

Fujikura Kasei Group

# CSR Report 2020



# Taking on Challenges and Working Together

Providing the value our customers need

## Action guideline

We share the joy of creation by joining our hands together with all associates.

We make efforts to be a challenger all the time without fear of failure.

We aim to be a reliable company by facing customers with sincerity.

We pursue the realization of comfort through commitment and compassion.

We are committed to safe and secure manufacturing with compliance to the applicable laws and observance to their spirit.



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### Editorial policy (regarding publication of this CSR Report)

This CSR report presents the initiatives undertaken by the Fujikura Kasei Group toward fulfilling its social responsibility and solving social issues, edited under the basic policies of accountability and information disclosure.

It is hoped that publication of this report will deepen dialogue with stakeholders and contribute to their comprehensive evaluation of the corporate value of the Fujikura Kasei Group.

### Scope of this report

All business activities of Fujikura Kasei and the Fujikura Kasei Group

### Period covered by this report

April 1, 2019 – March 31, 2020 in principle  
\*Includes, in part, information on ongoing initiatives, special notes, etc. that fall outside the specified period.

### Reference guidelines

ISO26000 (International Organization for Standardization)  
\*Guidance on Social Responsibility  
Principles of the United Nations Global Compact

The Fujikura Kasei Group actively engages in business based on a medium-term management plan that also incorporates CSR activities in its management practices. "CSR is business itself." From this perspective, President Daisuke Kato reaches out to all stakeholders to convey the issues that the Group intends to address to realize sustainable growth while contributing to society.



We will address social issues and strive to achieve sustainable growth.

Fujikura Kasei Co., Ltd.  
President

Daisuke Kato

**Introduction —About publishing this CSR Report—**

As a company whose corporate activities are rooted in chemistry, we began by publishing the Environmental Report in 2004, and thereafter continued to publish the report as the Safety and Environmental Report until 2019; along the way, adding sections on occupational safety and health and social topics. During these years, as globalization has advanced and social demands on corporations increased, we thus deemed it necessary to publish information on our corporate activities to a broader audience, and consequently launched this CSR Report.

We think that CSR includes not only "corporate social responsibility" but also the meaning of "listening to the demands of society, examining them, and taking appropriate measures as a company." Responding to social issues through business ultimately leads to enhancing one's corporate values, so CSR can be said to be an important management tool.

By effectively embracing this concept of CSR, we strive to strengthen our positive impacts on society, and, continuously, aim to be a company trusted by society.

**Launch of a development project to create new value**

**—What progress has been made in the company's management environment and medium-term management plan?**

The Fujikura Kasei Group has supported technological advancement in a broad range of industries including the automotive, construction and electronic equipment industries for eighty years as a chemical manufacturer. With the advancement of digital technologies, in particular, the industrial world has entered a period of unprecedented change. To overcome this juncture and always be a company needed by society, we are now implementing our 10th three-year medium-term management plan formulated in fiscal 2019. More specifically, we are implementing five priority measures under the basic policy of "pursuing a new vision that links to the next generation." The most salient characteristic of these measures is that they are based on the concept of "backcasting toward a new beginning" and

embodies the vision of how we aim to be ten years from now. We have held thorough discussions on where our devotion and ideals lie even amid changing times and a changing society. We will respond flexibly to these changes while engaging in management with unwavering policies and skillfully capturing changes in our external environment.

We are also pursuing new market initiatives and face a large challenge in strengthening technological development. Thus, as a new undertaking, we have established the Technology Strategy Office in April 2020 under the direct control of the president. Through this office, we aim to promote collaborations within the company and with Group companies, and are hoping to develop products never before seen by horizontally connecting the technologies of each business division. For example, we are seeking the possibility of developing new types of environment-friendly products by using our original technologies and cultivating new markets.

**Contribution to society through our businesses and our key priority issues (materialities)**

**—What kinds of CSR activities does the Fujikura Kasei Group engage in?**

The Fujikura Kasei Group upholds the management philosophy of "Taking on Challenges and Working Together—Providing the value our customers need." Based on this philosophy, we engage in business with the aim of developing an affluent society and supporting people's health and happy lifestyles while sharing mutual values with our customers and with society.

We have consistently promoted CSR activities within our company and within the entire Group through the CSR Promotion Office established in 2017. In 2019, we took the common approach of carefully checking the issues we have identified in our company against social issues specified by the UN Global Compact, for example, and defined "materialities" to be addressed systematically. As this initiative was based on a proposal presented by the CSR Promotion Committee composed of members selected from each department, and was adopted upon consultation by the management, it has marked an ideal start of hands-on CSR activities in our company.

**—What are the main focuses of the five materialities?**

The issues that have been extracted are also common to all Group companies in Japan and overseas, and grouped into the five categories of "Labor," "Environment," "Chemical substance management," "Compliance," and "Risk management" to facilitate understanding of the issues.

From my standpoint, "Labor" focuses on placing priority on employee health and safety. We provide a workplace environment where employees can work with peace of mind, and various systems are in place to help them lead comfortable lifestyles. As internal communication is an important aspect of this perspective, we have established forums in which I can discuss diverse topics of interest with managerial employees in Japan and resident employees overseas, to bring management and actual work sites closer together.

In the "Environment" area, we strive to develop environment-friendly products and launch them on the market as quickly as possible, based on the awareness that environmental

consideration is paramount to a chemical company like us. We are also working to reduce the environmental burden of our product manufacturing operations by streamlining manufacturing processes and otherwise reducing resources and energy consumption.

"Chemical substance management" has always been a part of our social responsibilities as a chemical manufacturer. Chemical substances are useful, but can be hazardous if they are used incorrectly. We thus ask our raw material suppliers, as well as all users of our products, to also manage chemical substances in a proper manner.

"Compliance" and "Risk management" are the foundations of our corporate activities. Our Group conducts business in compliance with relevant laws and regulations in each country and region and in accordance with the regional characteristics of wherever we operate. We will, however, strive to further ensure that our actions comply with laws, regulations and rules that are the foundation of our Group, enhance the transparency of operational processes and strengthen risk management.

**—What expectations do you have of future CSR activities?**

We have demonstrated high-quality achievements and technical capabilities in a broad range of business areas that include the five areas in which we operate as a chemical manufacturer and the additional medical materials area, and have constantly engaged in needs-oriented development from the customers' perspective and seeds-oriented development to produce innovative materials. With our materials supporting the very existence of many businesses, we make a significant contribution to industrial development. Nevertheless, society is undergoing a period of transformation, and there is a strong trend toward development initiatives that lead to solving social issues instead of conventional development efforts. To also respond to this change, I believe CSR activities will trigger changes in the way we think and act.

The Fujikura Kasei Group will continue to answer to the trust and expectations of society by making steady efforts to develop new technologies and manufacture new products with the aim of increasing social corporate value.

**10th Medium-term Management Plan (2019 - 2021)**

Basic policy Backcasting toward a new beginning  
**Pursuing a new vision that links to the next generation**

- Priority measures
- New market initiatives
  - Global market expansion
  - Production support
  - Strengthening of Group management
  - Human resource development

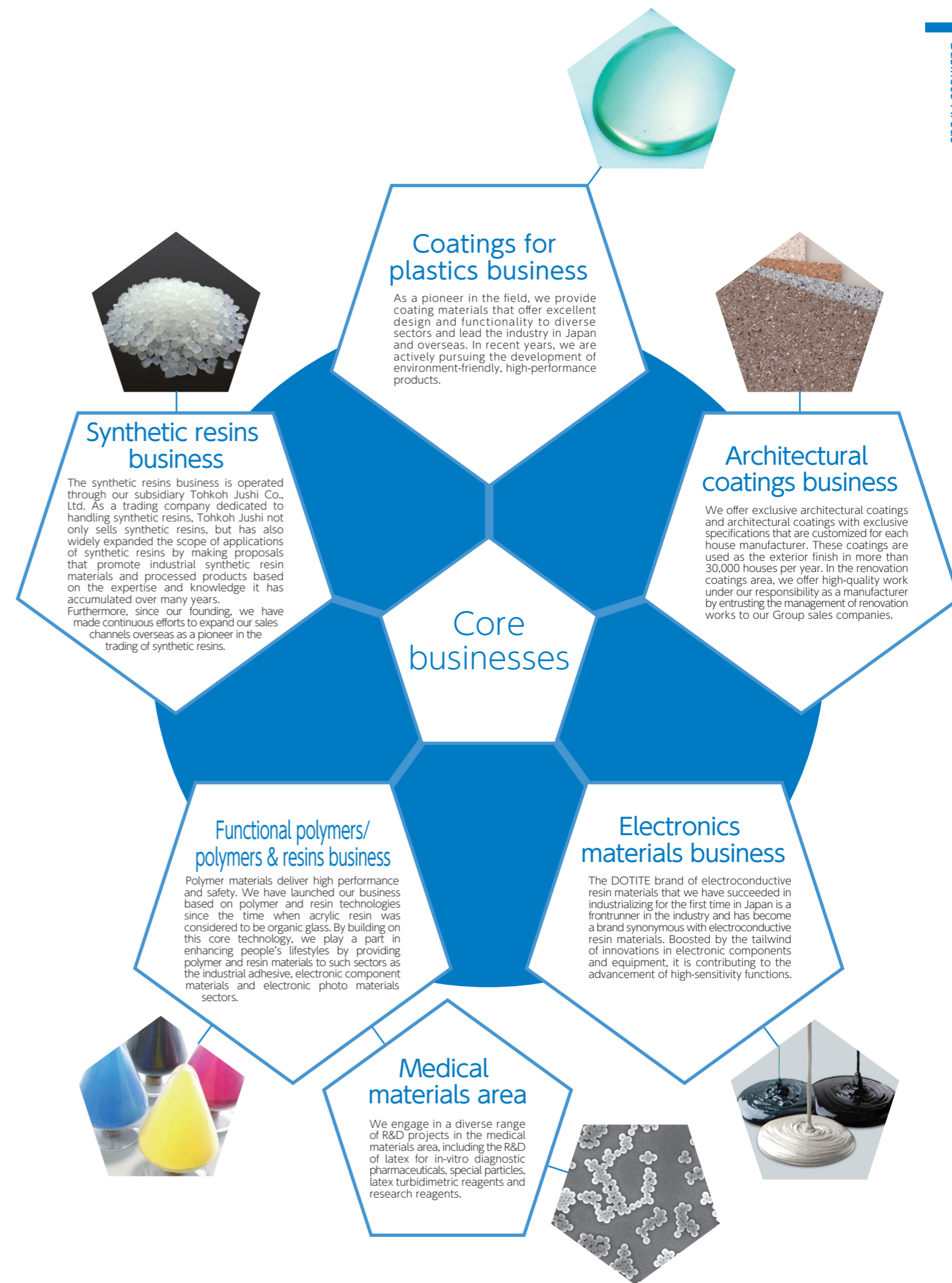
# Expanding businesses based on 80 years of expertise and technologies

In prompt response to changes in the times, Fujikura Kasei has engaged in R&D activities to support customers and contribute to social development, and has produced diverse innovative technologies and products.

## Our Technical Areas and Businesses

Underlying our businesses are two backbone technologies—compounding technology and polymerization technology—that we inherited when we spun off from Fujikura Mfg. Co., Ltd. (now Fujikura Composites Inc.) in 1938. Our compounding technology, combined with core technologies we have cultivated through joint development and technical cooperation with various companies in Japan and overseas, has led to the development of our coatings for plastics business, architectural coatings business and electronics materials business. Similarly, our polymerization technology has also led to the development of our functional polymers business/polymers & resins business and medical materials business with the backing of core technologies acquired through independent R&D efforts. As outlined above, our backbone and core technologies have provided high-performance, high value-added products to a broad range of sectors including the automotive, residential and state-of-the-art electronics sectors. Through consistent ongoing efforts, we will continue to contribute to the future development of industries.

Backbone technologies	Core technologies	Relevant businesses and area
<b>Compounding technology</b> Backbone technology related to coating products ▶ Raw material compounding technology ▶ Pigment dispersing technology ▶ Coating application and printing technology ▶ Coating film drying and curing technology	UV curing technology	Coatings for plastics
	Coating film tactile adjustment technology	
	Hybrid coating film technology	
	Coating film structural design technology	
	Water-borne technology	Coatings for plastics Architectural coatings
	Color matching technology	
	Weatherproofing technology	
	Dispersion technology	Coatings for plastics Architectural coatings Electronics materials
	Coating work optimization technology	
	Multi patterned technology	Architectural coatings
Conductive coating technology	Electronics materials	
<b>Polymerization technology</b> Backbone technology related to resin products ▶ Polymerization and synthesizing technology to control chemical compositions ▶ Particle control technology for making fine powders ▶ Composite technology for binding differing materials	Resin design technology	Functional polymers/ polymers & resins
	Molecular framework design technology	
	Resin charge adjustment technology	
	Fine particle polymerization technology	Functional polymers/ polymers & resins Medical materials
	Particle design technology	

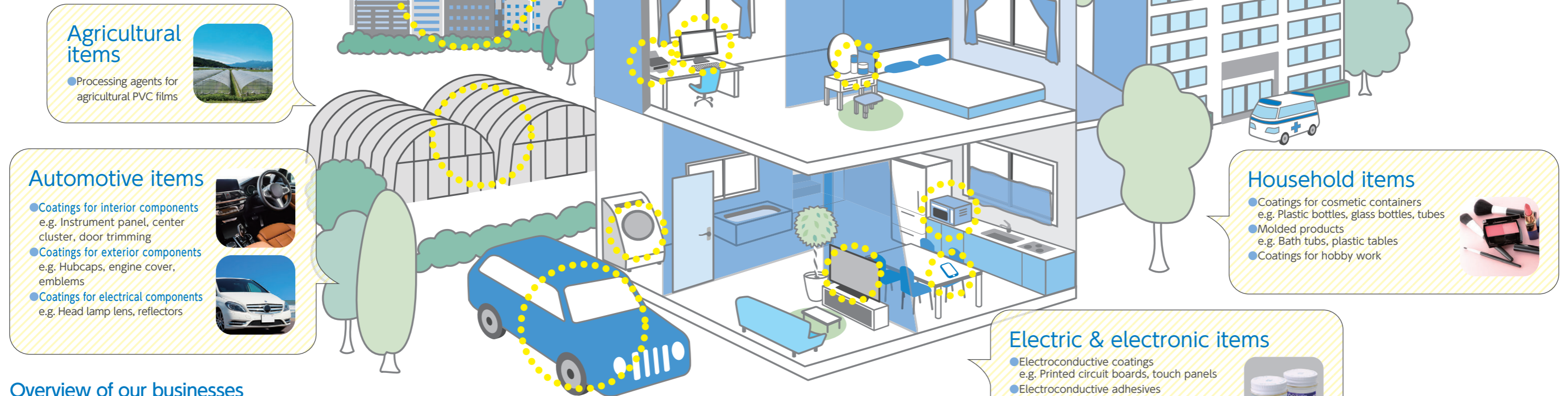


# Providing things of value to society from the customer perspective

The chemical industry has brought comfortable lifestyles to many people.

Since our founding in September 1938, we have addressed the challenge of developing innovative technologies as a chemical manufacturer and have developed an array of original products with high added value.

Fujikura Kasei around you



## Overview of our businesses

Our two backbone technologies—polymerization technology and compounding technology—have allowed us to develop our core businesses that include the coatings for plastics business, architectural coatings business, electronics materials business and functional polymers/polymers & resins business. Additionally, the medical materials area has been newly formed under the functional polymers/polymers & resins business, and is seeing a rapid broadening in the scope of its business. Through an ongoing pursuit of these business activities, we will endeavor to gain an accurate grasp of social needs and environmental changes and contribute to developing a sustainable society.

<p><b>Coatings for plastics business</b> (2019 topics)</p> <p>An increase in demand was seen for anti-fogging coatings and heat dissipating coatings for functional coating materials and film coatings. We expanded our lineup of hybrid UV coating and 100% UV coating products in response to strong needs for environment-friendly products.</p>	<p><b>Architectural coatings business</b> (2019 topics)</p> <p>We market launched high-design, multi-patterned coatings and high-durability coatings for house foundations and expanded demands. We also developed coatings that provide even higher design, greater durability in renovations and extended housing warranty.</p>	<p><b>Electronics materials business</b> (2019 topics)</p> <p>We expanded demand for automotive electronic equipment by providing products for fine-pitched printing circuits and ultra-compact electronic devices. We also responded to the expanding market with 5G communication technologies and advanced driving system technologies.</p>	<p><b>Functional polymers/polymers &amp; resins business</b> (2019 topics)</p> <p>Demand for adhesives increased with the expansion of the market for electronic parts. Our share in the toner market grew particularly overseas. We expect further growth in demand accompanying the dissemination of 5G and needs for environment-friendly products.</p>	<p><b>Synthetic resins business</b> (2019 topics)</p> <p>Robust growth was seen with respect to raw materials for direct-type TV diffuser plates. We became the largest producer of plastic covers for in-car navigation panels in Japan. We aim to cultivate new businesses based on our comprehensive ability to propose applications for raw materials, sheets and semi-finished products.</p>	<p><b>Medical materials area</b> (2019 topics)</p> <p>Growth in demand was seen in India and Europe for diabetes testing reagents. The use of these reagents has also been proposed to ASEAN and East European countries, and will be actively introduced to regions where the prevalence of diabetes is high.</p>
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# Solving social issues with our technical abilities

## Preventing, dissipating, protecting.

### Fujikura Kasei confront the challenge of "heat" with advanced technologies.

Fujikura Kasei is committed to developing a diverse range of coatings and resin materials that protect equipment and facilities from heat and contribute to saving energy. Through the application of these materials to various products, we contribute to promoting environmental conservation by eliminating the wasteful use of electricity and energy.

### Controlling heat

Energy saving technologies allow for the efficient use of energy, but equipment and facilities that use energy give off heat. Heat can have an adverse effect on machines, instruments and even people's lives. For example, when room temperature increases during summertime, the cooling efficiency of air conditioners drops and a large amount of power is consumed to cool the room. At Fujikura Kasei, we develop diverse coatings and resin materials that can control heat through combinations of our backbone technologies and elemental technologies in each department.



