
GROWTH DRIVERS

Advancing Our Global Momentum

High value-added and eco-friendly products and next-generation growth businesses are at the core of our innovation. KKPC is accelerating the pace of innovation in our quest to become a global leading chemical group, based on the excellence of our product quality and business operations, and supported by a corporate culture in which our people have no fear of failure, but a constant commitment to challenge and innovation.

GAME CHANGER

Our high value-added products have constantly redefined excellence in the global synthetic rubber and synthetic resin markets. Our outstanding products can enrich people's everyday lives, which in turn ensures solid growth for KKPC.



SSBR – increasing abrasion resistance and fuel efficiency

KKPC has been further strengthening our leadership position in the synthetic rubber market, backed by the success of SSBR, a high-value-added synthetic rubber which improves a tire's wear resistance and fuel efficiency. In order to overcome the limitations caused by a tire's fuel efficiency performance being in inverse proportion to braking power, we acquired a technology for manufacturing synthetic rubber denaturants and continue to release new products. In particular, we have focused on securing cutting-edge synthetic rubber technologies since 2016, as demand for SSBR has been forecast to increase considerably with the launch of a tire efficiency grading system in China. Based on these technologies, we are aiming to dominate the global SSBR market, including in China.



NB Latex – increasing eco-friendliness and durability

Used in the manufacture of medical rubber gloves, NB latex is a major new product for KKPC. The NB latex market has considerable potential for growth, which is why we undertook a 200,000 ton capacity expansion project in 2016. Fully expanded operations were launched in 2017, with an annual production capacity of 400,000 tons, which has established KKPC as a world-leading NB latex company. In addition, we have focused on developing NB latex for ultra-thin gloves and, and released KNL 834, a new product with increased tensile strength and stability, at the end of 2017.



ABS Resin – increasing distinctive competitive advantages

ABS resins are used in various industries, including electronics, automobiles and semiconductors. KKPC focuses more on automobile and compound markets, which require high-value-added products. In particular, we have been strengthening our market position based on outstanding product quality, and thus we have the largest market share for ABS powder in China. In addition, we recently launched a new product which delivers impact strength improvements of at least 10%, and also developed a new technology with the world-leading productivity through our exclusive proprietary hard core polymerization process. Moreover, continued research has been underway to develop a powder with high extrusion productivity.



TREND SETTER

Our products set trends and break records. KKPC focuses our R&BD efforts on the development of eco-friendly products which have both a smaller ecological footprint and better functionality, thereby setting standards worldwide.



Enerpor – setting new standards for insulating materials

Enerpor is an insulation material and black expandable polystyrene (EPS) for which we have an exclusive manufacturing patent. It offers all the properties and hardness of existing white EPS, while delivering insulation performance that is approximately 20% better than that of previous products. In 2016, we successfully developed the sub-1-millimeter Enerpor manufacturing technology for diameter of fine particles and this will be commercialized in the near future. Enerpor reduces CO₂ emissions by saving energy and reducing fuel consumption, and uses eco-friendly additives. In addition, it is well received as a 'well-being' insulation material, safe from bacteria and corrosion, thanks to its low absorption rate.



MSP – setting high goals to make paint additives greener

Mono-styrenated phenol (MSP) is an epoxy paint additive developed by KKPC. This product replaces Nonylphenol (NP) which was used as a paint plasticizer and hardener, but is now thought to disrupt the endocrine system. MSP has been recognized for its outstanding technology, and thus being selected as a world-class product in 2015. We are expanding the applications of MSP, and particularly focusing on developing a new product that can be used as a non-reactive diluent for heavy duty epoxy paints.



PATH FINDER

At KKPC, we keep challenging the ways in which we think and act. We stand out for being innovative, agile and flexible in our development of next-generation materials, which enables us to achieve stronger and more sustainable growth.

OLED technology – shining a light on innovation

KKPC has been establishing itself as a leader in display materials. We developed a sealant for OLEDs which protects OLED devices, and have completed customer verification and evaluation. As the full production is expected to be launched in 2018, we have set a plan to increase sales by widening sales channels. We are also on track to develop a transparent resin that can be applied to a rollable display, which has been in the spotlight recently, with a goal to commercialize it in 2018. In addition, we have verified its use for automotive rear-view mirrors and completed pilot sales, thereby expanding the scope of application.



