

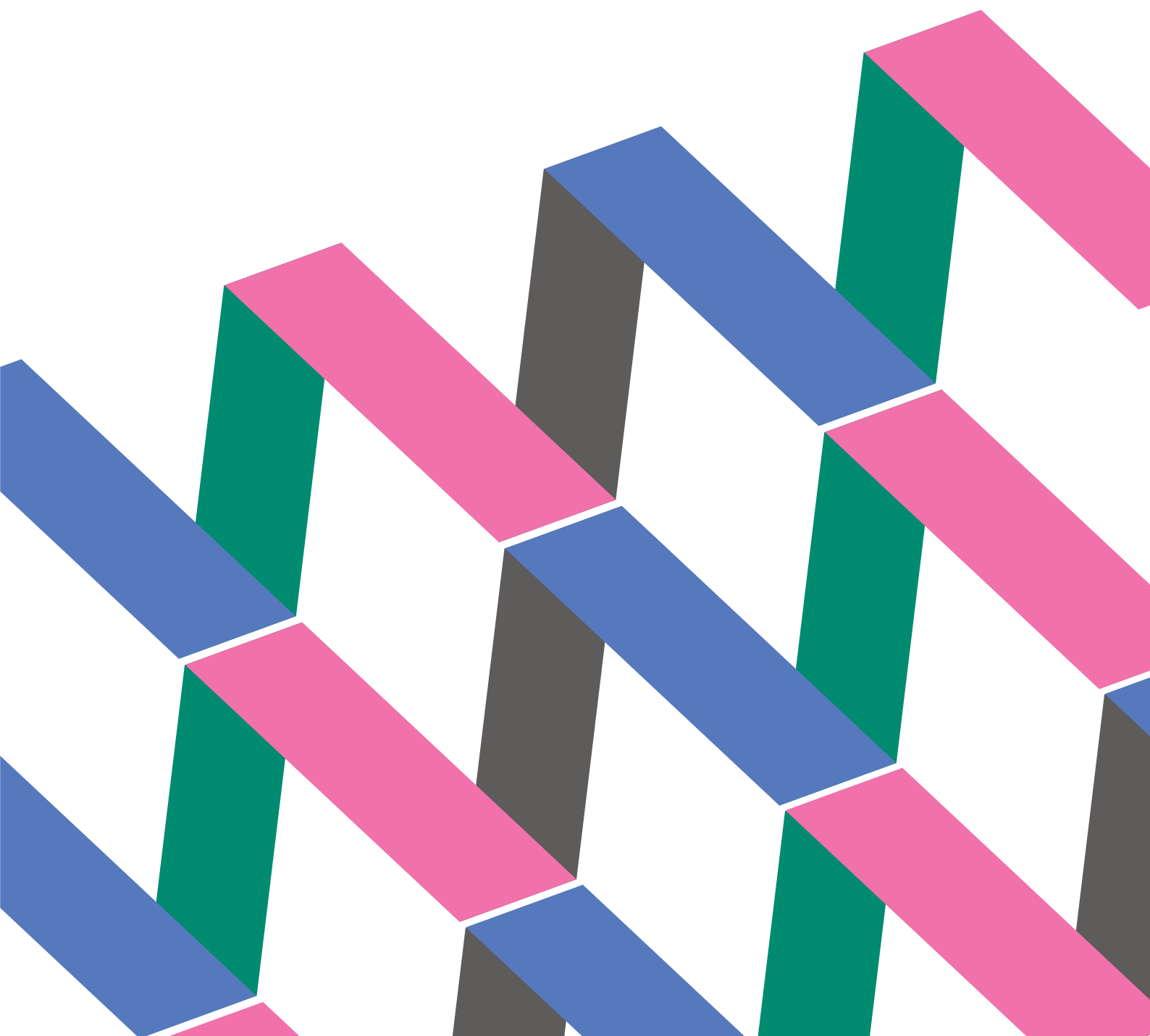


Dainichiseika

Dainichiseika

Color & Chemicals Mfg. Co., Ltd.

CORPORATE PROFILE



A Chemical Manufacturer That Offers Color and Brings Ideas to Life



Koji Takahashi

President & Representative Director

Dainichiseika Color & Chemicals Mfg. Co., Ltd. was founded in 1931 as a pigment manufacturer and we have been quick to take notice of global technological innovations ever since. Based on our unique technologies, we have produced printing inks, colorants for plastics and resins throughout the 80-some years of our corporate history.

