



We lead the world with specialty acrylates
Osaka Organic Chemical Industry Ltd.

CSR REPORT 2022

Never seen but always near.



OOC Group's Management Philosophy System and Founder's Vision




Corporate Philosophy
The Company and its employees form a single entity that works together and shares a single destiny. The Company's prosperity rests on the efforts of the employees; the happiness of the employees flows from the prosperity of the Company.

The Company's basic policies will always reject the errors of bias and self-righteousness. They will improve individual character through the integrity and unflagging efforts of each individual along with their mutual trust, assistance and devotion. They will serve and benefit the community through superior production activities.

Management Philosophy
We will place the highest value on each person's individuality and will contribute to the development of society together with our clients by providing materials with unique functions.

Management Vision
Providing value to the global market as a corporate leader in specialty acrylates.

Founder's Vision
OOC has always been an R&D-focused organization. The evolution into our present form began in 1941, when founder Tatsuo Shizume succeeded in domestic production of Canada balsam adhesive used for optical lenses. His aim was to create a company that would be admired worldwide. It was an aim he pursued through a lifelong dedication to creating outstanding chemicals of benefit to consumers and the world at large. Passion was everything to him. He felt that outstanding results could arise from the pure application of effort. It was this conviction that drove him to work on bringing value to the world, as he pursued his vision and love of organic chemistry. We will continue to pursue the founder's vision while striving to create new value by looking ahead to the future.

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Editorial stance and aim of this report






The OOC Group believes that putting our Management Philosophy into practice means nothing less than engaging in CSR-oriented management. Guided by this principle, we are aiming to help promote sustainability by using our business activities to solve issues of public concern. This report has been created to present the Group's CSR-oriented management and provide a tool for dialogue with stakeholders. It discloses information about the activities that we consider most important.

Organizations covered by this report
This report covers initiatives carried out by Osaka Organic Chemical Industry Ltd. and Shinko Organic Chemical Industry Ltd. (a domestic consolidated OOC subsidiary). Other information is for the entire OOC Group, but includes some information on Osaka Organic Chemical Industry Ltd.

Periods covered by this report
The environmental protection data covers the period from April 2021 to March 2022. The activities data and financial data covers OOC's fiscal year from December 2020 to November 2021. The report information also includes some activities from before or after these periods.

Main reference guidelines
Environmental Reporting Guidelines 2018, Ministry of the Environment
ISO 26000:2010 (Guidance on social responsibility)
SDG Compass
GRI Sustainability Reporting Standards

Release date: August 2022

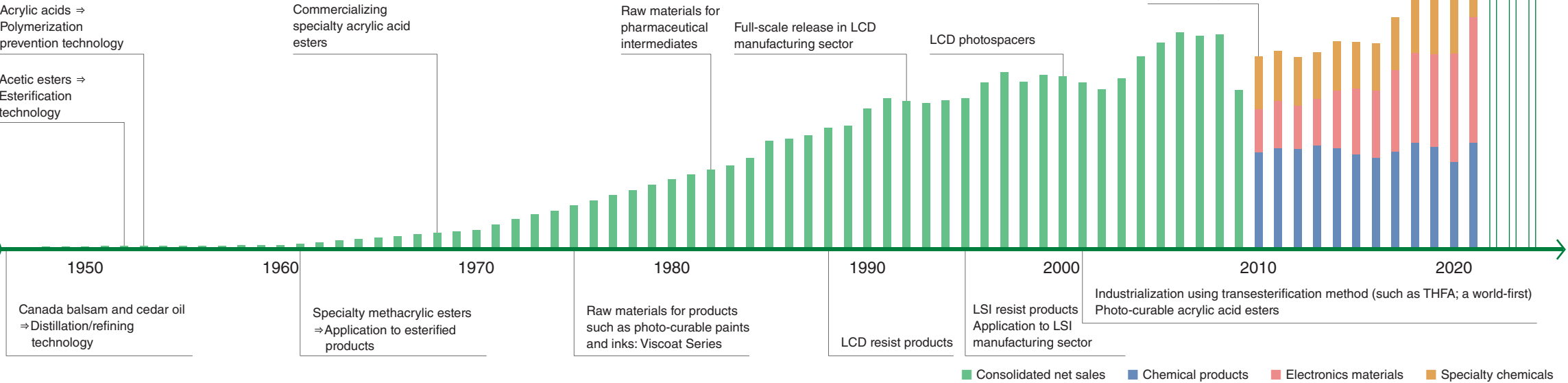
Separate Roles for Website and Booklet	
Business and Financial Information	Sustainability Information
  CSR Report 2022 This report summarizes the OOC Group's activities and communicates them to stakeholders in an easy-to-understand manner. * Only some financial information is included.	
 Website Shareholder and Investor Information	 Financial Results Annual Securities Report
	 Sustainability This section introduces our sustainability activities from environmental, social, and governance perspectives. Comprehensive coverage of more detailed information.

History and Strengths of Value Creation

Osaka Organic Chemical Industry (OOC) was founded on a vision of using organic chemistry to benefit consumers and the world at large.
Today, we continue to honor our founder's vision as we work to create new value.

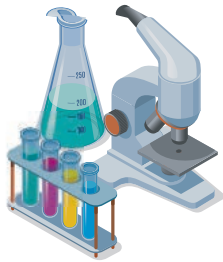
1941
Osaka Yuki Kagaku Kogyosho
Establishment

1946
Osaka Organic Chemical Industry Ltd.
Establishment



Strength 1 Ability to respond

We possess a large number of products with high market share in the world



Wide variety/Small quantities

In order to respond to each and every detailed request from our customers, we have a flexible production system that can handle small amounts of a wide variety of products, and we have a large number of product groups that have the top share in the world in niche business areas.

Automotive paints/adhesives and raw materials for UV inkjets

4-HBA



IBXA



Acrylic resin for cosmetics



Materials for highly functionalized displays



ArF resist monomer, a raw material for advanced semiconductors



Strength 2 Technological strength

Technology with unique competitive advantage



Top-level production technology in the industry

OOC is the industry leader in acrylic acid ester production technology (polymerization prevention and control technology). With bold ideas and a passion for manufacturing, we are constantly improving our technology and developing new technologies and products.

1953

Mass production of acrylic acid by creating polymerization prevention technology



1968

Commercializing specialty acrylic acid esters



1992

Business development through polymer design technology (LCD)



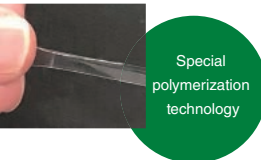
1995

Business development using ultra-high-purity technology (Semiconductor resist materials)



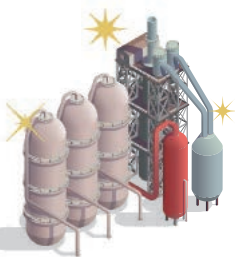
2020

Using bulk polymerization technology to bring new products to the market (Functional acrylic elastomers)



Strength 3 Supporting infrastructure

Unique strengths of the OOC Group that no other company can imitate



The cleanest plant in Japan

All employees participate in 5S initiatives in small groups, and these initiatives have been established as business improvement initiatives. We aim to make our plant the cleanest in Japan, and we are working on safety, quality improvement, and environmental conservation as our priority issues every day.

Human resource development through OYPM initiatives (Improving problem-solving skills)



Continuity is power, and the OYPM initiatives that have been steadily continued for over 25 years are still evolving.

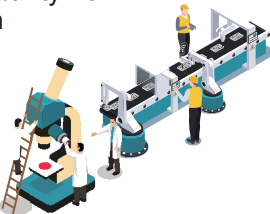
High quality control technology



We respond with sincerity to the need for continuation of business as usual and the increasing individualization, sophistication, and complexity of customer requirements.

Integrated support capability from R&D to industrialization

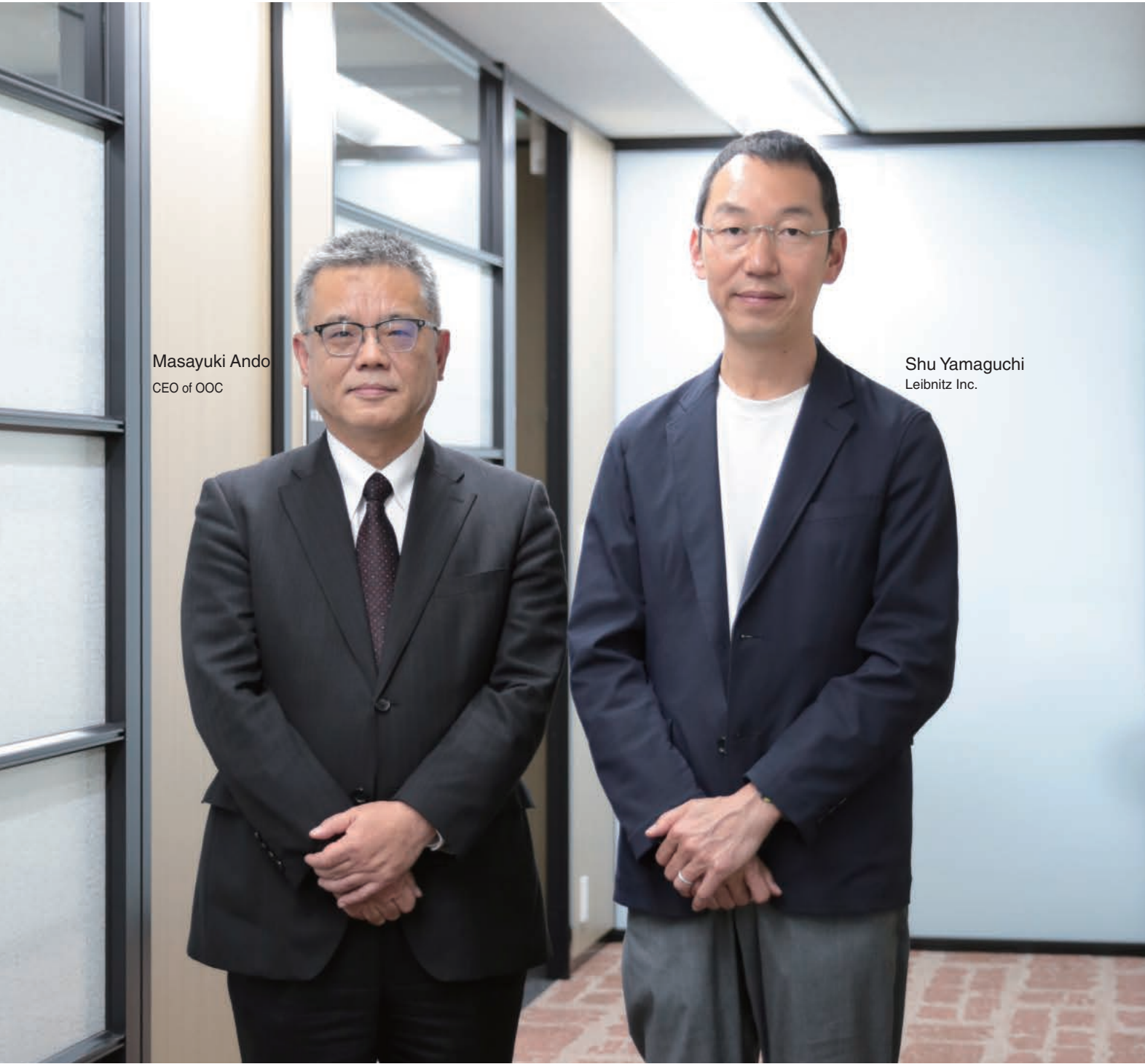
- Outstanding ability to make proposals and solve customer issues
- Provision of service solutions based on research and manufacturing technologies
- Functional representation of customer/client operations



Dialogue

We will strive to foster a corporate culture that takes on new challenges as well as build a rewarding work organization for a new stage of growth.

We invited Mr. Shu Yamaguchi, who has published numerous works on corporate management, to speak with CEO Ando and offer suggestions for the future growth of the OOC Group.



Masayuki Ando
CEO of OOC

Shu Yamaguchi
Leibnitz Inc.

Fostering a corporate culture that relentlessly takes on challenges as an organization is essential for sustainable growth

Ando: Thank you for coming from so far today, Mr. Yamaguchi.
Despite the severe business environment under COVID-19, the OOC Group's results have been solid and its businesses continue to grow. However, it is also true that there are issues that need to be addressed in order to achieve sustainable growth over the medium to long term. Particular issues include fostering a corporate culture that takes on the challenge of new growth and compliance and diversity as the organization expands. Over the past few years, in the course of publishing our CSR Report, we have identified a variety of issues and implemented specific initiatives to resolve them. In light of this, we would be grateful if you, who have published numerous works on value creation in the new age, could offer some advice on the OOC Group's sustainability.
The first question I would like to ask is what are the values that an organization should share in fulfilling its responsibilities to society as a corporation, including compliance. I first became interested in your views when I read your book, *Sekai no elite wa naze biishiki wo kitaerunoka? (Why do global elites study aesthetics?)*. As a manager, I am aware of the problem that as an organization grows, issues such as compliance are inevitable. I was thinking that strict rules would not be the solution, but rather that we needed to have a set of major values that we should share as an organization. It was at that time that I was exposed to the keyword "aesthetics," which led me to a new perspective.

Yamaguchi: Logistic curves are often used to explain the proliferation of organisms and economic development. In the process of things growing, it is an S-shaped curve, so to speak, which starts slowly and gradually accelerates, but gradually decreases when a certain stage is reached. If we apply this to the growth of a company, all employees work hard to expand the business, but when it becomes consistently profitable, they tend to continue their day-to-day operations to maintain that status. While it is important to ensure that day-to-day operations continue, it is also easy to gradually lose the will to take on new challenges. This can make companies less capable of responding to changing times.
The American economist Schumpeter used the term "creative destruction" to describe the roots of economic growth. In order to bring about new growth in changing times, we need to increase our competitiveness through creative destruction and move into fields of high productivity. These challenges are not easy, but if we don't take them on as an organization, it will be difficult to move to the next stage of growth. If you compare it to running a marathon or climbing a mountain, if you take a break because you're having a hard time, the hardest part will be when you start again. The same applies to taking on challenges, and I believe that fostering a corporate culture that allows you to continue steadily as an organization is essential for sustainable growth.

Profile of Shu Yamaguchi

Born in Tokyo in 1970. Independent researcher, author, and public speaker. Representative of Leibnitz Inc. Graduated with a BA in Philosophy and MFA from Keio University. He has been involved in strategy development at Dentsu, Boston Consulting Group (BCG), and elsewhere. His book, "Why do global elites study aesthetics?" won the HR Awards 2018 Best Book Award in the Book category and numerous other accolades. He is also the author of many other books.



Ando: We are striving to build a corporate culture that takes on the challenges of new growth, but what do you think is necessary to foster such a corporate culture?

Yamaguchi: If you just tell your employees to keep running all the time, they will just find it hard. I believe that the ideal way to maintain motivation is to build an organization where each individual can work on what he or she wants to challenge themselves. Even if you force them to take on a challenge from the top down, it is unlikely to lead to positive results. It is more important to be an organization where people who want to take on challenges voluntarily work on them.

Ando: You are right. In a nutshell, OOC wants to be an organization where each and every one of us can work on things that we find interesting in order to develop a workforce who will take on the challenges of the future. This is especially important in R&D.
One of the things that I think has changed dramatically in the world is that now that social networking services are so widespread around the world, an individual's efforts are valued, and someone can even become a worldwide phenomenon instantly. Although we may not be able to equate individual initiatives through social networking with corporate initiatives, I believe that the starting point of innovation lies in what individuals find interesting and their aspirations. At OOC, we value the ideas of individuals and want to encourage them to take on new challenges and use them as the starting point for new businesses.

We need to further raise awareness of the need to take on challenges that other companies shy away from

Yamaguchi: In terms of the current state of Japanese society, corporate leaders are aging against the backdrop of an aging society with a declining birthrate. In the past, many of the people who built the new Japan during the Meiji Restoration were in their 20s. In the economic recovery after the Pacific

Dialogue



War, it was the younger generation who worked hard while people in their 50s were ostracized from public office across the board. However, I must say that in today's Japan, there is less and less room for the younger generation to play an active role. I believe that it is difficult to motivate people to take on challenges in this situation.

Ando: How to motivate young people is a major issue for us as well. In the world of chemistry, materials have tremendous potential, and so I believe it is the job of management to create an environment within the company that allows young people to take advantage of this potential and experience success from an early age.

Also, we are going to do what large companies can't do. For us at the OOC Group, it is not interesting to simply follow what others are doing. We believe that our reason for being must be to take on more serious challenges. I want the younger generation to challenge themselves and to be aware that they are leading the way. However, even if an idea is interesting, it may not be viable as a business if it goes in the wrong direction. In today's world, it is essential to be committed to solving problems that society demands, such as the environment. Currently, OOC's development projects are largely energy-related. For example, we are working on materials that convert things into electrical energy and materials that enable the conversion of matter through the power of chemistry. We will further accelerate our efforts in these areas.

Focusing on maintaining management stability and fostering a corporate culture that tolerates failure

Yamaguchi: When it comes to taking on new challenges, I think it's important for each individual to be self-motivated and to gain high quality experience. This means that you may have situations where you have worked on a certain hypothesis, but are faced with unexpected results. At first glance, organizations tend to think that it is better to achieve the expected results, but this is not the case if you desire innovation. Unfortunately,

however, in many companies, people who deliver the expected results are often regarded as better at their jobs. Of course, these people are important for ensuring short-term performance, but if the entire organization operates in conformity, growth may stop before you know it. To avoid this situation, it is essential to have unexpected results, that is, an organization that tolerates failure and appreciates those who fail. In this regard, from the perspective of shareholder returns, which emphasize stable dividends, it is also problematic to emphasize only challenges, because people are more conscious of earning stable money as it is now rather than forcing the company to take on challenges and fail. However, remaining stability-oriented will not lead to sustainable growth over the medium to long term. This is where your sense of balance as a manager is tested with regard to stability and challenges.

Ando: Certainly, fostering a corporate culture that tolerates failure is something that requires determination on the part of management, but I think it is important to create an organization that tolerates failure so that each and every employee can take on the challenge of doing something interesting. Currently, we are working on various initiatives such as launching cutting-edge projects within the company and establishing organizations such as the Takumi no Kai (Craftsman Association). Also, I believe that we need an ideology that unites us in the company in order to take on interesting and new challenges. Simply put, we are "creating a brighter future through the power of chemistry." We want to create an organization that shares this philosophy.

Also, while it's important to experience failure, if you keep failing, you will lose your motivation. And so, we also believe that young employees need to experience success, even if it is small, to build their confidence. This will lead them to want to challenge themselves to achieve even higher goals.



Aiming to be an organization that supports the efforts of each and every employee and allows each individual to demonstrate his or her individuality

Yamaguchi: In addition to fostering a corporate culture that encourages employees to take on challenges, it is also important to have a support system that promotes individual growth as an organization. Support for employees includes work support, career support, and emotional support, and I believe it is important to balance the three in our relationships with our supervisors and colleagues. Organizations that develop human resources have in common that they share these supports within the organization and have both a high level of both rigor and sense of security in their work.

Ando: Our goal is to be a company that makes possible technologies, materials, and manufacturing that others cannot imitate. Moreover, unlike large corporations, we would like to pursue unique chemical technologies that only we can create because of our company's size.

