

From the Biosphere to Outer Space



NOF CORPORATION

CSR Report

2015



CSR Report 2015

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● Editorial Policy

In an effort to provide our broad range of stakeholders with a better understanding of the CSR activities carried out by the NOF Group, this Report presents the activities of the NOF Group for fiscal 2014.

● Reporting Period

Fiscal 2014 (From April 1, 2014 to March 31, 2015)

*Activities conducted prior to and after this period have also been included when deemed to be important for deepening the understanding of the reader.

● Scope of the Report

The Report covers the entire NOF Group. However, when necessary, the term "NOF Group" is used to refer to the whole Group, and the term "NOF" is used to refer to NOF CORPORATION alone.

Environmental data: Main items of environmental performance data are separately aggregated and stated with respect to domestic and overseas sources. In this Report, NOF and its 13 domestic consolidated subsidiaries are referred to as the "Domestic Group."

Social data: Social data primarily covers NOF and includes certain affiliates.

Financial data: Financial data covers NOF and its 26 consolidated subsidiaries.

● Guidelines Referenced

Environmental Reporting Guidelines 2012, Ministry of the Environment of Japan
ISO26000: 2010 Guidance on Social Responsibility, Japanese Standards Association

Disclaimer

This Report contains forward-looking statements based on management plans and expectations at the time of publication, as well as past and present facts regarding the NOF Group. These forward-looking statements comprise assumptions and judgments based on currently available information, and thus the actual events and outcome of future business activities may differ from those predicted due to changes in various conditions.

Message from the President

We will contribute to mankind and society by creating new value in wide-ranging fields from the biosphere to outer space.

Thank you very much for your interest in the CSR Report 2015 of the NOF Group.

The NOF Group is engaged in multifaceted business developments with innovative products under the Corporate Philosophy of "Contributing to Mankind and Society through the Creation of New Value in Wide-ranging Fields from the Biosphere to Outer Space."

As a member of society, we will strive to ensure legal compliance as well as to fulfill our corporate social responsibility (CSR), such as the preservation of the global environment and ensuring people's health, security and safety, in order to become a trusted business group with a strong presence for all of our stakeholders.

Fiscal 2014 marked the initial year of the three-year plan, "the 2016 Mid-term Management Plan," based upon which the NOF Group has been engaged in various measures towards the realization of sustainable growth. Thanks to these efforts, the Group was able to report strong performances in fiscal 2014.

In fiscal 2015, the second year of the Plan, we will pursue the basic policies set forth in the 2016 Mid-term Management Plan, namely "the acceleration of development for new products and new businesses," "the expansion of overseas business," "further reinforcement of the management structure," and "a shift to a strategic organization," in our three prioritized business fields of "life sciences," "electronics/IT," and "environment/energy,"; and under the management policy of "acceleration toward a new roadmap of growth," implement various measures towards "the creation of new businesses" and "the enhancement of productivity."



President and Chief Executive Officer
Akiharu Kobayashi

From RC to CSR

The impact of corporate activities on society is expanding not only in the economic and environmental arena but also in such varied fields as natural resources and employment. Consequently, companies are being called upon more than ever before to act in a socially responsible manner. To further improve risk management, compliance and internal control in compliance with social codes and corporate ethics, the NOF Group intends to strengthen corporate governance and CSR activities by reorganization of specialty committees.

In light of the impact that our business activities have on the environment and local communities, we will step up our CSR activities, which began as RC activities in 1995, and promote activities based on the concepts of "corporate governance," "respect for individuals," and "coexistence and co-prosperity."

We, hereby, submit the CSR Report, which also contains elements of the Environmental Report of prior years.

We shall be grateful if you would give us your candid opinions regarding this report.

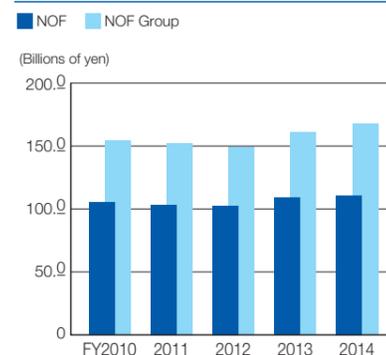
Business Overview

Corporate Profile (As of March 31, 2015)

- **Name:** NOF CORPORATION
- **Established:** June 1, 1937
- **Incorporated:** July 1, 1949
- **President and Chief Executive Officer:** Akiharu Kobayashi
- **Head Office:** 20-3, Ebisu 4-chome, Shibuya-ku, Tokyo, Japan
- **Capital:** ¥17,742 million
- **Net Sales:** ¥167.6 billion (NOF Group)
¥110.8 billion (NOF)
- **Employees:** 3,791 (NOF Group)
1,671 (NOF)
- **Group Companies:** 26 consolidated subsidiaries

Management status

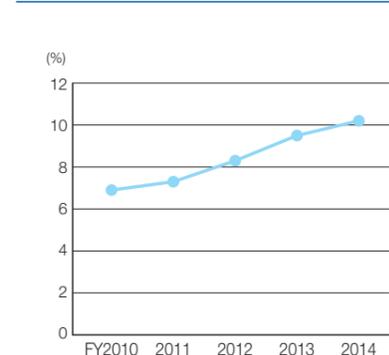
Net sales



Operating income



Operating income to net sales (NOF Group)



Main business locations of NOF CORPORATION

Business location	Address	Contact	ISO-14001	ISO-9000's
Head Office	20-3, Ebisu 4-chome, Shibuya-ku, Tokyo 150-6019, Japan	+81-3-5424-6670 (Responsible Care & Production Engineering Dept.)	—	—
Amagasaki Plant	56, Ohamacho 1-chome, Amagasaki, Hyogo 660-0095, Japan	+81-6-6419-7279 (Environmental Safety Administration Office)	BV 3056277-2A: Renewed on Oct. 1, 2013	BV 3049476, renewed on Oct. 21, 2013
Kawasaki Works (Chidori Plant) (Daishi Plant) (DDS Plant)	3-3, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-288-2372 (Environmental Safety Administration Office)	BV 2970486: Renewed on Apr. 28, 2013	(Chidori Plant) BV 3004100: Renewed on July 15, 2013 (Daishi Plant) HACCP SY-0010: Renewed on Oct. 17, 2013
Oita Plant	2, Oaza-Nakanosu, Oita, Oita 870-0111, Japan	+81-97-527-5271 (Environmental Safety Group)	BV 3308039: Renewed on Feb. 19, 2015	BV 3235489: Renewed on Oct. 24, 2014
Aichi Works (Kinuura Plant) (Taketojo Plant) (Display Materials Plant)	61-1, Aza-Kitakomatsudani, Taketojo-cho, Chita-gun, Aichi 470-2379, Japan	+81-569-72-1955 (Environmental Safety Administration Office)	BV 3113395: Renewed on Jan. 22, 2014	(Kinuura Plant, Display Materials Plant) BV 3021591: Renewed on June 25, 2013 (Taketojo Plant) JQA 1680: Renewed on June 23, 2012

Business segments of NOF and its consolidated subsidiaries

Founded on businesses using “oils and fats,” materials that offer unlimited possibilities, the NOF Group has ceaselessly and boldly diversified into a variety of state-of-the-art fields. True to our slogan of being active “From the Biosphere to Outer Space,” we have been expanding our business reach into areas far beyond our original sphere as a chemicals producer. NOF’s current businesses include oleo & specialty chemicals, functional chemicals & polymers, explosives & propulsion systems, functional foods, life science products, DDS development, display materials, anti-corrosion, logistics and real estate. Leveraging our unique technologies and expertise in each of these fields in a wide range of industrial and lifestyle products, we have earned the high regard and trust of our customers.

The businesses of the NOF Group are classified into four broad segments: Functional Chemicals, Life Science, Explosives & Propulsion, and Others. The following diagram represents the relationship between the main products of each segment and the consolidated subsidiaries.



Our Products and Technology NOF in Our Daily Lives



Roof (Solar cells)



NOF's organic peroxides are used to enhance the heat resistance and strength of the resins that attach the electricity generating components with the protector components of the solar cells (Functional Chemicals & Polymers).

Medical nutritional products



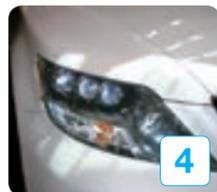
NOF provides foods formulated from medium-chain fatty acids for maximum digestion and absorption for patients with kidney diseases whose protein-intake has been restricted (Functional Foods).

Crime-prevention devices



The NET LAUNCHER®, which deploys a net towards intruders and the LIQUID LAUNCHER®, which sprays tear gas, both products of Nippon Koki Co., Ltd., are being used as groundbreaking crime-prevention devices by schools and other institutions (Explosives & Propulsion).

Headlamps



NOF's antifog agents are used to prevent fogging in the lenses of automotive headlamps (Functional Chemicals & Polymers).

Automotive components including bolts and nuts



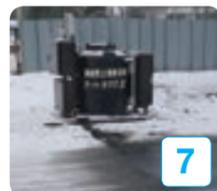
GEOMET®, a completely chrome-free rust prevention coating developed by the Anti-Corrosion Coatings Group of the NOF Group that is environmentally-friendly and demonstrates high anti-corrosion functions, is used in automotive parts of numerous car manufacturers (Anti-Corrosion).

Industrial explosives



NOF's emulsion explosives with an automatic charging system ensures operational safety and has contributed to the improvement of infrastructures including the construction of tunnels for expressways and the Linear Shinkansen, as well as subterranean rock storage tanks for crude oil (Explosives & Propulsion).

Antifreezing agents, automatic spraying device



The antifreezing agent KAMAGU®, developed by HOKKAIDO NOF CORPORATION, which is sprayed onto road surfaces using an automatic spraying device, is contributing to the safety of winter roads. Since it contains no chloride it poses no fear of salt damages (Explosives & Propulsion).

Hand antiseptic agents



Hand antiseptics are a must for preventing hospital-acquired infections. Hand antiseptic agents formulated with NOF's moisturizing ingredient, "LIPIDURE®," solve the problem of chapped hands (Life Science).

Car seats



NOF's polyether, UNISAFE™, is used as a foam stabilizer to improve the formability of urethane used in the interiors of automobiles, such as car seats (Oleo & Specialty Chemicals).

10 Space rockets

The functional components of NIGK Corporation, which leverage the characteristics of explosives that generate immense energy with the use of a small amount of explosives, play a vital role in each stage of ignition of solid rocket boosters, satellite separation (See figure above*1), orbit launch and satellite retrieval. NOF, as the sole manufacturer of solid fuels for space rockets in Japan, produced the solid propellants for solid rocket boosters (See figure above *2) for the H-IIA and H-IIB rockets (Explosives & Propulsion).

Oceanographic Surveys



The "AES-3," NIGK Corporation's automatic marine elevator unit, which is capable of simultaneously measuring various information including water temperatures by water depth in chronological order, is playing a major role in the world's oceanographic surveys (Explosives & Propulsion).

Shampoos and Body Soap



Anionic surfactants developed by NOF, which are known for their mildness and for their ability to form fine bubbles, are used in shampoos and body soaps (Oleo & Specialty Chemicals).

Contact lenses and contact lens care products



Contact lens materials and many contact lens care products contain NOF's multifunctional moisturizing ingredient, "LIPIDURE®" (Life Science).

Refrigerators and air conditioners



Esters developed by NOF are used in refrigerators and air conditioning units as lubricants that are eco-friendly and compatible with the new HCF refrigerants (Oleo & Specialty Chemicals).

Frozen foods



Cream-flavored and butter-flavored margarine developed by NOF with functions that are suitable for frozen foods such as deep-fried croquettes and rice pilaf are used (Functional Foods).

Health foods



Various health foods contain NOF's functional lipids (Functional Foods).

Cosmetics



NOF's various cosmetic ingredients, used in toning lotions, emulsion lotions, serums and beauty creams, have been highly regarded for their quality and functionality (Oleo & Specialty Chemical).

Smartphones



NOF's protection films and functional films are used in displays in order to enhance durability and image quality (Display Materials).

Television



NOF's functional films equipped with various functions including the anti-reflection function, the UV ray protective function, the anti-finger mark function and anti-static function are used in displays (Display Materials).

Bread



NOF's margarine with its soft and moist texture and aromatic butter flavor improve the quality of bread through enzyme action (Functional Foods).

Our Products and Technology ECO Products

NOF Group's Eco-friendly Products

Based on its technologies and experiences built up over the years, the NOF Group continues to develop eco-friendly products.

[What the NOF Group means by "eco-friendly products"]

- (1) Products that facilitate recycling
- (2) Products reduced in environmental load
- (3) Products containing neither hazardous nor legally regulated substances

The products of the NOF Group are almost wholly supplied to corporate users. Some of the products of the NOF Group delivered to corporate users are exhausted as they are used as processed foods or explosives, but many of them are further processed into end products. In such cases, we deliver products that contribute to recycling and energy-saving of the end products and eco-friendly products that are biodegradable or that do not contain harmful substances in an effort to reduce environmental loads. Going forward we will strive to develop products and technologies that will contribute to reducing the environmental load from the standpoint of the entire life cycle from the procurement of materials to production, distribution, use, disposal and recycling.

Products that Facilitate Recycling

Recycling of material resources is a vital key to the realization of a physically sustainable society. The NOF Group has proposed diverse recycling techniques, which are now in practical use.

● Deposit control agent (YUKA SANGYO CO., LTD.)

Recycled paper resources contain numerous impurities including sticky substances such as adhesives. These impurities lower the efficiency of the paper recycling process and impact the quality of the product. The pitch control agent MILLSPRAY® and the removing agent BIOREX® have solved these problems and promote the recycling of waste paper.



These products demonstrate their superior performance in reducing impurities that generate in the paper-making process.

● Concrete admixtures (Oleo & Specialty Chemicals, NOF CORPORATION)

The MALIALIM® CL series for admixing with fly ash can work satisfactorily and give high strength to concrete even if the fly ash has a high content of unburned carbon. This product is contributing to further utilization of fly ash as a byproduct from coal-fired boilers at electric power stations.



This product contributes to strengthening concrete products.

*1 Volatile Organic Compounds

● Vulcanized rubber substitutes (Functional Chemicals & Polymers, NOF CORPORATION)

While large quantities of vulcanized rubber are used in auto parts and sealing materials, which have to be highly resistant to heat and oil, vulcanized rubber can never be molten once they are molded, and therefore refuse recycling. Unlike them, NOFALLOY® TZ series, which can be heated for re-melting as many times as wanted for recycling, are extensively utilized as substitutes for vulcanized rubber.



Products made recyclable by the use of NOFALLOY® TZ

Products Reduced in Environmental Load

We in the NOF Group, always asking ourselves "To reduce our environmental loads to the possible minimum, how can we utilize our technology", are earnestly meeting many different requests from diverse fields.

● Low-VOC*1 curing agents (Functional Chemicals & Polymers, NOF CORPORATION)

Bath tubs are manufactured by thermally curing unsaturated polyester resin. PERHEXYL® A is a curing agent that can shorten the molding cycle and moreover significantly reduce the VOC, an environmental load that remains in the molded product.

● Antifog agents for automotive headlamps (Functional Chemicals & Polymers, NOF CORPORATION)

Today, LED lamps are in accelerated use for automotive headlamps by virtue of their reduced power consumption, extended service life, contributions to fuel efficiency of cars and less CO₂ emissions. However, as they do not make the lamp inside as hot as in conventional halogen lamps, LED headlamps involve the problem of susceptibility to fogging by dew drips. The MODIPER® H series are used for preventing such fogging within lamps and for keeping their front lenses clear.



Antifog agents used for automotive headlamps

● Eco-friendly refrigerating machine oil (Oleo & Specialty Chemicals, NOF CORPORATION)

HFC (Hydrofluorocarbon) refrigerants, which do not deplete the ozone layer, are increasingly used as refrigerants for air conditioners and refrigerators. Eco-friendly refrigerating machine oil enhance co-solubility with HFC (Hydrofluorocarbon) refrigerants and improve its thermal stability, electrical insulation performance and other factors. Moreover, its low viscosity contributes to saving energy consumption. In recent years, the refrigerants having a smaller global-warming potential compared with previous products are required, and NOF is now supplying refrigerating machine oil for refrigerants having a low global-warming potential.

● Anti-sticking agents (Oleo & Specialty Chemicals, NOF CORPORATION)

In road construction, asphalt mixtures often stick to the cargo beds and hoppers used within plant facilities, and to prevent this trouble, petroleum-derived adhesion preventers have been used. However, conventional adhesion preventers are not friendly to the environment; they contaminate soil and/or water. ASPHASOL® and ASPHARAB®, made from natural oil, contribute to environmental conservation as a highly biodegradable product.

How ASPHASOL® N-02 proves effective



Where ASPHASOL® is used

Where it is not used

Eco-friendly
ちきゅうにかさい

Oil readily biodegradable in the environment (Biodegradability 60% or more in 28 days) (Under OECD 301C tests)

Eco Mark Certification Number 09110001
Name of utilizing contractor: NOF CORPORATION
Product: ASPHASOL® N-02, N-03

Eco Mark Certification Number 12110001
Name of utilizing contractor: NOF CORPORATION
Product: ASPHARAB® CE-R

© Registered in NETIS (New Technology Information System) of the Ministry of Land, Infrastructure, Transport and Tourism
© Received the fiscal 2011 Kinki Chemical Society Japan Environmental Technology Award (ASPHASOL®)

● Biodegradable hydraulic fluid (Oleo & Specialty Chemicals, NOF CORPORATION)

Leaking of hydraulic fluid (mineral oil) used in construction machinery for outdoor use or dam gates in accidental troubles or natural disasters and the resulting contamination of the environment is posing a problem. In view of this circumstance, NOF has developed hydraulic fluid MILLUBE® that is decomposed by natural bacteria (biodegradable) and is urging replacement of conventional hydraulic oils with this new product.