Color is an indispensable element in human lives. Henceforth, we will enhance and fuse core synthesis, dispersion and processing technologies focusing on pigments and resins and provide attractive colors to various materials. In addition, we will launch new innovative initiatives as well as create and propose new values not only for electronic equipment such as displays but also for 5G (fifth-generation mobile communications standards) and in an ever-evolving IT society with autonomous vehicles at the forefront.

One of our corporate philosophy is “Have an interest in the future”. The future is making improvements to what has been handed down from our predecessors and connecting it to the next generation and even to our children or the generation thereafter. In order to make the connection to the future amid current changes in the demand structure, we must not forget “monozukuri”, i.e. manufacturing with consideration to SDGs, which leads to solution of different problems in society. We will once again revisit the starting point of SDGs, reflect on the ideals of business and implement new ideas as we engage in business activities next year which is our 90th anniversary and further into the future for our 100th anniversary.

— Dec.2020

Corporate Philosophy

- Have an interest in people
- Have an interest in something new
- Have an interest in the future

Precept

Man is interesting,
then customers as well as companies are constituted of such men.
All the economic principles and the management theories are based upon human behavior pattern.
Have an interest in people.

New things always excite us to expectation.
Customers, marketplaces are dug up with technical innovation & product development, which makes people active.
Have an interest in something new.

It is pleasant to imagine the future.
The future is in favor of children.
Thinking of the future, we know companies as well as people shall not live all alone.
Without customers’ growth, albeit some profit is brought to us, it would never last long.
In consequence, neither we nor companies can keep alive unless admitted into the society.
Have an interest in the future.

Meanwhile, we have kept a business creed “Full Achievement” established in 1968. Being proud of this traditional creed, we shall abide by it along with the corporate philosophy set forth.

Our business creed, “Full Achievement”

Under our business creed “Full Achievement”
each of us shall set to work with modest pride as a member of
Dainichiseika group taking on the responsibility for Color-Age^{*1}.

- Work always to be achieved with aiming at the end.
- Pursue the opportunities of expanding our products to the world with good knowledge of products.
- Enhance the trust of our company through business or products.
- Have an opportunity to always cultivate ourselves, and to deepen reflection as a member of society.
- Make Dainichiseika group the most valuable company by performing services for the society through business.

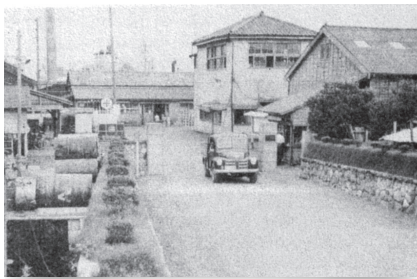
^{*1} Color-Age : A word coined by the founder of Dainichiseika, which implies a prosperous times led by color technology.

We Listen to Customers' Voice and Propose Solutions through the Production of Valuable Products

Founder Yoshihiro Takahashi thought “we all wish our lives to be surrounded with our favorite colors.”
To realize customers’ desire to add colors to their lives without limitation, we have promoted research and development.

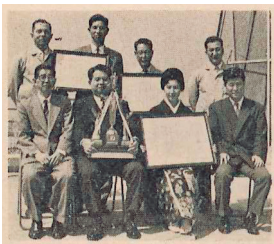
Established Aiming for Domestic Production of Pigments

Before World War II, out of concern that pigments largely relied on import, Yoshihiro Takahashi founded Saika Ganryo L.P. in 1931 with the aim of realizing the domestic production of pigments. The founder started up research and development of pigments with the recognition that pigments need to be easier to use in order them to be disseminated.
In 1944, acquiring two other companies in the same industry, the company name changed to Dainichiseika Color & Chemicals Mfg. Co., Ltd., which became the basis of the company today.



Permeated in the Domestic Markets with Improved Technological Development and Production Structures

After World War II, we restarted operation with three pillars of its postwar plan: Research and development on “synthetic resin colorant,” “pigmented printing agent” and “mass colorant for chemical-based fibers and synthetic fibers.”
Although other companies in the same industry were proactively introducing overseas technologies, we were persistent on domestic production and proprietary development of pigments. By 1953, we have already set up the three R&D pillars, and in 1968 Iwata Production Plant (currently Tokai Production Plant) was constructed, which was the start of our full scale presence in the domestic markets.



