

ESG Initiatives

Nippon Chemi-Con incorporates ESG (environment, society, governance) into our corporate strategies to pursue sustainable growth. We outline activity goals and promote company-wide participation.



ESG Activities (Major activities/goals for FY2018)

	Core issues / Materiality	FY2018 major activities and goals
E	Global environment conservation	Global warming prevention and energy conservation activities
		Appropriate management of chemical substances used by factories
		Management of chemical substances contained in the products (environmentally conscious products)
		Effective use of resources and waste reduction, promotion of 3Rs
		Continuous improvements based on environment management system (ISO14001)
		Biodiversity conservation activities
		Contributions to local society
		Compliance with environmental laws
		Development of energy-efficient products
S	HR/benefits	Overseas assignments via the global human resources development program (application based)
		Reflect results of employee awareness surveys in HR strategies
		Adopt welcome back program (rehiring program)
	Worker health and safety	Enhance work time management system by establishing worker health and safety system
		Reduce overtime to average 29 hours per worker per month
		Increase paid leave usage rate and childcare leave usage rate to 70% and higher
	Human resource development	Adopt mandatory rest between shifts
		Continued implementation of healthy company activities
		Conduct position-specific training (15 times/year)
		Continue to offer Japan training program for overseas local workers
	Diversity	Continue implementing measures to maintain 5-year turnover rate of 12% or less for young employees
		Proactive hiring of foreign students studying in Japan
		Increase rate of hiring for disabled workers to 2.5% or higher by 2020
G	Corporate governance	Conduct cross-segment training for female employees
		Increase rate of female hiring to 30% or higher for technical and manufacturing positions and 40% or higher for sales and administrative positions
		Increase number of female managers by 50% by 2020
		Provide support such as vaccines and clothing to developing nations
	Risk management	Support wheelchair purchases
		Increased participation in management by outside officers and creation of environment that promotes engagement
		Reflect results of internal controls efficacy evaluations on management
	Compliance	Compliance with basic policy on corporate governance
		Constructive communication with shareholders (continue investor visits)
	Compliance	Hold IR conferences (twice)
		Respond to EU GDPR (General Data Protection Regulation)
		Regular BCP validation, reviews (head office, factories)
	Compliance	Reinforce information leak prevention (data center, thin client, internal audits, etc.)
		Systematic implementation of compliance education
		Continued participation in UN Global Compact (participating since 2012)
	Compliance	Continue internal audits related to competition laws, export management, ethics, labor, and health and safety

CSR Management

Basic CSR Policy

In 2003, the Nippon Chemi-Con Group released the Nippon Chemi-Con Group Charter of Corporate Behavior as an internal and external declaration of our commitment to business activities that ensure our position as a corporation that contributes to society through fair and transparent business activities.

Based on the spirit of this Charter of Corporate Behavior, the Nippon Chemi-Con Group Business Conduct Guidelines outline the character that every executive and employee of the Nippon Chemi-Con Group must apply to our daily corporate activities. As a company that provides products and services capable of contributing to the lifestyles of people around the world, we strive for harmony with international society while maintaining our commitment to the local community and stakeholders. We are committed to compliance with the laws and regulations of each country and practice honest business activities based on sound corporate ethics and a strong awareness of our position as a corporate citizen.

Positioning of CSR Activities

Nippon Chemi-Con does not simply pursue profits. We strive to fulfill our social responsibilities as a corporation and contribute to the greater society. With this in mind, we position CSR activities as a core aspect of our business activities.

CSR Promotion System

The Nippon Chemi-Con Group has established a CSR promotion system within the Nippon Chemi-Con Administration Department to work with each department and factory on specific activities.

We go beyond simple corporate activities. For example, in the area of social contributions, we collaborate with labor unions on activities such as purchasing wheelchairs through soda can pull tab collections, providing vaccinations to developing countries through PET bottle cap collection, and donating clothing to developing countries.

In 2014, we launched healthy company initiatives that focus on the health management of employees and their families. We are promoting activities that involve employee families to ensure that both employees and their families lead energetic, healthy lifestyles.

