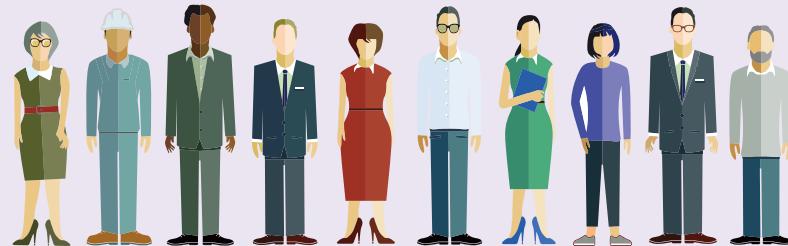


Chapter 2 Value Creation and Materiality

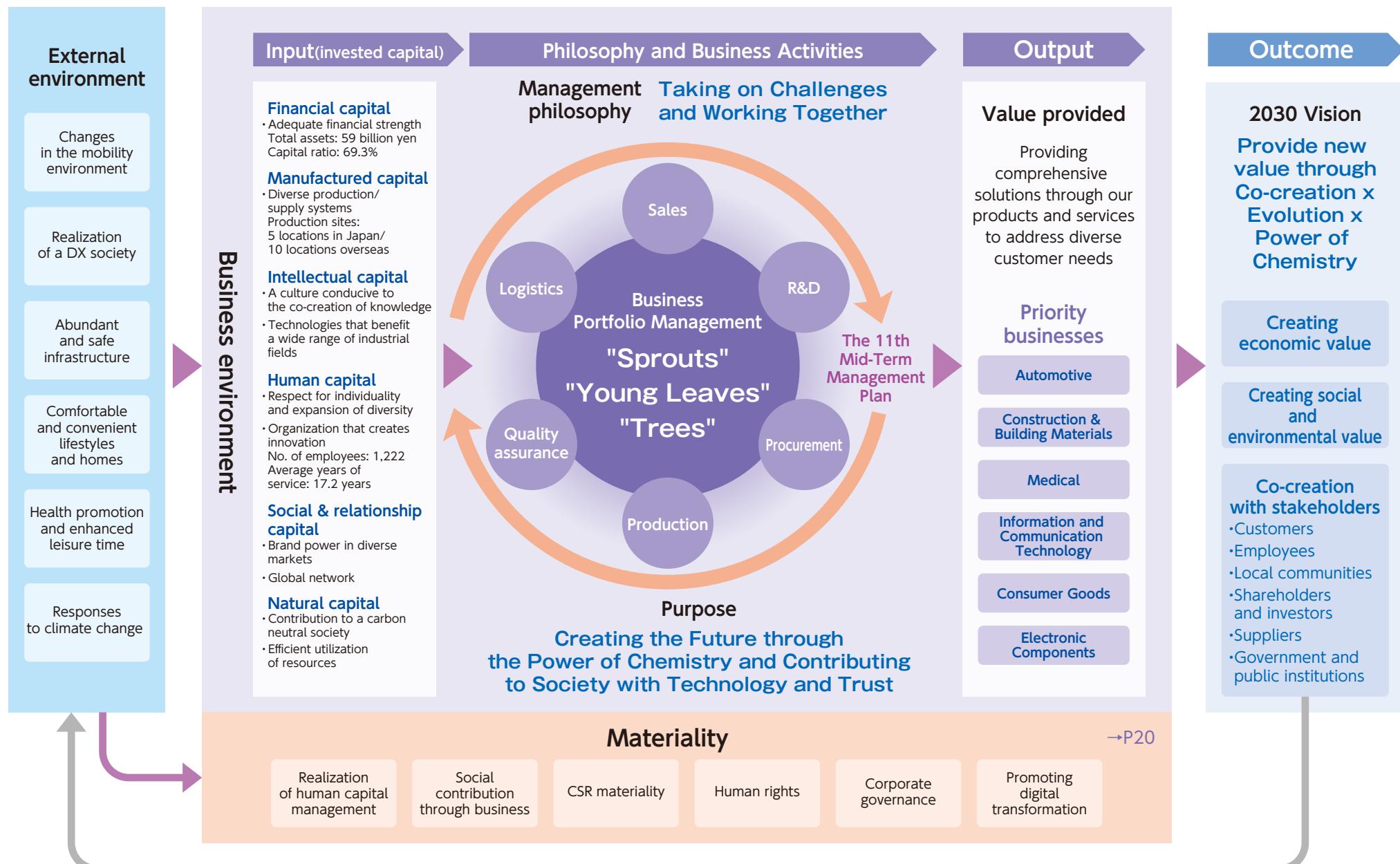
We aim for sustainable growth by aligning our management with our Value Creation Model and materiality. Through initiatives in human capital management, digital transformation (DX), and the development of environmentally conscious products, we are taking on the challenge of realizing sustainability.



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Our Value Creation Model

Our Group recognizes the social issues we must address and will continue to advance our businesses in line with our Value Creation Model. Through our activities, we aim to contribute to solving environmental and social challenges while creating value for society and our stakeholders. In doing so, we will work toward realizing our 2030 Vision and enhancing corporate value.



Our History of Creating Value

1885

1900s

1910s

Founding

Electric wire business

Separation into the Electric Wire Division and Rubber Division

Electric wire business → Now Fujikura Ltd.
Rubber business → Now Fujikura Composites Inc.