Eco-friendly
ちきゅうにかさい

Oil readily biodegradable in the environment (Biodegradability 60% or more in 28 days) (Under OECD 301C tests)

Eco Mark Certification Number 08110006
Name of utilizing contractor: NOF CORPORATION
Product: MILLUBE® E-22A, E-32A, E-46A, E-56

© Registered in NETIS (New Technology Information System) of the Ministry of Land, Infrastructure, Transport and Tourism
© Received the fiscal 2010 Kinki Chemical Society Japan Environmental Technology Award

● Antifreezing agents (HOKKAIDO NOF CORPORATION)

Antifreezing agents such as sodium chloride conventionally used on road surfaces in cold areas have posed the problem of "salt damages." NOF's antifreezing agent KAMAGU®, an acetic acid-derived chemical containing no chloride, poses no fear of salt damages. AUTOKAMAGU® JET, an automatic spraying device dedicated to use with KAMAGU®, is also available in a solar energy driven version, working 100% on natural energy, contributes to environmental conservation together with the chemical it sprays.



KAMAGU®, together with AUTOKAMAGU® JET, is proving highly effective against the freezing of road surfaces.

Products Containing neither Hazardous nor Legally Regulated Substances

As a group of chemical companies manufacturing chemicals and supplying them to society, the NOF Group attaches foremost importance to the safety of products themselves.

● Chrome-free anti-corrosion coatings (NOF METAL COATINGS ASIA PACIFIC CO., LTD.)

GEOMET® is a water-based anti-corrosion coating which contains no chrome compound. Satisfying the requirements of Europe's ELV and RoHS directives, GEOMET® Treatment Parts are used by automakers across the world.



Parts treated with GEOMET®

● Gas generators for pretensioner seatbelts (Showa Kinzoku Kogyo Co., Ltd.)

The NOF Group company has developed gas generators with electric ignition for pretensioner seatbelts, using environmentally-friendly lead-free special igniters and gas generants, which are used by automobile manufacturers in both Japan and overseas.



Seatbelt Pretensioner

● Cement capsule (NIGK Corporation)

Cement capsule is an (inorganic) adhesive-based capsule anchor for post-installed application intended for typical use in anti-earthquake reinforcement work. This product is more resistant to fire than resin products, and excels in safety as it contains no harmful chemicals, which might invite sick house syndrome, or endocrine disrupter.



Example of use in an actual project (anti-earthquake reinforcement of Shinkansen bridge piers)

Vision

Corporate Philosophy

The NOF Group is dedicated to contributing to mankind and society through the creation of new value "from the biosphere to outer space."

1. Satisfy customer needs by providing the highest quality products and services on a global basis.
2. Leverage the Group's collective strengths to develop cutting-edge technologies and superior products that open up new possibilities.
3. Work in harmony with the environment and ensure the safety of products and business activities.
4. Maintain suitable levels of earnings and reward stakeholders with fair return.
5. Encourage employees to take on new challenges, working to create a rewarding place to work and fulfilling lifestyles.

Code of Conduct

Above all, listen to our customers
Transform customer values into tomorrow's success.

- Develop exciting technologies
Focus your energy, work fast.
- Protect the Earth's future
Place priority on the environment and living things.
- Generate strong earnings
Create profits for everybody and a better tomorrow.
- Take on ambitious challenges
Think innovatively for personal and business development.

Basic CSR Policy

We will fulfill our corporate social responsibility and conduct sustainable business activities.

1. We will, each and all, act in accordance with the highest standards of corporate ethics.
2. We will respect human rights, and enable a diversity of personnel to demonstrate their abilities.
3. We will promote responsible care activities, based on the five kinds of safety.
4. We will consider the interests of all our stakeholders.
5. We will contribute to society in cooperation with local communities.

Code of Ethical Conduct

In order that we can maintain NOF CORPORATION's position as a good corporate citizen, earn and keep the trust of the community and continue to develop as a company, each and every one of us-employees and executives alike shall abide by this code faithfully.

1. Compliance

We shall act in an ethical manner becoming of members of a company and society, and we shall obey the law and other regulations, and respect others' human rights.

2. Community

We shall give priority in all processes of our business activities to human safety and health, as well as protection of the natural environment, and we shall work proactively to maintain a harmonious existence in all our local communities worldwide.

3. Respect for Individuals

We shall not engage in any act that goes beyond the Company's justifiable interests or that damages the Company's credit or honor, and we shall respect the personality and individuality of all people.

4. Business Partners, Government Officers

We shall always treat our trading partners and business partners fairly and equally and in good faith, and we shall not provide any civil servant with any benefits or favors.

5. Shareholders, Investors

We are an open company, and we shall disclose the details of our management and business status and other corporate information in a timely fashion as required by relevant laws.

6. Company Assets and Information

We shall not use the Company's assets for any purpose other than the Company's official business objectives. We shall record and report accurately our business performance, protect intellectual property rights and hold confidential information and other companies' business secrets in strict confidence.

7. Fair Trade

We shall comply with antimonopoly laws and international trade laws, and we shall observe the Financial Instruments and Exchange Law and not engage in insider trading.

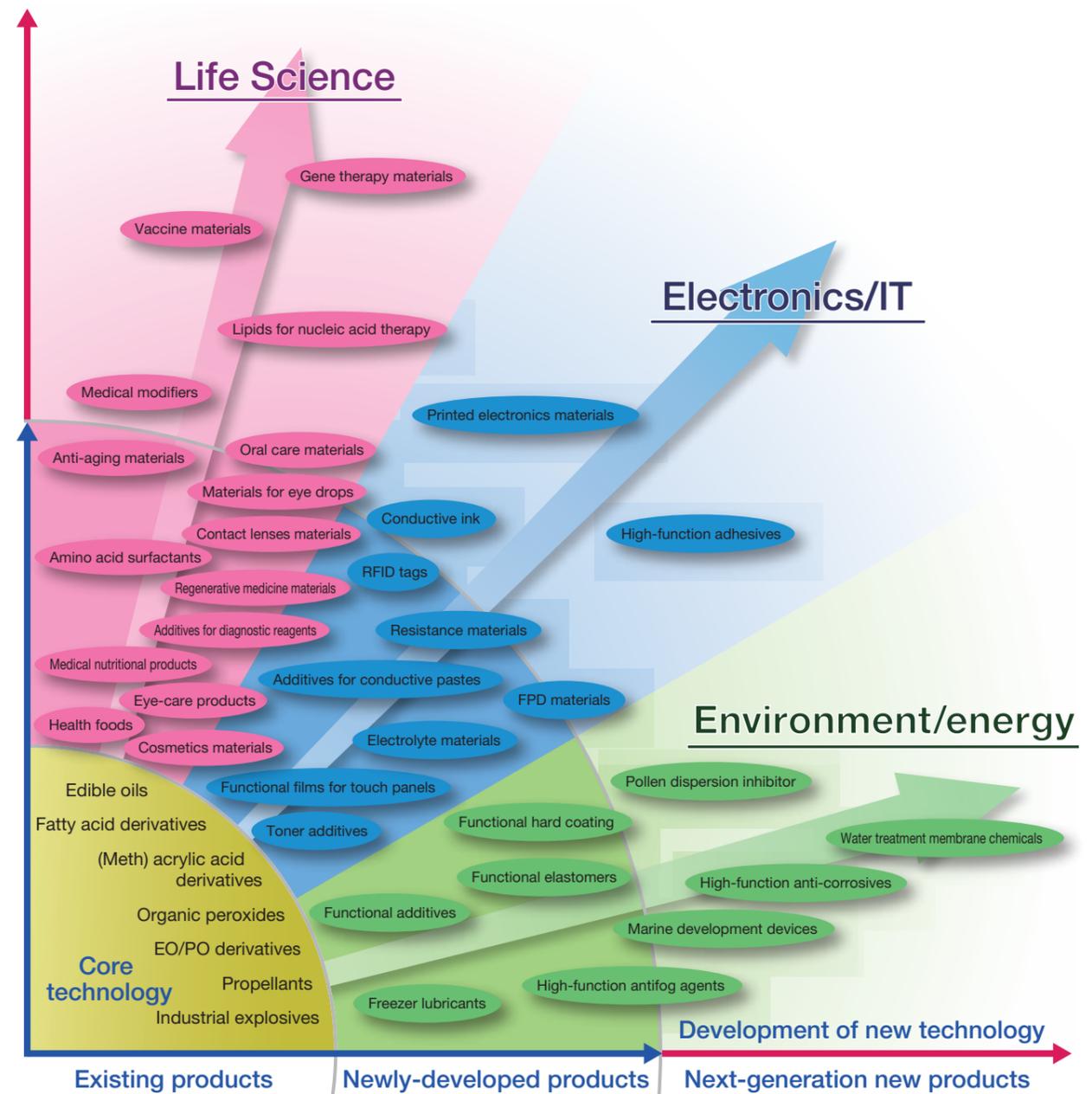
8. Prohibition of Antisocial Behavior

We shall eliminate the influence of antisocial groups, and shall not provide undue benefits to specific shareholders.

Corporate Vision

As a functional materials manufacturer that flexibly responds to changes in the business environment and continues to supply innovative products in the three business fields of "life sciences," "electronics/IT," and "environment/energy," we will strive to be a corporate group that contributes to mankind and society, and achieves sustainable growth and development.

Prioritized business fields of the NOF Group



● **Mid-term Management Plan**

In order to realize our vision, the NOF Group formulates a three-year Mid-term Management Plan and conducts business operations accordingly.

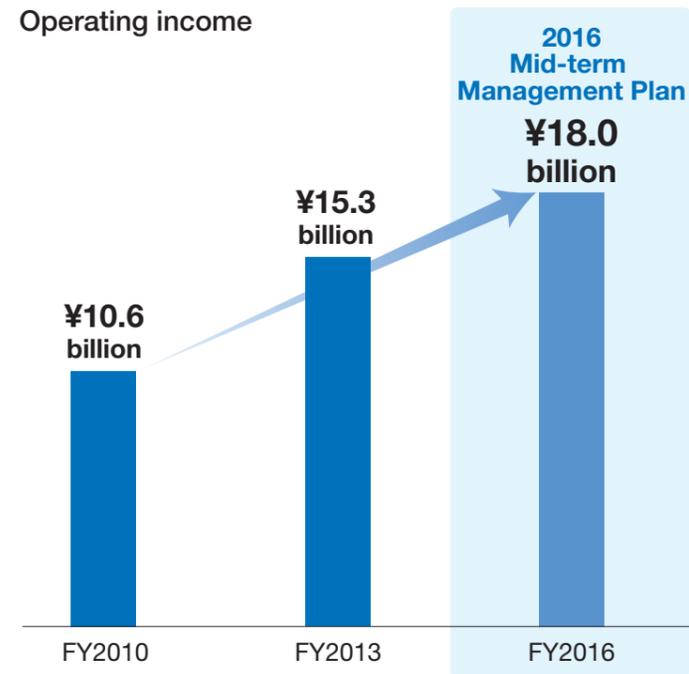
Basic policy of the 2016 Mid-term Management Plan

To further promote the results of the 2013 Mid-term Management Plan, and become a supplier capable of adapting to local production for local consumption on a global scale towards “a new roadmap of growth”

Basic Policy

- Acceleration of development for new products and new businesses
- Expansion of overseas business
- Further reinforcement of the management structure
- Shift to a strategic organization

Operating income



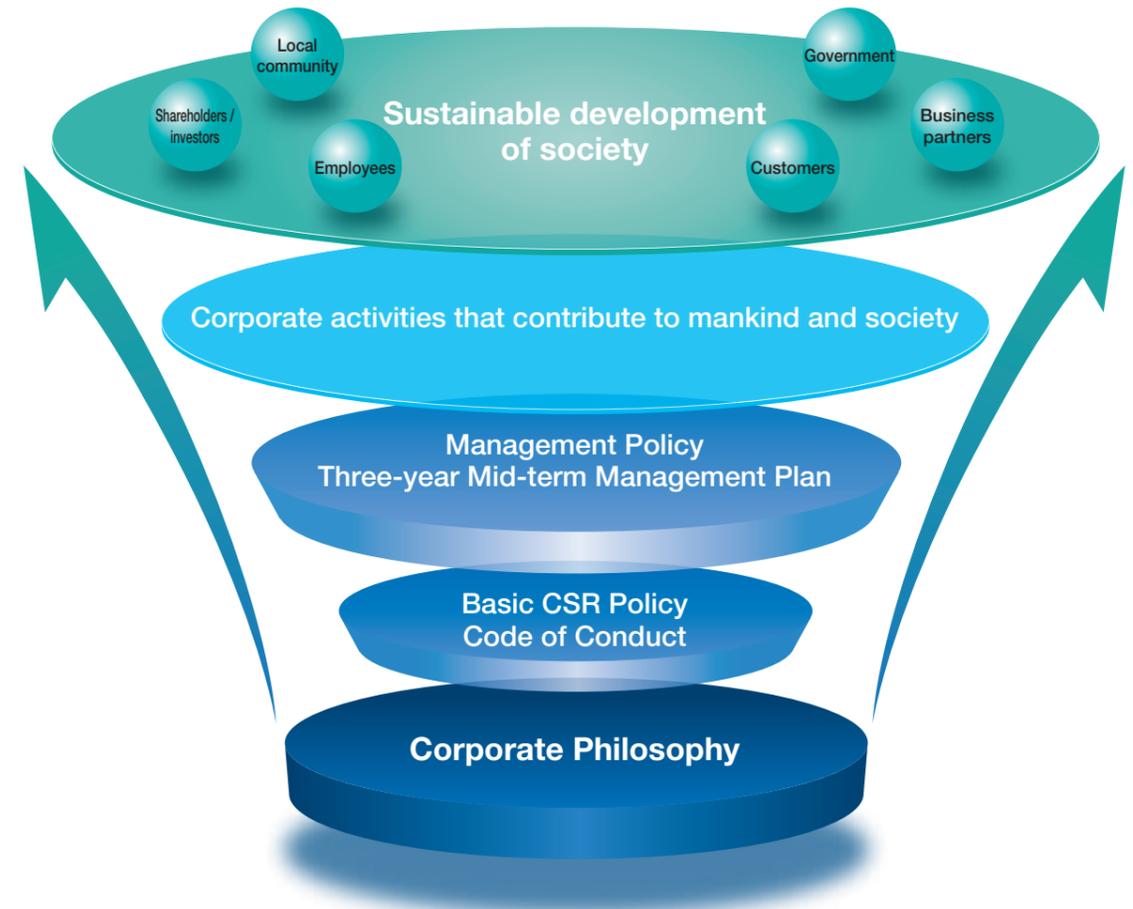
● **Management Policy**

Based on the basic policy of the 2016 Mid-term Management Plan, the NOF Group has established a management policy for fiscal 2015 of “Acceleration toward a new roadmap of growth,” and intends to implement measures to create new businesses, enhance productivity and raise its corporate presence, in an effort to create innovative value.



● **CSR of the NOF Group**

The NOF Group believes that its corporate philosophy of “contributing to mankind and society through the creation of new value in wide-ranging fields from the biosphere to outer space” represents the CSR that the Group aims to fulfill through its business activities. We will strive to maximize the values that we share with every stakeholder and with society.



● **Promotion of CSR**

The CSR Committee, chaired by the President, has been established as an organization for CSR promotion to oversee and promote the various specialty committees.



CSR Action Plan

CSR activities are carried out by setting annual goals and by setting the PDCA cycle in motion. The CSR Action Plan for fiscal 2015 is as follows.