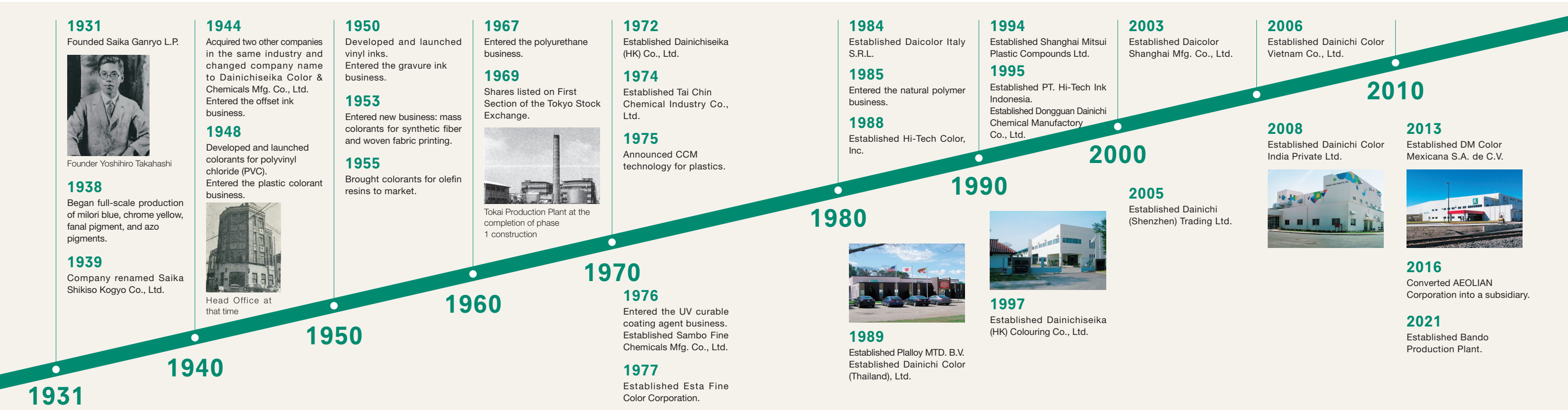
Using Our Domestic Production Technology to Expand into Overseas Markets

Amid increased overseas launching of Japanese corporations in the 1980's and 1990's, we expanded its business area to meet customers' needs.
Currently we have 19 sales and production bases in 13 countries and regions, building a business structure that can respond to development needs of customers worldwide.



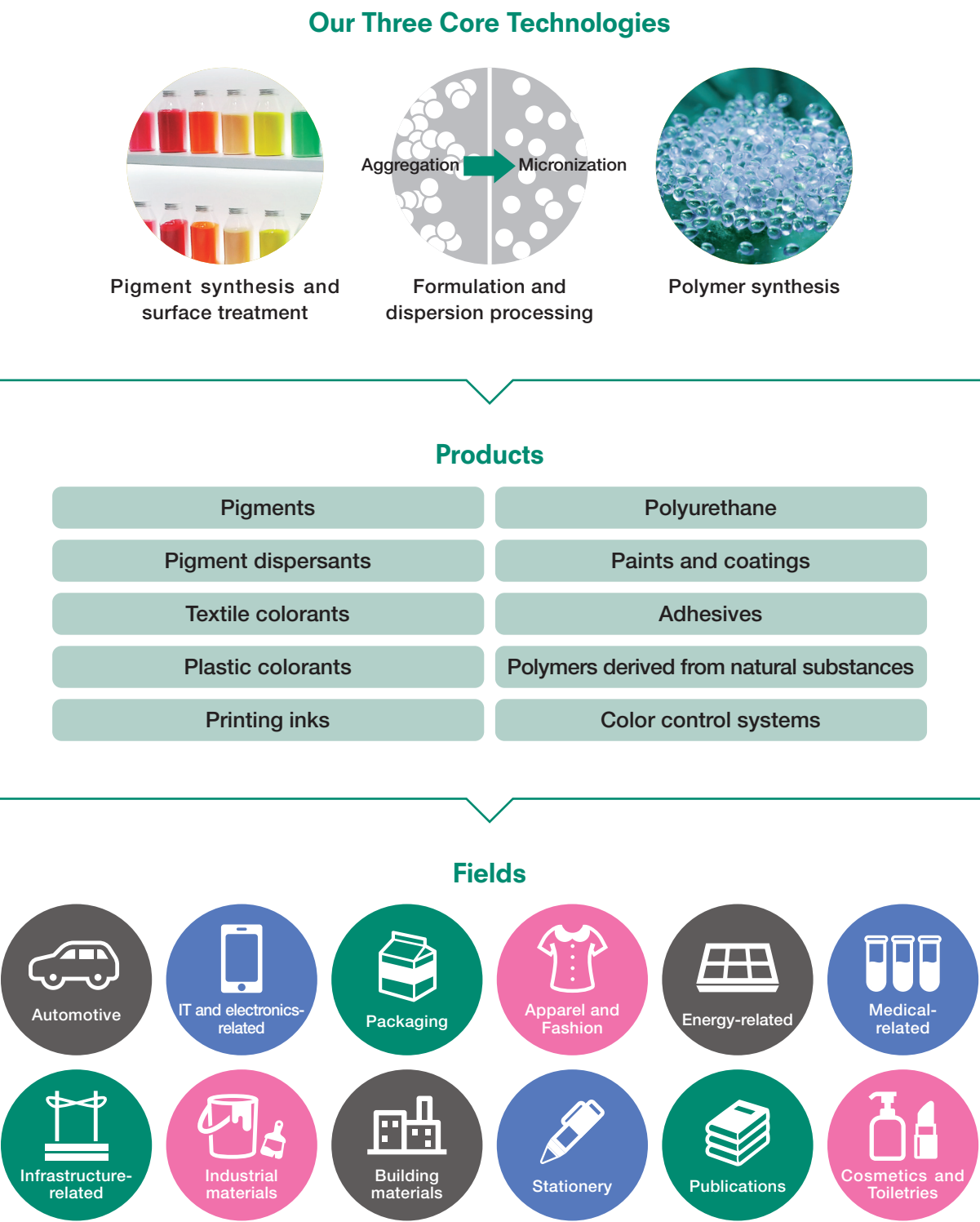
Pursuing Improvement of Functionality in Response to Customers' Requests