In that sense, as you say, we want to create an organization in which each employee can demonstrate his or her individuality through a system that supports individual initiatives. It is an organization where diverse personalities can come together and express their opinions freely and openly. Fortunately, OOC is still a 400-person organization, and the company and its employees have been working together as a community of destiny, so to speak. I believe that this is the reason why communication is so smooth and individual opinions have so much influence. After all, high aspirations are essential if you want to try something new. We want to be a company where middle managers, who are at the core of our operations, can work with high aspirations. I believe that this, in turn, will encourage the younger generation to carry on our high aspirations.



Ethics, justice, aesthetics, and dignity will become increasingly important in the future

Yamaguchi: In addition to the importance of inciting a sense of challenge within the company, as the OOC Group grows in the years ahead, the way employees think, including the aesthetics that you mentioned at the beginning, should become increasingly important. I have conducted interviews about good and bad bosses in the course of holding workshops at numerous companies. What struck me in the course of these interviews is that a bad boss is, in essence, someone who is not looked up to by his or her subordinates. For example, he or she may cheat a bit on an expense request. However, it is not uncommon for the person to be unaware of his or her action. It's like, "Just a little is OK." However, these people can become the seeds of noncompliance by being able to do their job, and before long, they can rise to the top of the organization. In criminology, there is a concept called the broken window theory, which states that if even one window in a building is left broken, it will cause a deterioration in public safety. The same idea could also be applied to a corporate organization.

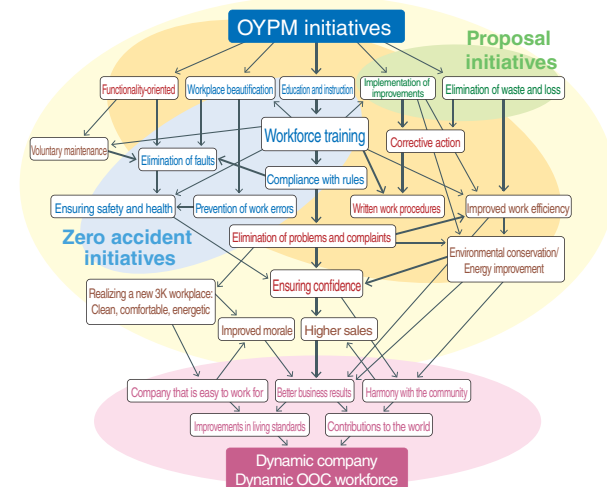
Ando: The points you raised are important for the OOC Group as we pursue sustainability going forward. While we have always emphasized the importance of thorough compliance, we believe that a high level of compliance cannot be achieved by an organization that merely sets rules and tells people to follow them. We believe that ethics, justice, aesthetics, and dignity as human beings will become increasingly important in the future. Among them is the Corporate Philosophy, the starting point for the company's foundation, as something to turn to when something goes wrong. As a company, it is our mission to make a profit, but we hope to be a corporate group that is able to conduct its business fairly and honestly and generate appropriate profits. Thank you very much for this valuable talk today.



OOC's Strengths

OYPM Initiatives: The Cleanest Plant in Japan

Osaka Yuki Productive Maintenance (OYPM) initiatives began in December 1993 as production and maintenance initiatives unique to OOC. These are production and maintenance initiatives in which all employees throughout the company participate, with instruction and training, equipment maintenance, and quality control as the three core initiatives, and they are continued as comprehensive initiatives ranging from using 5S for developing original and innovative ideas up to quality control. At OOC, we are aiming to be the cleanest plant in Japan under our basic policy of "enhancing our facilities and people based on OYPM to create a company capable of surviving in any environment."



Priority Items

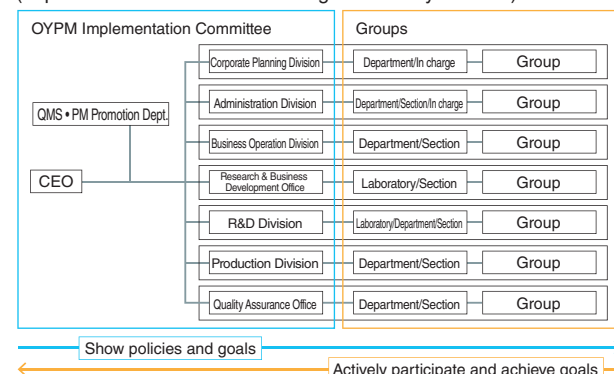
- (1) We will develop dynamic human resources (assets) by enhancing creativity, skills, and dignity through the participation of all employees.
- (2) Thoroughly implement 5S.
- (3) Thoroughly eliminate waste and loss.
- (4) We aim to make facilities safe through voluntary maintenance.
- (5) Realize the New 3K Workplace. (New 3K: Kirei (Clean), Kaiteki (Comfortable), Kakki (Energetic))

Implementation System

With the CEO as the implementation leader, directors, executive officers, and managers (9 members) as committee members, and the QMS • PM Promotion Department (2 members) as the executive office, the Implementation Committee holds a meeting once every two months to share information on the direction of initiatives and issues faced by each division, and to provide support to ensure that there are no delays. Starting in December each year, each division and department works on topics based on the OOC's priority policies and medium- to long-term plans, and the results of the year's initiatives are evaluated in the top assessment by the implementation leader and the implementation committee members in October.



OYPM Implementation Committee

Organizational Chart of OYPM Initiatives
(Implementation and Execution Organization by Division)

Show policies and goals → Actively participate and achieve goals

Initiatives Implemented in Groups

In FY2022, 42 groups are active as determined by the Implementation Committee. The person in charge of the department where the group belongs ("PM department head" below) provides advice and guidance to the group for achieving its goals. The main initiatives are individual improvement (operational improvement) and voluntary maintenance ((1) Human resource development, (2) Comprehensive 5S, and (3) Equipment maintenance). In individual improvement (operational improvement), we work on two topics based on priority measures and medium- and long-term plans, designating the workplace where we work as a group managed area and striving to implement voluntary maintenance improvements.

Implementation Period

Implementation period: 1 year (12 months) (1) Actual implementation period: December to September (implementation based on initiative plan) (2) Top assessment: October (3) Preparation period: October to November (planning initiatives for the next fiscal year)

Monthly Maintenance Patrol Check

To ensure that daily 5S are being maintained in a good state, the PM department head makes a monthly patrol of the group's managed maintenance area, and issues instructions for corrections and improvements and provides guidance based on the "three actuals" principle (actual site, actual part, and actual situation). For any shortcomings at the inspected site, group members are asked why these shortcomings occurred to gain a better understanding of the meaning of 5S and take corrective action. Furthermore, since 2020, we have added quality and safety elements to the patrol items and have been conducting quality patrols, aiming for zero quality problems with the participation of all employees.

Assessments

Each group presents the results of their initiatives in the first and second half of the year. An interim assessment, preliminary assessment, and top assessment are conducted in the first and second half of the year. Interim assessment involves individual improvement (operational improvement), preliminary assessment involves voluntary maintenance (on-site assessment), and top assessment involves (1) Individual improvement (operational improvement), (2) Initiative board presentation, (3) On-site assessment, and (4) Scoring. The top assessment in the first half of the year presents the progress made during the period from December to April, and the top assessment in the second half of the year presents the results of the initiative from December to August. The top assessment is conducted by five people, including the CEO, two directors, and the executive committee chairperson, who each visit the business site, and an employee representative. The participation of employees as assessors provides a valuable opportunity to convey the thoughts of the CEO and implementation committee members to employees and for the CEO and implementation committee members to hear directly from employees. At each assessment, the assessor provides feedback to the group on the guidance items and follows up at the next assessment. For the top assessment, the CEO himself provides feedback on the guidance items to all groups.

Top assessment for the first half in May 2022



(1) Individual improvement (Operational improvement) (2) Initiative board presentation (3) On-site assessment (4) Scoring

Awards System

Based on the total score of each assessment, the top 13 groups in four categories are awarded at the company anniversary ceremony. The introduction of the awards system has energized the initiatives of each group, leading to increased motivation for each and every group member. Also, through the presentation of each assessment, the initiatives of each group are shared for enabling horizontal deployment, and cooperation between organizations is enhanced through overall optimization.

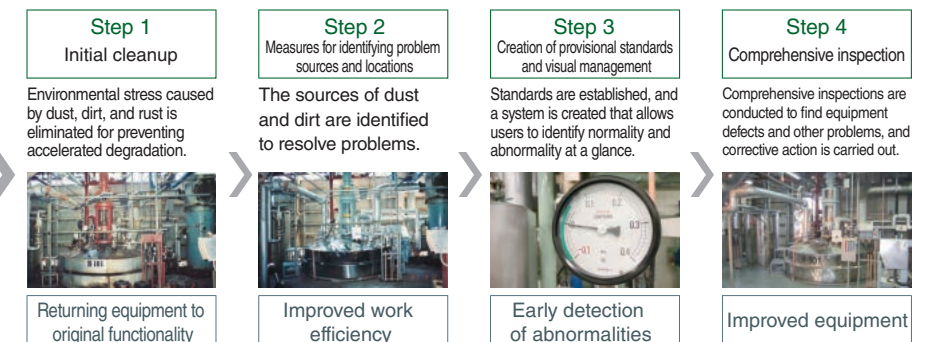
Implementation of OYPM Initiatives (Step Implementation)

Before OYPM initiatives



Continued production under the above conditions will result in reduced safety, quality, and productivity. Moreover, there was a possibility of manufacturing stoppages due to unexpected equipment breakdowns and other factors. We also started OYPM initiatives in response to various environmental issues such as energy loss.

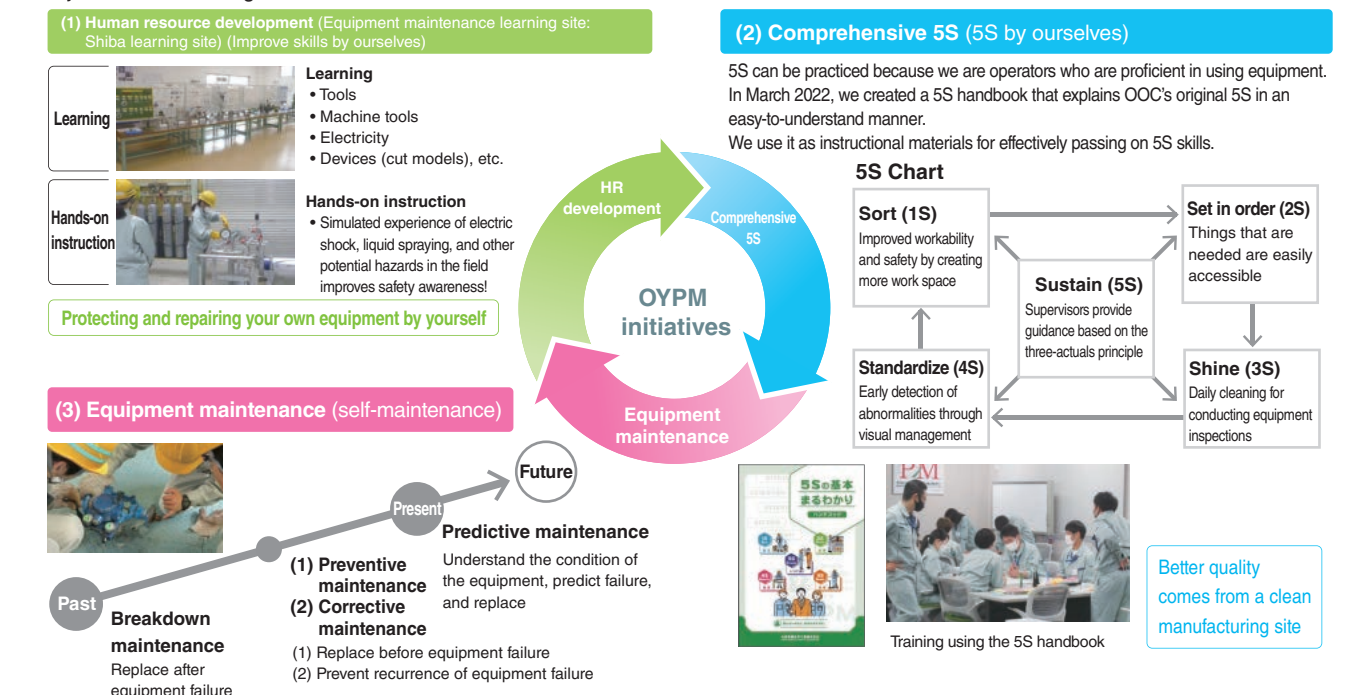
Implementing OYPM initiatives



Steps 1 through 4 are repeated by front-line staff in the workplace. We aim to create a safe, stable, efficient, and comfortable workplace.

Voluntary Maintenance ((1) Human Resource Development, (2) Comprehensive 5S, and (3) Equipment Maintenance)

Our company aims to be the cleanest plant in Japan, and all employees throughout the company are working on OYPM initiatives as part of their jobs to realize this goal.



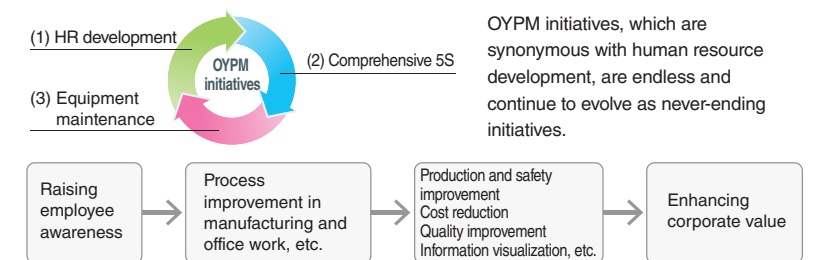
Enhanced Corporate Value

Evaluations by customers



Plant tours in progress

Plant tours on our OYPM initiatives have received high grades from two-party audits and our customers, and this has contributed to the enhancement of our corporate value.



Through OYPM initiatives, we will continue to provide better services and products in consideration of safety, environment, and quality.



OOC's Strengths

Advanced Semiconductor Materials

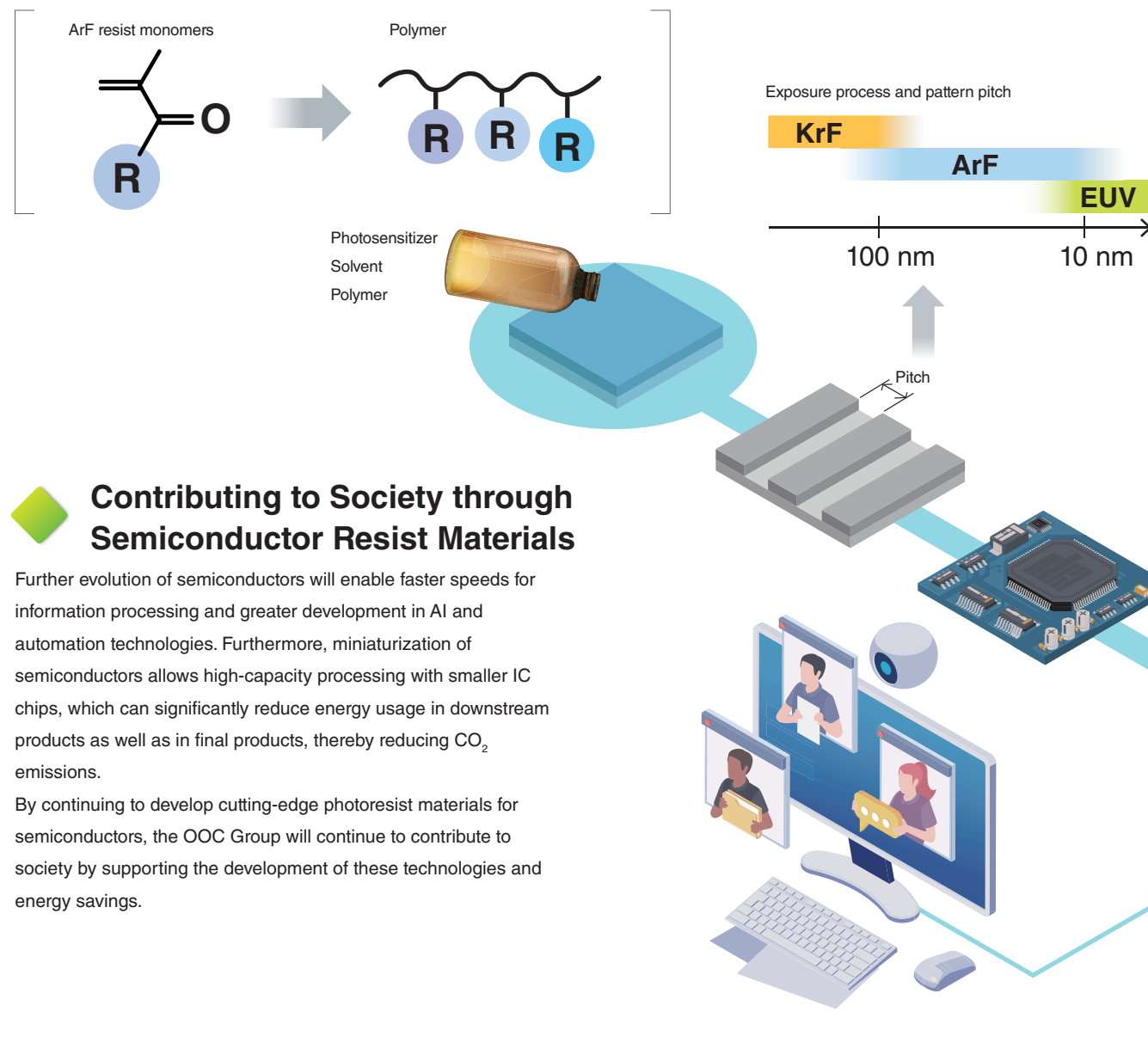
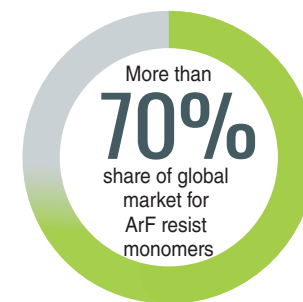
The development of digital devices and communication technology is essential for AI usage, digital transformation (DX), and aspects of the new lifestyle called the New Normal such as teleworking, which has been growing in recent years. Semiconductors play an increasingly crucial role in determining these capabilities.

By using the technologies and strengths that we have cultivated over the years, the OOC Group develops and sells photoresist materials for semiconductors, which are an indispensable element in the manufacture of semiconductors.

Features of Semiconductor Photoresists

Semiconductor photoresists are a material necessary for creating semiconductor microcircuits, which use light to create microscopic patterns. Finer patterns enable the creation of even higher performance semiconductor circuits, and so the demand for quality in these materials continues to increase with miniaturization.

The OOC Group continues to provide accurate and speedy solutions to the high quality requirements for ultrafine resolution, and boasts the world's top share in the field of ArF resist monomers.



Contributing to Society through Semiconductor Resist Materials

Further evolution of semiconductors will enable faster speeds for information processing and greater development in AI and automation technologies. Furthermore, miniaturization of semiconductors allows high-capacity processing with smaller IC chips, which can significantly reduce energy usage in downstream products as well as in final products, thereby reducing CO₂ emissions.

By continuing to develop cutting-edge photoresist materials for semiconductors, the OOC Group will continue to contribute to society by supporting the development of these technologies and energy savings.