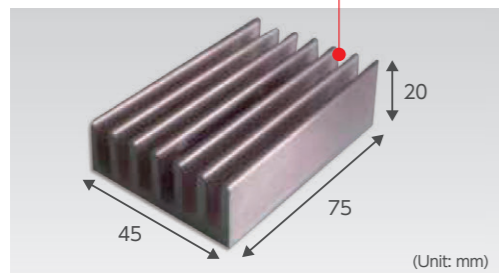
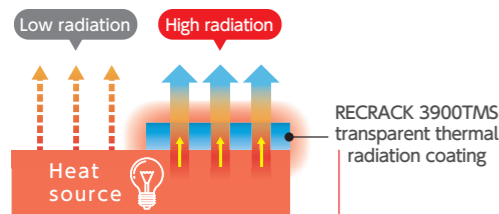
### Technologies and products that control heat

Coatings for plastics business

## Thermal radiation × Cooling device

Efficient heat dissipation is achieved by applying a thermal radiation coating to heat sinks.

Semiconductor devices are incorporated in electronic and electric products in diverse sectors. The flow of electric currents creates heat, which could cause functional decline or failure if it surpasses the tolerance value. Therefore, the heat that is generated inside the device must be promptly dissipated to the outside via a heat sink (radiator). RECRACK 3900TMS, a thermal radiation coating developed by the Coatings for Plastics Division, can efficiently cool heat spots. It can be applied to various types of substrates as it forms a transparent, electrically insulating film. When applied to heat sinks, it can be expected to increase the output of the electronic device, downsize the heat dissipation substrate, and reduce the temperature of the substrate.



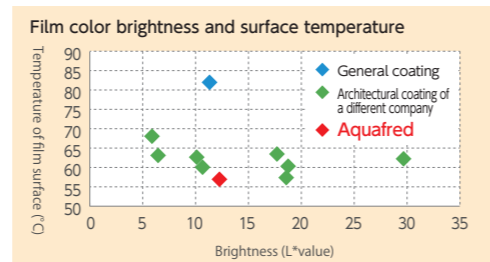
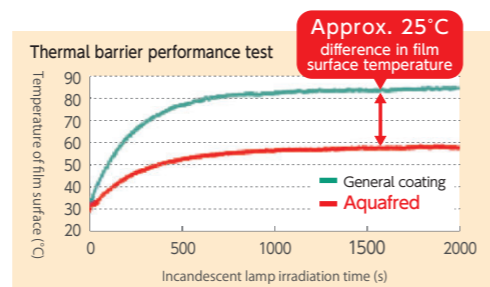
Heat sink treated with thermal radiation coating (Unit: mm)

Architectural coatings business

## Infrared reflection × Roof coating

Solar rays are reflected off the roof of houses to decrease the temperature of the roof.

Increases in room temperature can be controlled by reflecting the near-infrared rays of the sun off the roof and minimizing the impact of heat on the building. The Architectural Coatings Division has developed an aqueous thermal barrier coating called Aquafred, which uses a completely chrome-free infrared reflective inorganic pigment. Compared to general roof coatings, Aquafred lowers the temperature of the film surface by approximately 25 degrees, and delivers top thermal barrier performance in the thermal barrier coatings market. It also exhibits high weatherability as an environment-friendly compound.



### Technologies and products that are heat resistant

Electronics materials business

## High heat resistance × Electronic circuit

Electronic circuits can withstand the increased generation of heat caused by surging information traffic.

In today's digital age, the thermal capacity of electronic devices is increasing along with the trend toward highly integrated circuit boards in response to increasing volumes of information such as IoT data and Big Data. Electronic circuit boards must thus be made of high heat-resistant material. The DOTITE brand of electroconductive resin materials developed by the Electronics Materials Division uses silver, carbon and other such filler metals. Industrialized for the first time in Japan by Fujikura Kasei, it answers various needs such as for heat resistance, adhesive strength and chemical performance in electroconductive resin materials.

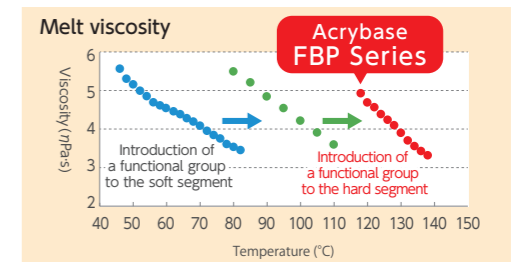


Functional polymers/polymers & resins business

## High heat resistance × Adhesives

Heat-resistant adhesives for automotive parts and electronic devices

Automotive parts are expected to deliver stable performance even under high thermal load environments. We have engaged in the development of adhesives and functional polymers that are used in the automotive and electronics sectors since the time when acrylic resin was considered to be organic glass. The Acrybase FBP Series of thermoplastic elastomers developed by the Polymers & Resins Division resists heat by introducing acrylic acid to hard segments. Its applications are expanding as a high heat-resistant, high-performance polymer adhesive.



# Employee Symposium CSR Activities for a More

# Sustainable Society



Held at head office on May 26, 2020.

**Chair**  
Seiichi Yamamoto  
CSR Promotion Committee Secretariat  
CSR Promotion Office Manager

**Participants**  
(back row from left to right,  
then front row from left to right)

Yoshiaki Kobayashi  
CSR Promotion Committee member  
Auditing Office

Naoya Togashi  
CSR Promotion Committee member  
Human Resources & General Affairs Section  
Administration Department Section Manager

Nobutada Hyakutake  
CSR Promotion Committee member  
Quality Assurance Department  
Product Integrity Section Manager

Koji Sasaki  
CSR Promotion Committee member  
Architectural Coatings Division  
Marketing Department Manager

Mika Tsuzuki  
Female employee representative

Kiyomi Seto  
Female employee representative

Akito Okazeri  
CSR Promotion Committee member  
Human Resources & General Affairs Section  
Administration Department

Hideki Komatsubara  
(attend via online)  
CSR Promotion Committee member  
Environment & Safety Department Manager

Launched in July 2019, the CSR Promotion Committee has begun undertaking concrete measures aimed at improving our corporate value. To propagate these activities both inside and outside the company, what mindset should each employee have and how should they leverage that in their work and internal projects? CSR Promotion Committee members sat down with regular employees (female employee representatives) to discuss present conditions as well as challenges going forward.

## Carrying out everyday CSR activities

—Talk about your ideas concerning CSR after just being appointed a committee member, and about what has changed since then.

**Okazeri:** Honestly, I'd never been involved in any CSR activities before being appointed a committee member, so I started off by just gathering information. Right now, I'm studying how Fujikura Kasei approaches CSR in light of how our society is today, as it's important that I get a handle on the HR-related issues we face.

**Hyakutake:** For a while now, the Chemical Substance Control Section has had some involvement with CSR through Safety and Environment Reports. For the activities we're doing now, I thought hard about how far we should take them once we began. It's not just about doing volunteer work; we're proceeding with a mind for what kind of CSR makes sense for Fujikura Kasei.

**Togashi:** I didn't really know what CSR was all about. But CSR is really just the things we've been doing every day. That's

what I want everyone to know.

**Kobayashi:** I have learned that CSR is not something separate from our business affairs. CSR guides our day-to-day work. That's what ultimately benefits our stakeholders and carries over into society. One year later, my understanding of CSR has grown and my horizons have expanded, but there's still much more I need to learn as a committee member.

**Komatsubara:** The Environment & Safety Department has been releasing Safety and Environment Reports every year. Now that we'll be releasing CSR Reports, we'll be informing society about a much greater range of topics about the Company. It's a heavy responsibility.

**Sasaki:** As I see it, our goal will be to systematize and actualize our CSR activities to give all employees a better understanding of CSR and facilitate their engagement. Arguably, the most fundamental role we play as committee members is instilling the meaning of CSR activities in not just the business groups we oversee but in the Group as a whole.

**Okazeri:** After the CSR Report is done and we being talking about it within the Company, I imagine we'll see some things change. I, too, will be taking some concrete actions as an employee.

—Are there ever any opportunities to engage in CSR activities in your dealings with customers?

**Sasaki:** I work in the Architectural Coatings Division, which mostly sells paint for homes. Sometimes we're asked to fill out CSR surveys by customers we supply product to. We have to comply with these customers' CSR policies. We also occasionally receive inquiries about products from individual clients. When repainting the outside of a house, we might have a paint that amply satisfies legal and safety

standards but that makes people relatively unacquainted with paint concerned about the chemicals contained therein since the paint will be used in their everyday environment. We have the responsibility to be more keenly aware of safety and ensure that product development reflects that awareness.

**Komatsubara:** Thinking back on what's changed over the year since the committee launched, I'd say I've become more sensitive to changes happening in the world and in how our customers think. Successful CSR activities rely on doing two things: addressing changes flexibly and with a sense of ownership, and never compromising good universal principles, such as ensuring zero workplace accidents. Doing both of these things as we conduct our business is what will lead to realizing Fujikura Kasei's goal of "CSR being synonymous with our business activities."

## Essential ingredients for achieving our materialities

—To achieve the "materialities," what sort of problem-solving mindset have you adopted?

**Okazeri:** We have established three KPI\*1 as part of our KGI\*2 in the "Labor: Employee work styles and health" field, and we will pursue all of them—not just one. Failure to achieve even one will mean failure to achieve our goal of "creation of a comfortable workplace that gives consideration to employees' health." As one challenge along this path, we will need to further improve upon our current programs. For example, the Company does not have a well-defined program for letting employees work from home due to COVID-19, and employees in some workplaces are unhappy with the Company's support in this regard. In response, we aim to solve information security and other problems in order to facilitate a variety of working styles.

**Komatsubara:** For another of our materialities, "Labor: Safety and health initiatives," we have made employee safety and health a priority and established two goals: achievement of zero industrial accidents and realization of a comfortable workplace environment.

To this end, we revised the Occupational Safety and Health Manual and began implementing it on December 9, 2019. For the "Environment" materiality, we remain focused on meeting targets laid out in the Eco-Vision, including CO<sub>2</sub> emissions and waste reduction targets. To do this, we intend to reevaluate our Environmental Management System and undertake activities appropriate for the current situation.

**Hyakutake:** Our KGI for the "Chemical Substance Management" materiality is the "maintenance and upgrading of the Fujikura Kasei Chemical Database," while our KPI is the "dissemination of the awareness of chemical substance management." Our data preparation capacity is improved, and we are having updates done and improvements made every year. However,

we still have work to do towards familiarizing employees with these systems. Conducting training and workshops to boost employees' understanding of chemical substance control are among the measures we'll be taking to make the systems easier to use, along with preparing manuals and enhancing software.

**Togashi:** For the "Compliance" materiality, we made "thorough compliance with essential laws and regulations" our first KGI and established "strengthening awareness of compliance" as the KPI. As laws change, we will continue disseminating information and raising employees' awareness of legal changes. We also established "strong framework for preventing misconduct" as a further KGI, as well as "steady response to whistleblowing cases" as a KPI. We already have a dedicated whistleblowers' hotline to consult with a lawyer. Awareness of the systems remains low, however, so we'll be talking about them more going forward.

**Kobayashi:** From the Auditing Office, "rebuilding the foundation of compliance" is a major theme in efforts to strengthen the Company's internal control system infrastructure. Although the Auditing Office is already conducting evaluations based on internal control audit items, setting as materiality of CSR activities should help boost awareness of this subject among all employees.

We're also addressing "Risk Management." For "creating a disaster-resilient corporate culture," one of our KGI in this area, we have already begun putting together an emergency preparedness manual as part of efforts to rebuild our BCP. "establishment of a risk management framework" is another area of focus. To this end, we will be identifying, assessing, and analyzing risks, as well as reevaluating our selection standards.

\*1 KPI: Key Performance Indicator. An indicator used to achieve a KGI. \*2 KGI: Key Goal Indicator

# Employee Symposium CSR Activities for a More Sustainable Society



## Accommodating a diversity of working styles

### —Does Fujikura Kasei provide comfortable work environments for female employees? What's the female perspective on this?

**Tsuzuki:** There might be some variation depending on the business or department, but employees are being given work regardless of gender. This company is a very comfortable place to work. There are virtually no restrictive informal norms or special rules in the workplace that impact people's relationships or work.

**Seto:** I agree. There is no gender gap when it comes to things like treatment, pay, or benefits. On the contrary, I'm given responsibilities that I live up to. If I could point out one area of weakness, it might be a lack of training opportunities throughout the company. We all need to have a better understanding of the businesses we run as a chemical manufacturing company.

**Tsuzuki:** There was a training for female only. It was a good opportunity for everyone to get to know each other beyond departmental lines.

**Seto:** I imagine that we'll have more opportunities to talk with people in other departments as we're given more important responsibilities. One can't express their views if they don't know who they're talking to, so it's definitely important to know about all of the Company's businesses. This applies to CSR Reports as well: we can put in all the effort to make them, but it's an empty exercise if nobody reads them. That's why we need education and training.

### —How do you feel about women's empowerment and efforts to reform working styles?

**Tsuzuki:** I want us to continue being a company that has the right people in the right places, with each of us leveraging our own inherent characteristics.

**Seto:** In terms of career building, there might be too few opportunities to work in other business departments. The things experienced during working in other departments will benefit your career. Offering a greater diversity of options, while keeping in mind that not everybody seeks reassignment, seems like a good idea.

### —How have things been since the company started allowing work from home in order to prevent the spread of COVID-19?

**Seto:** I personally am not interested in working from home, but it's important to provide that as an option.

**Tsuzuki:** Same here — being in the office makes my job easier. Still, there is value in letting employees work from home in the face of the virus. Which is to say, whereas I used fax things like purchase orders, now I'm using email for that. So I have some experience doing part of my work from home. Things like checking documents remain a challenge, however.

**Seto:** Nothing will change without an impetus, so I'm hoping we can use this opportunity to improve business efficiency and turn the situation into a strength for the company.

## Facilitating CSR participation

### —What sorts of things are you aiming to do in order to encourage everyone in the Group to get more involved in CSR?

**Okazeri:** The first thing is finishing the CSR Report for the Group. The report will give CSR Promotion Committee members a better understanding of the Group's CSR. After that, we'll familiarize everyone with the content through education and training opportunities. Through that process, we should be able to get a lot of feedback.

**Seto:** It's somehow difficult to understand when terms are in English and abbreviated. Some people might think they have nothing to do with them.



**Sasaki:** When familiarizing people with the Company's CSR, we should clarify the benefits of having that knowledge. People will want to understand it better if it makes sense to do so.

**Hyakutake:** And to make sure these efforts persist, we'll need to provide training and learning opportunities regularly and repeatedly.

**Kobayashi:** I want people to see that their everyday work is connected to CSR.

**Togashi:** I feel the same. Concrete examples should be given of how the work we do all the time is the very essence of CSR. Being able to apply the concept of CSR to one's everyday work will make it easier to picture.

**Tsuzuki:** For training sessions, I think having smaller groups will make it easier for people to ask questions and speak their mind.

**Komatsubara:** We have explained what the materialities are; now we need to motivate people to pursue them by explaining why they're necessary. If we do that effectively for each department, people will understand that CSR is synonymous with the work we always do, leading to business and CSR success. We will continue promoting CSR until all stakeholders understand what the Fujikura Kasei Group's CSR is all about.

—Thank you so much.

## COVID-19 measures

We would like to express our deepest sympathies to those who lost their lives due to the new coronavirus (COVID-19) and those who suffered from it, as well as our deepest respect and gratitude to all healthcare workers battling this largely unknown virus at the frontline. Fujikura Kasei is currently taking the following measures against COVID-19.

### 1. Correspondence to employees

#### Measures concerning work

- Restricting overseas business trips and travel, refraining from domestic business trips and movement between offices, digitization of conference bodies, etc.
- Working from home, using flextime work and staggered work hours, and granting special leave (to employees with children learning at home)
- Restricting business dinners, refraining from in-house sporting events and welcome and farewell parties

#### Measures to prevent the spread of infection

- Establishing company rules (wearing masks, disinfecting with alcohol, taking lunch in two shifts, ensuring regular air ventilation, etc.)
- Distributing masks and alcohol disinfectants

#### Support for affiliated companies, etc.

- Shipping masks and alcohol disinfectant to affiliated companies in China
- Distributing masks and alcohol disinfectant to contractors working on-site at the Sano Plant

### 2. Community support

- Distributing masks for a fee to employees' families and donating the amount collected to COVID-19 response departments in the cities of Kuki (from the R&D Center) and Sano (from the Sano Plant)

### 3. Related activities

- Please see the section about our synthetic resins business on page 32.

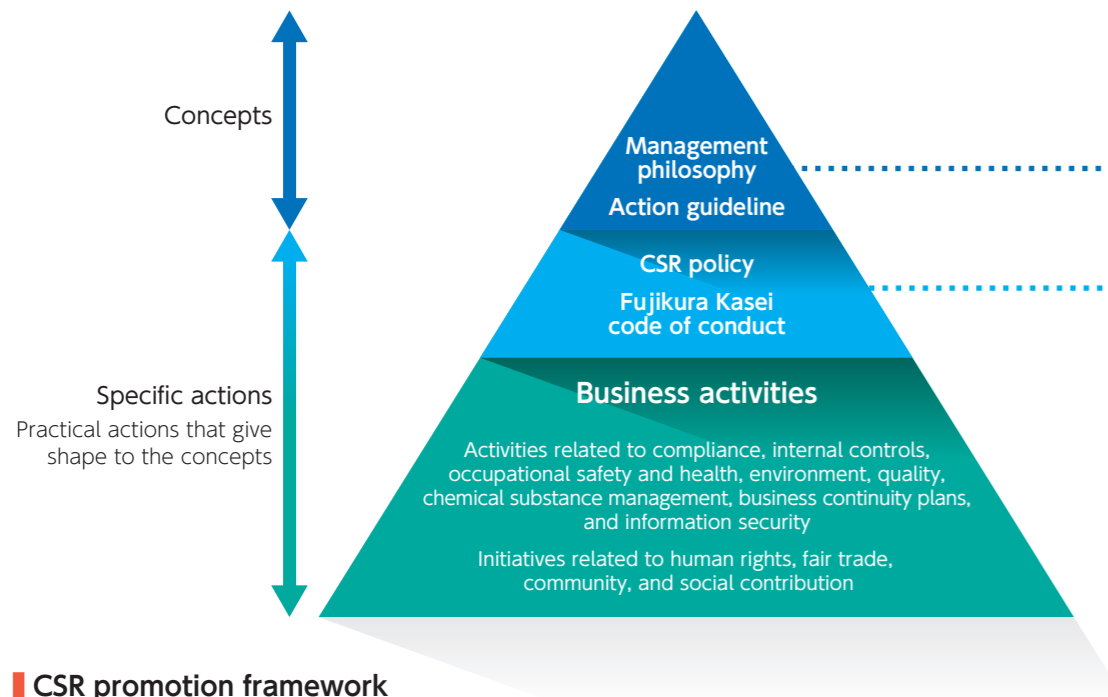


# CSR Management

Fujikura Kasei upholds the management philosophy of “Taking on Challenges and Working Together—Providing the value our customers need.” In line with this philosophy, we are making company-wide efforts to fulfill our CSR so that our products, technologies and all of our business activities continue to be trusted by our stakeholders.

