

# Toward the creation of new value Pursuing Our 2030 Vision



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President  
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At Fujikura Kasei, we are advancing our business toward achieving the 2030 Vision which sets forth the challenge to “provide new value through co-creation × evolution × power of chemistry.”

In fiscal 2024, the second year of our 11th mid-term management plan, we are making significant progress in our growth strategy toward creating new value, in connection with our contribution to a sustainable society.

We asked President Kato about his views on how these sustainability initiatives are shaping the future of Fujikura Kasei.

## Connecting the power of our business portfolio strategy to sustainable growth

### FY2023 performance and forecast for this term (fiscal 2024)

Fiscal 2023 was the first year of our 11th mid-term management plan and a milestone year marking the 85th anniversary of our company’s founding. We have been able to continue our business and contribute to society over many years with the understanding and cooperation of all our stakeholders. I wish to take this special occasion to extend my deepest gratitude to everyone.

In fiscal 2023, we achieved gains in both revenue and profit compared to the previous year. However, while the overseas automobile market was strong, we failed to reach our sales target due to the recovery of the domestic housing market falling short of expectations. Nevertheless, in terms of profit, we reached a level practically in line with our target. This is thanks to price revisions and cost reductions that helped improve our profitability and foreign exchange gains.

In fiscal 2024, while we may see improvements in global economic activities, the impacts of rising raw material costs and the situation in the Middle East and Ukraine are expected to continue casting a shadow of uncertainty and unpredictability over the future.

### Progress of the 11th mid-term management plan

We are working to achieve our 2030 Vision to “provide new value through co-creation × evolution × power of chemistry” by pursuing, across the company, three strategies in the business area and two strategies in the management area based on the current mid-term management plan. In the first year of the plan, “move” was the year’s watchword as we concentrated on moving our heads, bodies, and minds to steadily execute the five strategies.

We also have an ambitious plan for the second year and beyond. With the awareness that fiscal 2024 will determine the success or failure of the 11th mid-term management plan, we will take a proactive stance in everything we do. “Leap” will be the watchword, as we uphold a basic policy to nurture the sprouts of growth with a commitment to eliminating negative elements in our external environment. The result of these diverse efforts, I believe, will allow us to achieve our company’s long-term goal—the 2030 Vision.

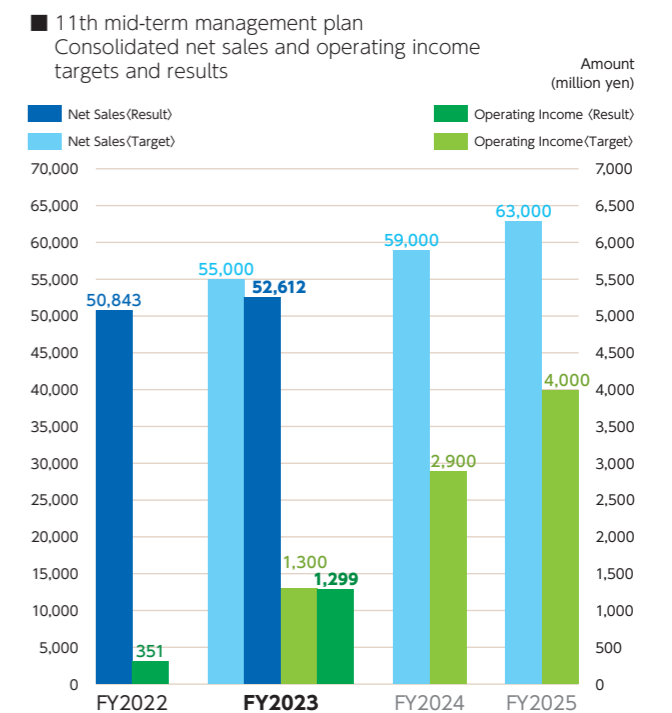
### Aims of the business portfolio strategy

In our 11th mid-term management plan, we introduced a

business portfolio strategy incorporating three company-wide strategies: “Sprouts: Expand technical development,” “Young leaves: Strengthen core businesses,” and “Trees: Increase the profitability of foundation businesses.” Based on this strategy, we are implementing specific strategies for each SBU (strategic business unit) within our five business segments. Visualizing our business portfolio in terms of the company-wide indices of “growth (sales growth rate),” “profitability (operating income),” and “efficiency (operating income margin)” allows us to evaluate all our business divisions by the same standard.

Throughout our 85-year history, we have continued to grow while undergoing repeated transformation. Our current mid-term management plan also embraces transformation by promoting the visualization of our business portfolio. This challenge has made us more conscious of the earning and growth potentials of each SBU as measured by the same standard across the company. It has also allowed us to identify areas where not only sales but also profitability and growth need to be improved. By objectively evaluating the progress of SBU-specific strategies, we will promptly draft and implement the necessary corrections and compensatory measures toward achieving the targets of the 11th mid-term management plan.

Furthermore, by promoting the business portfolio strategy, we aim to renew our businesses, ultimately creating new value and realizing sustainable growth.



