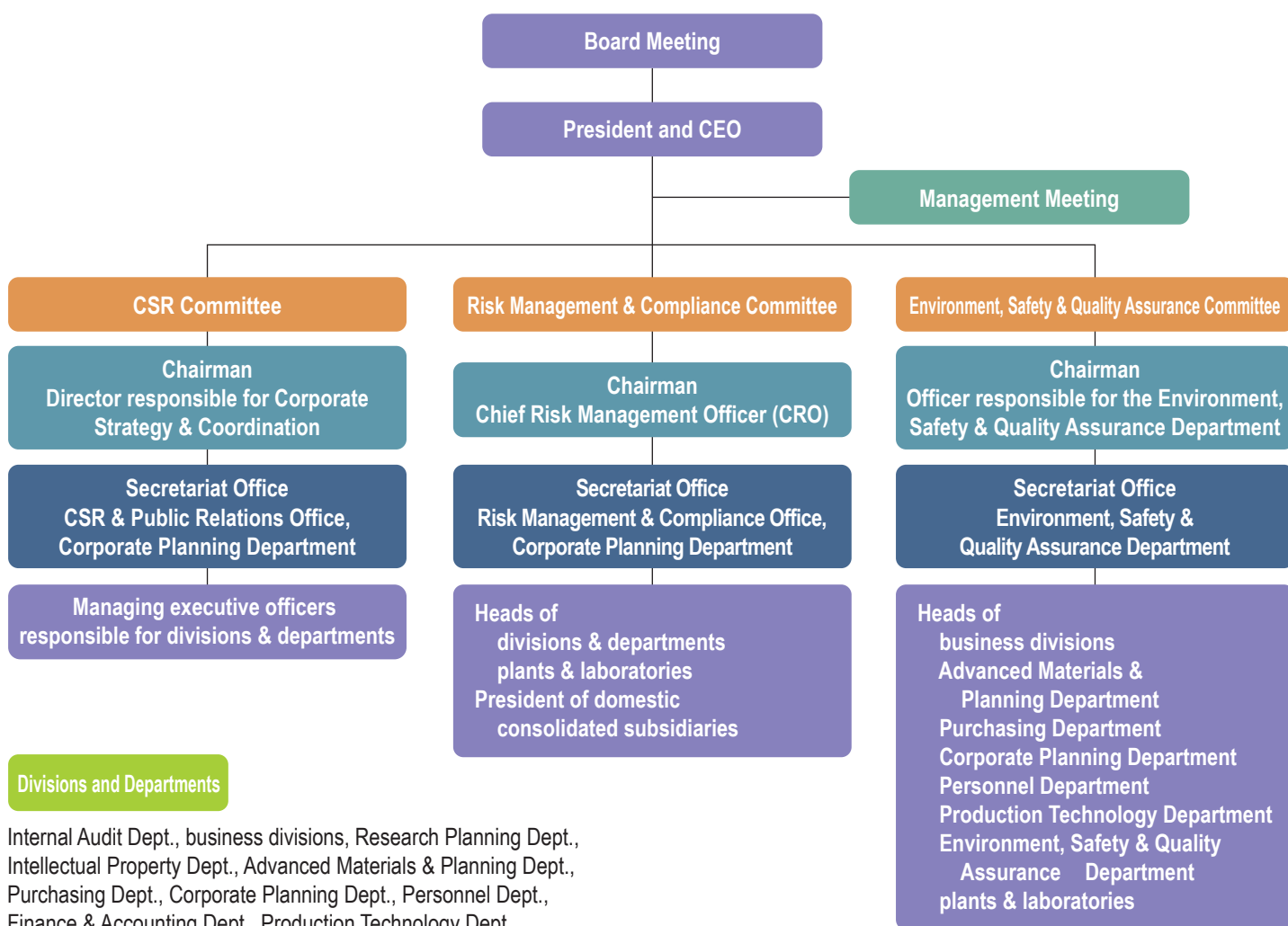
- (1) Enhancing the involvement of outside directors in discussions for developing management plans
- (2) Having outside directors and auditors participate in discussions on the progress of management strategies and plans
- (3) Further improving information materials used in the board meetings
- (4) Sharing discussions at management meetings with outside directors and auditors
- (5) Composition of the Board of Directors that considers balance and diversity
- (6) Setting up a voluntary committee that explains and discusses successor plans including executive managers