Participation in UN Global Compact

On January 26, 2012, the Nippon Chemi-Con Group announced our support for and participation in the United Nations Global Compact (UNGC). The UNGC is comprised of 10 universal principles related to four areas: human rights, labour, environment, and anti-corruption. The Nippon Chemi-Con Group is working to incorporate the 10 principles of the UNGC into our daily business activities in order to achieve a high level of corporate social responsibility and meeting the expectations of all our stakeholders.

The Ten Principles of the UN Global Compact

- | | | |
|-------------------|---------------------|--|
| 1 Human Rights | Principle 1 | Businesses should support and respect the protection of internationally proclaimed human rights; and |
| | Principle 2 | make sure that they are not complicit in human rights abuses. |
| 2 Labour | Principle 3 | Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; |
| | Principle 4 | the elimination of all forms of forced and compulsory labour; |
| | Principle 5 | the effective abolition of child labour; and |
| | Principle 6 | the elimination of discrimination in respect of employment and occupation. |
| 3 Environment | Principle 7 | Businesses should support a precautionary approach to environmental challenges; |
| | Principle 8 | undertake initiatives to promote greater environmental responsibility; and |
| | Principle 9 | encourage the development and diffusion of environmentally friendly technologies. |
| 4 Anti-Corruption | Principle 10 | Businesses should work against corruption in all its forms, including extortion and bribery. |



SDGs

We aim to contribute to the sustainable development goals (SDGs) outlined in the 2030 Agenda for Sustainable Development adopted at the September 2015 UN Summit.

SUSTAINABLE DEVELOPMENT GOALS 17 GOALS TO TRANSFORM OUR WORLD



Human Resources Strategy / Healthy Company

Diversity

Aiming to diversify management by promoting global HR development and utilization of females in the workplace

Amid continuing globalization, overseas production accounts for approximately 63% of production (in volume) at Nippon Chemi-Con and of our approximately 7,000 employees, about 64% are outside Japan. Regardless of age, gender, or nationality, we emphasize individuality among our diverse human resources. We believe that the new ideas created as a result of this diversity will contribute to the creation of technology that benefits both the environment and people.

Also, Nippon Chemi-Con faces the reality that women only represent 2.0% of employees in management positions. To address this and the Women's Workplace Utilization Promotion Act enacted in April 2016, we drafted a plan to (1) increase the number of women in management positions by 50% by 2020 and, (2) increase the percentage of female hires to 30% and higher for technical and manufacturing positions, and 40% and higher for sales and administrative positions. We will continue to promote various initiatives aimed at promoting the utilization of women in the workplace.

Composition of employees

Japan	35.7%	Overseas	64.3%
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Utilization of Foreign Students in Japan

Nippon Chemi-Con practices the hiring of foreign students studying in Japan. Amid continuing globalization, our belief that the hiring of human resources who live in Japan and have an understanding of Japanese culture is vital. Since 2012, we have aggressively recruited foreign students in Japan. As of April 2018, we have 21 such personnel on staff who are involved in a variety of roles in the company.



Promoting the Hiring of Persons with Disabilities

Nippon Chemi-Con proactively conducts the hiring of persons with disabilities. Not only does this include staff on site in our various factories and offices, but we also work to allow telecommuting to ensure a comfortable working environment for persons with disabilities. We are aiming for persons with disabilities to represent at least 2.5% of hiring by 2020. The Nippon Chemi-Con Group will continue working to expand our overall hiring and provide work opportunities for persons with disabilities.

Nippon Chemi-Con Education Policy

In our 8th medium-term management plan, we outline developing the human resources for 10 years ahead as one of our core strategies. What is happening on the global stage? What is our position and what must we study? To achieve continuous innovation, we ensure that all our employees understand the following education policy.