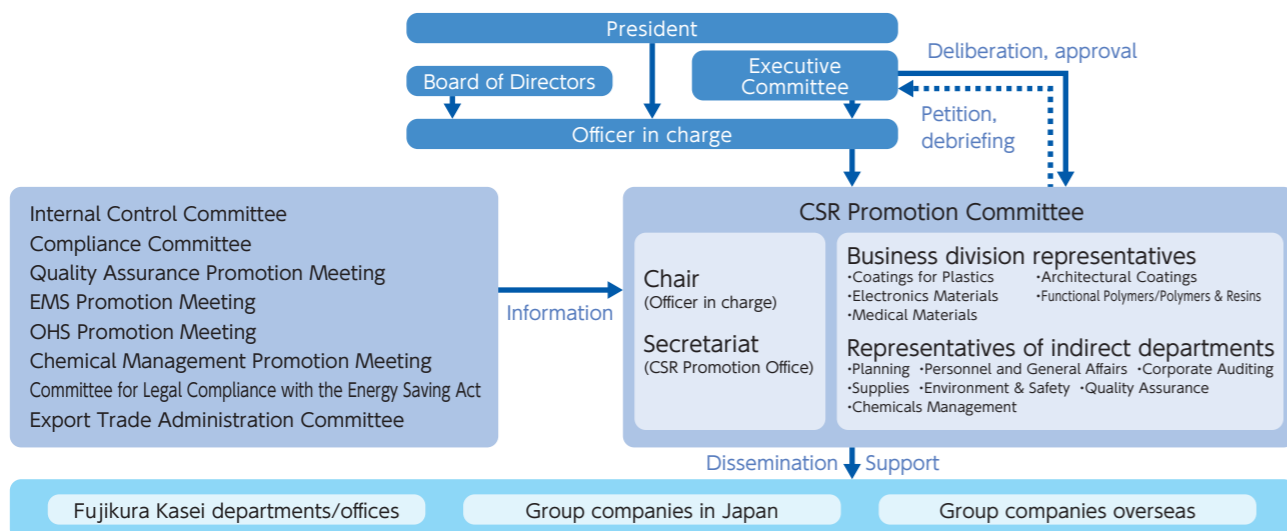
## CSR Initiatives

To promote a clear understanding of our CSR activities, we have established a CSR policy and the Fujikura Kasei code of conduct that define the basic philosophy that underlies all our activities.



## CSR promotion framework

At Fujikura Kasei, a CSR Promotion Committee acts as a conference body for CSR activities. The committee undertakes all possible activities for promoting CSR across the entire Group, such as the planning and promotion of CSR activities, development of a CSR implementation framework, and provision of CSR education. Important matters pertaining to CSR promotion across the Group, including the CSR policy, are adopted by the board of directors and executive committee after being discussed by the CSR Promotion Committee.



### Management philosophy

**Taking on Challenges and Working Together**  
Providing the value our customers need

### Action guideline

- We share the joy of creation by joining our hands together with all associates.
- We make efforts to be a challenger all the time without fear of failure.
- We aim to be a reliable company by facing customers with sincerity.
- We pursue the realization of comfort through commitment and compassion.
- We are committed to safe and secure manufacturing with compliance to the applicable laws and observance to their spirit.

### CSR Policy

We joined society as a company that designs, manufactures, and sells chemicals in 1938, and with the support of many stakeholders, we have grown to become a global company. Going forward, we will continue to maintain sound relationships with our stakeholders, and in order to realize our management philosophy of "Taking on Challenges and Working Together ~ Providing the value our customers need~" in harmony with society and the earth, we hope to contribute to the sustainable development of society through our business activities. We will carry out CSR activities in order to fulfill our social responsibilities, increase the trust of our stakeholders, and continue to be a company needed by society.

1. We will work to put into practice the "Fujikura Kasei Code of Conduct" in order to fulfill the demands of our stakeholders.
2. We will make full use of our products and our own unique technologies to solve the problems facing society.
3. We will promote CSR activities not only within our company, but also among affiliated companies in Japan and overseas, and the supply chains who cooperate with us.
4. We will widely disclose our CSR activities to everyone in society through our CSR reports and website.
5. In view of the daily changing social conditions, our CSR policy is regularly reviewed for its appropriateness, and necessary revisions are carried out.

### Fujikura Kasei Code of Conduct

1. We will maximize corporate value by achieving management plan according to each company's business style to realize sustainable management.
2. We will continuously strive for R&D and provide excellent products and services.
3. We will respect compliance with laws and regulations, respect the cultures and customs of the countries and areas in which we operate, act according to the common sense of society.
4. We value the fundamental human rights and individuality and eliminate any discrimination.
5. We will create a workplace without harassment.
6. We will not engage in acts of war, civil war or antisocial forces both directly and indirectly.
7. We will consider opinions of each stakeholder and build a proper and transparent partnership.
8. We will establish an occupational safety and health management system and work with priority on safety and health.
9. We will establish an environmental management system and strive to contribute to the environment by reducing the possible environmental impact from our business processes and creating environmentally friendly products.
10. We will establish a quality management system and aim to improve customer satisfaction.
11. We will establish a chemical management system and conduct necessary control according to laws and regulations to minimize health problems associated with chemicals.
12. We will formulate business continuity plans and strive to provide stable supply of our products to customers.
13. Information concerning the Fujikura Kasei Group will be disclosed in a timely and appropriate manner.
14. We will prevent leakage of information to be managed by strict and appropriate information security management.
15. We will properly manage and operate the property of the company (including intellectual property) and will not do any infringement of the property of other companies.
16. We will contribute to the local community through dialogue and activities with the community.

# Materiality

In fiscal 2019, we formulated Fujikura Kasei's Materiality based on the awareness that solving social issues through our business is essential to planning and promoting CSR initiatives.

With respect to the five areas that have been selected, our employees are working as one to achieve the goals defined in each area with firm resolve.

## Fujikura Kasei's Materiality

Materiality	Priority theme	Materiality	Priority theme
<p>Labor</p>	<ul style="list-style-type: none"> <li>● Creation of a comfortable workplace that gives careful consideration to employee health</li> <li>● Creation of a workplace that guarantees employee occupational safety</li> <li>● Ensuring a strong foundation for employee health and safety</li> </ul>	<p>Chemical substance management</p>	<ul style="list-style-type: none"> <li>● Maintenance and enhancement of Fujikura Kasei's chemical substance management database</li> </ul>
<p>Environment</p>	<ul style="list-style-type: none"> <li>● Reduction of global and regional environmental burden by improving in-house manufacturing processes</li> <li>● Contribution to solving environmental issues by using in-house products and original technologies</li> </ul>	<p>Risk management</p>	<ul style="list-style-type: none"> <li>● Establishment of a risk management framework</li> <li>● Creation of a disaster-resilient company</li> </ul>

## Goals of our materiality

In selecting our materiality, it is important to consider focusing on essential areas that are impacted the most, with an eye to ensuring the proper selection and concentration of management resources for implementing CSR activities and increasing their efficiency.

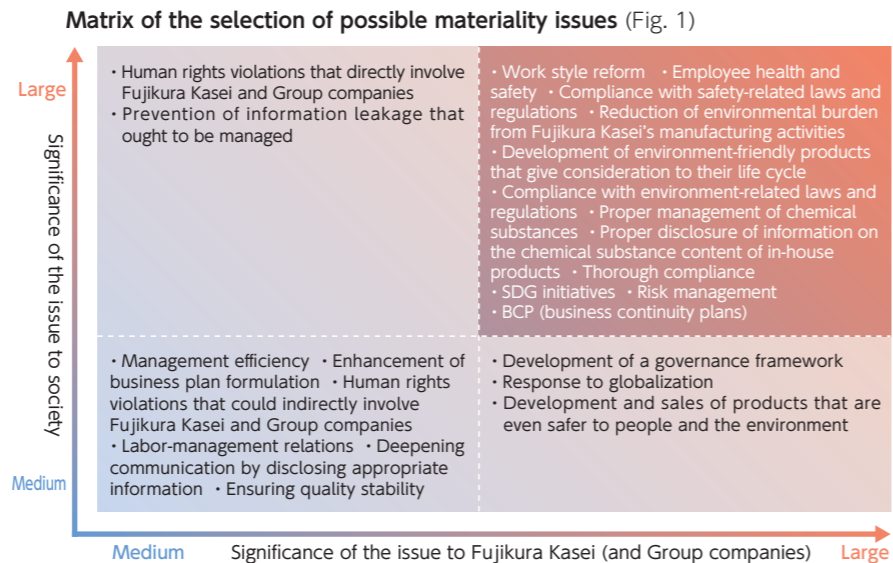
Our CSR activities consist of various items, but we have selected five themes as our materiality, based on social trends, degree of impact on stakeholders and our medium-term management plan.

## Process of selecting our materiality

Materiality reflects a company's characteristics (expectations from stakeholders, the company's growth strategies, characteristics of the industry to which the company belongs, the circumstances of the company, etc.), and is selected in consideration of the following points.

- (1) The final decision regarding materiality should be made by the corporate manager or the management
- (2) Materiality should represent issues in which their significance to society matches their significance to the organization

Members of our CSR Promotion Committee are selected from all business divisions (including the medical materials area) and principal indirect departments. Possible materiality issues were selected by the CSR Promotion Committee according to the procedure shown below.



### STEP 1 Examination of issues recognized by society

Issues recognized by society are summarized in various resources (UN Global Compact, ISO26000, OECD Guidelines for Multinational Companies, SDGs, etc.). At Fujikura Kasei, we heeded the advice of outside professionals (seminar lecturers) and utilized the list of industry-specific issues identified by SASB\* (chemicals industry) and items commonly listed in various resources, to assess the priority of issues recognized by SOCIETY. \*Sustainability Accounting Standards Board

### STEP 3 Extraction of possible materiality issues

The priority assessment of issues recognized by society as performed in STEP 1 and issues recognized by Fujikura Kasei as performed in STEP 2 have been arranged in matrix form in Fig. 1 (p. 17). The twelve items in the upper right section are issues of particular significance both to society and to Fujikura Kasei. As these items were able to be further grouped into five categories, the resulting five categories were defined as possible materiality issues by the CSR Promotion Committee.

### STEP 2 Examination of the significance of issues recognized by Fujikura Kasei

Members of the CSR Promotion Committee extracted issues their respective division faces, and the extracted issues were categorized. These categorized issues were then converted into the language used to describe the issues recognized by society in STEP 1, so their priority could be assessed by the CSR Promotion Committee.

### STEP 4 Decision-making by management

The five materiality issues proposed by the CSR Promotion Committee were adopted with no change upon deliberation by a conference body of Fujikura Kasei's management class. Subsequently, activities were launched to define targets for the five materiality issues and extract issues to be addressed by Fujikura Kasei toward achieving those targets.

## Key indicators for assessing initiatives related to the materiality

We have set key goal indicators (KGI) and key performance indicators (KPI) for assessing initiatives related to the materiality, and will commence PDCA management from fiscal 2020. By verifying the progress of each indicator and examining possible issues every year, we will manage our initiatives related to the materiality while correcting indicators that need to be improved. The KGIs and KPIs of our materiality are presented in this report on pages describing each of the materiality issues.

## Conforming to the SDGs (sustainable development goals)

To address our materiality, we have selected activities that we ought to prioritize, in relation of the SDGs\*1 (sustainable development goals). We will also contribute to achieving the SDGs and ESG through initiatives to address our materiality (KGI, KPI), based on the awareness that properly identifying and understanding ESG\*2 (environment, social, governance) issues of strong concern among our stakeholders is another important aspect of our materiality.



E	Chemical substance management	12 RESPONSIBLE CONSUMPTION AND PRODUCTION
	Environment	3 GOOD HEALTH AND WELL-BEING, 6 CLEAN WATER AND SANITATION, 7 AFFORDABLE AND CLEAN ENERGY, 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 11 SUSTAINABLE CITIES AND COMMUNITIES, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION, 14 LIFE BELOW WATER
S	Labor	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 17 PARTNERSHIPS FOR THE GOALS
	Risk management	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE, 12 RESPONSIBLE CONSUMPTION AND PRODUCTION, 13 CLIMATE ACTION
G	Compliance	5 GENDER EQUALITY, 8 DECENT WORK AND ECONOMIC GROWTH, 16 PEACE, JUSTICE AND STRONG INSTITUTIONS

\*1 SDGs: Sustainable Development Goals. A set of 17 goals and 169 targets to be achieved by 2030 for realizing sustainable development, adopted by the United Nations at the 2015 UN Summit.  
\*2 ESG: Stands for Environment, Social and Governance. The understanding that initiatives to address ESG issues are indispensable to the sustainable growth of companies has spread worldwide.



# 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.

## Materiality KGI and KPI for "Labor: Employee work styles and health"

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
Creation of a comfortable workplace that gives consideration to employee health	Provision of support in response to work/life needs	Number of interviews and workshops held
	Promotion of diversity	Number of interviews and workshops held
	Management of employee health	Rates of medical examinations and stress checkups

### Provision of support in response to work/life needs

We believe employees play the main role in business activities, and that strengthening their motivation leads to an invigoration of business. Thus, we have introduced a system that supports diverse and flexible work styles in response to the work/life needs of our employees. By increasing employee independence, responsibility and motivations, we aim to realize a workplace where everyone can comfortably work to their fullest.

#### Second career support system

We provide occasions that encourage employees who have reached their fifties to think about their second career or life after retirement. We mainly offer second career workshops that prompt these employees to reflect on their passion in life and the career they have led through the years. At the same time, we provide information on various aspects of second careers and life after retirement, such as on working while caring for elderly family members, pensions, etc. We also take time to interview employees who are nearing their retirement age about post-retirement work styles.

#### Flexible work hours system

Employees can work efficiently while maintaining work-life balance by deciding for themselves what time they will start and end their daily work in accordance with the duties they must attend to each day. As there is no required "core time," flexible work arrangements are possible.

#### GLTD (Group Long Term Disability) system

If an employee becomes unable to work for a prolonged period of time due to an illness or injury, an insurance system is in place that compensates for the loss in income, in part, up to when the employee reaches the age of 60, at the longest. The compensation is paid out in cases when an employee becomes unable to work due to an illness or accidental injury, whether the illness or injury was sustained during or after work hours or in Japan or abroad, to support the employee until he/she can return to work in the form of income compensation.

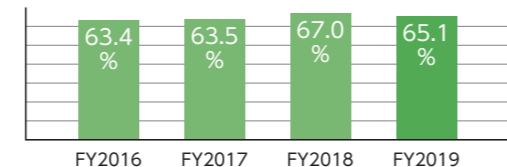
#### Paid leave reserve system

Regular employees can keep up to 100 days of annual paid holidays that normally lapse in three years, as reserve holidays and use them when necessary, such as to recuperate from an illness or injury sustained outside the job or to care for a family member who requires nursing care. As reserve holidays are treated in the same manner as annual paid holidays, employees receive their regular salary in full during their reserve holidays.

### TOPICS Rate of employees taking annual paid holidays

A high 65.1% of our employees take annual paid holidays (fiscal 2019), which is higher than the nationwide average of 52.4% (Ministry of Health, Labour and Welfare, "Comprehensive Survey of Employment Conditions 2019").

Yearly rates of employees taking annual paid holidays



### Promotion of diversity

A large diversity of people work in our company, ranging widely in age, gender, and other specific factors. We respect the basic human rights and individuality of all our employees, and endeavor to eliminate all forms of discrimination to create a workplace environment where they can all work comfortably.

#### Promoting women's active participation in the workplace

Roughly 30% of our new employees are women, and the ratio of female employees is growing larger every year. Furthermore, the rate of female employees taking maternity leave or childcare leave was 100% in fiscal 2019 (100% return-to-work rate). We also offer a childcare leave program for male employees, but as no one has used it so far, we intend to more actively promote the program among our male employees. Through these and other initiatives, we will further strive to create an environment where all employees can continue to work in comfort.

Number of female employees among all new employees (figures in parentheses are the total numbers of new employees)

	FY2016	FY2017	FY2018	FY2019
New employees	4 (10)	5 (15)	4 (15)	4 (13)
Mid-career hires	1 (7)	3 (5)	2 (9)	3 (13)

#### Anti-harassment regulations and workshops

We have established regulations for preventing and eliminating all forms of harassment and addressing harassment incidents should they occur, from the perspectives of ensuring a fair workplace environment that is free of discrimination, protecting the interests of our employees, and allowing all employees to maximize their potential. In fiscal 2019, we held anti-harassment workshops for all management-level employees a total of six times in three locations including Head Office, R&D Center and Sano Plant.



Anti-harassment workshop FY2019

### Management of employee health

We take care to manage our employees' health and stress levels pursuant to the Industrial Safety and Health Act. Every year, we require all employees to receive a regular medical examination and stress checkup, and provide consultations with an occupational physician or psychiatrist or other such measures depending on the diagnosis.

#### Stress checkup system

We provide stress checkups to prevent our employees from becoming mentally unwell. Depending on the results of the checkup, employees can receive medical counseling if they so desire. Furthermore, the management examines and discusses the results of a collective analysis of the checkups, and departments that have high stress indices are alerted and requested to take corrective action.

#### Influenza prevention measures

As a measure to prevent influenza in the company, we offer influenza vaccination to all employees who are interested, paid by the company.

#### Health awareness seminars

We provide health awareness seminars as an opportunity for employees to think about their health. Last year, a seminar on sleep was given by an occupational physician at our head office. We will continue to provide such seminars to raise employee awareness of health.

#### "PepUp" health promotion website

We promote a Web service called "PepUp," provided by Fujikura Composite Health Insurance Society. It can be accessed via personal computer or smartphone, and provides various contents relating to health, with the objective of helping employees maintain and improve their health.

Please see page 14 for information on the impacts of COVID-19 on our employees and responses by the Fujikura Kasei Group.



# Safety and Health Initiatives

At Fujikura Kasei, we strive to create a workplace where employees can work safely and comfortably. To visualize this, we have formulated an Occupational Safety and Health Policy and established an occupational safety and health management system based on ISO45001.

