

State of Progress of Each CSR Materiality Issue

The Fujikura Kasei Group has pursued initiatives to fulfill its corporate social responsibility based on the CSR materiality that it established in 2020. Over the past few years, however, social and environmental issues of relevance to the Group have become increasingly diverse and serious. We will make ongoing efforts to contribute to solving these social and environmental issues through our businesses as a means to fulfill our CSR and realize a sustainable society. At the same time, we will strive to enhance our corporate value in a sustainable manner by providing value to society and all stakeholders.

Materiality	Goal (KGI)	Means for achieving the goal (KPI)	Progress evaluation index	FY2023 status of KPI achievement	Self-evaluation	FY2024 targets	
Employee work styles and health →P36	Creation of a comfortable workplace that gives careful consideration to employee health	Provision of support in response to work/life needs	Number of interviews and workshops held	Held self-assessment interviews (implementation rate within the fiscal year: 93%) Held second-career interviews (implementation rate within the fiscal year: 87%)	○	Continued implementation of interviews and training	
		Promotion of diversity	Number of interviews and workshops held	Rate of interviews held when employees take parental leave or when they return to work: 100%	○	Continued implementation of interviews and training	
		Management of employee health	Rates of medical examinations and stress checkups	Rate of medical examination: 100% (excl. employees on leave) 96% response rate	○	Continued implementation of examinations and checkups	
Occupational safety and health →P37	Achievement of zero industrial accidents	Appropriate activities by the Safety and Health Committee	Number of KY sheet targets achieved	Target number of extracted risks: 486/year Result: 482, target not achieved Achievement level: 99.2%	×	Target number of extracted risks: more than 494risks	
		Appropriate activities by the OHS Promotion Meeting	Number of accidents accompanying lost worktime Number of accidents not accompanying lost worktime	1 accidents, target not achieved 3 accident, target not achieved	×	Achievement of zero industrial accidents Achievement of zero industrial accidents	
	Realization of a comfortable workplace environment	Compliance with the Industrial Safety and Health Act Appropriate activities by the Safety and Health Committee	Verification of the status of compliance with relevant laws and regulations Verification of the status of compliance with priority activities	100% compliance Executed all activity items	○	No deviation from relevant laws and regulations Implementation of all priority activity items in all locations	
Environmental conservation →P39	Reduce CO ₂ emissions by 41% by FY2030 compared to FY2013	Reduce energy usage by promoting energy saving activities	CO ₂ emissions	Target: Less than 4,934t-CO ₂ Actual figure: 2,716t-CO ₂ Target achieved	○	Less than 4,778t-CO ₂	
	Continue to reduce the five-year average basic unit of energy consumption by more than 1% per year	Reduce energy usage by promoting energy saving activities	Crude oil equivalent basic unit of sales	Target: Less than 15.11kL/100million yen Actual figure: 13.30kL/100million yen Target achieved	○	Less than 13.17kL/100 million yen	
	Continue to achieve a year-on-year reduction of more than 1% in the basic unit of waste discharge (sales) by 2030	Reduce the discharge of sedimentary sludge	Discharge of waste by the company as a whole	Target : Less than 7.63t Actual figure: 6.56t Target achieved	○	Less than 6.49t	
	Comply with environmental laws and regulations	Operate an environmental management system	Proof of verified compliance with relevant laws and regulations	100% compliance	○	Legal and regulatory compliance based on relevant laws and regulations	
Environmental & social contribution through business →P41	Contribution to solving environmental issues using Fujikura Kasei's products and unique technologies	Strengthening conscious awareness of developing environment friendly products	Number of environment friendly products developed	Implemented eco-conscious initiatives from the project planning stage in each business division	○	Increasing trend in number of development themes owing to active customer efforts to reduce GHG	
		Dissemination of environment friendly products throughout the value chain	Sales ratio of environment friendly products	Achieved the target for the most part, although with some differences among business divisions	○	Promotion of the development of water-based, solvent-free, products with reduced environmental impact	
Chemical substance management →P43	Maintenance and upgrading of the Fujikura Kasei Chemical Database(FCDB)	Dissemination of the awareness of chemical substance management	Identification of databases that require upgrading and the rate of upgrading Number of entries of raw material information that is upgraded Number of in-house training on chemical substance management and number of participants	86% Target achieved 3,041 cases Target achieved Number of training programs: 19 Number of participants: 206 Target achieved	○	Response to information that requires updating in consideration of revised laws and regulations Continuation Continuation upon close consideration of training details	
		Thorough compliance with essential laws and regulations	Strengthening awareness of compliance	Number of meetings implemented	Implemented video-based education on fair trade and information security in relevant subcommittees Implemented compliance training as part of new manager training and follow-up training	○	Implementation of education via video and other means company-wide and across affiliated companies in Japan Continuation of compliance training as part of new manager training and follow-up training
		Steady response to whistleblowing cases	Degree of enhancement of the system	No cases of whistleblowing	Human rights: Verified human rights due diligence by holding a Compliance Committee meeting Fair trade and information security: Reported on the agenda of the subcommittee in a Compliance Committee meeting	○	Responses based on hotline regulations Human rights: Verification of the situation via the continued implementation of a questionnaire on businesses in the supply chain Fair trade: Verification of initiatives via a questionnaire on the Subcontract Act and other means Information security: Implementation of continuous education and audits
Compliance →P44	Strong framework for preventing misconduct	Strengthening awareness of compliance	Number of themes taken up by the Compliance Committee	Human rights: Verified human rights due diligence by holding a Compliance Committee meeting Fair trade and information security: Reported on the agenda of the subcommittee in a Compliance Committee meeting	○	Human rights: Verification of the situation via the continued implementation of a questionnaire on businesses in the supply chain Fair trade: Verification of initiatives via a questionnaire on the Subcontract Act and other means Information security: Implementation of continuous education and audits	
		Rebuilding the foundation of compliance	Review of extracted criteria	Clarified the risks anew from a company-wide perspective and launched initiatives to mitigate those risks	○	Examination of specific measures in each department under the supervision of the risk owner (executive in charge) and their implementation based on the PDCA cycle	
Risk management →P31	Establishment of a risk management framework	Extraction of risks related to management	Review of extracted criteria	Clarified the risks anew from a company-wide perspective and launched initiatives to mitigate those risks	○	Examination of specific measures in each department under the supervision of the risk owner (executive in charge) and their implementation based on the PDCA cycle	



