

Basic Management Policy

**Aiming for the goal of making the world healthy—
“Wellness First” (Human-Driven Management)**

Trust & Respect

Trust People & Mutual Respect is a tradition that has continued since Kaneka's founding

Trial & Error Experiment Driven Company

The limitless adventure of repeated renewals for a new portfolio

Strengthening the Management Platform

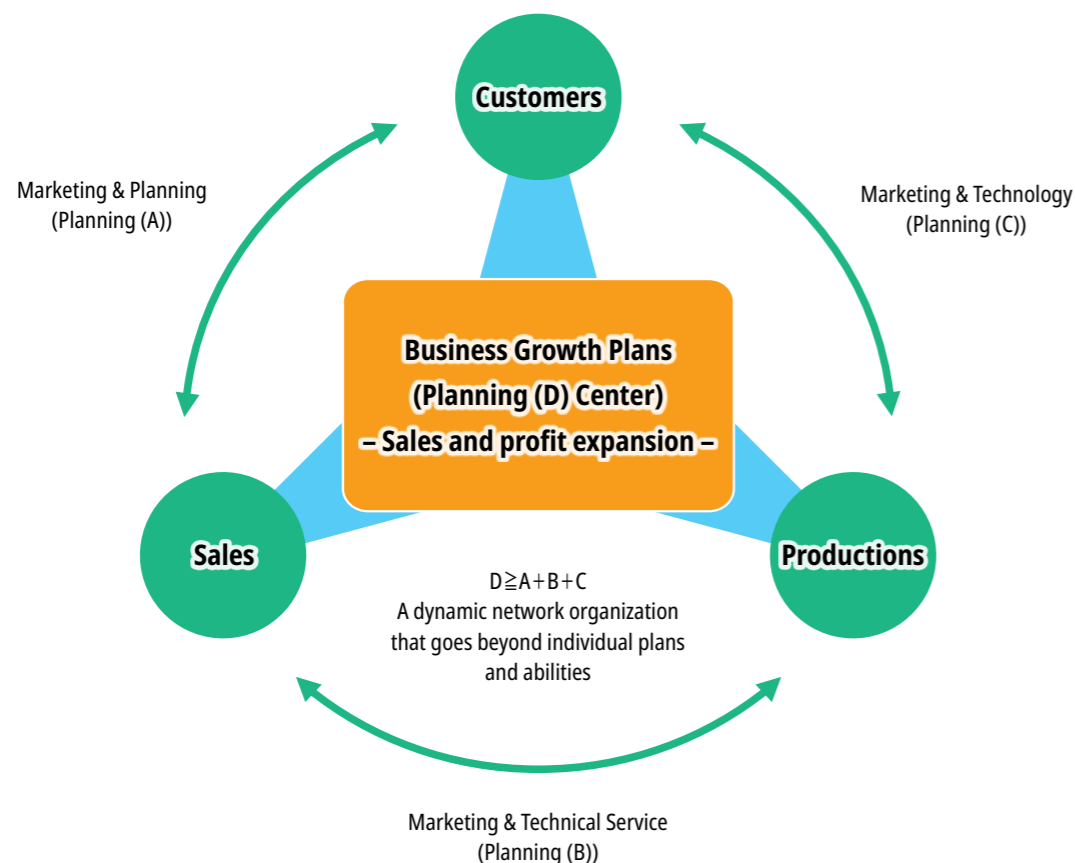
Innovate and upgrade operations through digital transformation (DX)
A personnel system for increasing employee motivation and productivity

Selection and Concentration

Tackling the three crises with a focus on Life Science
Active investment in research and development
Targeting rapid growth by investing resources in leading-edge businesses

Integrating Management Strategy

Manufacturing Means Applying R2B + P
→ Enhancement of four planning functions and capabilities



Priority Strategies

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The Path of Hybrid Management Promoting Portfolio Transformation

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R2B+P Strategy Implementation of Technologies Integrating Research and Production Technology

- Solution Provider Solutions Generated by R2B+P
- R2B Strategy Portfolio Transformation Engine
- Manufacturing Strategy The Manufacturing Site Is a Value Center
- Carbon Neutral (CN) Strategy Creating Manufacturing Sites That Embody Sustainability to Promote Global Health
- Intellectual Property Strategy Creating Intellectual Property to Raise Business Competitiveness

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Human Resource Strategy Human Driven Company A lean, high-quality team and merit-based appraisal

- Development of Human Resources Making dreams a reality by “lighting a fire in people’s hearts”
Centered on the 1-on-1 Program
- Promotion of Diversity Diverse individuality delivers unique Kaneka value
- Promotion of Wellness Coworkers with the same aspiration engage in work with vitality

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Global Strategy Think Global, Act Local

- The Best Glocal Kaneka Way Our global network enabling business development deeply rooted in communities

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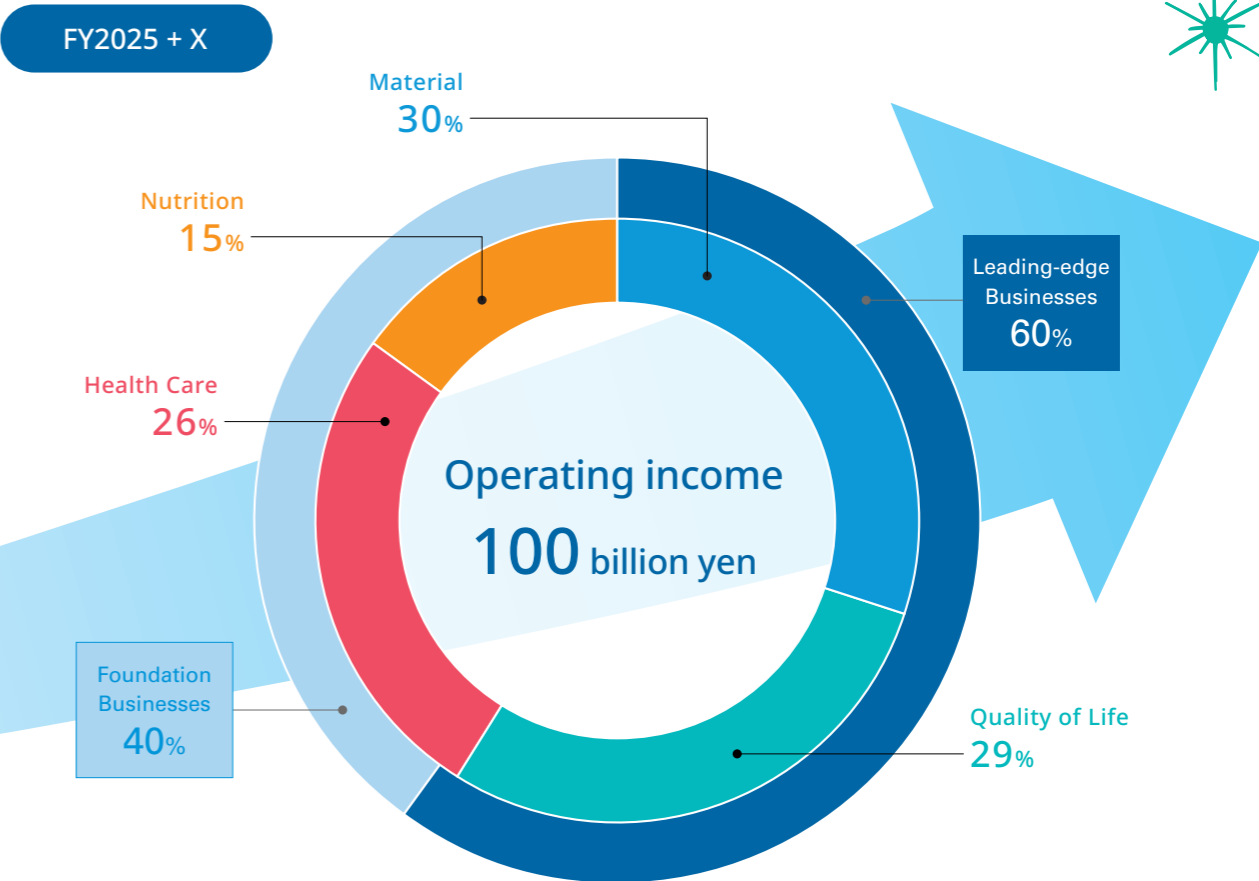
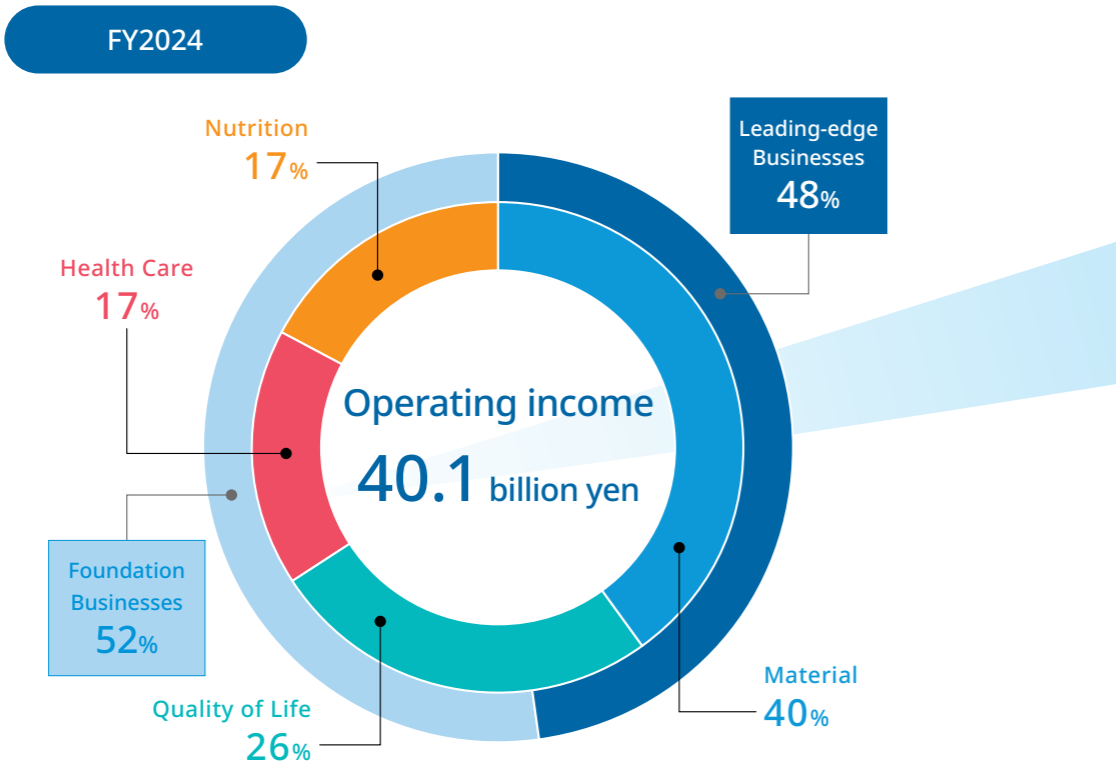
DX Strategy Digital Transformation for Value Creation

- Change R2B Change the speed, scale and perspective
- Changing Supply Chains Optimizing SCM and evolving to cutting-edge plants

Promoting Portfolio Transformation

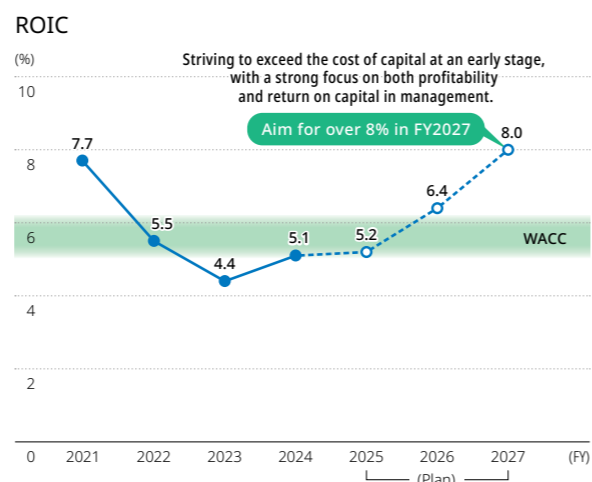
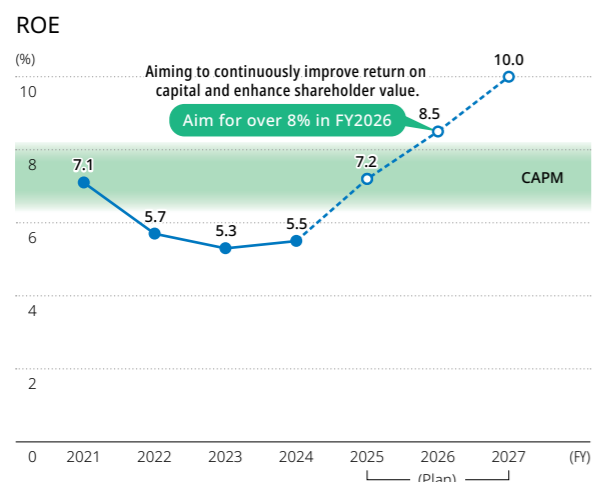
We will accelerate the transformation of our business portfolio through hybrid management. We aim to create unique and valuable new solutions, combining a wide variety of different technologies and solutions to help solve social issues.