## Materiality KGI and KPI for "Labor: Safety and health initiatives"

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
Achievement of zero industrial accidents	Appropriate activities by the Safety and Health Committee	Number of KY sheet targets achieved
	Appropriate activities by the OHS Promotion Meeting	Number of accidents accompanying lost worktime Number of accidents not accompanying lost worktime
Realization of a comfortable workplace environment	Compliance with the Industrial Safety and Health Act	Verification of the status of compliance with relevant laws and regulations
	Appropriate activities by the Safety and Health Committee	Verification of the status of compliance with priority activities

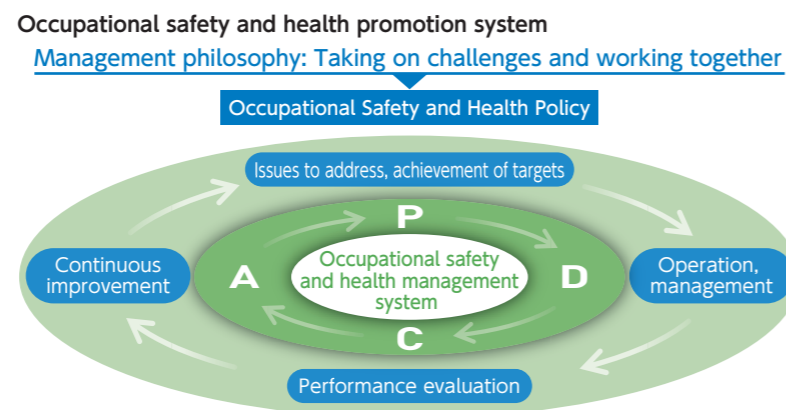
### 《 Occupational Safety and Health Policy 》

- As a company that handles chemical substances and chemical reactions, we will introduce an occupational safety and health management system and make continuous improvements to ensure the system is effective.
- We will aim to create a safe, healthy and comfortable workplace by setting occupational safety and health targets, evaluating our degree of achievement of these targets and disseminating occupational safety and health activities across the company.
- We will comply with laws and regulations on safety and health that apply to our business activities, as well as with requirements that we have agreed to and voluntary standards we have adopted independently.
- We will provide safe and healthy working conditions to protect our personnel from injury and illness.
- We will promote communication (discussion, participation) with all employees and implement occupational safety and health activities with full employee participation.
- We will provide our personnel the education, drill and safety guidance that is needed to raise their awareness of the importance and their responsibility to maintain safety and health.
- We will disseminate our Occupational Safety and Health Policy to all personnel in writing.
- We will disclose our Occupational Safety and Health Policy to the public.

### Occupational safety and health management system

#### Occupational safety and health promotion system

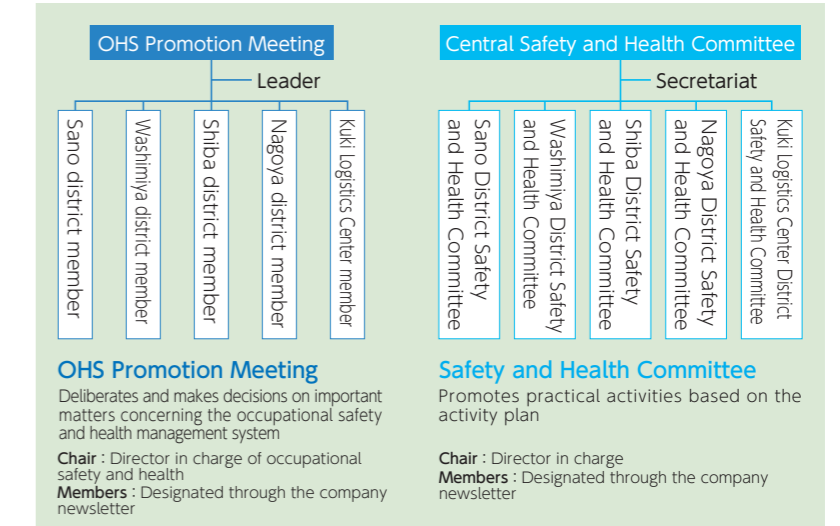
In fiscal 2019, we embarked on the task of creating a new occupational safety and health management system so we may make a shift from a system conforming to BS-OHSAS 18001:2007 to one conforming to ISO45001:2018. We commenced operation of the new system in December 2019, and are working to acquire ISO45001 certification in December 2020.



### Occupational safety and health promotion framework

The promotion framework brings together the management system and practical aspects of occupational safety and health by combining the previous OHS Promotion Meeting and the Safety and Health Committee. Through this framework, we promote activities that widely incorporate the views and proposals of all employees, and aim to achieve zero industrial accidents and realize a comfortable workplace environment.

### Occupational safety and health promotion framework

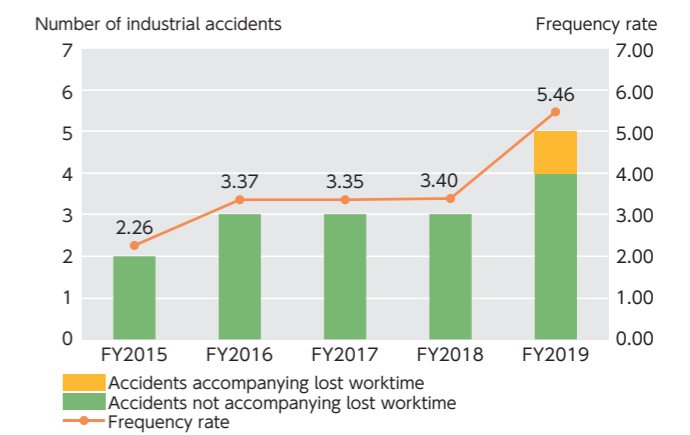


### Reports on safety and health

#### Number of industrial accidents

In fiscal 2019, a total of five industrial accidents occurred—two at Sano Plant, two at R&D Center and one at Kuki Logistics Center. Of these accidents, one accompanied more than four days of lost worktime. Elimination of industrial accidents was one of the targets for fiscal 2019, but it failed to be achieved. The accident report described an unforeseen accident that had slipped through the potential risks covered by KY (risk prediction) activities, and provided a picture of a situation in which the accident occurred without workers having any conscious awareness of its risks. We strongly believe there is a need to deepen our risk prediction activities to prevent such unforeseen accidents. As this requires a means for enhancing workers' awareness of KY, we will continue to hold hands-on safety training and further strengthen safety awareness toward eliminating industrial accidents.

#### Number of industrial accidents and their frequency rate

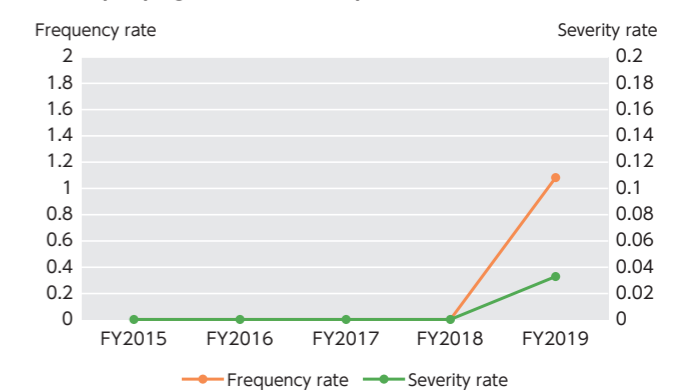


#### Industrial accident indices

A number of accidents accompanying lost worktime occurred in fiscal 2019, and pushed up the frequency rate\*1 and severity rate\*2 of accidents accompanying more than a day of lost worktime. As there have been no accidents accompanying lost worktime in recent years, the frequency rate and severity rate of accidents accompanying more than a day of worktime can be used to compare the frequency and severity of industrial accidents that have occurred from the past to the present. We will continue to utilize frequency rates and severity rates as indices for verifying frequency and severity in numerical terms and analyzing situational changes.

\*1 Frequency rate expresses the frequency at which accidents occur, calculated based on the number of casualties of an industrial accident per one million total working hours.  
\*2 Severity rate expresses the gravity of accidents based on the number of lost working days per 1,000 total working hours.

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

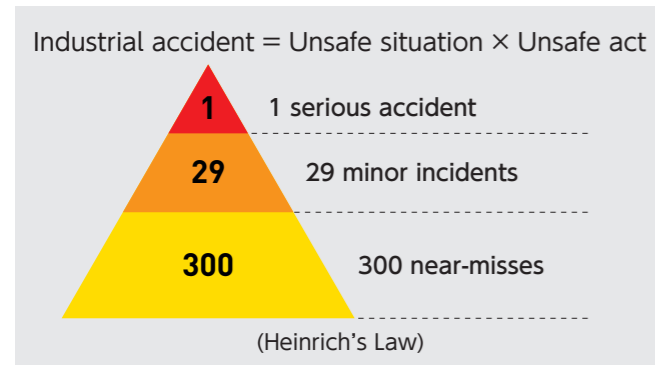


# Safety and Health Initiatives Safety Best Practices

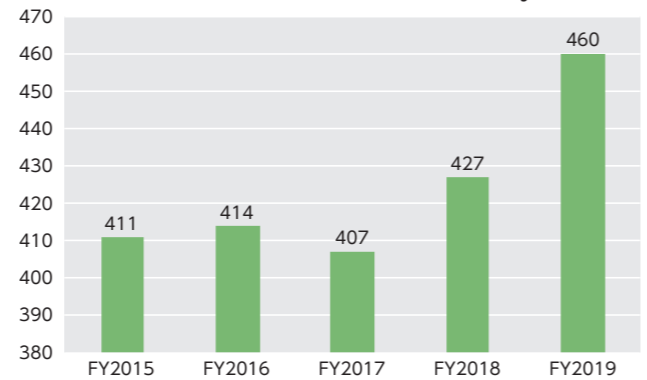
## KY(risk prediction) activities

At Fujikura Kasei, we engage in company-wide KY activities every year, and extracted 460 KY across the company in fiscal 2019. Based on this result, each of our business sites are striving to minimize potential risks related to safety and health. H.W. Heinrich in the United States proposed a theory known as Heinrich's Law, that "there are 29 minor incidents behind one serious accident, and there are an additional 300 near-misses behind it." Adopting this theory, we aim to achieve zero industrial accidents by strengthening risk awareness among all employees and continuously minimizing potential risks.

Industrial accident = Unsafe situation × Unsafe act



Number of risks extracted from KY sheets at Fujikura Kasei



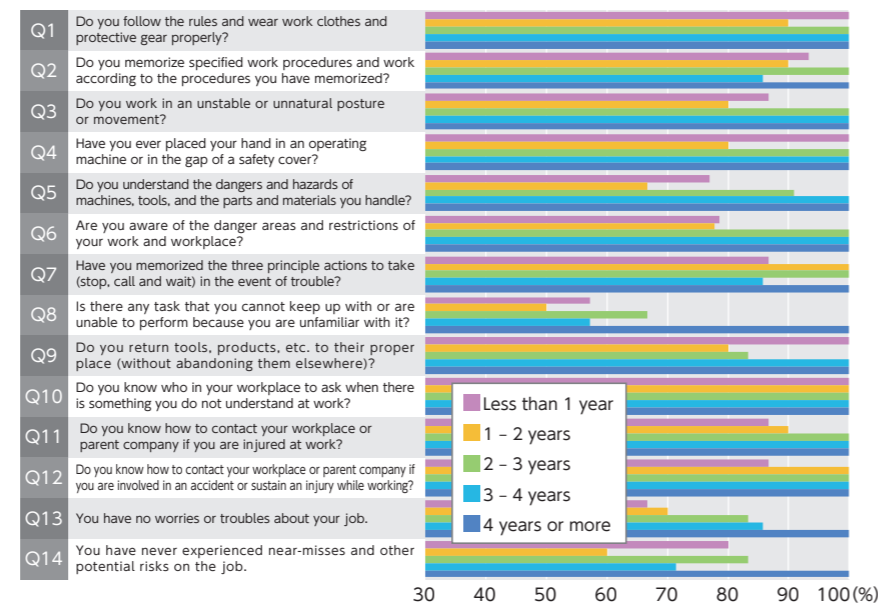
## Prevention of industrial accidents among unskilled workers

An analysis of industrial accidents at our company shows that employees with few years of experience tend to become involved in accidents at a high frequency. The occurrence rate of industrial accidents is higher among unskilled workers with few years of experience than skilled workers, because unskilled workers are not yet fully familiar with their work, and also because they have a low sense of danger. For this reason, providing safety and health education when employees are newly hired and when there is a change in job details is an important part of safety and health education. However, in some aspects, simply having a management framework in place and providing education is not necessarily sufficient. Therefore, the OHS/Zero Accident Promotion Committee also implements activities for preventing industrial accidents among unskilled workers using "Safety and health manual for unskilled workers" edited by MHLW.



Safety and Health manual for unskilled workers

Result of a self-evaluation questionnaire on safety work (response rate %)



The above graph shows the results of a questionnaire that was conducted based on a self-evaluation chart attached to the safety and health manual. While workers who have four years or more work experience in their present workplace satisfy all items, workers with little experience fail to satisfy some of the items. The result indicated concerns particularly regarding work speed and the risks accompanying various tasks and machines. Based on this result, we intend to provide education that focuses more on safety than on speed in the future.

## Hands-on safety training

Every year, we engage in safety activities so we may achieve and continue to realize zero industrial accidents. However, over the years, these activities have unfortunately begun to turn into a mere routine.

To remedy this situation and revitalize our safety activities, we launched a "hands-on" group training program in fiscal 2019. As an addition to the group program we provide as part of our safety activities, it aims to strengthen employees' sense of danger through a larger number of hands-on training compared to fiscal 2018. We now provide a total of 13 training, such as on "getting caught in high-speed rotary machines," "static electricity," "dust explosion danger," and "handcart dangers."



Hands-on safety training



Hands-on training on getting caught in high-speed rotary machines



Hands-on training on dust explosion danger

### VOICE

Production Division 2,  
Production Department 1, Sano Plant  
**Kazuyuki Komagata**



We steadily observe all workplace rules, but the training let us experience what kinds of danger may occur if we deviate from the rules, and they renewed our awareness of the importance of conforming to the rules. Hereafter, we will continue to work while placing priority on safety.

## Preventing utility knife accidents

Utility knives are an extremely convenient tool we frequently use in our plants and offices. However, precisely because they are so handy, they are a source of frequent accidents. One wrong move can result in a finger cut or other such injury. In fact, there have been four cases of industrial accidents at our company involving a utility knife in the past five years. Thus, in fiscal 2019, we focused our attention on preventing utility knife accidents.

According to a survey by a utility knife manufacturer, utility knife accidents are most saliently seen among users in their twenties to early thirties. This indicates that accidents tend to occur because even workers with little experience can work with a utility knife.

### Example of an accident that occurred in FY2019 (excerpted from the accident report)

1. The worker was holding the cardboard with his left hand.
2. He had the utility knife in his right hand.
3. His left hand was in the forward direction of the utility knife.
4. Because there was no space on the desk, he pulled out his chair, and was working in a crouched position with the cardboard on his knee.
5. When he lost balance, the momentum caused him to lurch over the cardboard and slash the base of his left thumb (near the ball of the thumb).



### Measures for preventing cut-wound accidents when using a utility knife

#### 〈Precautions when using a utility knife〉

##### Preparation before use

- (1) Clear the work area.
- (2) Use a dedicated cutting mat.
- (3) Use a thick ruler as a guide.

##### Precautions during use

- (1) Do not draw out the blade more than necessary.
- (2) Assume a proper posture.
- (3) Do not place hand in the forward direction of the blade.
- (4) Perform the task carefully at an easy pace.
- (5) Use a utility knife that suits the purpose.
- (6) Retract the blade when the task is done.

Use tools with an unexposed blade



Wear protective gear such as cut prevention gloves





# 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 reduce the environmental burden accompanying our business activities.

## Materiality KGI and KPI for “Environmental Conservation Activities”

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
Reduce CO <sub>2</sub> emissions by 7% by FY2030 compared to FY2013	Reduce energy usage by promoting energy saving activities	CO <sub>2</sub> emissions (unit: t)
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 (unit: kl/100 million yen)
Reduce the discharge of waste by 7% by FY2022 compared to FY2017	Reduce the discharge of sedimentary sludge	Discharge of waste by the company as a whole (unit: t)
Comply with environmental laws and regulations	Operate an environmental management system	Proof of verified compliance with relevant laws and regulations

### 《 Environmental policies 》

1. We will work to improve the environment by defining the focus of our environmental conservation activities in our action goals, and setting environmental objectives and targets in all processes from product development to purchasing, production, distribution, and waste treatment, to the extent that is technically and economically feasible.
2. We will constantly strive to maintain and improve our management of the environment, and all business sites will endeavor to continuously improve their environmental conservation activities and implement environmental pollution prevention activities with the participation of all employees across the organization and job system.
3. We will comply with environment-related laws and regulations and requirements that we have promised, including with local residents, and promote environmental conservation activities.
4. We will provide education and implement awareness-raising activities to deepen understanding of our environmental policy and raise awareness of the environment among all our employees. We will also ask our partner companies for their understanding and implementation of such initiatives.
5. We will disclose our environmental policy to the public.

## About Eco-Vision, the long-term goals of our environmental conservation activities

Eco-Vision defines the long-terms goals of our environmental conservation activities. It sets forth feasible reduction targets for CO<sub>2</sub> emissions, energy usage and discharge of waste in anticipation of changes in social situations and revisions of laws and regulations. By visualizing specific measures for achieving each target and raising employee awareness, we promote environmental conservation activities across the company.

Target item	Target value
CO <sub>2</sub> emissions	Reduce CO <sub>2</sub> emissions by 7% by FY2030 compared to FY2013
Energy usage	Continue to reduce the five-year average basic unit of energy consumption by more than 1% per year
Discharge of waste	Reduce the discharge of waste by 7% by FY2022 compared to FY2017



## The targets and reasoning behind Eco-Vision

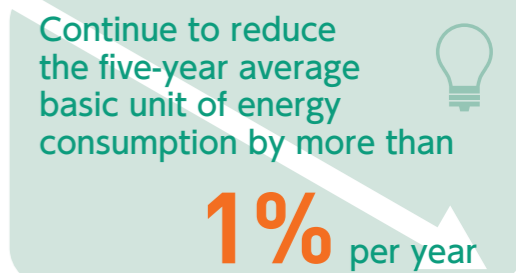
### CO<sub>2</sub> emissions

The Paris Agreement (COP21) aims to limit the rise in global average temperatures to below 2°C from pre-industrial levels, and requires all countries to set forth their own greenhouse gas reduction target. Japan has pledged to reduce greenhouse gas emissions in all sectors by 26% by 2030 compared to 2013. To ratify this agreement, the Ministry of the Environment has defined reduction targets for each sector, and has imposed on industrial sectors the target of reducing CO<sub>2</sub> emissions by 7%. In line with this target, we are thus striving to achieve this 7% reduction target by fiscal 2030 compared to fiscal 2013.