CSR Action Plan for Fiscal 2015

Category of CSR Activity	Plan for FY2015
 <p>1. Governance</p>	<p>Compliance</p> <ul style="list-style-type: none"> Revise the Compliance Manual Promote compliance education Utilize the whistle-blowing system
	<p>Business continuity</p> <ul style="list-style-type: none"> Promote the business continuity plan
	<p>RC management</p> <ul style="list-style-type: none"> Promote Group RC activities Audit the RC activities of overseas consolidated subsidiaries
 <p>2. Respect for Individuals</p>	<p>Work-life balance</p> <ul style="list-style-type: none"> Encourage employees to take their annual paid leave Support employees with child care or nursing care responsibilities
	<p>Effective use of human resources</p> <ul style="list-style-type: none"> Reemploy people who have retired Employ people with disabilities
	<p>Talent development</p> <ul style="list-style-type: none"> Support employees' self-enlightenment efforts Promote training at the organizational level, and regarding specific issues Encourage employees to obtain official qualifications
 <p>3. RC Activities</p>	<p>Safety education</p> <ul style="list-style-type: none"> Conduct RC and environmental safety education Conduct labor and plant safety education Conduct product safety education
	<p>Environmental safety</p> <ul style="list-style-type: none"> Promote environmental safety Reduce greenhouse gas emissions Maintain Zero Emissions Reduce chemical emission volumes Promote biodiversity-friendly activities
	<p>Labor safety</p> <ul style="list-style-type: none"> Reinforce efforts toward zero accidents
 <p>4. Coexistence and Co-prosperity</p>	<p>Plant safety</p> <ul style="list-style-type: none"> Ensure stable operation
	<p>Product safety</p> <ul style="list-style-type: none"> Promote proper management of chemicals
	<p>Transportation safety</p> <ul style="list-style-type: none"> Promote safe transportation
	<p>Fair trade</p> <ul style="list-style-type: none"> Continue engaging in fair trade Promote CSR-based procurement
	<p>Information disclosure</p> <ul style="list-style-type: none"> Continue performing timely and appropriate disclosure of fair, unbiased information Hold performance briefings Publish CSR reports
	<p>Dialogue activities</p> <ul style="list-style-type: none"> Promote dialogue activities with the community
	<p>Socially beneficial activities</p> <ul style="list-style-type: none"> Promote social contribution activities

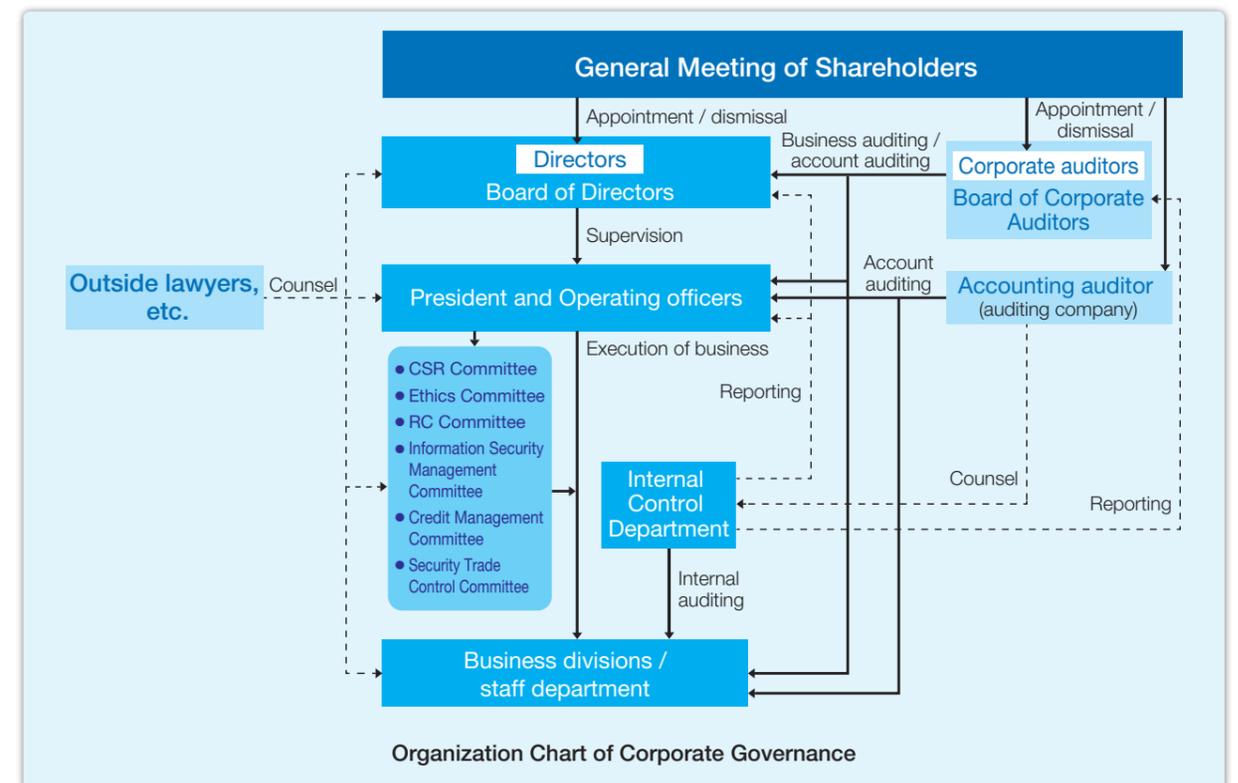
Outline of the organizational setup for corporate governance

With a view to architecting a management setup that can appropriately respond to changes in the business environment, NOF introduced the operating officer system in 2000; it was intended to strengthen the decision making function and the supervision function of the Board of Directors and at the same time to enhance the efficiency of the executive setup under authorization by the representative director by separating the decision making function and the business executing function of management. In addition, for the purpose of further strengthening the supervision function, two independently positioned outside directors are selected. The Board of Directors, consisting of eleven members including outside directors, holds one regular meeting every month and extraordinary sessions are also convened as required; besides deciding on important matters set forth by the laws, regulations, the articles of incorporation and the rules of the Board of Directors, the Board supervises the state of business execution. Any important matter to be referred to the Board of Directors goes through preliminary deliberation, intended to ensure more appropriate decision making, by the Executive Committee from time to time attended by directors, standing corporate auditors and heads of the organizational unit or units concerned or the weekly Strategic Meeting as a rule attended by the directors authorized to execute business. To supplement these meetings, NOF from time to time receives advice from such experts as lawyers and certified public accountants regarding business management and daily execution of business for reference in making judgment on business affairs.

Development of internal control system and risk management setup

Each NOF Group company has developed an internal control system for ensuring adherence to laws and regulations, the articles of incorporation and various internal rules of the Company and appropriateness of business operations. Regarding observance of social norms and laws and regulations, the Company's code of conduct is formally spelled out as the NOF Code Ethical Conduct, based on the NOF Basic CSR Policy, and an Ethics Committee is established to ensure thorough adherence to the code. Further to secure safety in production sectors in the five aspects, including environment, product, plant, transportation and labor, the Responsible Care (RC) rules are instituted, with the RC Committee checking conduct in actual scenes of production and performing internal auditing. In addition, various activities by the Information Security Management Committee, Credit Management Committee and National Security and Export Management Committee among others have built up management arrangements for the prevention of various risks of the NOF Group from arising, and if any risk does arise, the minimization of its impacts.

Group companies engage in business activities based on a policy formulated in accordance with the annual policy formulated by NOF. NOF manages and monitors its Group companies in accordance with the rules on the management of group companies, and offers advice, as necessary; while any important matters that are deemed to materially impact the subsidiary's assets or profit and loss are approved by the NOF Board of Directors or the Executive Committee.



Internal audits and corporate auditor's audits

Internal audits are performed by the nine dedicated members of the Internal Control Department, which is an independent organization reporting directly to the President.

Corporate auditor's audits are primarily performed by the standing corporate auditors as part of the framework of oversight over the directors' execution of business by attending every meeting of the Board of Directors and the Executive Committee, as well as proactive participation in various other meetings. The corporate auditors coordinate closely with the accounting auditor by convening periodic meetings and other initiatives, and exchange various information on such matters as audit plans and audit reports.

Corporate auditors including outside corporate auditors receive periodic reports from the Internal Control Department regarding internal controls, while at the same time engage in exchanges of opinions, as necessary. Corporate auditors also engage in appropriate coordination with the relevant organs by attending the meetings of the competent committees on CSR and risk management, sitting in on internal audits conducted by the internal auditing organs of each committee and receiving and exchanging opinions on the audit result reports of the internal audit organs of each committee.

Promotion of the Business Continuity Plan (BCP^{*1})

NOF has formulated a BCP, to enable its core business to be continued or, if damaged, to be restored quickly while minimizing the loss of business assets in an emergency such as a natural disaster. NOF's activities to promote the BCP primarily focuses on the formulation of the BCP manual which sets forth the responses to be implemented in normal times and in emergencies, in addition to the preparation and yearly renewal of information on the estimated damages to the plant and various government-, infrastructure- and supply chain- related information, which will be required when resuming operations. Additionally, NOF performs annual internal audits and training in an effort to firmly establish the BCP and to enhance its effectiveness.



*1: BCP (acronym for Business Continuity Plan) is a plan formulated by a company to set forth activities to be carried out in normal times and methods, means and so on for continuation of business in an emergency such as a natural disaster, conflagration or terrorist attack to enable the core business to be continued or, if damaged, to be restored quickly while minimizing the loss of business assets.

Information security management

(1) Management of trade secrets and protection of personal information

Recognizing the importance of information as one of vital management resources to business activities and the indispensability of active strengthening of corporate competitiveness by active utilization of information and firm establishment of information security to steady business management, NOF has set forth the Information Security Policy as a basic principle for promoting effective utilization and protection of information. At the same time, recognizing protection of personal information as its obvious social responsibility, NOF has formulated and announced the Privacy Policy.

Under such policies, the Company has set forth specific measures for enhancing the levels of confidentiality, completeness and utility of information and specific ways of handling personal information in its internal rules including information security management rules, personal information protection rules and information system-related sets of provisions, a confidential information handling manual and an information equipment handling manual, and is ensuring their thorough understanding by the staff.

(2) Management setup

In the organizational aspect, the Information Security Management Committee is set up, and under its chairperson, who has overall supervising responsibility for information security management, persons responsible for document information security management, electronic information and information system security management, and addressing complaints regarding personal information, as well as a person responsible for management at each level of organizational unit, are appointed to administer the implementation of specific measures. Against illicit accesses from outside and other risk factors including loss, destruction and alteration, safety measures are taken at appropriate and rational levels. In addition, NOF continually reviews through internal auditing setups and measures pertaining to information security management and protection of personal information to improve them wherever necessary.

Compliance

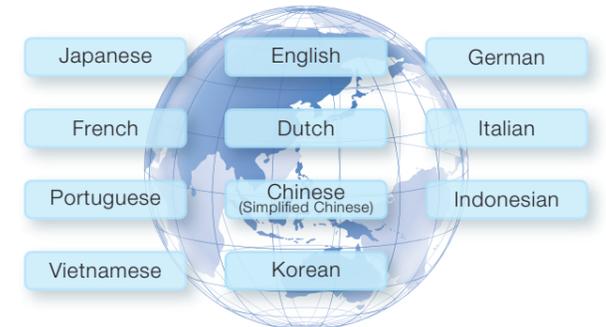
The NOF Group in April 2002 instituted the Code of Ethical Conduct to ensure that each member-company and each employee always conform to social ethics and win society's trust. In this connection, the Group set up the Ethics Committee in an effort to strengthen its own responsibility to society and ensure the transparency of its business activities. Further, a consultation desk for NOF's employees is open at the secretariat of the Ethics Committee (the Legal & Public Relations Section of the Human Resources & General Affairs Department), and a contact point for whistle-blowing / consultation is also open to employees of NOF and its group member-companies.

In order to instill a sense of compliance in its executives and employees, the NOF Group has prepared a Compliance Manual, which explains the Code of Ethical Conduct in detail and in easily understood terms.



Global Compliance Manual

The universal Global Compliance Manual has been published in eleven different languages.



Animated characters used in the Compliance Manual

Rinko, the senior employee, and Satoru

We use these animated characters to further the understanding of the employees.



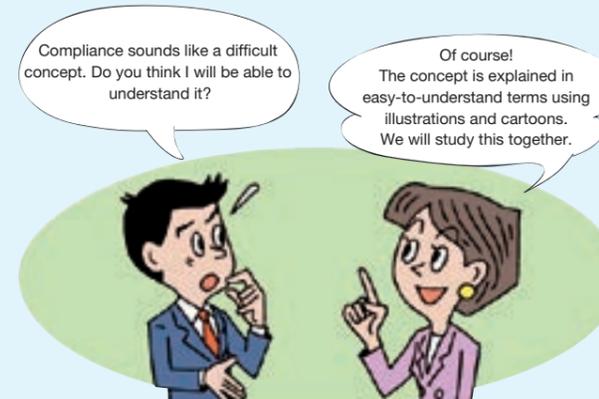
Senior employee Rinko

Belongs to the Legal & Public Relations Section of the Human Resources & General Affairs Department and is well-versed in compliance.



Satoru

A junior employee of the same department.



Whistle-blowing system

Consultation desks in English / Chinese (Simplified Chinese) and a consultation desk in Japanese have been set up as contact points for whistle-blowing / consultation, in the event that an employee becomes aware of acts in violation of compliance or acts suspected of being in violation of compliance.

The fact of the whistle-blowing / consulting will be treated in strict confidence and the whistle-blowing / consulting employee will receive absolutely no unfair treatment as a result of having done so.

NOF is conducting various compliance seminars, publishing internal newsletters on compliance and making other efforts to instill an awareness of compliance.

Work-Life Balance

● Promotion of work-life balance

NOF is developing a work environment in which the staff can work well motivated while attaching due importance to the work-life balance between work and non-work activities including child care, nursing care, hobbies, studies, rest and community activities.

In light of the importance NOF attaches to the work-life balance of its employees, it has adopted and enhanced the following systems as well as providing support for the following employee activities.

Systems adopted / support provided	Details
Childcare leave system	Improving the requirements for acquiring childcare leave and reduced working hours
Nursing care leave system	Improving the requirements for nursing care leave
Flex-time system	System in which employees are allowed to determine his/her working hours during each work day within the total number of working hours per month, in order to maintain a balance between work and life
Discretionary work system	System in which employees are allowed to determine the method of business execution and time allocation, in order to maintain a balance between work and life (applies to R&D position employees)
Cumulative saved leave system	System in which expired yearly paid holidays may be accumulated and used for personal illness or injury, childcare or nursing a family member or self-enlightenment
Refresh leave system	Leave system in which employees refresh their minds and bodies by leaving behind daily work, to enjoy a leisurely pace or play and to build a wide perspective and flexible mind
Self-enlightenment support system	System which supports individual's talent development and career development by providing self-enlightenment courses, including correspondence courses and language e-learning courses
Sports and culture activities	Support for various employee activities for the purpose of raising the level of sports and culture of the employees and enhancing the friendly and harmonious relationships between employees

Support for raising the next generation at NOF



Yosuke Yanagimoto, General Manager, Human Resources & General Affairs Department

As the birthrate in Japan declines, entities are being called on by society to provide a healthy environment for children who will lead the next generation to be soundly born and reared. NOF is working to establish an environment that supports the balance between work and child-rearing, and provides childcare leave systems that go beyond the levels stipulated by laws and regulations.

Thanks to these initiatives, many of our female employees who have given birth have taken childcare leave, returned to work, taken advantage of the short hour work system, and are thriving in their work while raising their children.

Additionally, we are also seeing our male employees take childcare leave, albeit for shorter periods, and proactively taking part in child rearing.

We will continue to foster a workplace culture that supports the balance of work and child-rearing and make efforts to build a more comfortable and rewarding workplace.

● Recommending employees to take yearly paid holidays

NOF is developing a work environment in which the staff can work well motivated while attaching due importance to work-life balance. NOF encourages all employees to take their yearly paid holidays. Additionally, one such initiative is to encourage them to take yearly paid holidays in their respective birth months, and in this way an atmosphere that makes them easier to take yearly paid holidays is developed in the work environment.

In fiscal 2015, we will verify the status of yearly paid holidays taken by the employees and consider measures to further encourage employees to take their holidays.

Utilization rate of yearly paid holidays

Year	Utilization rate
FY2013	61.4%

*From September 21, 2013 to September 20 2014 (12-month period to take yearly paid holidays at NOF)

● Refresh leave system

NOF provides a system under which employees having worked with the Company for 10, 20 or 30 years are given seven consecutive paid holidays (which otherwise would be workdays) so that they can refresh themselves both mentally and physically away from everyday duties, and find opportunities to expand their fields of vision and to increase the flexibility of thinking.

● Days on which employees are encouraged to leave work on time

NOF encourages efficient ways of working and sets a day on which employees are encouraged to leave work on time.

● Support for raising the next generation (Support for childcare and nursing care)

NOF provides a system that makes child-rearing / nursing care and working compatible with each other, and has proactively adopted support measures including raising the age limit for children subject to short hour work system and extending the duration of the nursing care leave.

In June 2010, as its initiatives and records in the implementation of the action plan based on the Act on Advancement of Measures to Support Raising Next-Generation Children were appreciated, the Tokyo Labor Bureau recognized NOF as an "enterprise active in supporting childrearing." In our subsequent action plan, we have been promoting the utilization and implementation of childcare leave for our male employees.



Number of employees who have utilized childcare leave

FY	Employees utilizing childcare leave	Male employees among employees utilizing childcare leave
2014	19	14
2013	5	1
2012	8	3



Experiences of a father proactively involved in child-rearing

On utilizing the childcare leave

Our younger daughter was born on March 22 this year and I took childcare leave in June. During my leave, I took my older daughter to day-care and did much of the housework in addition to cooking with the minimum of help from my wife, while spending precious time with our younger daughter. I also remember my heart pounding with emotion when I took my younger daughter to the bank to take out an educational endowment insurance policy for her. I enjoyed a sense of fulfilment when I gave my two daughters baths at night, while coming to understand some of the hard work my wife has to handle on a daily basis. Going forward I hope to not only work hard at the office but also involve myself more in bringing up our children.

The case of A.K., Sales Dept., Life Science Products Div.



Comments from the boss

K.H., Sales Dept., Life Science Products Div.

The birth of A.K.'s younger daughter coincided with the period of assignment rotations within the Group and we were concerned that he would not be able to take his childcare leave because of the busy work schedule. However, A.K. planned his work and made arrangements well and was able to utilize his leave. By forging stronger ties with his family, he seems to have heightened his enthusiasm for his work.

Effective Use of Human Resources

● Recruitment

NOF, which began as a chemicals producer using natural fats, has today expanded its businesses into a wide range of fields from the biosphere to outer space. This is due in no small part to our ability to sincerely meet the ever-changing and diversifying needs of the market and our ceaseless spirit of challenge in taking on new fields.

In order to support and further expand its wide range of businesses, NOF engages in recruiting activities that respect the individualism and values of its diverse human resources.

"People" are what make up an entity, and it is important that diverse human resources of different specialties and expertise collaborate, stimulate each other and lift each other up.

For this reason, NOF will proactively promote the recruitment of experienced workers and returnees from abroad, regardless of whether they are straight out of college or mid-career recruits, as well as foreign nationals, including exchange students.

In terms of recruitment and selection of students graduating with bachelor's and master's degrees to start in and after 2016, NOF is engaged in proper recruitment activities that "enforce fair and impartial recruiting, contribute to ensuring a normal academic learning and academic environment and respect the academic schedule of the universities," based on "Guidelines for Recruiting and Employing New Graduates" of the Japan Business Federation (*Keidanren*).

● Approach to diversity

In order to fulfill the Corporate Philosophy to "Encourage employees to take on new challenges, working to create a rewarding place to work and fulfilling lifestyles," the NOF Group accepts and respects diversity in the forms of employment, working locations and working conditions including short hour work systems, as well as diversity in the attributes of its human resources such as nationality, gender, race and whether they are disabled or not. NOF aims to establish and is currently building an organization in which willing and capable employees are properly evaluated in every aspect including recruitment, treatment after recruitment and promotions, and are allowed to demonstrate their capabilities.

● Promotion of international human resources

Recognizing the importance of securing superior human resources regardless of nationality, the NOF Group intends to secure appropriate human resources, including experienced workers, particularly for the expansion of its overseas businesses. Our overseas Group companies (overseas local subsidiaries) are continuing to step up their efforts to recruit local employees and promote them to management.