1930s

1938

Acrylic business

Establishment of Fujikura Kasei Co., Ltd.

1880s - 1920s

Founding of the electric wire and rubber businesses Birth of "Fujikura, the Company of Technology"

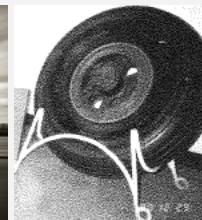
During Japan's period of modernization and industrial transformation from the Meiji era to the early Showa period, the electric wire business, the origins of our company, contributed to the development of communication and power infrastructure.

Building on technologies for rubber coatings and insulation materials used in electric wires, we expanded into the production of rubberized fabrics, aircraft wing fabrics, and specialized paints, delivering products recognized for their reliability.

Through the supply of advanced material technologies that supported both infrastructure development and technological innovation, we laid the foundation for the value creation that defines our company today.



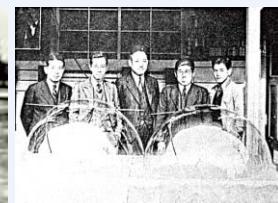
Zenpachi
Fujikura
(Founder)



1930s

"Creation of the acrylic business Founding of Fujikura Kasei in 1938"

In the early Showa period, as technological innovation advanced in the aviation industry, we began developing lightweight and highly transparent acrylic resins. Despite having limited chemical analysis facilities and only a small research team, our continuous development efforts led to the successful commercialization of Japan's first domestically produced acrylic sheets. We subsequently began manufacturing and selling methyl methacrylate aircraft windshields and aircraft coatings, marking the origin of value creation at Fujikura Kasei.



Our History of Creating Value

1940s

Architectural
Coatings
Functional Polymers/
Polymers & ResinElectronics
Materials

1950s

1970s

Sano Plant is
established
Coatings for Plastic

1980s

The Fujichemi
Group of companies
is established

1990s

The R&D Center
is established
Medical materials

2000s

A global business
network is established
with Group companies
in the US and UK

2010s

Advanced
into ASEAN

Future products and technologies
Future products and technologies will contribute to mitigating environmental burden, increasing energy efficiency, and creating an affluent society.

2020s

社会課題解決製品
強化

- Biomass products
- High-function and high-design products
- Entry into new fields
- Strengthening of global businesses
- Eco-friendly products
- Products for a DX society
- High-quality reagents

1940s - 1980s

**Strengthening the technological foundation
and achieving growth during the period
of rapid economic expansion**

Following Japan's postwar reconstruction, the country entered a period of rapid economic expansion, characterized by the spread of automobiles and home appliances and the advancement of social infrastructure.

In response to these changes, we expanded into the coatings and chemical products businesses based on our expertise in aircraft coatings and methacrylate esters, and launched the electronic materials business through joint development with domestic telecommunications companies.

Through the establishment of the Sano Plant and formation of group companies, we strengthened our production foundation and steadily expanded our business.

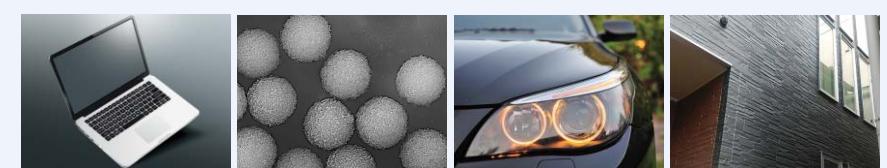


1940s - 2020s

**Toward sustainable growth through
global expansion and efforts
to address social issues**

Society and industrial structures have undergone significant transformation amid globalization, a growing respect for diversity, and the evolution and sophistication of information technology, AI, and digital technologies.

In response to these changes, we are strengthening our research and development capabilities and accelerating global expansion. In addition, recognizing climate change as a critical issue, we are actively committed to developing products that reduce environmental impact and contribute to a more sustainable future.



Materiality

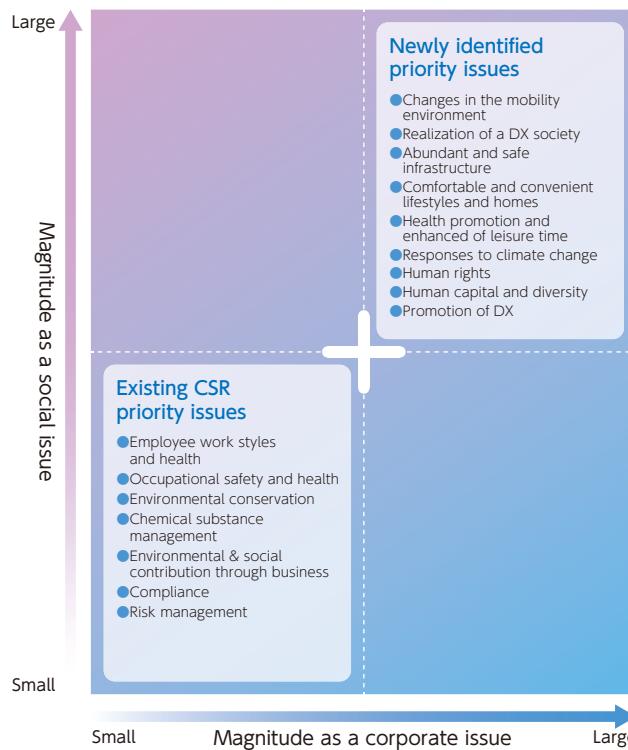
Since 2020, our Group has pursued initiatives based on our CSR priority issues. After comprehensively reexamining the critical issues that Fujikura Kasei should prioritize, we have established our Materiality by adding newly identified issues.