Nippon Chemi-Con Group Education Policy

Requirements of a Nippon Chemi-Con Group employee common to both domestic and international offices

1. Employees who can take on increasingly difficult challenges
2. Employees with high communication skills
3. Employees who can independently think and act from a global perspective

About Nippon Chemi-Con Group Education and Training System

At Nippon Chemi-Con, we have established various education systems of tiered training for personnel development, including position-based training, distance learning (Nippon Chemi-Con Business School), and OJT. Tiered training is a system of curriculum that serves as the foundation for long-term personnel development. Our main office sponsors fifteen tiered training sessions where we provided education on the skills required for each tier. In 2016, we established an additional system for employees who have been with the company for five years. We are focused on providing training that is in line with the needs of society and the company. Since 2017 we also conduct OJT leader training at domestic affiliate companies. We aim to equip new hires with the ability to quickly engage in and contribute to business operations. This training will also help develop the basic management skills of supervisors in charge of education and training.

Additionally, since 2010 our domestic production division has conducted global leadership training for select young employees. This training covers themes that transcend position and office and provide education that cannot be gained through tier-based training.

With the goal of increasing employee skill levels at our overseas affiliates, since 2006 we have selected employees from overseas offices to participate in training conducted in Japan. Since then, already over 130 overseas employees have participated. Among those who have completed the training are numerous employees who are already working as managers overseas. This fiscal year we also started overseas training as an educational program for global personnel. This program is application based and selects domestic employees to partake in practical training at overseas affiliates.

Moving forward, we will continue striving to develop human resources capable of thinking, deciding, and acting based on a global perspective and who are able to lead a team comprised of a diverse range of individuals towards goal achievement.

Furthermore, we have partnered with a distance learning provider to offer distance learning courses covering nearly 200 subjects twice a year. This system enables employees to freely select courses to promote skill improvement. As an

incentive, employees who complete courses with high scores are eligible for partial tuition subsidies from the company. Also, employees who complete coursework are allotted “career points,” which are a parameter in the evaluation of promotions and raises. Linking this education system to our HR system helps promote self-improvement.



Healthy Company

Slogan

Individual Commitment to Health

Activity details

Based on the approach that the mental and physical health of employees is a benchmark of company management, we are collaborating with health insurance unions to enhance employee health management efforts. When employees and their families are healthy, employees are able to work with peace of mind, which leads to growth for the company. In particular, we identify keywords such as

rate of smokers, metabolic syndrome prevention, and mental health to implement initiatives that help improve the health awareness of each employee.

Also, since 2017, we have participated in the Survey on Health and Productivity Management conducted by Ministry of Economy, Trade and Industry. By further quantifying the “health”, we advance an effective approach toward ensuring health.

Activities during FY2018

I Reinforcing smoking rules, reducing smoking – Reaching national smoking average (17.9%)

Society is paying greater attention to measures against smoking because tobacco impacts not only the smoker but also the health of non-smokers due to second-hand smoke. Tobacco increases the risk of lung cancer and ischemic heart disease, and can greatly impact future health. We promote various anti-tobacco measures from the desire to promote health maintenance.

II Metabolic syndrome prevention measures – Reducing BMI of 25 or higher to 20% or lower by fiscal year 2020

We believe that obesity (BMI of 25 or higher) leads to severe diabetes and other future health risks. As such, we promote obesity prevention and improvement among employees by providing instruction regarding lifestyle changes. As obesity is spreading among younger generations, from the time of hiring we conduct blood tests as part of health examinations in order to emphasize the importance of health from an early stage. Furthermore, we promote improved health awareness by using internal magazine to introduce improvement case studies.

We also conduct behavior modification seminar at all sites once a year to provide an opportunity for our employees to think about health management and lifestyle diseases prevention.

III Mental health support – Continuation of stress check system

We conduct the stress check system at all workplaces to expand opportunities for discovery with a focus on prevention. In doing so, we are working to prevent the rate of workers who suffer from mental illness or require a leave of absence. At the same time, we provide line care training for management personnel to provide opportunities for learning how to respond to consultations from subordinates.

IV Achieving work-life balance

We work to create a comfortable work environment that enables balance between work and childcare or family care in order to provide all employees with the opportunity to reach their full potential.

We also have established an action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children. Through this plan, we aim for paid leave utilization rates and child care leave utilization rates of 70% and higher, and to reduce average overtime to 29 hours or less per month, per employee. We are near achievement of these goals.

We will continue enhancing systems that promote flexible and diverse working styles.