Meeting the Needs for Photoresist Materials for Semiconductors and Synergy with the OOC Group

Photoresists for semiconductors are an extremely special field that combines the speed and technical requirements unique to semiconductors with the various characteristic influencing factors unique to photoresists. In response to this uniqueness, the OOC Group leverages its strengths to meet our customers' expectations. In terms of technology, the purification technology developed in our core business of acrylic acid esters and the synthesis technology developed for pharmaceutical intermediate materials provide the

technological foundation to meet the high technological demands of semiconductor materials. Also, our integrated approach from high-mix low-volume production and R&D to industrialization enables us to provide timely solutions to new issues that continually arise in cutting-edge semiconductor manufacturing. These strengths of OOC create strong synergies with the characteristics of the semiconductor business and also continue to contribute to the development of the semiconductor business.

Material Characteristics

• Ultra-high purity

The presence of impurities has a significant impact on the formation of ultrafine patterns. Particularly strict standards have been established for metal content, which must be controlled at the ppt (parts per trillion) level as a minimum.

• Wide range of chemical structures and control standards

In addition to chemical structures, control items and levels for properties are also diversifying, requiring individualized customer- and process-specific solutions.

• Fast technical innovation cycle

The industry's rapid technological innovation cycle requires speed and certainty in material development, industrialization, and legal compliance for chemical substances.

Our Strengths

• Industry-leading acrylic manufacturing technology

With purification technology, which has been one of our strengths since the early days of the company, and synthesis technology enhanced through our pharmaceutical intermediates business, we excel at commercializing high-quality, specialty compounds, and can also handle the ultra-high purity required for semiconductor materials.

• Strengths in high-mix low-volume production

The OOC Group's characteristic high-mix, low-volume production system enables us to customize materials to meet customer needs and to provide meticulously-crafted solutions.

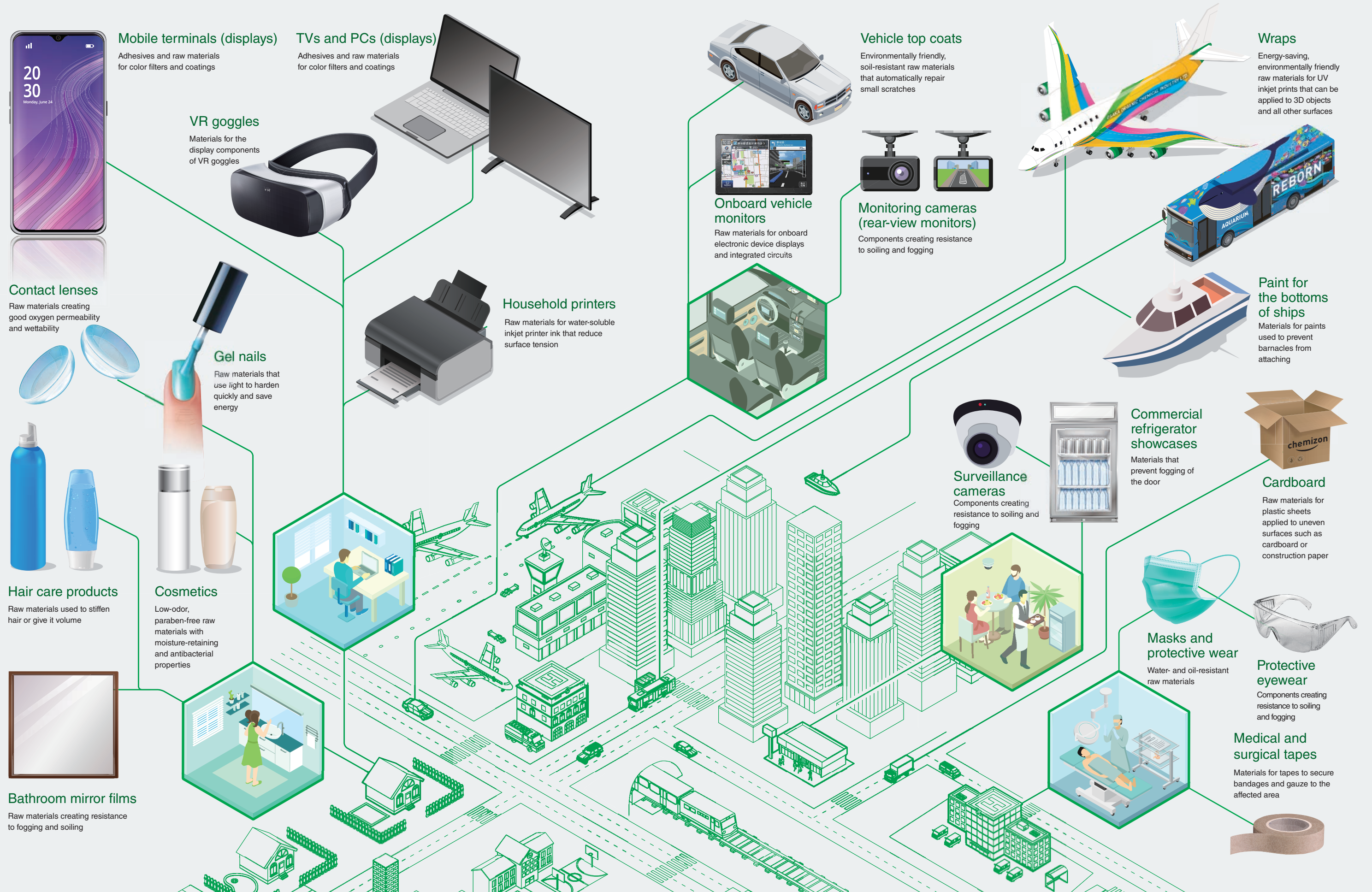
• Integrated support capability from R&D to industrialization

Our integrated approach enables efficient industrialization of developed materials and speedy and reliable compliance with chemical substance regulations.



OOC Products Used in Everyday Life

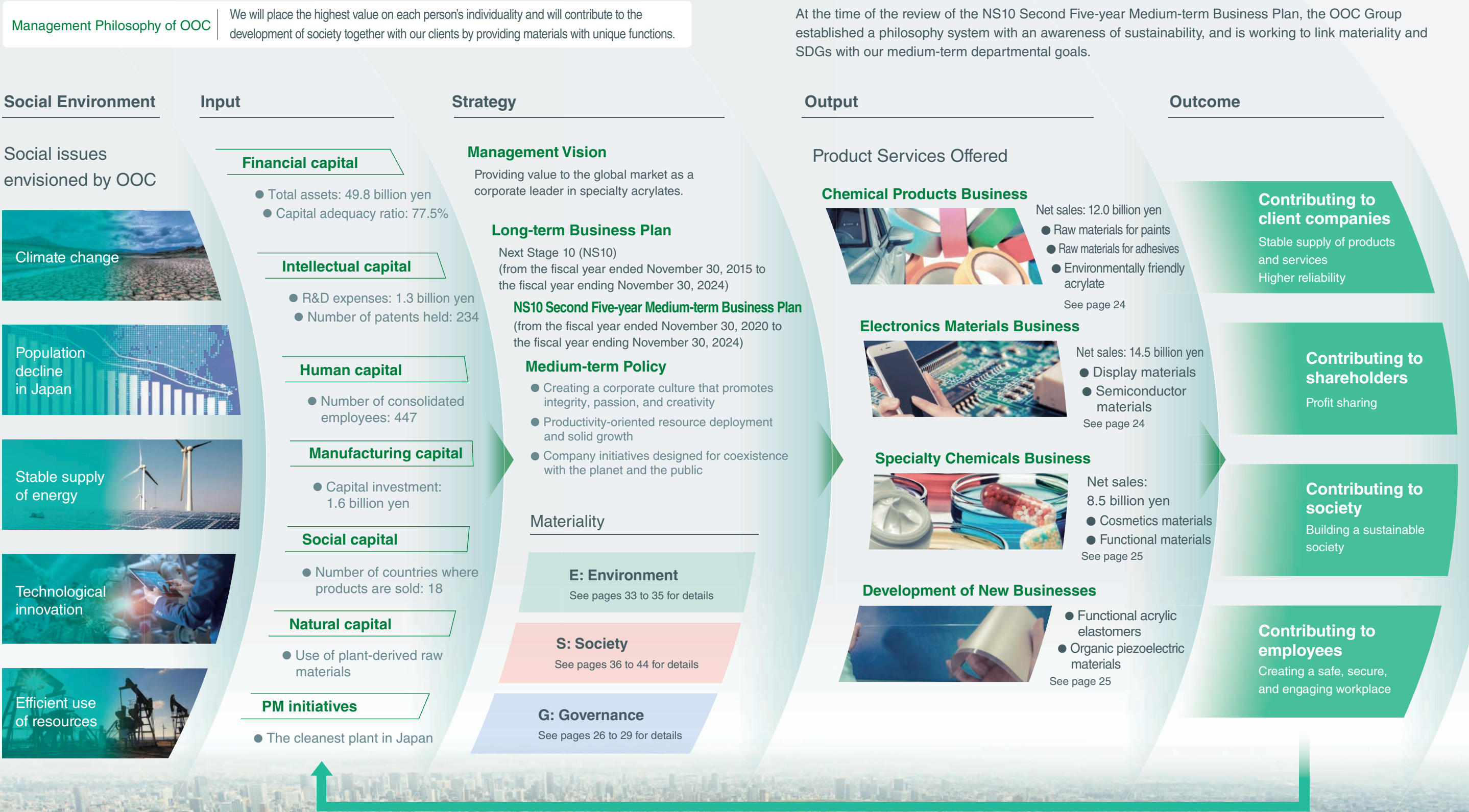
Never Seen but Always Near.



Promoting Sustainable Management

The Process of Building a Sustainable Society

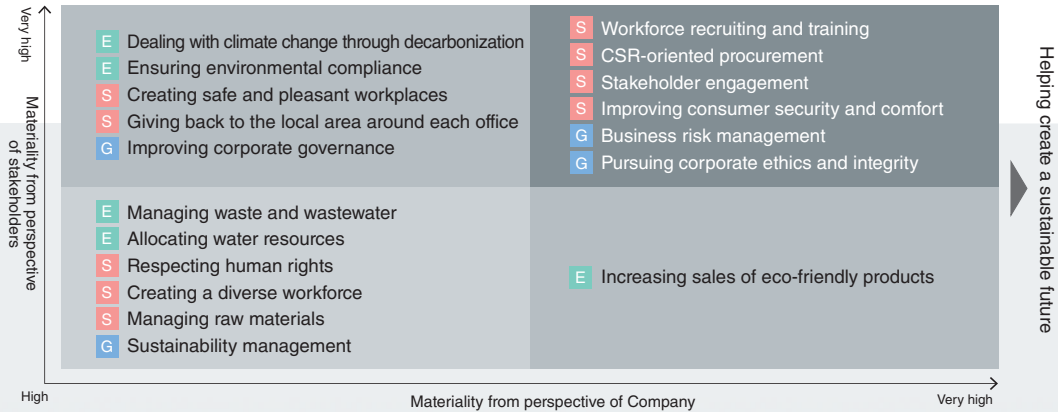
We will incorporate social issues into our management and utilize our responsiveness to build both a company and society that are sustainable.



Promoting Sustainable Management

ESG-conscious Management to Achieve the Long-term Business Plan

The OOC Group has established five KPIs for E (environment), S (society), G (governance), productivity, and safety as long-term business goals, and will steadily implement the long-term business plan and contribute to the achievement of the SDGs by starting with materiality, which is a key CSR issue, and implementing medium-term policies, Guidelines for Conduct, and major initiatives.



	Materiality	Medium-term Policy	Guidelines for Conduct	Major Initiatives
E Environment	<ul style="list-style-type: none">■ Dealing with climate change through decarbonization■ Managing waste and wastewater■ Allocating water resources■ Increasing sales of eco-friendly products■ Ensuring environmental compliance	<ul style="list-style-type: none">■ Use of renewable energy■ Managing and reducing chemicals and waste throughout product lifecycles■ Proactive use of resource recycling	<ul style="list-style-type: none">■ Making the climate crisis personal■ Reducing environmental impact■ Product development that considers the balance between nature and society	<ul style="list-style-type: none">■ Studying how to reduce CO₂ emissions throughout entire value chains■ Looking into the use of renewable energy■ Reducing water consumption■ Complying with environmental laws and regulations of countries and regions around the world■ Environmental compliance■ Switching to more environmentally friendly modes of business■ Proactive use of resource recycling■ Disclosures compliant with TCFD recommendations
S Society	<ul style="list-style-type: none">■ Workforce recruiting and training■ Respecting human rights■ Creating safe and pleasant workplaces■ Creating a diverse workforce■ CSR-oriented procurement■ Managing raw materials■ Giving back to the local area around each office■ Stakeholder engagement■ Improving consumer security and comfort	<ul style="list-style-type: none">■ Improving client satisfaction■ Improving employee satisfaction (Creating engaging workplaces)■ Proactive approach to diversity (values and variety)■ Coexistence with the planet and the public	<ul style="list-style-type: none">■ Ensuring product safety and quality■ Providing unique functional materials■ Respecting dignity and rights■ Creating a safe and healthy environment■ Maintaining fair and impartial business relationships that make the most of and complement each other's strengths■ Proactively participating in society■ Constructive dialogue for a win-win relationship	<ul style="list-style-type: none">■ Promoting health management■ Promoting sound work-life balance■ Initiatives for diversity■ Dealing with diversifying information and values■ Creating a CSR-oriented procurement system■ Ensuring stable procurement of raw materials for key products■ Ongoing interactions with local areas■ Promoting dialogue around sustainability
G Governance	<ul style="list-style-type: none">■ Sustainability management■ Improving corporate governance■ Business risk management■ Pursuing corporate ethics and integrity	<ul style="list-style-type: none">■ Building a global partnership for sustainable development■ Optimizing safe operations and management efficiency	<ul style="list-style-type: none">■ Contributing to the creation of a sustainable future■ Ensuring transparency■ Proactive, effective, and fair disclosure■ Keeping our promises with sincerity and humility■ Ensuring systematic crisis management■ Placing safety as our top priority	<ul style="list-style-type: none">■ Solving issues of public concern by creating value■ Improving management transparency and making management systems more efficient■ Spread of our Management Philosophy■ Creating a risk management system

Long-term Business Target 2024

- CO₂ emissions (compared to FY2013)
15% or greater reduction
Fiscal 2030
30% or greater reduction
Fiscal 2050
Achieve carbon neutrality
- Job satisfaction index
Vibrant organization grade B (top 10% to 30%)
- CGC compliance rate
100%
(with a higher level of governance)
- Lost time injuries
0 cases/year

Contributing to the Sustainable Development Goals (SDGs)

13 CLIMATE ACTION

7 AFFORDABLE AND CLEAN ENERGY

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

3 GOOD HEALTH AND WELL-BEING

5 GENDER EQUALITY

8 DECENT WORK AND ECONOMIC GROWTH

Promoting Sustainable Management




Initiatives for Materiality

Targets and achievements for specific initiatives for the materiality identified on page 17.

Material issue (materiality)	ESG area	Stakeholders					Main stakeholders	Major initiatives	Fiscal 2024 targets (KPI)	Fiscal 2021		See page(s)	Applicable SDGs	
		Employees	Clients/Suppliers	Investors/Shareholders	Society	Children of the future				Achievements	Main activities			
Dealing with climate change through decarbonization	E	○	○	○	○	◎	Children of the future	Studying how to reduce CO ₂ emissions throughout entire value chains Looking into the use of renewable energy	CO ₂ emissions reduction rate: 15% or more (compared to fiscal 2013)	5.2%	• Upgraded to energy-saving compressor • Installation of solar power generation system and study for next installation • Study for purchase of renewable energy electricity	P. 34	     	
Managing waste and wastewater			○	○	◎	○	Society	Proactive use of resource recycling	Recycling rate: 25% or more	20%	Environmental assessment planned for installation of waste oil boiler	P. 35		
Allocating water resources				○	○	○	◎	Children of the future	Reducing water consumption	Maintain current level of water consumption (+5% or less compared to fiscal 2019)	1.7%	Maintain current status by servicing and updating heat exchangers		P. 33
Increasing sales of eco-friendly products				○	○	○	◎	Children of the future	Switching to more environmentally friendly modes of business	Production volume of environmentally friendly products (15% or more of total production volume)	9.4%	Developed acrylates using biomass-derived or recycled materials		P. 24
Ensuring environmental compliance				◎	○	○		Clients/Suppliers	Complying with environmental laws and regulations of countries and regions around the world	Comply with laws and regulations related to chemical substances		Revised Safety Data Sheets (SDS) in accordance with JIS revision		P. 35
			○			◎		Society		PRTR emissions reduction rate: 60% or more (compared to fiscal 2019)	4.5%	Prepared a plan for installing VOC combustion equipment		
Workforce recruiting and training	S	◎			○		Employees	Increasing the level of recognition of OOC	Entry population formation: 10% increase (compared to fiscal 2018)	56.2%	Obtained 2022 certification as an excellent health management corporation	P. 37	   	
		◎			○		Employees		Retention rate after 3 years of employment: 100%	91%	Started interviews at 1, 3, and 6 months of employment in some departments			
		◎					Employees	Improving workforce training	Satisfaction with training: 3.5 points or higher out of 5 points (Engagement)	2.92 points	Adopted a system that allows employees to work after the age of 65			
Respecting human rights		◎	○	○	○		Employees	Combating harassment Dealing with diversifying information and values	Compliance education participation rate: 100% (conducted annually)	100%	Implementation of compliance training For all employees: once For all managers: once	P. 39		
Creating safe and pleasant workplaces		◎					Employees	Promoting health management Promoting sound work-life balance	Engagement survey results: Vibrant organization grade B (top 10% to 30%)	Grade C (top 30% to 45%)	Engagement survey implementation	P. 36		
		◎					Employees		Gross profit margin per employee: 50% increase (compared to fiscal 2019)	29%	Improved profitability of unprofitable items (product consolidation, etc.)			
		◎					Employees		(Ease of working) Percentage of paid leave taken: 70% or more	55.6%	Continue to study and implement measures to encourage employees to take paid holidays	P. 38		
		◎					Employees		(Ease of working) Flexible work hours adoption rate (to be considered)	58.5%	Promoted Zoom meetings, telecommuting, and flexible work hours for the post-COVID world			
		◎			○		Employees		(Health) Obtained certification as an excellent health management corporation	Obtained	Introduced a collaborative system with health insurance associations	P. 40		
		◎			○		Employees		(Safety) Lost time injuries: 0 cases/year	3 cases	Improved on-site patrols to reveal unsafe areas	P. 41		

◎: Key stakeholders
○: Stakeholders involved

Initiatives for Materiality

Material issue (materiality)	ESG area	Stakeholders					Main stakeholders	Major initiatives	Fiscal 2024 targets (KPI)	Fiscal 2021		See page(s)	Applicable SDGs
		Employees	Clients/Suppliers	Investors/Shareholders	Society	Children of the future				Achievements	Main activities		
Creating a diverse workforce	S	◎		○	○		Employees	Initiatives for diversity	Increase ratio of mid-career hires: 20% or more	5%	Increased advertising for mid-career hiring	P. 38	 
		◎		○	○		Employees		Ratio of women in management positions: 10% or more (target in fiscal 2026)	2.4%	Held forum for exchange of opinions among female employees at all business locations		
		◎		○	○		Employees		Increase in the percentage of employees taking childcare leave and leave for childcare purposes: 20% or more (male)	11%	Started three-way meeting between the person planning to take leave, the head of the department, and the person in charge in the General Affairs Department		
CSR-oriented procurement			◎		○		Clients/Suppliers	Establishing CSR-oriented procurement	Endorsement rate for our CSR-oriented procurement guidelines: 80% or more (based on purchase amount)	54%	Sent and collected consent forms, mainly from contract manufacturers	P. 30	 
Managing raw materials			◎		○		Clients/Suppliers	Ensuring stable procurement of raw materials for key products	Identify supply risks (manufacturing location, supplier map)	• Selected key raw materials and conducted sample evaluations for multiple purchasing • Prepared list of raw materials to be purchased and suppliers			
Giving back to the local area around each office		○		○	◎		Society	Ongoing interactions with local areas	Number of initiatives with local communities to solve social issues: At least 3 per month	2.5	Promoted interaction with the local community while taking care to prevent the spread of COVID-19	P. 43-44	
Stakeholder engagement		○	○	◎	○	○	Investors/Shareholders	Promoting dialogue around sustainability	Demonstrate existence value by addressing sustainability in society (qualitative goal)	Promoted dialogue with each stakeholder with an awareness of sustainability		P. 45	
Improving consumer security and comfort		○	○	○	◎	○	Society	Raising awareness of how to benefit the community through business activities	New net sales ratio: 10% (Cumulative for past 4 years)	6.9%	Met the increased demand for semiconductor and display materials due to increased teleworking	P. 11-12	    
Sustainability management		○	○	○	○	◎	Children of the future	Solving issues of public concern by creating value			Newly developed biomass acrylate using non-petrochemical feedstock		
Improving corporate governance	G	○	○	◎	○		Investors/Shareholders	Improving management transparency and making management systems more efficient	Number of serious violations of laws and regulations: 0 cases/year	0 cases	Thorough awareness of legal compliance	P. 26-29	
				◎			Investors/Shareholders		CGC compliance rate: 100% (with a higher level of governance)	96%	Disclosed more information in English Adopted performance-linked stock compensation plan Reduced cross-shareholding		
Business risk management			◎	○	○		Clients/Suppliers	Creating a risk management system	Occurrence of performance revisions due to the emergence of recognition risks: 0 cases/year	0 cases	Established priority risks and disclosed proposed countermeasures (Annual Securities Report)	P. 30-32	
Pursuing corporate ethics and integrity		◎	○	○	○		Employees	Spread of our Management Philosophy	Penetration of Management Philosophy: 4.0 or higher	3.4	Linked engagement survey items to Management Philosophy and quantified them	P. 45	

◎: Key stakeholders
○: Stakeholders involved

Other detailed ESG data is available on our website.