Formulation of our Materiality

Building on our existing CSR priority issues, we have identified new issues to establish our Materiality, carefully evaluating the significance of both social issues and our own challenges. We will not only pursue defensive measures, but also proactive initiatives to help solve social issues and create new value.

Fujikura Kasei's Materiality

■ Toward realizing the 2030 Vision to “provide new value through co-creation × evolution × power of chemistry”



Materiality examination process

As one of our current CSR priority issues, we have focused company-wide efforts on reducing business risks and fulfilling our corporate responsibilities. As a result, CSR initiatives have become deeply embedded in our corporate culture. Recognizing that we have reached a stage where we should advance to the next level, we began formulating our Materiality in fiscal 2023—positioned above CSR—to further strengthen our sustainability management.

FY2023

Renewed awareness of CSR priority issues

CSR priority issues align with the magnitude of both social and corporate issues. We will continue to address them by evolving them into our materiality.

Value creation initiatives

We identified six social issues in our 11th mid-term management plan and aimed to solve them through our business to achieve sustainable growth. We also identified the significance of human capital and diversity in achieving our aim.

FY2024

Focus on “Purpose” and “human capital”

In fiscal 2024, the Sustainability Committee held extensive discussions to formulate the company's Materiality and KPIs. Through these discussions, we reaffirmed that “people” are the driving force behind our materiality initiatives and the foundation of our sustainable growth. At the same time, we realized that our role in society and the vision we aspire to achieve had not been clearly defined, leading to an ambiguous direction for human resource development. Thus, rather than rushing to finalize the Materiality, we decided to focus fiscal 2024 on thoroughly discussing the underlying concepts of “human capital” and our “Purpose.”

Establishment of our “Purpose” and Human Resource Development Policy

Following deliberation and approval by the Sustainability Committee, we defined our “Purpose” and established the Human Resource Development Policy grounded in that Purpose.

6 social issues that Fujikura Kasei aims to solve and our initiatives regarding human capital and diversity



FY2025

Discussions toward realizing human capital management

We held discussions on realizing human capital management, which serves as the foundation for all materiality initiatives.

Defining technology themes to address six social issues

We clarified company-wide R&D themes, positioning the resolution of social issues through our businesses as a key driver of growth.

Establishment of our Materiality and KPIs

Following deliberation and approval by the Sustainability Committee, we finalized our Materiality and established corresponding KPIs.

Materiality

Formulation of our “Purpose”

The key to advancing our materiality initiatives lies in our employees. To foster and empower them, it was essential to first establish a clear Human Resource Development Policy. Doing so, in turn, required us to articulate our “Purpose”—our reason for being in society—which serves as both a compass for the company’s direction and a source of guidance for each employee’s personal growth.

To realize human capital management, we adopted a backcasting approach that began with

defining our corporate purpose and worked backward to design the necessary processes to realize it. Through this approach, we have steadily advanced our discussions and initiatives. In fiscal 2025, we are assessing the gap between our current state and the ideal we aspire to, and clarifying the goals, talent requirements, educational programs, organizational structures, and concrete initiatives needed to bridge that gap and move closer to realizing our Purpose.

Backcasting from our “Purpose” to design the planning process

- (1)Clarifying our origins and the background leading to our establishment as a company
Reaffirming the purpose and significance demonstrated since our founding
- (2)Identifying the gap between our current state and future vision
 - Founding spirit & history
 - Corporate culture
 - “Fujikura, the Company of Technology”
 - Contribution to society
 - “Preserve” — Fujikura Kasei’s unchanging DNA (our enduring values)
 - “Evolve” — Rebuilding in step with social change (evolving with the times)
- (3)Clarifying our direction and priorities
Goals, required talent, training content, organizational structure, and specific initiatives to bridge the gap
- (4)Defining the ideal talent profile and company vision
- (5)Establishing an education framework
An education framework for realizing the desired employee profile and the company we aspire to become
- (6)Formulating a **human resource development policy**
to foster the talent needed to realize our Purpose
- (7)Defining our **Purpose** in society
Fujikura Kasei exists to XXXX.



Zenpachi Fujikura
(Founder)



Factory building at the time of establishment



Former MMA synthesis plant

In fiscal 2024, we established our “Purpose”—our reason for being in society—and, based on this, formulated our Human Resource Development Policy, which forms the foundation for defining and implementing our materiality initiatives. In fiscal 2025, we will continue to discuss and refine specific actions and KPIs related to our Materiality, with the aim of realizing human capital management as the basis for all materiality initiatives.

Fujikura Kasei’s “Purpose” in society

Creating the future through the power of chemistry and contributing to society with technology and trust.