The demands from our customer today range from the development of colors that meet customers' requests to new technology for environment-friendly products and improvement of user convenience.
We have established our R&D and production structures in response to customers' diverse needs, and strive for further growth as a chemical product manufacturer.



Our Technologies

We provide new value through our various accumulated technologies, which integrates our three core technologies depicted in the diagram for product development.



Here we introduce our business divisions which are making active contributions in various fields

Dainichiseika Color & Chemicals Mfg. Co., Ltd., commenced its operation in 1931. In addition to the production of pigments, we began to deliver printing inks to markets and gradually expanded business domains to colorants for polyvinyl chloride and for chemical-based fibers and synthetic fibers. Today, we are contributing to various fields including automobile, building materials and household appliances.

Serving industries with pigments

Pigments Division



We develop, produce, and sell inorganic, organic^{*1}, and prepared pigments for applications including paints, printing inks and information display and recording materials^{*2}. As one of the world's few comprehensive pigment manufacturers, we make environment-friendly products that comply with national and international regulations on chemical substances.

Advantages

In addition to our inorganic and organic pigment synthesis technology, we possess a variety of technologies such as micronization and fine-particle control^{*3} as well as surface treatment. We conduct product development and establish sales structures according to customer needs.

Providing an extensive range of useful colorants

Specialty Colors Division



We develop, produce, and sell colorants for an array of industries through the application of dispersion and processing technology pioneered with the appearance of synthetic fibers. Primarily we supply the market with products like mass colorants for synthetic fibers^{*4}, pigmented printing agents and colorants for paper and construction materials. We have also expanded into the information display and recording materials^{*2} field.

Advantages

By utilizing fine dispersion technology^{*5} that disperses pigments at the Nano-level, as well as combining and mixing technologies that we have developed over many years, we create products with a variety of features, colors and properties. We conduct product development and establish production and sales structures that answer our customers' needs, and so have acquired a high market share in a wide range of fields.

Providing colorants for thermoplastic resins

Plastic Colors No.1 Division



We develop, produce and sell colorants and functional materials used in a variety of resins, from general-purpose to engineering plastic, and have gained a strong reputation as an independent resin compound^{*6} manufacturer. We supply finished products such as powdered and granulated FPs, and our advanced formulation technology and design capabilities make possible the creation of various colorants and special niche compounds, helping us meet our customers' needs.

Advantages

We have nine sales branches and five manufacturing sites in Japan, and nine sites and offices in six countries outside Japan. We offer value-added products in response to various needs through our integrated sales, manufacturing, technology and staff departments.

