



Corporate Governance

In the investment field, the term ESG is commonly used as a collective concept, but we regard E (environment) and S (society) as being on an equal level and G (governance) as the foundation upon which E and S activities are implemented. We are committed to developing an even stronger governance framework, to engage in activities as one with the aim of promoting co-existence and co-prosperity between all employees and society and achieving sustainable growth.

Our basic concept of corporate governance

We regard corporate governance as a priority management issue, and engage in various policies to increase business efficiency, promote prompt decision-making, and strengthen the supervisory function of management. We will also act on our

basic internal control policy to balance efficiency and control toward increasing corporate value and to aim to create internal controls appropriate to our company.

Our corporate control framework

(1) Board of Directors

Our Board of Directors is composed of 8 directors, 2 outside directors and 4 directors who are Audit and Supervisory Committee members. As decision-making bodies, the Board of Directors and the Executive Committee discuss, deliberate, and decide on company-wide management issues.

Additionally, a business executive meeting composed of directors and department managers is held regularly every month to promote effective business management.

(2) Audit and Supervisory Committee

Pursuant to the Companies Act, we have installed an Audit and Supervisory Committee. It is composed of four Audit and Supervisory Committee members, including three outside directors.

(3) Nomination and Remuneration Committee

The Meeting of the Board of Directors held on March 30, 2022 passed a resolution to install a Nomination and Remuneration Committee as an arbitrary advisory body to the Board of Directors.

The committee is composed of three members that include one inside director and two outside directors.

In 2023, the committee convened in January and April to formulate and submit draft recommendations to the board of directors. The recommendations pertained to candidate directors and other board members for the following year, and to individual remunerations including the performance-based remuneration for directors, among others.

Directors

Post	Name	Role and responsibility
President	Daisuke Kato	General
Senior Vice President	Hisashi Kajiwara	General Manager of the Architectural Coatings Div., affiliated companies (three sales companies of architectural coatings)
Executive Director	Masahiro Takano	Director of Sano Plant, Environment and Safety Dept., Export Administration Office
Executive Director	Satoshi Watanabe	Director of R&D Center, General Manager of the Polymers & Resins Div., Quality Assurance Dept.
Executive Director	Hitoshi Kawaguchi	General Manager of the Coatings for Plastics Div., affiliated companies (overseas)
Executive Director	Susumu Kurihara	General Manager of Administration Headquarters, Sustainability Promotion Dept., affiliated companies (Japan)
Executive Director	Toyohiro Tsuchiya	Deputy General Manager of Administration Headquarters, Corporate Auditing Office
Executive Director	Takahiro Ishii	General Manager of the Electronic Materials Div., affiliated companies (synthetic resins)
Executive Director	Osamu Tanaka	Outside director
Executive Director	Yoichi Nagahama	Outside director
Executive Director	Hiroaki Watanabe	Audit and supervisory committee member
Executive Director	Mitsuyoshi Naka	Outside audit and supervisory committee member
Executive Director	Takashi Watanabe	Outside audit and supervisory committee member
Executive Director	Tomoko Senoo	Outside audit and supervisory committee member

Initiatives taken in FY2022

(1) Reduction of cross-shareholdings

As we have last year, we conducted an annual review of the shares we hold, such as in terms of whether our reason for owning them is appropriate and whether their benefits and risks measure up to their capital cost, by taking into account

changes in our business environment. By selling the shares we deem no longer worth holding, we are actively working to reduce our number of cross-shareholdings.

(2) Responses to items described in the securities report for the term ended March 2023

We are promoting our responses to the two items below in relation to our sustainability principles and initiatives as described in our Securities Report for the term ended March 2023.

1. Response to climate change (information disclosure in line with the TCFD recommendations)
2. Human capital and diversity

(3) Skills matrix of the board of directors

A skills matrix summarizes the skills that directors possess in one chart. At Fujikura Kasei, we aim to identify the skills of

each director, secure diversity, and disclose all relevant information to our stakeholders.

Skills matrix of the board of directors

Name	Corporate management	Business strategy	Technology & manufacturing	Global leadership	Financial affairs & accounting	Legal affairs & compliance	Knowledge of other industries	ESG & social contribution
Daisuke Kato	○	○		○				
Hisashi Kajiwara	○	○		○				
Masahiro Takano		○	○					○
Satoshi Watanabe		○	○					○
Hitoshi Kawaguchi		○		○				
Susumu Kurihara		○			○	○		
Toyohiro Tsuchiya				○	○	○		
Takahiro Ishii		○		○				
Osamu Tanaka						○	○	
Yoichi Nagahama	○	○			○			
Hiroaki Watanabe	○					○		○
Mitsuyoshi Naka	○	○					○	
Takashi Watanabe					○		○	
Tomoko Senoo					○		○	

*The above shows up to three areas that are particularly expected of each candidate director.

Reasons for selecting each skill

Corporate management & business strategy	Corporate management experience and business achievements are needed. Additionally, such skills and knowledge are needed to formulate growth strategies for enhancement of corporate value.
Technology & manufacturing	Abundant technical knowledge accumulated through the development of new technologies, and skills and knowledge concerning the manufacturing of people- and environment-friendly products are needed.
Global leadership	To maximize the results of our global expansion, the experience of serving as a representative of an overseas subsidiary or equivalent position, and the skills and knowledge of managing a business overseas, are needed.
Financial affairs & accounting	To maximize our corporate value based on the efficient operation of capital, financial and accounting skills and knowledge are needed to formulate financial and capital strategies toward building a resilient financial foundation, promotion of growth investments, and strengthening of shareholder returns.
Legal affairs and compliance	For our company to strengthen the effectiveness of managing and supervising the entire Group, knowledge of legal affairs and skills and knowledge in the risk management area are needed.
Knowledge of other industries	It is necessary to listen to the views of knowledgeable persons in other industries and acquire knowledge beyond corporate and organizational bounds from the perspective of diversity and other such aspects.
ESG & social contribution	Skills and knowledge in this area need to be strengthened.