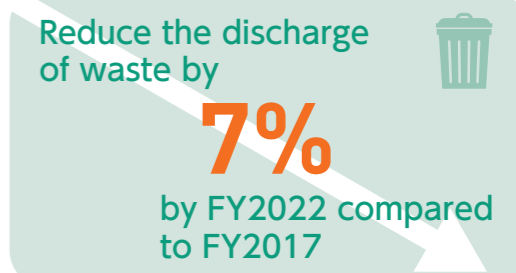
### Energy usage

Under the Energy Saving Act, business operators that use more than 1,500kl of energy (crude oil equivalent) a year are required to report their energy usage to the government and receive designation as a specified business operator. Our company falls under this category, so every fiscal year, we prepare a medium to long-term (a three to five-year) plan for achieving the target for rational use of energy. We are also urged to pursue efforts to reduce the five-year average basic unit of energy consumption by more than 1% per year toward achieving the CO<sub>2</sub> emission reduction goal of the Paris Agreement. In line with this non-binding target, we will continue our efforts to reduce our basic unit of energy consumption by more than 1% per year over a five-year average.



### Discharge of waste

A comparison of the different categories of waste discharged by our company shows that sludge accounts for approximately 70% of all waste. This is attributed to an increase in our discharge of sludge in recent years. Thus, in fiscal 2018, we decided to concentrate our waste reduction activities on reducing our discharge of sludge, so we may effectively reduce the total amount of waste we discharge. With fiscal 2017 as the reference year, we are working to reduce our discharge of waste by 7% over a five-year average. This target corresponds to a 10% reduction in our discharge of sludge.



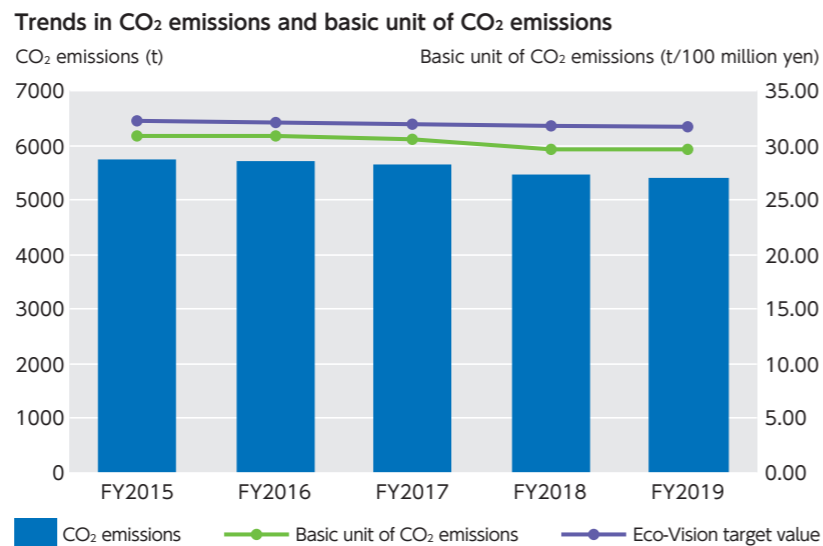


# Environmental Conservation Activities Progress of Eco-Vision

## Trends in CO<sub>2</sub> emissions and basic unit of CO<sub>2</sub> emissions

**Target** Reduce CO<sub>2</sub> emissions by 7% by FY2030 compared to FY2013

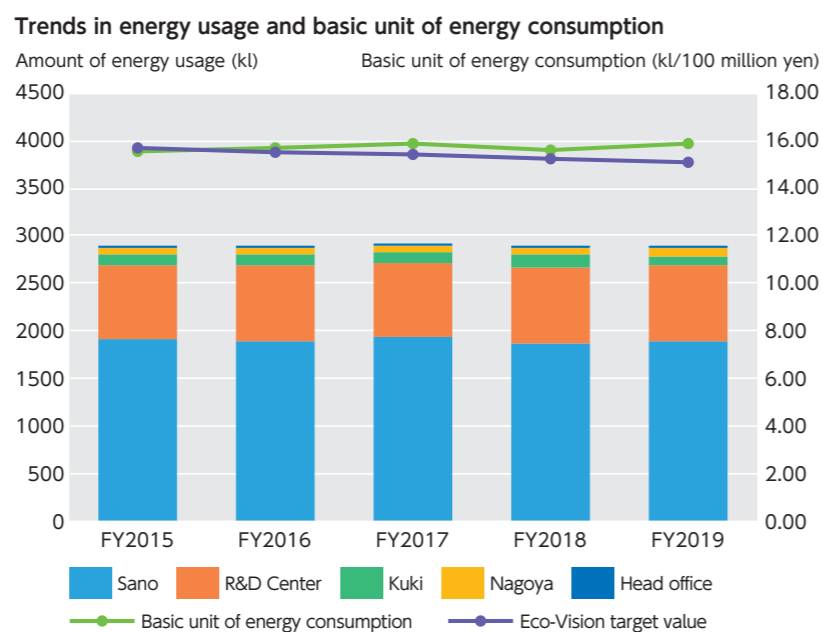
In fiscal 2019, our CO<sub>2</sub> emissions declined slightly compared to fiscal 2018, but our basic unit of CO<sub>2</sub> emissions showed a slight increase. The decline in emissions can be attributed to the smaller CO<sub>2</sub> emission coefficient in our use of electricity. As we have reduced emissions and achieved the medium to long-term target emissions value specified in Eco-Vision, we have succeeded in achieving our target as we have in 2018. We will continue our efforts to reduce CO<sub>2</sub> emissions by steadily engaging in environmental improvement activities.



## 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

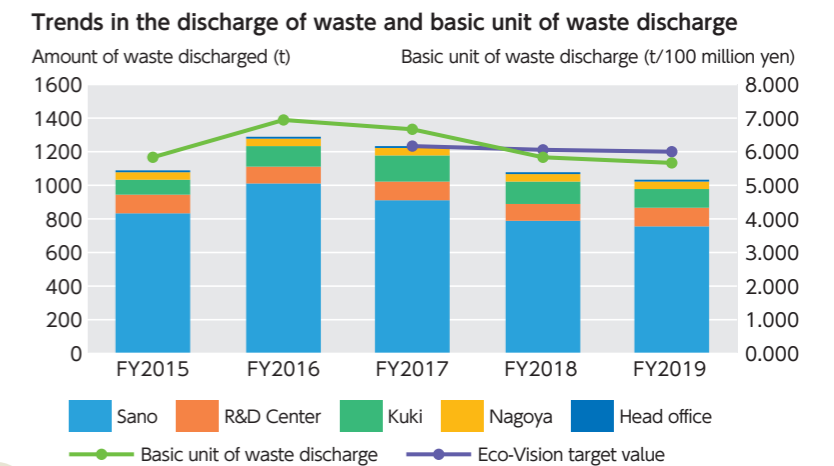
The amount of energy we used in fiscal 2019 was roughly the same as fiscal 2018. However, our basic unit of energy consumption increased by approximately 1.4%. We analyzed the cause of this increase and found that the ratio of products with comparatively high energy demand tended to increase and thereby caused the reduction rate of energy use to fall from the fiscal 2018 level. We were also unable to achieve the target we set forth in Eco-Vision. Thus, we intend to focus further efforts on reducing both our energy usage and basic unit of energy consumption by continuing our energy saving activities and promoting the efficient use of energy and the elimination of wasteful use.



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

**Target** Reduce the discharge of waste by 7% by FY2022 compared to FY2017

In fiscal 2019, we were able to reduce our discharge of waste by 4.4% compared to fiscal 2018. Although the discharge of waste coatings increased in fiscal 2019, the overall result showed a decrease owing to the continued decrease in the discharge of sludge from fiscal 2018 and in the discharge of waste plastics. As a result of these reduction efforts, we have achieved the target set forth in Eco-Vision. Going forward, we will continue our efforts to reduce waste from the perspectives such as of strengthening our management of work processes and inventories.



### A best practice in reducing energy usage

### Saving energy by changing the temperature setting of the cooling system

The cooling system accounts for a large proportion of energy usage among all facilities in the plant. We therefore focused on the operating conditions and considered whether we could save energy by changing the temperature setting. We changed the temperature setting in 1-degree increments to examine the effect of the temperature change on production safety and product quality. As a result, we succeeded in increasing the initial temperature setting of 7°C and operating the system at 8°C with no adverse effects. We thus realized energy savings in a large energy consuming facility.

#### Key points

By implementing the following practices, we were able to produce significant results in the four aspects of safety, quality, energy savings, and cost reduction.

- Operation of the system with the cooling water and operating temperature setting within the safe range of 7°C to 10°C
- Verification of seasonal changes throughout the year
- Calculation of energy saving effect
- Cost reduction accompanying power reduction

#### Energy saving result

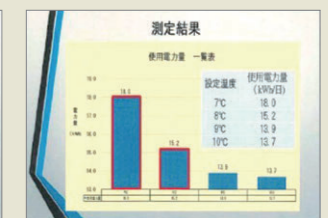
**Power reduction:**  
We were able to reduce 8,008 kWh/year from last year.

**Power usage:**  
We reduced power usage by 3.2%.

#### Measuring device



#### Measurement result



#### VOICE

Production Division 3,  
Production Department 1, Sano Plant  
**Toru Ishida**



I think the starting point of making an improvement is to always have an interest in knowing how much electricity is consumed by the facilities and equipment we normally use, and to question existing production methods and operations. I will keep in mind this conscious awareness of making improvements and continue to engage in energy saving activities with other members of my workplace.



# Environmental Conservation Activities Environmental Improvement Measures

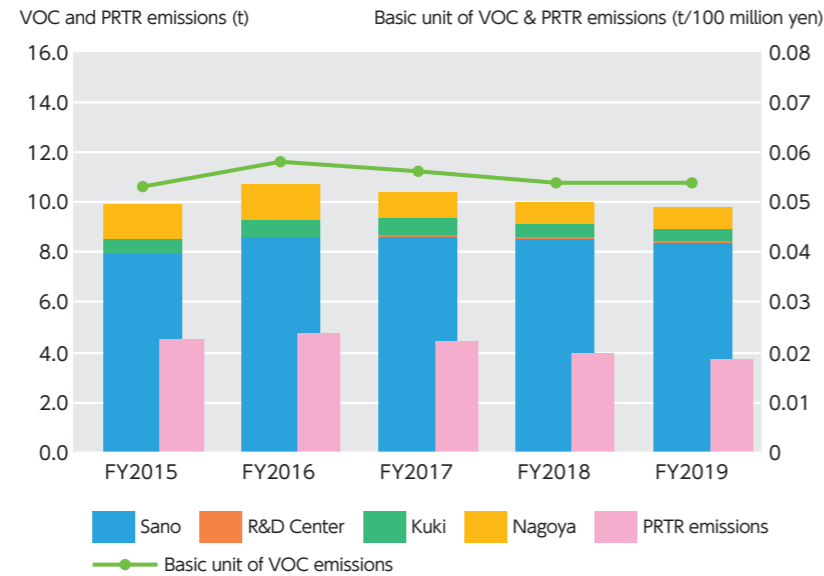
## Anti-pollution measures

### Reducing VOC emissions

The graph at right shows total emissions of the five organic solvents\*1 that are subject to surveys as potential sources of VOCs\*2 and PRTR substances\*3. VOC emissions in fiscal 2019 decreased to 9.8 tons from 10.0 tons in fiscal 2018. This is owing to the reduction in the usage of toluene and xylene, which are PRTR substances. In the design and development stages of new products, we explored chemical compositions that minimize the usage of PRTR substances toluene and xylene, and by marketing these products, we contributed to reducing VOC emissions.

\*1 Organic solvents: Solvents that are subject to surveys with regard to handling volume, as potential sources of VOCs. They include N-butanol, isopropyl alcohol, ethyl acetate, methyl ethyl ketone, and methyl isobutyl ketone  
\*2 VOCs: Volatile organic compounds  
\*3 PRTR substances: Hazardous chemical substances whose use, emissions and transfer are required to be properly managed and reported

Trends in VOC and PRTR emissions

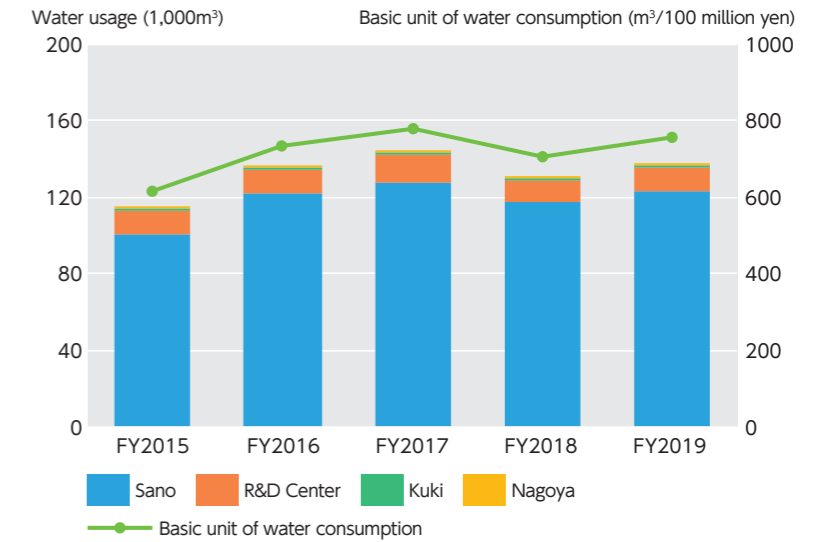


## Resource conservation measures

### Trends in water usage and basic unit of water consumption

The amount of water we used in fiscal 2019 increased by 7,000m<sup>3</sup> (5.4%) from fiscal 2018. This is due to an increase in the number of products that use large volumes of water and to the operation of a larger number of testing equipment that uses water, compared to fiscal 2018. Hereafter, we expect a further increase in water usage accompanying an expansion in the sales of cleaning water and water-based products in response to growing demand for high-quality products. Thus, we will make ongoing efforts to reduce our usage of the valuable resource.

Trends in water usage and basic unit of water consumption

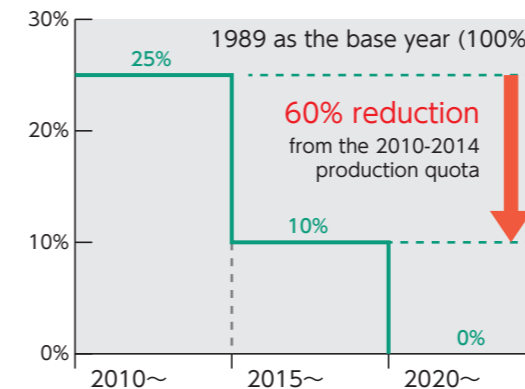


## Global warming countermeasures

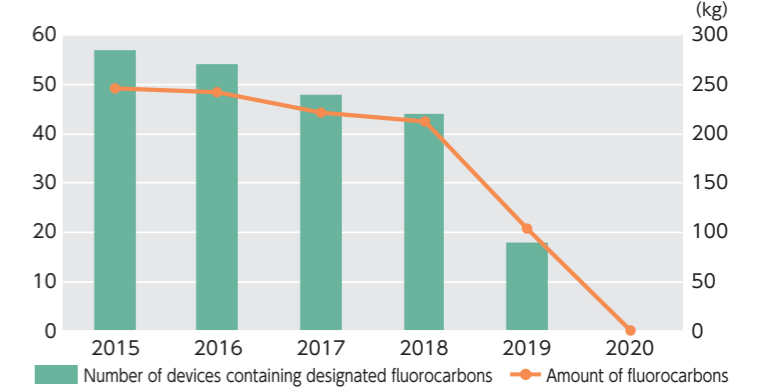
### Plan for total elimination of designated fluorocarbons (R12, R22)

Designated fluorocarbons (HCFCs) are ozone-destroying substances, and their production is being reduced as shown in the figure below, based on the Montreal Protocol and the Act for Protection of the Ozone Layer through Regulation of Designated Substances, etc. The Chemicals Council Subcommittee of the Ministry of Economy, Trade and Industry has also set forth the goal of reducing and eliminating the production and use of HCFCs by 2020. Pursuant to this goal, we are implementing ongoing activities toward the total elimination of products containing designated fluorocarbons (R12, R22). The graph below shows the trend in the number of devices at Sano Plant that contain designated fluorocarbons. In fiscal 2019, we eliminated roughly 60% of all such devices (compared to fiscal 2018), and will aim for their complete elimination by fiscal 2020.

Reduction in the HCFC production quota



Trend in the number of devices containing designated fluorocarbons (R12, R22)



### Improving sedimentary wastewater (vacuum solid-liquid separator)

At Sano Plant, we have applied various improvements to wastewater treatment, to continue complying with the standards of the municipal sewage ordinance of Sano City, Tochigi Prefecture. In fiscal 2019, we engaged in the following improvement measures with the aim of reducing sedimentary sludge.

#### Vacuum solid-liquid separator

To comply with the emission standards of the city, it is necessary to reduce suspended solids (SS) in sewerage to levels below a certain value. To do so, the suspended solids in wastewater must be flocculated and separated as sludge. Conventionally, discharging sedimentary sludge required large amounts of flocculants and frequent vacuum treatment. However, the newly introduced device significantly reduces the use of flocculants as well as the discharge of sludge. We will continue to engage in improvement activities that lead to reducing environmental burden and apply the knowledge we have gained to facilities that are newly introduced.



#### Expected effects

- (1) Reduction in the discharge of sedimentary sludge
- (2) Reduction in the amount of flocculants needed
- (3) Reduction in the discharge of undiluted liquids by vacuuming





# Environmental and Social Contribution through Business

We pursue environmental and social contribution activities through our business practices, to fulfill our corporate social responsibility.

## Materiality KGI and KPI for “Environment: Environmental and Social Contribution”

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
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
	Dissemination of environment friendly products throughout the value chain	Sales ratio of environment friendly products

### Basic concept of environmental and social contribution

The roles expected of companies has increased within the scope of the United Nations' Sustainable Development Goals (SDGs). Furthermore, the focus of CSR is shifting toward “solving social issues and contributing to society through business.”