Corporate Governance / Compliance

Corporate Governance

Basic Concept

Nippon Chemi-Con's basic concept of corporate governance is to ensure the transparency and efficiency of management for shareholders and all other stakeholders. In addition to legal functions such as General Meeting of Shareholders, the Board of Directors, the Audit & Supervisory Board, and Accounting Auditor, the company established the internal control systems, and continuously provided information on business conditions through briefing session on financial results and timely disclosure to implement sound, efficient and transparent corporate management.

Our Corporate Governance System

Nippon Chemi-Con is a company with an Audit & Supervisory Board. The company has introduced an executive officer system in the company since June 2014 in order to have a distinct separation between inspection and supervision of management and execution of operations. The company concurrently reduced the number of directors but appointed one outside director to strengthen the function of inspecting and supervising management. In June 2015, the number of outside directors was increased to two to reinforce the function.

Additionally, to supplement the function of the Board of Directors, in November 2015 we established a Nomination Advisory Committee and a Compensation Advisory Committee. For both the Nomination Advisory Committee and the Compensation Advisory Committee, the chairperson is an

independent outside director and the majority of members are independent outside directors.

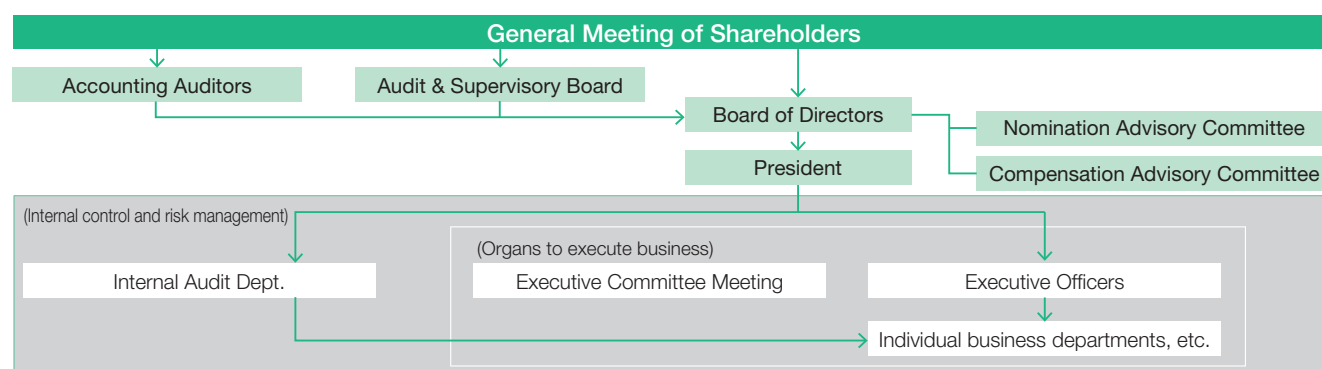
Our Audit & Supervisory Board comprises four members. The board audits decisions made by directors and operational executions carried out by executive officers, the business and financial positions of Nippon Chemi-Con and its subsidiaries in Japan and overseas.

Business Supervision and Audit Function

Nippon Chemi-Con uses an executive officer system to separate the business monitoring and supervision function and the business execution function of company directors in order to strengthen the business monitoring and supervision function of directors.

The Audit & Supervisory Board monitors the state of governance and business management, and also monitors daily business activities, including the activities conducted by directors. Specifically, Audit & Supervisory Board Members working under guidelines outlined in auditing policies and audit plans created by the Audit & Supervisory Board attend board of directors meetings and conduct factory visits to investigate and validate the status of work implementation and business management, and conduct audits to determine the existence of circumstances that violate laws or the Articles of Incorporation, or that could harm the interests of shareholders and other stakeholders. In addition to Audit & Supervisory Board Members fulfilling a role as a legal entity, we also have established the internal audit department which reports directly to the company president. The internal audit department works to strengthen monitoring functions for transactions and other general business activities. The internal audit department