Providing colorants for PVC, fluororesin and various other resins

Plastic Colors No.2 Division



We develop, manufacture and sell colorants and functional materials for polyvinyl chloride (PVC), high-performance fluororesin, and thermoplastic and thermosetting resins. We also use dispersion and processing technology, which enables various plastic compounding methods that present a high degree of difficulty. Through them, we aim to contribute to customers' efforts to realize highly functional, high-value-added products.

Advantages

With production equipment that handles a range of resins from pastes to powders and excellent dispersion and processing technology, we utilize our accumulated know-how to meet demand for plastic coloring across various industries.

Providing the coating materials found throughout daily life for industries

Coating Materials Division



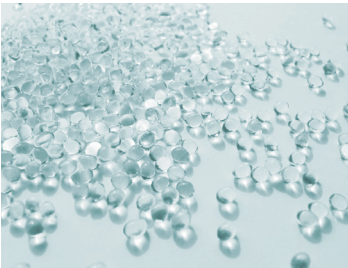
We develop, produce, and sell UV and EB curable coating materials^{*7}, as well as decorative and functional coating materials. We also provide functional products for the electronics and information materials, automotive and interior construction materials fields.

Advantages

We provide solutions with our accumulated mixing technology and dispersion and processing technology. We specialize in developing customized products of UV and EB curable coating materials, and decorative and functional coating materials.

Providing polyurethane and functional resins for industries

Advanced Polymers Division



We develop, produce, and sell polyurethane and colorants, which are widely used in synthetic leather and molded products, coating agents, which impart special properties, and adhesives as well as imide-based resins, one of the most commonly used types of heat-resistant resins.

Through resin synthesis technologies using condensation, addition, and co-polymerization technologies^{*8}, combined with dispersion and processing technology, we produce various functional materials, meeting the needs of customers across a wide range of business from industries and in daily life.

Advantages

- ① We have a strong record in developing original products through our synthesizing, dispersion and mixing technologies.
- ② With production bases in Taiwan, China and the United States, we respond to our customers’ global strategies.
- ③ We have achieved high levels of customer satisfaction by integrating sales, production and technology.

Providing chitosan and its derivatives

Chemical BIO Materials Department



Chitosan^{*9}, made from crab shells, is biocompatible, and so known for being safe, as well as for its antibacterial and moisturizing properties. As such it is used in a wide range of applications. This polymers derived from a natural substance, whose molecular weight is controlled at a high level, is renowned throughout the industry.

We extract the active ingredients from a diversity of marine life and natural products, facilitating commercialization.

Advantages

We have developed a system for integrated production of chitosan starting with the exoskeletons of crabs, which results in a high-quality product. We provide customized products to suit customer needs, and we develop chitin and chitosan derivatives^{*10} as well.

Providing printing inks for paper media

Offset Inks Division



We develop, produce and sell functional inks based on offset printing inks, used in paper media such as flyers, books, and packaging materials.

We offer seamless solutions for not only printing inks, but also for peripheral equipment and printing materials spanning the pre- and post-print processes.

Advantages

- ① Our inks for web offset printing and sheet-fed printing provide a wide range of colors beyond the basic cyan, magenta, yellow, and black (CMYK).
- ② The superior sheen of our metallic inks and our designed OP varnishes will improve the presentation of printed materials and add value.

Providing inks and peripheral products for gravure printing

Gravure Inks Division



We develop, produce, and sell gravure inks that allow printing on a variety of mediums, leading to business opportunities and new market creation.

We also deal in coating agents and flexographic printing inks.

We have been developing biomass-derived inks and water-based flexographic printing inks for films that conform to the latest market trend, while conforming to voluntary regulations concerning printing inks for food package.

Advantages

Leveraging the network and knowledge developed in collaboration with a wide range of industries, we offer integrated solutions with specialized inks, coating agents and adhesives, for products ranging from food packaging to building materials.

Glossary

*1 Inorganic, organic

The pigments that give rise to color include inorganic pigments consisting of inorganic substances such as metals and organic pigments consist of organic substances. Dispersion and processing technology is essential as both inorganic and organic pigments are insoluble in water and oil, or are else quite hard to dissolve.

*2 Information display and recording materials

Materials used for LCD color filters, MFP (Multifunctional Printer) toners, inkjet printer inks, etc.

*3 Micronization and fine-particle control

Technology that controls the size and shape of pigment particles to make them best suited for various application

*4 Mass colorants for synthetic fibers

Mass-coloring agents apply color to resins prior to spinning, after which pigmented printing agents are used when making prints on the resulting cloth.