Operating Income Ratio by Solutions Unit (SU)



Capital Return Indicators

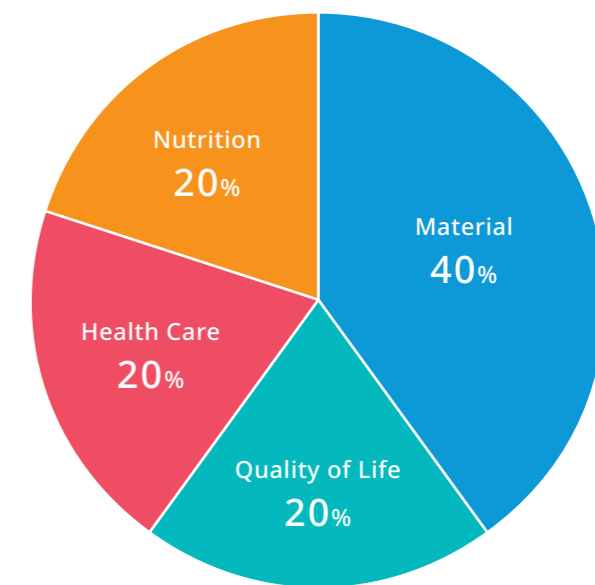
We aim to enhance corporate value by steadily strengthening earning capabilities, decreasing the cost of capital, and reducing strategic shareholdings.



Capital Investment Plan

We will accelerate the process of selection and concentration in our investments, expanding the domain of "life science for a healthier planet." We will strategically invest resources (people, goods, and money) to develop unique and differentiated technologies that cannot be copied. We will expand the business of our leading-edge business groups. Our foundation businesses will also work to bolster their business foundations by thoroughly strengthening differentiation capabilities and making capital investments to enhance supply capabilities.

FY2025-2027 total amount of investment planned: 300 billion yen



Earthology Chemical Solution

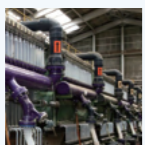


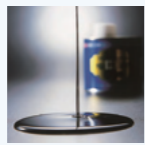
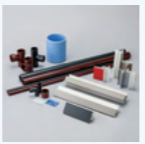



Material Solutions Unit

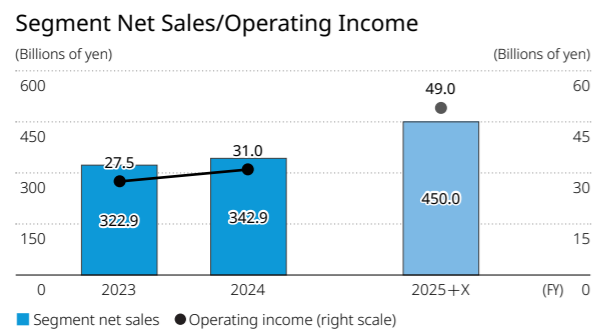
To support the advancement of life and the environment by drawing out the richness of materials
Material Value Creator

Social issues to be solved



Solutions provided by the Material Solutions Unit

<h4>Vinyls and Chlor-Alkali SV</h4> <p>Our integrated production system includes vinyl chloride monomers, polymers, and special vinyl chloride resin. The goal of these products is to continue contributing to society by supporting daily life and infrastructure.</p>  <p>Chemicals Caustic Soda, Sodium Hypochlorite, Hydrochloric Acid</p>  <p>Cross-linked PVC Kaneka XEL™ Series, Kanevinyl™ K Series</p>  <p>Polyvinyl chloride Kanevinyl™</p>  <p>PVC-PVAc polymers Kanevinyl™ M Series, Kanevinyl™ HM Series etc.</p>	<h4>Performance Polymers (MOD) SV</h4> <p>These plastic materials that provide heat, weather, and flame resistance help to support daily lifestyles and infrastructure by being versatile and applicable to a variety of fields— including construction, automotive, industrial, appliances, and equipment.</p>  <p>Impact modifiers Kane Ace™ B, Kane Ace™ M, Kane Ace™ FM</p>  <p>Processing aids/ Specialty additives Kane Ace™ PA</p>
<h4>Performance Polymers (MS) SV</h4> <p>Kaneka's unique resin materials allow the creation of sealing, adhesive, and coating agents whose properties include superb weather resistance, elasticity, and adhesion. We provide a variety of solutions in construction, industry, information equipment, and other fields.</p>  <p>Silyl-terminated polyether KANEKA MS POLYMER™, KANEKA SILYL™</p>  <p>Acrylic silicon polymer KANEKA GEMLAC™</p>	



We bring innovation to lifestyles and the environment by harnessing the unlimited potential of chemical materials to help communities achieve sustainability.








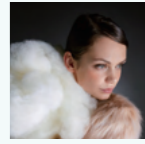
Quality of Life Solutions Unit

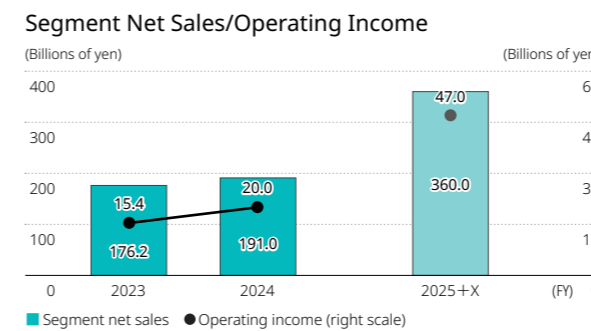
To produce the leading edge of the enhancement of the quality of life through the power of materials
Quality of Life Pathfinder

Social issues to be solved



Solutions provided by the Quality of Life Solutions Unit

<h4>Foam & Residential Techs SV</h4> <p>Kaneka helps make lives better, whether it's cushioned packaging, fish boxes, insulation to make homes comfortable, bumper core material that makes cars lighter and safer, or constant-temperature shipping packaging.</p>  <p>Polypropylene foam made with the bead method Eperan-PP™</p>  <p>Polystyrene foam made with the bead method Kanepearl™</p>	<h4>PV & Energy management SV</h4> <p>Solar cells are the leading renewable energy solution. Our photovoltaic power systems can be integrated into the roofs, windows, and walls so that the building materials themselves generate electricity.</p>  <p>Roof-integrated photovoltaics VISOLA™, others</p>  <p>Green Multi Solar™ *Green Multi Solar™ is a registered trademark of Taisei Corporation.</p>
<h4>E & I Technology SV</h4> <p>Chemistry can make electronic equipment that is smaller, performs better, and is more beautiful. We create new value, value that pioneers cutting-edge fields and makes people's lives better.</p>  <p>Super heat-resistant polyimide film Pixeo™, Apical™</p>  <p>Optical acrylic resin Kaneka Optical Acrylic Resin</p>	<h4>Performance Fibers SV</h4> <p>Fiber products are integral to our lives. In developing KANEKALON™/KANECARON™, unique fiber products unlike those of other companies, we have provided consumers around the world with new value for a variety of situations.</p>  <p>Materials for hair attachments KANEKALON™</p>  <p>Performance fibers eco fur KANEKALON™</p>



Active Human Life Solution

Health Care Solutions Unit

To create a world where advanced medical means are available to as many people as possible
Medical Edge Explorer



Medical SV

Our range of solutions so far includes catheters for blood vessel treatment and blood purification systems. With an extensive product lineup that meets a wide range of medical needs, we help advance medical technology.

Medical device
Scoring balloon catheter for vessel stenosis dilatation

Blood purification
Rheocarna™ for arteriosclerosis obliterans

Regenerative medicine and cell therapy
Mesenchymal stem cell formulation

Genetic diagnostic products

Pharma & Supplemental Nutrition SV (Pharma)

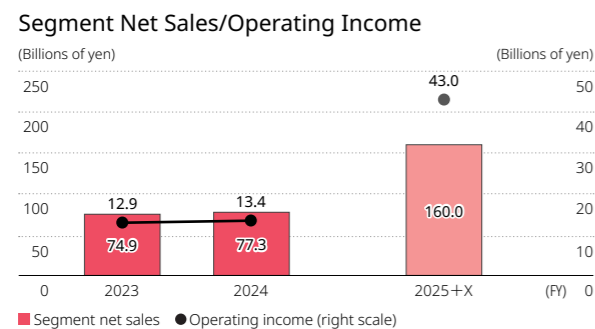
Using biotechnology and synthesis technology, we contribute to medicines in many fields, from synthetic pharmaceuticals to cutting-edge biopharmaceuticals. We continue to provide solutions to pharmaceutical companies around the world.

APIs and intermediates for small molecule pharmaceuticals

Affinity chromatography resin for purification of monoclonal antibody
KANEKA KanCap™ series

Products and services for biopharmaceuticals

Transdermal medicine



By adopting a unified approach to food and medicine that is defined by a focus on chemistry, we provide innovative solutions that empower people to live healthier lives.

Nutrition Solutions Unit

To re-innovate food and health
Nutrition Value Chain Innovator



Pharma & Supplemental Nutrition SV (Supplemental Nutrition)

We have spent years utilizing our fermentation technology to develop dietary ingredients; for example, we successfully established industry-level production of ubiquinol, the reduced and active form of coenzyme Q10, which was difficult previously. It is our desire to contribute to people's health the world over.

Dietary ingredients
Kaneka Ubiquinol™

Dietary supplements
Watashi no Chikara™ Supplement series

Dietary ingredients
Floradapt™ series (AB-Biotics probiotics)

Dietary ingredients
Kaneka Glavonoid™ (Licorice glabra polyphenol)

Foods & Agris SV

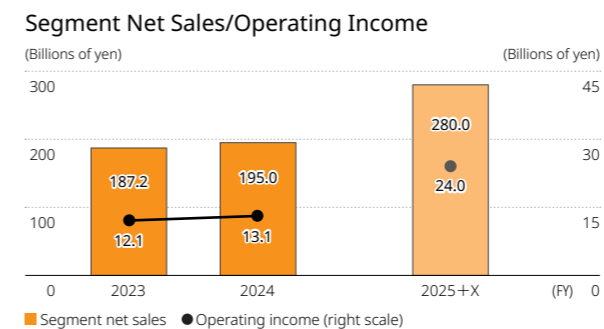
The foodstuff market continues to demand greater nutrition, wider variety, and new tastes. By fusing our array of technologies such as fermentation and oil and fat processing, we offer solutions that boost the value of food.