Chemistry and the future

- Fujikura Kasei’s expertise and innovation as a chemical manufacturer
- Forward-looking commitment to contributing to a sustainable society and creating new value

Technology and trust

- Our strengths rooted in the company’s founding culture of “Technology” and “Trust”—the twin pillars of Fujikura Kasei

Contributing to society

- Our clear sense of responsibility and purpose toward all stakeholders

Toward realizing our “Purpose”

Human Resource Development Policy

Based on our “Purpose”—Creating the future through the power of chemistry and contributing to society with technology and trust—we aim to develop talent that supports sustainable growth and to foster an environment where employees and the company grow together.

Initiatives for Achieving Sustainability

Realization of Human Capital Management

Human Resource Development Policy

Based on the awareness that human resources are essential to sustainable growth, we strive to realize human capital management by promoting the development and employment of human resources capable of executing the necessary measures to solve the six social issues we have identified as issues to be addressed by our company.

Human Resource Development Policy

Based on our "Purpose" — Creating the future through the power of chemistry and contributing to society with technology and trust — we aim to develop talent that supports sustainable growth and to foster an environment where employees and the company grow together.

Human capital strategy in the 11th mid-term management plan

To promote our business portfolio strategy, we will clarify our policies on investing in and utilizing human capital, intellectual property, and intangible assets under proper governance.

■ Overview of our human capital strategy

Social issues to be addressed by Fujikura Kasei	<ul style="list-style-type: none"> Changes in the mobility environment Health promotion and enhanced leisure time Comfortable and convenient lifestyles and homes 	<ul style="list-style-type: none"> Abundant and safe infrastructure Realization of a DX society Responses to climate change
--------------------------------------------------------	----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------------------------------------------------

Concept of the strategy

Development of employees who possess creativity and ability to take action

Creation of an organization that breeds innovation

Desired talent

- Human resources who can win continuous trust
- Human resources with leadership skills who can quickly grasp and respond flexibly to changes in the business environment
- Professional human resources who possess outstanding skills and techniques

Desired environment

- An environment conducive to putting diverse ideas into action, regardless of age, gender, or nationality
- An organizational framework that promotes business by the entire "Fujikura Kasei Group"
- Workplace environments that ensure psychological safety, where employees can work actively in good health

People are our most valuable asset. To navigate an unpredictable and uncertain external environment, we are actively promoting human resource development and diversity initiatives based on our established "Purpose." In formulating our Human Resource Development Policy, we first assessed our current situation, clarified the ideal state, and identified the gap between the two as a key challenge in talent development. Building on this analysis, we are formulating a concrete human capital strategy to bridge that gap.

Priority measures

At our company, we are implementing three priority measures based on our human capital strategy, striving to raise the level of our efforts by coordinating these measures.

■ Quantification of current status (Fujikura Kasei non-consolidated)

Ratio of female employee	Employees 17.1%	Management-level employees 6.2%
(as of March 31, 2025)		
Ratio of parental leave	Men 66.7%	Women 100%
(FY2024)		
Rate of feedback interviews regarding personnel evaluation	100%	
(FY2024)		

Engagement

- Promotion of communication
- Retention of human resources
- Dissemination of our corporate philosophy

Human resource development

- Employment and development of reliable human resources
- Development of human resources with leadership skills
- Development of professional human resources

Diversity & inclusion

- Promotion of women's empowerment
- Promotion of the active engagement of senior employees
- Employment of local staff members in management positions

Human resource development

We support employee self-development and provide regular training so all employees can maximize their abilities. We also hold supervisor feedback meetings on performance evaluations and meetings with the human resource department as a key initiative in promoting human resource development.

■ Fujikura Kasei's educational system (position-specific training)

New employee training	Follow-up training	Middle-level employee training
Provides basic skills required of working adults and an understanding of manufacturing and technical development	Provides an understanding of the management plan and each business segment, etc. after the sixth month	Provides an understanding of their roles to act on their own initiative and create a proper workplace climate
Section chief training	Section manager training	Department manager training
Provides an understanding of behavioral transformation, team rejuvenation, and workplace productivity improvement	Provides the basics of management required of managers	Contributes to strengthening engagement and realizing a productive workplace

Initiatives for Achieving Sustainability

Realization of Human Capital Management

Diversity & inclusion

Women's empowerment

As part of our action plan to promote women's empowerment, we established a goal to increase the number of female managers and are actively promoting this initiative. We are building systems that align with women's life stages, and every five years, we provide an empowerment training program for all female employees as an opportunity for them to think about their future careers.

Our parental leave program (key features)

Employees may take parental leave until the end of April following their child's second birthday. They may also work on a reduced working hour system until the child reaches the third grade in elementary school. In addition to these programs, employees may also use the saved leave system when a child requires nursing care. When utilizing these programs, a three-party meeting is held between the employee, their supervisor, and the human resource department.

Active engagement of people with disabilities

We provide continuous employment to people with disabilities, giving consideration to their individual needs regarding place of work, working environment, work description, and other such factors.

Engagement surveys

Engagement surveys

We constantly strive to improve our workplace environment so our employees can maintain their motivation to work and maximize their abilities. As part of this effort, we regularly conduct engagement surveys. Beginning with last year's survey, we placed greater emphasis on disseminating a better understanding of our management philosophy, and in fiscal 2024 we implemented training programs for general manager-level employees, to enhance their workplace engagement.