Promotion of CSR

Our group considers that the corporate philosophy “We contribute to society in harmony with the environment, based on our excellent technologies, products and services.” is the basis of our business activities. We have established CSR & Public Relations Office under Corporate Planning Department to enhance our CSR activity with the mission “to draw up CSR strategies in response to social trends, to raise awareness of CSR internally, and to send relevant information”. CSR & Public Relations Office serves secretariat of CSR Committee to tackle global social issues more strategically. This committee which is composed of managing executive officers responsible for divisions and departments, meets biannually to discuss CSR policy, materiality, mid- and long-term plans and annual plans related to CSR, evaluation of the results of activities, and issues that need to be improved and examined based on the evaluation. The results of the deliberations are approved by the management meeting and submitted to the board meeting.

In addition, we have participated in United Nations Global Compact (UNGC) in April 2018. We support 10 principles advocated by UNGC in four fields in human rights, labor, the environment and anti-corruption and will continue to make efforts to realize them, thereby contributing to the sustainable development of society.

CSR Promotion Structure



Compliance

Regarding compliance with legislation and social norms to be a prerequisite for our continued survival and development as a company, we have formulated compliance rules and compliance basic policy, and established the Risk Management & Compliance Committee and the Consultation Hotline (whistleblowing system).

In addition, the Risk Management & Compliance Office under the Corporate Planning Department has been established as a specialized organization to promote continuous improvement of the entire compliance activities of Nissan Chemical Group. This office provides education and guidance on compliance, receives reports from the heads of each division / department, plant / laboratory, and group company, and conducts regular audits of the status of compliance. The office makes recommendations for improvement as necessary.

We have formulated the Compliance Manual, which sets forth compliance assessment for group employees, and are working to earn a solid social evaluation as a good corporate citizen by matter even more day-to-day activities than before.

Compliance Basic Policy

1. We consider compliance to be an important management issue and ensure thorough compliance in every aspect of its business activities, thereby establishing corporate ethics.
2. All officers and employees of Nissan Chemical Group shall be sufficiently aware of compliance and prevent the occurrence of a compliance violation.
3. In the event that a compliance violation has occurred or is likely to occur, we take a prompt and appropriate response.

Compliance Manual Rules

We have established compliance rules from various viewpoints, including anti-corruption.

As a corporate citizen

Comply with the laws/regulations of the industry
 Restrict contributions and political donations
 Terminate any relationships with antisocial forces
 Comply with antitrust laws
 Conduct fair transactions with suppliers and comply with the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors"
 Prevent unfair competition
 Comply with laws and regulations related to security export control
 Comply with laws and regulations related to import/export
 Prohibit excessive entertainment and gifts
 Prohibit bribery of foreign officials, etc.
 Implement appropriate marketing and advertising

As a public corporation

Disclose management information
 Conduct appropriate accounting processing

As a manufacturer

Ensure the safety of products
 Protect the environment
 Implement security and disaster prevention measures

As a stakeholder of the Company

Prohibit conflicts of interest
 Use corporate assets appropriately
 Prohibit insider trading

As a member of the workplace

Comply with work regulations
 Respect human rights; prohibit discrimination
 Prohibit sexual harassment
 Protect privacy
 Ensure the health and safety of the workplace
 Prohibit political and religious activities

As a person who handles work-related information

Manage confidential corporate information appropriately
 Use information systems appropriately
 Manage personal information appropriately
 Protect intellectual property rights

Restrictions on acts of endowment and political donations

- (1) Political donations and donations to various organizations must be made by observing the relevant laws and regulations such as the "Public Offices Election Act" and the "Political Funds Control Act", and by following the proper methods.
- (2) Prior approval must be obtained by following internal rules before donating money or making any other donation.
- (3) Sound and transparent relationships with politicians and the government must be created by refraining strictly from actions that may lead to the misunderstanding that we have cozy relationships with them, not to mention bribery, payoffs and illegal political donations.

Prohibition of excessive entertainment and gift-giving

- (1) Entertainment and gift-giving for public officials or quasi-public officials that contravene the regulations under the "National Public Service Ethics Act", etc. are prohibited.
- (2) Entertainment and gifts to business partners must be given within the bounds of common sense of the general public.
- (3) Response to entertainment or a gift offered by our client or business partner, etc. must not be made before consulting our superiors when the entertainment or the gift is suspected to be beyond the bounds of common sense of the general public.