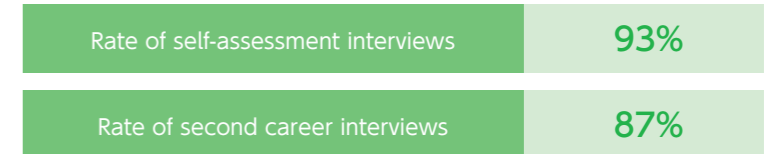
Employee Work Styles and Health

At Fujikura Kasei, we promote careful management of employee health based on the awareness that the health of our employees is the foundation that allows our company to achieve sound growth. We also modify our personnel system as required to create a workplace environment where our employees can work to their full potential at their own initiative.

Support tailored to work and life careers

Continued implementation of interviews and education based on the self-assessment program and second career support program

We continued with our interviews and education based on the self-assessment program and second career support program.



*Rates based on interviews held in FY2023

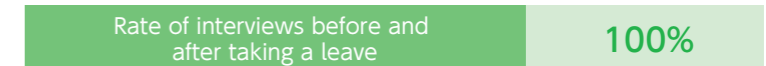
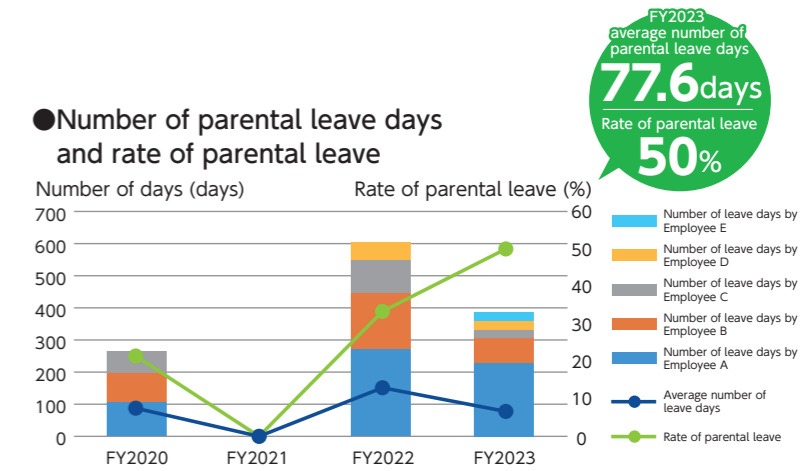
Promotion of diversity

Promotion of the parental leave program

As part of our diversity initiatives, we encourage our employees to take parental leave as appropriate.

The postnatal parental leave (postnatal daddy leave) program has increased the number of male employees taking parental leave. At the same time, however, an increase in short-term leaves influenced the average number of leave days.

Efforts are made to alleviate employees' worries about taking or returning to work after parental leave by holding interviews between the leave takers and their superiors or members of the personnel department both when they take and return from parental leave.

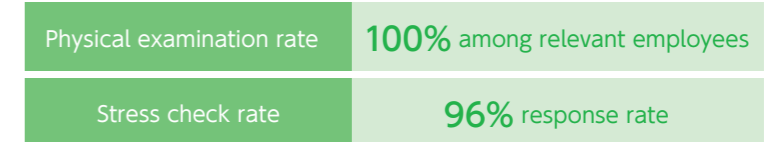


*All leave takers when taking a leave, interested leave takers only when returning from a leave
*Simultaneous implementation of anti-harassment education for workplace superiors

Employee health management

Physical examinations

We made ongoing efforts to maintain our employees' physical and mental health by providing physical examinations and stress checks.



Heat stroke prevention (distribution of heat stroke prevention kits to cooperating painting contractors) <Fuji Chemical>

From June to October, we distribute heat stroke prevention items such as cooling pads and sports drinks to all cooperating painting contractors working in painting sites, based on Fujichemi standards defined for the Fujichemi Group.

At the Onga factory, all employees attend a heat stroke prevention seminar hosted by an outside organization. During the summer, a chime is used in the factory to prompt workers to regularly hydrate themselves.



Heat stroke prevention items that were distributed

Safety and Health Initiatives

Safety and Health Initiatives



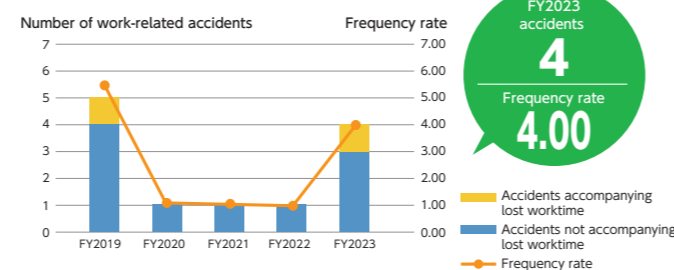
At Fujikura Kasei, we strive to create a workplace where employees can work safely and securely. To achieve this, we have formulated an Occupational Safety and Health Policy and run an occupational safety and health management system that complies with ISO45001.