● Fostering international human resources

In an effort to build up its staff for overseas assignment, the NOF Group has been promoting its short-term overseas dispatch and short-term overseas language training programs. Additionally, for its overseas sales staff and staff scheduled for overseas assignments, the NOF Group conducts seminars by dedicated outside and internal lecturers on the laws, culture and commercial practices of their host countries based on the staff's duties and roles, in order to facilitate overseas operations. Moreover, in light of further overseas expansion in the future, the NOF Group has introduced the "Global Human Resources Development Seminar," and is currently promoting the systematic fostering of global human resources.

● Re-employment system (Re-employment of retirees)

NOF has introduced a reemployment system intended to provide age-limit retirees with opportunities to remain active in society and for self-realization to keep them well motivated to live on and work, and at the same time enable them to fully utilize the retirees' high-level professionalism, skills and experience in their extended careers.

● Employment of the disabled

In order for persons with disabilities to demonstrate their capabilities and work actively in their respective workplaces, NOF is promoting the employment of the disabled, upon developing a favorable working environment.

The proportion of the disabled employed in March 2015 was 2.33% (43 persons), surpassing the legally prescribed proportion raised in April 2013 from 1.8% to 2.0%.

Going forward we will step up our initiatives towards the employment of the disabled, including expanding job types available to them.

● Rewards for employee achievements

On July 1 of each year, NOF recognizes the accomplishments of employees who have contributed to the perpetual development of the Company's businesses.



● Mental health initiatives

NOF is taking comprehensive initiatives for the prevention and alleviation of mental health troubles and supporting those suffering from such troubles until they have sufficiently recovered to return to work.

More specifically, these initiatives are taken in teamwork with industrial physicians specializing in mental health to ensure early detection and proper solution of mental health problems by providing mental health checks, setting up out-of-house counseling facilities and institutionalizing a "return-to-work support program" to support persons absent from work for a long time or on sick leave on account of mental health disorder in ensuring their smooth return to work after recuperation.

The company is also implementing a plan for reeducation on mental health. In fiscal 2009, a linecare education program was provided to all the personnel of the managerial or supervisory level, and in fiscal 2010 education on self-care was given to common employees. Line-care education of newly appointed personnel of the managerial or supervisory level has been done every year since fiscal 2010. These programs will be followed by further actions intended to help the employees keep and improve their mental health.

● Implemented "Health seminar that starts today" and "2014 health building challenge"



As part of its health promotion activities for its employees, the Kawasaki Works has launched a Health Promotion Committee which plans and carries out various health-promotion activities.

One such activity was the "Health seminar that starts today," which was conducted in March with the help of an instructor of a major fitness club. The seminar focused on activities that could be put into practice straight away, including "How to regulate your internal body clock," "Smart meals," and "Exercises that can be done at the workplace." Following this seminar, a new activity named the "2014 health building challenge" was launched. The activity involved setting three action targets such as the number of steps walked in one day and dietary and exercise goals, and keeping records for three months in order to see if they have been achieved.

Through such initiatives, the NOF Group will continue to promote and upgrade activities that will resolve the health issues of as many employees as possible and enable them to continue working for a long time.

● Health seminars

"Anti-obesity: Getting rid of fat around the waist"



As part of its activities under the Occupational Safety and Health Management System, the Aichi Works has been conducting "health declaration" activities since 2012, and in order to support these activities, health seminars have been held from 2013 primarily by the Environmental Safety Administration Office and the General Affairs Section.

Due to the popularity of the previous year's seminar, a total of three lectures titled "Anti-obesity: Getting rid of fat around the waist" were held in May and June of this year by members of the Handa Medical Association Health Management Center.

The lectures used actual demonstrations and easily-understood terms to explain such topics as recognizing factors for weight gain, calculating one's ideal weight, calculating the daily amount of energy required to maintain such weight, planning nutritionally-balanced daily meal programs, and easy exercises such as walking to build up muscle and improve metabolism. Once again this year, these lectures were enthusiastically received and comments in a survey taken after the lecture included, "I found out that it's not too difficult to improve my life" and "This lecture provided an opportunity for me to re-examine my life." We will continue to hold similar lectures in the future and contribute to building an environment in which each employee is able to work full of pep and maintain his/her health.

● Addressing sexual harassment / power harassment problems

The NOF Group has declared its position to prevent and prohibit sexual harassment and power harassment in its Guidebook on the Code of Ethical Conduct, the Compliance Manual and other internal notifications, and is taking steps to make the code and other relevant norms extensively known and understood. For consultation desks regarding sexual harassment and power harassment, one each of male and female consultants is appointed to make the workplaces transparent and pleasant.

NOF promotes a multifaceted talent development system comprising a "selective" element, in which each employee is allowed to choose his/her own training menu, as well as an "elective" element, where participants are designated by the Company, and which is professionally-focused in order to enhance the employees' expertise in each field.

This system effectively promotes talent development suited to each individual and his/her work, while at the same time making work more rewarding, invigorating the organization, establishing a sustainable business foundation and enabling stable employment.

● Support of self-enlightenment

NOF provides a wide range of self-enlightenment programs such as various correspondence courses and e-learning courses (e.g. business skills and languages) to support the spirit of challenge of the motivated employees and to encourage further skill development and the self-realization of each individual.

In fiscal 2014, a total of 220 employees took advantage of the various correspondence courses and e-learning courses.



Pamphlet "Correspondence Course Guide"

● Promoting training at the organizational level and regarding specific issues

In an effort to provide a more effective training program, NOF has set up an education system that combines training at the organizational level and training regarding specific issues.

The relatively junior employees mainly undergo training at the organizational level, while management-level employees undergo training regarding specific issues.

Each organizational unit and division also plan and carry out, as necessary, training suited to their respective business operations.

(Training at the organizational level)

Initial training for new career-track employees, follow-up training for new career-track employees, preparatory training for the study report conference for career-track employees, study report conference for career-track employees, follow-up training for the study report conference for career-track employees, training for mid-career employees, training for career-track employees promoted to manager, training for employees promoted to executive positions, mandatory training for promotion candidates (correspondence course) for candidates for senior instructional level positions, candidates for manager positions and candidates for executive positions, etc.

(Training regarding specific issues)

Training for those performing personnel evaluations, business skill reinforcement training, training for new sales staff, sales practices training, business R&D training for R&D position employees, training for managerial candidates (strategic business leader training,

financial training, participation in outside business schools, NOF Management School), short-term overseas language training, training prior to overseas assignments, etc.

In fiscal 2014, a total of 593 employees took part in the training programs.

● Support to acquire official qualifications

The NOF Group supports employees' attempts to acquire official qualifications in many aspects.

In fiscal 2014, a total of 497 persons newly acquired 32 types of such qualifications out of about 100 different qualifications whose acquisition is recommended by the Company.

Type of qualification	No. of persons who acquired qualifications
Energy control	
Pollution control	
Sanitation control	
Specified chemicals control	
Organic solvents control	
Flammable materials control class A, B	
Pressured gas control	
Explosive production control	
Explosive handling control	
Firefitting facility control	
Pressured vessels handling	
Breathing safety control	
Forklift	
Crane	
Hooking	
Boiler	
Machine maintenance	
Electric works	
X-ray work	
13 other types of qualifications	
Total	

Recognizing the importance of safety education, the NOF Group strives to enhance its occupational safety and health management system and reinforce its safety activities including safety education, in an effort to secure the safety and health of its employees.

● RC Education of the NOF Group

To enable all the employees of the NOF Group to deepen their understanding of RC, emphatic efforts are put into RC education. In fiscal 2014, a total of about 13,000 persons participated in and received RC-related education for a total of some 37,000 hours.

Field	Total number of participants	Total hours
RC and Environmental Safety	1,120	2,948
Labor and Plant Safety	11,202	33,175
Product Safety	711	587
Transportation Safety	5	12
Total	13,038	36,721



Head Office Safety education for new employees



Aichi Works



HOKKAIDO NOF CORPORATION



Kawasaki Works

RC Management

● Management policy regarding RC

For a chemical company to live together with society as one of its vitally important members, it has to seek harmony with social environment and natural environment, and be recognized, appreciated and accepted by society. With this fundamental awareness in mind, NOF has set forth its Management Policy Regarding Responsible Care as a set of norms to be faithfully observed by every officer and employee of the Group companies with a view to winning even greater trust from society.

Management Policy Regarding Responsible Care

NOF is dedicated to protecting the safety and health of customers, the public and employees, as well as the environment, ecosystems and resources. For this purpose, based on the principles of Responsible Care, NOF, its group companies, and all executives and employees observe the following management policies on safety concerning the five areas of environment, products, plants, transportation, and labor.

- (1) Retain an awareness concerning safety issues involving the social and natural environments.
- (2) Conduct activities based on appropriate self-management along with close collaboration with other business units.
- (3) Conduct highly reliable safety checks and adhere to all laws and regulations.
- (4) Everyone must work to minimize the impact of products on the environment, safety and health. This covers every aspect of products, from their development and manufacture through retail, use and disposal.

(Amended September 2001)

Furthermore, NOF became a signatory of the Responsible Care Global Charter in 2014, and declared its support of the Charter and its commitment to practice RC activities both in Japan and overseas.

● The Five Components of Safety

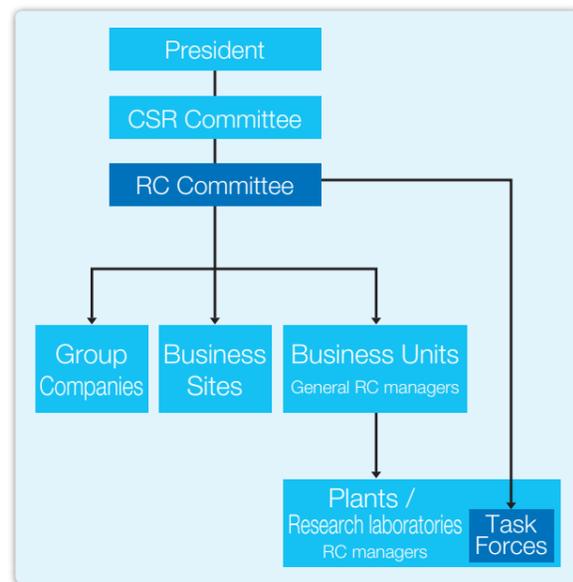
The NOF Group classifies its RC activities into "Five Core Components" including 1) environmental safety, 2) labor safety, 3) plant safety, 4) product safety and 5) transportation safety, and according to this classification each works sets priority items, which are practiced in specific activities. Since 2003, "dialogue with society" has been added to the Five Core Components as a theme of activities.



● RC promoting organization

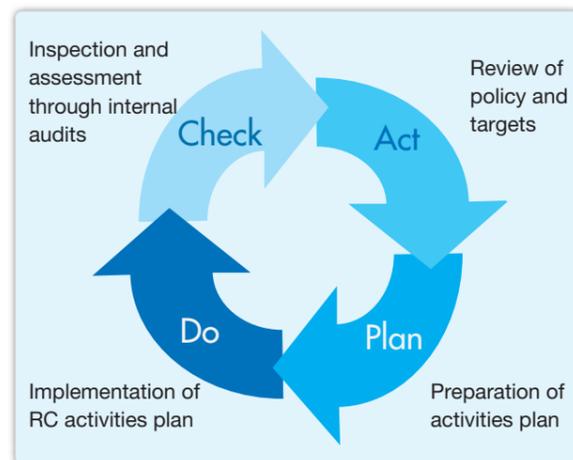
The RC Committee has 26 members (named by the President out of operating officers, works or plant general managers, the Planning Department manager of each division and the general managers of Research Laboratories), chaired by the officer responsible for the Responsible Care & Production Engineering Department.

The RC Committee, whose decision is immediately made thoroughly known as a policy of the NOF Group, has an executive function as a body to which authority is delegated by the President. A general RC manager is appointed to each business division, and an RC manager to each plant or research laboratory, to ensure concrete representation of environmental targets.



● Flowchart of RC activities

RC activities are unfolded by keeping the cycle of CAPDo (Check-Act-Plan-Do) turning without interruption.



Where any improvements over the current status are required, the progress is assessed at the time of the next auditing, a half year afterwards, and completion is checked.

● Development status of EMS¹

(Environmental Management Systems)

Every works and plants of NOF with production sectors have acquired ISO14001 certification, and are implementing systematic environmental improvement activities, with the particulars of business and local characteristics taken into consideration. Seven of the companies affiliated with NOF have acquired ISO14001 certification, and one more is seeking for new acquisition. Also, Nichiyu Logistics has obtained Green Management certification from the Foundation for Promoting Personal Mobility and Ecological Transportation.



● Development status of QMS²

(Quality Management Systems)

NOF is building up the optimal QMS for each product line. The Daishi Plant has acquired certificates under the Hazard Analysis Critical Control Point (HACCP) and the Good Manufacturing Practice (GMP) for dietary supplement systems³ in addition to ISO9001. The DDS Plant exercises control conforming to the GMP for pharmaceuticals. ISO9001 certificates have been acquired by 14 of the Group companies.

Showa Kinzoku Kogyo Co., Ltd. and NOF METAL COATINGS KOREA CO., LTD., active in the anticorrosion business, have also obtained ISO/TS16949⁴ certification.



GMP for dietary supplement systems (Daishi Plant)

● Development status of OSHMS⁵ (Occupational Safety and Health Management System)

The NOF Group, under its labor safety and health policy, is undertaking buildup of the Occupational Safety and Health Management System. Referencing the guidelines of the International Labor Organization and the Ministry of Health, Labour and Welfare, we are building up our own system with the target of achieving a level qualified for certification by competent outside bodies. The Risk Assessment program⁶, which started in fiscal 2008 at every works of NOF, is now adopted by domestic member-companies of the NOF Group as well, which will follow suit in the implementation of OSHMS.

¹: Acronym for Environmental Management System. A management system comprising a framework for an organization to formulate, implement, review and maintain its environment policy; and encompassing planning activities, responsibilities, practices, processes and resources.

²: Acronym for Quality Management System. A system by which an organization formulates policies and sets targets in order to dictate and manage its quality, and achieve such targets.

³: Acronym for Good Manufacturing Practice. Standards with which operators must comply, relating to both tangible elements such as plants and production facilities and intangible elements such as quality/manufacturing control, as means of quality assurance including the safety of pharmaceuticals, medical equipment, foods, etc.

⁴: International standards on quality management systems for the automobile industry.

⁵: Acronym for Occupational Safety and Health Management System. A management system that determines the organization, responsibilities, practices, processes and management resources required for an operator to continuously mitigate potential occupational safety and health risks.

⁶: Method of identifying, eliminating and reducing potential risks or hazards in the workplace.

● Status of internal auditing

For the auditing of RC in fiscal 2014, regular audits (twice a year for NOF's own eight plants and once a year for domestic and overseas group members having production sectors) were held by field checking in the presence of NOF's auditors or paper screening with the RC Committee Chairman (concurrently director and executive operating officer) as auditing leader. Priority items in recent years are listed below.

Term	Priority theme in audit
1st half, FY2010	Status of strengthening capability of plant operation
2nd half, FY2010	Status of safety action (priority theme)
1st half, FY2011	Progress of safety action (actual records for 2010, planned for 2011) Compliance with revised laws including environment-related laws and other laws
2nd half, FY2011	Progress status of enhancement of safety mind
1st half, FY2012	Progress of five safety drives (actual records for 2011 and planned levels for 2012) and meeting the requirements of Revised Water pollution control Law
2nd half, FY2012	Progress of labor safety measures
1st half, FY2013	Progress of labor safety actions (actual records for 2012, and planned levels for 2013)
2nd half, FY2013	Progress of five safety drives
1st half, FY2014	Confirmation of compliance status relating to environmental safety
2nd half, FY2014	Confirmation of the status of action to prevent labor accidents

● Internal auditing of Group members

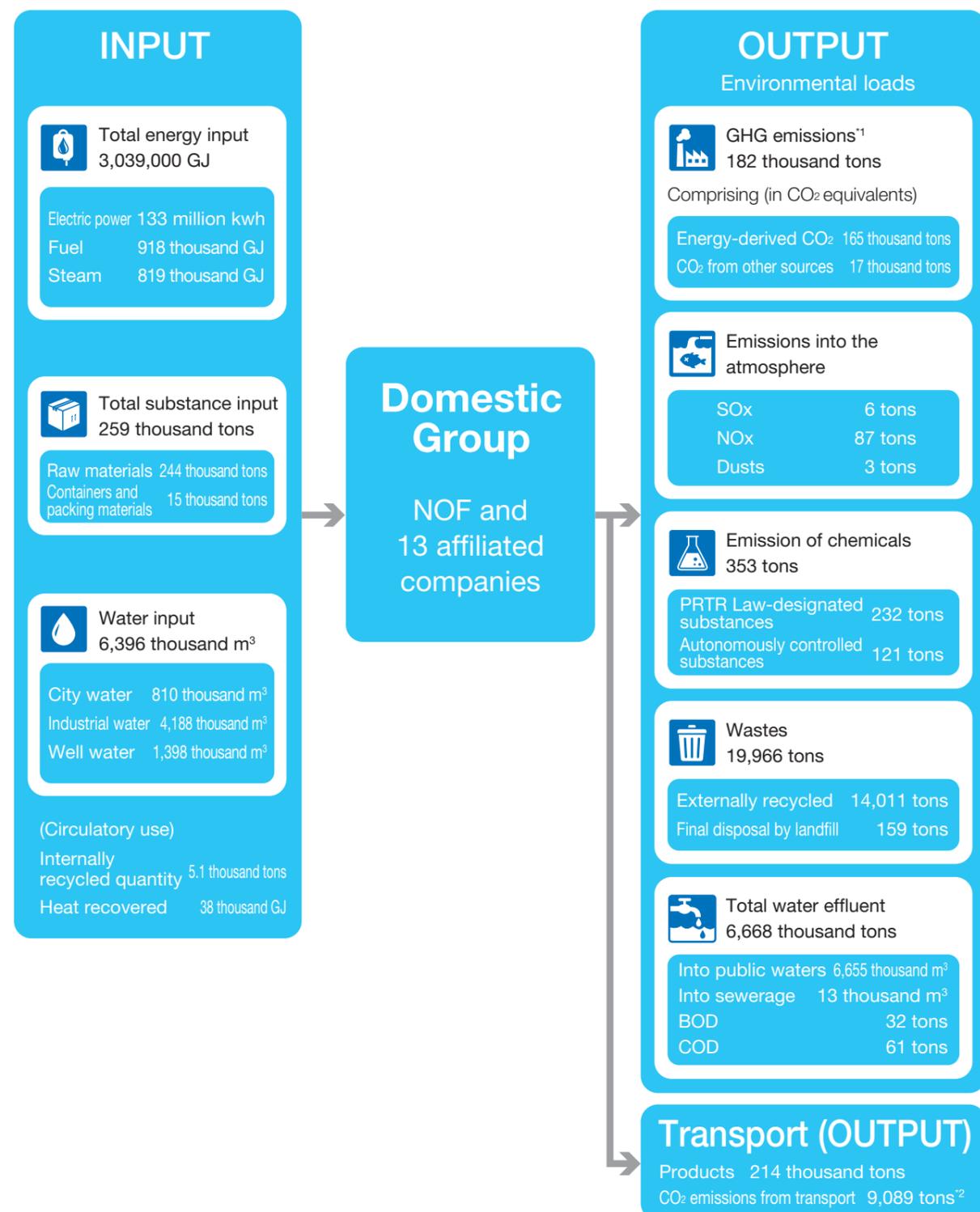
For domestic group members having production sectors, an informal RC meeting (for exchange of views) started in fiscal 2001 as a preliminary step, and RC auditing as such has been implemented since fiscal 2005 so that the NOF Group could promote RC activities in a desirable way of group management by strengthening autonomous inspecting activities.