Active engagement of senior employees

With the rapidly declining birthrate and aging population coupled with a shrinking population, there are growing expectations for the active participation of senior employees. In response to this situation, the Revised Act on Stabilization of Employment of Elderly Persons was put into effect on April 1, 2021, requiring companies to make their best effort to secure the employment of employees up to the age of 70. We are revising our reemployment system to comply with this legal amendment and effectively foster successors while transferring the necessary skills.

Additionally, we provide second career training sessions to employees who reach the age of 50, allowing them to discuss post-retirement work plans and succession matters in individual interviews with the human resource department.

■Ratio of post-retirement employees using the reemployment system

FY2022 2 among 3 67%	FY2023 2 among 2 100%	FY2024 4 among 4 100%
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■Growing employment rate of people with disabilities

FY2022 2.14%	FY2023 2.38%	FY2024 1.94%
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Employee health management

We are committed to promoting good health among our employees based on the belief that the health and well-being of our employees and their families are directly linked to increasing productivity and enhancing corporate value.

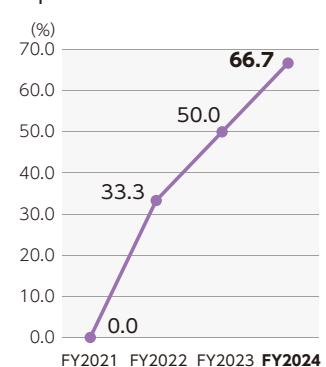
Employee health checkup rate	100%
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Stress check rate	98.5%
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Work-life balance support

To enable diverse employees to thrive and accommodate flexible work styles, we promote programs that support work-life balance. In addition to improving employment conditions related to childcare and nursing care, we provide individualized guidance and confirm intentions with male employees when a child is born, which has led to an increase in the rate of paternity leaves.

■Rate of male employees taking parental leave



Examples of work-life balance support measures

Support for taking and returning from parental leave

Three-party meetings are held with both male and female employees taking parental leave, their supervisors, and the human resource development both before and after employees take a leave, to prevent harassment during the leave and confirm job responsibilities.

Saved leave system

This is a unique program offered by our company. Employees can retain up to 100 days of unused paid leave and use them for parental leave, a personal illness or injury, or the nursing care of family members.

Comeback employment system

This system supports the reemployment of employees who have once resigned due to childcare, nursing care, a spouse's job transfer, self-development, or other personal reasons.

Examples of employee health management

- Subsidies for influenza vaccination
- Encouraging employees and their dependents to undergo health checkups and providing specific health guidance
- Executive meetings on the results of the stress check system in each workplace
- Subsidies for comprehensive medical examinations
- Establishment of a telephone hotline for health consultations
- Encouragement of sports
(initiatives of the corporate culture and sports group and the health insurance union)
- Vaccination subsidies for employees assigned overseas
- Temporary home visit system for employees assigned overseas
(once every six months for single employees, once a year for employees accompanied by their families)
- Health promotion app (health insurance union)

Initiatives for Achieving Sustainability

Realization of Human Capital Management



Environment & Safety Dept.	Architectural Coatings Div.	Coating for Plastics Div.	Electronics Materials Div.	Environment & Safety Dept.	Medical Materials Dept.	Administration HQ Purchasing Dept.	Administration HQ Administration Dept.
Technical Dept. Manager	Technical Dept. Manager	Technical Dept. Manager	Technical Dept. Manager	Manager	Marketing Section Manager	Manager	Human Resources & General Affairs Section Manager
Kazutaka Aoki	Yuichi Saito	Hiroyuki Kai	Yohei Hirakawa	Hideki Komatsubara	Yasuou Ohno	Kazuyoshi Ito	Katsuyuki Yuzawa
Sustainability Promotion Dept. Section Manager	Functional Polymers & Resins Div. Marketing Dept. Manager	Sustainability Promotion Dept. Manager	Executive Director and General Manager of Administration HQ	Toyohiro Tsuchiya	<Facilitator> Administration HQ Administration Dept. Manager	Yasuhito Ohta	
Satomi Miyatake	Ryou Yokomizo	Koji Sasaki					



Feature

Roundtable Discussion on Human Capital Management by the Sustainability Promotion Department

We are advancing human capital management to realize our “Purpose”—Creating the future through the power of chemistry and contributing to society with technology and trust. Recently, members of the Sustainability Promotion Department, comprising representatives from various divisions, held a round-table discussion to exchange diverse perspectives on the future of Fujikura Kasei.

—How are “earning power” and human capital management connected?

Ohta: To begin, I’d like to discuss how “earning power,” which is essential for a company to generate profits, connects to human capital. Please share your thoughts, including from your own experiences.

Aoki: I believe earning power comes not only from strong products and technological development, but also from the ability to read market needs and sensitivity to technology trends. Human capital is about drawing out these diverse capabilities.

Sasaki: If we view people as a “resource,” they become a cost. But if we view them as “capital,” we take a nurturing perspective. Education and the way we engage with others can change a person’s value—that’s why we need to take human capital seriously.

Yokomizo: Earning power is, in essence, “the ability to generate profit.” Profit is created through the combined strength of product capabilities, technological expertise, and people’s dedication. People and earning power are closely connected.