Activities for achieving zero occupational accidents

Number of occupational accidents

In fiscal 2023, there was one accident resulting in lost worktime and three accidents not resulting in lost worktime. Thus, we failed to achieve our goal of zero occupational accidents. In terms of the types of accidents, two involved coming into contact with a harmful substance, one involved a cut or abrasion, and one was a fall or collision accident. Taking the occurrence of these accidents seriously, we will strive to prevent future occupational accidents by reviewing the sources of danger that have been identified in past incidents and risk predictions and re-examining the relevance and effectiveness of our countermeasures.

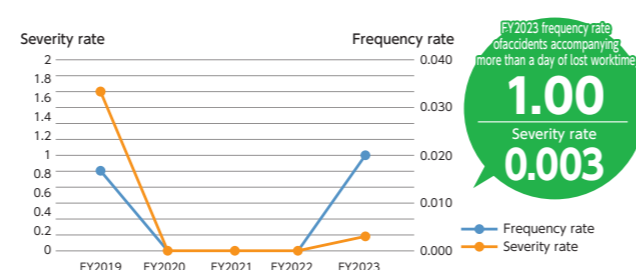
Number of work-related accidents and their frequency rate



Indicators of occupational accidents

In fiscal 2023, there was one accident resulting in lost worktime. Therefore, the results showed a frequency rate of 1.00 and a severity rate of 0.003. The accident occurred when an employee going down the stairs fell and sprained an ankle and could not work for three days. Such an accident is difficult to prevent, but we intend to avoid it as much as possible by disseminating basic actions such as using the handrail when going down the stairs. We will continue to monitor occupational accidents using the frequency and severity rates of accidents resulting in more than a day of lost worktime as indicators.

Frequency rate and severity rate of accidents accompanying more than a day of lost worktime

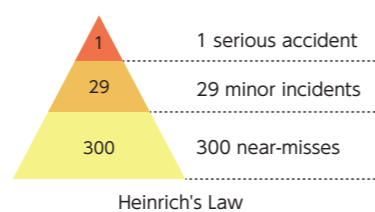


Safety best practices

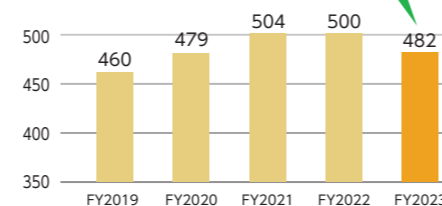
Risk prediction (KY) activities

Every year at Fujikura Kasei we engage in activities to predict potential risks across the company. In fiscal 2023, we identified 482 potential risks (96% on last year) within the company. Needless to say, we are working hard to reduce the number of potential safety and health risks at each business base. We aim to achieve zero occupational accidents by raising awareness among all employees of this idea, continuously minimizing potential risks.

Industrial accident = Unsafe situation × Unsafe act



Number of risks extracted from KY sheets at Fujikura Kasei



Installation of pedestrian paths in the factory <Sano Plant Factory No.1>

In fiscal 2023, a sweeping review was made of pedestrian paths in Factory No. 1 at Sano Plant to prevent contact accidents involving pedestrians and cargo-handling operations in the factory. By color-coding pedestrian walkways and crosswalks in the factory to maintain an appropriate distance between pedestrians and on-site cargo handling vehicles, the plant aims to achieve zero contact accidents on its premises.



Pedestrian paths installed in the plant

Activities for assessing occupational safety and health in workplace environments <Fujikura Kasei Indonesia>

Fujikura Kasei Indonesia employs an external party to assess the status of occupational safety and health in its workplace environments. Assessment items include "chemical dust," "organic solvent vapors," and "hand vibrations when using a hand mixer," in addition to "room temperatures," "brightness," "noise," and other such items. By conducting assessments from various angles and verifying the status of compliance with the Act on Workplace Environment and Occupational Safety and Health, the company strives to improve working environments and create a safe and comfortable workplace.



Verification of organic solvent vapors

Verification of chemical dust

Documentation of chemical substance safety training for production personnel <Fujichem Sonneborn>

Fujichem Sonneborn has created a manual for training production personnel in chemical substance safety, also to be used for training new employees. It provides process-specific guidance such as on protecting oneself from chemical substances, wearing work clothes properly, ensuring compliance with work instructions, and reporting dangerous situations. Records of completed training programs are stored in the form of electronic data by training item, and a system is in place that allows easy retrieval of this information.



A manual is created for each production process

Implementation of emergency drills to strengthen emergency response capabilities <Fujikura Kasei Coating (Tianjin)>

At Fujikura Kasei Coating (Tianjin), efforts are made to strengthen employees' emergency response capabilities by providing training on emergency evacuation, fire extinguishing using outdoor fire hydrants, and emergency cardiopulmonary resuscitation (CPR) in cases where an operator in the distribution switchgear room receives an electric shock.



Emergency evacuation drill

Fire extinguishing drill using an outdoor fire hydrant

Emergency CPR training in cases of electric shock

Improvement in fixing the barrel lifter in place <Fujikura Kasei Coating India>

At Fujikura Kasei Coating India, a ring wrench was conventionally used to secure the barrel lifter and drum cans when lifting and lowering the cans. However, it has been replaced with a fixed handle for enhanced safety. The change is expected to reduce the risk of occupational accidents, such as fall incidents that may occur during drum lifting.



Before: A ring wrench was used

After: A fixed handle has been attached



Environmental Conservation

Environmental policies



At Fujikura Kasei, we manufacture environment-friendly products that can coexist with Earth, befitting a company that handles chemical substances and chemical reactions. Additionally, we systematically engage in company-wide environmental improvement activities to reduction of environmental burden accompanying our business activities.

