



Environmental Conservation Activities

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

Fiscal 2022 was a year in which energy-saving activities gained greater significance than ever before, particularly given the drastic change in the CO₂ emission reduction target and soaring energy prices. To face these changes, we engaged in energy-saving activities from various perspectives. For example, we developed a demand-response system, visualized electric power, assessed wasteful power using a thermal camera, remedied compressor air leaks, reviewed

steam trap operations, and made an investment in energy savings. Going forward, a change in awareness in each employee will be increasingly essential. Toward this end, we will conduct patrols by the Energy Saving Act Committee to verify the status of compliance with management standards and promote the sharing and lateral dissemination of initiatives taken by each plant.

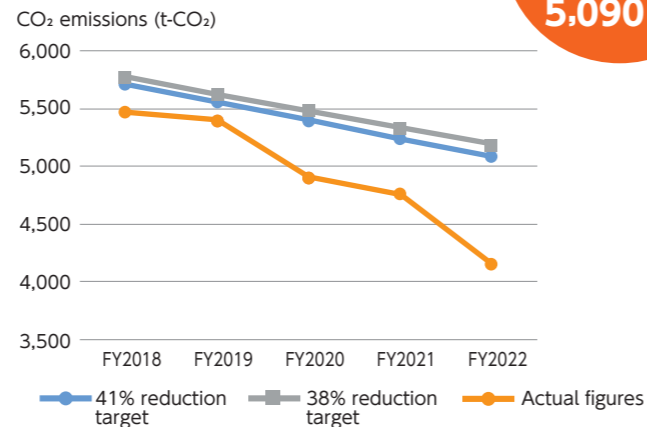
Eco-Vision performance data

CO₂ reduction target and actual figures

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

In fiscal 2022, we drastically changed our CO₂ emission reduction target from the 7% to 41% compared to fiscal 2013 by fiscal 2030. We will monitor our actual reduction values in reference to the 38% industrial target under the Act on Promotion of Global Warming Countermeasures and our own 41% voluntary target. We are also implementing company-wide energy-saving activities via the Energy Saving Act Committee to achieve our target. The R&D Center and Kuki Logistics Center reexamined their electricity contract in fiscal 2022 and increased their ratio of non-fossil electricity. This has contributed to achieving the target in fiscal 2022, with actual emissions of 4,151t-CO₂ against the target value of 5,090t-CO₂ or less. We will continue to engage in activities from various approaches to achieve our target on a continuous basis.

Trends in CO₂ emissions



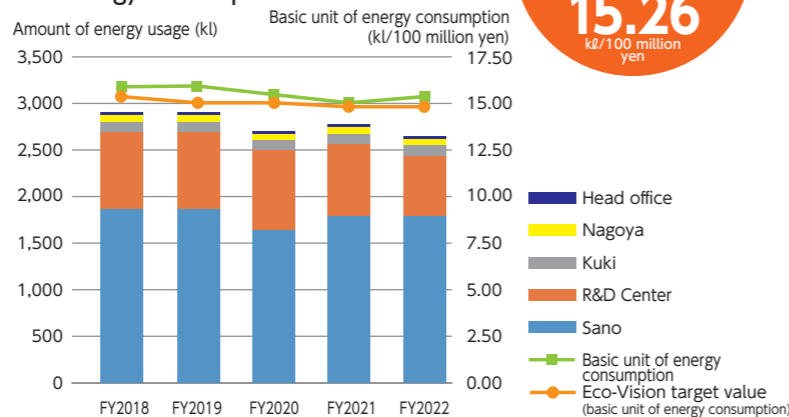
FY2022 CO₂ reduction target (38% reduction) **5,193 t-CO₂**
[41% reduction] **5,090 t-CO₂**

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 for basic unit of energy consumption in fiscal 2022 was 14.84, but with a final result of 15.26, we failed to achieve our target. The main reason was that although we engaged in the visualization of electricity and investment in energy savings during the year, energy usage per unit of production volume increased. We will work to further promote, monitor, and strengthen our visualization of electricity.

Trends in energy usage and basic unit of energy consumption



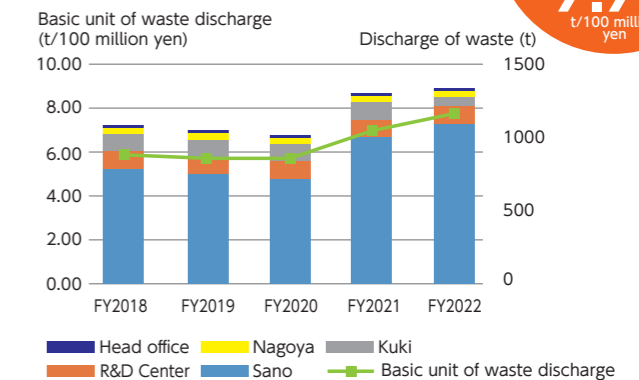
FY2022 energy usage **2,630 kl**
Basic unit of energy consumption **15.26 kl/100 million yen**

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 2022, we newly established our target amount of waste discharge in the form of basic units of waste discharge with the amount of sales as the denominator. We pursued specific activities for reducing waste under the targets "to reduce final disposal volume by increasing recycling rate" and "to reduce the discharge of one-way plastics by 25% by fiscal 2030." We also launched a working group on reducing industrial waste. However, these activities resulted in a basic unit of waste discharge of 7.71t/100 million yen, which fell short of the target of 6.88t/100 million yen. We will continue our efforts from multiple approaches to further reduce waste.