Since fiscal 2010, RC auditing of Changshu NOF Chemical Co., Ltd. in China and PT. NOF MAS CHEMICAL INDUSTRIES (NMC) in Indonesia has been conducted with an eye to further improvement of RC activities by the NOF Group.

Environmental Safety: Environmental Loads Ensuing from Business Activities

The standing of environmental loads ensuing from business activities by the Domestic Group in fiscal 2014 is shown below.

Main environmental performance factors (Domestic Group)



*1: The calculation period of GHG emission volumes is the fiscal year for other gases than chlorofluorocarbons (PFC, etc.) and the calendar year for chlorofluorocarbons (PFC, etc.).
 *2: CO₂ counts involved in transportation do not include part of the carried volume attributable to JAPEX Corp.

The environmental accounting^{*1} of the Domestic Group in fiscal 2014 is stated below. The period covered is from April 1, 2014 through March 31, 2015.

Environmental expenses

		(in million yen)		
Category	Major activities	Investment	Expenses	
(1) Business area expenses	(1)-1 Pollution prevention	Wastewater treatment/water pollution prevention	180	637
	(1)-2 Global environmental protection	Energy conservation	80	55
	(1)-3 Resource recycling	Industrial waste treatment and recycling	0	951
(2) Upstream/downstream expenses	Reduction in containers and packaging materials	0	5	
(3) Management activity expenses	Environmental audits/improvements/personnel	0	296	
(4) R&D expenses	R&D to curb environmental impact	0	503	
(5) Community activity expenses	Support for regional environmental activities	0	12	
(6) Environmental damage response expenses		0	0	
Total ^{*2}		261	2,460	

Environmental benefits

Benefit item	Item	FY2014	vs FY2013
(1) Benefit from resources used in business activities	Total energy input (thousand GJ)	3,039	+35
	Total substance input (thousand tons)	259	+3
	Water resource input (thousand m ³)	6,396	▲58
	Gas emissions (thousand tons of CO ₂)	191	▲5
	Production activities: Energy-related	165	+2
	Production activities: Others	17	▲6
	Transportation-related	9	▲1
(2) Benefit from environmental impact and waste materials of business sites	PRTR chemical releases (tons)	232	▲1
	Plant emission volumes (tons)	19,966	+501
	Final disposal of waste by landfill (tons)	159	+11
	Waste water volumes (thousand m ³)	6,668	+295
	COD emission volumes (tons)	61	▲10
	NOx emission volumes (tons)	87	+1
	SOx emission volumes (tons)	6	▲8

Real economic effects

		(in million yen)	
		Particulars of effects	Sum
1) Profits	Business income from recycling of wastes from main business or recycling of used products, etc.		141
	Other business income		0
2) Costs saved	Reduction in energy cost by energy saving		4
	Reduction in waste disposal ensuing from materials saving or recycling		24
	Other reductions		53
Total ^{*2}			222

Changes from the past

Category	Item	FY2011	FY2012	FY2013	FY2014
Environmental Expenses	Investment (million yen)	271	351	498	261
	Expenses (million yen)	2,569	2,532	2,504	2,460
Benefit from resources used in business activities	Total energy input (thousand GJ)	3,083	2,975	3,004	3,039
	Total substance input (thousand tons)	267	255	256	259
	Water resource input (thousand m ³)	6,312	5,924	6,454	6,396
	Greenhouse gas emissions (thousand tons of CO ₂)	177	189	197	191
	Production activities: Energy-related	150	156	163	165
	Production activities: Others	18	24	23	17
	Transportation-related	9	9	9	9
Benefit from environmental impact and waste materials of business sites	PRTR chemical releases (tons)	241	232	233	232
	Plant emission volumes (tons)	20,127	19,038	19,465	19,966
	Waste sent to landfills (tons)	162	103	149	159
	Waste water volumes (thousand m ³)	6,481	7,470	6,373	6,668
	COD emission volumes (tons)	60	69	71	61
	NOx emission volumes (tons)	60	68	86	87
	SOx emission volumes (tons)	12	13	13	6

*1: In business activities, Environmental Accounting is a procedure necessary for communicating quantitatively the results based on costs and effect for the environmental conservation activities by the monetary unit or material quantity, the purpose of which is to promote efficiently and effectively the environment conservation, keeping the good relationship with the society.

*2: Rounding of fractions may sometimes make the total inconsistent with individual figures.

Environmental Safety: Global Warming Prevention

● Energy consumption and CO₂ emissions

Energy consumption for fiscal 2014 was 3,039,000 GJ for the Domestic Group and 2,751,000 GJ for NOF alone, representing an approximately 1% increase from the previous year, respectively. The Domestic Group members' total volume of energy-derived CO₂ emissions was 165,000 tons, 1.4% more than in the year before, and that of NOF alone was 148,000 tons, showing 1.2% increase. The increase in CO₂ emissions was mainly due to the increase in actual emission coefficient of each individual electric power company.

Additionally, energy intensity per product increased 1.8% over the year before to 14.2 GJ/t for the Domestic Group, and increased 1.4% to 14.3 GJ/T for NOF alone.

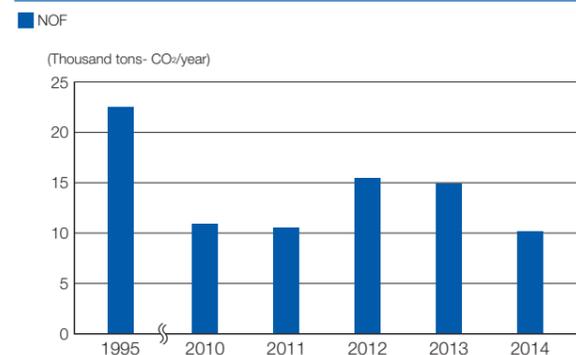
● CO₂ emissions other than from energy consumption

NOF manufactures at its Aichi Works products for specific purposes using perfluorocarbon (PFC), which has a high global warming coefficient, as the diluent.

Efforts have been made to reduce PFC emission by improving the manufacturing equipment on numerous occasions. As a result, PFC emission has been reduced substantially compared with that in 1995 (the reference year for PFCs). However, as PFC emission depends on the output of the relevant products, emission has increased from 2012, in conjunction with increased production. In fiscal 2014, emission decreased but the dependence remains the same.

Going forward, the Company will make further efforts for emission cutback while maintaining steady operation of recovery equipment and promoting the use of alternative diluent.

PFC emissions



● Future actions planned

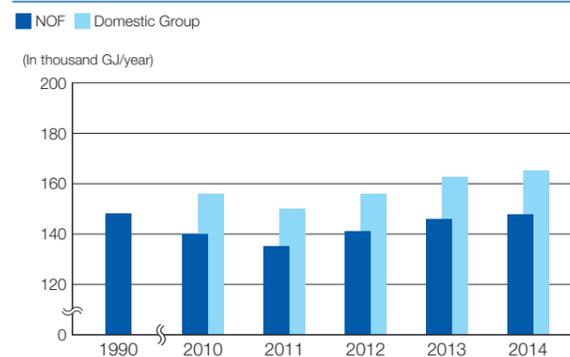
NOF and member-companies of the Domestic Group are endeavoring for improvement in energy intensity per product, which they regard as an effective measure against global warming. In March 2012, we set a new medium-term target of "bringing down the volume of GHG emissions to 85% or less of that in fiscal 1990 by the end of fiscal 2015".

By encouraging energy saving activities, our CO₂ emission reducing efforts will continue.

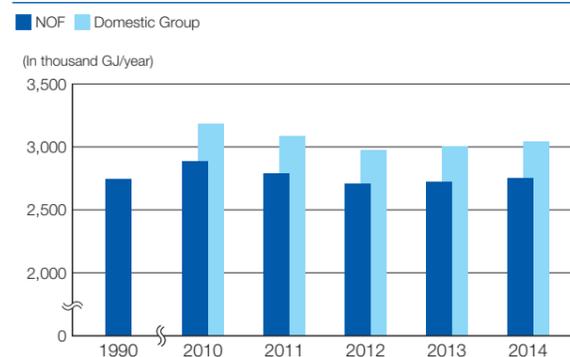
*1: The coefficient used in converting the electricity consumption into CO₂ emissions is the emission coefficient used by electric power supply companies in the fiscal year.

*2: The energy consumption is estimated using 9.76 kJ/kWh as the coefficient when converting electric power consumption into the calorific value.

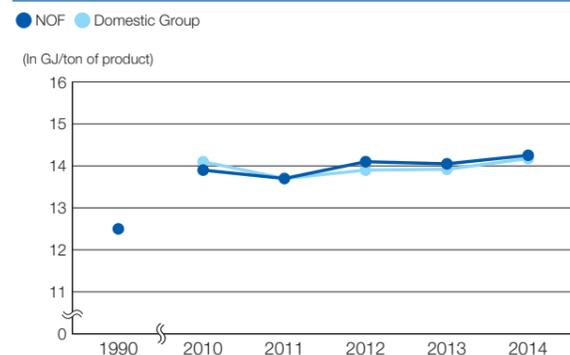
CO₂ emissions^{*1} by energy consumption



Energy consumption^{*2}



Energy intensity per product



● CO₂ emission per product by transportation

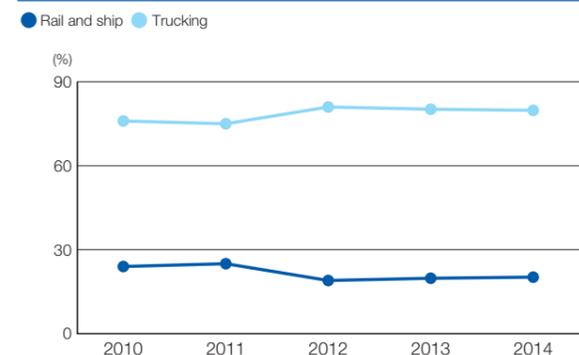
Starting the operation of an integrated delivery system in fiscal 2006, NOF has since been endeavoring for more efficient transportation. Additionally, NOF has also systematically engaged in modal shifting^{*1}, rationalization of stock point locations and effective utilization of consolidated shipping.

In terms of promoting modal shifting from trucking to rail or marine transport, the percentage of rail or marine transport in the total volume of our product transport increased from 19.8% in the previous fiscal year to 20.2%.

CO₂ emission per product by transportation was reduced from 100 in fiscal 2006 to 63 in fiscal 2014.

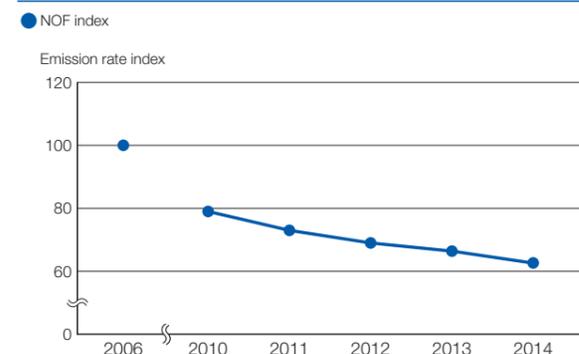
$$\text{CO}_2 \text{ emission per product by transportation} = \frac{\sum(\text{CO}_2 \text{ emitted by each means of transport})}{\text{Sales}}$$

Transportation modal shifting (Share in %) (NOF)



Modal shifting in Kawasaki

CO₂ emission per product by transportation



*1: Enhancing the efficiency of transport and at the same time reducing energy consumption and environmental loads by shifting the mode of transport to such large per-unit capacity means as cargo trains and ships.

● Electricity measures (Domestic)

Since the Great East Japan Earthquake, NOF and its Group companies has continued to engage in measures to save electric power consumption in compliance with the government request to save electricity consumption. In particular in the service areas of power companies requesting power saving with numerical targets, we set such targets and implemented various power saving measures in a planned manner.

Going forward NOF will continue to promote electricity saving activities.

● Green Curtain (Domestic)

The Green Curtain is a concept of greening the wall surfaces of buildings with creeping plants. Such curtains restrict indoor temperature rise due to intense direct sunshine in summertime, and at the same time transpiration by the plants is expected to cool the surroundings. They represent a promising approach to effective energy saving.

In the Domestic Group, every business establishment (plant) is actively committed to the Green Curtain scheme though on a relatively small scale.



Chidori Plant



Oita Plant



Nippon Koki Co., Ltd.

Environmental Safety: Recycling of Resources

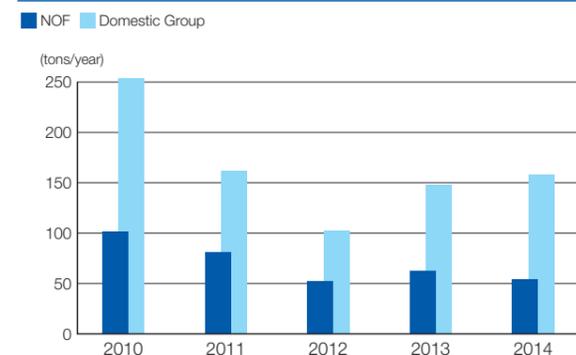
Promotion of drive toward Zero Emissions^{*1}

The volume of wastes discarded by the Domestic Group for final disposal by landfill was 159 tons, representing a Zero Emissions of 0.099% in fiscal 2014.

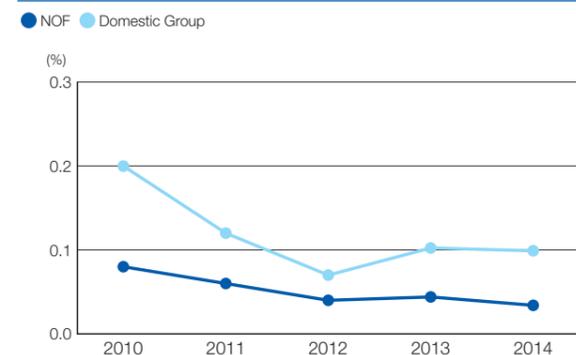
Meanwhile NOF's final landfill volume was 55 tons, representing a Zero Emissions of 0.034%. We will further reduce the landfill volume to completely eliminate emission.

NOF achieved a Zero Emissions in fiscal 2010, and actions will be continued from now on to achieve the Mid-term Management Plan target of "Achieving and maintaining Zero Emissions at all the works by fiscal 2015."

Final disposal volume by landfill



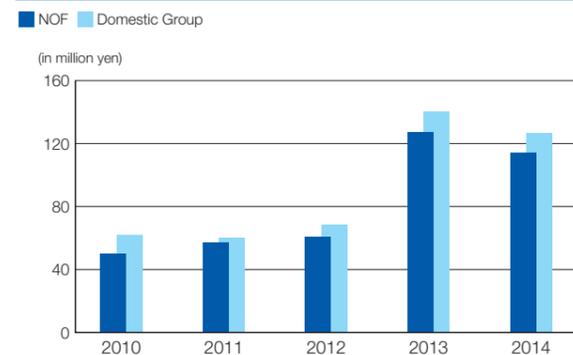
Zero Emissions rate



Recycling of valuables from wastes

In fiscal 2014, the sales of recycled waste matters of the Domestic Group earned approximately ¥127 million. We will continue our efforts to recycle valuables from waste matters.

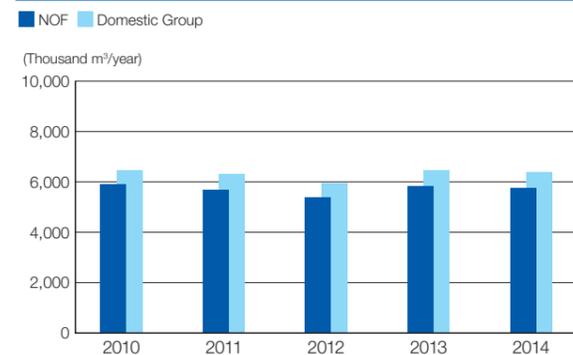
Sum of valuables sold



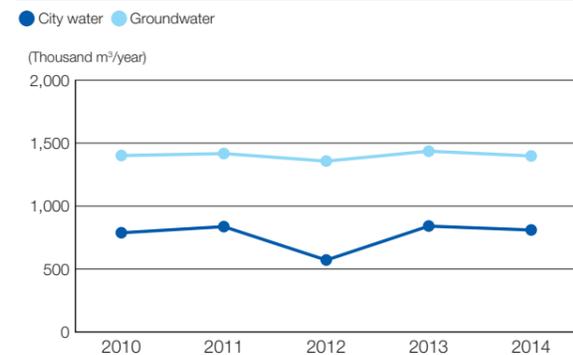
Consumption of water resources

NOF has been carrying out the efficient use of water resources by estimating the amount of the water consumption. The volume of water used in fiscal 2014 amounted to 6,396,000m³, of which 1,398,000m³ was groundwater and 810,000m³ was city water.