Details of the Corporate Organs



Board of Directors	Nippon Chemi-Con's Board of Directors comprises six members. The Board of Directors with this small number has enabled to make swift decisions and appointed two independent outside directors who are disinterested in the company to reinforce the function of inspecting and supervising management.
Executive Officer System	Nippon Chemi-Con has introduced an executive officer system to make separation between the function of the Board of Directors' decision making in management and of directors' inspecting and supervising operations and the function of executive officers' executing operations. Executive officers swiftly execute operations based on decisions in management by executing matters determined by the Board of Directors.
Audit & Supervisory Board	The Audit & Supervisory Board inspects the state of the corporate governance, the steering situations, and daily activities in management including those performed by directors.
Nomination Advisory Committee	The Nomination Advisory Committee consult with other members about the content of a draft to be proposal to a General Meeting of Shareholders concerning selection and dismissal of directors and members of the Audit & Supervisory Board and the content of a draft to be proposed to the Board of Directors concerning selection and dismissal of executive officers. Such consultations are conducted prior to determination of such proposals in light of the "Standards for Selection of Directors and Executive Officers" and the "Standards for Selection of Members of the Audit & Supervisory Board" set by the company, the conclusions of which are recommended to the Board of Directors.
Compensation Advisory Committee	The Compensation Advisory Committee consult with other members about matters concerning compensation of directors and executive officers and expenses opinions and advice to the Board of Directors. Such consultations are conducted after the committee considers the business scale and levels of compensation of employees of the company, and decent third party's study conducted periodically on compensation of corporate management, etc. in addition to levels of compensation of other competitors, socio-economic conditions, etc.
Executive Committee Meeting	Nippon Chemi-Con has established the Executive Committee Meeting for making swift decisions. The committee, which is the consultation organ on operational execution policies, holds weekly meetings, in principle, in order to examine important subjects in management.

conducts regular internal audits of management systems related to all aspects of business and provides detailed advice and recommendations aimed at improvement of work processes and reinforcing compliance.

Selection of Outside Officers

Of the six directors of Nippon Chemi-Con, two are outside directors. Also, of our four Audit & Supervisory Board Members, two are outside Audit & Supervisory Board Members.

In addition to the parameters outlined in the Companies Act, we established our own "Criteria for appointment of outside officers that ensure independence from Nippon Chemi-Con" to ensure highly-independent audits and supervision by our outside officers. Outside officers are selected based on these standards.

All four outside officers are registered with the Tokyo Stock Exchange as independent officers.

Officer Compensation

Compensation for Nippon Chemi-Con directors is designed and managed as a system that is both linked to

performance and investor long-term income and to the promotion of personnel growth and development. Our basic policy is to achieve an appropriate and fair balance that further increases director motivation toward maximizing corporate value.

For the purpose of enhancing the independence and objectivity of functions related to determining directors' compensation, we establish a Compensation Advisory Committee to deliberate on matters related to directors' compensation, after which a decision is made by the Board of Directors.

Furthermore, compensation for executive directors is comprised of monthly compensation and performance-linked compensation, which is determined based on company performance for the given fiscal year and individual performance. As performance-linked compensation is not appropriate for non-executive directors and outside directors, their compensation consists solely of monthly compensation.

Compensation for Audit & Supervisory Board Members is monthly compensation only, which is determined as individual fixed compensation based on deliberations by Audit & Supervisory Board Members.

Officer category	Total compensation (million yen)	Total compensation by type (million yen)		Number of applicable officers
		Base compensation	Bonus	
Directors (excluding outside directors)	133	133	—	4
Audit & Supervisory Board Members (excluding Outside Audit & Supervisory Board Members)	43	43	—	3
Outside officers	36	36	—	4
Total	213	213	—	11

(For the fiscal year ended March 31, 2018)

Compliance

Compliance Promotion System

In addition to our Compliance Regulations, the Nippon Chemi-Con Group has established various internal regulations related to compliance and appoints a managing compliance officer (executive officer in charge of the Nippon Chemi-Con Administration Department) as the chief officer in charge of compliance promotion and enforcement. This chief compliance officer oversees a compliance committee, which works to draft compliance policy that is applied to the entire Group, draft action plans related to compliance, and conduct monitoring of implementation progress for these initiatives. Each department in Nippon Chemi-Con and Group company has assigned a compliance officer and compliance staff, who work to promote and reinforce policy related to compliance.