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



FY2022 discharge of waste **1,329t**
Basic unit of waste discharge **7.71 t/100 million yen**

Environmental investment report

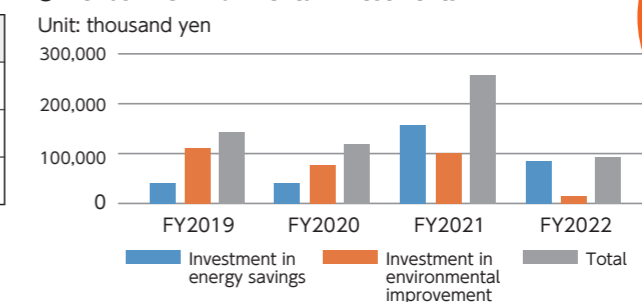
In fiscal 2022, environmental investments, including investment in energy savings, were made as in previous years, and medium to long-term investments, such as in LED projects, were implemented as planned. These investments totaling 95.9 million yen were expected to produce an effect worth a crude oil equivalent of 31.531kl/year, and the result

ultimately corresponded to a CO₂ equivalent of 56t-CO₂. We will continue to make active environmental investments, such as employing products subject to the top-runner system.

FY2022 environmental investment

Investment item	Investment amount (thousand yen)	Corresponding SDGs
Investment in energy savings	87,250	7.3, 13.3
Investment in environmental improvement	8,650	11.6, 13.3
Total	95,900	

Trends in environmental investments

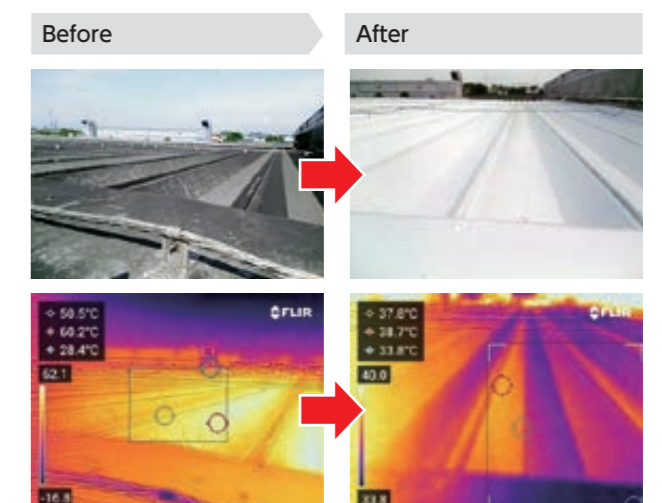


FY2022 Investment in energy savings **87,250 thousand yen**
Investment in environmental improvement **8,650 thousand yen**

Case examples of environmental improvement activities: Energy-saving initiatives

Energy saving by applying a roof insulation coating <Fujikura Kasei Kuki Logistics Center>

Measures against the high rate of summertime electricity usage by air conditioners had conventionally been to observe prescribed temperature settings and to install green curtains, for the most part. However, more drastic measures were needed. Therefore, roof temperatures were measured using a thermal camera, and it was found that the temperature reached more than 60°C in some places. After applying an insulating coating as a countermeasure, roof temperatures dropped by approximately 20°C, and it became possible for air conditioners to operate without overload during the summer season.



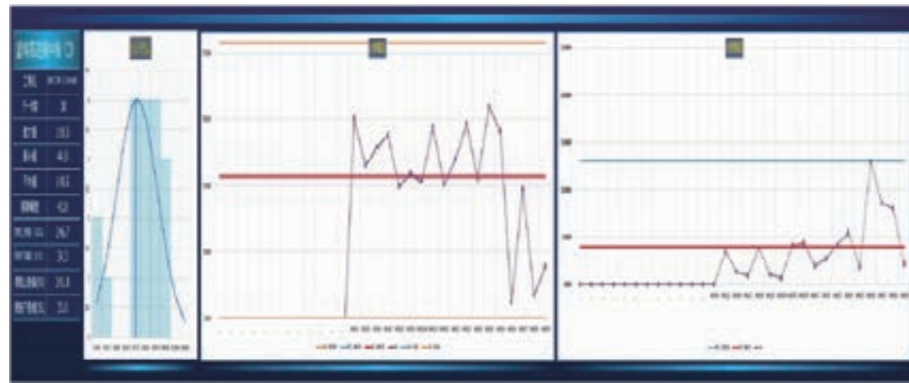
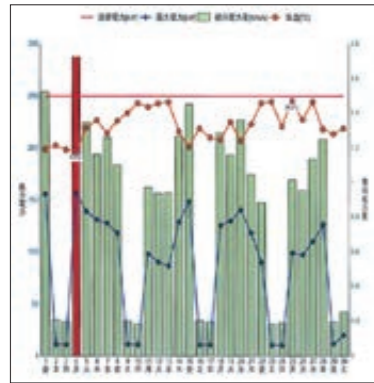