Water consumption



Volumes of city water and groundwater used



Environmental Safety: PRTR

Initiatives to Reduce Emissions of Chemical Substances

Each member-company of the Domestic Group is making efforts to reduce emissions of chemical substances by assessing and making notifications of PRTR Act^{*1}-controlled substances.

PRTR Act-controlled substances

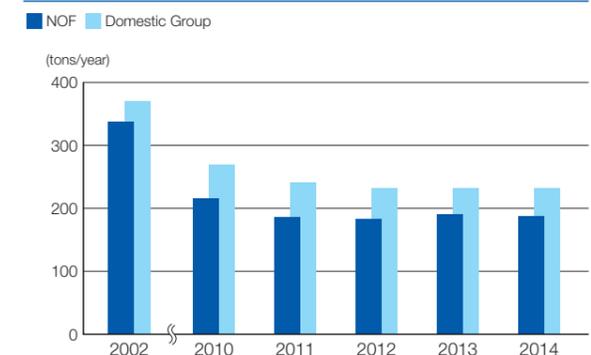
The emission volume of PRTR Act-controlled substances by the Domestic Group in fiscal 2014 was 232 tons, about 0.4% less than the 233 tons in fiscal 2013.

This resulted in an approximately 14% reduction from 269 tons in fiscal 2010, the reference year of the Mid-term Target. Annual emissions of 10 tons or more of PRTR Act-controlled substances are indicated below.

Substances high in volume (10t or more) discharged into the environment

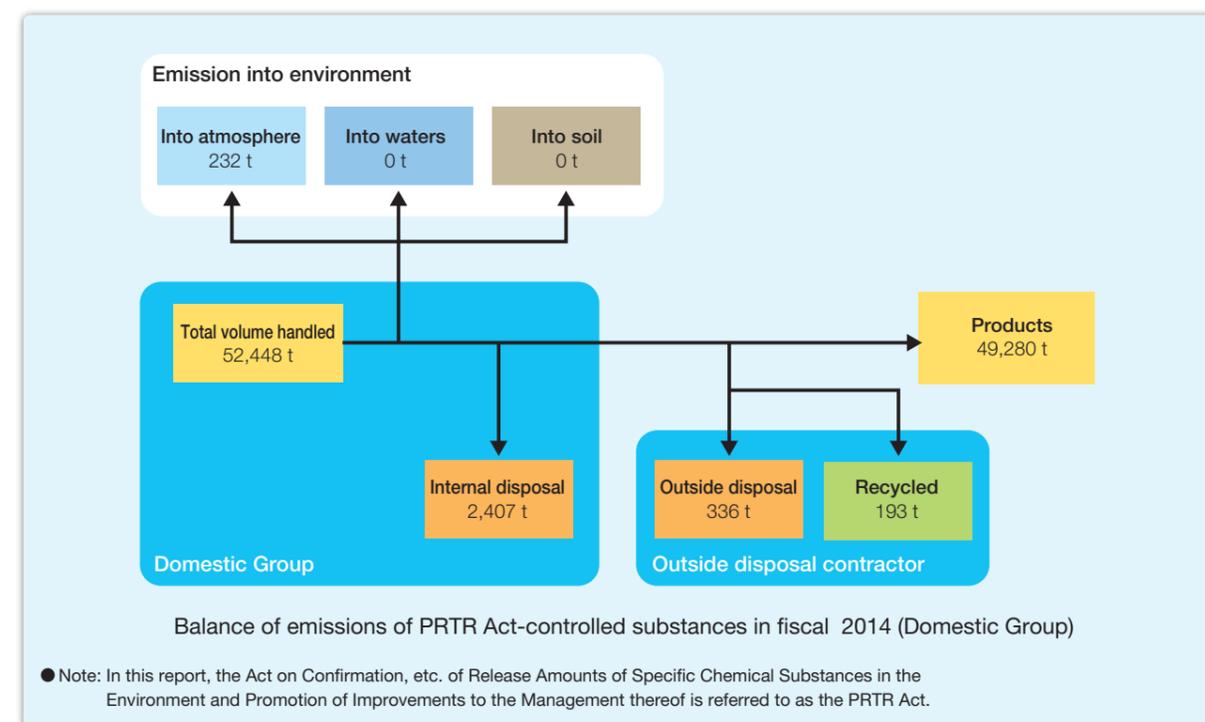
Cabinet order No.	Name of substance	Emission volume (tons/year)
83	Cumene	64.4
300	Toluene	43.1
186	Methylene chloride	35.6
123	3-chloropropene	22.1
392	Normal hexane	15.7
128	Chloromethane	18.3

Emissions of PRTR Act-controlled substances



Substances under JCIA-recommended autonomous control

The Domestic Group is also engaged in initiatives to assess and reduce emissions of substances recommended by the Japan Chemical Industry Association (JCIA). The total quantity of such substances emitted in fiscal 2014 was 121 tons, an increase of 21% over the previous year of 100 tons.



*1: Here, this means an endeavor to make the disposal quantity of industrial waste close to zero. NOF's definition of zero emission: Volume of final disposal by landfill/volume of wastes, etc. generated × 100 ≤ 0.10

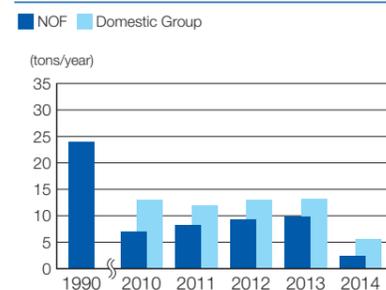
*1: Pollutant Release and Transfer Register Act (PRTR Act, or PRTR). The Act is intended to promote and improve chemical substance control and prevent the occurrence of problems in environmental conservation in Japan.

Environmental Safety: Other Actions Friendly to the Environment

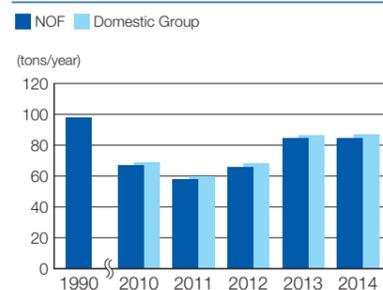
● Eco-friendly action: Air

We regularly measure sulfur oxides (SOx), nitrogen oxides (NOx), soot and dust^{*1} among others contained in exhaust gas from boilers and other combustion equipment to conform our operation and management to prescribed limits.

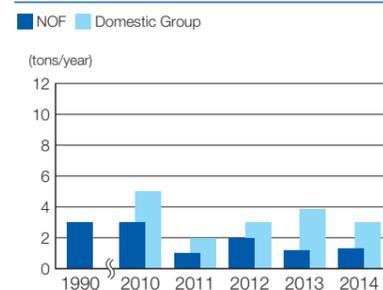
SOx emissions



NOx emissions



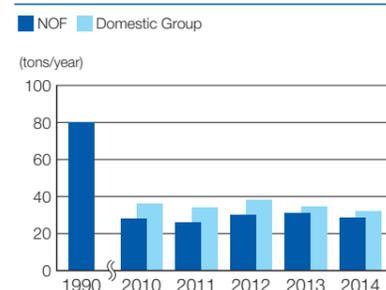
Soot-dust emissions



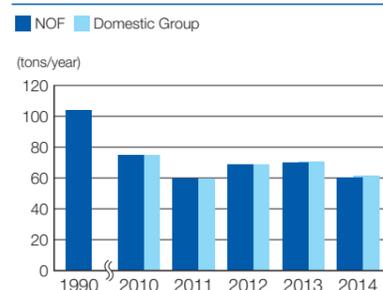
● Eco-friendly action: Water

Regular measurement of biochemical oxygen demand (BOD), chemical oxygen demand (COD) and suspended solids^{*2} among others contained in drainage discharged in connection with production activities is another aspect of our dedication to operation and management conforming to prescribed limits.

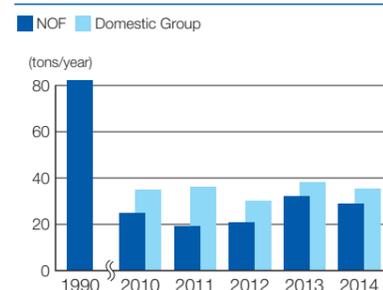
BOD emissions



COD emissions



Suspended solid emissions



● Actions for biodiversity conservation

Through such actions as the prevention of global warming, proper management of chemical substances and cutbacks on emissions, the NOF Group has long been committed to the conservation of the environment from preserving the immediate environment to addressing environmental problems on a global scale, as well as the conservation of ecosystem and natural resources. From fiscal 2010, the NOF Group took up "Promoting conservation of biodiversity" as one of the targets of its RC activities, and began actions to help conserve biodiversity and promote the sustainable use of resources.

In October 2012, NOF joined the Round-table on Sustainable Palm Oil (RSPO)^{*3} as "Palm Oil Processors and Traders" to contribute to the healthy development of the palm oil industry. In 2014, the NOF Group endorsed the Action Policy of and joined the Japan Business and Biodiversity Partnership, which promotes initiatives towards biodiversity by business operators.

*1: Out of particulate substances arising from operations in plants and other business establishments, those generated in conjunction with the combustion of fuel or any other substance.

*2: Particulate substances of 2 mm or less in diameter floating or suspended in water; one of the indicators of water quality.

*3: RSPO is an acronym for the Roundtable on Sustainable Palm Oil, established in 2004 with an eye to promoting sustainable production and profitability of palm oil through the formulation of globally credible authentication standards and participation of stakeholders. RSPO is headquartered in Zurich, Switzerland.

● Proper management of polychlorinated biphenyl (PCB)

PCB is properly stored and managed in accordance with the Law Concerning Special Measures Against PCB Waste, and disposed of by commissioning disposal operators as prescribed by laws and regulations.

Registered with Japan Environmental Safety Corporation, NOF disposes of its high-concentration polychlorinated biphenyl (PCB) wastes sequentially. NOF also disposes of its low-concentration PCB wastes systematically upon confirming the disposal operators.

● Compliance status to Acts related to the environment

There was no violation of environmental protection law.

Labor Safety

● Occupational Safety and Health Policy

The whole NOF Group, including the staffs of cooperating companies assigned to NOF's works, is making all-out efforts to eradicate occupational accidents. In order to clearly express the Group's determination to make its workplaces secure and safe for all the workers involved in its activities and to realize this ideal, NOF set forth its labor safety and health policy in April 2006.

Under this policy, an occupational safety and health management system is developed, under which required management and improvement are pursued.

Occupational Safety and Health Policy

<Fundamental idea>

We, as a group of chemical companies, shall endeavor to secure the "safety" and "health" of our employees and local communities in the belief that "no business can be viable without safety". All the officers and employees shall be committed to the buildup of "workplaces where we can work safely and securely" in close teamwork consistent with responsible care activities, and positively promote activities for occupational safety and health.

<Fundamental principles>

- (1) We shall develop an appropriate self-management system regarding occupational safety and health, and continue necessary management and improvement.
- (2) Our target shall be the eradication of labor accidents by improving the working environment, making the equipment intrinsically safe and carrying out risk reducing activities in anticipation of future changes in the working environment.
- (3) We shall faithfully observe relevant laws and regulations and our own rules and standards.
- (4) We shall endeavor for the creation of a pleasant working environment and support efforts for keeping and promoting health.
- (5) We shall make the Labor Safety and Health Policy thoroughly known to all the employees, and review it every year or as necessary.

(Revised in March 2013)

● Results of activities in fiscal 2014

In fiscal 2014, the Group targeted "Zero accidents involving absence from work," and under the slogan of "elimination of unsafe actions and unsafe conditions," worked towards reinforcing its safety activities including the

identification of risk factors and raising the awareness of safety, which resulted in the achievement of the goal of "Zero accidents involving absence from work."

Continuous advancement of the improvement drive in each workplace was sought by checking the progress in RC audit and on other occasions.

● Occurrence of labor accidents in fiscal 2014

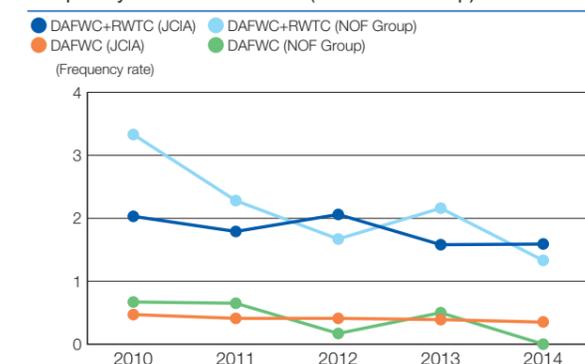
The Domestic Group in fiscal 2014 suffered no labor accidents involving lost workdays, a major decrease from three such accidents in the year before, and the number of labor accidents including those not involving lost workdays was eight, five less than in the previous year's thirteen.

To compare the frequency rate of labor accidents^{*1} (DAFWC + RWTC) in the NOF Domestic Group and that of the member companies of JCIA the former was 1.33 in fiscal 2014, down from the previous year's 2.16 and lower than the industry's average. As a result, the Amagasaki Plant and Kawasaki Works were certified by JCIA as being accident free. Further efforts will be made in safety activities to reduce the absence-involving accident frequency to zero.

Changes in frequency of labor accidents (Domestic Group)



Frequency of labor accidents (Domestic Group)



DAFWC: Days Away from Work Cases
RWTC: Restricted Work or Transfer to another job Cases
Frequency rate = Number of occupational injuries/Total work hours (per million hours)

*1: This is an indicator of the frequency of occurrence of occupational accidents, whether involving absence from work or not. It is the rate of the number of workers suffering occupational accidents per million work-hours.

● Safety education by try-and-sense method

The NOF Group has introduced safety education by a try-and-sense method, which gives education for labor accident prevention by having the trainees gain a simulated experience of danger with a view to making the employees more sensitive to potential danger and more conscious of safety. Additionally, the staff is also actively attending external training sessions.



Tsunami evacuation drill, Amagasaki Plant



Burning test, Aichi Works

● Individuals' "safe practice declaration" activities (Domestic Group)

Analysis of factors inviting occupational accidents arising in fiscal 2011 has revealed frequent occurrence of such accidents attributable to human factors including the lack of a sense of danger and carelessness. Recognizing the need for enhanced safety consciousness to eliminate labor accidents, starting from fiscal 2012 we have decided to implement "each individual's 'safe practice declaration' activities," namely setting of action targets for labor safety by each individual person and taking action to achieve the targets. This system is implemented in the way considered suitable for the workplace, such as the safe practice declarations of individuals, including the personnel of cooperating companies at the site, being



Awards ceremony of the fire prevention slogan contest

made open to everybody by posting on a bulletin board. Starting from fiscal 2014, the system has expanded to include the monthly confirmation of progress on the achievement of these targets.

As part of the individual's safety activities, an employee submitted a slogan to the fire prevention slogan contest of the Amagasaki region and was commended.

● Safety campaign activities report meeting (Kawasaki Works)

The Kawasaki Works has three plants producing chemicals, foods and pharmaceutical materials, each carrying out its own safety campaign activities suited to its own circumstances. With a view to introducing unique activities among different workplaces and thereby helping improve safety approaches through mutual enlightenment, on August 9, 2014, five workplaces including cooperating companies at work within the Kawasaki Works reported on their respective activities carried out on a routine basis. The mutual contact among the three plants will be further tightened from now on to cultivate a safety culture of the whole works.



● Scheduled activities in fiscal 2015

While NOF achieved "zero lost workday accidents" in fiscal 2014, in terms of accidents not involving lost workdays, many of them were caused by the lack of a sense of danger, including overlooking dangerous sections. This year we engaged in initiatives such as individual's "safe practice declaration" activities, safety measures in non-regular work and onsite confirmation by managers of other works and plants. Nevertheless, we have come to the realization that latent unsafe conditions still exist and that unsafe behavior is being overlooked.

In fiscal 2015, we will continue to pursue and deepen the above initiatives and aim for an even higher goal of "completely zero accidents," i.e. no accidents, involving lost workdays or otherwise, by implementing the following measures:

- 1) Enhancing a sense of danger and thoroughly enforcing safety actions
- 2) Reduction of disaster risks

All works and offices are requested to continue its efforts to tighten collaboration with cooperating companies with an eye to enhancing the safety level of the whole Group.

● Investment in safety and physical prevention of accidents

In connection with measures for safety and accident prevention, NOF is carrying out a program of physical projects for prevention of accidents including explosion, fires and leaks, labor safety and working environment amelioration. Further to provide against anticipated heavy earthquakes, projects are under way to strengthen buildings.

● Tightened collaboration with the local community

In providing against accidents that might happen, close collaboration with local disaster-fighting organizations is indispensable. The NOF Group is actively trying to create such opportunities and to enhance skills in this respect by engaging in joint drills with local organizations for damage prevention. Joint disaster-fighting drills and emergency support drills with neighboring companies are increasingly adapted to practical needs year after year. Large-scale drills have become frequent with the participation of local fire and police stations.

The Kawasaki Works entered into an agreement with the municipal government of Kawasaki to offer itself as a refuge facility against tsunami, and would open its general office building to general citizens seeking help. Besides these drills, individual works also cooperate in safety education at the request of organizations they belong to.

● Commendation for safety drives

Member-companies of the NOF Group are taking active parts in fire-fighting skill demonstrations that are held locally. The training sessions our employees regularly participate in have proved effective, and they are often given higher awards, which further motivate them.

The NOF Group's safety drives have also been recognized, and have been awarded the following commendations.