Milk/Milk beverages
"Milk for Bread" series

Yogurt
Watashi no Chikara™ Q10 yogurt series

Margarine/Shortening
NOVA™, CONCEBOUR™, EVER LIGHT™

Whipping cream/Cream for kneading and other uses
LACHENTE™/FRANJE™



Implementation of Technologies
**Integrating Research and
Production Technology**

The technologies and knowledge generated through research and development are delivered to society through manufacturing, thereby maximizing value.

Our mission is to contribute to solving the challenges facing society by consistently supplying products that ensure safety and peace of mind through our R2B+P activities, which integrate research and development with production, and to remain a trusted partner.

As a solution provider that implements research findings to create and deliver value that benefits society, we contribute to the realization of a sustainable society.

Resolution of Social Issues

R2B+P

Research to Business + Production = Manufacturing

Solution Provider



Solution Provider



Solutions Generated by R2B+P

Kaneka provides solutions to the challenges facing customers and society. Across diverse fields such as the environment and energy, food, and wellness, we will create sustainable value and shape the future together through our “Make it Real” philosophy, which leverages science and technology. As a partner in solving challenges, we will continue to implement valuable solutions on a global scale.

Green Innovation through the Fusion of Research and Manufacturing

Development of practical technologies for perovskite solar cells and development of direct polymer synthesis technology by microorganisms from CO₂

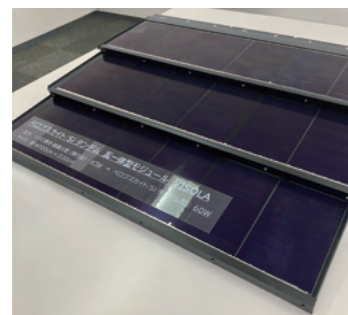
Our life science solutions, which utilize cutting-edge technology to promote the health of the global environment and all living things, align with society's growing needs, and there is a strong desire for their swift implementation. By leveraging

government support and other resources, we are accelerating the implementation of our solutions by integrating research focused on business perspectives with manufacturing capabilities designed to maximize value from the customer's standpoint.

Implementation of Perovskite Solar Cells

Perovskite tandem solar cells consist of a perovskite solar cell stacked on top of a heterojunction crystalline silicon solar cell; by absorbing light of different wavelengths, they achieve a higher conversion efficiency than a heterojunction crystalline silicon solar cell alone.

We are developing products that combine high efficiency with high durability and have begun field trials for their implementation in residential and commercial buildings.



Residential roof tile-integrated perovskite tandem solar modules

This research and development is being conducted with the support of NEDO under the Green Innovation Fund Project for “Manufacturing Technology and Demonstration of Next-Generation Tandem Solar Cells.”



New building for this research project (Green Innovation Center)

This research and development is conducted with the support of NEDO under its Green Innovation Fund project, “Promotion of Carbon Recycling Using CO₂ from Biomanufacturing Technology as a Direct Raw Material.”

Creating Solutions through the Creative Combination of Products and Services

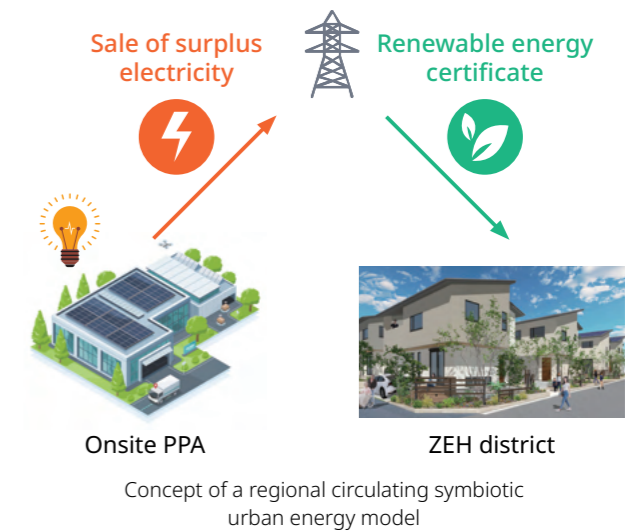
Establishing a regional circulating symbiotic urban energy model through ZEH and onsite PPA

In November 2025, the regional circulating symbiotic urban energy model proposed by Takasago Construction Co., Ltd. and Kaneka was selected for Saitama City's Decarbonized District Development Project.

This model is a new solution that creates a 100% renewable energy, carbon-neutral neighborhood by combining ZEH (Zero-Energy House) built using our SC method (*1) with electricity supplied through an onsite PPA (*2).

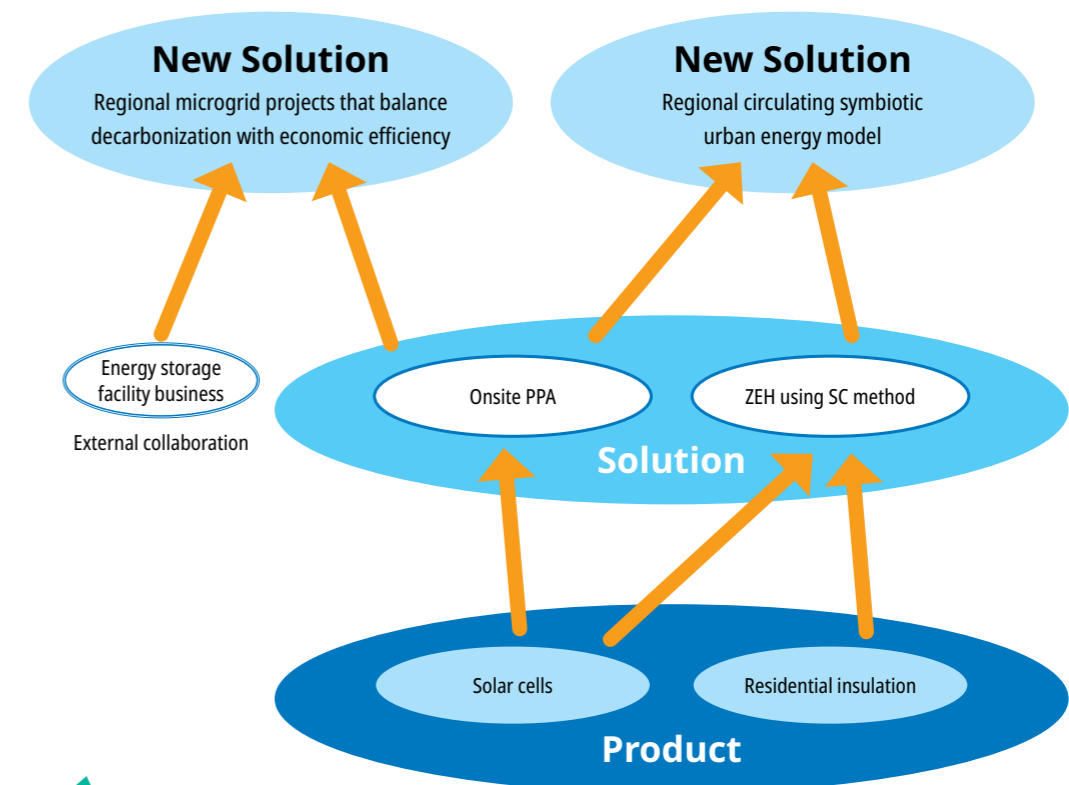
In addition, by combining onsite PPAs with large-scale battery storage systems, we are expanding our offerings to include regional microgrid projects that balance decarbonization with economic efficiency.

Kaneka will provide new solutions by developing and combining proprietary products, including solar cells and residential insulation materials.



*1 SC method: Solar Circuit method

*2 Onsite PPA (Power Purchase Agreement): A contractual arrangement in which a third party installs solar power generation equipment on a company's premises, and the company purchases the electricity generated.



R2B Strategy

Portfolio Transformation Engine

Research and development at Kaneka, a research and development company, is the largest driving force behind portfolio transformation. Research changes business, and research and development that is business-focused, speedy and of a certain scale promotes what we call Research to Business, R2B. An R2B system has been established in which diverse researchers collaborate with the aim of implementing unique solutions derived from the creative combination of heterogeneous elements.

Actions to embody the concept of Kaneka as "Trial & Error experiment driven company"

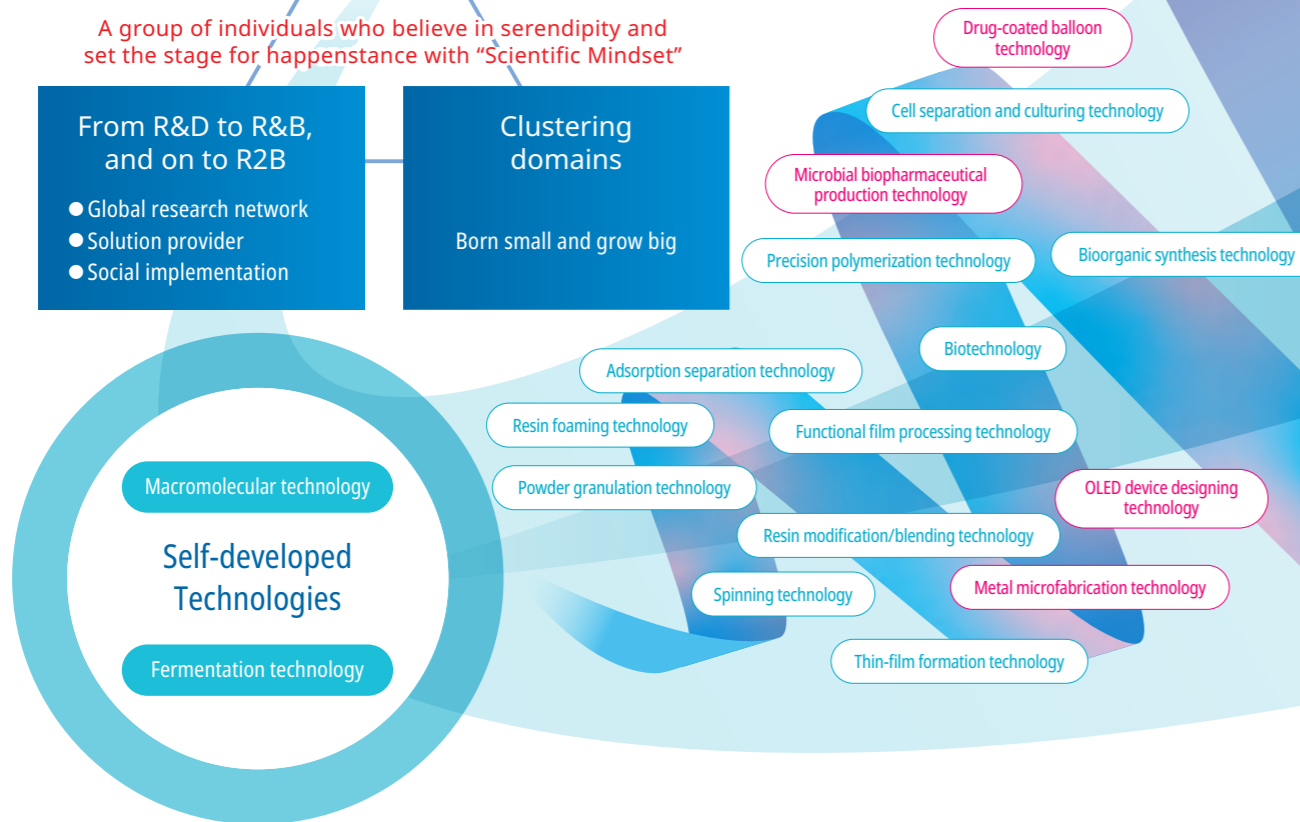
- Promoting innovation through three "I"s
- Impactful
 - Innovative
 - Implementable