OOC Viewed in Data
<https://www.ooc.co.jp/en/csr/>



ESG Datasheet
Governance (G) Data
https://www.ooc.co.jp/en/csr/pdf/esg_governance.pdf



Environment (E) Data
https://www.ooc.co.jp/en/csr/pdf/esg_environment.pdf



Society (S) Data
https://www.ooc.co.jp/en/csr/pdf/esg_society.pdf



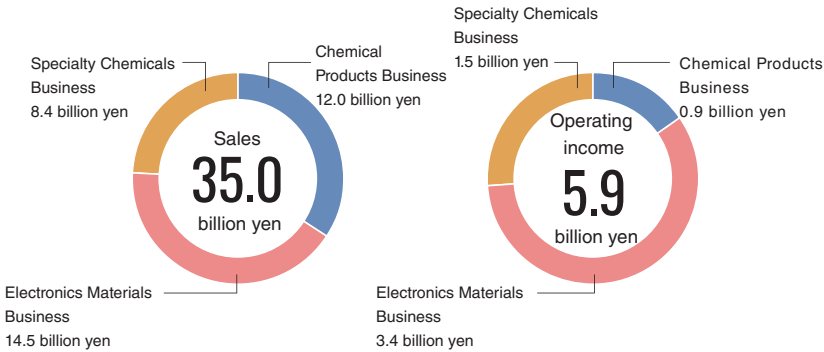
Promoting Sustainable Management

Business Domains of OOC Group

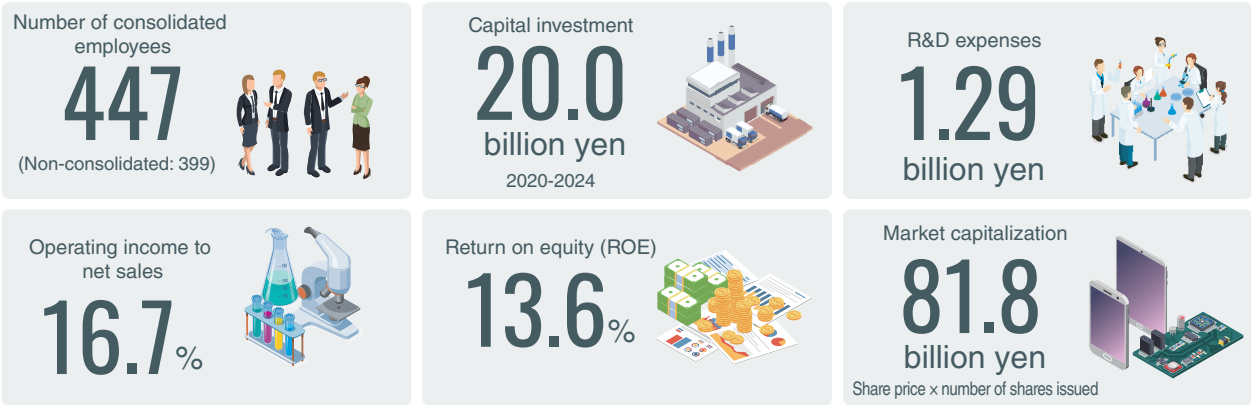
Based on acrylic acid esters, we provide materials that can be used as raw materials for a variety of resins that support our daily lives.

Business and Main Products

The OOC Group is a B-to-B manufacturer able to produce a wide variety of specialty acrylic acid esters in small quantities. We have a diverse product lineup, which includes many items for which the OOC Group is the world's largest supplier.

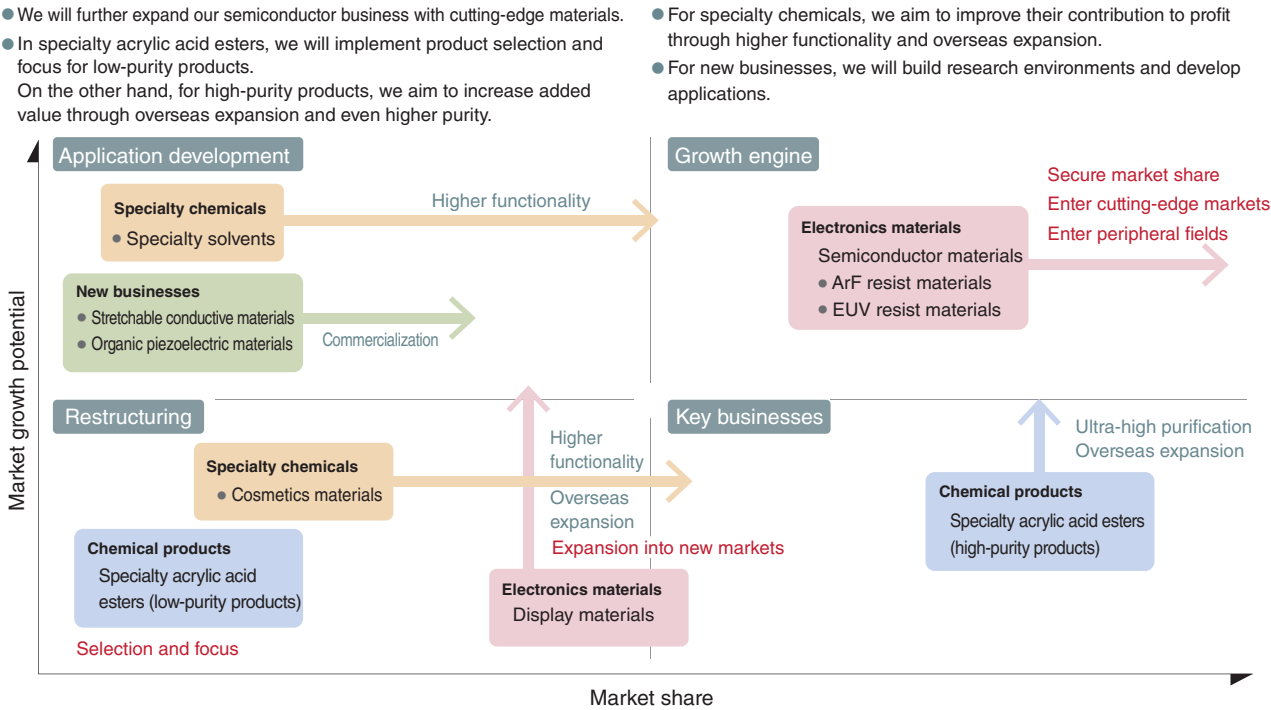


OOC Group in Figures



Business Portfolio

We clarify the characteristics of our material groups and are implementing initiatives



Chemical Products Business



Raw materials for paints



Raw materials for adhesives



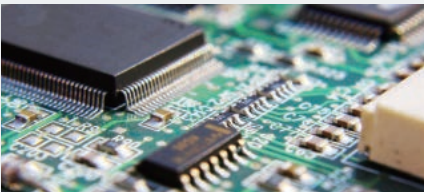
Please refer to the website for product details.
<https://www.ooc.co.jp/en/products/chemical/>

Strategy	We will build an absolute position in the global market for specialty acrylic acid esters by concentrating our resources on high-purity products differentiated by our superior distillation/refining technologies, and by continuously launching new products by leveraging our organic synthesis technologies.
External environment	(Opportunity) Increasing demand for plant-derived raw materials to build a decarbonized society (Risk) Stricter regulations on chemical substance management due to climate change and biodiversity risks
Company status	(Strength) Organic synthesis technology, polymerization prevention technology, distillation/refining technology, extensive product lineup and knowledge (Issue) Revision and abolition of unprofitable products
Products	
Raw materials for paints	These materials are used for automobiles, smartphones, and other applications, and can provide functions such as high reactivity and high adhesiveness that cannot be achieved with general-purpose products. Due to their high purity, they have advantages such as low coloring and low viscosity.
Raw materials for adhesives	These materials can be used as ordinary solvents as well as for UV-curable and anaerobic adhesives. Other advantages include low coloration, low viscosity, and low odor, as well as the same advantages offered by our paint materials.
Environmentally friendly acrylate	As part of our initiatives pursuing the Sustainable Development Goals (SDGs), we are developing acrylate using biomass-derived (plant-derived) or recycled materials.
Medium-term plan	(Measure) Improve profitability of unprofitable items (Progress) Product consolidation in progress (Measure) Enter new markets and create environmentally friendly products (Progress) Biomass acrylate (Viscoat #E series) was launched as an environmentally friendly product.

Electronics Materials Business



Display materials



Semiconductor materials



Please refer to the website for product details.
<https://www.ooc.co.jp/en/products/electronic/>

Strategy	We will continue to aggressively invest in facilities to meet increasingly stringent quality requirements while maintaining sufficient supply capacity for the expanding market. In addition, we will develop next-generation materials and expand into peripheral materials by utilizing the high-quality control capabilities and synthesis technologies cultivated in our existing businesses.
External environment	(Opportunity) Expansion of the electronics materials market, including peripheral fields (Risk) Supply chain disruptions, rise of alternative products and technologies
Company status	(Strength) Rapid capital investment, organic synthesis technology, integrated manufacturing from raw materials, high quality control technology (Issue) Diversification of customer needs, response to overseas markets
Products	
Display materials	We develop photo-curable resists and polymers for resists for displays, such as patterning materials and optical materials that can meet the needs for greater functionality in displays.
Semiconductor materials	We are developing new, high-quality acrylic monomers, including adamantyl monomers and lactone monomers, which are raw materials for resists used in the manufacture of semiconductor materials.
Medium-term plan	(Measure) Trial production at new facilities, customer certification (Progress) Further study on new facilities

Specialty Chemicals Business



Cosmetics materials



Functional materials



Please refer to the website for product details.
<https://www.ooc.co.jp/en/products/function/>

Strategy

We will provide the global market with materials with special functions, made possible by having the technology to synthesize specialty acrylic acid esters and polymerize them.

External environment

(Opportunity) Increasing demand for plant-derived raw materials to build a decarbonized society
(Risk) Rise of alternative products and technologies, and loss of sales due to price competition

Company status

(Strength) Knowledge to propose functions from molecular structures, manufacturing technology to perform integrated manufacturing from raw materials
(Issue) Development of new markets by expanding applications of existing products, development of new product groups

Products

Cosmetics materials

In addition to mousses, gels, and waxes, the acquisition of the business has allowed us to develop and supply shampoos, rinses, hair colorants, and other applications as cosmetics materials for hair care.

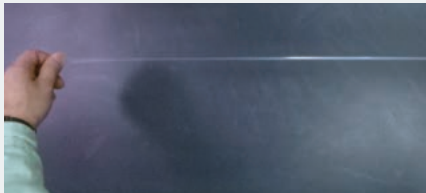
Functional materials

As functional materials with special characteristics, we develop and provide inkjet materials, coating materials, and superhydrophilic coating materials.


Medium-term plan

(Measure) Further overseas sales expansion
(Progress) Expanded overseas sales channels in tandem with business acquisitions
(Measure) Expand sales of hydrophilic coating agents
(Progress) Expanded sales in surveillance cameras, refrigerators, rice cookers, etc.

Research & Business Development Office



Functional acrylic elastomer materials



Organic piezoelectric materials

Strategy

Through the clarification of target markets and the more deeply integrated joint development, we will create new value based on specialty acrylics and establish the pillars of our next generation businesses.

External environment

(Opportunity) Increasing opportunities to create new businesses through efforts to achieve the SDGs, and accelerating growth of businesses related to remote and non-contact technologies in a post-COVID society
(Risk) Difficulty in securing superiority of proprietary technologies due to integration of management resources as DX accelerates

Company status

(Strength) Accumulation of know-how related to acrylic materials, advanced technology and extensive knowledge of materials with unique characteristics
(Issue) The company is entering new business fields and the distance to end users is long, so it will take time to create new businesses. Establishment of product supply system

Products

Newly developed products

Using our proprietary acrylic acid esterification, special polymerization, and compounding technologies, we have developed stretchable acrylic elastomer materials with high extensibility and flexibility, and stretchable conductive materials that add conductivity to acrylic elastomers. We have also developed flexible organic piezoelectric materials, which we expect to see effectively used in various fields such as wearables, sensors, actuators, materials for robotics, and automotive resin additives.

Medium-term plan

(Measure) Launch of new products in new business fields
(Progress) Establish new business fields with four product groups as pillars: elastomers, conductive materials, organic piezoelectric materials, and light control materials

Corporate Governance

We are striving to improve the transparency and efficiency of our management in order to sustainably increase our corporate value over the medium to long term.

Basic Approach

Corporate governance is an area that the OOC Group works actively to improve and augment. Our efforts in this area are designed to ensure that we act honestly and increase management transparency while improving the efficiency and speed of management systems. We view these efforts as a way to ensure sustainable company growth while improving our corporate value over the medium- to long-term. Corporate governance improvements are approached as a key management issue, as we work to foster shared going-concern (business continuity) assumptions with stakeholders both inside and outside the Company.



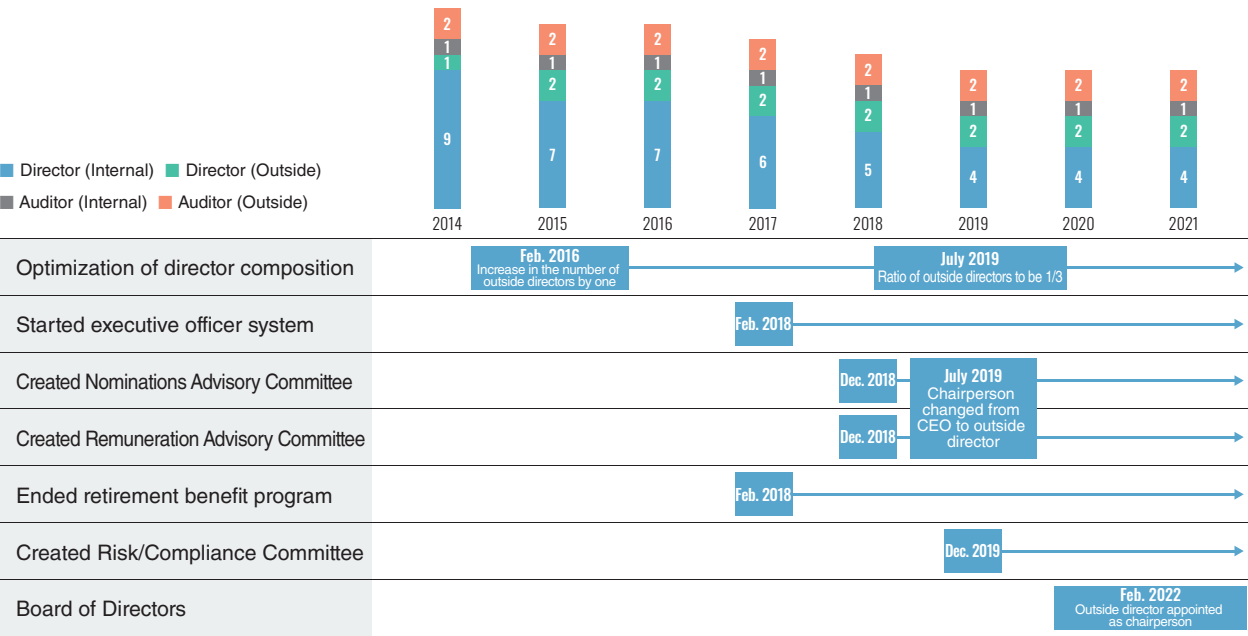
Governance Highlights (as of November 30, 2021)



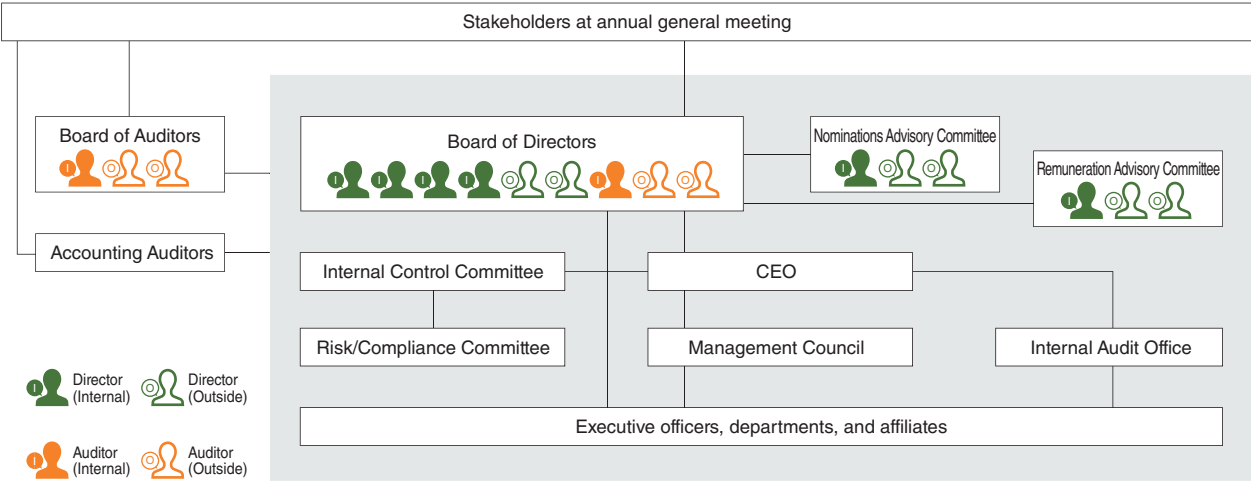
Material Issues: Improving Corporate Governance