Report of the Committee for Legal Compliance with the Energy Saving Act

In fiscal 2023, the Committee for Legal Compliance with the Energy Saving Act strengthened its operation of energy management standards by linking the form for the energy-saving patrol carried out four times a year to the EMS level 3 document "energy management guidelines." Additionally, at Sano Plant Factory No. 1, where energy consumption is high, the facility was divided into three groups—the reaction plant, dispersion plant, and indirect departments—with each group implementing improvement

activities that match their energy usage. These activities have led to new insights that were previously unrecognized. As energy-saving efforts are expected to become even more critical, it is essential to foster a change in awareness of energy-saving activities within each employee. The Committee for Legal Compliance with the Energy Saving Act will accelerate energy-saving activities by playing a central role in sharing and laterally spreading information about the initiatives of all plants.

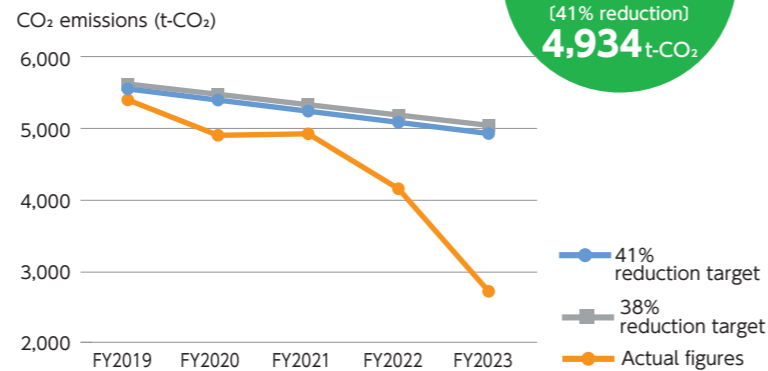
Eco-Vision performance data

CO₂ reduction target and actual figures

Target Reduce CO₂ emissions by 41% by FY2030 compared to FY2013

In fiscal 2023, we aimed to achieve a CO₂ emissions target of 4,934 tons-CO₂/year or less. We successfully reduced emissions to 2,716 tons-CO₂/year and achieved our target. As primary factors behind this achievement, it was the first full year after the electricity contracts at the R&D Center and Kuki Logistics Center were switched to CO₂-free plans and the Committee for Legal Compliance with the Energy Saving Act implemented company-wide energy-saving activities. Additionally, we raised our ratio of non-fossil electricity to 47.82% in fiscal 2023. We will continue our multi-faceted approach to achieve our targets.

Trends in CO₂ emissions



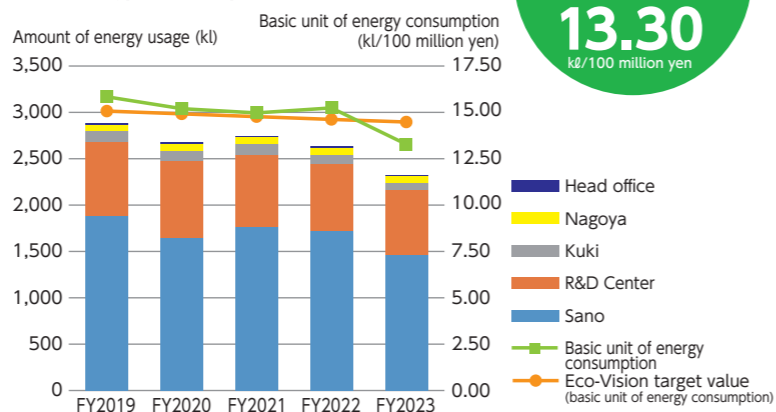
FY2023 CO₂ reduction target
[38% reduction]
5,048 t-CO₂
[41% reduction]
4,934 t-CO₂

Trends in energy usage and basic unit of energy consumption

Target Continue to reduce the five-year average basic unit of energy consumption by more than 1% per year

Our target basic unit of energy consumption in fiscal 2023 was 15.11 kL/100 million yen. We achieved our goal with a result of 13.30 kL/100 million yen. The primary factor for this achievement is due to the reduction in the energy heat conversion factor, which is used to convert the energy consumed for electricity into crude oil, in addition to the reduction effect of energy consumption due to energy-saving activities and the implementation of the revised Energy Saving Act coming into force. Moving forward, we will strengthen our monitoring initiatives such as by visualizing electricity usage and continue our improvement efforts.

Trends in energy usage and basic unit of energy consumption



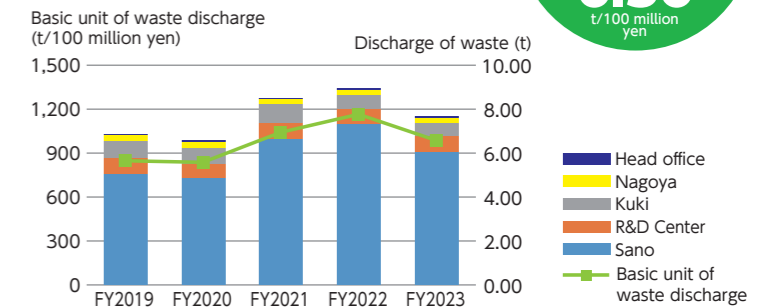
FY2023 energy usage
2,318 kl
Basic unit of energy consumption
13.30
kl/100 million yen

Trends in the discharge of waste and the basic unit of waste discharge

Target Continue to achieve a year-on-year reduction of more than 1% in the basic unit of waste discharge (sales) by 2030

In fiscal 2023, we aimed to achieve a basic unit of waste discharge per sales amount of 7.63 tons/100 million yen. By negotiating with recycling companies to recycle waste solvents that had previously been processed as specially controlled industrial waste, we converted them into valuable materials and reduced the amount discharged as waste. Consequently, we achieved 6.56 tons/100 million yen against our target of 7.63 tons/100 million yen. Moving forward, we will take an even more multi-faceted approach to reduce waste.