*5 Utilizing fine dispersion technology

A single thread of fiber is extremely fine, and even finer uniformity is required for the application of pigments for mass-coloring agents. Fine dispersion technology is a development of that technology to control the size of the pigments.

*6 Resin compound

Molding materials kneaded with various additives/fillers such as pigments and reinforcing materials into plastic resins

*7 UV and EB curable coating materials

Refers to inks and coating materials that instantly change from liquids to solids as a result of chemical reactions prompted by ultraviolet rays and electron beams.

*8 Condensation, addition, and co-polymerization technologies

These refer to different basic reactions for producing polymers. Co-polymerization allows for the polymerization of two or more types of monomers simultaneously, allowing for alteration of the properties that are different from single-component polymers.

*9 Chitin and chitosan

Naturally-occurring chitin, found in the shells of crustaceans such as crabs and shrimp as well as other arthropods, is a polysaccharide with a chemical structure similar to cellulose. Chitosan is produced from chitin by alkaline hydrolysis.

*10 Chitosan derivatives

Chemically modified chitosan, which has new functions

Aspiring to new business growth and a sustainable society, we have identified 10 areas to focus on in line with the will of our predecessors. Our whole group strives through our “Basic CSR Policy” to ameliorate these issues under our management’s guidance.

Basic CSR Policy

The principles in this CSR policy are applied to Dainichiseika and the entire Daicolor Group.

Human rights	We respect basic human rights and do not support the violation of human rights.
Labor	We respect the diversity, personality and individuality of our employees. We make sure opportunities for employment and secure a safe and comfortable work circumstances. We do not engage in forced labors or children's labors.
Environment	As an essential topic, we treat the coexistence of natural environment and company. We strive to prevent pollution, effectively use limited resources, preserve and restore the natural environment.
Integrity/Compliance	We compete fairly, openly and freely and act in accordance with fair business, and do not engage in any unethical (unlawful) act whatsoever. We also comply with the laws and regulations (and other items agreed upon), nationally and internationally.
Consumers	We continue to deliver and provide our products and our services that are safe, friendly to environment and beneficial to the society.
Community	Always bearing in mind that we are members of society, we participate in community activities firmly and strive to maintain orderliness and safety of the civil society. We also ensure the appropriate disclosure of information on our corporate activities in public.
Protection of information	We ensure the protection of corporate information assets and personal information, which are our treasures.
Risk control	We evaluate the results of our businesses regularly so that new risks can be detected at an early stage and strive to eliminate such risks.
Management resources	We strive to appropriately distribute management resources, the source of our corporate activities, and to generate profits.
Education	To achieve the herein stated, we continue to provide education to all members of the board and all our employees in our effort in order to elevate the CSR implementation structure.

Environmental Initiatives

In accordance with our Basic CSR Policy, we will work to achieve the sustainable development of society and the global environmental development through its businesses. At the same time, we will implement ongoing initiatives aimed at improving environmental performance associated with our business activities in compliance with ISO 14001:2015.

Environmental Policy

- 1 Managers and employees of Dainichiseika Group will raise their own environmental awareness through training, set voluntary personal goals associated with environmental activities, and work continuously to contribute to environmental improvements.
- 2 The Group will endeavor to develop products that are environmentally friendly throughout their life cycles.
- 3 The Group will strive to reduce the environmental impact of its business activities and prevent pollution.
- 4 The Group will comply with laws, regulations, agreements, and other obligations.
- 5 The Group will aim to establish a harmonious relationship with society while engaging in natural conservation and other social contribution activities.

Health and Safety
Our Approach to Company-wide Health and Safety Initiatives

As ensuring our employees' health and safety in the promotion of business activities is of the utmost importance, our Group works constantly for safety in the workplace and the health of all our members. Accordingly, under our Corporate Health and Safety Committee and in compliance with the Industrial Safety and Health Act and other laws, labor agreements and work regulations, we strive to ensure the health and safety of our employees and others.

Vorios Measures

- 1 To eliminate work-related injuries, all of our facilities conduct risk assessments. Through continuous improvement we are working towards an accident-free enterprise.
- 2 In order to promote mental health initiatives, we implemented a self-check system in fiscal 2014. We are working to improve our system with all facilities offering workshops, such as line care training and self-care training.
- 3 We establish handling standards for advanced materials such as nano-materials with workplace health and safety in mind under the guidance of the Ministry of Health, Labour, and Welfare.
- 4 Each facility develops an annual action plan, conducting activities aimed at workplace safety and individual health.
- 5 Concerning the management of health and safety, we work to carry on an exchange between our facilities. This approach increases mutual awareness, protecting the health and safety of our employees, with the intent of eradicating workplace injuries.
- 6 We hold internal and external educational and training opportunities, such as risk prediction training workshops, in an effort to improve our staff's safety awareness.