Fiscal 2022 [Targets and issues]	Improving management transparency and making management systems more efficient <ul style="list-style-type: none">Addressing each issue to improve the effectiveness of the Board of DirectorsResponding to the revised CG codeEnhance disclosure of ESG information and proactive dialogue
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Corporate Governance Improvement Milestones



OOC Group's Corporate Governance Organization



Officer Profiles (as of February 25, 2022)



Skills Matrix for Officers

● Chairperson, Committee Chairperson ● Member ● Jury ● Expertise and experience

Job Title	Name	Collegiate body							Knowledge, experience, and expertise							
		Board of Directors	Board of Auditors	Management Council	Internal Control Committee	Risk/ Compliance Committee	Nominations Advisory Committee	Remuneration Advisory Committee	Management	ESG	Sales	R&D	International experience	Finance and accounting	Risk and internal controls	Legal, regulatory, administrative, etc.
CEO	Masayuki Ando	●		●	●	●	●	●	●		●	●				
Director	Soichi Honda	●		●	●	●				●	●			●	●	
Director	Motomi Ogasawara	●		●	●						●	●	●			
Director	Tetsuya Watanabe	●		●	●	●				●	●	●				
Outside Director	Takayuki Hamanaka	●		●	●		●	●	●	●			●		●	●
Outside Director	Naoki Enomoto	●		●	●		●	●	●	●				●	●	●
Managing Auditor	Sobi Nagayanagi	●	●	●	●					●		●			●	
Outside Auditor	Yasuko Yoshida	●	●	●	●				●	●				●	●	
Outside Auditor	Tomoko Takase	●	●	●	●				●	●			●		●	●

Role and Authority of Independent Outside Directors and Advisory Committee

OOC continues to strengthen its corporate governance system, including the appointment of independent outside directors and the establishment of an Advisory Committee, in accordance with Use of Voluntary Mechanisms (Supplementary Principle 4-10 (1)) of the Corporate Governance Code. At present, we have appointed two independent outside directors. Both of them express their opinions at the Board of Directors meetings and provide advice to the directors as necessary, utilizing their highly specialized knowledge and abundant experience. We will continue to examine the possibility of having

independent outside directors as a majority of the Board of Directors. In addition, two Advisory Committees, the Nominations Advisory Committee and the Remuneration Advisory Committee, established under the Board of Directors, are responsible for considering important matters such as the nomination and compensation of our directors. Both of these committees are composed of two independent outside directors and the CEO, and are chaired by an independent outside director who also provides appropriate involvement and advice.

Create and Implement a Succession Plan

From the perspective of sustainable growth of our business over the medium to long term, we recognize that the development of management personnel is one of the most important issues to be addressed. Therefore, in accordance with Roles and Responsibilities of the Board of Directors (Supplementary Principle 4-1 (3)) of the Corporate Governance Code, the Board of Directors is proactively responsible for the formulation and operation of the succession plan. Specifically, we believe that the incumbent himself/herself should be actively involved in the selection of a candidate to succeed the CEO, and that the incumbent should be responsible for the succession plan. The Nominations Advisory Committee may take a leading role in cases where the incumbent has difficulties in selecting a successor candidate. On the other hand, when the option of reappointing the incumbent is included, in order to ensure the fairness of deliberations, the necessity of reappointment shall be considered only by the chairperson and the members who are outside directors at the Nominations Advisory Committee. In addition, the Nominations Advisory Committee shall receive a full report from the CEO on the succession plan and the specific nomination of candidates to succeed him/her, exchange opinions, consider the evaluation of the CEO from an independent standpoint and the OOC's management issues, and provide feedback. With respect to the specific evaluation of candidates for successors, the

Nominations Advisory Committee will make a judgment on the appropriateness of the proposed candidates selected by the incumbent from an independent and objective standpoint.

The following is the Succession Planning Policy and Development Plan Policy formulated on January 22, 2021.

- (1) Succession Planning Policy
The formulation and implementation of the CEO's succession plan is the CEO's authority and duty. The Nominations Advisory Committee shall formulate the criteria for selecting candidates for CEO, the selection process, and the development plan, as well as confirm the overall process , monitor the succession plan, and report to the Board of Directors on the candidates.
- (2) Development Plan Policy
In order to develop the next generation of human resources who will be responsible for the execution of management to support continuous growth, the CEO will constantly envision candidates for successors, mainly directors and executive officers, and strive to develop them.

Efforts to Improve Management Transparency

Enhancement of Information Provision to Overseas Investors

We are promoting the provision of information in English for overseas investors. Currently, we provide information in English by disclosing the Notice of Convocation of the General Meeting of Shareholders, Financial Results, Financial Results Briefing Materials, and CSR Report on our website, etc. In addition, we disclose and provide information in English on the Tokyo Stock Exchange, Inc. website under Summary of Financial Results in the Listed Company Details (Basic Information) section of the TSE Listed Company Information Service, and are working to expand the provision of information in English to overseas investors.

Officer Compensation System

OOC has determined the remuneration system and remuneration levels for directors and auditors in order to achieve medium- to long-term expansion of business performance and enhancement of corporate value in accordance with its Management Philosophy. Remuneration for directors consists of monthly remuneration as basic remuneration, annual bonuses as performance-linked remuneration, and remuneration in the form of restricted stock. From the perspective of their roles and independence, outside directors and auditors are paid only the basic monthly remuneration. Effective from the fiscal year ending November 30, 2022, we have abolished the medium-term performance-linked compensation and introduced grant-type performance-linked stock compensation. For the performance-linked stock compensation, at the 75th Ordinary General Meeting of Shareholders held on February 25, 2022, it was resolved that, in addition to the aforementioned compensation for directors, monetary claims (assets contributed in kind upon granting of common stock from OOC) and monetary compensation shall be paid after the end of the performance evaluation period in accordance with the degree of achievement of performance targets during a certain performance evaluation period. The upper limit of each amount is 40,000 shares of OOC's common stock multiplied by the share price at the time of granting (the number of directors at the conclusion of the said ordinary general meeting of shareholders was six).

Efforts to Improve Management Efficiency

Improving the Effectiveness of the Board of Directors

With regard to the overall effectiveness of our Board of Directors, we conducted a questionnaire on the operation, deliberation, composition, implementation status of issues, support system, and overall evaluation of the Board of Directors meetings for directors and auditors. The results of the

questionnaire were compiled, analyzed, and evaluated by the Board of Directors. As a result, the effectiveness of our Board of Directors was evaluated as generally good, confirming that the effectiveness of the Board of Directors has been ensured.

Reasons for Confirming that the Effectiveness of the Board of Directors Is Generally Good

- With regard to the composition of the Board of Directors, which has independence and objectivity, two of the six directors are independent outside directors, making the ratio of outside directors 1/3, and the Nominations Advisory Committee and the Remuneration Advisory Committee, which are advisory bodies to the Board of Directors, have been established, and an independent outside director has been appointed as the chairperson of each to ensure the supervisory function of the Board of Directors by providing appropriate reports.
- In August 2020, we developed our philosophy system, and are working to disseminate our philosophy throughout the OOC Group, and to strengthen the disclosure of ESG-related information to our stakeholders through the publication of our CSR Report. In addition, from 2021, we have been disclosing our financial results, financial presentation materials, convocation notices, and CSR Reports in English.
- In December 2019, the Risk/Compliance Committee was newly established under the Internal Control Committee, which is a subordinate organization of the Board of Directors, to strengthen the risk management system and develop a monitoring system for management risks and other risks by the Board of Directors. In addition, we have taken appropriate measures to deal with the COVID-19 pandemic, and are working to address risks to business continuity.
- At the end of February 2020, the Board of Directors resolved to abolish the anti-takeover measures after thorough discussions, and is striving to further enhance corporate value by taking measures to achieve the medium- to long-term business plan.
- We hold semi-annual company briefings and quarterly IR with institutional investors to strengthen communication with investors, and deliberate with stakeholders in mind through quarterly reports and deliberations to the Board of Directors, and discussions and implementation of improvements to employee working environments and strengthening community and social contributions.
- We discussed the succession plan and the performance-linked remuneration system, which were governance issues, and are currently developing and operating the system.
- During its operations, the Board of Directors is working to improve the provision of information to members and discussing and deliberating at Board of Directors meetings. In this era of COVID-19 risks, important meeting bodies attended by directors and auditors, such as our Board of Directors, are held remotely, etc., and our management is handling these meetings without any problems.
- In addition to individual training for officers, we have held group training on common themes for officers to further strengthen our support system.

Deeper Involvement of Outside Directors in the Formulation of Medium- to Long-term Business Plans

In the formulation of the medium- to long-term business plan, we have provided sufficient explanation of the plan to outside directors. We recognize the importance of holding even deeper discussions with outside directors on the formulation of medium- to long-term business plans and will continue to make this an ongoing issue.

Measures for Risk Management

Since December 2019, the Risk/Compliance Committee, a sub-organization of the Internal Control Committee, has been established to operate our risk management system. The Board of Directors has been monitoring the status of our risk management through reports from the Internal Control Committee. We will continue to deeply discuss risks to our business and other areas at the Board of Directors meetings based on the content of the monitoring.

Matters Related to the Board of Directors and the Management Council

All directors and auditors attend not only the Board of Directors meetings but also the Management Council and the Internal Control Committee meetings, which are held in advance of the Board of Directors meetings to discuss and deliberate for reporting on internal control items related to business execution and corporate management. In order to further improve discussions and deliberations at the Board of Directors meetings, the division of roles and improvement of functions between the Board of Directors and the Management Council are ongoing issues.

Further Enhancement of Handouts and Content

We have made improvements to the materials distributed and the content of the topics discussed at the Board of Directors meetings. In the future, we will continue to make efforts to improve the understanding of matters to be discussed among outside directors and auditors and to hold deeper discussions.

Discussion of Corporate Governance Measures

We have discussed and reviewed the introduction of medium-term performance-linked remuneration and succession planning, and have established and implemented a system. We will continue to monitor the implementation of these measures. On the other hand, as there has not been sufficient discussion on the gender of directors, we will continue to address this issue.

In order to resolve the aforementioned issues, we recognize that communication among officers (directors and auditors) will remain important, and we will continue to improve and strengthen the effectiveness of the Board of Directors.

An Outside Officer's Perspective

In light of evolving CG, we will deepen the discussion to contribute to the enhancement of corporate value



Naoki Enomoto
Outside Director

In order to enhance corporate value, it is important to deepen discussions among executives and employees on diverse management issues, taking into account the perspectives of all stakeholders. In the debate over integrated reports, for instance, there are now calls for the disclosure of non-financial information, such as climate change-related information and human capital information, and it is clear that corporate governance (CG) efforts are advancing rapidly. I intend to fulfill my responsibilities through discussions that contribute to the enhancement of corporate value, while taking note of the evolving and diverse CG issues, based on my administrative experience in macroeconomic and industrial policies.



Tomoko Takase
Outside Auditor

In corporate governance, I believe that the role of outside auditors is to monitor whether processes are properly implemented in board decision-making, whether internal controls are functioning properly, and whether the company is being fair to all stakeholders, including minority shareholders, employees, and the local community. To this end, I believe it is necessary to always listen to what directors and executive officers have to say, and to provide candid opinions from the perspective of those outside the company as representatives of stakeholders. As a member of the Board of Auditors, I would also like to be actively involved in cooperation with the internal audit department and accounting auditors. I will strive to fulfill the role expected of an outside auditor by utilizing my past experience as an attorney-at-law, and will contribute to achieving of effective corporate governance and, ultimately, to the enhancement of corporate value.

Risk Management

Basic Risk Management Policy

The OOC Group will promote risk management to prevent the occurrence of risks and to protect the safety of officers, employees, and local residents in the event of an emergency, and to ensure the continuation of business operations.

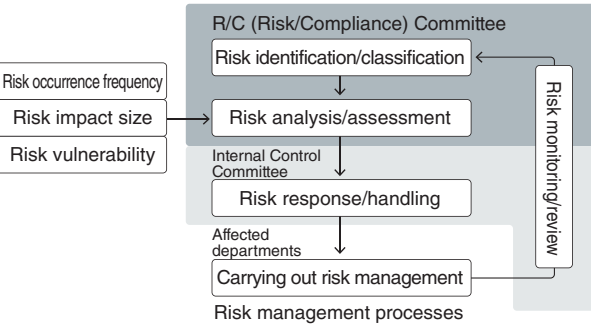
1. The OOC Group's top priority is to ensure the safety of human life.
2. We position risk management as an important management issue, and work on activities from a company-wide perspective to prevent the occurrence of risks.
3. We promptly report risk-related information and share it throughout the company.
4. All officers and employees of the OOC Group shall improve their risk sensitivity and promote risk management with the participation of all employees.
5. We will respond quickly and appropriately when risks arise, and strive to minimize losses.

Objectives

1. Ensuring the safety of human life
2. Business continuity
3. Loss avoidance through risk reduction
4. Securing the trust of stakeholders
5. Enhancing corporate value

Risk Management Process

1. Identify and assess risks.
Identify the risks that affect the business plan for each fiscal year and evaluate them in terms of their impact on management, frequency of occurrence, and vulnerability.
2. Determine critical risks.
Based on the results of the evaluation, select the OOC Group's priority risks, and consider and select the necessary countermeasures.
3. Monitor the implementation status of risk measures, etc.
Monitor the key risks, including the implementation status of planned risk measures.



Responding to COVID-19

The OOC Group has prepared an infectious disease manual to ensure the safety of human life, minimize the impact on business, and restore business operations quickly and efficiently in the event of an infectious disease outbreak.

The OOC Group's main measures against infectious diseases

1. Work <ul style="list-style-type: none">• Working from home• Encourage staggered work hours	2. Business trips <ul style="list-style-type: none">• Restrictions on domestic business travel• Business trips to plants are generally prohibited• Overseas travel is generally prohibited
3. Meetings and events <ul style="list-style-type: none">• Internal meetings and other interactions use video and web conferencing• Internal seminars, academic meetings, and exhibitions are joined by web conference• Get-togethers involving food and drink are generally prohibited	4. Health and hygiene management <ul style="list-style-type: none">• Hand-washing, sterilization, and mask wearing protocols are enforced

Business and other risks and their responses

Risk items	Risk mitigation measures
(1) Procurement of raw materials, crude oil prices, and fluctuations in raw material prices	OOC strives to ensure stable procurement of raw materials by securing multiple suppliers of raw materials. We are also working to reduce the impact through measures such as linking to product prices and cost reductions.
(2) Impact on production due to accidents, disasters, and spread of infectious diseases	In addition to conducting regular inspections of manufacturing facilities and employee education and training, we have formulated a business continuity plan (BCP) and conduct periodic exercises to reduce risk in the event that the BCP is triggered. We have implemented comprehensive COVID-19 infection prevention measures at our business sites and are taking countermeasures and conducting business operations in accordance with the infection prevention policies prepared by each local government, OOC, and its subsidiaries.
(3) Legal regulation	We collect information on the operation and revision trends of domestic and foreign laws and regulations, and conduct our business operations in compliance with laws and regulations pertaining to chemical substances. In March 2021, we established the Carbon Neutralization Study Committee and have been implementing initiatives toward a decarbonized society.
(4) Overseas business operations	We will acquire and train excellent local human resources, minimize risk by quickly obtaining accurate information and responding appropriately, and promote the development of internal controls at our overseas bases.
(5) Dependence on specific fields	New product development and market-oriented product deployment are underway to optimize equipment and staff allocation. We are also working to create the highly functional materials needed in a decarbonized society.
(6) Trends in product markets due to economic fluctuations	Aiming for a profit structure that is less susceptible to demand trends and other factors, we are implementing product renewal and increasing the number of our highly functional, high-value-added product lines.
(7) Acquisitions, capital tie-ups	When making corporate acquisitions, business acquisitions, capital tie-ups, and other arrangements, we conduct detailed research on the target company, business, or other investment and carefully consider the risks involved. For investment projects, we check the deviation between business performance and initial plans and take countermeasures as necessary.
(8) Information security	In addition to establishing an information security policy, building an appropriate system management system, and implementing security measures, OOC strives to ensure thorough information management through ongoing employee education as needed.
(9) Litigation	In addition to complying with laws and regulations, OOC strives to prevent disputes, litigation, and other risks from arising. In addition, we have a system in place to respond to lawsuits and other legal matters in cooperation with law firms, etc.
(10) R&D investment	We have a system in place to respond quickly to market demands in order to provide products that take advantage of our advanced and proprietary technologies for specialty acrylic acid esters in a timely manner.
(11) Workforce recruiting	We review our recruitment methods at appropriate times to ensure that we have the necessary human resources. In addition to skill development through employee education and training, we are working to improve work-life balance and health awareness to create a comfortable workplace.
(12) Product quality	Based on our quality management system, we are striving to enhance our quality assurance system. OOC also carries product liability insurance to cover risks.
(13) Intellectual property	In addition to strictly managing our technology and expertise, we conduct thorough investigations to ensure that we and our subsidiaries do not infringe on the intellectual property rights of other companies, and develop our business in such a way that we do not infringe on the rights of other companies.

BCP Initiatives — Fiscal 2021 BCP training (Disaster readiness and business continuity exercises: Desk exercises)

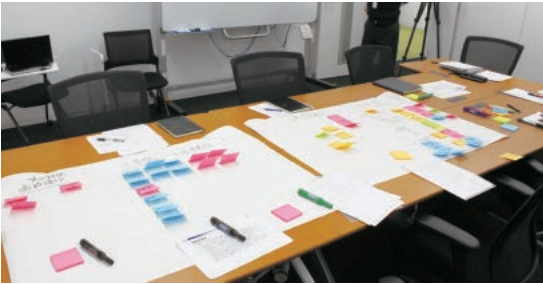
Purpose of exercises

In December 2021, we conducted the “Fiscal 2021 BCP Verification Desk Exercises” with the aim of verifying the effectiveness of the Business Continuity Plan (“BCP”) already in place at OOC and further brushing up the plan. The exercises

focused on verifying whether the task force would be able to make decisions and issue instructions on various problems that would arise one after another in the event of serious damage caused by an unforeseen disaster or accident (when the BCP is activated).



Exercise explanation: Threat of Nankai Trough earthquake



Scenarios and situation assignments (various problems to be faced) were prepared for damage situations, and members of the head office task force responded to a series of situation assignments.



In order for the task force to make decisions, it is necessary to properly manage the information that is gathered. For example, the information for each attribute is clearly defined by filling in the information for the task force supplies (poster board, sticky notes, pens, etc.), people, things (facilities and equipment), and other (supply chain, such as stakeholders and customers, etc.).