As a manufacturer that handles chemical substances, we believe it is important to address environmental issues, in particular, among diverse social issues. We are thus committed to implementing activities from the aspects of reducing global and regional environmental burden by solving environmental issues and improving in-house manufacturing processes.

Basic concept of environmental and social contribution  
Contribute to environmental conservation and the realization of a better society through business activities

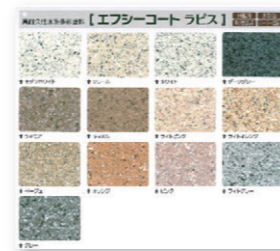


### Contribution through Fujikura Kasei's unique technologies and products

#### Contribution to the environment: Extension of house life Architectural coatings business

##### Development of high-durability coatings

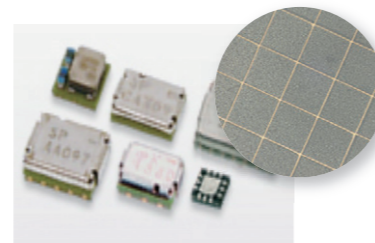
Houses today are becoming more and more durable, and performance of exterior wall coatings largely effect to maintain this durability. The service life of conventional exterior wall coatings used to be 10 to 15 years, due to their exposure to the ultraviolet rays of the sun, rain and wind. However, considering the life cycle of today's increasingly durable houses, we have developed and marketed high-durability coatings that last for as much as 30 years, ahead of the industry. Building on this achievement, we will continue to develop coatings that help further extend house life.



#### Contribution to the environment: Conservation of natural resources Electronics materials business

##### Development of electroconductive pastes

Electroconductive pastes for fine line printing and small-diameter dispensers are compounds in which electroconductive filler metals are dispersed in a resin binder. Silver is a general type of electroconductive filler, but it is a natural resource that can only be produced in limited amounts. Therefore, we strive to conserve resources by developing electroconductive pastes that respond to resource-saving development trends toward “light, thin, short, small” electronic components in the entry market, and by controlling the use of natural resources.



#### Contribution to the environment: Elimination of hazardous substances Functional polymers/polymer & resins business

##### Resin-type charge control agents (FCA)

Copy machines use charged color toners (particles). As it is necessary to control the electric charge of these particles to create accurate images, a charge control agent is used as an additive. Metal-based charge control agents have conventionally been used, but metals are hazardous elements that are subject to today's chemical substance regulations. Thus, we have developed and marketed charge control agents made of resins that display outstanding properties, in consideration of safety. We will continue to research and develop alternative technologies that can control the emission of hazardous waste materials.



#### Contribution to society: Minimization of traffic accidents Coatings for plastics business

##### Development of coatings for head lamps

The lens of automobile head lamps are made of plastic from the perspectives of reducing weight and enhancing design. However, there are cases in which UV deterioration and scratches on the outside and fogging on the inside due to condensation undermine transparency and cause traffic accidents. We address this issue by developing hard coatings with excellent weather resistance for external use and anti-fogging coatings for internal use.



#### Contribution to society: Medical support Medical materials area

##### In-vitro diagnostic agents

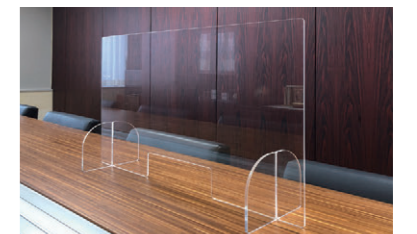
The early discovery and regular monitoring of diseases is effective for preventing diseases and minimizing the risks of severity, as well as financial burden. We focus our efforts on the development of latex particles for diagnostic agents using our fine particle synthesizing technology and apply these particles to provide latex turbidimetric reagents, research reagents, and various other such products. In this way, we continue to contribute to the worldwide dissemination of high-precision inspections.



#### Contribution to society: Prevention of infections Synthetic resins business

##### Toward solving the issue of infectious diseases

COVID-19 posed a large issue in preventing droplet infection and contact infection. To prevent infection among people who engage in counter services, our affiliate Tohkoh Jushi has developed and marketed counter screens and face shields made by processing transparent acrylic panels.



# Management of Chemical Substances to Retain Trust

Chemical substances benefit our lives. At the same time, however, they can pose a serious health risk 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 consumers beyond, to fulfill our social responsibility as a company that handles chemical substances.

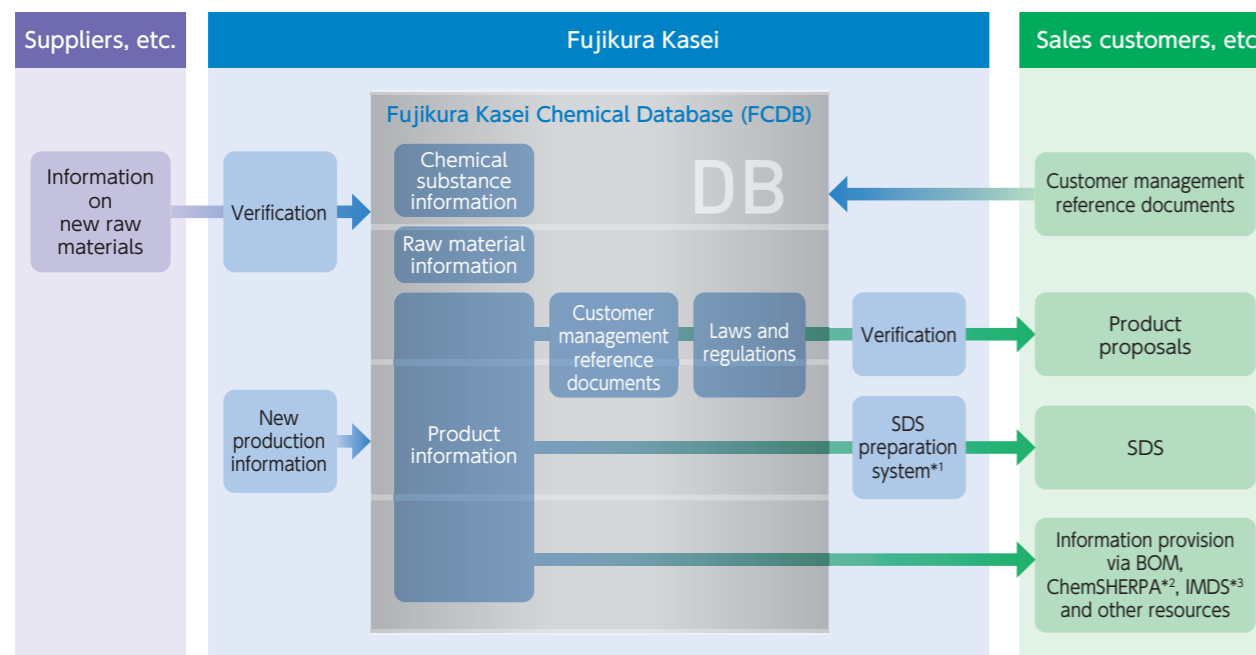
## Materiality KGI and KPI for “Chemical Substance Management”

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
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

## Chemical substance management initiatives

As a company that handles chemical substances, we believe it is important to think about the health not only of 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. We must 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, which is based primarily on the Fujikura Kasei Chemical Database (FCDB). Through this scheme, we endeavor to provide products that customers can use without worry.

### Our chemical management scheme



### 《 Safety design criteria 》

#### Restrictions on materials allowed to be used

Substances that have a markedly adverse impact on people's health and the environment by being used are restricted by laws and regulations and by industrial standards. At Fujikura Kasei, such substances are widely designated as "prohibited substances." Substances that are not restricted but pose a concern regarding their effects are designated as "approval required substances." We manage them upon determining whether they may be used or whether their use should be restricted via an assessment by our Chemicals Management Promotion Meeting. Substances that are restricted in part according to their purpose or by country are properly managed by widely seeking information on them as "controlled substances." In compliance with safety design criteria, we also take thorough measures to handle substances that are newly restricted by laws and regulations and products that have been found to contain restricted substances.

### 《Accumulation of data》

#### Raw material information

Existing raw materials are registered in the FCDB only after we obtain the chemical components such as of "prohibited substances" and "approval required substances" from the manufacturers and we verify them in reference to our safety design criteria. When introducing raw materials, we register them in the FCDB upon verifying that they do not contain "prohibited substances" or "approval required substances," to enrich the database.

#### Production information

Information on raw materials and substances that constitute our products are registered in the FCDB. We also register newly developed products in the FCDB to enrich the database.

#### Information on customers' design standards

Information on green procurement standards, etc. obtained from our customers are registered in the FCDB and utilized for verification purposes at the product development stage.

### 《Data updates》

#### Obtaining the latest information

Information on relevant laws and regulations and information on raw materials are regularly updated to the latest information.

### 《Data utilization》

#### Design and development

We verify all information registered in the FCDB to develop products that are people and environment friendly.

#### Production

We check the FCDB for information on handling chemical substances, to make sure all our products are produced in a safe manner.

#### Information provision

We use the data accumulated in the FCDB to provide information on chemical substances as required by our customers, in various formats. [Information provision formats] SDS, labels, export documents, inquiries from customers, etc.

\*1 SDS: Safety Data Sheet

\*2 ChemSHERPA: A common scheme for conveying information on the chemical substance content of products.

\*3 IMDS: Stands for International Material Data System. A database of materials and its scheme.



# Compliance

At Fujikura Kasei, we promote various initiatives to develop and strengthen compliance and risk management, which we regard as an important management issue in the principle of corporate governance.

## Materiality KGI and KPI for "Compliance"

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
Thorough compliance with essential laws and regulations	Strengthening awareness of compliance	Number of study meetings implemented
Strong framework for preventing misconduct	Steady response to whistleblowing cases	Degree of enhancement of the system
	Rebuilding the foundation of compliance	Number of themes taken up by the Compliance Committee

## Principles toward strengthening governance

### 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.

### Overview of our corporate control framework and reason for adopting the framework

To further strengthen corporate governance and increase our medium to long-term corporate value, we have shifted from a company with a Board of Company Auditors to a company with an Audit and Supervisory Committee upon resolution by the General Meeting of Shareholders on June 27, 2019.

#### (1) Board of Directors

Our Board of Directors is composed of 7 directors, two outside directors and three Audit and Supervisory Committee members. The Board of Directors and Executive Committee are decision-making bodies that discuss, deliberate and decide on company-wide management issues.

Additionally, a business executive meeting composed of directors and department managers hold regular monthly meetings to promote effective business management.

#### (2) Audit and Supervisory Committee

Pursuant to the Companies Act, we have installed an Audit and Supervisory Committee composed of three audit and supervisory members. Two of the three members are outside directors.

#### Directors

Post	Name	Role and responsibility
President	Daisuke Kato	
Senior Vice President	Hikoji Ueda	Director of R&D Center, General Manager of Polymers & Resins Div., Medical Materials Dept.
Senior Vice President	Yoshizo Shimoda	General Manager of Administration Headquarters, Corporate Auditing Office, affiliated companies (Japan)
Executive Director	Hisashi Kajiwara	General Manager of Coatings for Plastics Div., affiliated companies (overseas)
Executive Director	Hiroaki Watanabe	Director of Sano Plant, Quality Assurance Dept. and Environment and Safety Dept., Export Administration Office, CSR
Executive Director	Masahiro Takano	General Manager of Architectural Coatings Div., affiliated companies (three sales companies of architectural coatings)
Executive Director	Satoshi Watanabe	General Manager of Electronic Materials Div.
Outside director	Osamu Tanaka	
Outside director	Yoichi Nagahama	
Audit and supervisory committee member	Yuzo Saisu	
Outside audit and supervisory committee member	Mitsuyoshi Naka	
Outside audit and supervisory committee member	Takashi Watanabe	

## Compliance initiatives

All officers and employees of our Group pursue and engage in fair corporate activities in good faith, based on our Compliance Charter and Code of Conduct.

### Compliance Charter of the Fujikura Kasei Group

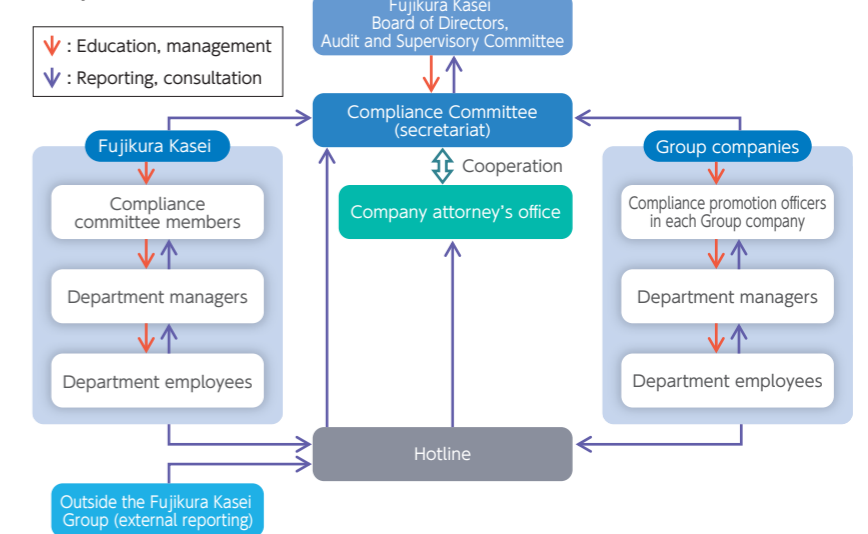
- We will comply with all relevant laws, regulations and social norms, and act with a high sense of ethics.
- We will respect people's basic human rights and personality, and will eliminate all forms of discrimination.
- We will respect the culture and customs of each country and undertake business activities that contribute to environmental conservation and to local communities.
- We will maintain and strengthen safety and health in the workplace and local community by ensuring thorough risk management.
- We will establish relationships of trust with our stakeholders by engaging in fair, transparent transactions and disclosing information in a timely manner.
- We will ensure strict management of corporate information, personal information and information about other companies.

## Compliance promotion framework

To strengthen compliance across our Group, the Compliance Committee appoints compliance promotion officers to Fujikura Kasei and major subsidiaries. These officers disseminate information on legal trends to members of their department or Group company, and hold study workshops for employees.

We also 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.

### Compliance framework



## Compliance promotion activities

The Compliance Committee engages in such activities as checking trends in laws and regulations which are related to corporate activities and compliance status.

- Elected members of departments and group companies invite legal experts (lawyers) to study important laws such as the "Subcontracting Payment Delay Prevention Law (Subcontracting Law)" and amended laws.
- On November 29, 2019, we invited a corporate lawyer to discuss information handling, the unfair competition prevention law, the personal information protection law, etc. under the title of "How to keep secrets." We held a study session on the effects and risks of information leakage based on various cases. In recent years, while the importance of information such as ICT has increased, news of information leakage has been frequently reported. We are also working to prevent information leakage through system development and education.
- With the global expansion of our company, compliance with laws and regulations related to exports is also one of the important management issues, so we have set up an export control office and carry out educational activities for our employees.

Study workshop on compliance



Raising awareness of security trade control via an internal newsletter



# 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.

## Materiality KGI and KPI for "Risk Management"

Goal (KGI)	Means for achieving the goal (KPI)	Performance index
Establishment of a risk management framework	Extraction of risks related to management	Review of extracted criteria
Creating a disaster-resilient corporate culture	Formulation and operation of a new BCP	Preparation of a disaster prevention manual for each district
		Creation of a company-wide disaster prevention manual

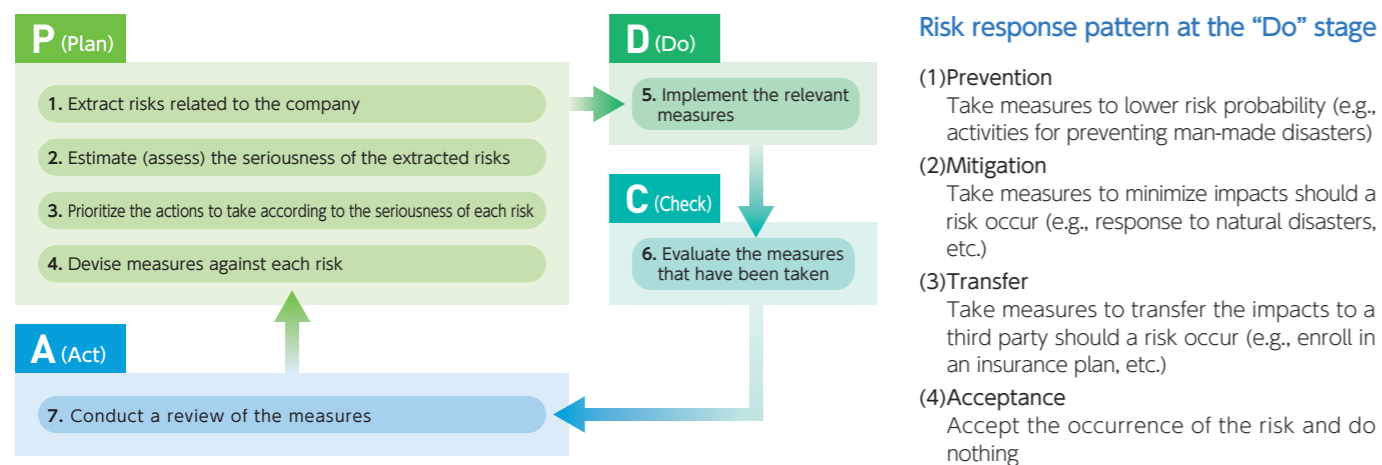
## Our concept of risk management

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 (ordinary times)	Comprehensive risk management	Compliance Committee
Other (times of emergency)	Comprehensive responses	Emergency Response Headquarters

## 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.



## Risk response pattern at the "Do" stage

- (1)Prevention  
Take measures to lower risk probability (e.g., activities for preventing man-made disasters)
- (2)Mitigation  
Take measures to minimize impacts should a risk occur (e.g., response to natural disasters, etc.)
- (3)Transfer  
Take measures to transfer the impacts to a third party should a risk occur (e.g., enroll in an insurance plan, etc.)
- (4)Acceptance  
Accept the occurrence of the risk and do nothing



## Risk response activities

### Disaster mitigation initiatives

#### Response to natural disasters

Our business is based in Minato-ku, Tokyo (head office), Kuki City, Saitama (R&D center, logistics center), Sano City, Tochigi (main plant), and Tokai City, Aichi (branch). Each location is potentially subject to a different type of natural disaster, but in the event of a disaster, including man-made disasters, protecting the lives of our employees is top priority. At each location, regular evacuation drills are carried out in reference to a hazard map created by the municipality. There is a stockpile in preparation for situations where employees may be stranded at work, unable to return home.