Trends in the discharge of waste and the basic unit of waste discharge



FY2023 discharge of waste
1,147t
Basic unit of waste discharge
6.56
t/100 million yen

Environmental investment report

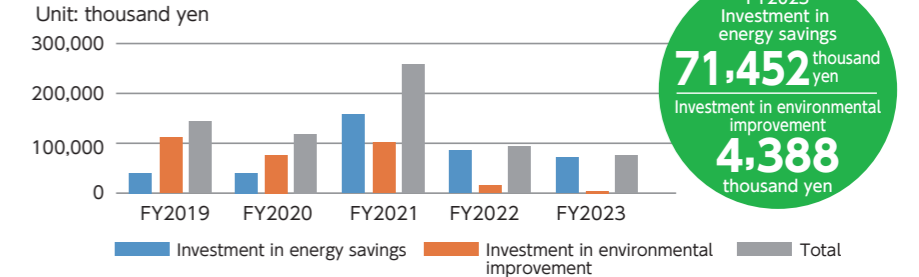
In fiscal 2023, we continued to make environmental investments, including investment in energy savings. These investments, which also included medium to long-term projects such as installing LED lighting, were carried out as planned. We invested a total of 75.84 million yen in fiscal

2023, corresponding to an expected impact worth 59,075 kL/year in crude oil equivalent and a reduction of 121.08 tons-CO₂/year (reference value based on basic emission factors). We will continue to make active energy-saving and environmental investments hereafter.

FY2023 environmental investment

Investment item	Investment amount (thousand yen)	Corresponding SDGs
Investment in energy savings	71,452	7.3, 13.3
Investment in environmental improvement	4,388	11.6, 13.3
Total	75,840	

Trends in environmental investments



FY2023 Investment in energy savings
71,452 thousand yen
Investment in environmental improvement
4,388 thousand yen

Case examples of improvement activities

Strengthening supplier support for chemical substance management <Red Spot>

Red Spot is working to strengthen its supplier support for chemical substance management via its website. For raw material manufacturers from whom Red Spot purchases materials, it developed a system that lists prohibited and regulated substances, not only under domestic laws but also laws in each country, to ensure ongoing compliance with chemical substance regulations related to product development, manufacturing, and sales. The company has also adopted new raw materials and established a framework to respond to any 4M (man, machine, material, method) changes.



Chemical substance management system

Resource recycling for promotion of onsite greenification <Fujikura Kasei Thailand>

At Fujikura Kasei Thailand, food scraps from lunch meals are composted at a rate of 1 to 2 kg each day, and the compost is used to greenify the company premises. This onsite greenification initiative is implemented on an ongoing basis.



Composting food scraps



Environmental & Social Contribution through Business

At Fujikura Kasei, we pursue environmental and social contribution activities through our business practices, to fulfill our corporate social responsibility.

Coatings for plastics business

Reducing CO₂ emissions from coatings containing non-edible biomass

Shifting from petroleum-based materials to renewable, non-edible biomass materials accords with the food issue accompanying the growing global population and is a critical step towards achieving carbon neutrality. Thus, the Coatings for Plastics Division proposes coatings that utilize non-edible biomass and deliver the required functions while contributing to a recycling society. Since biomass contains carbon absorbed by plants from the air, it supports decarbonization. We will continue to propose environmentally friendly choices to help realize a sustainable society.



RECRACK5800FM-R series



Architectural coatings business

Maintaining the beautiful appearance of architecture with an ultra-low-stain clear coating

As part of our ongoing efforts to add value to architectural structures, we have launched a water-based, single-component, ultra-hydrophilic (ultra-low-stain) top coat developed in collaboration with the Technology Strategy Promotion Office. With the increasing need to prevent stains on highly durable exterior walls, this topcoat delivers hydrophilic surface properties, reducing static electricity on the exterior surface and minimizing the adherence of dirt. During a rainfall, water seeps behind the dirt, lifting and washing it away. Additionally, the paint displays a temporary color (red) to prevent uncoated area during application, ensuring consistent quality. The color naturally disappears over time. We will continue to develop products that contribute to reducing environmental burden.



Electronic materials business

Reducing VOC emissions from water-based conductive pastes

The Electronic Materials Division has developed and launched the new D900 series of water-based conductive pastes that cure at room temperature. Conventional room-temperature-curing conductive pastes have been used widely as conductivity reinforcement in screws and rivets, simple conductive bonding for holding SEM samples, circuit repairs, and as a base layer for electroplating. Since the new product is free of volatile organic compounds (VOC), it minimizes air pollution and potential health risks. We will continue to provide products that help reduce environmental impact and contribute to realizing a sustainable society.



WATER-BASED



VOC FREE



Functional polymers/polymers & resins business

Contributing by refraining from using environmentally harmful substances

Synthetic polyurethane generally contains environmentally harmful substances such as NMP (N-methyl-2-pyrrolidone) and organic tin compounds. In response to strengthening regulations, our company has adopted a policy to refrain from using certain raw materials. This has allowed us to play a part in reducing the impact on the global environment and realizing a sustainable future. By offering environmentally friendly polyurethane binders, we are actively working with society to build a better world. Additionally, we are committed to introducing, reusing, and recycling eco-friendly alternative raw materials. These initiatives are not simply business strategies to us; they are rooted in our ethical values and sense of mission. We will continue our efforts to pass on a better environment to future generations.