A BCP is essential for the survival of a company, and it is important to continue to conduct exercises, educate employees, and brush up the BCP to improve awareness of business continuity and organizational response capabilities.

Relocation of Head Office — Disaster countermeasures for business continuity are a top priority

The earthquake resistance standard of the building occupied until last year was the old earthquake resistance standard applied until May 31, 1981, and this standard did not have any stipulations for earthquakes larger than 5 on the Japanese seismic intensity scale. If this building were struck by an earthquake that actually occurs in Japan, the risk of collapse was relatively high with a level of earthquake resistance that barely complied with the standard. Also, considering safety in the event of an

earthquake, we thought it best to relocate to an office building that complies with the new earthquake resistance standard. Consequently, in November 2021, we relocated our head office to the Nomura Real Estate Osaka Building, a property suitable for disaster countermeasures (three-line power receiving system, emergency generator for evacuation and fire prevention equipment, two emergency elevators, etc.) in addition to meeting the desired earthquake resistance standard.



Photo courtesy of Nomura Real Estate Development Co., Ltd.

Earthquake resistance standards

	Old standard	New standard
Medium-sized earthquake (Japanese seismic intensity 5+)	Does not collapse	Limited to minor cracks
Large-sized earthquake (Japanese seismic intensity 6 to 7)	Not specified	Does not collapse

Initiatives to Address Climate Change Risks

Basic Approach

As a chemical manufacturer, the OOC Group takes climate change issues seriously and is proactively working to address both risks and seize opportunities. From a long-term perspective, we will also strive to contribute to society and create value by promoting initiatives to achieve carbon neutrality (to be described later) and to provide information disclosures compliant with the TCFD recommendations.

Disclosures Compliant with the TCFD Recommendations

In response to risks and opportunities related to climate change, the TCFD recommendations are recommendations on the disclosure of information for the following four areas: Governance, Strategy, Risk Management, and Metrics and Targets. The OOC Group will strive to win the trust of society and

stakeholders by incorporating the climate change-related initiatives it has conducted to date into a framework based on the TCFD recommendations and by disclosing information on the risks and opportunities it has analyzed. Specific details of information disclosure compliant with TCFD recommendations are available on our website from June 2022.

TCFD disclosure items	Climate change measures being implemented
Governance How is it studied and managed by the company?	Decarbonization initiatives (page 34) Regular monitoring of CO ₂ emissions is conducted. The Carbon Neutralization Study Committee set CO ₂ emission reduction targets and implemented reduction initiatives.
Strategy What is the impact on corporate management over the short, medium, and long term?	Risk/Compliance Committee (page 30) Basic policies, risk identification, assessment, countermeasures, and monitoring of implementation status are implemented for business risks, including climate change risk.
Risk management How is the company trying to identify, assess, and reduce climate change risks?	BCP initiatives (page 31) A written business continuity plan is prepared for disasters and other emergencies. Periodic drills and reviews are conducted in accordance with the business continuity plan.
Metrics and targets What metrics are used to determine climate change risks/opportunities and evaluate progress to targets?	

Governance and Risk Management of Initiatives in Response to Climate Change

We are developing a governance structure for risks and opportunities related to climate change. The Sustainability Committee was established as an organization to carry out initiatives for building OOC resilience. This organization is composed of cross-organizational members led by the CEO. Important matters such as basic policies are deliberated and resolved by the Board of Directors, while other initiatives are conducted by the Sustainability Committee. The actions of the committee include discussions six times a year and reports on the discussions to the directors twice a year. If discussions are

required at that time for a proposal, it is discussed and approved. New risks are discussed by the Risk/Compliance Committee, and if deemed relevant to the TCFD, the Sustainability Committee conducts a scenario analysis and identifies key risks. The analysis results are reported to the Risk/Compliance Committee and the Board of Directors. We will continue to disclose information compliant with the TCFD recommendations, along with our efforts to address climate change issues, including initiatives to contribute to achieving a decarbonized society.



Environmental Initiatives

Basic Approach

Since production activities at chemical plants are the Group's core business area, environmental protection work is one of our highest priorities. The OOC Group's initiatives for the environment include regulatory compliance to prevent environmental pollution, along with other initiatives designed to reduce environmental impact by analyzing our business conditions and predicting future changes.

Medium-term Policy (2020–2024) Issues

Company activities designed for coexistence with the planet and the public

- Building global partnerships to enable sustainable development
- Managing chemicals and reducing waste throughout product lifecycles
- Proactive use of resource recycling and use of renewable energy

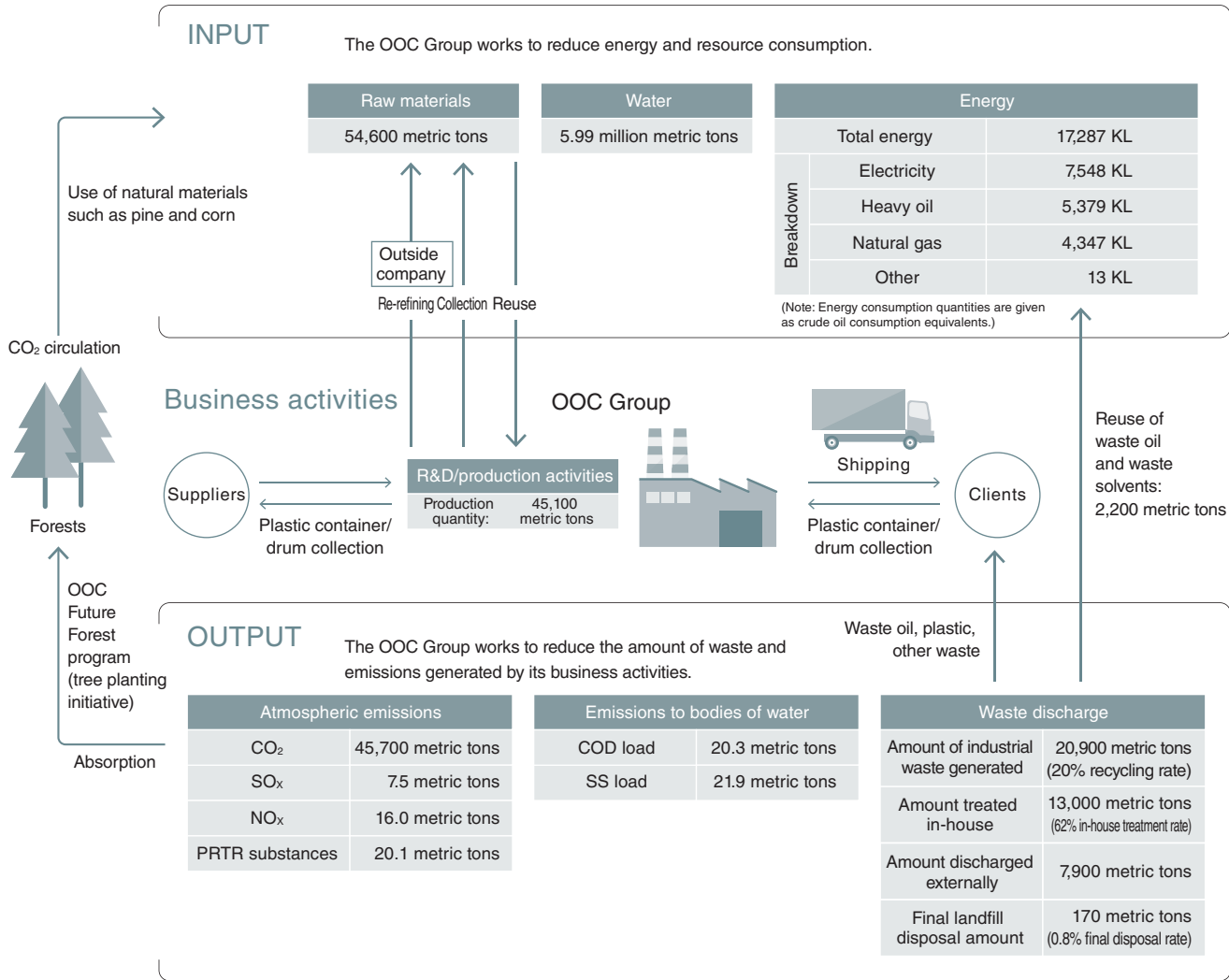
State of Environmental Impact

The OOC Group works to accurately identify how we affect the environment through our business activities, from raw material procurement to production, scrapping, and recycling. We work to reduce environmental impact by qualitatively and

quantitatively identifying how much we reduce or reuse the resources we consume and discharge. Various ESG data is available on our website. (See URL and 2D code on page 22.)



Solar panels installed on the roof of the office building at the Kanazawa Plant



Initiatives to Build a Decarbonized Society

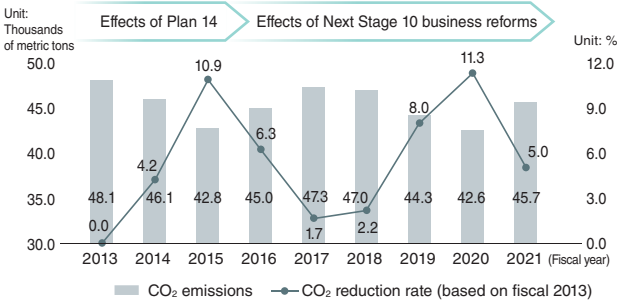
Major typhoons, torrential rains, droughts, heat waves and other abnormal weather events have recently been creating disasters that have incurred major damage around the world. The growing number of extreme weather phenomena caused by climate change have raised concerns over the risk of shutdowns in infrastructure and other functions, and over potential threats to food safety and security. On the other hand, in October 2020, the Japanese government declared that it aims to achieve a carbon-neutral, decarbonized society by 2050, and a series of regional and private companies have also declared their intentions, and the government and private companies are now promoting studies and activities. The OOC Group has recognized the long-term importance of dealing with climate change through decarbonization, and is working to help the world transform to a low-carbon economy over the medium term.

Progress to Date Toward World Transformation to a Low-carbon Economy

Contributing to a low-carbon economy through business reforms

The Osaka Plant was shut down until fiscal 2014 as we worked on revising or discontinuing a number of products under a business reform project called Plan 14. The project helped us reduce CO₂ emissions and energy consumption by reviewing products with poor production efficiency or excessive environmental impact. Next Stage 10 is the name of our Long-term Business Plan begun in fiscal 2015. It calls for a focus on electronics materials along with business reforms done through measures such as reviewing unprofitable businesses. It has helped us curb rising CO₂ emissions while boosting net sales and profits.

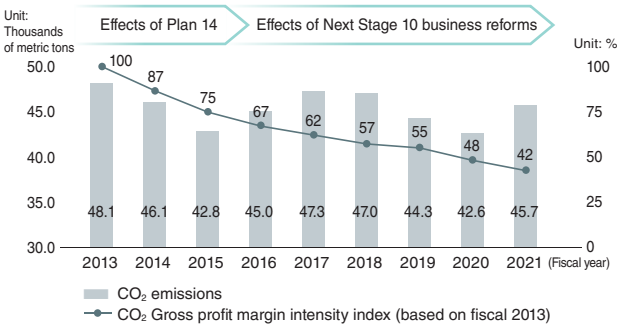
Changes in CO₂ emissions and CO₂ reduction rate (based on fiscal 2013)



OOO Group's CO₂ reduction measures

Osaka Office, Kanazawa Laboratory	• Developing products that help save resources and energy
Kanazawa Plant, Sakata Plant	• Installation of solar panels on office rooftop • Saving power by updating air conditioners and refrigeration equipment and reviewing operation • Saving power by switching to inverter-driven facilities/equipment • Simultaneous steam trap inspections • Saving power by reviewing equipment cleaning methods (speeding up processes)
Head Office Plant of Shinko Organic Chemical Industry	• Switching to power lifts
All offices	• Saving power by switching to indoor/outdoor LED lights

CO₂ emissions and gross profit margin intensity index (based on fiscal 2013)



Compressor upgrade

In fiscal 2021, the supply pressure was reviewed and optimized in conjunction with compressor upgrades.

Establishment of the Carbon Neutralization Study Committee

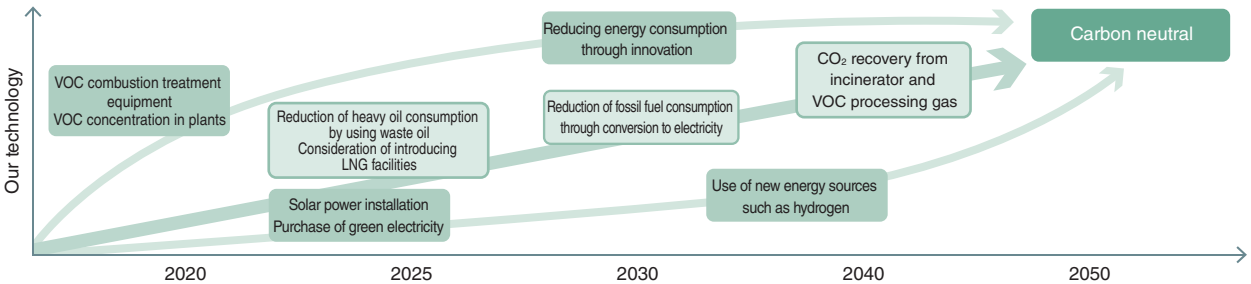
In March 2021, we launched the Carbon Neutralization Study Committee in order to increase the effectiveness of our goals for building a decarbonized society by 2050. With the Corporate Planning Division serving as the secretariat, the committee is composed mainly of energy-related managers from the Kanazawa Plant and Shinko Organic Chemical Industry. Milestones were set for long-term targets, and targets and specific measures for fiscal 2021 were proposed at the Management Council. From now on, we will report as needed at the

Management Council on the proposed scenario in accordance with TCFD and specific measures to achieve the target, and the entire OOC Group will work together to achieve carbon neutrality.

CO₂ reduction rate targets to build a decarbonized society

Fiscal 2021 result	Fiscal 2022 target	Fiscal 2024 (mid-term target)	Fiscal 2030 (mid-term target)	Fiscal 2050 (long-term target)
5%	13%	15% or more	30% or more	Substantial zero

[Fiscal 2022 Scheduled Initiatives] Energy-saving initiatives, shift to high value-added products. Looking into purchase of renewable energy electricity. Study on regeneration (refining) of waste solvents and their conversion to fuel. Preparation for installation of waste oil boilers (conducting of environmental assessment).



Initiatives to Reduce Environmental Impact

Basic Approach

The OOC Group makes efforts to reduce the environmental impact of its business activities, which affect the environment in various ways because they consume large amounts of energy, chemicals, water resources, and other inputs.

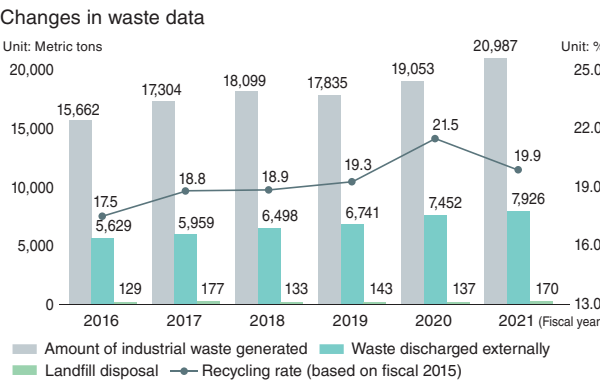
Our efforts are rooted in environmental compliance work done to enforce compliance with the environmental laws and regulations of countries and regions around the world. Our employees are trained to understand the importance of legal compliance through audits and ongoing educational programs. We also communicate regularly with local residents as a way to consider the local environment.

We had zero major environmental compliance violations in fiscal 2021. We will continue making efforts to protect the global environment, providing local residents with safety and security.

Reducing Industrial Waste

Recycling rate Fiscal 2021 result: 19.9% Fiscal 2024 target: 25% or more

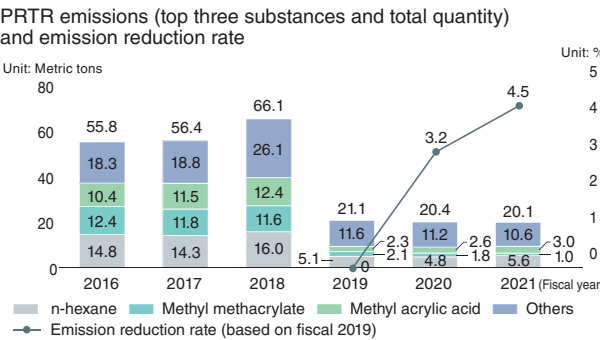
The Group works to further reduce environmental impact through activities that put the three Rs (reduce, reuse, recycle) into practice. These activities are designed to reduce the amount of industrial waste generated while making effective use of limited resources by consistently sorting generated waste and recycling more of it. We have always promoted in-house recycling by using byproduct oil treatment systems to turn waste oil into fuel and waste solvents into boiler fuel. For fiscal 2021, we are moving forward with plans to use new waste solvents as boiler fuel, but the recycling rate is down 1.6 percentage points from the previous year to 19.9% due to an increase in waste oil from external treatment as a result of a higher than planned increase in waste solvent generation. In the future, we will continue to study waste oil treatment methods and implement initiatives with an awareness of resource recycling.



Reducing Emissions of PRTR-regulated Chemicals

Emission reduction rate (compared to fiscal 2019) Fiscal 2021 result: 4.5% Fiscal 2024 target: 60% or more

Our environmental impact reduction efforts include work on properly managing chemicals generated by our business activities while reducing their emissions. As a part of our initiatives, we take part in the Japan Chemical Industry Association's voluntary PRTR surveys and work on reducing environmental chemical emissions. Previous emissions reduction measures have included upgrading deodorizing equipment for outdoor tanks and plant facilities. For fiscal 2021, the emission reduction rate increased 1.4 percentage points from the previous year. We are planning more work on reducing emissions, and are planning to install VOC combustion equipment in fiscal 2024.



Preventing Air Pollution

Preventing air pollution through measures such as rationalizing the operation of boilers and incinerators has always been an area of focus for the Group. We are also working on further reducing atmospheric emissions of

hazardous substances. In the future, we will continue to monitor emission equipment on an ongoing basis and make efforts to reduce our emissions.

Preventing Water Pollution

The Group's wastewater treatment processes are continually monitored as we work to prevent water pollution by meeting regulatory values. As part of this work, we make ongoing efforts to reduce environmental impact on bodies of water by

rationalizing the operation of activated sludge treatment facilities and wastewater incinerators. The level is still well below the regulatory value, and we will continue to work on reducing it through steady monitoring.