A group of individuals who believe in serendipity and set the stage for happenstance with "Scientific Mindset"

- From R&D to R&B, and on to R2B
- Global research network
 - Solution provider
 - Social implementation

- Clustering domains
- Born small and grow big

Open Innovation
Self-developed
Technologies with
Introduced Technologies



Key Technologies and Key Drivers for the Future

<p>Polyimide resin</p> <p>Super heat-resistant polyimide film</p>	<p>Heat-resistant composite materials</p> <p>Aerospace and aircraft materials</p>	<p>Biodegradable polymer</p> <p>Biodegradable polymer</p>
<p>Energy management</p> <p>Roof-integrated photovoltaics</p>	<p>OLED lighting devices</p> <p>Organic LED lighting</p>	<p>Next-generation breeding technology</p> <p>Genome edited crop</p>
<p>Food production support</p> <p>Biostimulant</p>	<p>Catheters</p> <p>Drug-coated balloon catheter</p>	<p>Regenerative medicine and cell therapy</p> <p>iPS cells/Stem cells</p>

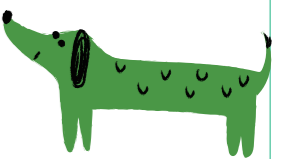
Thermosetting resin compounding/processing technology

Environment/
Energy

Food

Wellness

Three Crises
Resolution of Social Issues
Social Implementation of
New Materials and Systems



Manufacturing Strategy



The Manufacturing Site Is a Value Center

The manufacturing site is the source of our competitiveness and the very foundation of our business.

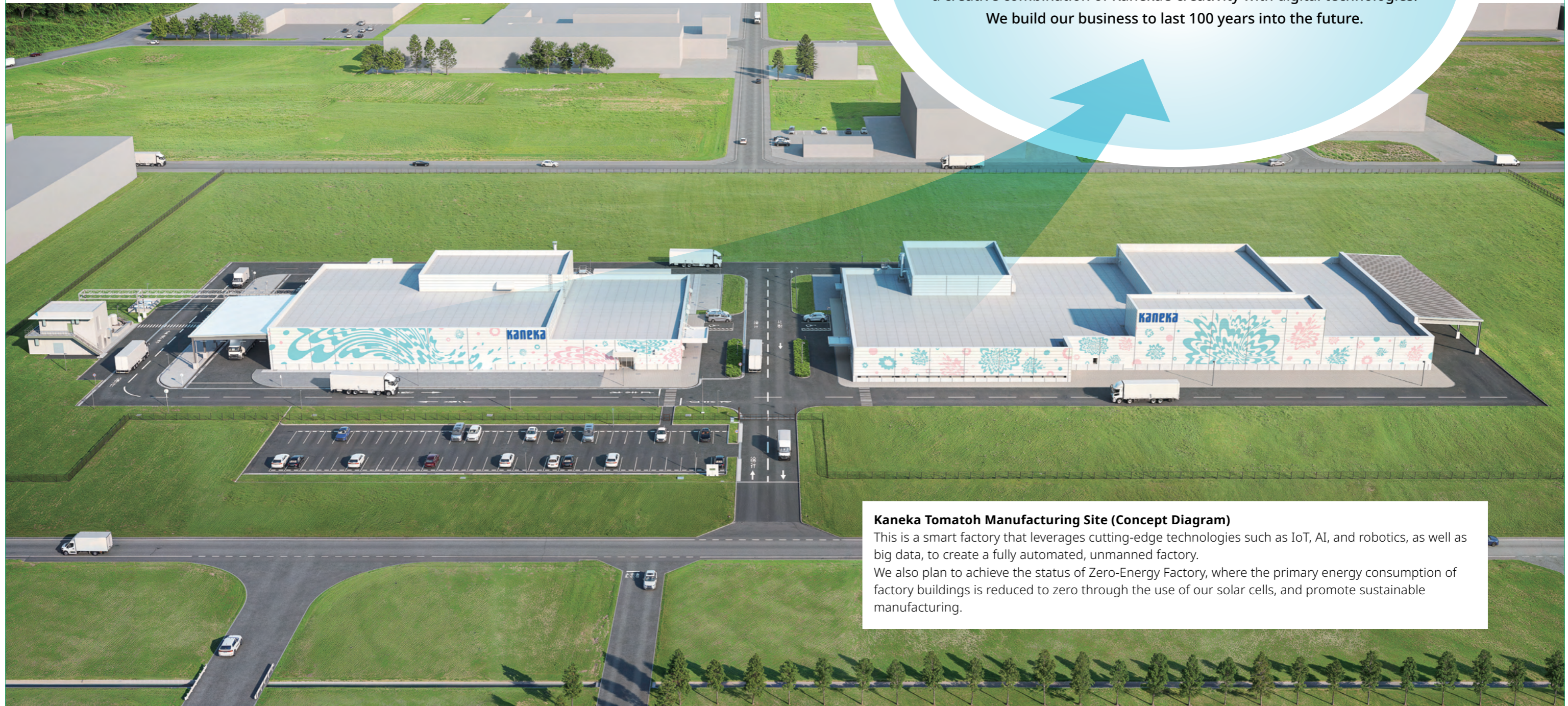
The manufacturing site drives the implementation of new products and new technologies.

Through process innovation and active investment, we will dramatically increase the speed and scale of new product commercialization.

Future Goal

Realizing a Plant that Creates New Value and Embodies Sustainability

We will evolve our plants into ever more cutting-edge ones through a creative combination of Kaneka's creativity with digital technologies. We build our business to last 100 years into the future.



Kaneka Tomatoh Manufacturing Site (Concept Diagram)

This is a smart factory that leverages cutting-edge technologies such as IoT, AI, and robotics, as well as big data, to create a fully automated, unmanned factory.

We also plan to achieve the status of Zero-Energy Factory, where the primary energy consumption of factory buildings is reduced to zero through the use of our solar cells, and promote sustainable manufacturing.

Carbon Neutral (CN) Strategy



Creating Manufacturing Sites That Embody Sustainability to Promote Global Health

Kaneka Group supports the principles of the TCFD. Through scenario analysis, we identify climate-related risks and opportunities and develop strategies for the medium- to long-term.

We have also joined the GX League (*) to advance our carbon neutrality initiatives.

Based on these principles, Kaneka Group aims to cut its

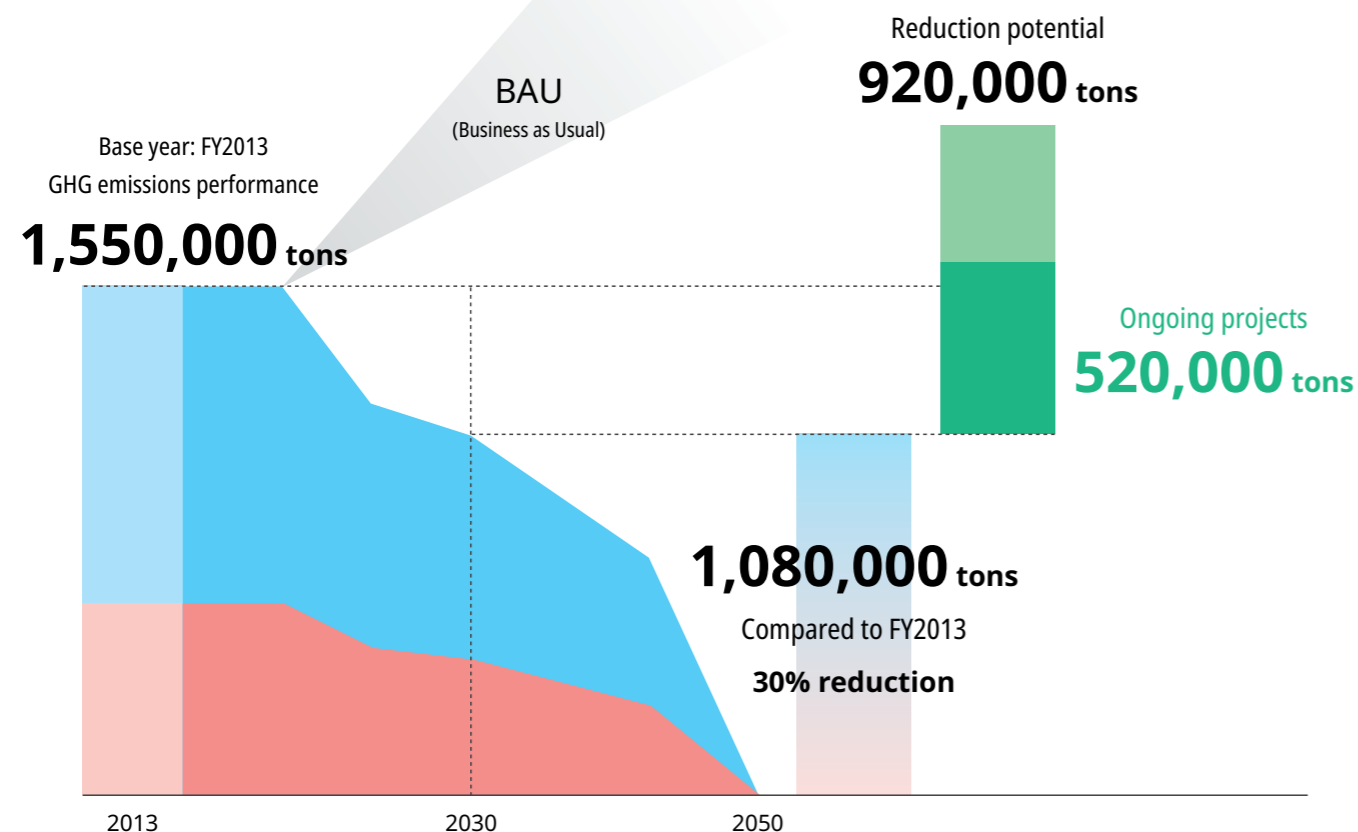
Scope 1 and 2 GHG emissions by 30% by 2030, compared to FY2013 levels.

We aim to achieve carbon neutrality for domestic and international subsidiaries by 2050.

We will continue to use our established production expertise to reduce GHG emissions.

We will implement new development themes and advance ongoing energy saving initiatives at our manufacturing sites.

We will also collaborate across external organizations to contribute to global health by, for example, expanding use of low CO₂ emission factor electricity.



* GX League: An initiative aimed at achieving carbon neutrality by 2050 and driving societal change. It involves collaboration with businesses, government, and academia committed to Green Transformation and sustainable growth.



Approach to Setting GHG Emission Reduction Targets

We aim to cut GHG emissions by 470,000 tons, or 30%, from the FY2013 baseline by 2030. We anticipate reducing emissions by 520,000 tons by FY2025 through fuel conversion at the Takasago Manufacturing Site and other measures.

To balance future business growth with emission reductions, we will identify potential GHG emission cuts through energy saving process innovations.

We will develop economically viable plans that consider internal carbon pricing. Regarding energy savings in particular, we will utilize the investment framework of our own environmental capital investment program to promote the identification and implementation of further GHG emission reduction initiatives through onsite-led efforts.

Projects Having Progressed to a Highly Feasible Phase

Scope 1: We have decided to accelerate our coal phase-out by three years, moving the target from 2030 to 2027. The Takasago Manufacturing Site is progressing as planned with the installation of a new gas turbine cogeneration system. This initiative aims to phase out coal and reduce GHG emissions by 2027.