Hirakawa: Products are created by people, and when people grow, products improve. Including promoting communication, how we nurture people defines the strength of the company itself.

Kai: In the R&D field, know-how is crucial. The key lies in quantifying it and passing it on to younger generations. DX is one way to achieve that, but I believe it should come after first thinking things through independently.

Komatsubara: From a manufacturing perspective, earning power comes down to cost awareness. Controlling fixed costs, eliminating waste, and maintaining quality all directly contribute to profit.

Ohno: Today, the essence of earning power is the ability to respond flexibly to change. Effectively investing resources, while maintaining agility and flexibility, is vital.

Ohta: Listening to everyone, I realized that people’s thinking and actions are central to earning power. Ultimately, investing in people is what generates earning power.

Initiatives for Achieving Sustainability

Realization of Human Capital Management

—How should we develop our people? Is reskilling needed across all levels?

Ohta: To continuously strengthen our company's earning power, it's essential to consider what kind of people we should develop and how. I'd like to hear your thoughts on building an education framework and fostering practical development.

Sasaki: Education is necessary at all levels. Providing learning opportunities aligned with the company's direction and needs in each position can enhance employee engagement.

Miyatake: Education should be integrated with performance evaluations and internal systems. I believe we need a structure that supports employees' desire to learn and connects that learning to evaluations.

Kai: In R&D, it's important to develop the ability to learn through trial and error. Even experienced employees should engage with DX and new ways of thinking—quantifying and sharing know-how is a new approach to passing on technology.

Yokomizo: As we get older, studying can become more challenging, but many people still feel it's necessary. A flexible environment that allows employees to choose what and how to learn may help draw out motivation.

Saito: I think sharing values between management and the front lines is crucial in education. With a shared sense of purpose, the entire company can move in the same direction.

Yuzawa: In this rapidly changing era, we need to continue learning to be adaptable. Employees who proactively pursue learning should be supported, while there may also be cases where the organization needs to take the lead in providing education.

Feature

—How can we enhance employee engagement?

Ohta: I believe engagement means a state in which employees and the company are connected through mutual trust, allowing both to work with passion and focus. I'd like to hear your thoughts and experiences to uncover ways to strengthen engagement.

Sasaki: Gaining a sense of fairness and understanding is key to engagement. While evaluations inevitably involve some subjectivity, if employees feel they are working toward self-fulfillment, I think they can accept a certain degree of imbalance.

Hirakawa: In the R&D field, confidence gained through manufacturing is vital. I believe it's a manager's role to create an environment where employees can feel a sense of achievement and purpose in their work.

Yokomizo: When employees are assigned to areas they excel in or are passionate about, they naturally approach their work with enthusiasm. Leveraging each person's "interests" can help increase engagement.

Ito: Job rotations can also help people grow, but it's unfortunate when someone can't perform well in a position that doesn't suit them. I'd like to explore ways to identify the reasons behind low engagement and provide environments where people can shine.

Aoki: The quality of communication influences engagement a lot. Misalignment in evaluations or a lack of recognition can create frustration, so I believe careful explanations and acknowledgment from supervisors are essential.

Ohno: I think there are cases that can't be adequately addressed under our current systems. When appropriate action can't be taken toward individuals whose behavior does not align with their roles, it can undermine the whole organization. To move closer to our ideal organization, I feel we need to encourage change.

Roundtable Discussion on Human Capital Management by the Sustainability Promotion Department

—Closing remarks —

"Empowering our Purpose, connecting to the future"

Tsuchiya: Thank you, everyone, for your active and insightful comments. This discussion has reminded me once again that sustainability is about envisioning what kind of company we want to be and what kind of future we can create. Last fiscal year, we revisited our Purpose and formulated our Human Resource Development Policy.

As we move forward in promoting human capital management, I believe it will be essential to create an environment where every employee can demonstrate their full potential.

As the Sustainability Promotion Department, we will continue to engage in open dialogue and advance meaningful initiatives together.

Thank you again for your participation today.



Initiatives for Achieving Sustainability CSR Materiality

Contributing to the Resolution of Social Issues through Our Business

Functional Polymers/Polymers & Resins

Development of carrier coating materials that address energy saving and environmental impact challenges in copiers

[Addressing social issues]

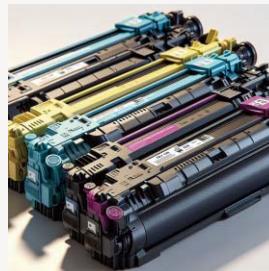
Energy efficiency and environmental impact reduction are key challenges in the copier industry. We contribute to a sustainable society by developing carrier coating materials that enable low-temperature fixing and thereby promote energy savings. By enhancing carrier durability and charge control performance, we work alongside our customers to advance environmentally conscious solutions for the next generation.

[Development technology]

Carrier coating materials are used in the toner development process to stabilize toner particles and ensure proper performance during printing. They play a vital role in improving toner flowability and adhesion, helping generate electrostatic charge and enhance print quality.

The newly adopted carrier coating material is designed for next-generation copiers with improved power efficiency. Drawing on our proprietary polymerization technology and long-standing charge control expertise cultivated through toner binder applications, we successfully addressed the challenge of reducing energy consumption.

We will continue contributing to the realization of a sustainable global society through innovations that tackle environmental issues on a global scale.