Works/Plants	Date awarded	Title of commendation
Amagasaki Plant	Apr. 24, 2014	Amagasaki Labor Standards Association, 1st Special Award of the Consecutive Zero Accident Award
Amagasaki Plant	May 16, 2014	Engineering Award
Kawasaki Works	Oct. 27, 2014	Excellent Manufacturer of High Pressure Gas, Kanagawa Prefecture Governor Award
Kawasaki Works	Nov. 19, 2014	Honorable mention in Kawasaki City Occupational Accident Prevention Slogan Contest
Aichi Works	Oct. 3, 2014	Central Division Excellent Automobile Driver Award
Taketoyo Plant	May 21, 2014	Aichi Prefecture Explosives Safety Association Excellent Attendant Award
Nippon Koki Co., Ltd.	May 15, 2014	Shirakawa District Association for Safety of Hazardous Materials, Excellent Handler of Hazardous Materials
Showa Kinzoku Kogyo Co., Ltd.	June 13, 2014	Ibaraki Prefecture, Person of Merit in Safety of Hazardous Materials
Showa Kinzoku Kogyo Co., Ltd.	Dec. 3, 2014	Chikusei Labor Standards Association, Excellent Worker Award
Showa Kinzoku Kogyo Co., Ltd.	Jan. 31, 2015	Sakuragawa City, Excellent Manager of Safety Driving Award
NIIGAKI Corporation	Mar. 28, 2014	Certification by Saitama Prefecture as Pollution Prevention Measures Promoting Operator
Nippo Kogyo Co., Ltd.	May 22, 2014	Shizuoka Prefecture Explosives Safety Association, President's Award
Nippo Kogyo Co., Ltd.	June 20, 2014	Susono Area, Excellent Driver Award
Nippo Kogyo Co., Ltd.	July 8, 2014	Japan Industrial Safety & Health Association, Zero Accident Award
YUKA SANGYO CO., LTD.	June 1, 2014	Yamato City Fire Prevention & Safety Association, President's Award
Nichiyu Kogyo Co., Ltd.	June 13, 2014	Osaka Prefecture Governor Letter of Commendation (as Excellent Handler of Hazardous Materials)

● Disaster prevention drill



Amagasaki Plant



Aichi Works



Kawasaki Works



NIIGAKI Corporation



Oita Plant

● Fire-fighting skill demonstration



Amagasaki Plant



Aichi Works

● Meeting international requirements for control of chemical substances

Chemical substances are being subject to stricter control on a global basis. At the World Summit on Sustainable Development (WSSD) held in 2002, a target was set as part of the international agenda to use and produce chemicals in ways that minimize significant adverse effects on human health and the environment by 2020, in an effort to realize sustainable development. Based on this agenda, countries around the world including the emerging countries are being encouraged to adopt and firmly establish risk-based management of chemicals and implement GHS. In terms of chemical substances, there is a rising trend requiring control of relevant risks from the standpoint of the entire supply chain, i.e. from manufacture to disposal, while also being required to disclose information on the risks caused by chemical substances and its control to the general public including our customers and consumers.

The NOF Group is implementing control of chemical substances in line with this trend to tighten controls over chemical substances by complying with the laws of each country and region.

● Meeting domestic requirements

In Japan, prior notification of new chemical substances is mandatory pursuant to the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. and the Industrial Safety and Health Act.

In order to make proper notifications, when launching a new chemical substance on the market, a third-party division within NOF confirms compliance with laws, and such substances remain under strict control as internal audits are conducted to ensure that there are no excesses beyond the volume that has been authorized for manufacture or import. NOF also trains its responsible

personnel regarding related regulatory matters in order to keep them up-to-date with the latest information.

In terms of reports on the actual number of general chemical substances manufactured, we practice appropriate control with the cooperation of our clients.

We also positively disclose information on the risks and other negative aspects of chemical substances through the Japan Initiative of Product Stewardship, which is the chemical industry's institution for voluntary activities for the control of chemicals, in addition to participating in the Japan Challenge Program and releasing safety information on chemical substances.

● Compliance with REACH

REACH¹ is a comprehensive system of registration, evaluation, authorization and restriction of chemical substances within the EU. REACH aims to protect human health and the environment, and to maintain and enhance competitiveness of the EU chemicals industry, among others, and includes almost all chemical substances exported to the EU within its jurisdiction.

The NOF Group engages in active exports to the EU region and complies with REACH in accordance with the export volume of the chemical substance involved. We practice appropriate compliance by obtaining the latest information from industrial associations and related authorities.

● Other countries and regions

There has been increasing legislation of late for stricter controls over chemical substances not only in Europe and the US but also in the Asian countries such as South Korea, China and Taiwan, and we are gathering the latest information regarding exports to such countries, and practicing appropriate compliance, when the situation arises.



● Joint Article Management Promotion-consortium (JAMP)

JAMP², which was formed in 2006 for the purpose of establishing and promoting specific structures for facilitating the disclosure and communication of information over the whole supply chain by appropriately managing and disclosing information on chemical substances. The NOF Group utilizes material safety data sheets plus (MSDS plus) recommended by JAMP to supply downstream users with information on chemical substances.

● SDS

SDS is a document stating the necessary information on the nature of and the handling of chemical substances and is presented to the users, sales agents and other companies handling our products, including product transport businesses, in order to ensure safe handling of the chemical substances. In the product development process the NOF Group conducts safety assessment and related evaluation, classifies the planned product according to the Globally Harmonized System (GHS), and prepares the SDS.

● GHS

GHS³ is a criteria for the classification of health, environmental, physical and chemical hazards of chemical substances and mixtures according to a given set of standards, representing an internationally harmonized system under which the results of such classifications reflected in GHS labels and SDS (Safety Data Sheets) are communicated for the prevention of accidents and the protection of people's health and environment.

The NOF Group attaches GHS labels stating the toxicity and hazardous properties of applicable products on its containers. By doing so, the NOF Group is alerting its users, sales agents and other companies handling our products, including product transport businesses, in order to ensure safe handling.



● Transportation safety

The NOF Group is promoting the reduction of the environmental load in transportation, while at the same time engaging in activities to ensure the safety of products in transport. The Group has always treated transportation safety with desirable care, as it handles a wide range of hazardous materials.

● Yellow Card

Should an accident occur during the transportation of chemical substances, it could have dire consequences on human life, the neighboring area, the cargo and the road. The Yellow Card states the measures transport operators, the fire brigade and the police should take as well as contact and notification information, in the event of such an accident. The NOF Group strictly requires that such cards should be provided to transport operators involved, who are also required to carry the card with the corresponding product while in transportation.



¹1: Acronym for Registration, Evaluation, Authorization & Restriction of Chemicals. REACH represents EU's new quality control regulations on chemicals and is applied to the registration, evaluation, authorization and restriction of chemicals.

²2: Acronym for Joint Article Management Promotion-consortium. JAMP was inaugurated in September 2006 by 17 companies subscribing to the underlying idea as promoters to serve as a cross-sectorial body to promote safety activities.

³3: Acronym for Globally Harmonized System of Classification and Labelling of Chemicals. An internationally harmonized system for the classification and representation of chemicals. The GHS is reflected in SDS and the label of the container. The SDS and labels of hazardous products carry characteristic graphic displays.

Promotion of CSR Procurement

Basic concept

In the procurement of its raw materials, also, NOF views the entire supply chain, and fulfills its social responsibility to respect human rights, comply with laws and regulations and give due consideration to the environment and safety. In order to realize the NOF Corporate Philosophy, the procurement divisions, based on the concept that all suppliers are important partners for NOF, is committed to deal sincerely with its suppliers and to engage in procurement activities guided by the following concepts.

- We will comply with Japanese and foreign laws and engage in fair transactions based on corporate ethics.
- We will engage in procurement that is responsible toward the environment, safety, health and quality and friendly to the global environment.
- In the selection of our suppliers, we will provide fair business opportunities to the entities of both Japan and overseas.
- We will select our suppliers by fair judgment, in an effort to build better partnerships.
- We will respond quickly to emergencies and engage in appropriate disclosure of information.



Nobuyuki Tsubaki, General Manager, Purchasing Dept.

As part of our efforts to promote CSR procurement, we provide our suppliers with the necessary explanations, in addition to conducting questionnaires. Suppliers will be asked to answer questionnaires, as necessary.

Fair trade practices

The NOF Group is engaged in various initiatives both in Japan and overseas to promote fair trade practices.

Employee education

NOF and its Domestic Group companies held briefing sessions on the "Compliance Manual," which included seminars on compliance with the antimonopoly act and compliance with the subcontract act.

After completion of these briefing sessions, seminars on the same contents were held at the workplace for all NOF employees. Seminars explaining the contents of these briefing sessions are also being held for all employees of the Domestic Group companies sequentially.

The number of participants of the briefing sessions is as follows.

	Seminar on Compliance Manual	Seminar on compliance with subcontract act
NOF	877	385
Domestic Group companies (Total)	199	45

The "Global Compliance Manual," which includes a section on compliance with the competition act (anti-monopoly act), has been distributed throughout our overseas Group companies.

Seminar materials have also been distributed to our overseas Group companies, and seminars are being conducted for all employees sequentially.

Implementation of internal audits

Internal audits relating to the subcontract act were conducted and the status of improvements at the works which were found to be requiring improvements was confirmed.



Dialogue Activities

To win the understanding of the members of the local community and in society at large regarding the corporate activities of the NOF Group, the Group is engaged in various dialogue activities.

In fiscal 2014, we welcomed a plant tour by local residents and held local dialogue meetings on RC, all with a view to smoother two-way communication.



Inviting neighboring ward heads to a plant tour, Aichi Works



Inviting first year students from Taketoyo Middle School to a plant tour, Aichi Works



Inviting students from Hokkaido University of Science to a plant tour, HOKKAIDO NOF CORPORATION



Exchange of information between safety managers of various companies, Aichi Works

Organizational unit	Date	Name of event	Activities
Aichi Works	Aug. 5, 2014	Exchange of information between safety managers of various companies	An exchange of opinion was held between the safety managers of the chemical-related companies in the area and persons responsible for disaster prevention in the municipality on estimated damage from the major earthquake predicted for the Nankai Trough area and the community-wide disaster drills in Taketoyo Town.
NIGK Corporation	Sep. 5, 2014	Social gathering with residents' association in the Kawagoe area	We participated in the social gathering with residents' association of the neighboring area.
HOKKAIDO NOF CORPORATION	June 17, July 2 and 10, Aug. 20, Sep. 23, Dec. 3 and 5, 2014	Plant tour	We invited guests from Tomakomai National College of Technology, Naie Town Education Promotion Association, Takigawa Senior High School and Bibai Shouei High School to a plant tour.
HOKKAIDO NOF CORPORATION	Aug. 17, 2014	Bibai City Regional Safety Meeting	We participated in Bibai City's safety meeting.
Oita Plant	Feb. 28, 2015	Participation in 6th community RC mini-dialogue meeting	We exchanged opinions with residents of the Tsurusaki and Misa regions.
Amagasaki Plant	Dec. 12, 2014	Invited high school students from South Hanshin area to a plant tour	We invited high school students from the South Hanshin area to a plant tour. Members of the NOF manufacturing division and employees of the Oleo & Specialty Chemicals Research Lab. explained the manufacturing process and conducted discussions.
Amagasaki Plant	Mar. 1, 2015	Participation in Hyogo area community RC dialogue meeting	We participated in the Hyogo area community RC dialogue meeting.
Aichi Works	Jan. 30, 2015	Social gathering with former/new, neighboring ward heads	Held a social gathering with former and new heads of eight neighboring wards and exchanged opinions.
Showa Kinzoku Kogyo Co., Ltd.	Feb. 11, 2015	Exchange with local residents of Sakuragawa area	We visited the local residents (land owners) of the surrounding area and paid our respects.
Nippo Kogyo Co., Ltd.	Nov. 2014	Participation in a business exchange event	We participated in an event sponsored by the Eastern Shizuoka Prefecture Chamber of Commerce.

Socially Beneficial Activities

The NOF Group considers it important to be a business open to the local community in which it operates. Always conscious of its being a corporate citizen, NOF is trying to deepen mutual understanding with the local residents by responding to the requirements of the community, and actively taking part and cooperating in local events.

● Public viewing of the launch of Hayabusa 2

The asteroid probe Hayabusa represented the immense hope and potential of Japan's space exploration. A public viewing of its successor machine, Hayabusa 2, was planned as a cultural project of Taketoyo Town of Chita-gun, Aichi Prefecture, and the NOF Group cooperated in this event by setting up a special display on rockets.

The NOF Group is contributing to Japan's space exploration business through NOF, which provides solid propellants for rockets, and NiGK Corporation, which provides various pyrotechnics for ignition and satellite separation. Hayabusa 2 carried a collision device equipped with an "impactor" developed by Nippon Koki Co., Ltd. The NOF Group collaborated in the event with Taketoyo Town by displaying a life-size model of the "impactor" made by Nippon Koki Co., Ltd., which was loaded in the collision device, and life-size models of two types of "wire-cutters" made by NiGK Corporation, which was loaded on the separation device of asteroid probes.



● Co-sponsorship of the "Japan Maritime Self-Defense Force Tokyo Band Fureai Concert in Taketoyo"

The "Japan Maritime Self-Defense Force Tokyo Band Fureai Concert in Taketoyo," which was co-sponsored by Aichi Works, was held on January 24, 2015, at the Kagayaki Hall of the Yumetarou Plaza (Taketoyo Community Arts Center). Aichi Works has been co-sponsoring this event since the days of its predecessor, Teikoku Explosives Industries Co., Ltd. A moving tribute was found in the event's program: "We are deeply honored to be able to perform in Taketoyo, a place with historic ties to the Navy," and this event also turned out to be a deeply moving event for the NOF Group. The "Fureai Concert," which we co-sponsored in order to show our deepest appreciation to the local community, ended on a high note.



● Cooperation and participation in "Science Lecture 2014"

Science Lectures are lectures on chemistry technology held each year for the general public sponsored by NPO Take-toyo and the Taketoyo Town Board of Education. At the "Yume-Pla Science Lecture 2014," held on August 10, NOF made a presentation on NOF and its relationship with rockets spanning from 1954 when the first pencil rocket was launched to the present.



● Co-sponsorship in a charity event sponsored by the Embassy of Belgium in Japan

NOF co-sponsored the charity event *Marché de l'APRI-COT* sponsored by the Embassy of Belgium in Tokyo held on March 8, 2015 for the purpose of supporting the children affected by the Great East Japan Earthquake. Mini picture frames using our new product, "AirLike[®]," a super anti-reflection film, quickly sold out, and we were able to make a small contribution to this charity event.



● Cleaning volunteer activities

The NOF Group is actively engaged in volunteer activities to clean the areas surrounding its plants. The Kawasaki Works has designated every second and fourth Wednesdays of each month as "Cleaning activities days," and cleans up the areas around the premises. The Yamato Plant of YUKA SANGYO CO., LTD., continues to set every Friday as "Clean Friday" to clean up the public roads surrounding the plant.



Cleaning volunteer activities around Kawasaki Works (An average of 20 employees participate from Kawasaki Works every 2nd and 4th Wednesdays)



Cleaning volunteer activities around Fuki Harbor (41 employees participated from Aichi Works on June 21, 2014)



Cleaning volunteer activities of public roads (Amagasaki-Takarazuka Line) (26 employees participated from Amagasaki Plant on Sep. 19, 2014)



Cleaning volunteer activities around Sunagawa Park (25 employees participated from Aichi Works on Oct. 18, 2014)

● Science Talk

NOF gave a lecture at the Science Talk, "Chemistry of Light," which was held on September 20 and which was sponsored by NPO Taketoyo and the Taketoyo Town Board of Education, and spoke about the fun of chemistry and NOF's technology.



● Model rocket-making class and rocket launch contest

NOF co-sponsored the model rocket-making class and the rocket launch contest, "Ozora Cup," which was held on April 19, through the sponsorship of NPO Taketoyo, and enjoyed an afternoon of fun with the participating children.



● Support for the reconstruction efforts of the Great East Japan Earthquake

The Shirakawa Plant of Nippon Koki Co., Ltd., which operates in Fukushima Prefecture, one of the prefectures affected by the earthquake, has been meeting the requests of Fukushima Prefecture and continuing to proactively provide support by such means as offering parts of its premises for reconstruction efforts.

Information Disclosure

● Information disclosure

In today's age of ceaseless globalization and advancement in information technology, disclosing of corporate information has become indispensable in order for an entity to fulfill its responsibility to society. Disclosure of corporate information is also becoming increasingly important for NOF, as we strive to win the trust of society as an "open company" both inside and outside the Company. NOF engages in timely disclosure of its corporate information including management information and business activities to its shareholders and the capital markets in accordance with relevant laws and regulations such as the Companies Act and the Financial Instruments and Exchange Act.

● Business results briefings

The NOF Group conducts IR activities geared towards shareholders and investors that focus on the reliability and fairness of its investment information. NOF makes efforts to provide timely, appropriate and fair disclosures by holding business results briefings for institutional investors twice a year and posting the briefings materials on the Company's website for general investors.



● Publishing of CSR Reports

The NOF Group began publishing its Environmental Reports (Report on Responsible Care Activities) in 1995, and has been posting them online on its website from the 2002 issue.

Starting from the 2015 issue, an even more enhanced report has been published as the CSR Report and has been posted online. Going forward we will make every effort to make the Report as easily accessible and user-friendly as possible.

● Advertising

The NOF Group proactively releases information on its new products and technology. In fiscal 2014, in addition to our eleven news releases, we responded actively to mass media coverage, which resulted in 101 mentions of the NOF Group businesses in the newspapers. We also present NOF Group products at various exhibitions and trade shows.



Health Ingredients Japan / Safety and Technology Japan 2014, Tokyo Big Sight
Glycerophosphocholine "α-GPC," etc. (October 2014)



Automotive Engineering Exposition 2014, Pacifico Yokohama
GEOMET®, water-based anticorrosion agent, etc. (May 2014)



13th Shenzhen International Touchscreen Exhibition, Shenzhen, China
"AirLike®," a super anti-reflection film, etc. (November 2014)

● Naruhodo NOF! (Company website, Japanese only)

"Naruhodo NOF!" on the Company website introduces the businesses of NOF. We use easily understood, user-friendly terms to explain our business, in an effort to further the understanding of the general public towards our undertakings.



