



# Risk Management

At Fujikura Kasei, we strive to ensure sound and smooth business operations by developing a management framework for preventing risks related to business as a whole and defining methods for responding to risks should they occur.

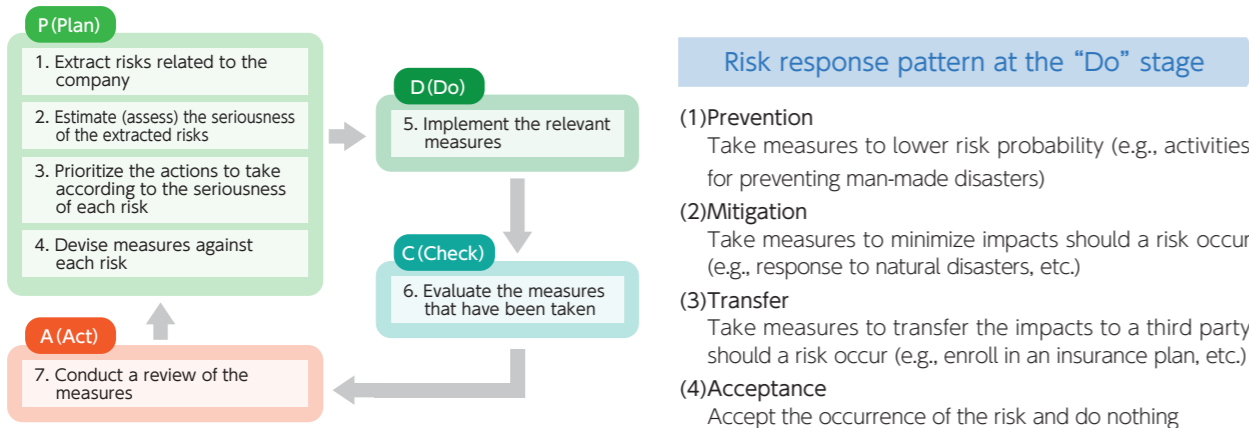
## Our concept of risk management

Preventing the occurrence of serious risks and minimizing the impact of serious risks on our business activities in the event they occur, are priority management issues at our company. We are thus working to develop a risk management framework that would minimize stakeholder impact as much as possible, and establishing measures in response to each type of risk.

Type of risk	Management framework	Chief department in charge
Environment	Environmental management system	Environment & Safety Dept.
Occupational safety and health	Occupational safety and health management system	Environment & Safety Dept.
Quality	Quality management system	Quality Assurance Dept.
Accounting	Calculated control	Accounting Dept.
Other (before occurrence)	Comprehensive risk management	Compliance Committee
Other (after occurrence)	Comprehensive responses	Emergency Operations Headquarters (headed by President)

## Basic concept of risk response

We have laid out a clear process of risk management in preparation against unexpected situations, such as by extracting business-related risks. By defining proper measures in response to each risk, we aim to build a strong corporate culture.



## Corporate disaster prevention

### Introducing the concept of corporate disaster prevention

We will newly introduce the concept of "corporate disaster prevention" by reconsidering the conventional definition of BCP (business continuity plan), which broadly included "disaster prevention plans" that defined initial responses in the event of a disaster or accident and subsequent "early recovery plans."

Corporate disaster prevention can be understood as the combination of disaster prevention plans and BCPs, with BCPs placing weight on initiatives for the early recovery of business activities.

### Implementation of emergency drills <Fujikura Kasei Vietnam>

Natural disasters occur in various forms. In Japan, emergency drills are generally held against earthquakes in particular. At Fujikura Kasei Vietnam, employees participated in a lifesaving drill and fire drill under the supervision of the fire department, for readiness against fires that may break out accompanying a disaster. There are plans to hereafter create an emergency manual and hold relevant drills regularly.