Initiatives for enhancing education & training to ensure compliance with laws including competition laws

As part of our CSR activities, Nippon Chemi-Con conducts compliance training covering matters such as competition laws and insider trading regulations. Training is conducted at every level, from new hires (including mid-career hires) to management. We teach employees that compliance is a prerequisite in all corporate activities. We also provide education to each Nippon Chemi-Con department and

subsidiary to ensure and reinforce awareness of Nippon Chemi-Con Group Business Conduct Guidelines. These and other compliance education and awareness activities are conducted on a Group-wide level.

One initiative related to ensuring compliance with competition laws is to invite external lecturers (attorneys) to hold competition law seminars. At the same time, we drafted the Basic Policies Concerning Compliance with Competition Laws and other internal regulations, manuals, etc., which are applied to internal audits conducted by the legal affairs department every year.

Whistleblowing Help Desk

The Nippon Chemi-Con Group has established "Regulations Related to the Handling of Whistleblowing," through which we established a consultation desk and whistleblowing help desk for employees (Nippon Chemi-Con in-house standing statutory member of the Audit & Supervisory Board and Administration Department manager) as part of a system for ensuring the early discovery and prevention of legal infractions and to protect whistleblowers. During compliance training, we explain the importance and effectiveness of whistleblowing to promote awareness about the whistleblowing system. The legal affairs department (Nippon Chemi-Con Administration Department) serves as the point of contact for legal consultations related to daily operations and works to prevent compliance risks.

Environmental Management

Nippon Chemi-Con's Environmental Policy (Summary)

- Structures organization that operates at every level for conserving the global environment
- Sets environmental goals and targets, Improves environmental performances, Continuous improvements of EMS
- Considers biodiversity
- Observes all environmental laws, regulations, agreements, and internal standards
- Promotes Energy conservation, Proper control of Chemical substances in the products, Effective use of resources, Waste reduction
- Promotes the development and marketing of products that have a less environmental loads
- Educates and enlightens our entire workforce
- Prevents the environmental risks, and maintains management systems that minimize the impacts from the risks such as climate changes
- Releases information to the public positively, and promotes sufficient communication with the local community and stakeholders

Compliance to the Laws and Significant accidents occurrence status

In corresponding to the laws and regulations, depending on regulation parameters, Nippon Chemi-Con Group sets stricter independent standard value for management, and all legal standards are observed.

No significant accident occurred that impact the environment.

<Activities results>

Total volume of carbon dioxide emissions and breakdown

(t-CO ₂)					
Fiscal Year	2013	2014	2015	2016	2017
Purchased Electric Power	471,148	483,070	475,603	489,601	518,243
A-grade Heavy oil	21,593	23,921	23,446	27,127	29,378
Kerosene	1,551	1,489	1,507	1,581	1,799
City Gas	23,249	23,449	22,295	17,587	18,463
Gasoline	361	351	325	310	304
LPG	343	340	308	304	366
LNG	490	382	510	0	0
Gas oil	79	106	155	65	233
Industrial steam	2,532	2,557	2,465	2,430	2,561
Waste Materials – Oil, Plastics	0	0	0	0	0
Waste Materials – Paper, Wood	0	0	0	0	0
Total	521,346	535,665	526,614	539,005	571,347

Notes:

1. Energy-CO₂ conversion factor used by the sites outside Japan is reappraised from 2014.
2. Amount of energy-origin CO₂ emissions is calculated by using emission factor (adjusted emission factor) released from Federation of Electric Power Companies.

Environmental Activities



The Nippon Chemi-Con group has the target of 1% and higher per unit of

improvement rate a year based on the Low-carbon society action Plan of Japanese 4 Industrial Associations from FY 2013, and we are promoting activities of the energy conservation working groups that are organized by the employees in charge of energy.