## Connecting the power of “sustainability × chemistry” to new value creation

### Reasons for engaging in sustainability

Our company engages in sustainability to contribute to solving issues facing our customers and society through our business. Sustainability initiatives are essential to realizing our 2030 Vision to “provide new value through co-creation × evolution × power of chemistry.” That is why we have identified sustainability as one of the management strategies in our current mid-term management plan and established a new basic policy on sustainability to underlie our company-wide sustainability efforts.

The basic policy on sustainability outlines our goals to fulfill our corporate social responsibility (CSR) and gain the strong trust of our customers and society in general. It also aims to enhance our corporate value by providing new value and generating profit through technical development and business activities. To realize these aims, we have established the Sustainability Committee headed by myself as chairperson. In fiscal 2023, committee meetings were held in May and December. In conjunction with the Sustainability Committee, the Sustainability Promotion Department was also established as a cross-cutting working organization composed of representatives from the technology, sales, production, and management departments. It is responsible for the prompt and practical implementation of management issues discussed and decided by the Sustainability Committee.

By strengthening company-wide sustainability initiatives and promoting a shared awareness and sense of cooperation across the company in these ways, we aim to grow sustainably along with society.

### An essential factor in promoting sustainability

At Fujikura Kasei, our materiality defines priority issues we must address as a company to realize sustainability. It is based on the belief that these issues must be understood and addressed with conviction by all employees. In fiscal 2023, we took the first steps in formulating a new materiality that aims to solve social issues through value creation founded on our corporate social responsibility, as befitting the first year of our sustainable initiatives.

The Sustainability Committee is responsible for formulating the materiality, but employee views will be incorporated into the process by widely collecting their opinions via company-wide explanatory meetings and questionnaires. By giving weight to frontline voices and incorporating diverse views, we aim to formulate materialities that maximize onsite capabilities. Once the new materiality is formulated, we will disclose the progress of relevant initiatives to all stakeholders on a continuous basis.

### Utilization of human capital and resources

The new materiality will be formulated by the end of fiscal 2024. However, to realize our goal of solving social issues through the creation of new values stemming from sustainability, human resources are indispensable. In line with the conventional idea that “people are assets,” we regard human capital as a management issue within the scope of sustainability and promote human resource development and diversity as a means to respond to unpredictable changes in our external environment.

More specifically, we believe in fostering “cutting-edge thinking and skills” and “the ability to form organizations conducive to innovation” while strengthening existing elements such as trustful relationships acceptance of diverse ideas, and independence. While we may be a large company with over 400 employees on an unconsolidated basis, we believe we are of an appropriate size to maximize the abilities of each of our employees based on the thinking that people are assets. Therefore, we aim to maximize each employee’s potential rather than needlessly increasing employee numbers.

### Fujikura Kasei’s uniqueness

In addition to human capital management, we must also pursue our identity self to create value stemming from sustainability. Fujikura Kasei’s uniqueness lies in its unwavering spirit of creativity and technical capabilities born from this spirit. This founding spirit of creativity has been passed down to this day as a trait that allows us to respond to the needs of the times and create new value.

Even the most inventive new product will eventually become simply a commodity and ultimately become obsolete as social needs change. That is why, instead of aiming to expand, we must continue to respond to customer needs by creating high-quality value using technology.

At Fujikura Kasei, we respond to our customers using the broad technical capabilities and knowledge we have cultivated and accumulated through our long history. We will take advantage of the appropriate size of our organizational structure to work speedily to enhance product development capabilities and productivity and strengthen sales capabilities.

management plan. Our main goal is to establish a framework that can respond quickly to customer requests by using the data we have accumulated.

We must also exploit the boundless power of chemistry to provide new value by utilizing diverse raw materials and technologies. Our technical capabilities are part of our uniqueness and one of our greatest strengths. We will make full use of them to create diverse values while also incorporating the knowledge of business divisions across the company, as well as co-creation initiatives with other industries. These initiatives will enable us to respond to an uncertain, diversified world and continue to provide society and our customers with new value.

### Hand in hand with our stakeholders

To continue to grow and expand, we shall present a clear picture of our future direction to our stakeholders. Through our sustainability reports, we will convey what kind of company we are and what we aim to achieve. We will create new value and enhance our corporate value. We will also endeavor to strengthen our capacity for information dissemination and use various means to gain the understanding of as many people as possible regarding our initiatives. We ask for your continued support as we strive to fulfill our vision.

### Connecting our strengths to value creation

To continue providing new value to society and our customers, we need to be able to approach today’s unpredictable and uncertain world from diverse angles. Our 2030 Vision aims “to provide new value through co-creation × evolution × power of chemistry,” but realizing this involves several important elements.

First, to achieve co-creation, we must maintain relationships with diverse stakeholders where opinions are shared on an equal footing and new businesses are created that cannot be achieved by one company alone. This two-way relationship will lead to the creation of new value.

Next, to adapt to a rapidly changing world, we must evolve beyond conventional ideas and systems. For example, we are developing human resources skilled in DX (digital transformation) and promoting DX to strengthen our management foundation, as outlined in the 11th mid-term