Scope 2: Kaneka Malaysia has finalized a contract with a supplier to switch to biomass-derived steam by 2026. We expect this to reduce GHG emissions by approximately 30,000 tons. At the Takasago Manufacturing Site, we anticipate reducing GHG emissions by approximately 100,000 tons due to lower emission factors from the power company.



A new gas turbine cogeneration system being installed

	GHG emissions reduction theme total potential	Ongoing projects	Progress
1. Fuel conversion	310,000 tons	310,000 tons	Decision to divest from coal: 310,000 tons
2. Energy saving	300,000 tons	36,000 tons	Operational
3. Process innovation	100,000 tons	5,000 tons	Operational
4. Use of renewable energy, low CO ₂ emission factor for electricity and steam power	210,000 tons	170,000 tons	Kaneka Malaysia Decision to introduce biomass boilers, etc. 70,000 tons Power company emission factor reduction 100,000 tons
GHG emissions reduction Total	920,000 tons	521,000 tons	

Carbon Neutral (CN) Strategy

Creating Manufacturing Sites That Embody Sustainability to Promote Global Health



Disclosure of Information in Line with TCFD Recommendations

In March 2021, Kaneka announced its support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Governance

The Global CSV (Quality Environment) Center at the Corporate Manufacturing Integrity Center manages the risks and opportunities related to climate change.

We collaborate with business, production, and research divisions to address climate change risks and formulate prevention strategies. Proposals are reviewed by the Engine of Sustainability Management, led by the Executive Vice President from the Global CSV (Quality Environment) Center. We work closely with all departments to implement solutions. In particular, the DX & Carbon Neutral Committee, part of the Engine of Sustainability

Management, leads our manufacturing strategy for carbon neutrality. This committee collaborates with business divisions, staff departments, manufacturing sites, research centers, and group companies. Together, they integrate digital transformation (DX) with carbon neutrality efforts in manufacturing. The activities of the DX & Carbon Neutral Committee are reported to the Engine of Sustainability Management. Future action plans are then reviewed and decided, and these are incorporated into business plans and other strategies. Matters of importance are reported to the Board of Directors.

Strategy

We have summarized the most significant climate change risks and opportunities for the Company in the table on the right.

In FY2023, we analyzed the expansion of solar power, the increased use of biomass plastics, and the rising demand for effective waste utilization as

significant business opportunities. We conducted this analysis under both the 1.5°C and 4°C scenarios and shared the findings with relevant business divisions. We have integrated the main strategies into our business plan, and will continue to advance these efforts.

Risk Management

The Global CSV (Quality Environment) Center leads scenario analysis on climate change risks and opportunities. We share the strategies with business divisions and integrate them into our business

plans. Production-related measures are proposed and reviewed by the DX & Carbon Neutral Committee and the Production DX & Carbon Neutral Project Committee.

Metrics and Targets

Kaneka Group aims to achieve carbon neutrality by 2050. As a milestone, we have set a target to reduce GHG emissions by 30% by 2030, compared to FY2013. In FY2024, Kaneka Group's total Scope 1 and 2 GHG emissions amounted to 1,527 thousand tons-CO₂e, which is 98.8% of the levels recorded in

FY2013. Kaneka's standalone Scope 3 emissions amounted to 3,114 thousand tons-CO₂e. We are gradually expanding the scope of Scope 3 emissions calculations for our group companies. We plan to consider a strategy for reducing Scope 3 emissions in the future.

Major Climate Change Risks and Opportunities: Business Impact and Countermeasures

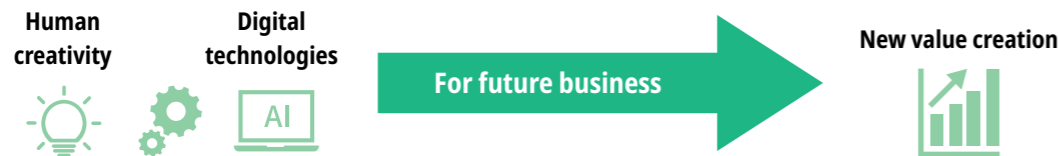
Type	Changes in society	The impact of climate-related risks and opportunities on the organization's business, strategy, and financial plans (● Risks/● Opportunities)	Countermeasures (◎ indicates priority areas)
Regulatory/ Legal	Strengthening of GHG emissions regulations	● Depreciation and amortization costs arising from GHG emissions reduction	• Introduction of Internal Carbon Pricing (ICP) system
Regulatory/ Legal	Increased operational costs due to introduction of carbon tax (incl. supply chain)	● Increase in operating costs due to the introduction of carbon tax	◎ Early fuel conversion of private power generator facilities • Continuous energy saving in existing manufacturing processes • Process innovation • Use of renewable energy and low CO ₂ emission factor electricity • Introduction of ICP system
Technological	Acceleration of the circular economy	● Increase in procurement costs due to taxes on the production of petrochemical-derived packaging plastics	◎ Mass production of Kaneka biodegradable polymer Green Planet™ ◎ Promoting research and development to produce the Kaneka biodegradable polymer Green Planet™ from carbon dioxide and hydrogen • Expanding the use of recycled materials
Market	Increased demand for biomass-based resins and decreased demand for fossil-based plastics	● Growing demand for products that contribute to the realization of a circular society, such as biodegradable plastics and low-carbon and decarbonization-related products	
Technological	Low-carbon trends affecting raw material and energy sources	● Fluctuations in fuel costs due to price changes in crude oil, etc.	◎ Early fuel conversion of private power generator facilities • Continuous energy saving in existing manufacturing processes • Use of renewable energy and low CO ₂ emission factor electricity
		● Increase in purchase and sales fares due to the introduction of decarbonization technology in transport vehicles and the transfer of credit purchase costs	• Reviewing procurement policies • Strengthening supply chain management initiatives
Market	Increased demand for renewable energy, energy networks, and energy-saving-related products	● Growing demand for materials for ZEB and ZEH	◎ Enhancement and expansion of products related to solar power generation • Expansion of self-delivery and microgrids • Enhancing and expanding insulating material for residential buildings (Kanelite Foam™) • Developing storage batteries
Acute	Impact of extreme weather events on our manufacturing sites and supply chain	● Events caused by flooding due to heavy rainfall or water shortages. Such events could include production stoppages at our factories, supply chain disruptions, etc., leading to lost sales opportunities and increased building damage	• Assessing water risks at Kaneka Group sites • Periodically reviewing BCPs
	Increased demand for building materials in preparation for disasters caused by extreme weather events	● Higher sales of building materials products that curb damage caused by weather disasters	• Development of embankment foam (Kanepearl™, Kanelite Foam™)

Intellectual Property Strategy

Creating Intellectual Property to Raise Business Competitiveness

Kaneka places great importance on intellectual property as the foundation for creating valuable solutions that benefit society.

To create high-value-added patents that enhance our competitive edge and support future business, we are implementing an intellectual property strategy centered on human resources development, encouraging innovation, promoting DX, and renewing our intellectual property portfolio.



Initiatives for New Value Creation

By combining human ingenuity with digital technology, we aim to leverage intellectual property in alignment with our business strategy.

Going forward, we will continue to strengthen support to help maximize the value of technology and ideas.



Intellectual Property Education Contributing to Value Creation

We aim to enhance researchers' ability to generate ideas and build businesses by strengthening their intellectual property literacy. We also believe that active intellectual property management is the key to creating value in alignment with our business strategy. We provide young employees with opportunities to systematically learn the basics of the patent

system and the application process. In addition, we provide training for leaders to develop the skills needed to formulate and execute intellectual property strategies. Furthermore, we conduct workshops on how to utilize intellectual property information to support business strategies, helping participants acquire practical skills.

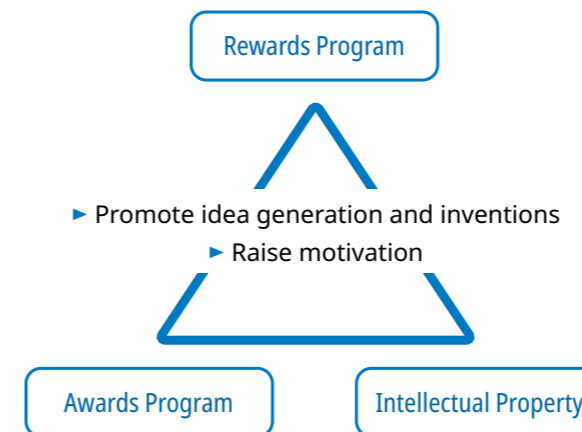
Overview of IP Education Program

		Strategy	Search	Creation of rights	Brands, contracts, copyrights
Leadership level	Management	Creation of themes	Analysis of data use	Handling screening	Contract risk Branding Compliance
Mid-level	Application	Use of market information	Use of AI	Invention discovery	
New hires and junior staff	Foundation		Use of tool	Understanding of system	

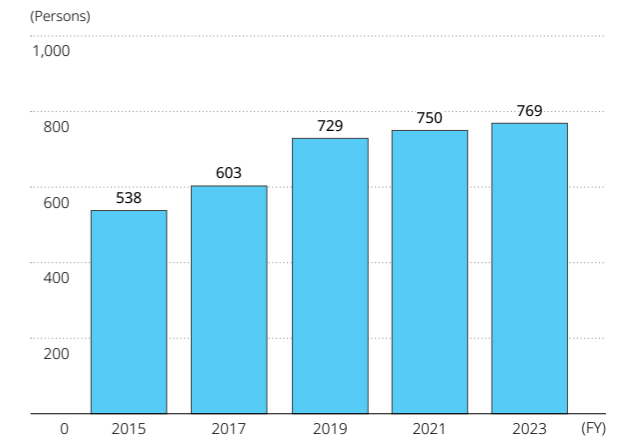
Fostering a Culture to Motivate Inventions

Inventions are not only the culmination of individual creativity, but also the source of a company's technical capability and competitiveness. The president presents awards to inventors who have made significant contributions, recognizing their

outstanding achievements. In addition to this, we are working to boost inventors' motivation through a comprehensive rewards program and intellectual property training, and these efforts are steadily yielding tangible results.



Number of Inventors



Intellectual Property Portfolio Management

When determining whether to retain a patent, we conduct a comprehensive evaluation of each patent by assessing its contribution to the Company's technology and business, its maintenance costs, and its objective quality.

We will identify patents that contribute to our future business growth, conduct appropriate portfolio reviews to promote renewal, and build an efficient and robust intellectual property portfolio.

Idea Generation Using DX

We have independently developed a patent search system that leverages DX tools and provide it to R2B+P members.

This system begins with the formulation of ideas and, through comparison with prior technologies, helps refine concepts and explore new directions. This has made it possible to make decisions based on richer, more objective information, in addition to the engineers' intuition and experience. Going forward, we will continue to increase the speed and quality of intellectual creation activities.



Human Driven Company

—A lean, high-quality team and merit-based appraisal—

We believe that people grow through their work, while companies grow through their people, and in our human resources strategy we promote worker growth by establishing an environment for taking on challenges so that each employee can fully demonstrate their abilities.

To this end, the three key pillars of our human resource strategy are:

- (1) Development of Human Resources Centered on the 1-on-1 Program,
- (2) Promotion of Diversity, and (3) Promotion of Wellness.

We encourage employees to take on challenges in the workplace so they can grow not only through self-directed learning but also through their work.

We support each other's new initiatives, share ideas, celebrate successes together, and strengthen our sense of unity.

Even in an era of changing employee values and business environments, Kaneka's approach to human resources remains rooted in the culture we have upheld since our founding: trusting our colleagues and respecting our differences.

