



Stakeholder dialogue held on November 20, 2015; Participants' names in the text are presented without honorifics; Titles are as of the time of the dialogue.

A stakeholder dialogue involving the participation of experts was held regarding the identification of material issues that should be addressed by the Nippon Soda Group.

We received many opinions from external experts regarding the CSR activities of the Nippon Soda Group.

In materiality identification for the Nippon Soda Group, representatives of the management team and others had many lively discussions regarding the association between products and services in each of the domains of agriculture, the environment and information and social issues, based on opinions we received from various stakeholders in the past. When we had identified a certain general direction to pursue, in November 2015 we invited external experts to participate in a stakeholder dialogue with the aim of ensuring the objectivity of the Nippon Soda Group ideal and material issues to be identified.

At the dialogue, our staff in charge provided participants with explanations of materiality identification and prioritization and of the materiality identification process in three specific domains (agriculture, the environment and information).

Following the explanations, external experts provided insights and comments on the association between identified material issues and social issues, and impacts that the business of the Nippon Soda Group has on social issues, as well as methods for assessing such impacts. They also reviewed the growth of the Nippon Soda Group and the outcome of the implementation of materiality analysis, and expressed their expectations. In addition, they shared their views on the potential of the Nippon Soda Group 10 years and 20 years from now.

Participants also had a lively discussion on the social significance of CSR activities to improve the corporate value (materiality identification) and CSR activities to protect the corporate value, which the Nippon Soda Group started this fiscal year.

Participants in the dialogue (with titles at the time of the dialogue)

- Experts: Keisuke Takegahara, General Manager, Environmental Initiative & Corporate Social Responsibility-Support Department, Development Bank of Japan Inc. / Takehiko Mizukami, Vice President, Japan CSV Business Development Organization Note) CSV stands for "Creating Shared Value."
- Observers: Nobukazu Nakazawa, Vice President, Environmental Initiative & Corporate Social Responsibility-Support Department, Development Bank of Japan Inc. / Haruka Horiuchi, Division 1, Corporate Finance Department, Development Bank of Japan Inc.
- Nippon Soda Co., Ltd.: Masahito Ikeda, Ph.D., Executive Officer, General Manager, Corporate Social Responsibility Department / Takashi Kishimoto, Executive Officer, Vice Manager, Research & Development Division / Kiyotaka Machii, Manager, Corporate Planning Department / Atsushi Ogihara, Group Leader, Environment and Quality Management Group, Corporate Social Responsibility Department / Toshifumi Kuwagata, Manager, Business Strategy & Administration Department, Agro Products Division / Toshiyuki Kato, General Manager, 1st Environmental Chemicals Department, Chemicals Business Division / Hayato Oono, General Manager, Functional Chemicals Business Department, Chemicals Business Division / Hidetaka Irie, Manager, Chemical Development Department, Chemicals Business Division

Contribute to society with “offensive” elements hidden in “defensive” elements

I was fully convinced that you not only consider the materiality of the company but also carefully consider impacts on society. In implementing activities within the G4 framework, it is important to communicate the story behind non-financial information to stakeholders. With regard to KPIs you are going to discuss, I would suggest that, instead of going deep into details at a product level, you aim to provide qualitative data in such a way as to avoid being misunderstood.

I think it is a good idea to categorize CSR activities into two groups: CSR activities to protect the corporate value and CSR activities to improve the corporate value. I would like to add here that there are “offensive” elements in RC activities, which focus on downside risk management, and that, if you can identify such elements, you can show your company’s contribution from various perspectives.

In the agricultural domain, I’m interested in how your company will approach key issues, such as population increase, risks relating to pests and risks relating to climate change, which are medium- and long-term issues that you cannot avoid; and what messages will be generated through the materiality identification process.



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General Manager,
Environmental Initiative &
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Expectation for the creation of businesses that solve social issues

You have changed direction from risk communication to G4, which requires more detailed communication to address social issues. I understand that you are now in the first phase, where you focus on products useful to society. I expect that the materiality assessment will



Takehiko Mizukami
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help you create businesses useful to society from a long-term perspective and share the process with stakeholders.

In the information domain, I would recommend that you describe your company’s approach to social issues in a logical manner, such as sharing your perspective on product life cycles and your contribution to the senior citizen market.

It seems that the ideal state you can aim to achieve at present and growth into the future are mixed together in your discussion. I strongly encourage you to add the potential for new business projects that will bring Nippon Soda’s strengths to bear on social issues to your discussion. Writing a story describing your long-term growth will inevitably lead you to the next activity phase.

Toward the sustainable development of society and the company

In cross-departmental discussions in the materiality identification process, we were able to itemize existing business projects and areas with potential for the future from the perspective of CSR activities to improve corporate value, which have positive impacts on society. To promote the materiality concept throughout the Nippon Soda Group, we will have regular opportunities to discuss with stakeholders the value of providing society with our company’s products and services and engaging in our corporate activities. If the Nippon Soda Group can contribute to addressing SDGs and social issues in different regions through its activities, I think we can achieve the sustainable development of society and the company.

The next step will include discussions on the

development of KPIs in order to achieve our ideal goals 10 years and 20 years from now.



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