### Case examples of risk response activities

#### Disaster prevention drill at Sano Plant

The fiscal 2019 disaster prevention drill at Sano Plant was held on March 24. Based on a scenario supposing the occurrence of an intensity strong 6 earthquake, the drill began with an announcement informing everyone that an earthquake has occurred. Initial response actions were then practiced, including establishing disaster headquarters, securing personal safety, verifying the safety of others, taking stock of the damage to the facilities, rescuing injured people and patrolling the perimeters of the site to assess the situation. Based on a review of past disaster prevention drills, the implementation procedure for this recent drill was modified in part, and the drill was basically carried out according to the modified procedure. Nine years have passed since the Great East Japan Earthquake. Even after this major disaster, earthquakes, floods and other natural disasters have occurred throughout Japan. There is no telling when such natural disasters will occur. Therefore, it is important to carry out disaster prevention drills and acquire the capacity to properly protect ourselves, verify the safety of others and ensure everyone's safety in the event of a disaster.



#### Disaster prevention drill at Nagoya Branch

Employees of our Nagoya Branch received training at the Tokai City Regional Disaster Prevention Center, and participated in (1) a hands-on water discharge operation using a fire hydrant, (2) an earthquake simulation, (3) a smoke evacuation drill, (4) an emergency reporting drill, and (5) a fire-extinguishing drill using a fire extinguisher. They also held a meeting to confirm the evacuation route to evacuation centers designated by Tokai City in the event of an earthquake or tsunami.

### Information security

We make every effort to minimize the risk of information leaks with respect to confidential information, personal information and other such information that must be strictly managed. In fiscal 2017, we transferred our business system to a data center, and in fiscal 2019, we shifted our Groupware system to the Cloud environment. We have also renewed, as necessary, the rules for connecting to our internal system, as a measure against potential new threats.

#### Major hardware measures

- Establishment of a firewall
- Maintaining a constant grasp of such threats as virus infections and targeted emails

#### Measures against natural disaster risks

- Verification of anti-disaster measures, such as the seismic resistance and isolation of the data center and the operation of private power generators
- Duplication of the Groupware environment, including mail systems and information sharing cabinets, in the Cloud

# Producing Products from our Customers' Standpoint

Our products are purchased by corporate customers as industry goods. To convince our customers that purchasing Fujikura Kasei's products leads to guaranteed assurance, we engage in quality assurance activities with the aim not only to improve the quality of our products but also to enhance the quality of our work.

## Our basic concept of quality assurance

We produce our products always from the standpoint of our customers and engage in company-wide quality assurance activities.

### 《 Quality policy 》

1. We always work on our products with creativity and aim to be number one in customer satisfaction with "Quality and Speed!".
2. In order to further strengthen our quality-oriented management, we will strive to improve effectiveness by conforming to the ISO9001 quality management system standard and continuous improvement.
3. In order to meet the expectations of our customers, we set quality goals, evaluate the degree of achievement, and carry out quality improvement activities across the company.
4. We will communicate the quality policy to all employees, promote understanding and dissemination, and carry out education and enlightenment activities for all employees in order to realize the quality goal.
5. In order to maintain the operation of the quality management system in consistency with the quality policy, we regularly review its suitability and carry out necessary reviews.

## Quality assurance framework

### Quality management system certification

In response to customer expectations, we have acquired ISO9001 certification for our quality management system and will endeavor to both guarantee product quality and enhance work quality. Some business departments have already acquired sector-specific quality management system certification (ISO13485, IATF16949) to respond to increasingly advanced customer demands.

#### Status of quality management system certification

Management system	Year of certification	Scope of application
ISO9001	1999*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 International standard specifically for the medical equipment industry	2007*2	《 Medical Material Dept. 》 Design and manufacture of in-vitro diagnostic reagents for measuring of proteins, enzymes, lipids/lipoproteins, carbohydrates, hormones, therapeutic drugs.
IATF16949 International standard specially for the automotive industry	2019*3	《 Electronics Materials Division 》 Design and production of conductive and insulation pastes.

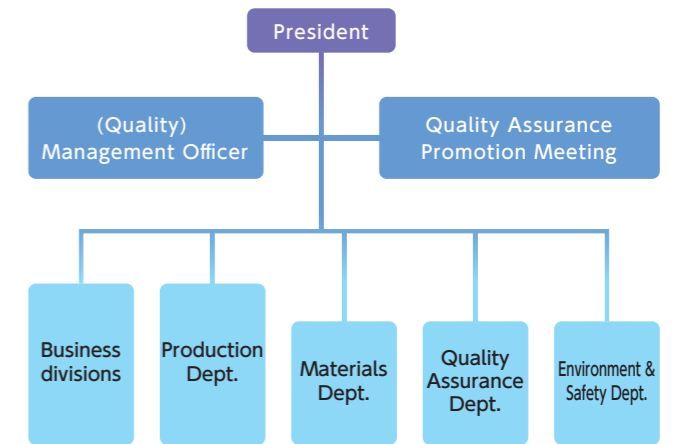
\*1 Japan Management Association Quality Assurance Registration Center (JMAQA) \*2 SGS Japan Inc. \*3 Lloyd's Register Quality Assurance Ltd.



### Quality assurance framework

To maintain product quality (including the management of chemical substances contained in products\*), 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. In the event of a quality flaw or customer complaint, our business departments and production departments work as one to investigate the cause and take action to prevent recurrence. To guarantee quality always from the standpoint of customers, the Quality Assurance Department exists as a separate department independent of other business divisions and the production department and reports directly to the president. Additionally, we have established a Quality Assurance Promotion Meeting composed of members from each division and department to pursue activities such as for maintaining and improving our company-wide management system and proposing solutions to quality-related issues.

\*4 Details on the management of chemical substances contained in products are provided in the section on chemical substance management on pages 33-34.



## Quality assurance activities

### Quality maintenance activities of the Fujikura Kasei Group

To raise the quality of the entire Group, we are encouraging our Group companies both in Japan and overseas to acquire ISO9001 certification, and are implementing quality maintenance activities. Of our 14 Group companies\*5 in Japan and overseas, 9 companies (64%) have acquired ISO9001 certification. In fiscal 2019, we implemented quality maintenance activities in three Group companies in China (that have already acquired ISO9001).

\*5 Companies with production sites, including Fujikura Kasei

#### ISO9001 certification status of Group companies in Japan and overseas that have production sites

	Number of production site companies	Number of certifications acquired	Certification rate
Japan	4	1	25%
Overseas	10	8	80%
Total	14	9	64%

### Quality improvement activities

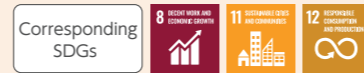
We have established a company-wide improvement proposal system and engage in activities that address proposals that lead to quality improvement. Outstanding quality improvement activities are awarded the Outstanding Quality Activity Implementation Prize, as an incentive for employees to acquire greater awareness of quality improvement.



Presentation of activity case examples



Award ceremony



# Contribution to Local Communities

We place importance on maintaining a good relationship with local communities by actively engaging local communities in communication and implementing social contribution activities through our businesses and employees.

## Major community activities

We engage in community-based activities and initiatives in communities where we operate.

Site	Major community contribution activities (FY2019)
Sano Plant (main plant)	<ul style="list-style-type: none"> <li>Sano flood volunteer activities</li> <li>Provision of internships to two high school students</li> <li>Cleanup activities of public roads in the industrial park</li> <li>Sponsorship of local festivals</li> </ul>
R&D Center	<ul style="list-style-type: none"> <li>Provision of supplies, foods and replacement items to food banks</li> <li>Cooperation in blood donations</li> <li>Mass local cleanup activities</li> </ul>
Kuki Logistics Center	<ul style="list-style-type: none"> <li>Provision of an internship to a high school student</li> <li>Participation in the regional disaster prevention association</li> <li>Cooperation in a fund-raising campaign for support activities in response to the United Nations New Declaration on Drug Demand Reduction</li> <li>Sponsorship of local festivals</li> </ul>
Nagoya Branch	<ul style="list-style-type: none"> <li>Suburban cleanup activities during the municipality cleanup month</li> <li>Tree-planting within the site of the office in response to a greenification agreement with the municipality</li> </ul>
Head Office	<ul style="list-style-type: none"> <li>Participation in the neighborhood association</li> </ul>

## Blood donation activity

R&D Center cooperates in blood drives by receiving a mobile blood bank to its site three times a year (12, 13 and 13 employees gave blood respectively in January, April and August 2019). In recognition of this support activity which has continued for many years, the plant was presented a certificate of appreciation from Japan Red Cross.



## Sano flood volunteer activities

A large and extremely strong typhoon, Typhoon 19, struck East Japan from October 12 to 13, 2019. In Sano City, Tochigi Prefecture, the Akiyama River overflowed, and the turbid waters submerged houses and cars. Our employees' housing was also damaged in the disaster, and the large volumes of disaster waste needed to be cleared before any restoration could begin. Therefore, on October 20, a group of employees undertook volunteer activities at the site of the damage, which was far worse than they imagined. With the cooperation of Touei Unyu, a transportation company stationed at Sano Plant, 15 volunteers mainly focused on removing disaster waste from areas around the employees' housing and the houses of employees' families. We extend our sincerest sympathy to all who have been affected by Typhoon 19 and pray that they may return to their ordinary lives as soon as possible.

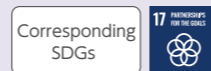


## Stockpile of foods, etc. and measures against food loss

As part of our disaster prevention initiatives, we keep a stockpile of foods and daily necessities at each of our business sites in case a natural disaster or other disaster occurs and employees are stranded at work. Since stockpiles of foods have expiration dates, items that are close to expiring are given to employees to take home or consumed at food sampling events and replaced with new items. At R&D Center, a new undertaking was launched in the form of a welfare cooperation program, and foods that are still edible but are inevitably thrown away (food loss) are now delivered to individuals who are in need of food and to welfare facilities, for free. In 2019, we donated food items that have more than a year of shelf life left to Hasuda City Social Welfare Council.



Stockpile at R&D Center



# Group Companies in Japan

## Fujichemi Tokyo Co., Ltd.

Architectural coatings business

### Safety improvement activities

#### Priority safety and health management items

The Fujichemi Tokyo Safety and Health Liaison Council, composed of four branches in the Tokai, Kanto Koshin-etsu, Tokai and Chukyo regions, implements activities based on a business plan that identifies five priority safety and health management items: 100% usage of protective gear, strengthening of KY activities, orderliness and organization of the materials storage room, unified protection of entrances, and 15-minute cleanup after work.

#### Summertime heatstroke prevention

From June to September 2019, the Fujichemi Group Safety and Health Liaison Council distributed an emergency heatstroke first aid kit as a standard item.

#### Special education and basic safety workshops for cooperating companies

The special education program on full harnesses was attended by 712 employees from 192 companies, the special supervisor education program by 28 employees from 9 companies, and the basic safety workshop by 381 employees from 175 companies.



Special education program on full harnesses

### Environmental improvement activities

#### Cool Biz initiative

The Cool Biz initiative was implemented over the period from May 1 to October 31, 2019, by setting the indoor temperature to 28°C when outside temperatures reached 28°C or higher.

#### Introduction of eco-cars

Company cars are sequentially being replaced with hybrid cars.

#### Power saving initiatives

Efforts are made to contribute to energy conservation by turning off lights in places where they do not necessarily need to be turned on, and turning off lights in bathrooms and elevator halls and during lunch break.

## Fujichemi Kinki Co., Ltd.

Coatings for plastics business, architectural coatings business, electronics materials business, functional polymers/polymers and resins business

### Environmental improvement activities

#### Environmental policy

As members of local communities, of society and of Earth, Fujichemi Kinki promotes the realization of an economic society that can develop sustainably, by striving to reduce the environmental burden of its business activities on a continuous basis.

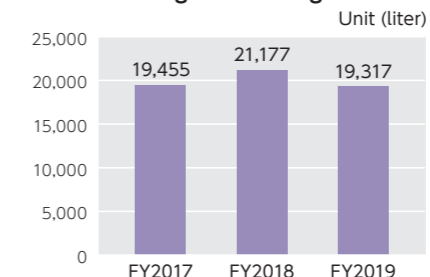
1. We will strive to improve the environment by promoting resource savings, recycling, the sorting and reduction of waste, and energy saving in all our business activities.
2. We will provide environment friendly products and engage in onsite painting works in an environment friendly manner.
3. We will establish and work to achieve environmental objectives and targets. At the same time, we will review our policies and targets regularly or as required, for continuous improvement.
4. We will strive to prevent pollution by complying with relevant environmental laws and regulations and other requirements that we agree upon.
5. We will promote environmental education and awareness-raising activities among all our employees and employees of cooperating companies, to disseminate an understanding of our environmental policy and aim to strengthen awareness of environmental conservation.
6. We will commit our environmental policy in writing and disclose it to the public.



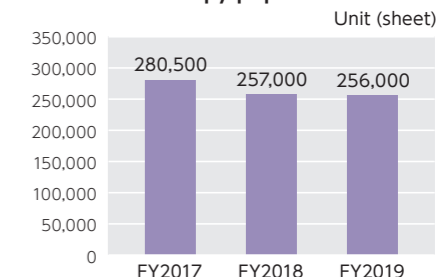
#### Energy and resource saving initiatives

Fujichemi Kinki implements various improvement activities based on its environmental policy. For example, efforts are made to reduce gasoline usage by company cars and to minimize the use of copy paper as part of the company's many awareness-raising activities.

#### Reduction of gasoline usage



#### Reduction of copy paper



#### Operation of an environmental management system

The head office renewed its environmental management system to comply with ISO14001:2015 in July 2018, and is directing its efforts to achieve sustainable growth linking the company's business activities and environmental management system.

## Fuji Chemical Co., Ltd.

Architectural coatings business

#### Water saving activities

Fuji Chemical's Hiroshima branch has upgraded its toilet and hand-washing faucets to automatic faucets, and is making ongoing efforts to conserve limited resources.



#### Sorting of refuse

Garbage bins are labeled to promote proper sorting of refuse and reduce impacts on the local environment.



## Tohkoh Jushi Co., Ltd.

Synthetic resins business

#### Energy saving activities

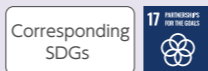
The lighting on the first floor of the warehouse was changed to LED lighting as part of the company's fiscal 2019 energy saving activities.



#### Contribution to the environment through business

The company strives to contribute to energy saving activities in society as a whole, by actively proposing and expanding the sales of LED modules.





# Group Companies Overseas

Red Spot Paint & Varnish Co., Inc.

U.S.A.

Coatings for plastics business

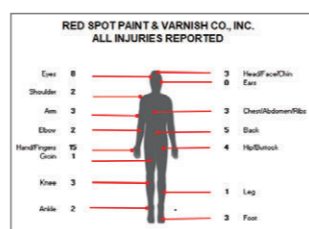
## Safety improvement activities

### Regarding industrial accidents

Red Spot places foremost importance on protecting human lives, and manages risks with this principle in mind, by ensuring compliance with all relevant laws and imposing strict criteria on both itself and its suppliers. It also has an EHS management system in place toward achieving zero injuries and serious accidents. EHS activities are also encouraged among employees, in an effort to strengthen awareness of risks and opportunities.

### Visualization of industrial accidents

Industrial accidents are indexed for proper management, and case examples of past accidents are analyzed to clarify parts of the body that are susceptible to injury and establish measures for improvement.



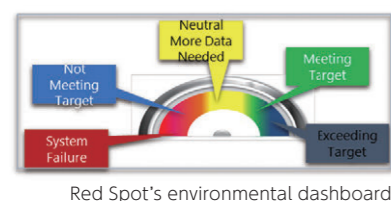
Summary chart of injuries reported

## Environmental and safety improvement activities

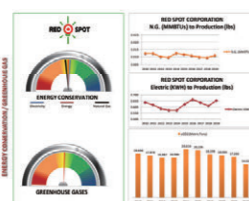
### EHS management system

Red Spot's EHS management system utilizes the PDCA cycle to ensure ongoing improvements with a focus on the following initiatives.

1. Preparation and implementation of EHS standards for each three sites
2. Establishment of an organizational structure that can respond to changes in social situations
3. Standardization of data to support the achievement of objectives and targets
4. Standardization of the EHS program at each site
5. Implementation of an EHS internal audit program
6. Participation in major community affairs
7. Expansion and continuation of local volunteer and support initiatives



Red Spot's environmental dashboard



Efforts are made to strengthen employee awareness by visualizing electricity and gas usage and CO<sub>2</sub> emissions, and defining and displaying targets so that the status of achievement and reduction volumes are evident to everyone.

## Contribution to local communities

There is a gathering momentum among all employees of Red Spot to engage in volunteer activities, environmental protection and donations in their local communities, based on the concept that "corporate citizens must be good citizens before they can pursue a profit."

### Volunteer activities at local zoo

Staff members in Evansville engaged in volunteer activities at a zoo and created a garden around the new parakeet cage.



Staff members who participated in a volunteer gardening work around the parakeet cage at local zoo

### Support for homeless people

In November 2019, staff members collected donations (goods, money) and prepared care packages (containing food items, water, hand and feet warmers, socks, etc.) for 200 homeless people. These packages were delivered to homeless people by an NPO visiting support team based in Aurora.



Staff members who participated in the program and the donations they collected



Fujichem Sonneborn Ltd.

U.K.

Coatings for plastics business

## Safety improvement activities

### Sharing an awareness of safety and environmental improvement activities

The performance of safety and environment activities at Fujichem Sonneborn, including the status of CO<sub>2</sub> emissions, the volume and cost of treatment of waste that has been discharged, and the status of industrial accidents, is posted in a section of the plant so that all staff members can see the progress of their activities at a glance.



Fujichem Sonneborn's safety and environmental performance dashboard

### Safe work wear

At Chesterfield, highly visible work wear has been introduced in 2018 to prevent collision accidents between transport vehicles and workers in the plant. In 2019, the risk of such collision accidents was reduced by further enhancing the visibility of work wear.



Work wear with enhanced visibility

## Environmental improvement activities

Fujichem Sonneborn engages in CO<sub>2</sub> emission reduction activities and other such environmental improvement activities based on an environmental management system that complies with ISO14001:2015.

In 2019, it has continued its monitoring of CO<sub>2</sub> emissions from its use of electricity, gas and petroleum, and has implemented activities toward its in-house target of "reducing the amount of CO<sub>2</sub> that is emitted for every 1kg of product that is manufactured, to less than 296g." As a result, the target was achieved with a reduction in the said amount of CO<sub>2</sub>, to 281g.