Voice

Balancing environmental responsibility and user convenience



Functional Polymers & Resins Div.
Technical Dept.
Kyoya Ooyama

Functional Polymers & Resins Div.
Marketing Dept.
Yuji Sugimura

The carrier coating material we developed has been adopted by a leading copier manufacturer. Upholding a philosophy of contributing to customers' business growth by addressing social issues, the manufacturer develops products that balance environmental responsibility with user convenience. In recent years, it has been expanding its lineup of environmentally friendly products to strengthen its competitiveness in the global market.

The newly launched copier model equipped with our carrier coating material delivers high image quality and industry-leading energy efficiency. Our material contributes to improved durability and reduced power consumption, and is planned for use in the manufacturer's next-generation models. It is also being adopted in specialty printing applications, and broader utilization across various fields is anticipated.

We will continue pursuing harmony between technology and the environment, creating products that contribute to the sustainable development of society and industry.

We are committed to contributing to the environment and society through our business activities, and to fulfilling the needs and expectations of society.

Electronics Materials

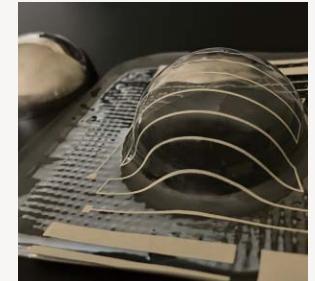
Development of electroconductive paste for molding — A material supporting smart homes and appliances

[Addressing social issues]

Moldable electroconductive paste is gaining attention as a key material for advancing the smartification of homes and home appliances. Compatible with in-mold electronics, it not only enables smart operability and elegant design, but also contributes to reducing component count, weight, and thickness while improving overall efficiency.

[Development technology]

This electroconductive paste for molding enables the creation of 3D conductive circuits. The process involves screen-printing electroconductive circuit patterns onto flexible flat films such as polycarbonate, thermally curing them, and then forming three-dimensional wiring structures through vacuum forming or similar processes according to the intended application and design. Conventional polyester-resin electroconductive coatings used in membrane switches provide flexibility but can break when stretched, requiring advanced resin formulation techniques. In contrast, our product exhibits excellent adhesion to film substrates and outstanding stretchability and followability, allowing it to maintain conductivity even when the base material is deformed.



Voice

A development spirit that never gives up in the face of challenges



Electronics Materials Div.
Technical Sec.2
Haruto Hirose

After many years of dedicated effort, our long-pursued electroconductive paste for molding has finally taken shape as a commercial product, now adopted for use in touch switches for home appliances. Its excellent adhesion and flexibility allow it to be applied to complex shapes that were previously difficult to achieve. Seeing our technology make a true difference in the real world is extremely gratifying.

In the early stages, we faced many obstacles and often felt that the market was not yet ready to embrace the potential of this technology. However, by refusing to give up, we have reached a point where our innovation is recognized and valued—a real accomplishment.

Looking ahead, we will continue expanding our efforts to develop electroconductive pastes with new functions and insulating materials that protect circuits. With a strong commitment to the sustainable development of environmentally friendly products, we will strive to create technologies that contribute to society. As technology evolves and social needs change, we remain committed to delivering products that bring confidence and satisfaction to all users.

Initiatives for Achieving Sustainability

Promoting Digital Transformation (DX)

DX promotion initiatives

We will promote DX that accords with the operational characteristics of each division and support changes and sustainable growth.



- ▶ Advanced information on raw materials
- ▶ Sharing and utilization of experimental data
- ▶ Intellectual property information



- ▶ Cultivation of new customers
- ▶ Information sharing among team members
- ▶ Contact with customers



- ▶ Production plans, plant control
- ▶ Inventory information
- ▶ Order receiving/issuing, delivery operations



- ▶ Strengthening core systems
- ▶ Development of digital human resources
- ▶ Visualization of management

FY2024 initiatives

We are developing a foundation for greater operational efficiency and new value creation through the use of data and digital technologies.

In fiscal 2024, we implemented an e-learning program for all employees in line with the Digital Skill Standard established by Japan's Ministry of Economy, Trade and Industry (METI).

In addition, at the R&D Center, which serves as the core of our Group's technological innovation, we once again invited Dr. Naoyuki Kamatani, Chairman of Stagen Co., Ltd. and Director of the Institute for Medical Artificial Intelligence, to deliver a lecture on the latest trends in DX and AI, following last year's program. This initiative has triggered a shift in mindset toward digital utilization at the R&D frontlines.

At Fujikura Kasei, we launched digital transformation (DX) initiatives in fiscal 2024 to realize our 2030 Vision—Provide new value through Co-creation x Evolution x Power of Chemistry. Within the 11th mid-term management plan, DX promotion is positioned as a pillar for strengthening the management foundation that supports continuous change and sustainable growth. It is an initiative designed to drive both corporate development and a sustainable future.

eラーニング DX教育プログラム

Introduction to DX
(beginner course):
Completion rate 40%

Practical DX course
(business process innovation):
Completion rate 15%

Individual courses:
In progress



Mr. Naoyuki Kamatani,
Chairman of StaGen Co., Ltd.

