

CSR Initiatives

As part of our vision established in May 2016, Tokuyama chose the mission of contributing to the world by applying chemistry-based technologies, and interprets the pursuit of this mission as a CSR activity.

Similarly, we are aspiring to shift from quantity to quality under this vision and are expanding business in pursuit of this goal. When aiming for growth that does not focus solely on expanding scale, but that coincides with quality, CSR-oriented management becomes essential. Tokuyama reviewed its basic philosophy of CSR-oriented management in March 2018, at which time we set out to contribute to solving social issues through activities that co-create a sustainable future with society.

As Tokuyama's mission (CSR), contributing to the world has two facets, namely creating products that help solve social issues and fulfilling the social responsibilities that are part of our business process. We place equal weight on risk management and compliance through research and development in terms of the former and by positioning internal control as the heart of our CSR activities in terms of the latter. As a chemical manufacturer, Tokuyama gives utmost priority to exercising Responsible Care through the consistent operation and enhancement of management systems for safety, the environment, and quality.

Involvement in the Environment

One of our most important corporate social responsibilities is to actively protect the global environment. Tokuyama practices environmental management with an emphasis on environmental perspectives in all of its business activities

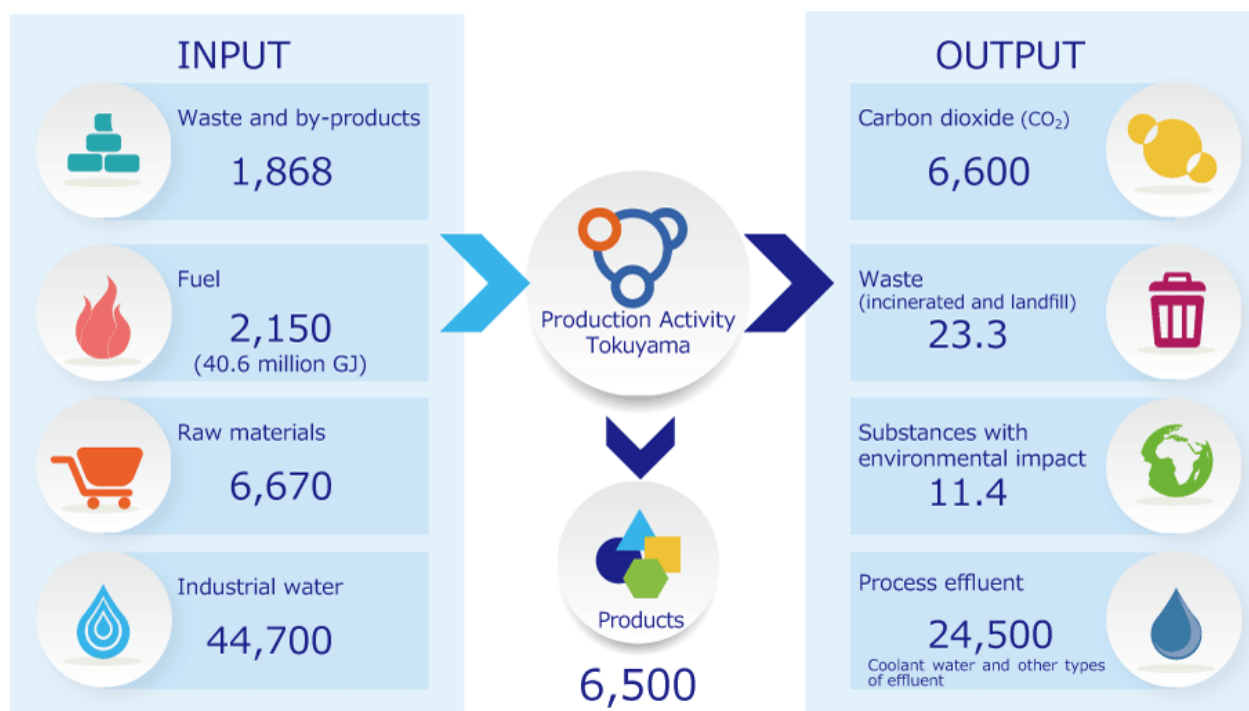
Tokuyama's Environmental Performance for Fiscal 2018

Tokuyama strives to obtain accurate data on the input and output of materials and substances in its business activities and reduce the environmental impact of these activities to meet its environmental targets.