Relationship with Employees

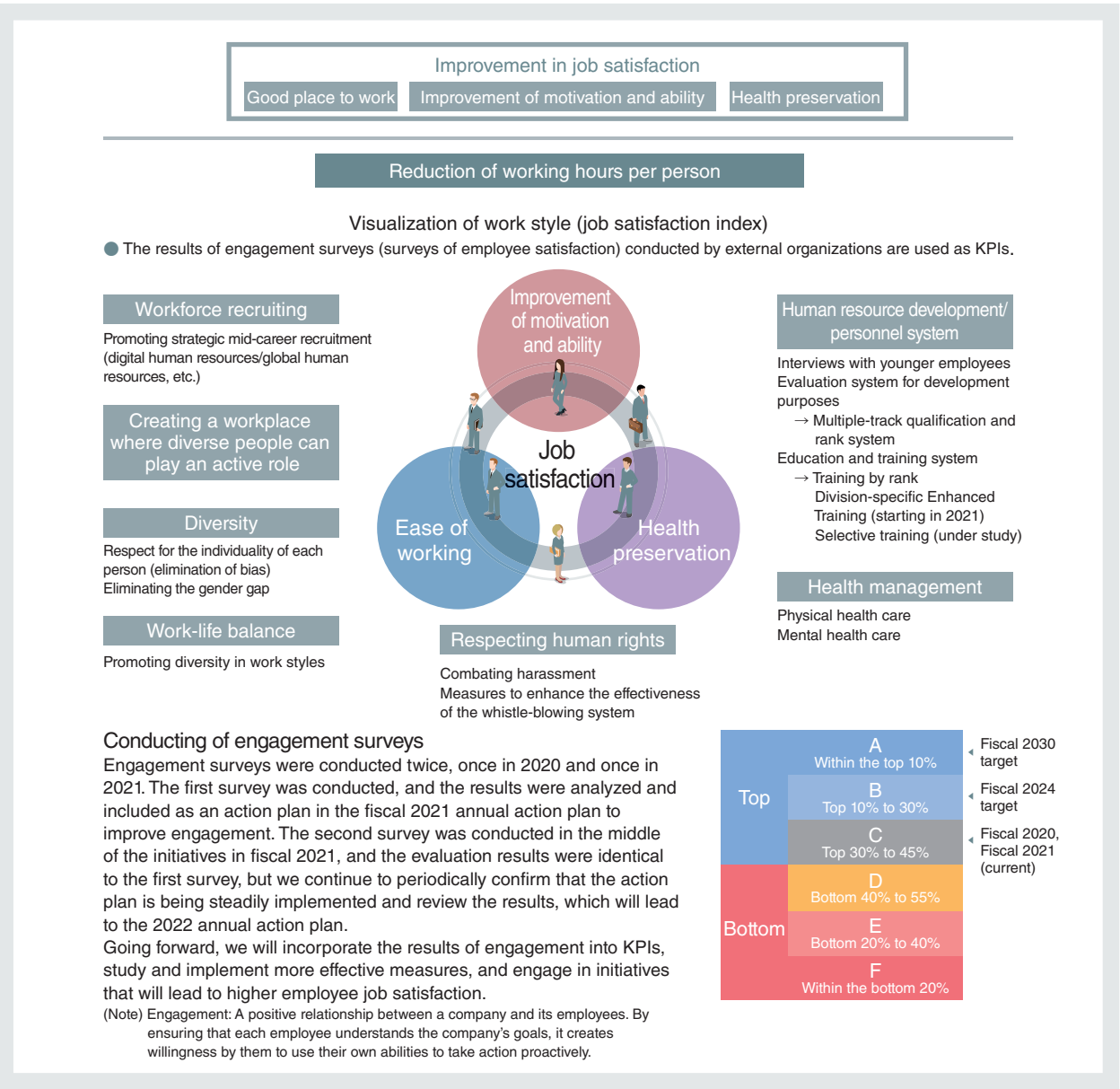
We aim to be a company where employees can experience job satisfaction and growth through their work.

Basic Approach

The reform of work styles in the OOC Group is not limited to merely reducing working hours, but aims to increase productivity as we work to improve the job satisfaction of each and every employee. To this end, we will create a corporate culture that fosters sincerity, enthusiasm, and creativity by drawing out employees' initiative and willingness to take on challenges, and achieve both individual happiness and sustainable growth for the company.

Priority Strategies: Human Resource Development and Workplace Reform

- Continuous improvement of job satisfaction
 - Visualization of job satisfaction and continuous efforts to improve it
 - Development of an environment in which human resources can play an active role in anticipation of the 100-year life era and support for second life planning (promotion of diversification of work styles and lifestyles)
 - Initiatives to establish diverse, flexible, and time-conscious work styles



Workforce Recruiting and Training

With the aim of becoming a corporate group that can make a sustainable contribution to the development of society, the OOC Group has established a Human Resources Policy and is taking various measures for workforce recruiting and training to cultivate a corporate culture where employees can maximize their abilities and where each individual can play an active role.

Human Resources Policy	As the management of OOC, we believe in and love our employees and will work to eliminate bias and self-righteousness for always supporting those who are willing to take on challenges.
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Workforce Recruiting

Recruitment activities

In our recruitment activities for fiscal 2021 (March 2022 graduates), we held company information sessions and screenings online, considering the health and prevention of infection of students as our top priority due to the COVID-19 pandemic that began in 2020. In addition, plant and laboratory tours were conducted at the Kanazawa Plant and Osaka Office during the period when the pandemic had subsided. We plan to continue this program in the next fiscal year as well, while confirming the status of the pandemic.

Internships

The OOC Group regularly offers internships to applicants who are keen to know more about working at a chemical plant. In fiscal 2021, the program was conducted online due to the COVID-19 pandemic. Despite the short time frame, many students participated.

Participation in on-campus joint company information sessions

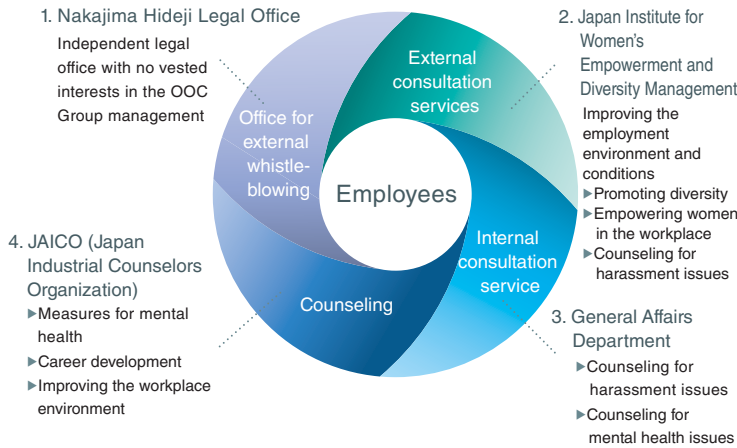
In 2021, we exhibited at four schools and were visited by many students.

Conducted online	3 schools	Conducted on-campus	1 school
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Conducting of Interviews with Younger Employees

The OOC Group engages in business with a respect for human rights, and conducts its management based on a policy of also not infringing on any human rights. As part of these efforts, we have set up consultation services both within and outside the company so that employees can freely and openly consult about any harassment-related issues they may be experiencing. In addition, the General Affairs Department conducts interviews for young employees who have been with the company for less than three years, starting six months after joining the company and continuing regularly. Since on-the-job training from senior employees is the main focus during the first six months after joining the company, once the young employees become independent and improve their skills as engineers, they often struggle with anxiety about how to do their job and the mental aspects of being an engineer. We listen to these young employees and offer advice to help alleviate their concerns.

Support system for creating a pleasant working environment



Workforce Training through a Multiple-track Qualification and Rank System

At OOC, in order to provide an environment where each employee can maximize their individual strengths, we have established various career paths. We believe it is important to set career paths and raise awareness of career goals, especially from the standpoint of diversity. Therefore, we have set up career training programs that start from the training for new employees after they join the company and provide training for them to design their own careers. Also, to promote diversity in work styles, we also hold exchange meetings to discuss future work styles, including childcare, nursing care, and nursing.



Enhancement of Education and Training System

The OOC Group provides education and training programs to encourage the challenge of personal growth for developing a group of professionals with a high level of expertise. In 2021, we launched the Division-specific Enhanced Training program to incorporate more specialized education and training. In 2022, elective courses will be added to the program to provide an environment where employees can work on challenges for realizing their future goals.

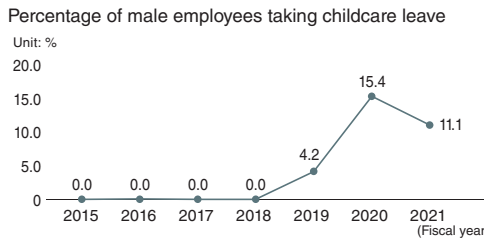
Creating a Workplace Where Diverse People Can Play an Active Role

The OOC Group is committed to diversity based on the belief that in order to achieve sustainable growth as a company, the energy of individuals that comes from mutual understanding and respect for each other will foster organizational strength, which in turn will enable the company to grow together. We are also focusing on initiatives to enhance work-life balance in order to meet the diverse life stages and career plans of our employees.

Initiatives for Diversity

Male employees taking childcare leave

In accordance with the General Action Plan for the Act on Advancement of Measures to Support Raising Next-Generation Children, we aim to increase the rate of employees taking childcare leave and leave for childcare purposes. While the rate of women taking childcare leave has remained at 100%, the low rate of men taking childcare leave has been a problem. We have been actively promoting awareness of the program since 2019, and this leave is now gradually being recognized and taken.



Initiatives for Work-Life Balance

In response to the diverse life stages of our employees, we have improved our efforts to enhance work-life balance for employees who are raising children.

1. Alleviation of concerns about returning to work for those who have taken leave

Previously, the employee and General Affairs Department staff met only once before taking the leave, and the meeting was mainly concerned with salary during the leave and paperwork procedures. Since this did not help to alleviate the concerns of those taking leave, we changed the interview to a three-party meeting between the employee, his/her supervisor, and the General Affairs Department, and included it in the regulations. Interviews are held a total of six times, before and after the employees took their leave and before and after they returned to work, to ensure a smooth leave process and return to work.

2. Extended childcare leave (until April 1 after the child reaches 3 years of age)

Previously, childcare leave had been available until the day before the child's first birthday (in cases such as when the child could not enter daycare, the leave could be extended until the day before the child's second birthday), but depending on the month of the child's birth, it was sometimes difficult to enroll the child in daycare and the employee was unable to return to work. In the Tokyo metropolitan area, it is difficult to enroll even 2-year-olds (1-year-olds as of April 1) in daycare, and "enrollment in daycare" has been cited a major barrier to returning to work. Consequently, now, childcare leave can be extended up to April 1 after the child reaches 3 years of age.

3. Raised the eligibility cutoff age for work styles that balance childcare and work

Nowadays, men's participation in housework and childcare is becoming increasingly important. For this reason, we have made internal improvements so that not only female employees but also male employees can take action proactively for balancing work and childcare.

(1) The eligibility cutoff age for childcare leave, reduced working hours, staggered working hours, and other programs that allow employees to balance work and childcare has been raised uniformly up to graduation from elementary school. In particular, the scope of use of childcare leave is not limited to injury, illness, child medical checkups, and vaccinations, but also allows a wide range of use, including for absence from elementary school and daycare, school events, and other childcare purposes.

(2) We introduced childcare leave (5 days of special paid leave for childcare can be taken before the child's first birthday). Previously, employees could take only one day of special paid leave on the day of the birth of a child, but by extending the number of days and the period of availability, we have made it possible for employees to spend more time with their children for childcare, such as witnessing the birth of a child or accompanying a spouse when entering or discharging from a hospital.

4. Considerations for pregnant employees

Pregnant female employees and male employees who have a pregnant spouse can take up to 10 days of special paid leave for maternity checkups. Also, an internal system has been developed that allows pregnant employees to work shorter hours, staggered work hours, or telecommute, and discussions among the head of the department, the employee, and the General Affairs Department are held for enabling a variety of work styles.



These programs are posted on the company's attendance system for internal use and are well known to all employees.

Creating pleasant workplaces

Comments from employees who took the company's first maternity checkup leave

I knew about the system from my supervisor at the time I joined the company, who explained it to me, but I had no idea I would be using it so early on. I had just joined the company and was not sure if it was appropriate for me to use it, but I decided to take the plunge because the number of remaining paid holidays was low and my supervisor and colleagues had recommended it.

Due to the COVID-19 pandemic, I was not able to use the maternity checkup leave I took for its original purposes, such as for going to maternity checkups with my wife or attending maternity classes, but I was able to take it for use when going to and from the hospital and for providing support when she felt ill. I can say that it was an easy environment for me to take it because I worked from home a lot on a daily basis due to the COVID-19 pandemic. (Laugh) I would be willing to take childcare leave when my wife returns from her stay at her hometown to give birth.



Junji Kuroishi
International Business Department

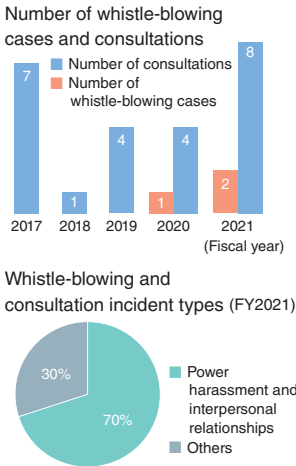
Respecting Human Rights

Basic Approach

In 2020, the OOC Group prepared the Guidelines for Conduct based on its Management Philosophy and Management Vision, and has strengthened its efforts to create an effective mechanism to ensure that respect for human rights is observed in the conduct of its business. In our supply chain, we have also established our Purchasing Policy in accordance with our Guidelines for Conduct, and aim to achieve sustainable development together with our suppliers in order to meet society's demands for corporate responsibility and value creation.

Whistle-blowing Regulations: Number of Internal Consultations

The OOC Group has established regulations regarding whistle-blowing and has set up both internal and external consultation services. This enables us to receive consultations from employees and others regarding organizational or personal misconduct and to strive for early detection of inappropriate behavior, improvement of self-correction, and securing of public trust. However, a breakdown of the number of internal consultations in fiscal 2021 showed that 70% dealt with power harassment and interpersonal relations. Although the training shown to the right, which is aimed at preventing power harassment, shows the difference between power harassment and guidance and alerts the participants to be careful in their guidance, we still see cases where the gap in thoughts and awareness that occurs between supervisors and subordinates or those around them leads to consultations. In future efforts, the challenges will be on improving communication skills to convey thoughts and feelings to each other and on improving the ability to provide appropriate guidance with respect for others.



Most recent initiatives

January 2021
Compliance training for all employees of the OOC Group

January 2021
Training on preventing power harassment by inviting outside lecturers (for all managers)

December 2021
Message from the CEO to all employees regarding harassment prevention

February 2022
One additional office added for internal consultation services

Message from the CEO (Founding Anniversary Ceremony)

Last year, an educator was found to have engaged in excessive and inappropriate behavior toward a participant at an internal training site, which was determined to be power harassment by the Review Committee. OOC takes this matter seriously and treats the prevention and elimination of harassment as a top priority issue. The CEO gave a message on harassment to all employees at the founding anniversary ceremony in December 2021. “Building a Better Company Without Power Harassment”

- Six Types of Power Harassment
- (1) Physical attacks (such as assault and battery)
 - (2) Psychological attacks (such as threats, defamation, insults, and severe verbal abuse)
 - (3) Segregation (such as isolation, disengagement, and neglect)
 - (4) Excessive demands (such as forcing someone to do something that is clearly unnecessary or impossible for the job, obstructing work)
 - (5) Demeaning demands (such as assigning work that is unreasonably below the employee's capability or job experience, not allowing employees to work)
 - (6) Intrusion upon the individual (such as excessive intrusion into private matters)

Please think back once again to see if you yourself have been engaging in such behavior. Don't you gradually come to understand your strengths and weaknesses in the course of your work? According to a survey by the Ministry of Health, Labour and Welfare, power harassment is more likely to occur at the workplaces with the following characteristics.

- (1) Little communication between supervisors and subordinates
- (2) Overtime work, difficult to take days off

And so, what should we do?

- (1) Is the work necessary for business?
- (2) Are the words and actions appropriate?

The most important thing to do if you have a problem with power harassment or leadership style is to talk to someone immediately. This even includes your supervisor or a person in another department. Please consult with us. Above all, we do not want to lose valuable human resources and we want to create a better workplace.



Promoting Health Management

Basic Approach

At the OOC Group, we believe that the good physical, mental, and social health of our employees is the key to maximizing their individual abilities and enhancing their creativity and productivity. We have now prepared our Health Management Declaration to raise health awareness through collaboration among the company, employees and their families, and the health insurance union, and to develop into a more vibrant company through our health management initiatives.

Health Management Declaration

The OOC Group supports its employees and their families in their efforts to maintain and improve their health. This is what led us to make our Health Management Declaration.

大阪有機化学工業グループ健康経営宣言

大阪有機化学工業グループは、一人ひとりの個性を大切にし、ユニークな機能を備えた材料を提供することにより、お客様と共に社会の発展に貢献し続けます。そのためには、従業員およびその家族が心身ともに健康であることが重要であると考えています。当社グループは、従業員とその家族が安全かつ健康の保持・増進に取り組むことを応援し、より活力ある会社へと発展することを目指します。

健康経営の推進体制

社長を健康経営最高責任者、管理本部長を健康経営推進責任者とし、健康宣言に基づき、社内の各部署および産業医、健康保険組合が連携することで各種の取り組みを進めて参ります。

目指す姿

わたしたちは、安全で心身ともに健康になる環境をみんなで作ります。

- 1. 身体の健康予防・早期発見への取り組み**
定期健康診断・特殊健康診断受診の徹底、オプション検査の補助
二次健診・再受診・特定保健指導の受診徹底
- 2. 身体の健康増進への取り組み**
適度な運動・食事・睡眠等の生活習慣の改善・セミナー等の実施
禁煙サポートの実施
- 3. 身体の重症化対策および多様な働き方の向上への取り組み**
治療と仕事の両立支援の確立
時差出勤、在宅勤務の応援
- 4. メンタル不調の予防・早期発見への取り組み**
ハラスメント研修・ストレスチェックの実施分析
エンゲージメント調査実施分析
- 5. 多様な働き方の環境整備への取り組み**
有給休暇取得率の向上
長時間労働対策
時差出勤、在宅勤務の応援

2021年10月22日
代表取締役社長 安藤昌幸

Health Management: Mental and Physical Health Support

OOC conducted stress checks and managed the health checkups given to employees using the “Health x Life” health support system for enabling visualization of the company's health management. Employees can now easily receive stress checks at any time via smartphone. Previously, these were implemented at each office, and so it was not possible to conduct group analysis for the company as a whole or for each division. Now, by using the system, group analysis can be conducted for the company, each division, and each department, which will lead to improvements in the workplace environment. Also, employees can view the results of their own health checkups at any time. The system can also be used for personal input and management of daily life data, such as number of steps, exercise, blood pressure, and body temperature, to provide continuous support for employees' mental and physical health.

Example of “Health x Life” smartphone screen



Fiscal 2022 health management survey

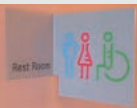
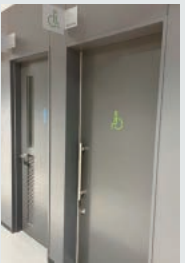
This year, we were recognized as one of the “2022 Health & Productivity Management Outstanding Organizations (Large Enterprise Category)” under the Certified Health & Productivity Management Outstanding Organizations Recognition Program designed by the Ministry of Economy, Trade and Industry and administered by the Nippon Kenko Kaigi (Japan Health Council). Health management initiatives contribute to the reform of work styles and building of an environment to enhance productivity, which is necessary to create an organization that supports growth, such as improving employee health literacy and revitalizing communication.



Diversity and Inclusion

Elimination of disability discrimination, better understanding of LGBTQ+

Based on our Management Philosophy of valuing the individuality of each person, we promote understanding and accommodating people with disabilities and LGBTQ+ individuals in order to promote respect and recognition and to maximize the potential of these individuals. The research and welfare wings at the Osaka Office, which opened in 2020, were designed by incorporating elements of universal design. Slopes are provided at the entrances and exits, and the pathways to the cafeteria, restrooms, and changing rooms have flat floors.