Development of Human Resources Centered on the 1-on-1 Program

T r u s t & R e s p e c t

Promotion of Diversity

Promotion of Wellness



Development of Human Resources Centered on the 1-on-1 Program

Making dreams a reality by “lighting a fire in people’s hearts”

The Kaneka 1-on-1 program is the cornerstone of the human resources system that was redesigned in FY2018.

It is up to each and every employee to implement the various initiatives that will help us achieve our vision.

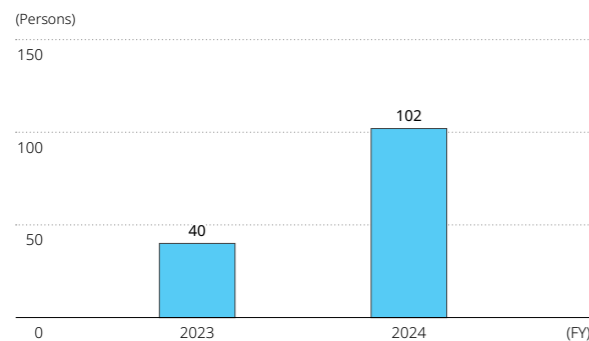
We have implemented this system to help people grow through their work and encourage them to take on new challenges.

To Deepen 1-on-1 Dialogue

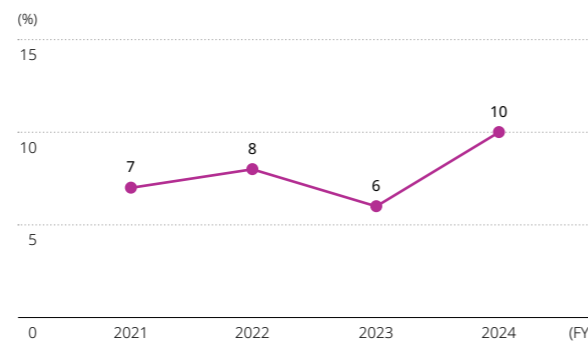
At Kaneka, we value employees who take an active role in shaping their own careers and communicating their goals. We provide opportunities for job rotations and transfers to different departments to help employees take on challenges. Through these initiatives, collaboration across organizational boundaries is enhanced, enabling Kaneka as a whole to become “One Team” while also helping individuals gain a broader perspective. Kaneka’s 1-on-1 program is designed to encourage self-reflection among members (subordinates) and lead to actions that foster growth. Since the

program was first introduced, we have consistently held workshops for managers to improve the quality of 1-on-1 dialogue and ensure the program is fully implemented. Starting in FY2023, we have also held workshops for members to help them proactively use 1-on-1 meetings as opportunities for personal growth. These initiatives stem from our commitment to helping each individual plan and achieve their career goals, and to growing and expanding together as a company.

Number of Participants in Kaneka 1-on-1 Member Workshops



Percentage of Kaneka’s 1-on-1 and Career Design Training Costs out of Total Training Costs

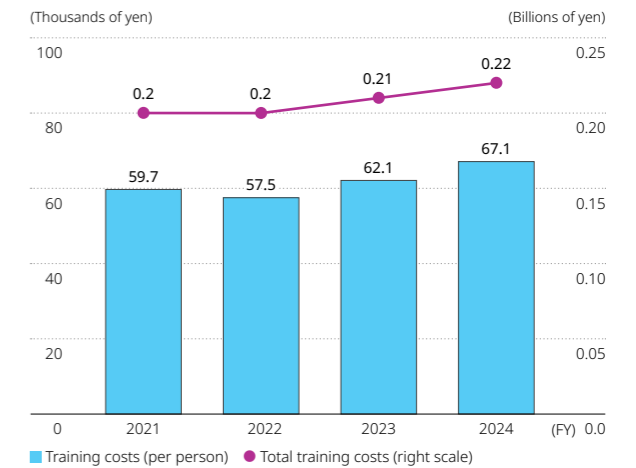


Training Initiatives to Support Organizational Capacity Development



Investment in human resource development is intended to strengthen the workforce that supports the execution of our business strategy, and we plan to increase this investment to 300 million yen in FY2027 (a 1.5-fold increase compared to FY2022). We are also reviewing and expanding our selection- and application-based, and tiered training programs, using the desired profile of employees and the necessary competencies as our starting point. Training time per person in FY2024 was 18.7 hours and training costs per person were 67,100 yen. We continue to provide opportunities for our employees to step away from their day-to-day work and grow, tailored to each individual’s career path.

Training Costs



Leaders Driving the One Team

We provide training opportunities for manager positions at each level. The Leadership Challenge is a mandatory curriculum for managers that originated at our overseas Group companies in 2008 and was introduced in Japan in FY2014. The program is held in a workshop format, with participants learning how to refine their values and exercise leadership. In addition, starting in FY2023, we have introduced a new follow-up coaching session. A total of 1,641 people have participated in the program as of FY2025. Hitotsubu-no-Tane Momi Juku, our program to train the next generation of executives, has

trained 133 people from the time it started in FY2015 to FY2025. Nearly half of our general managers are graduates of the program. The chairman, president, and executive vice president take part in all sessions, spending a total of 12 days (about 100 hours) over eight months. Kaneka Creative Corner 2.0 is a global leadership training program focused on heads of national staff at overseas Group companies. In FY2025, participants, including Japanese department heads, took part in a total of five days (approximately 40 hours) of sessions. We are promoting our global strategy based on advice from members of the Board and discussions with participants.



At Hitotsubu-no-Tane Momi Juku



At Kaneka Creative Corner 2.0

Promotion of Diversity

Diverse individuality delivers unique Kaneka value

Regardless of age, gender, nationality, or other attributes, when each member's unique personality shines through, this diversity and the resulting diversity of perspectives spark new ideas.

Our managers take the lead in promoting diversity in the workplace, working in tandem with Company-wide initiatives to support our global operations.

Supporting Women's Advancement to Foster the Will to Take on the Next Stage

We provide tailored support at each stage to help every employee clearly envision their potential and next role, and to empower them to take on new challenges.

In particular, for female team members, we have established opportunities for dialogue with female managers within the Company to help them envision their future roles.

After being promoted to assistant manager, employees broaden their horizons through external programs, gain practical experience, and are promoted to manager positions based on their performance.

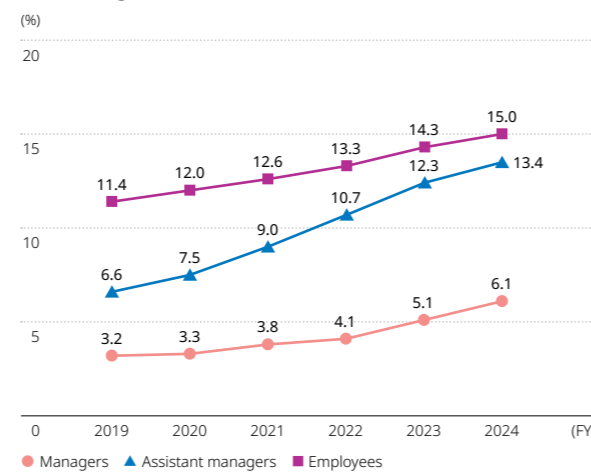
In addition, for newly appointed managers who have assumed leadership roles over diverse teams, we provide support to help them develop a deeper understanding of their leadership responsibilities through dialogue with outside directors and executive officer. Currently, multiple women promoted from within the Company are serving as general managers, and we plan to increase the proportion of women in manager positions to 12% by the end of FY2030.

We will continue to develop assistant managers and team members from a long-term perspective.



Yuko Sasakawa, Independent Member of the Board, speaking to newly appointed managers about the proper mindset

Percentage of Women



Recruiting Human Resources with Diverse Experiences and Expertise

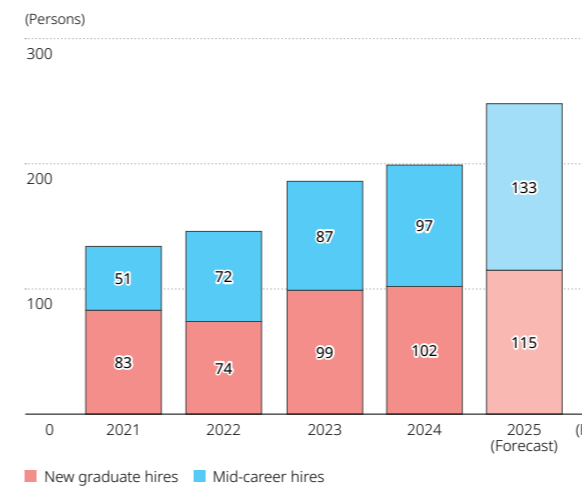
To adapt to business changes and growth, we actively recruit individuals from diverse technical backgrounds and career paths, nurturing their development while leveraging their respective experiences and expertise to strengthen our organization.

For our new graduate recruitment program, we organize visits to DX implementation sites, workshops for students at vocational schools

specializing in information technology, and career education programs for students at technical colleges.

In addition, when hiring mid-career professionals, we focus on recruiting talent in fields that will support our current and future business expansion, such as people with certifications like licensed pharmacists, individuals with overseas assignment experience, and engineers.

Number of New Graduates and Mid-Career Professionals Hired

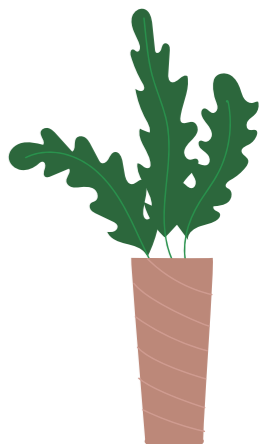
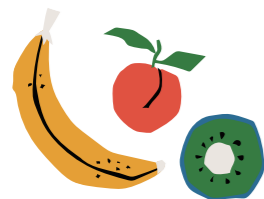


Field tour of DX implementation site for new technical graduates

Active Involvement of People with Diverse Backgrounds

Of the approximately 11,500 employees in the Kaneka Group, there are about 3,500 foreign nationals who are working around the world. We also organize training programs from our overseas offices to Japan, where participants work to strengthen their professional networks.

The FY2024 employment rate for people with disabilities is 2.65% (the legally mandated employment rate is 2.5%). We will continue to work on creating a supportive work environment and expanding job opportunities to increase the employment rate.



Promotion of Wellness



Coworkers with the same aspiration engage in work with vitality

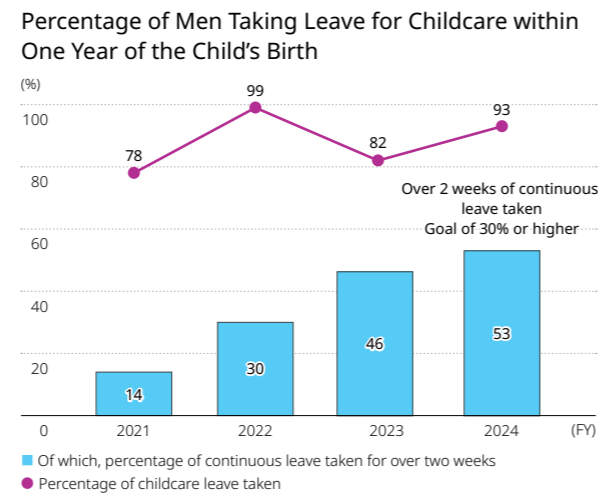
We are working to create an environment where employees can continue to work in good health and take on new challenges with confidence.

By supporting each other's challenges and fostering bonds that enable us to tackle major goals together, we are promoting a culture of wellness that fosters the mutual growth of both individuals and the organization.

Understanding for Childcare and Nursing Care

To promote a better understanding of support for work-life balance, we disseminate information about our internal policies and guidebooks to all employees. We also provide opportunities for managers, such as lectures that encourage them to reflect on how to achieve organizational goals while supporting the individual careers and personal lives of team members, and to cultivate a mindset that allows them to enjoy their personal lives as well. By engaging with organizational managers, we are fostering a virtuous cycle at the workplace level.