Dainichiseika Group (the “Group”) engages in its corporate activities in accordance with the Basic CSR Policy and aspires to be a company that continues to be trusted by its stakeholders.

Furthermore, in order to apply its CSR initiatives to the entire supply chain, the Group selects its business partners and procurement items based on fair and just assessments through the addition of CSR initiatives such as human rights, the labor environment, environmental conservation, and compliance to the criteria for the selection of its business partners, in addition to conventional items such as quality, safety, performance, price, and stable supply. In the selection of its business partners and procurement items and the continuation of transactions, the Group has set forth the items, which the Group hopes will also be undertaken by its business partners, and has established the “CSR Procurement Guidelines,” as follows.

1. Respect basic human rights; eliminate discrimination, forced labor, and child labor; and make efforts to improve the labor environment.

- 1) **Respect for human rights**
Respect the human rights of each person involved in the company’s business activities; prohibit any form of harassment; and never become involved in the infringement of hu man rights.
- 2) **Prohibition of discrimination**
In the employment, promotion, remuneration, etc. of employees, never engage in unfair discrimination based on nationality, human rights, beliefs, gender, the color of their skin, religion, ethnicity, academic background, whether they have a disability, whether they are expecting, marital status, or sexual orientation.
- 3) **Prohibition of forced labor and child labor**
Never force labor through threats, restraints, or other means. Furthermore, never use child labor at any stage of the manufacturing process.
**“Child” used in this provision is defined as anyone under the age of 15, or the age at which compulsory education is completed, or the highest age among the legal working ages under local law.
- 4) **Ensuring a (safe and healthy) work environment**
Comply with laws on labor, safety, and health; ensure a safe, healthy, and comfortable work environment for all persons involved in the company’s business activities; and make efforts to maintain and improve such an environment.

2. Practice thorough compliance including compliance with laws and the prevention of corruption.

- 1) **Fair transactions**
Engage in fair, transparent, and free competition as well a s fair transactions and never engage in fraudulent activity.
- 2) **Preventing corruption**
Prohibit and prevent bribery, corruption, embezzlement, the offering, receiving, and extortion of improper advantage, among others.
- 3) **Compliance with laws**
Comply with the laws (and other agreements) of each country and region as well as international ordinances and social norms.

3. Prevent pollution; effectively utilize limited resources; and make efforts to preserve and recover the natural environment, under the essential task of coexistence of the natural environment and companies.

- 1) **Mitigate the environmental burden**
Be aware that initiatives to resolve environmental problems are prerequisites for the social existence of a company and its corporate activities; and make efforts to prevent the pollution of the air and water quality and the soil contamination, to effectively utilize limited resources, and to preserve and recover the natural environment. Furthermore, make efforts to mitigate the environmental burden throughout the entire lifecycle of a product, i.e., from the procurement of materials, the manufacturing, the distribution, the use, the recycling, and the disposal of the product.
- 2) **Management of chemical substances**
Thoroughly manage chemical substances and ensure the health and safety of persons who handle such substances and consumers. Be aware of the substances prohibited by the Group and practice thorough management to prevent the contamination of the delivered products by the prohibited substances.

4. Conduct proper quality management and make efforts to establish a quality assurance system.

- 1) Conduct proper quality management of procurement items and make efforts to establish a quality assurance system.
- 2) Regard price, delivery, stable supply, and safety also as elements of quality, and make efforts to assure as well as to maintain and improve the quality of procurement items.

5. Offer accurate and adequate corporate information in a timely and appropriate manner and proactively engage in information disclosures.

- 1) **Information disclosures**
Offer accurate and adequate corporate information in a simple, timely, and appropriate manner, and proactively engage in the disclosure of information on corporate activities.
Furthermore, regarding matters that impact or may impact safety, the environment or quality, proactively offer information, even if it is not mandated by law.

6. Appropriately manage and protect information as corporate assets and privacy information.

- 1) **Protection of information**
Appropriately manage and protect information as corporate assets and privacy information, and never illegally or unreasonably use or leak such information. Additionally, take measures against threats to computer networks.