Top page of "Naruhodo NOF!"
(<https://www.nof.co.jp/about/index.html>)



"Naruhodo NOF!" contents
"NICHU no KAGAKUJUKU (NOF Chemistry Class)"
(<https://www.nof.co.jp/about/chemistry.html>)



The majority of NOF products are chemical substances. Chemical substances, which are an indispensable part of our lives, can be extremely beneficial, if treated appropriately and with proper knowledge. "Naruhodo NOF!" has been developed in the hopes that it will help the general public acquire a better understanding of chemical substances.

Environmental Performance Data

Performance data by organizational unit (Fiscal 2014 Results)

Item	Unit	Amagasaki Plant	Kawasaki Works	Oita Plant	Aichi Works	NOF, etc.
Production volume	[thousand tons]	94	63	17	19	—
Gross-energy input	[thousand GJ]	1,193	557	309	653	40
Total material input	[thousand tons]	99	65	33	40	—
Water resource input	[thousand m ³]	3,246	772	358	1,384	1.2
GHG emission	[thousand t-CO ₂]	67	29	19	46	2
SOx emission	[tons]	0	0	0	2	0
NOx emission	[tons]	69	4	5	7	0
COD emissions	[tons]	24	2	5	30	0
Waste quantity emitted by plants	[tons]	7,984	5,655	380	5,096	29
Internal recycling quantity	[tons]	3,998	0	0	1,102	0
External recycling quantity	[tons]	5,982	5,102	89	2,285	3
Finally disposed waste quantity	[tons]	33	0.5	0	20	0
Emissions of substances regulated by PRTR law	[tons]	36	80	1	71	—

Item	Unit	Nippon Koki	NIIGAKI	Showa Kinzoku	HOKKAIDO NOF	Nippo Kogyo	YUKA SANGYO
Production volume	[thousand tons]	4.3	3.1	0.4	3.7	0.09	2.6
Gross-energy input	[thousand GJ]	149	33	13	45	3.7	2.1
Total material input	[thousand tons]	6	3.6	0.5	6.8	0.1	1.4
Water resource input	[thousand m ³]	443	30	21	29	3	7
GHG emission	[thousand t-CO ₂]	9.5	1.4	0.7	3.1	0.2	0.1
SOx emission	[tons]	2	0.1	0	1	0	0
NOx emission	[tons]	2.1	0.1	0	0	0	0
COD emissions	[tons]	0	0	0	0.1	0	0
Waste quantity emitted by plants	[tons]	169	121	17	196	10	52
Internal recycling quantity	[tons]	0	0	0	0	0	0
External recycling quantity	[tons]	116	108	5	36	5	38
Finally disposed waste quantity	[tons]	30	2	4	59	0.5	1
Emissions of substances regulated by PRTR law	[tons]	7	4	0	0	0	0.6

Item	Unit	Nichiyu Kogyo	NOF METAL COATINGS	NIKKA COATING	NICHIYU LOGISTICS	Other Domestic total	Overseas total
Production volume	[thousand tons]	2.8	2	2.5	—	—	29
Gross-energy input	[thousand GJ]	12	6	15	7.6	1.3	422
Total material input	[thousand tons]	2.6	1.6	—	—	—	—
Water resource input	[thousand m ³]	96	5.1	1.4	—	—	1,504
GHG emission	[thousand t-CO ₂]	0.6	0.3	0.9	0.5	0.1	22
SOx emission	[tons]	0	0	0	—	—	0.9
NOx emission	[tons]	0.3	0	0	—	—	1.9
COD emissions	[tons]	0.8	0	0	—	—	217
Waste quantity emitted by plants	[tons]	68	171	41	—	—	4,058
Internal recycling quantity	[tons]	0	0	0	—	—	0
External recycling quantity	[tons]	68	163	24	—	—	298
Finally disposed waste quantity	[tons]	0	0.1	8	—	—	998
Emissions of substances regulated by PRTR law	[tons]	0	0.6	33	—	—	—

Changes in performance data (NOF Group)

Item	Unit	2009	2010	2011	2012	2013	2014
Production volume	[thousand tons]	211	226	225	214	216	214
Gross-energy input	[thousand GJ]	3,050	3,181	3,083	2,975	3,033	3,039
Total material input	[thousand tons]	259	261	267	255	256	259
Water resource input	[thousand m ³]	6,481	6,443	6,312	5,924	6,454	6,396
GHG emission	[thousand t-CO ₂]	169	175	168	180	185	182
SOx emission	[tons]	18	13	12	13	13	6
NOx emission	[tons]	87	69	60	68	86	87
Soot and dust emissions	[tons]	5	5	2	3	4	3
BOD emissions	[tons]	28	36	34	38	35	32
COD emissions	[tons]	67	75	60	69	71	61
Suspended solid emissions	[tons]	34	35	36	30	38	35
Waste quantity emitted by plants	[tons]	19,110	21,456	20,127	19,038	19,395	19,966
Internal recycling quantity	[tons]	2,067	2,339	4,864	5,609	2,242	5,100
External recycling quantity	[tons]	14,385	16,047	11,612	11,876	13,025	14,011
Finally disposed waste quantity	[tons]	357	254	162	103	149	159
Emissions of substances regulated by PRTR law	[tons]	152	269	241	232	232	232

Changes in performance data (NOF)

Item	Unit	1990	2009	2010	2011	2012	2013	2014
Production volume	[thousand tons]	220	192	207	204	192	194	193
Gross-energy input	[thousand GJ]	2,743	2,769	2,887	2,789	2,705	2,725	2,751
Total material input	[thousand tons]	232	242	243	248	232	234	236
Water resource input	[thousand m ³]	6,523	5,957	5,918	5,668	5,368	5,832	5,760
GHG emission	[thousand t-CO ₂]	173	153	159	153	165	169	164
SOx emission	[tons]	24	11	7	8	9	10	2
NOx emission	[tons]	98	84	67	58	66	84	85
Soot and dust emissions	[tons]	3	4	3	1	2	1	1
BOD emissions	[tons]	80	24	28	26	30	31	29
COD emissions	[tons]	104	66	75	60	69	70	60
Suspended solid emissions	[tons]	83	27	25	19	21	32	29
Waste quantity emitted by plants	[tons]	12,010	18,211	20,736	19,311	18,196	18,694	19,156
Internal recycling quantity	[tons]	—	2,067	2,339	4,864	5,609	2,242	5,100
External recycling quantity	[tons]	5,180	13,905	15,734	11,048	11,302	12,631	13,466
Finally disposed waste quantity	[tons]	7,967	129	102	81	52	63	55
Emissions of substances regulated by PRTR law	[tons]	—	105	216	187	183	192	188

PRTR Data

Emissions of substances regulated by PRTR Act in Fiscal 2014 (Domestic Group)

(tons/year)

Cabinet order No.	Substance	Emission quantity				Transfer quantity	Recycling quantity
		Air	Water	Earth	Total		
13	Acetonitrile	0.1	0.0	0.0	0.1	192.8	177.4
56	Ethylene oxide	3.5	0.0	0.0	3.5	0.0	0.0
68	1,2-epoxypropane	5.3	0.0	0.0	5.3	0.0	0.0
80	Xylene	3.7	0.0	0.0	3.7	1.7	1.7
83	Cumene	64.4	0.0	0.0	64.4	102.3	0.0
104	Chlorodifluoromethane	1.1	0.0	0.0	1.1	0.0	0.0
123	3-chloropropene	22.1	0.0	0.0	22.1	0.7	0.2
127	Chloroform	0.1	0.0	0.0	0.1	3.0	0.0
128	Chloromethane	10.7	0.0	0.0	10.7	0.0	0.0
131	Methallyl chloride	4.4	0.0	0.0	4.4	0.0	0.0
185	Dichloropentafluoro propane	0.2	0.0	0.0	0.2	0.0	0.0
186	Dichloromethane	35.8	0.0	0.0	35.8	55.8	0.4
240	Styrene	0.2	0.0	0.0	0.2	0.9	0.0
281	Trichlorethylene	2.6	0.0	0.0	2.6	0.2	0.0
300	Toluene	43.1	0.0	0.0	43.1	61.0	9.7
308	Nickel	0.0	0.0	0.0	0.0	1.8	1.8
313	Nitroglycerin	0.1	0.1	0.0	0.2	0.0	0.0
392	Normal hexane	15.7	0.0	0.0	15.7	12.3	0.0
407	Poly(oxyethylene)=alkyl ether	0.0	0.0	0.0	0.0	0.0	0.0
420	Methyl methacrylate	2.5	0.0	0.0	2.5	0.0	0.0
436	α -methyl styrene	0.3	0.0	0.0	0.3	0.2	0.2
—	Other first-class specified chemical substances (96 materials)	6.7	0.2	0.0	6.3	61.5	1.2
—	Second-class specified chemical substances (1 material)	0.0	0.0	0.0	0.0	0.0	0.0
Total ¹⁾		231.9	0.3	0.0	232.1	494.1	192.6

Emissions of substances regulated by PRTR Act in Fiscal 2014 (NOF)

(tons/year)

Cabinet order No.	Substance	Emission quantity				Transfer quantity	Recycling quantity
		Air	Water	Earth	Total		
1	Water soluble compound of zinc	0.0	0.0	0.0	0.0	0.0	0.0
9	Acrylonitrile	0.1	0.0	0.0	0.1	0.1	0.0
13	Acetonitrile	0.1	0.0	0.0	0.1	192.8	177.4
28	Allyl alcohol	0.3	0.0	0.0	0.3	0.0	0.0
53	Ethylbenzene	0.5	0.0	0.0	0.5	0.0	0.0
56	Ethylene oxide	3.5	0.0	0.0	3.5	0.0	0.0
65	Epichlorohydrin	0.0	0.0	0.0	0.0	0.0	0.0
68	1,2-epoxypropane	5.3	0.0	0.0	5.3	0.0	0.0
83	Cumene	64.4	0.0	0.0	64.4	102.3	0.0
98	Chloroacetic acid	0.0	0.0	0.0	0.0	0.0	0.0
104	Chlorodifluoromethane	1.1	0.0	0.0	1.1	0.0	0.0
123	3-chloropropene	22.1	0.0	0.0	22.1	0.7	0.2
127	Chloroform	0.1	0.0	0.0	0.1	3.0	0.0
128	Chloromethane	10.7	0.0	0.0	10.7	0.0	0.0
131	Methallyl chloride	4.4	0.0	0.0	4.4	0.0	0.0
185	Dichloropentafluoro propane	0.1	0.0	0.0	0.1	0.0	0.0
186	Dichloromethane	2.3	0.0	0.0	2.3	51.6	0.0
240	Styrene	0.2	0.0	0.0	0.2	0.9	0.0
281	Trichlorethylene	0.6	0.0	0.0	0.6	0.2	0.0
300	Toluene	41.8	0.0	0.0	41.8	61.0	8.6
308	Nickel	0.0	0.0	0.0	0.0	1.8	1.8
313	Nitroglycerin	0.1	0.0	0.0	0.1	0.0	0.0
366	Tert-butyl hydroperoxide	0.5	0.0	0.0	0.5	0.0	0.0
392	Normal hexane	15.7	0.0	0.0	15.7	12.3	0.0
400	Benzene	0.0	0.0	0.0	0.0	5.2	0.0
407	Poly(oxyethylene)=alkyl ether	0.0	0.0	0.0	0.0	0.0	0.0
417	2,3-epoxypropyl methacrylate	0.7	0.0	0.0	0.7	0.0	0.0
420	Methyl methacrylate	2.5	0.0	0.0	2.5	0.0	0.0
436	α -methyl styrene	0.3	0.0	0.0	0.3	0.0	0.0
—	Other first-class specified chemical substances (84 materials)	0.6	0.0	0.0	0.7	56.1	0.0
Total ¹⁾		187.8	0.2	0.0	188.0	488.1	188.0

*1: The round-off will produce differences.

Outline of NOF Group Companies

Group Companies (17 Manufacturing Companies)

Business location	Address	Contact	ISO-14001	ISO-9000's
Nippon Koki Co., Ltd. Shirakawa Plant	Aza Tsuchio 2-1, Oaza Nagasaka, Nishigomura, Shirakawa-gun, Fukushima 961-8686, Japan	+81-248-22-3691 (Environmental Safety Control Office)	JSAE741: Renewed on Dec. 5, 2012	JSAQ2282: Renewed on Mar. 17, 2015
NIKKO Corporation	2 Matoba Shinmachi 21 Kawagoe, Saitama 350-1107, Japan	+81-49-231-2103 (Environmental Safety Group)	YKA 4005084/J Registered on Mar. 17, 2014	BSKO152 Renewed on Mar. 4, 2014
Showa Kinzoku Kogyo Co., Ltd.	Iwase 2120, Sakuragawa, Ibaraki 309-1211, Japan	+81-296-76-1811 (Environmental Safety Planning Dept.)	—	02479-2011-AQ-KOB-JAB: Renewed on Mar. 27, 2015
HOKKAIDO NOF CORPORATION	549 Koshunai, Bibai, Hokkaido 079-0167, Japan	+81-126-67-2211 (Administration Dept.)	—	—
Nippo Kogyo Co., Ltd.	Chabatake 1838, Susono, Shizuoka 410-1121, Japan	+81-55-922-0476 (Operations Dept.)	—	—
YUKA SANGYO CO., LTD. Yamato Plant	13-13, Yanagibashi 5, Yamato-shi, Kanagawa 242-0022, Japan	+81-46-267-2684 (Production Technology Dept.)	—	BV 3370916: Renewed on Apr. 30, 2015
Nichiyu Kogyo Co., Ltd.	22-1, Dou-cho 4-chome, Takatsuki, Osaka 569-0011, Japan	+81-72-669-5141 (Production Dept.)	—	—
NOF METAL COATINGS ASIA PACIFIC CO., LTD.	3-3, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-280-3024 (Operation Planning Dept.)	—	3090893: Renewed on Nov. 25, 2013
NIKKA COATING CO., LTD.	Higashi-Saitama Technopolis, 3-6 Asahi, Yoshikawa, Saitama 342-0008, Japan	+81-48-991-9854	—	JICQA 3357: Renewed on Mar. 15, 2013
NICHYU LOGISTICS CO., LTD.	3-2, Chidori-cho, Kawasaki-ku, Kawasaki, Kanagawa 210-0865, Japan	+81-44-280-0560 (General Affairs Dept.)	Green Management T140069: Renewed on Nov. 10, 2013	—
NOF METAL COATINGS NORTH AMERICA INC.	275 Industrial Parkway Chardon, Ohio 44024-1083, U.S.A.	+81-44-280-3024 (Operation Planning Dept. of NOF METAL COATINGS ASIA PACIFIC CO., LTD.)	—	66561-IS6: Renewed on Oct. 25, 2012
GEORGIA METAL COATINGS COMPANY	3033 Adriatic Court Norcross, GA 30071, U.S.A.	Ditto	—	—
NOF METAL COATINGS EUROPE N.V.	Bouwvelven 1, Industriezone Klein-Gent, BE-2280 Grobbendonk, Belgium	Ditto	ANT10200: Renewed on Oct. 13, 2014	ANT10200: Renewed on Oct. 13, 2014
NOF METAL COATINGS SOUTH AMERICA IND. E COM.LTDA.	Rua Minas Gerais No85 Vila Oriental CEP 09941-760 Diadema Sao Paulo, Brazil	Ditto	348994UM: Renewed on Oct. 10, 2014	320993QM08: Renewed on Oct. 10, 2014
NOF METAL COATINGS KOREA CO., LTD.	9F Munhwaillbo B/D, 68, Chung Jeongno 1-ga, Seoul 100-723, Korea	Ditto	REM1342: Renewed on Mar. 1, 2013	ISO/TS16949 RTSOS250: Renewed on Nov. 21, 2011
PT. NOF MAS CHEMICAL INDUSTRIES	Kawasan Industri Bekasi Fajar, Block D-1 Mekar Wangi, MM2100 Industrial Town Phase III Cibitung-Bekasi 17520, Indonesia	+81-3-5424-6838 (Planning Office, Functional Chemicals & Polymers Div., NOF)	Preparing for acquisition	ID00/18019: Acquired in Mar. 2014
Changshu NOF Chemical Co., Ltd.	Wan fu road, Riverside Industrial Park, Chang shu Economic Development Zone, Jiang Su Province 215537, China	Ditto	00115E20093R2M/3200: Renewed on Jan. 8, 2015	00115Q20072R2M/3200: Renewed on Jan. 4, 2015

Group Companies (8 Sales Companies)

Business location	Address
NICHYU TRADING CO., LTD.	Ebisu Neonato, 1-18 Ebisu 4-chome, Shibuya-ku, Tokyo 150-0013, Japan
JAPEX Corp.	Shinbashi Chuo Bldg., 11-5 Nishi-Shinbashi 1-chome, Minato-ku, Tokyo 105-0003, Japan
CACTUS Co., Ltd.	Sengoku Coathouse Bldg., 37-4 Sengoku 4-chome, Bunkyo-ku, Tokyo 112-0011, Japan
NOF METAL COATINGS EUROPE S.A.	120, rue Galilee F-60315 CREIL Cedex, France
NOF AMERICA CORPORATION	One North Broadway, Suite 912, White Plains, N.Y. 10601, U.S.A.
NOF EUROPE GmbH	Mainzer Landstrasse 46, 60325, Frankfurt am Main, Germany
SIE s.r.l.	Via. Avogadro, 11 10121, TORINO(TO), Italy
NOF (Shanghai) Co., Ltd.	Room 2402, 24F, Huaning Plaza North Building, No. 300 Xuanhua Road, Changning District, Shanghai 200050, China

*On December 31, 2014, the businesses of NOF EUROPE (BELGIUM) N.V. were transferred to NOF EUROPE GmbH.



NOF CORPORATION

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