Inkjet binder



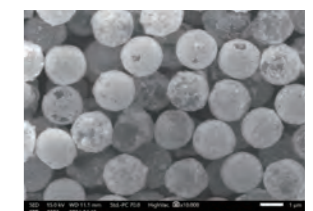
Medical materials area

Contributing to enhanced diagnostic performance with high-function particles

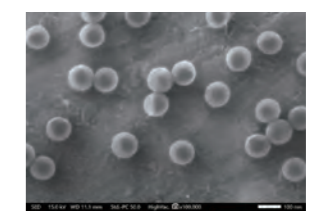
By the enhanced performance of latex turbidimetry, diagnosis items that required high-precision measurements using dedicated equipment can be verified by simpler, more universal tests. This will not only improve convenience for hospitals and testing centers but will also promote the early detection of diseases in medical examinations.

The Medical Materials Department is enhancing the functionality of latex turbidimetric reagent raw particles and providing them to domestic and international reagent manufacturers to help improve the performance of reagents.

Additionally, we are replacing some of the bottles used for our products with biomass-based bottles to reduce CO₂ emissions associated with our products.



Surface processing with nano-particles



Nano-particles



Synthetic resins business

Effectively utilizing resources and promoting a sustainable business model

Acrylic panels were widely used to prevent droplet infection during the COVID-19 pandemic, but as they are no longer used, we collected them from our customers and sold them to recycling companies as reusable resources. This initiative has not only contributed to effective resource utilization and environmental protection, but it has also made it possible to promote a sustainable business model. We will continue our efforts to reduce environmental impacts and ensure the effective utilization of resources toward realizing a sustainable society.



Effective utilization of acrylic boards as resources





Chemical Substance Management

Chemical Management Policy



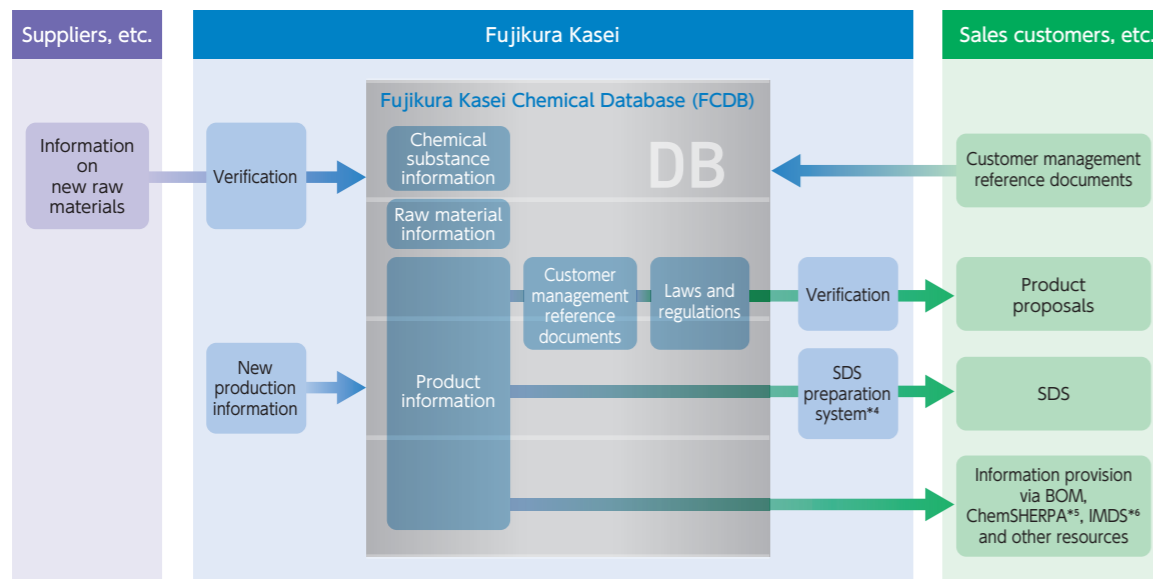
Chemical substances benefit our lives. At the same time, however, they can pose a serious health risk to a human being and can result environmental pollution if they are handled improperly. At Fujikura Kasei, we have a strict management framework in place that includes within its scope not only our business partners but also all parties beyond, to fulfill our social responsibility as a company that handles chemical substances.

Chemical substance management initiatives

At Fujikura Kasei, we believe it is important to think about the health not only of our employees who manufacture our products and customers who directly use our products, but also of everyone up to all end users, and to design products that do not impose severe adverse impacts on the environment. Based on this awareness, we have created and incorporated a

Chemical Management System (CMS) in our QMS*1, EMS*2 and OHSMS*3, to be operated integrally with these systems. We must also take the responsibility to convey proper information on chemical substances contained in our products. We achieve this by managing chemical substances according to the scheme shown below, centered primarily on the Fujikura Kasei Chemical Database (FCDB).

Our chemical substance management scheme



*1 QMS: Quality Management System *2 EMS: Environmental Management System *3 OHSMS: Occupational Health and Safety Management System
*4 SDS: Safety Data Sheet *5 Chem SHERPA: A common scheme for conveying information on the chemical substance content of products
*6 IMDS: Stands for International Material Data System. A database of materials and its scheme.

Maintaining and updating the chemical substance management framework

Chemical safety assessment is advancing worldwide, and laws and regulations concerning chemical substance safety are being established. We are also working to ensure prompt and proper response to laws, regulations, and industrial requirements by maintaining and managing the Fujikura Kasei Chemical Database (FCDB).

We also conduct, as appropriate, a review of the chemical

FY2023 activities

As in previous years, we update our information on the substances contained in our raw materials and products. We register newly acquired information in the FCDB and allow decisions to be made based on the latest information. The substances we manage are classified as "prohibited substances" or "substances requiring permission" based on

substances we are responsible for monitoring so that our management standards do not become outdated and we can develop new products with the assurance that necessary chemical substance management measures are in place. Through these efforts, we strive to provide products our customers feel safe working with.

laws, customer requests, and social trends. This year, we broadly reviewed all relevant substances. Additionally, Japan's Industrial Safety and Health Law has been revised, necessitating an update of Safety Data Sheets (SDSs). We will review the design and operation of our SDS system to swiftly provide accurate SDSs for all products.