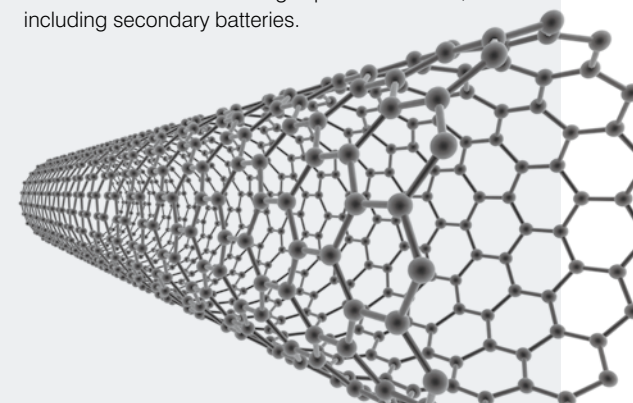
Green energy technology – lighting the way to a sustainable future

In order to respond rapidly to fast-changing markets and to ensure the sustainability of the company as well as wider society, KKPC is preparing itself for the new energy environment of the future. The focus of our energy business is on enhancing energy efficiency and making our processes more eco-friendly. With the recent steady recovery in system marginal prices for electricity, we have been researching measures that could both improve our facility output and reduce electricity consumption. In order to strengthen the competitiveness of our eco-friendly energy business, we focus on improving the operational efficiency of our wind and photovoltaic power generation businesses, and actively look into using next-generation eco-friendly fuels.



CNT technology – moving into the future at the speed of light

Carbon nanotube (CNT) is a major new development in material science, as it is not only lightweight but also delivers 100 times the tensile strength of steel and 1,000 times the electrical conductivity of copper. We successfully commercialized production of CNT in 2013, and we are currently looking for ways to generate synergy with our core businesses by expanding our related technological capabilities, in an effort to create new growth drivers. In particular, we are working on using CNT convergence technology to make synthetic rubbers and synthetic resins stronger and lighter. We are also looking for synergy through research into areas of strong expected demand, including secondary batteries.



INNOVATOR'S DNA

Innovators rely on courage to innovate – an active bias against the status quo and an unflinching willingness to take smart risks – to transform ideas into a powerful impact.

Our people are best assets, and also vital to our future growth. Individually, our employees are the best in the industry, equipped with the spirit of challenge, expertise and integrity. Together, they share the core values of KKPC, and work in unison to achieve our corporate vision. KKPC is making strides towards its vision of becoming a 'global leading chemical group', supported by core values of a passion to become the best, innovation to satisfy customers, communication and collaboration to build trust, and a sense of responsibility towards society and the company.

In order to achieve our goals, all employees of KKPC seek to internalize our core values, and perform their duties based on common sense and principles. We operate an integrated human resources (HR) management system to help our employees become global talents, including a wide array of training programs. Moreover, we make the utmost effort to create the optimal working environment for the best talent by creating a safe and clean workplace, achieving the right work-life balance, and implementing fair HR and salary systems.

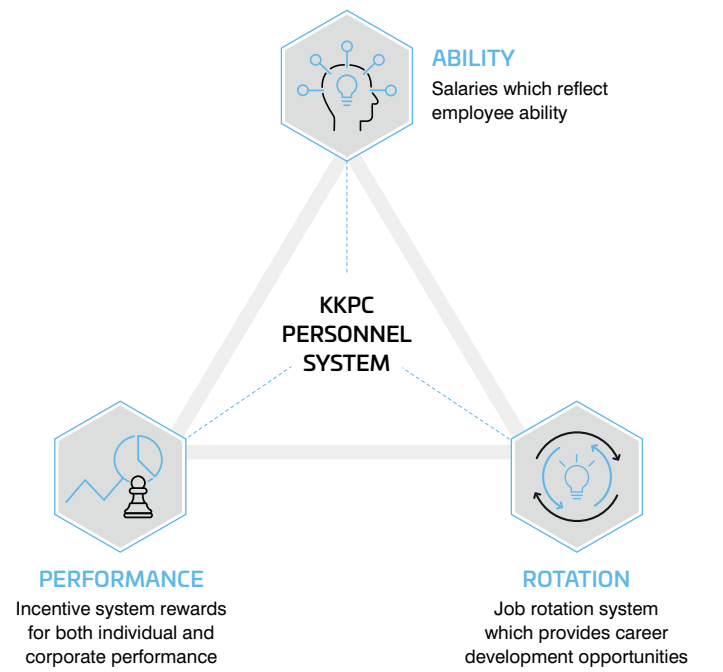


People with a shared vision – to be a global leading chemical company





Corporate culture to nurture innovators and support their innovations



MENTORING PROGRAMS – HELPING NEW EMPLOYEES ADJUST

KKPC has set a new employee mentoring system in place, which enables new employees to adapt successfully to working at KKPC. Each new employee has two mentors over their first year; the mentor for the first six months is designated by the company, and the mentor for the second six months is chosen personally by the new employee. We provide funds for mentoring activities, and host mentoring workshops to help mentors and new employees build strong bonds and to ensure that the mentoring process meets its objectives.

EDUCATION AND TRAINING PROGRAMS – FOSTERING GLOBAL LEADERS

KKPC aims to support our employees in becoming the best global talents in their respective fields. We operate the WinK Academy, an internal online training system, which helps employees with their self-development in their own time, at their own pace and with no sense of burden. Lectures are offered on a wide range of subjects, including the humanities, business manners, foreign language courses and a reading management course. Lectures on around 15 foreign languages, including English, Chinese and Japanese, are made available for free.