<Participant feedback>

The lecture inspired me to first consider how AI could be utilized to improve efficiency whenever starting something new. This mindset is gradually spreading throughout the workplace, and I feel we have taken the first step toward incorporating AI into our daily operations. I hope to continue expanding the scope of AI applications through practice and experience.

Future initiatives

Building on the outcomes of fiscal 2024, in fiscal 2025 we will focus on developing the internal foundation needed to advance DX—what we refer to as “cultivating the digital soil.”

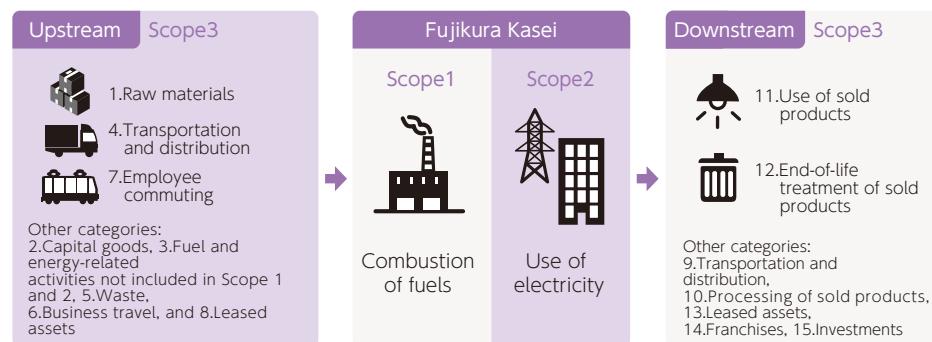
Specifically, we will foster an environment where more employees can feel more familiar with DX by promoting both bottom-up initiatives from the front lines and top-down initiatives led by management.

Looking ahead, we will link DX with the realization of human capital management, which is one of our material issues. We will systematically organize and develop the skills and experience required for digital talent, while expanding training programs both inside and outside the company. Through these efforts, we will continue implementing recruitment and development strategies to ensure the long-term cultivation of human resources.

Initiatives for Achieving Sustainability Contributing to a Decarbonized Society

Climate change and our recognition

Global climate change is recognized as one of the world's most critical issues, and since the Paris Agreement came into effect in November 2016, efforts to address it have progressed worldwide. In Japan as well, in October 2020, the government pledged to achieve carbon neutrality by 2050, and combating climate change has become an increasingly important priority. At Fujikura Kasei, we are taking initiatives to reduce greenhouse gas emissions based on the awareness that we have a corporate social responsibility to address climate change. In line with the "Act on Promotion of Global Warming Countermeasures," we have monitored CO₂ emissions from our business activities and established "Eco Vision" as our medium- to long-term environmental goal, through which we continuously strive to use fuel and electricity efficiently and reduce consumption, while disclosing our results.



FY2024 initiatives

Scope 1-3 calculation

In fiscal 2024, we began calculating greenhouse gas (GHG) emissions for our overseas consolidated group companies, holding briefing sessions at each site to ensure the same level of accuracy as in Japan.

Unlike domestic operations, Scope 3 Category 4 and Category 9 for overseas operations include maritime and air transport. Therefore, we established clear rules to define the calculation boundaries on both the exporting and importing sides, preventing double counting and improving data accuracy.

Since actual transport routes often involve multiple modes of transportation, such as rail and trucks after unloading, we worked closely with local personnel to ensure reliable and precise calculations.

At Fujikura Kasei, we recognize our responsibility to address climate change as a management issue and engage in assessing greenhouse gas emissions from throughout our supply chain. We also strive to ensure proper disclosure in line with the international reporting framework of the Task Force on Climate-related Financial Disclosures (TCFD) while making an active contribution to reducing greenhouse gases.

Consideration of a CO₂ emission management system

Efforts toward decarbonization must be continuously promoted through 2050. To ensure long-term, stable calculation processes, we recognize that introducing a CO₂ emission management system would be highly effective. We are exploring various options to enable comprehensive monitoring of CO₂ emissions across our entire supply chain and to establish appropriate reduction targets.

Going forward, we will continue evaluating and selecting a system best suited to our company, to achieve seamless and accurate CO₂ calculation and management throughout the supply chain.

Scope 3 Category 4 CO₂ reduction through logistics optimization

We are working to reduce CO₂ emissions associated with Scope 3 Category 4 by promoting initiatives aimed at improving logistics efficiency. We regularly hold company-wide "Logistics Efficiency Meetings" to identify and implement improvement themes in each business division. As a result, we achieved CO₂ reductions by shortening transportation distances through a review of warehouse operations and improving truck loading efficiency. In response to Japan's "2024 Logistics Issue," we also worked with partner companies to optimize logistics routes and reduce cargo waiting times, helping to shorten driver working hours. Through these initiatives, we reduced our logistics indicator, ton-kilometers, by approximately 2% year on year, contributing directly to lower CO₂ emissions.

Future challenges

In fiscal 2025, we will formalize calculation procedures that include overseas consolidated group companies and revise our internal document, "Supply Chain Calculation Procedure," to standardize calculation methods across the organization.

From a global perspective, we will continue examining ways to reduce Scope 2 CO₂ emissions. By assessing the status of infrastructure in each country from the same standpoint as in Japan, we aim to further advance our decarbonization efforts on a global scale.