Prohibition of bribery of foreign public officials

It is prohibited to provide foreign public officials, etc. with money or any other favors to gain illegal profits in the course of business or in return for favors provided by them in business, either directly or via a third party such as a consultant. It is also prohibited to promise or offer to provide such favors.

Measures for Promoting Compliance (FY2017)

Information Management	Formulation of guideline for confidential information In-house training for revision of the "Act on the Protection of Personal Information"
Insider Trading Regulations	In-house training for new employees Dissemination by in-house newsletter
Subcontracting Regulation	In-house training for the "Act against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors" Internal audit
Consultation Hotline	Improvement of contact (addition of outside corporate auditors) Introduction of in-house leniency system
Anti-bribery	In-house training Dissemination by in-house newsletter Formulation of the "Anti-Corruption and Bribery Policy" at Nissan Chemical Product (Shanghai) Co., Ltd.
Security Export Control	In-house training for the "Foreign Exchange Law" Internal audit
Others	Consolidated subsidiaries Compliance Officers Meeting Training for group companies Training for newly-appointed board members Training for board members etc.

Consultation Hotline

We have Consultation Hotline to prevent compliance violation or resolve the problem early on. When an employee discovers a compliance violation or potential compliance violation, he or she shall address the problem in normal operation in principle, through measures that include reporting the matter to their superior. However, if he or she thinks it is difficult to address the problem promptly and effectively, they can use the Consultation Hotline.

The contact point for reporting shall be the Risk Management & Compliance Office, outside attorneys, or outside corporate auditors, and the means for reporting may be selected by e-mail, mail, or telephone. Upon receipt of a report, the contents are reported to the corporate auditors. The Board of Directors periodically receives reports from the Risk Management & Compliance Office on the status of the operation of the internal reporting system and supervises it.

Although it is possible to report anonymously, even if the name of the informant is indicated, we take care not to disadvantage the informant due to the use of the system.

In FY2017, there were no cases of whistleblowing. We inform employees of the system via our in-house newsletter.

	FY2013	FY2014	FY2015	FY2016	FY2017
Consultation Hotline Reports (Number)	2	1	1	0	0

We are promoting risk management in accordance with the following action guidelines, with the aim of recognizing the various risks involved in the Nissan Chemical Group, preventing the occurrence of loss risk, minimizing the impact of their occurrence, and contributing to the achievement of our management strategic goals.