<Mid-term target>

In light of a "the Low-carbon society Action Plan" by the industrial associations:

Toward 2020
Improvement target in energy consumption per unit

Annual average : **1** % and higher

<Long-term target>

In light of a common target set by the industrial associations:

Toward 2030
Improvement target in energy consumption per unit

Annual average : **1** % and higher

Trends in volume of carbon dioxide emissions and unit energy consumption (sites in Japan)



Resource conservation

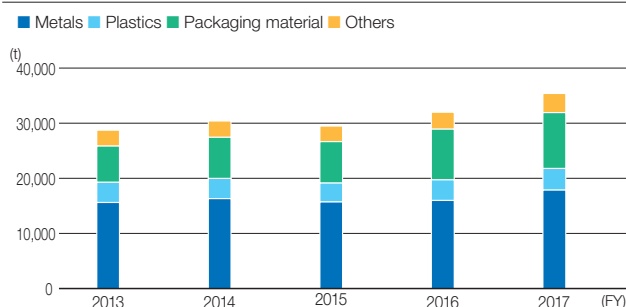


In the manufacturing activities of industries, the resources are essential

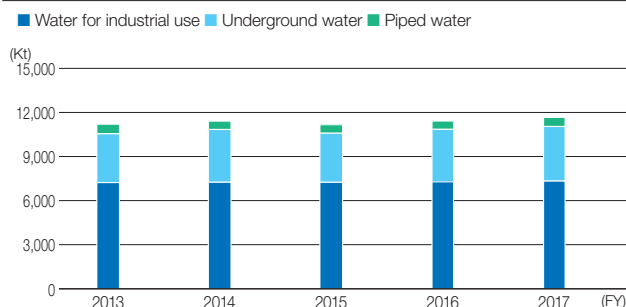
element. Efficient use of such resources will protect global environment.

We encourage the “3R,” recycling, reusing, and reducing activities in order to contribute to the preservation of the environment.

Trends in volume of resources consumed by entire Nippon Chemi-Con Group



Trends in volume of water consumed by entire Nippon Chemi-Con Group



Waste reduction

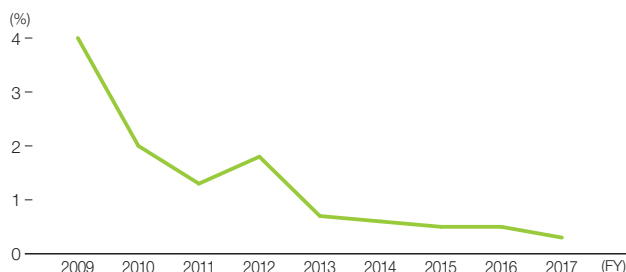


The Nippon Chemi-Con Group has addressed activities for resource recycling and reduction in landfill

disposal volumes by reducing the amount of industrial waste generated.

We further promote 3R, effective utilization and recycling of resources to reduce wastes and improve the final disposal rate.

Trends of final disposing rate (sites in Japan)



Biodiversity Initiatives



In the Nippon Chemi-Con Group's activities to conserve biodiversity, we will take actions for each of the three

impacts on biodiversity.

1. [Impact from procurement of raw materials] In cooperation with our suppliers, we share views and mutual understanding concerning biodiversity, and move continuously ahead with activities.
2. [Impact on ecosystems caused by manufacturing] Our manufacturing processes use energy and resources, and they emit CO₂, waste water and other emissions. As this is an area where our Group's business activities directly have an impact, effective and continuous activities are ongoing.
3. [Impact on biodiversity due to changes in environments surrounding our workplaces caused by our use of land] Consideration to local environment and surrounding ecosystem by securing green space in our premises and the social contribution activities.

Biodiversity offers indispensable and vital bounties (ecosystem services) to all of humanity. The activities that we are able to perform are steady and modest ones, we think. Yet we believe that each workplace employing its ingenuity, and continuing with what small activities it can accomplish, is a very significant thing. We will roll out such steady and continuous activities.



◀ Nippon Chemi-Con Corp. Niigata Plant
Birdhouse placed in the premises to protect wild birds, and the “Visitor.”

Chemi-Con Iwate Corp. ▶
A water quality analysis of the spring water “Suzu” which exists nearby the site. Analysis is conducted every year to monitor deterioration with age.



