

Table of Contents

- 2 Editorial Policy and Company Profile
- 3 Message from Top Management
- 4 Materiality and Key Performance Indicators (KPIs) for Sakai Chemical
- 6 Building a Transparent and Strong Management System
- 10 Commitment to Promoting Human Rights
- 12 Making People Happy
- 18 Response to Climate Change
- 20 Protecting the Global Environment
- 26 Solving Social Issues through Manufacturing
- 29 Financial Information
- 30 Find the Sakai Chemical Group in Your Daily Life

Basic Corporate Behavior Policy

- We will contribute to a prosperous future **for our customers** by providing high-value-added, socially beneficial products and services that meet the needs of the times while giving consideration to safety.
- **For the benefit of wider society**, we will comply with all laws and regulations and adhere to their spirit, have no relationships with antisocial forces, and strive to act sensibly.
- **For shareholders and investors**, we will disclose company information in a timely and fair manner, conduct sound and honest corporate management, and strive to continuously grow our business.
- **For our business partners**, we will build good partnerships and conduct sound and fair transactions in order to achieve mutually prosperous relationships.
- **For local communities**, we will prioritize environmental preservation and safety in all aspects of our operations and aim to be a good corporate citizen that earns the trust of the community by maintaining clean corporate behavior.
- **For employees and others who work with us**, we will aim to respect each other, promote diversity, and grow together in a safe and comfortable work environment.
- **To protect the company's assets**, we will manage the intellectual property and important confidential information held by the company appropriately, in accordance with our internal rules.

Editorial Policy

This report explains to stakeholders how Sakai Chemical Industry Co., Ltd. carries out its social responsibilities in order to fulfill its management mission "Chemistry for a Friendly Future." The report focuses on the environmental, social and governance initiatives the Company implements with the aim of realizing a sustainable society.

Period Covered

Fiscal year of 2022 (from April 1, 2022 to March 31, 2023)
Some events and activities outside the abovementioned period are also included in this report.

Scope of Reporting

This report mainly concerns the activities of Sakai Chemical Industry, but also includes some activities conducted by the other Sakai Chemical Group companies. In this report, "Sakai Chemical Industry" and the "Sakai Chemical Group" are defined as follows:

- Sakai Chemical Industry (or the "Company") – Sakai Chemical Industry Co., Ltd.
 - Sakai Chemical Group (or Sakai Chemical) – Sakai Chemical Industry Co., Ltd. and its consolidated subsidiaries
- When the report mentions matters related to a particular portion of the abovementioned scope of reporting, that portion is specified.

Date of Issuance

August 2023



Management Mission: Chemistry for a Friendly Future

Creating materials that support the comfort and security of society through compassion and technological innovation

Organizational Vision: Exciting Company

We will build an exciting company together.



Company Profile (as of March 31, 2023)

Company Name: Sakai Chemical Industry Co., Ltd.
Founded: June 25, 1918
Incorporated: February 25, 1932
Head Office: 5-2 Ebisujima-cho, Sakai-ku, Sakai City, Osaka, 590-8502, Japan
Paid-in Capital: 21,838 million yen
Number of Employees: 2,013 (consolidated); 769 (non-consolidated)
Production Bases: Sakai Manufacturing Site; Onahama Manufacturing Site; Yumoto Factory; Semboku Factory; Otsurugi Factory; Matsubara Factory

Fields of Business

The history of Sakai Chemical Industry dates back to 1918, when it succeeded in developing an improved method of manufacturing zinc oxide. Since then, in accordance with changes in people's lives and values, the Company has enhanced its core technologies for inorganic powder processing, organic synthesis, and pharmaceutical manufacturing, based on barium and titanium dioxide, thereby commercializing products that can meet the needs of the times. Today, the Company supports the most advanced manufacturing of smartphones, automobiles, cosmetics, and other products.

Sakai Chemical Group Network

In Japan	
Manufacturing	Sakai Chemical Industry Co., Ltd.; Kaigen Pharma Co., Ltd.; Osaki Industry Co., Ltd.; Resino Color Industry Co., Ltd.; Kyodo Chemical Co., Ltd.; SC Organic Chemical Co., Ltd.; Nippon Color Industry Co., Ltd.; Katayama Seiyakusyo Co., Ltd.
Sales	Sakai Trading Co., Ltd.
Outside Japan	
Manufacturing	Sakai Chemical (Vietnam) Co., Ltd. Siam Stabilizers and Chemicals Co., Ltd. PT. S&S Hygiene Solution
Sales	Sakai Trading New York Inc. Sakai Australia Pty Ltd. Sakai Trading (Shanghai) Co., Ltd. Sakai Taiwan Co., Ltd. Sakai Trading (Thailand) Co., Ltd.