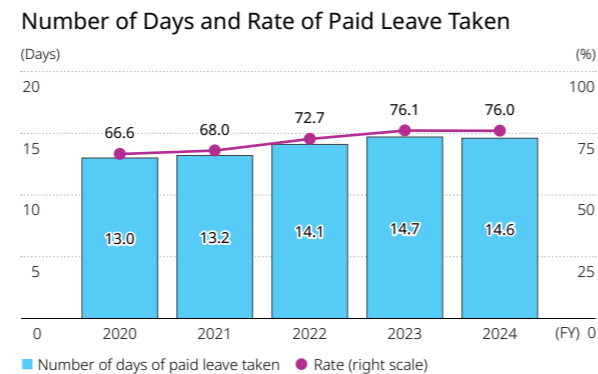
As one indicator of work-life balance, the percentage of men taking at least two weeks of continuous leave for childcare within one year of the child's birth has been well over our target of 30% and continues to rise each year.



Maintaining an Environment Where It Is Easy to Work

Maintaining physical and mental health and creating an environment where work can be promoted while workers are refreshed leads to a way of working that increases productivity and to reforms to the work culture.

In FY2024, overtime work was 19.5 hours per month (target of 16.5 hours) and the number of days of paid leave taken was 14.6 days per year (target of 16.0 days). We aim to achieve the targets by focusing on two key areas: improving the performance of each employee and establishing systems that enable highly productive work.



Opportunities to Build Unity



The "Run, Run, Run. Kaneka" sports event, which has been held since FY2014, marked its 10th anniversary in FY2025, following a hiatus due to the COVID-19 pandemic. This major festival brings together Group companies from both Japan and overseas; in FY2025, 3,290 people participated, and 209 teams took part in the Ekiden. Many employees have taken up long-distance running as a result of this Ekiden, which not only strengthens the bonds

within the Kaneka Group but also helps establish regular exercise habits and foster a greater awareness of health.

Many runners from Kaneka take part in the Hokkaido Marathon, which Kaneka has co-sponsored since FY2013. Hokkaido Group companies and many people involved cheer on the runners from the side of the road, and the bonds established through Run, Run, Run. Kaneka are reaffirmed.



At Run, Run, Run. Kaneka



Cheering on the Hokkaido Marathon runners from the side of the road

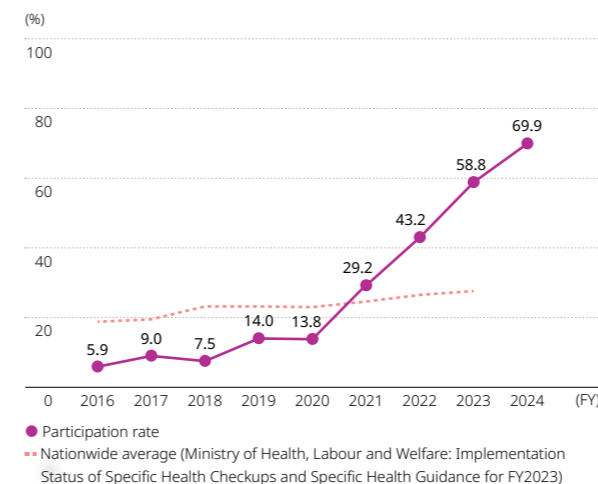
Taking a Close Look at Oneself with a Focus on Health

Specific health guidance is a program in which healthcare professionals, such as public health nurses, provide support to help individuals improve their lifestyle habits with the aim of preventing and managing metabolic syndrome. In accordance with standards established by the Ministry of Health, Labour and Welfare, health insurance associations are required to disclose the

participation rates of all members, including not only employees but also their families. Nationwide participation rates are below 30%, but Kaneka had a rate of 69.9% in FY2024.

In addition to providing ongoing support to participants, we also organize events where families can join in, creating opportunities for everyone to engage with their bodies in a relaxed and enjoyable way.

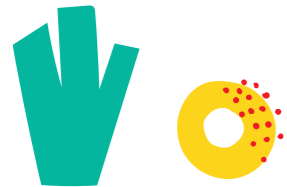
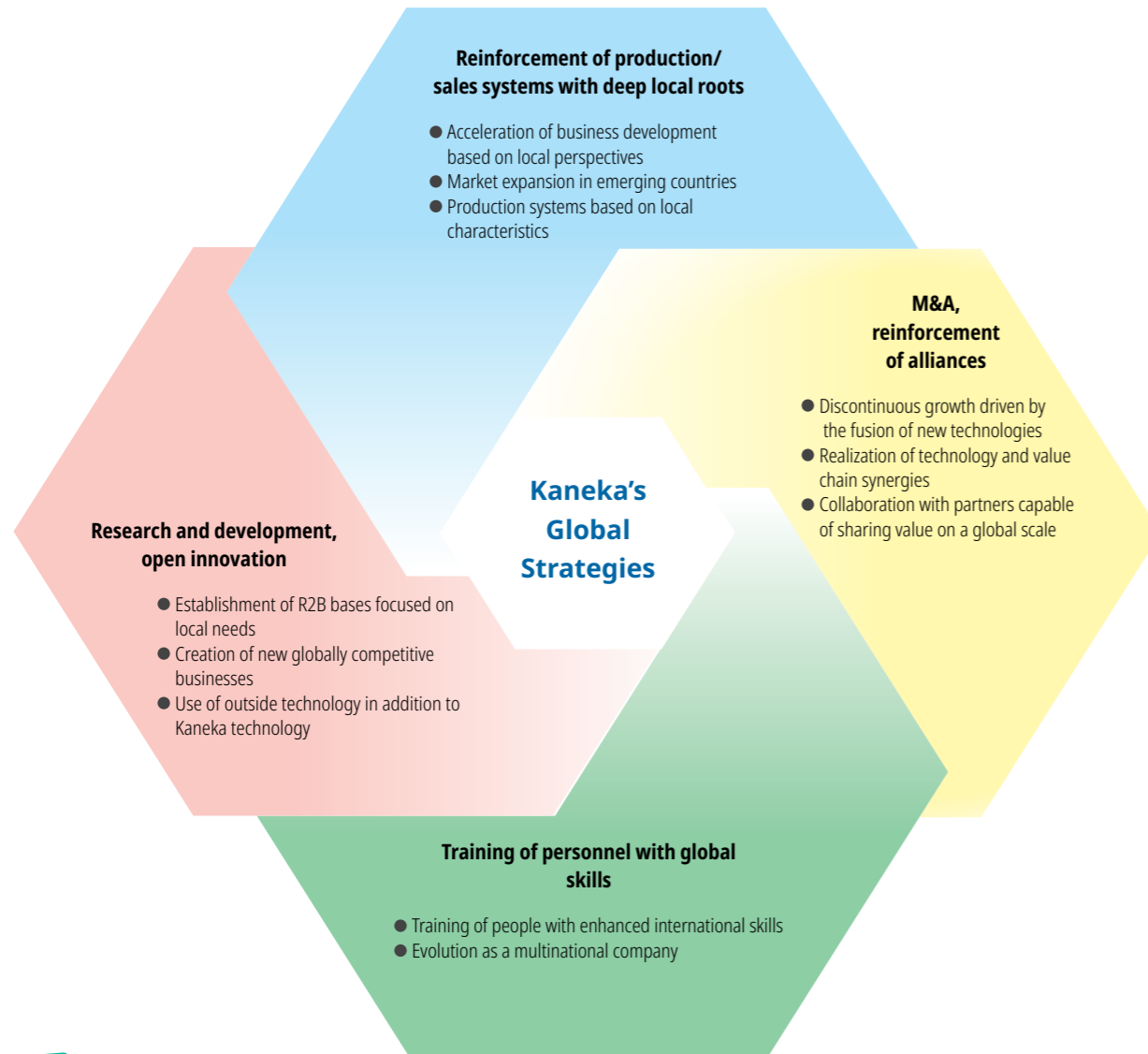
Specific Health Guidance Participation Rate



A line formed at the bone density measurement booth at Run, Run, Run. Kaneka, where approximately 540 people reacted with a mix of joy and disappointment to their results.

Think Global, Act Local

We aim to become a company that delivers unique technologies and products all over the world, in order to save human lives and resolve social issues. We promote activities deeply rooted in local communities worldwide. We advance transculturation from a global perspective. There is no border in chemistry, and when we do business in foreign lands, we focus on conducting local-based business (Glocal business) by overcoming cultural differences. Our goal is to become a company with a global presence by offering valuable solutions to the world market in a timely manner.



The Best Glocal Kaneka Way

Our global network enabling business development deeply rooted in communities

We are promoting the Glocal Kaneka Way, which aims to strengthen management capabilities at our global locations by balancing the development of overall optimal strategy through the Global Center with the enhancement of local adaptability.



Glocal Human Resources Management

We have established systems to embed a borderless, global perspective in how we conduct business as a common foundation for the actions of all employees in Japan and overseas. Through this, we aim to develop people who can create value in an international environment. We conduct the global leadership training program Kaneka Creative Corner

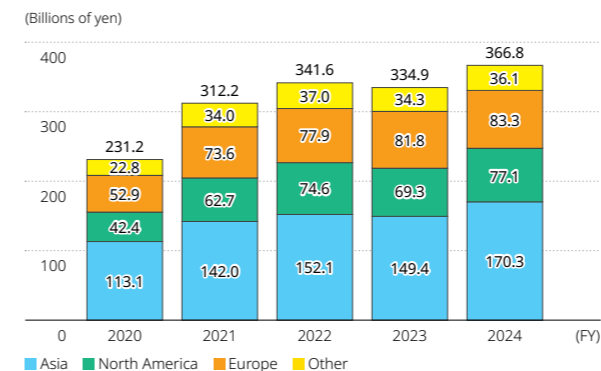
2.0 for national staff managers to enable them to apply Kaneka's strong onsite capabilities—developed primarily at our domestic locations—in their local sites. We are also implementing Kaneka 1-on-1 sessions at each of our global locations to foster an organizational culture where teams, led by their leaders, work together to achieve ambitious goals.

Moving Key Business Activities Overseas

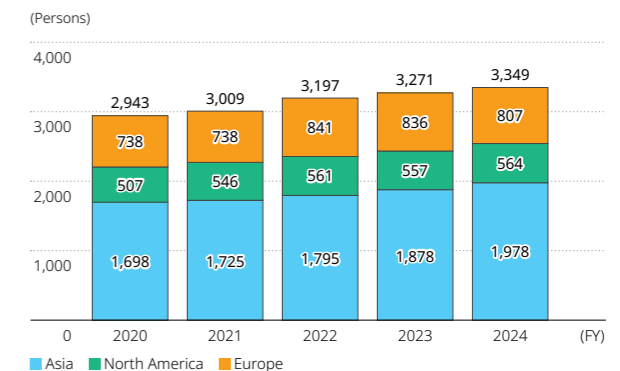
Kaneka is turning to the global market to be the driving force behind its transformation and growth, and is steadily increasing its overseas sales. Along with promoting the localization of management, we are boldly appropriating management

resources to overseas. We will thoroughly strengthen local activities through borderless R2B activities and by taking a market-out approach to market development in which local trends and the latest needs are captured.

Overseas Sales



Employees by Overseas Area





Digital Transformation for Value Creation

Rapid advances in digital technology are constantly reshaping the conditions for a competitive advantage, and we face a risk environment in which the ability to adapt to change is the key to a company's survival.