Compliance

Fair trade and ethics policy



At Fujikura Kasei, we attach great importance to compliance with laws and regulations, social norms, and corporate ethics (morale), and to employee education about compliance with these provisions. Under the management philosophy of "Taking on Challenges and Working Together - Providing the value our customers need," we strive to ensure thorough compliance across the board in our Group of companies in and outside Japan.

Compliance promotion framework

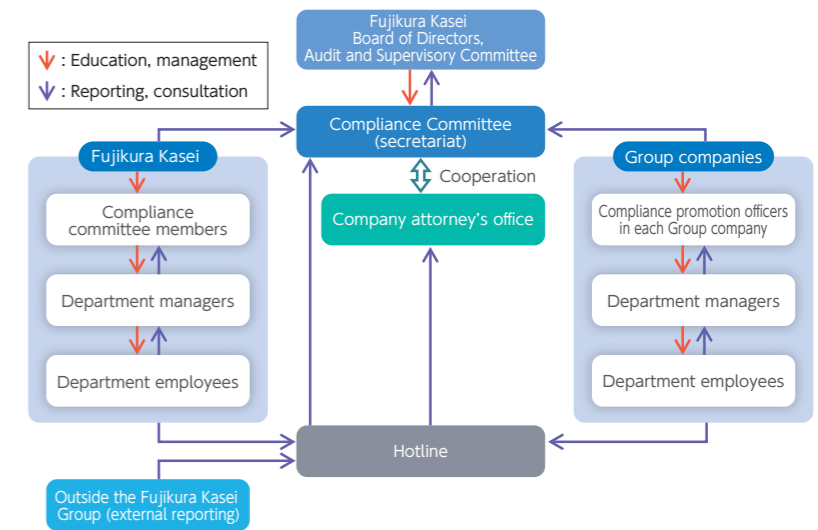
To strengthen compliance across our Group, the Compliance Committee appoints compliance committee members to Fujikura Kasei and compliance promotion officers to major

subsidiaries. These officers disseminate information on legal trends to members of their department or Group company, and hold study workshops for employees.

Compliance education

At our company, compliance forms the foundation of our sustainable corporate activities. This extends beyond compliance with laws and regulations and encompasses our commitments to stakeholders, social rules, and norms. In overseas sites, we recognize the importance of considering the customs and practices of the countries and regions where we operate. The awareness of each employee is crucial for ensuring compliance throughout the organization. In fiscal 2023, we aimed to improve compliance and prevent harassment by having employees watch educational videos within the Fair Trade Subcommittee and the Information Security Subcommittee, with an eye to company-wide implementation. We also provide anti-harassment education on an ongoing basis.

Compliance framework



Whistleblowing system

We have a Compliance Hotline (whistleblowing system) in place, so that employees who discover a wrongdoing or business activity that might be in violation of a law or regulation

could report it to the Compliance Committee Secretariat or the company attorney's office without suffering any disadvantage whatsoever.

Fair trade and ethics policy

Our corporate activities are made possible by our firm partnership with our business partners. As a member of society, we will steadily comply with the following provisions

and engage in corporate activities with a fair and sincere attitude so that we may gain the trust of all our stakeholders.

Human rights initiatives

Recognizing the importance of respecting the human rights of our stakeholders, we established a human rights policy in April 2022. Based on this policy, we will strengthen our

human rights initiatives and contribute to realizing a sustainable society.

Responses to information security

At our company, the Information Security Subcommittee is responsible for responding to information security issues. Led by the chairperson (director) of the Compliance Committee and composed of the general manager of the Information Systems Department and management-level members from the management and business departments in each site, the subcommittee operates in line with the information security policy and educational documents on information security it has formulated.

In recent years, we have also been required to address risks arising from significant changes in the business environment, such as the shift to cloud-based information systems. We are working to strengthen information security by conducting audits on the handling of information assets and sharing the status of subcommittee activities in accordance with the guidelines of industrial associations to which our stakeholders belong, as well as other social demands and potential risks.

Quality Assurance



Our products are mainly purchased by corporate customers as production goods. To obtain our customers' trust that they definitely gain reassurance from buying Fujikura Kasei's products, we have created a quality management system and engage in improving both the quality of our products and the quality of our work as our contribution to society.

Our basic concept of quality assurance

We produce our products always from the customer needs point of view. We have established a quality management system based on ISO9001 standards (Table 1) and engage in quality assurance activities as one across our Group so we may respond promptly and accurately to upgraded customer

demand for quality. Furthermore, to provide globally uniform quality across our entire Group, we are promoting the acquisition and/or maintenance of ISO9001 certification by our Group companies in and outside Japan and ensuring continuous improvement by implementing quality maintenance activities.

● Table 1. Quality management system certification status

Management system	Certification Division	Scope of application
ISO9001*1	Whole company	Design, development, production and sales of coatings, conductive paste and chemical products (except for in vitro diagnostic and all products handled in Medical Material Department).
ISO13485*2 International standard specifically for the medical device industry	Medical Material Dept.	Design and manufacture of in-vitro diagnostic reagents for measuring of proteins,enzymes, lipids/lipoproteins, carbohydrates, hormones, therapeutic drugs.
IATF16949*3 International standard specially for the automotive industry	Electronics Materials Division	Design and manufacture of conductive and insulation pastes.