- ## Goals of risk management

- ## Risk Management System

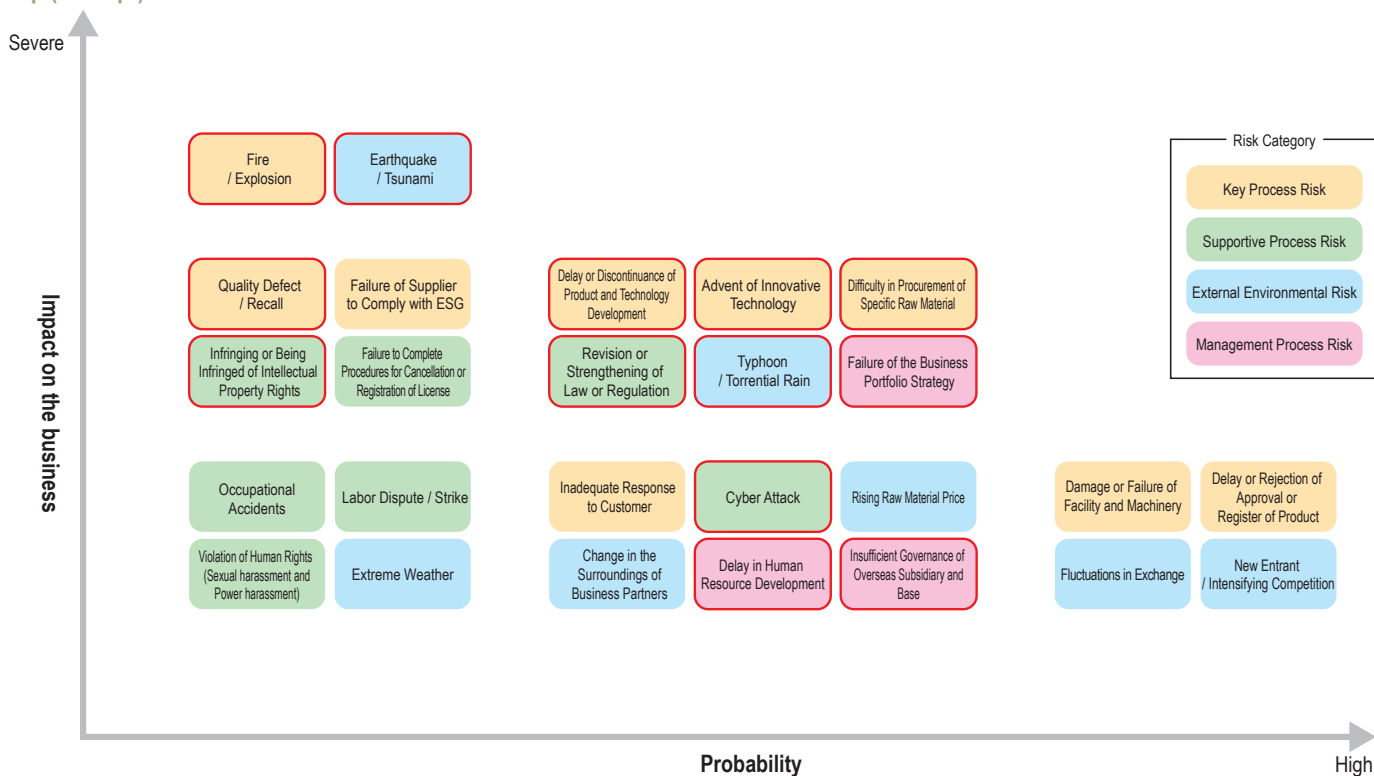
The important matters related to risk management and countermeasure plans, etc. are decided at the board meeting after discussion by the committee.



Identified Group Major Risks

We clarified risks taking into account the business characteristics of each division and the surrounding businesses, including global political, economic and social conditions. Subsequently, risk assessment was conducted from the viewpoint of probability and impact on the business. By following the assessment, risk map was created and group major risks were identified. The contents of major risks were deliberated by the Risk Management & Compliance committee and agreed at the board meeting.

Risk Map (Excerpt)



Group Major Risk	Summary of Risk
Delay or Discontinuance of Product and Technology Development	Risk of the failure of payback of invested capital to R&D due to being unable to launch the product under development
Advent of Innovative Technology	Risk of the losing competitive power due to advent of innovative technology with low cost
Failure of the Business Portfolio Strategy	Risk of decline in business performance due to the failure of the business portfolio strategy
Difficulty in Procurement of Specific Raw Material	Risk of being unable to supply the product to customer due to the discontinuance of specific raw material
Revision or Strengthening of Law or Regulation	Risk of unwilling discontinuance of sales of product, or unwilling change in business or capital investment plan due to revision / strengthening of law or regulation
Typhoon / Torrential Rain	Risk of increasing expenses to plant restoration and decreasing production volume due to direct onslaught on main plant by large-scale typhoon
Earthquake / Tsunami	Risk of suspension of business activities and the death or injury of many employees due to massive earthquake occurring at the location of business site
Fire / Explosion	Risk of suspension of business activities and the death or injury of many employees, and being sued by neighboring resident for the damage by fire / explosion at plant
Quality Defect / Recall	Risk of reimbursement for large expenses by customer and discontinuance of transactions due to PL accident which occurs with product containing material provided by the Company
Infringing or Being Infringed of Intellectual Property Rights	Risk of being subjected to a large amount of damages and product injunction claims from other company due to infringement on other company's patent
Cyber Attack	Risk of shut down of operations for a long period of time, and losing credibility of customer and society because of leak of customer's or the Company's confidential information by cyber attack
Delay in Human Resource Development	Risk of personnel shortage which occurs in each division due to delay in the human resource development who will be responsible for the growth of the Company
Insufficient Governance of Overseas Subsidiary and Base	Risk of losing credibility due to discovery of impropriety management at overseas subsidiary and base caused by inadequate control