◀ Chemi-Con Fukushima Corp. Kitakata Plant
Protection of *Lilium rubellum* (red list)
A flower bed is set in the premises for raise.



• For more information, please see the website below.

<http://www.chemi-con.co.jp/e/env/index.html>

Green Procurement and Green Purchase

Management of chemical substances in the products

Laws and regulations concerning chemical substances in the products including revised EU RoHS, which will come in effect soon, are strengthened, and construction and practice of thorough management system has become essential.

The Nippon Chemi-Con Group has constructed management system for chemical substances in the products (CMS) based on JIS Z 7201 "Guidelines for the Management of Chemical substances in Products," with "Keep Out, Do not Use, Do not Deliver, Do not Mix" as our key words, at all production sites. To ensure thorough management of "Keep Out" from development stage of the products, we have introduced environmental approval system to manage our purchasing materials and parts. By combining those two management systems and the Green Procurement Guidelines, we are able to manage chemical substances in the products at various levels of corporate activities such as development, purchasing, production and sales.

Moreover, to ensure proper information distribution and to satisfy customer's requirements, from FY2017 we have been using chemSHERPA which was developed under guidance of the Ministry of Economy, Trade and Industry of Japan.

Green procurement and Green Supplier Approval System

In order to achieve products development that meet diversified customer's requirement, it is essential to construct cooperative relationship with suppliers and to share information in timely manner.

The Nippon Chemi-Con Group has established "Nippon Chemi-Con Group Green Procurement Guideline" from the viewpoint of ensuring a strict level of management. To cope with latest laws, regulations and requirements of automotive customers, we revised our Green Procurement Guidelines in April 2018 for more thorough management. We held suppliers meeting when we revised our guidelines to propel higher level of cooperation between Nippon Chemi-Con and our suppliers.

We also conduct periodical and continuous audit and evaluation on our suppliers to confirm their chemical substances management and environmental protection activities.



Green Supplier Meeting

Green purchase

Each business site and plant of Nippon Chemi-Con Group carries out green purchase based on the Law on Promoting Green Purchasing and green procurement network standards. The guidelines encourage on procuring environmentally friendly goods and services.



Contributions to Local Community

The Nippon Chemi-Con Group values communication with local communities and actively promotes local contribution activities in a spirit of coexistence and coprosperity.

Relationship with local community

Chemi-Con Iwate is participating in situ conservation activities of “Minami-Medaka” (*Oryzias latipes*) which is one of “Not apparent local fish.” With support from NPO and other people, we started protecting “Minami-Medaka” from June, 2015. In October 2015, many fry were incubated. Incubated fry have been presented to the local nursery schools, primary schools and junior high schools. We intend to keep participating in activities, such as protecting “Minami-Medaka” for future children.



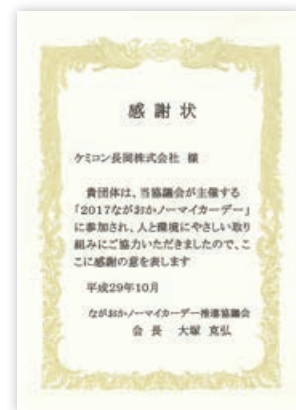
Certificate and Letter of appreciation in FY2017

● Chemi-Con Nagaoka Corp.

“Letter of appreciation – Nagaoka no-private-car-day 2017”

Sponsorship: City of Nagaoka

Chemi-Con Nagaoka received a “Letter of appreciation” from City of Nagaoka for participating City of Nagaoka sponsored “no-private-car event in 2017” (Activity for reducing greenhouse effect gas).



Cleaning volunteer work

For the purpose of environment protection, Nippon Chemi-Con Group continuously conducts cleanup of nearby areas by our employees. Seeking to leave the gifts of nature to future generations, many of our employees and their families participate in the cleanup activities including beach cleanups every year.



Beach cleanup by Takahagi Plant, Nippon Chemi-Con Corp. (July 2017)



Cleanup of nearby areas by Kitakata Plant, Chemi-Con Fukushima Corp. (October 2017)