CREO entrance, Osaka Office

Universal restroom in CREO, Osaka Office

Occupational Health and Safety

Basic Approach

The main objectives of occupational safety and health are to maintain the safety and health of employees and to prevent disasters and accidents.

In addition to complying with the Industrial Safety and Health Act and related laws and regulations, the OOC Group is committed to promoting the health of its employees. As a result, we are working to improve the health of our employees and our organizational culture because healthy employees and a healthy organization lead to higher labor productivity.

Number of lost time injuries in the OOC Group

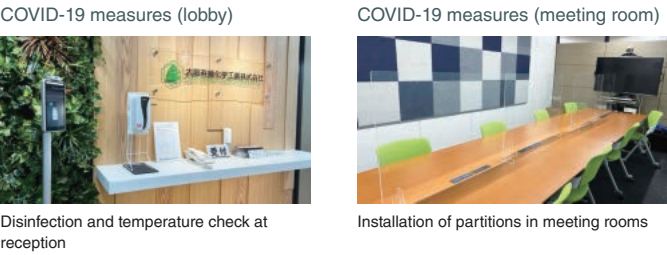
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(Dec. 2020 to Nov. 2021)

Organizational Structure for Occupational Safety and Health (Osaka Organic)



Head Office



Tokyo Office



Osaka Office



Fiscal 2021 Safety, Security, and Disaster Preparedness Training Results (OOC Group)

Period covered: December 2020 to November 2021

	Kanazawa Plant	Sakata Plant	Osaka Office	Shinko Organic
Poisonous Materials Handling Education & Training	●		●	
Carrier Education & Training	●	●	●	
Static Electricity Education & Training	●	●	●	
Evacuation Drills	●			
Firefighting Drills	●	●	●	●
Emergency Response Test (Odors, leakage, fires, polymerization hazard, etc.)	●	●	●	
Fire Fighting Equipment Education & Training (Fire hydrants, automatic fire alarms, etc.)	●		●	●
High-Pressure Gas Education & Training	●			
Health & Hygiene Education & Training	●			●
Risk Assessment Education & Training			●	
Emergency/First Aid/Protective Gear Education & Training	●		●	
Education on Carcinogenicity Guidelines	●	●		
Health Risks from Chemical Substances	●			
Terminal Recovery Training			●	●
Prevention Regulations		●	●	
Safety and Health Training for Brushcutter Operators			●	
Welding Fumes Education & Training		●		
Training in Handling Fire Extinguishing Equipment	●			
Fire Fighting Equipment Education & Training (Chemicals fire truck)	●			

Kanazawa Plant

Recognizing that fires in chemical plants are different from general fires, we are enhancing education on our fire extinguishing facilities and how to use equipment. Also, issues raised during each training session are discussed for improvement, leading to a review of the facilities.

Firefighting drills



In addition to a large fire truck with water spraying capability, a multi-functional fire truck was newly added (left photo above), and firefighting drills were conducted by the company firefighting team.

General disaster preparedness drills



Comprehensive disaster drills are conducted to assign the assembly sites in case of an emergency and to give instructions on how to respond quickly, as well as drills on evacuating to the roof of the manufacturing site offices in case of a tsunami or other disaster.

Materials, equipment, and supplies



All treatment equipment is centrally managed in the plant in case of any disasters or emergencies. In addition, stockpiles of drinking water, disaster food, blankets, and other supplies are stored for use in the event that employees have difficulties returning home.

Broadcasting equipment



Reviewed on-site broadcasting equipment and installed speakers at various locations (17 locations in the plant, 2 locations in the welfare wing, and 7 locations in the research wing) so that broadcasts can be heard throughout the entire plant.

Sakata Plant

The Sakata Plant prepares an annual security management plan and conducts various education and training sessions such as firefighting drills and 4RKYT (four-round hazard prediction training). Also, through monthly health and safety meetings, we uncover near-misses and share information on new raw materials and equipment, and through risk assessments, we eliminate sources of danger to create a safe and secure environment.

COVID-19 prevention measures



Lobby: Temperature check and hand sanitizers for visitors, Meeting rooms: Partitions installed in meeting rooms Carbon dioxide densimeters: Carbon dioxide densimeters are installed in meeting rooms, cafeterias, and offices to serve as a guideline for ventilation.

Firefighting drills



Firefighting drills are conducted each shift, including regular work

Leakage control drills



Leakage control drills are conducted each shift, including regular work

Heat stroke prevention measures



Mineral water installed at production plants to prevent heat stroke

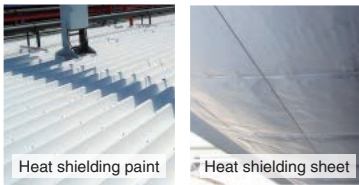
Shinko Organic

COVID-19 measures



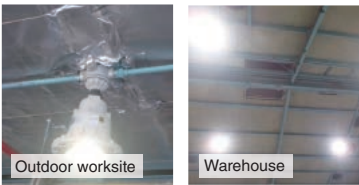
(1) Hypochlorous acid water sprayer installed in meeting rooms for space sterilization
(2) UV air purifier installed for bacterial and virus removal
(3) Monitoring ventilation rate with CO₂ meter

Heat stroke prevention measures



Reducing the risk of heat stroke by using heat shielding materials

Lighting



Installation of LED lighting fixtures for compliance with illuminance standards

Relationship with the Local Community

Basic Approach

The OOC Group prioritizes practicing safe business operations and achieving a harmonious and prosperous coexistence with local communities, while also accelerating initiatives to lessen the environmental impact of our activities. We are also aiming to make the OOC Group business offices places that are trusted by the local community, by organizing various social action programs with residents and through other initiatives.

Kanazawa Plant Reducing the environmental impact and improving the safety of our operations at this main plant

The Kanazawa Plant began operating in 1981 as the OOC Group's second factory, and since then it has developed to become our main plant. The Kanazawa Plant faces the holy mountain Mount Haku, and effectively uses the precious resource of groundwater from there in its production activities. We use the plant's state-of-the-art technology to carry out business activities that contribute to society. We are also actively moving forward with a range of initiatives for achieving sustainable manufacturing that is energy efficient and eco friendly. These include improving production processes, installing energy-saving equipment, and using renewable energy sources. Additionally, through organizing and taking part in various community social action programs, Kanazawa Plant employees are establishing closer ties with local residents.



OOC Future Forest program
OOC Future Forest program (volunteer program by employees and their families): Ten employees and eight family members (including children) participated in this program to fertilize seedlings.



Provided career guidance at Ishikawa Prefectural Technical High School
OOC participated as a lecturer in a career guidance session that provided students with an opportunity to think seriously about their own future and how to live their lives.



Kanazawa Plant (including the Kanazawa Laboratory)

- Location: 1600-1 Matsumoto-machi, Hakusan-shi, Ishikawa
- Established: June 1981
- Employees: 235 (as of November 30, 2021)
- Main products: Semiconductors materials, coatings and adhesives materials, resin raw materials, etc.



Blood donation drives
We participated in the blood donation drives of the Ishikawa Red Cross Blood Center, and 55 people donated blood at our plant, more than double the number of last year. We will continue to cooperate with blood donation drives to save the precious lives of those who need blood transfusions due to illness or injury.



Donated 10,000 masks to Hakusan city
We donated 10,000 non-woven masks to Hakusan city as part of COVID-19 prevention measures. As a corporate citizen, we will continue to contribute to the local community in any way we can.

Osaka Office A hybrid office functioning as a West Japan distribution center and information-intensive laboratory

Established in 1961, the Osaka Office is the oldest among the OOC Group offices. It began operations as the Kashiwara Plant, and has built up the management base of our company. Boasting a site area of 27,000 m², the Kashiwara Plant had as many as 140 employees, but as other plants were built, the plant transitioned from a production base to a distribution center. As part of manufacturing base reallocation plan "Plan 14," completed in 2014, the Kashiwara Plant was renamed the Osaka Plant, and then subsequently the Osaka Office, which is the current name. This office has been functioning as a chemicals production base, with reliable and comprehensive systems in place for safety and the environment. As per the reallocation plan, we have recently removed old equipment at the Osaka Office. This has dramatically decreased the amount of hazardous materials handled, and provided further assurance of its safe and eco-friendly operations. We will continue to develop and operate the Osaka Office as a hybrid office functioning both as a distribution center for West Japan, and as an information-intensive laboratory.



Cleanup and weeding activities are conducted around office sites.



Fire hydrants have been installed that can be used for fires not only for offices but also the nearby area.



Osaka Office (including Osaka Laboratory/Advanced Technology Research Institute)

- Location: 18-8 Katayama-cho, Kashiwara-shi, Osaka
- Established: July 1961
- Employees: 53 (as of November 30, 2021)

Sakata Plant Production that also values precious natural capital

The OOC Group started operations at the Sakata Plant in July 2000 as its third plant. Overlooking Mount Chokai, which is also called the Dewa Fuji, and located in the Shonai Plain fed by the Mogami River, the industrial park is situated on stable ground with little risk of natural disasters, and aims to be a forest plant that coexists with the local community. As a chemical manufacturer, we implement safety-first production initiatives while being conscious of reducing our environmental impact and saving energy. Furthermore, we are committed to living in harmony with the local community and participate in various social contribution initiatives to deepen our interaction with the community.



Participated in the "Adopt Program" supported by the Beverage Industry Environment Beautification Association and conducted cleanup and beautification activities around the plant (September 13, 2021). We also participate in the Shonai My Road support project every year for planting trees. In April, beautiful daffodils bloomed on the road next to the plant.



Participated in the "Beautiful Yamagata Sea Cleanup Campaign" organized by the Yamagata Prefecture Environmental Conservation Council, and conducted beach cleanup and training on microplastics in the sea at Ohama Beach in Sakata city (October 30, 2021)



We participate in the annual beach cleanup in the Hattori Koya area of the town of Yuza. We started early in the morning and collected a truckload of trash. (July 4, 2021)



Donated 4,000 non-woven masks to the town of Yuza (November 25, 2021). These masks are effectively utilized in hospitals and various facilities.

Sakata Plant

- Location: 157-23, Shigerimatsu, Fujisaki, Yuza-machi, Akumi-gun, Yamagata
- Established: July 2000
- Employees: 40 (as of November 30, 2021)
- Main products: Patterning materials for liquid crystal displays, cosmetics materials, coating resin raw materials, etc.

Head Office Plant of Shinko Organic Chemical Industry

Small steps towards becoming a safe and state-of-the-art chemicals manufacturing plant

The Shinko Organic Chemical Industry Head Office Plant began operating in 1969, as an acetic ester production company. It is distinctive for being conveniently located in a coastal industrial zone, which is useful for sea freight, and also for manufacturing cutting-edge chemicals used in semiconductors and other applications. Having experienced the Great Hanshin-Awaji Earthquake in 1995, we have been developing and implementing disaster-preparedness measures at this plant. As there has been increasing wind- and water-related damage caused by large and powerful typhoons in recent years, the employees here are very aware of the disaster risks that come with a plant located along the coastline. So all employees are earnestly taking part in disaster-preparedness activities, both within and outside the plant. We will continue to ensure the steady supply of chemicals, and safe operations as a plant handling hazardous materials.



We conduct joint firefighting drills in cooperation with nearby offices and give lectures at local disaster prevention council meetings on the case studies of storm surge flooding that our company has experienced.



Disaster relief vending machines have been installed under a disaster relief agreement with a bottling company.



Shinko Organic Chemical Industry Ltd.

- Location: 18-26 Sumiyoshihama-machi, Higashinada-ku, Kobe-shi, Hyogo
- Established: April 1969
- Employees: 44 (as of November 30, 2021)
- Main products: Solvents for electronics materials, cosmetics materials, solvents for coatings/adhesives, etc.

Stakeholder Engagement

Basic Approach

Through constructive dialogue with our stakeholders, the OOC Group will work together to create a sustainable society where the children of the future can live happily.

Stakeholder Engagement Initiatives

Stakeholders	Main methods and opportunities for dialogue	Main dialogue contact
Clients	<ul style="list-style-type: none">● Daily sales initiatives● R&D/quality meetings: 4 to 5/month● Quality audit: About 1/month	Business Operation Division Quality Assurance Office
Trading partners	<ul style="list-style-type: none">● Daily procurement initiatives● Supplier audit: About 1/month● Technical and quality meetings: 1 to 2/month● Safety seminar (for logistics companies) Kanazawa Plant, Sakata Plant, Osaka Office: 1/year each	Purchasing Department Engineering Department Quality Assurance Office Logistics Department (Transportation)
Shareholders and investors	<ul style="list-style-type: none">● General meeting of shareholders● Briefings for individual investors in Osaka: 1/year● Briefings for institutional investors in Tokyo: 2/year● ONE-on-ONE meetings: 30 to 50/quarter● Business Report/Annual Securities Report	IR & PR Group Corporate Planning Division
Employees	<ul style="list-style-type: none">● Employee engagement surveys: 1/year● Interviews with supervisors: 6/year● Interviews with employees who have been with the company for three years or less: 1/year● Internal newsletter: 3/year (2021)	General Affairs Department Corporate Planning Division
Local communities	<ul style="list-style-type: none">● Participation in community groups and events: 2 to 3/month● Joint research with universities: 3 topics● Dialogue with students: 4/year	Production plants & offices R&D Division Business Operation Division and Corporate Planning Division

Lecture at a University: Some Things Can be Gained from Failure (Hokkaido University)

At the request of the university, we have been teaching (credit: 1) as a visiting associate professor at the Graduate School of Hokkaido University since 2018. We teach the classes “Fundamentals of Polymer Chemistry Using Electron Theory” and “Acrylic Materials Around Us Based on Published Patents.” Also, in order to encourage researchers to be resilient, we ask them to research inventions born from failures and submit a report on the necessary qualities for researchers. In their reports, the students gave various examples, including microwave ovens, penicillin, Viagra, minoxidil, conductive polymers, and mass spectrometry of proteins, and also wrote about the importance of observing carefully, thinking about why things go wrong, and being curious in their daily research. In addition, during the waiting time after lectures, we offer individual research consultations to students.

Lecture at a University: Thinking about Sustainable Society (Doshisha University)

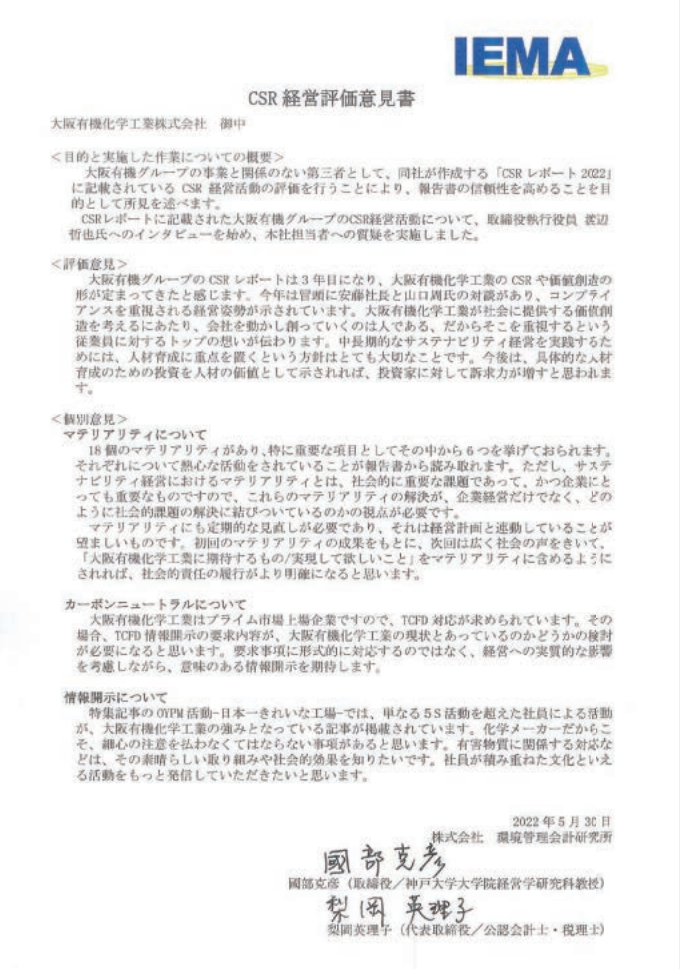
The topic of the lecture was “Thinking about a Sustainable Society through CSR Reports.” We introduced our concept of “sustainability” using our company’s CSR Report as a case study, and discussed the difficulties and challenges involved in getting the report published. In the group discussion, participants discussed the topic of “Future Vision and Expected Role of Chemical Companies in a Decarbonized Society” and made group presentations at the end of the session. They were also asked to write a report on the topic, “What Kind of Future Do You Foresee in 2050, and How Will You Contribute to Building That Future?” for submission later.



The participating students reported on their expectations for chemical companies to contribute to carbon neutrality and what they can contribute to society themselves, providing an opportunity to raise their awareness as members of a society that aims for sustainability.

Third-party Opinions

In preparing this fiscal year’s CSR Report, the OOC Group requested the Institute for Environmental Management Accounting (IEMA) to evaluate its CSR management activities, and we subsequently received an independent opinion from the IEMA. Katsuhiko Kokubu, professor at the Kobe University Graduate School of Business Administration, and Eriko Nashioka, a certified public accountant, interviewed Director Tetsuya Watanabe, General Manager of Corporate Planning Division of OOC, about the OOC Group’s CSR activities listed in this report. Also, a Q&A session was held with the employees in charge of CSR at the OOC Group. At that time, we explained the positioning of this year’s CSR Report based on the future schedule with an eye to the integrated report, summarized last year’s CSR activities and explained the self-evaluation. Then, there was a lively question-and-answer session on internal management and future issues regarding the value creation model, carbon neutrality, disclosure in compliance with TCFD, materiality, and KPIs. Using information obtained in the interview and Q&A session, we received a written independent opinion from the IEMA, containing a general evaluation of our CSR activities and relevant advice.



In Response to the Independent Opinion

This is our third year of publishing the CSR Report, and we believe that we have gradually been able to communicate the OOC Group’s top management’s approach to compliance and the desire to value the individuality of each employee, as stated in our Management Philosophy. Going forward, we intend to demonstrate in concrete terms our investment in human resources, including education, in order to increase our appeal to investors. For materiality judgments, we have been actively working toward solutions. However, we did not mention the relevance of social issues or conduct periodic reviews in response to changes in the social environment. In this year’s report, we want to explicitly include society’s expectations of OOC in our materiality so that we can more clearly demonstrate our fulfillment of social responsibility even more than before. We are also well aware of the need for meaningful information disclosure in compliance with the TCFD, rather than a formalistic response. Since we are actively working to achieve carbon neutrality, we will disclose our efforts in a manner that will help everyone understand our approach, along with our stance on climate change. Our OYPM initiatives, with a goal of us becoming the cleanest plant in Japan, have already taken root in our corporate culture over the 29 years since the start of the initiatives. This corporate culture is one of the strengths behind our current strong performance and has contributed greatly to earning the trust of our customers. We would like to actively communicate these unique strengths and link them to expectations for our company going forward.



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We lead the world with specialty acrylates

Osaka Organic Chemical Industry Ltd.

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