In fiscal 2018, Tokuyama achieved its goals for unit energy consumption, recycling and zero emissions. Regarding other performance data, Tokuyama has set a separate numerical management target for each department to maintain the current low-impact situation.

Involvement in Society

Flow of Materials in Business Activities (Unit: 1,000 tonnes)



* Result for Fiscal 2018 (Non-consolidated)

Tokuyama values communication with diverse stakeholders as the key to working with the broader society to build a sustainable future.

Social Contribution Activities

As a company deemed essential by society, Tokuyama carries out various activities to forge strong ties with local communities. Both the Company, as a matter of course, and its employees take the initiative in deepening interaction with everyone in the community.

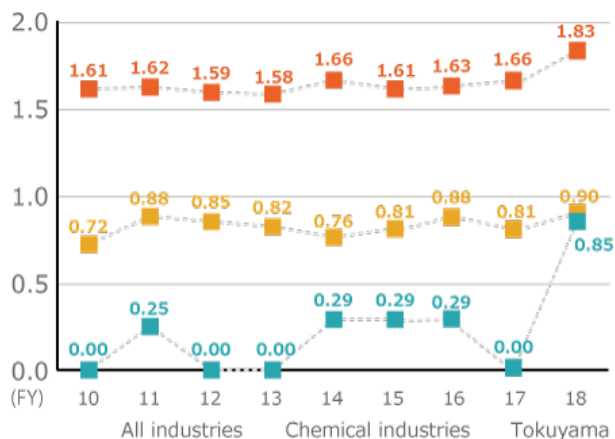
Supporting the growth of children through the ACS Kids private-sector after-school care facility Shunan Swimming Club, which operates a swimming and fitness club that uses the exhaust heat from the Tokuyama Factory, runs a private-sector after-school care facility established to support play and learning among children during the first three years of elementary school. Until 7:00 pm on weekdays, children can attend swimming, tennis, dance, and other activity classes that foster basic athletic abilities, as well as participate in a wide range of programs that include homework and learning support, pen calligraphy, and English conversation. As an after-school care facility where children learn well, play well, and grow strong, ACS Kids is helping to expand the potential of the children who will be responsible for future generations.



Process Safety, Disaster Prevention and Occupational Health and Safety

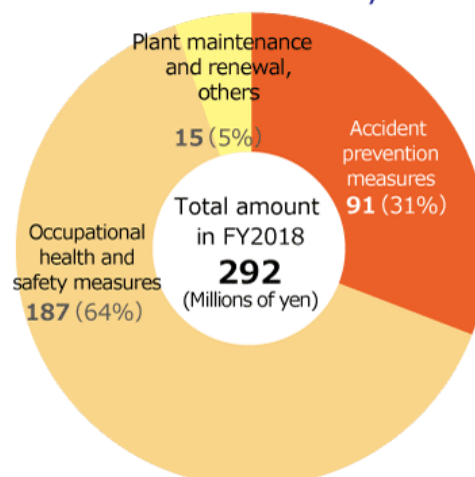
Tokuyama believes that safety is an essential part of business activities and that ensuring safety is the first step in achieving coexistence with society. In taking this stance on safety, Tokuyama thoroughly conducts process safety and disaster prevention activities as well as occupational health and safety efforts. By doing so, the Company endeavors to prevent accidents and disasters while striving to provide a favorable working environment.

Trend in the Accident Frequency Rate*1



*1 The accident frequency rate refers to the number of workers forced into absence through industrial accidents per one million cumulative working hours. This reflects the frequency at which industrial accidents occur.

Expenditures for accident prevention and occupational health and safety



Note: Figures do not add precisely to total due to rounding.

For more information on Tokuyama's CSR initiatives, see the Company's *CSR Report* or the Company's website: <https://www.tokuyama.co.jp/eng/csr/index.html>