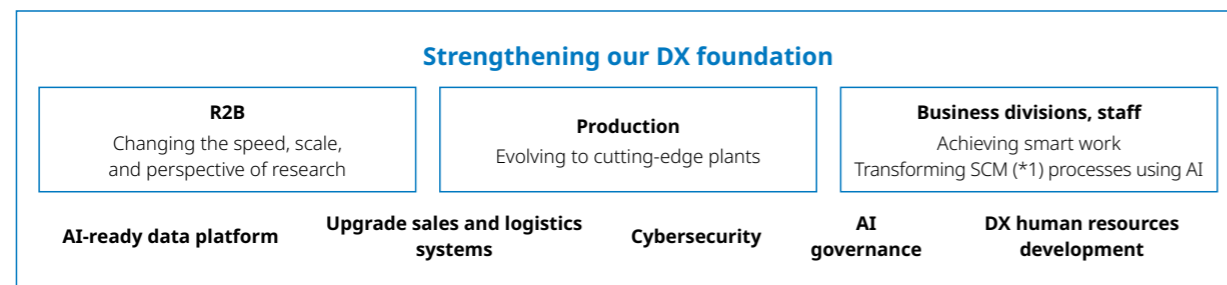
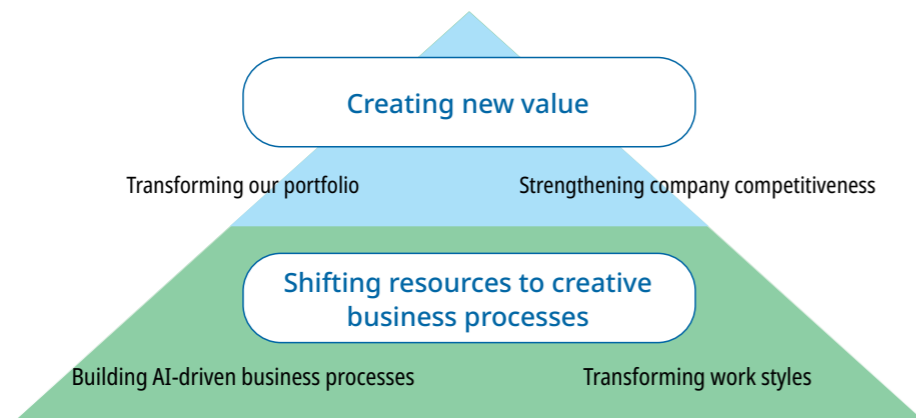
At the same time, the global shift toward decarbonization and advances in AI technology present opportunities for us to grow based on new value.

We must transform the way we do everything and pursue new value.

We view digital transformation (DX) as a key element in driving management reforms, such as innovations in employee work styles and corporate culture, to enhance our sustainability.

Kaneka DX Strategy = AI × DX

Through AI × DX, leveraging the latest AI-driven digital technologies, we will shift company-wide resources toward value creation and reform work styles, thereby strengthening our competitiveness and transforming our corporate culture.



*1 SCM: Supply chain management

DX Strategy

Regardless of business area or job role, we aim to leverage digital technologies, including AI, to overcome physical limitations and further increase our speed and scale.

We are working to transform our operations and strengthen our competitiveness by defining our vision for digital transformation across each division, including production, research, and business.

In recent years, the use of AI, which has seen

remarkable progress, is expanding as we explore the most suitable applications for each process along the value chain.

The promotion of our DX strategy is overseen by the DX & Carbon Neutral Committee, which is led by the Engine of Sustainability Management and includes DX promotion leaders from the production, research, and business divisions.

Current Status and Future Goals of DX Initiatives

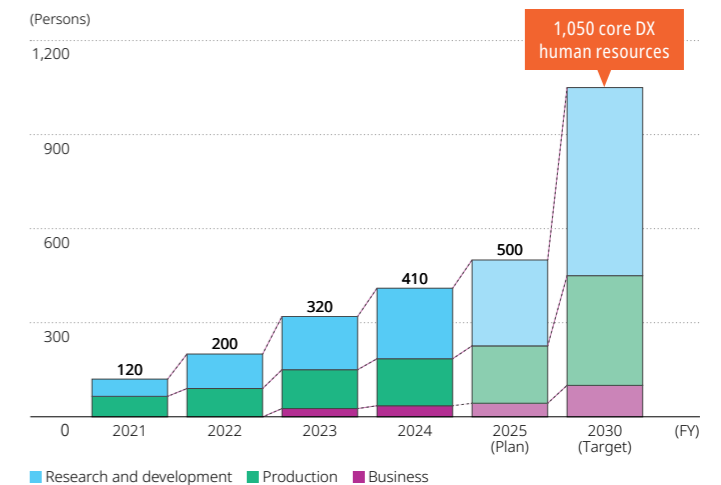
	To 2025	Key initiatives for the next term	Future goals
Company-wide	Infrastructure development to support DX, and small-scale implementation of new technologies such as AI at the operational level	<ul style="list-style-type: none"> Unlocking and promoting the use of an environment where employees can develop their own AI agents Company-wide implementation of automated and optimized production planning using mathematical optimization Improving operational efficiency through the use of general-purpose generative AI Selecting optimal research targets in using specialized generative AI Full-scale implementation and automation of autonomous AI agents for SCM-related and back-office operations 	Creating new value
Production			Evolving to cutting-edge plants
R2B			Changing the speed, scale and perspective of research
Business divisions Staff			SCM process reforms for smart work

DX Human Resources Development

As part of our human resources strategy based on our management vision, we are committed to developing the next generation of human resources. We have developed a training curriculum based on the ideal profile of core DX human resources required to drive our DX strategy, in accordance with the IPA's (*2) digital skills standards.

*2 IPA: Information-technology Promotion Agency, Japan

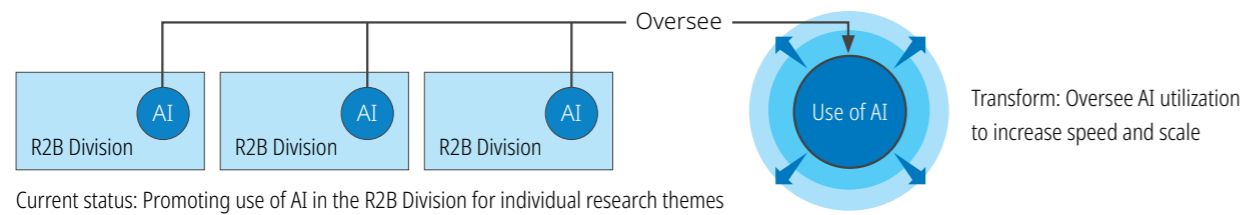
Expansion of Human Resources Utilizing AI and Data



Change R2B

—Change the speed, scale and perspective—

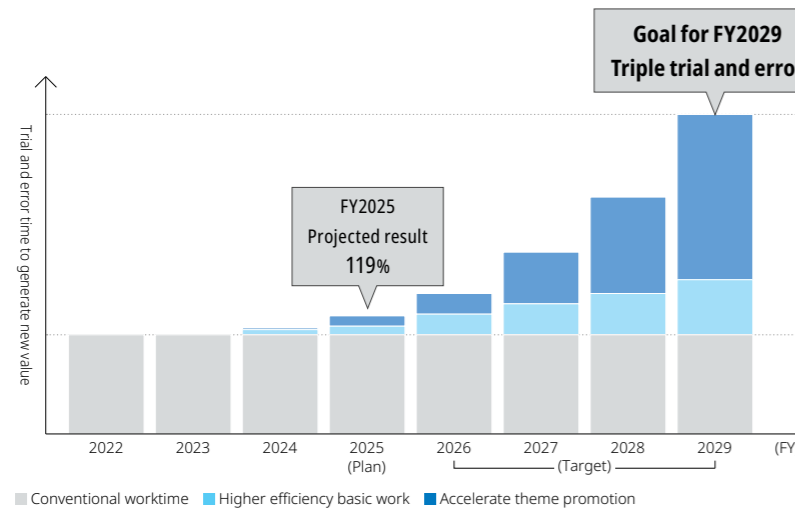
In order to create new value from R2B, we will make full use of DX to change its speed, scale and perspective. To date, we have been promoting the use of AI tailored to specific research projects, and the number of cases leading to implementation has been increasing. Furthermore, in order to increase the speed and scale of research, we will establish a framework to oversee the use of AI across all of R2B and drive its implementation in a way that optimizes results for the entire company.



Transforming Research Activities and Accelerating Trial and Error

As a Trial & Error experiment driven company, our driving force is the trial-and-error approach of R2B: Try a large number of things and put in place the ones that work. To ensure our competitiveness over the long term

and drive the creation of new value, it is essential that we accumulate and effectively utilize all intellectual assets, including the failures that arise in the process. With R2B DX, we aim to triple the total volume of trial and error by 2029 (compared to FY2022).



In FY2025, the volume of research trial and error increased by 19% compared to FY2022. This achievement is primarily due to the widespread adoption of research record-keeping, which serves as the foundation for data analysis and AI applications. Additionally, the implementation of analysis and simulation tools for material design, as well as AI-powered systems for adjusting material properties and automating inspections in certain parts of the production process has also contributed.

Smart Work via Use of Generative AI

The adoption of AI is gradually progressing across various fields, led by the R2B Division. Approximately 2,000 employees, roughly half of our workforce, are currently using generative AI in their daily work. We are also developing applications tailored to specific tasks, such as AI agents that handle administrative work and routine, repetitive tasks,

AI-powered veteran operators, and risk assessments for manufacturing sites. Ultimately, we aim to create a work style in which people collaborate with AI assistants. We are also focused on developing infrastructure, such as a new AI-ready data platform.



Changing Supply Chains

—Optimizing SCM and evolving to cutting-edge plants—

We will build up Kaneka's unique manufacturing sites by fusing the creativity of technology and innovation with digital technology. We will also implement SCM operational reforms that leverage AI to transcend human limitations and optimize the entire supply chain. AI agents will handle administrative tasks and routine, repetitive work, allowing people to focus on creative tasks such as strategic planning and developing new business models, thereby realizing smart work.



SCM/Production Roadmaps

	2020	2025	2030
Maximizing value from the customer's perspective Winning global competition Achieving cost and quality targets		Increasing productivity by optimizing the entire supply chain Speeding up new product commercialization via R2B+P	
Transforming work styles using AI and digital technology Enhancing planning and execution operations	Promotion of FOZ (*1) using AI and IoT	Promotion of automation through image analysis and robot deployment Using generative AI to enhance work done by staff	Using AI to stabilize production processes
Strengthening our digital platform Strengthening our infrastructure, developing digital talent Strengthening OT (*2) security	Enhancing data storage and communication infrastructure Developing talent skilled in AI and data utilization, as well as those skilled in digital transformation planning		Strengthening OT security

*1 FOZ (Field Operation Zero): Zero field operations in manufacturing sites.

*2 OT (Operational Technology): Technology used to optimally control and operate factory equipment.

(1) Maximizing value from the customer's perspective

We utilize mathematical optimization techniques as part of our efforts to optimize the entire supply chain and reform our operations. We will establish a production system capable of reducing production costs and flexibly adapting to fluctuations in demand, thereby contributing to the maximization of customer value through stable product supply and the maintenance of appropriate product prices.

We are developing AI agents specialized in risk assessment and working to leverage the expertise of skilled workers in our manufacturing operations.

(2) Transforming work styles using AI and digital technology

Each factory will work to promote automation, including the use of AI and the introduction of robots, with the goal of achieving FOZ by 2030.

(3) Strengthening our digital platform

At production sites, we have been training a cumulative total of 180 core DX human resources since FY2021. These personnel are working to eliminate tasks that rely on individual expertise, such as identifying early signs of equipment malfunctions and creating production schedules. As the entire supply chain becomes increasingly interconnected, OT security risks at manufacturing sites are on the rise, and we are working to strengthen our resilience against cyberattacks.