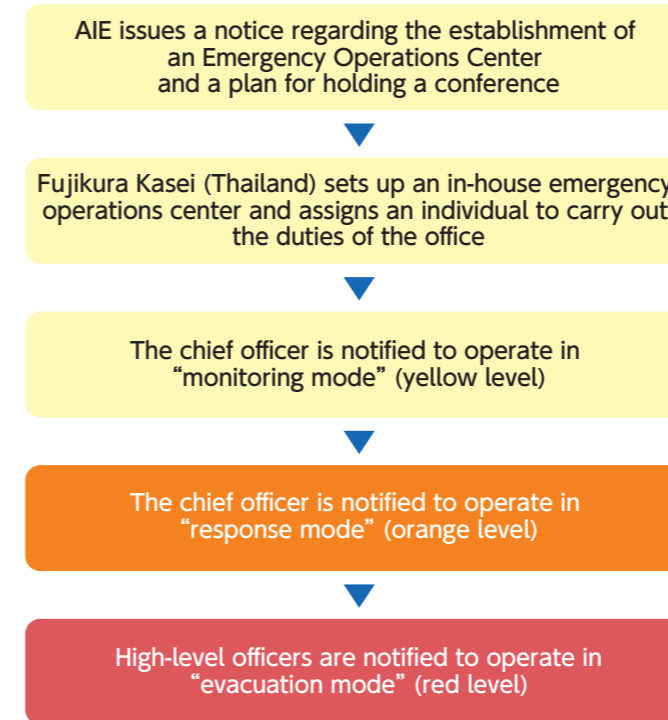
## BCP

### Formulation of emergency flood responses <Fujikura Kasei (Thailand)>

Emergency flood responses have been formulated at Fujikura Kasei (Thailand). All actions outlined in the emergency operations plan have been approved by the Emergency Operations Center set up in the Asia Industrial

Estate (AIE) which is composed of AIE members and all companies located in the estate. The plan will be implemented under instructions that have been agreed on.

#### Emergency operations flowchart



#### Duties of Fujikura Kasei (Thailand) 's emergency operations center

- Assign a chief officer for the emergency operations center
- Assign an individual to represent Fujikura Kasei (Thailand) in the AIE Emergency Operations Center
- Act as a coordinator between government departments

- Monitor the status of floods
- Customer logistics
- Food + water + medicine
- BCP
- Embankments: Outside the company (prevent inflows from outside) and inside the plant (protection of non-movable machines)
- Relocate properties to higher ground

#### Evacuation

Note:  
● Duties to carry out in "monitoring mode"

● Duties to carry out in "response mode"

● "Evacuation mode"  
Each mode will be notified by AIE via the Emergency Operations Center, short message service, or other such communication tools in consideration of the status and water level of rivers and canals in the vicinity.

### Establishment of a risk control framework with overseas sites <Tohkoh Jushi>

Tohkoh Jushi, as a specialized trading firm, is heedful of future business risks overseas. It holds monthly meetings to share issues regarding risk management in overseas sites (credit management charts, overseas damage insurance, etc.) with managers in overseas sites (1 in the U.S., 1 in

China), Tohkoh Jushi board members (3), group leaders (3), advisers (2), and consulting lawyers (2). By repeating the PDCA approach, efforts are made to reduce risks to overseas businesses.

## Occupational safety and health

### Full harness education and training <Fujichemi Tokyo>

Fujichemi Tokyo provides education and training on the use of full harnesses in high-place works, to prevent fall accidents. Workers are required to receive this education and training when using fall arrest gear (full harness-type safety belt) in places that are more than 2 meters high where it is difficult to assemble a work platform.



## Information security

### Information security measures

In recent years, control systems in plants and various other information systems are connected to the Internet, but this connection is increasing the threat of cyberattacks. At Fujikura Kasei, measures against risks identified by the industrial organizations of our business partners have been examined, and information security educational materials (in-house guidelines) have been updated with regard to

"production impacts and delivery delays caused by virus infection," "external leakage of confidential information," and "springboard attacks by computer viruses via networks." Measures against information security risks are taken beyond our company to also involve our partner companies. They will be strengthened continuously to reduce information security risks.