## Contribution to local communities

Staff members once again gave donations to a charity organization in 2019, to protect and support children and youths in the UK. This activity will continue to be implemented hereafter.



ISO14001:2015 certification





# Group Companies Overseas

Fujikura Kasei (Thailand) Co., Ltd.

Thailand

Coatings for plastics business, architectural coatings business

## Safety improvement activities

### Transport improvement

When transporting drums of raw materials from the warehouse to production area, a multiple number of drums used to be placed on a pallet and transported using a pallet jack. However, the pallets were heavy and unstable, such that there was always the risk of the drums falling and causing injury when moving the pallet. As a remedy to this problem, primary focus was placed not on efficiency but on safety, and the drums were decided to be transported one by one. Furthermore, by using dedicated casters, it became possible to transport the drums more easily and safely.



## Environmental improvement activities

### Greenification program

Fruit trees such as mango, banana and jackfruit trees were planted within the site of the plant to greenify areas that lacked vegetation.



## Contribution to local communities

### Cleanup activities

Taking the occasion of company travel, cleanup activities were held to maintain friendly relationships with local communities.



Staff members who participated in a cleanup activity

Fujikura Kasei Malaysia Sdn. Bhd.

Malaysia

Coatings for plastics business

## Safety improvement activities

### Establishment of an organizational structure for safety and the environment

An initial response team has been organized and placed in operation in addition to the emergency response teams for fire disasters, chemical substance leakage and natural disasters, to provide prompt response in the event of an emergency.



Poster and badge of the initial response team



Members of the initial response team



### Enhancement of anti-static measures

An anti-static measure has been applied to the pallets that are used to transport raw materials and products. Only electroconductive pallets are now allowed to be used in the production area, to reduce the risk of electrical discharge due to peeling electrification.



Pallet made using zinc plated material

### Safety posters and in-house safety workshop

Safety posters are collected from employees in the form of a competition and posted in the plant, and winning posters are selected by employee vote. Furthermore, a collective safety workshop is held in conjunction with the announcement of the winners.



In-house safety workshop



Safety poster

PT. Fujikura Kasei Indonesia

Indonesia

Coatings for plastics business

## Safety improvement activities

### Approval of the safety and health committee

On September 4, 2019, the company's safety and health committee organization received recognition from the municipal bureau in charge of labor.



Certificate of recognition of the safety and health committee organization

### Internal OSH\* training

As is held every year, an internal OSH training program was once again held in 2019 according to a yearly schedule.

\*OSH is synonymous with OHS



Internal OSH training

### Fire drills

In September 2019, a fire drill was held to provide employees training in how to use the fire extinguisher, which comprises an important part of initial fire-extinguishing activities. A simulation of an emergency response plan was also carried out.



Training in the use of a fire extinguisher

### Participation in outside training

To comply with Indonesia's OSH standards, five safety managers participated in an OSH risk management training program held outside the company in July 2019, and the factory manager participated in an OSH auditor training program also held outside the company in October 2019. Additionally, staff members attended an outside training on waste in November 2019, to ensure compliance with laws on waste, which are becoming increasingly strict.



Participants of the OSH risk management training program

# Group Companies Overseas



Fujikura Kasei Coating India Private Ltd.

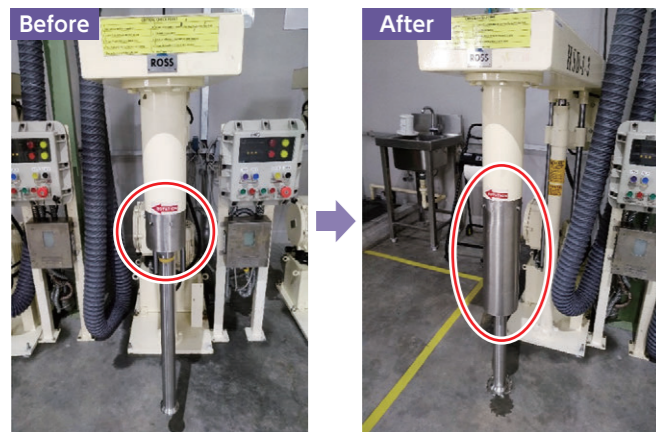


Coatings for plastics business

## Safety improvement activities

### Improvement of the agitator shaft guard

The agitator shaft guard is primarily designed for large tanks, and is therefore unsafe to be used for small tanks. If an operator accidentally touches the shaft a serious accident could occur. To remedy this problem, a shaft guard was newly designed specifically for small tanks to reduce the risk of such accidents.



### KYT (risk prediction training)

Before commencing manufacturing operations, the entire workplace comes together to identify all possible sources of danger with everyone providing input, and discusses measures against each risk. Training in finger-pointing confirmation of main work areas is provided to prevent industrial accidents, and the content of the training is written in a dedicated form and kept on record.

FKCI KYT SHEET	
Topic of KYT : Earth clip and wire laying on floor here and there .	
Location : Production Area	Date : 05.04.2019
Op. No.	0
Name of participant :	
1) Yamada san	2) Kamayama san
3) Yamamoto san	4) Kishida san
5) Tadano san	6) Chandrabhan san
7) Mandahara san	8)
9)	10)
Potential Hazard's :	
1) Head injury due falling on floor by stuck into the wire laying on floor.	
2) Tank falling on floor due to wheel stuck in earth clamp or wire.	
3) Earth wire can cut by falling some tool or machine part.	
4) Material wastage due to tank falling on floor.	
5)	
6)	
7)	
8)	
9)	
10)	
More potential hazard's Identified :	
1) Head injury due falling on floor by stuck into the wire laying on floor.	
Countermeasures :	
1) Earth clamp and wire should be properly dressed and attached with Siler strip.	
2) Properly dressing of earth wire after using earth clamp.	
3) Careless there should not be any unwanted from during attaching earth clamp to tank.	
More Effective countermeasures to eliminate that hazard's :	
1) Earth clamp and wire should be properly dressed and attached with Siler strip.	
Visual presentation of KYT :	

Example of a KYT sheet

Fujikura Kasei Vietnam Co., Ltd.

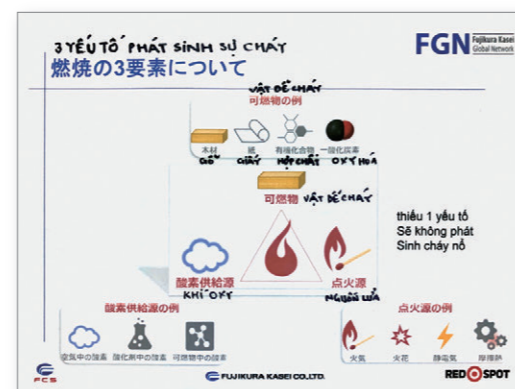


Coatings for plastics business

## Safety improvement activities

### Strengthening of safety education

Safety education is held to provide basic knowledge such as of the flash point and combustion zone of each organic solvent and the three elements of combustion. Education is also provided on the different types of static electricity in plants, the importance of anti-static measures, and initial fire-extinguishing methods in cases of emergency.



Case example of a safety education on the three elements of combustion

Fujikura Kasei Coating (Tianjin) Co., Ltd.



Coatings for plastics business

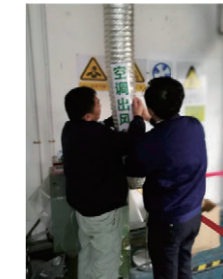
## Safety improvement activities

### Strengthening disaster prevention

In January 2019, a shelf for fire-extinguishing supplies was installed as required by the Tianjin City Fire Bureau, and gloves and fire-protective clothes were stocked in the plant and warehouse as per instructions following a nationwide priority inspection.



A facility audit was carried out by Fujikura Kasei (Japan). Areas for improvement were extracted, and labels were affixed to local exhausts and ventilation lines in the plant.



To prevent electric fires, existing electric cables were replaced with flame retardant cables.



## Environmental improvement activities

### VOC treatment unit

To comply with environmental laws and regulations, an activated carbon filter box was added to the VOC treatment unit.



The activated carbon box that has been added to the VOC treatment unit

### Spill prevention drill

A spill prevention drill was held, supposing a leakage of raw material in the dangerous items warehouse.



Spill prevention drill

Fujikura Kasei (Foshan) Coating Co., Ltd.



Coatings for plastics business

## Safety improvement activities

### Improvement of emergency evacuation route map

Existing emergency evacuation route map was improved to ensure that the storage of dangerous items could be easily located and everyone could evacuate safely.



# Group Companies Overseas

Fujikura Kasei (Foshan) Coating Co., Ltd.

## Environmental improvement activities

### Improvement of the temporary waste storage shed

On occasion of expanding the temporary waste storage shed, an explosion-proof ventilation fan was installed to prevent stagnation of solvent vapors in the shed. A wall-mounted fire extinguisher was also installed to enable prompt initial fire-extinguishing efforts in the event of a fire or other emergency situation.



### Mitigation of soil pollution risk

The water circulation line for the painting booth was made of steel piping, so it was liable to leak and posed a risk of soil pollution. All the pipes were therefore replaced with stainless steel pipes to prevent water leaks and mitigate the risk of soil pollution. Such improvement activities are implemented throughout the plant in compliance with strict regulations.



Water circulation line for the painting booth

Shanghai Fujikura Kasei Coating Co., Ltd.

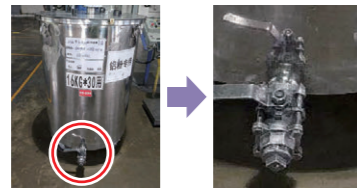
China 

Coatings for plastics business

## Safety improvement activities

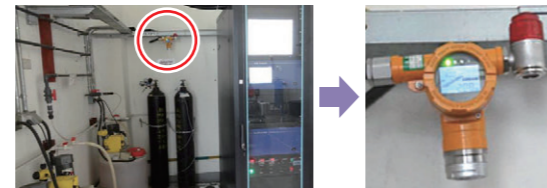
### Improvement of the work environment by sealing the tank outlet

All tank outlets were sealed to prevent the leakage of residual fluids from the outlets. This measure also contributed to preventing organic solvent odors from spreading throughout the production site, and has led to improving the work environment.



### Installation of toxic gas detectors

Toxic gas detectors have been installed in the plant and warehouse, to secure workers' safety. Any leakage of organic solvents is closely monitored in the monitoring room to ensure prompt response should a leakage occur.



## Environmental improvement activities

### Reduction of the usage of cleaning solvents by recycling

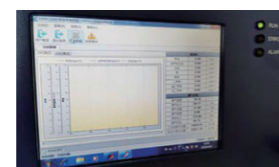
To reduce the total usage of cleaning solvents, cleaning solvents that have been used once are transferred to a drum to allow their pigment and resin contents to settle, and the supernatant liquid is reused in the next rough cleaning process.



Cleaning process

### Installation of an online emissions monitoring unit

Efforts are made to reduce the emissions of polluted substances by installing an online monitoring unit to monitor emissions and wastewater discharges and by exchanging the activated carbon adsorption filter before VOC and COD emission values exceed the standard limits.

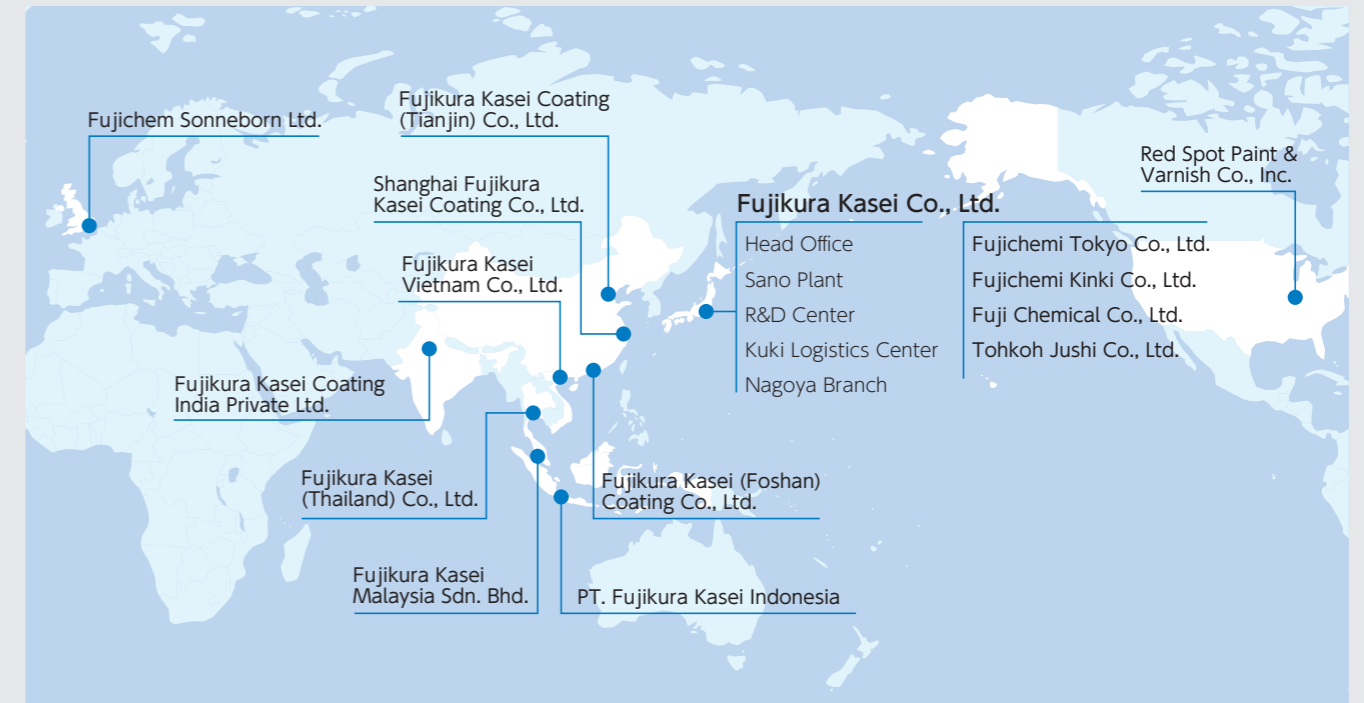


Monitoring screen



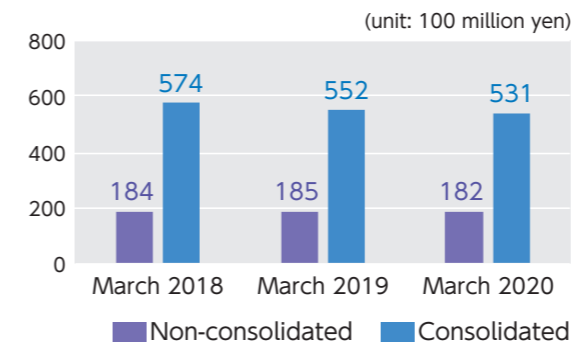
Online emissions monitoring unit

# Group Company Network

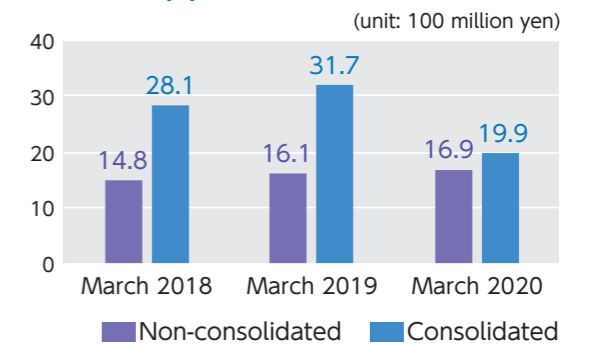


# Financial Highlights

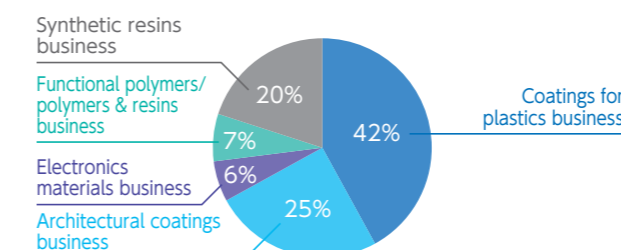
## Sales



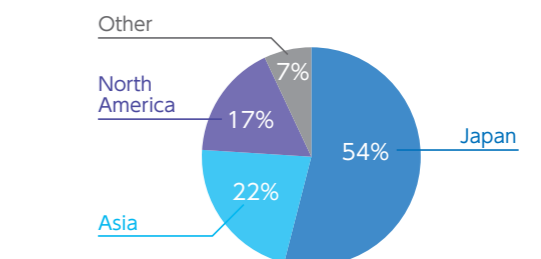
## Ordinary profit



## Sales composition by business (consolidated)



## Sales composition by region (consolidated)





## FUJIKURA KASEI CO.,LTD.

### [Head Office]

6-15, Shibakoen 2-chome, Minato-ku, Tokyo  
105-0011  
Sales TEL. 81-3-3436-1100  
Administration TEL. 81-3-3436-1101

### [R&D Center]

13-1, Sakurada 5-chome, Kuki-shi, Saitama,  
340-0203  
TEL. 81-480-57-1155

### [Kuki Logistics Center]

1205, Takayanagi, Kuki-shi, Saitama  
349-1125  
TEL. 81-480-48-5421

### [Sano Plant]

Sakaecho 12-1, Sano-shi, Tochigi  
327-0816  
Office: TEL. 81-283-23-1881  
Distribution Center: TEL. 81-283-21-0680

### [Nagoya Branch]

Sanbanwarinaka 3-banchi, Nawa-machi, Tokai-shi, Aichi  
476-0002  
TEL. 81-52-601-0551

### Fujikura Kasei Group

#### <Japan>

- ▶Fujichemi Tokyo Co., Ltd.
- ▶Fujichemi Kinki Co., Ltd.
- ▶Fuji Chemical Co., Ltd.
- ▶Tohkoh Jushi Co., Ltd.

#### <Overseas>

- ▶Red Spot Paint & Varnish Co., Inc.
- ▶Fujichem Sonneborn Ltd.
- ▶Fujikura Kasei Coating (Tianjin) Co., Ltd.
- ▶Fujikura Kasei (Foshan) Coating Co., Ltd.
- ▶Shanghai Fujikura Kasei Coating Co., Ltd.
- ▶Fujikura Kasei (Thailand) Co., Ltd.
- ▶PT. Fujikura Kasei Indonesia
- ▶Fujikura Kasei Malaysia Sdn. Bhd.
- ▶Fujikura Kasei Vietnam Co., Ltd.
- ▶Fujikura Kasei Coating India Private Ltd.