7. Make efforts to eliminate risks by conducting periodic business assessments to ensure the early detection of new risks.

- 1) **Risk management**
Conduct periodic business assessments and make efforts to ensure the early detection of new risks and eliminate such risks.
- 2) **Formulation of a BCP (Business Continuity Plan)**
Prepare a system that will allow the resumption of the supply of raw materials in the shortest possible time in the event of a disaster.

8. Engage in the responsible procurement of minerals.

- 1) Never use conflict minerals that cause the infringement of on human rights, environmental destruction, and other conflicts and become the source of funding for armed groups.
- 2) Make efforts to procure minerals from conflict-free smelters selected by organizations such as the RMI (Responsible Minerals Initiative).
- 3) If, in the unlikely event that the use of conflict-minerals funding financing armed groups comes to light, make prompt efforts to remedy such a situation.

You are requested to apply the initiatives outlined in 1 through 8 to further upstream suppliers.

Quality Assurance

Our Approach to Quality Assurance

At all stages from product design through to manufacturing, inspection, and delivery to customers, in compliance with all statutory and regulatory requirements, Dainichiseika Group always puts the highest priority on providing our customers with high quality products and services, while recognizing the maintenance and enhancement of their reliability and safety as social needs.

Quality Policy

To provide the products and services satisfying our customers demand, Dainichiseika has established a quality policy, the fulfillment of which will build its trust and contribute to society.

- 1 We provide the products and services satisfying our customers demand.
- 2 We comply with all statutory and regulatory requirements.
- 3 Our managers and all employees aim to improve product quality.
- 4 We continue to promote the activity that improves product quality.

Company Profile

Company name	Dainichiseika Color & Chemicals Mfg. Co., Ltd
Head Office	1-7-6 Nihonbashi Bakuro-cho, Chuo-ku, Tokyo 103-8383 JAPAN
Founded	October 16, 1931
Established	December 20, 1939
Capital	10,039 million yen (Listed on the first section of the Tokyo Stock Exchange)
Number of employees	Dainichiseika 1,483 Including subsidiaries 3,809 (As of March 31, 2021)

Dainichiseika

Search

Content of Business	Manufacturing and sales of:
	- inorganic, organic, and processed pigments
	- colorants for plastics and textiles
	- printing inks, coating agents, and related equipment
	- synthetic leather materials and other polyurethane
	- polymers derived from natural substances
	- functional materials and CCM systems

This report contains information as of March 31, 2021.

Group Network

Japan

Dainichiseika Color & Chemicals Mfg. Co., Ltd.

Sales Bases

East Japan Head Branch
Central Japan Head Branch
West Japan Head Branch

Production and Technical Service Bases

Hokkaido Branch
Bando Production Plant
Kazo Production Plant (Dainichi Color Composite Co., Ltd.)
Kawaguchi Production Plant
Tokyo Production Plant
Akabane Production Plant (UKIMA Chemicals & Color Mfg.Co.,Ltd.)
Sakura Production Plant (Sakura Production Plant, UKIMA Chemicals & Color Mfg. Co., Ltd.)
Narita Production Plant (Hi-Tech Chem Co., Ltd.)
Tokai Production Plant
Togo Production Plant (Togo Production Plant, Dainichi Color Composite Co., Ltd.)
Shiga Production Plant
Katano Production Plant (Katano Production Plant, Dainichi Color Composite Co., Ltd.)
Osaka Production Plant
Kyushu Branch
Kumamoto Production Plant

Overseas

Asia

Dainichiseika (HK) Ltd.
Dainichiseika (HK) Colouring Co., Ltd.
Dainichiseika (Shenzhen) Trading Ltd.
Dongguan Dainichi Chemical Manufactory Co., Ltd.
Daicolor Shanghai Mfg. Co.,Ltd.
Shanghai Mitsui Plastic Compounds Ltd.
Tai Chin Chemical Industry Co., Ltd.
AEOLIAN Corporation
Sambo Fine Chemicals Mfg. Co., Ltd.
PT. Hi-Tech Ink Indonesia
Dainichi Color Vietnam Co., Ltd.
Dainichi Color (Thailand) Ltd.
Dainichi Color India Private Ltd.

America

Hi-Tech Color, Inc.
DM Color Mexicana S.A. de C.V.

Europe

Daicolor Italy S.R.L.
Plalloy MTD B.V.
Dainichiseika Color & Chemicals Mfg. Co., Ltd.
Europe Representative Office