Environmental Conservation Activities

Energy saving by visualizing electricity usage <Fujikura Kasei Sano Plant>

Visualizing electricity is promoted as a means for the effective utilization of electricity. Data obtained from a demand monitoring device and electric utility data are plotted on a control chart and monitored as to whether the amount of

electricity befits the production status and usage situation. When an abnormality is detected, devices are checked that they have been turned off, production equipment is examined for errors, and so on, to ensure rational electricity usage.



Case examples of environmental improvement activities: Emergency drills against environmental risks

Emergency drill to prepare against chemical substance leakage accidents

<Fujikura Kasei (Foshan) Coating>
<Fujikura Kasei (Thailand)>

Because various types of chemical substances are handled, risk assessment is implemented without fail, and emergency drills are held regularly to ensure prompt response in the event of a leak. By regularly implementing this drill, a framework that prevents external leaks is maintained.



Drill against a leak from a stored product



Drill against a leak from the lower part of the tank

Emergency fire drill <Fujikura Kasei (Thailand)> <Fujikura Kasei Vietnam>

In the event of a fire, it is foremost important to take prompt initial extinguishing action to prevent the damage from spreading. To ensure this action can be taken, a fire drill is held regularly, and training in the use of dry chemical extinguishers and fire hoses is consistently provided so they can always be handled promptly when needed.



Initial fire extinguishing drill using a portable fire extinguisher



Fire extinguishing drill using a fire hose

Ensuring proper industrial waste disposal <Fujikura Kasei Indonesia>

Used solvents and expired materials are disposed of through an authorized chemical disposal company. By entrusting the disposal to such a company, it is possible to track the waste and guarantee that the disposed waste is properly treated to prevent environmental pollution.



Collection of waste by a chemical disposal company



Transportation by a chemical disposal company

Maintenance and inspection of the VOC facility <Fujikura Kasei Coating (Tianjin)>

Air pollution is prevented by using a deodorizing unit. In addition to regularly exchanging the active carbon inside the unit, the unit is inspected by the manufacturer of the facility. An inspection is also held by the Tianjin Ecology and Environment Bureau and the Ecology and Environment Bureau of TEDA, to ensure that production activities are implemented with consideration to the environment.



VOC facility



Inspection by the Tianjin Ecology and Environment Bureau and the Ecology and Environment Bureau of TEDA

Introduction of a flammable gas warning system <Shanghai Fujikura Kasei Coating>

The environment in the manufacturing area is monitored by a flammable gas warning system. However, there had been an incident where the warning system did not function during a power outage, so an uninterruptible power supply (UPS) was introduced. As a result, a stable power supply was able to be secured even during a power failure, and the warning system was able to be used continuously.



Flammable gas warning system



Monitoring the work environment

Case examples of environmental improvement activities: Greenification initiatives

Tree-planting activity <Fujikura Kasei Coating (Tianjin)> <Fujikura Kasei Coating India>

At Fujikura Kasei's overseas affiliates efforts are made to prevent global warming not only by reducing energy usage through energy saving activities, but also by promoting tree-planting. Fujikura Kasei Coating (Tianjin) participated in a tree-planting event sponsored by the Environmental Protection Association of TEDA, and Fujikura Kasei Coating India is actively planting as many trees as possible within its plant.



Tree-planting event at Fujikura Kasei Coating (Tianjin)



Trees planted onsite at Fujikura Kasei Coating India



Case examples of environmental improvement activities: Initiatives for sustainable environmental activities

Activity to reduce CO₂ emissions associated with domestic transportation

In fiscal 2022 Fujikura Kasei organized a company-wide distribution reform conference as its contribution to realizing a carbon-neutral society and launched initiatives to reduce CO₂ emissions associated with domestic transportation. This was prompted by rapid demand for initiatives to reduce CO₂ emissions not only from the company itself (Scope 1, Scope 2) but also along the supply chain, including the upstream and downstream segments (Scope 3).

A value stream map (VSM) was prepared for each business division to assess the present status of physical distribution. Based on this map, discussions were held regarding inter-facility transport and reduction of transport frequency, among other issues. We will make continued efforts with the conscious objective of reducing CO₂ emissions from our company, as well as from throughout our supply chain