● Table 2. ISO9001 certification status of Group companies in Japan and overseas that have production sites

	Number of production site companies*4	Number of certifications acquired	Certification rate
Japan	4	3	75%
Overseas	10	9	90%
Total	14	12	86%

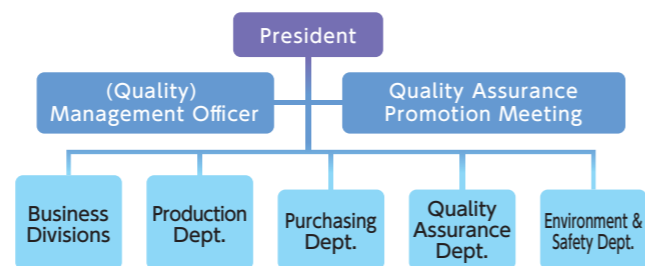
*1 Japan Management Association Quality Assurance Registration Center (JMAQA) *2 SGS Japan Inc. *3 LRQA Limited *4 Companies that have production sites, including Fujikura Kasei

Quality assurance framework

To maintain product quality (including the management of chemicals in products*5), we have a quality assurance framework in place for all processes from the planning, design, manufacture and shipment of products to their use by customers.

From fiscal 2018, efforts are being made to prevent quality troubles by identifying issues beginning with the design stage of products and strengthening design reviews. With regard to complaints that have been received from customers, however, efforts are being made to prevent similar complaints by strengthening the review and follow-up of measures.

*5 Details on the management of chemical substances contained in products are provided in the section on chemical substance management on pages 38.



Medium to long-term initiatives concerning our quality assurance system

We have launched our 11th mid-term management plan toward realizing our 2030 Vision. With regard to our quality assurance system, we will engage in the following initiatives in fiscal 2023.

- (1) Initiatives to provide the same high quality worldwide as the Fujikura Kasei Group
 - a) Implementation of quality control activities in our overseas Group companies (in Vietnam, Malaysia, Indonesia) to unify testing methods and equipment and firmly establish our quality assurance system (China and India to be included in FY2024)
 - b) Introduction of a trend management system for raw materials and products to enhance manufacturing quality and prevent quality troubles (70% rate of introduction)

- (2) Initiatives to create a sustainable quality assurance system
 - a) Promotion of paperless quality data and documents for efficient information sharing and reduction of labor
 - b) Lateral dissemination of countermeasures and strengthening follow-up efforts to prevent quality troubles and reduce waste
 - c) Promotion of the automatic issuing of inspection results to eliminate inspection fraud

Contribution to Local Communities

Fujikura Kasei and its Group companies engage in social contribution activities that conform to the characteristics of the region where they are located. Some of the major activities in fiscal 2023 are introduced below.

Activities of Fujikura Kasei and Group companies in Japan

Fujikura Kasei

Our five offices in Japan engage in communication with the local community in which they are respectively located. They also implement social contribution activities through their business and employees and value these communication opportunities with their local community. At each site, our Group actively engages in activities to contribute to the local community. We will continue to work closely with local communities to support their sustainable development.

Activities by Fujikura Kasei

Activity	Implemented by
Donation to Fujikura Gakuen (support facility for people with intellectual disabilities)	Head office
Donations to the Red Feather Community Chest and the Japanese Red Cross Society	Head office
Donation of a stockpile of emergency supplies to the Hasuda City welfare council	R&D Center
Blood donation via a mobile blood bank on more than two occasions	R&D Center
Internship program for high school students	Sano Plant, Kuki Logistics Center
Co-sponsoring of a local festival	Sano Plant, Kuki Logistics Center
Participation in a factory greenification agreement	Nagoya Branch
Participation in the beautification of industrial parks and local communities	R&D Center, Sano Plant, Nagoya Branch
Donation for the Noto Peninsula Earthquake	Sano Plant

Activities by domestic Group companies

Activity	Implemented by
Contribution of 3,500 eco-caps to the eco-cap campaign organized by the Eco-cap Promotion Association	Fujichemi Tokyo
Donation to the Tenjinai festival and the Suito Kurawanka fireworks festival (Hirakata)	Fujichemi Kinki
Donation to the local summer festival and autumn festival	Fuji Chemical
Scholarship for self-paying students from abroad	Tohkoh Jushi

Activities of Group companies overseas

Fujikura Kasei Indonesia

Fujikura Kasei Indonesia celebrated its 10th anniversary by hosting an appreciation event, inviting all employees and 40 orphans from the community. After offering prayers and making donations to the children, everyone feasted on Nasi Tumpeng, a traditional Indonesian festive dish, in celebration of the company's anniversary.



Appreciation event

Fujikura Kasei Thailand

In fiscal 2023, Fujikura Kasei Thailand organized an event called "Learning and Play at Khlong Suan Nursery" in June and a Red Cross blood donation drive in December. These activities formed part of the company's CSR initiatives aimed at fostering good relationships between the local community and companies within the Asia Industrial Estate.



Blood donation drive

Red Spot

Red Spot has a volunteer team called RSVP, composed of members from various departments. The team organizes and executes volunteer activities both within and outside the company.



Cleanup activity at the zoo



Support for activities to help fulfill the wishes of children with illnesses

Major activities in FY2023

Earth Day Celebration	Tree planting, fire drill
Tie-up with the NPO Granted	Activities to help fulfill the wishes of children with illnesses
Tri-State Food Bank	Support for low-income senior citizens
Mesker Park Zoo	Cleanup and maintenance activities
Annual United Way Campaign	Donation of an hour's worth of salary totaling 26,605 USD by 77 employees
Gobbler Gathering Event	Donation of 618 boxes of Macaroni & Cheese
Santa for Seniors	Delivery of Christmas presents to residents of a nursing home
Other CSR activities	Support for 38 organizations, donation totaling 60,000 USD