

KANEKA

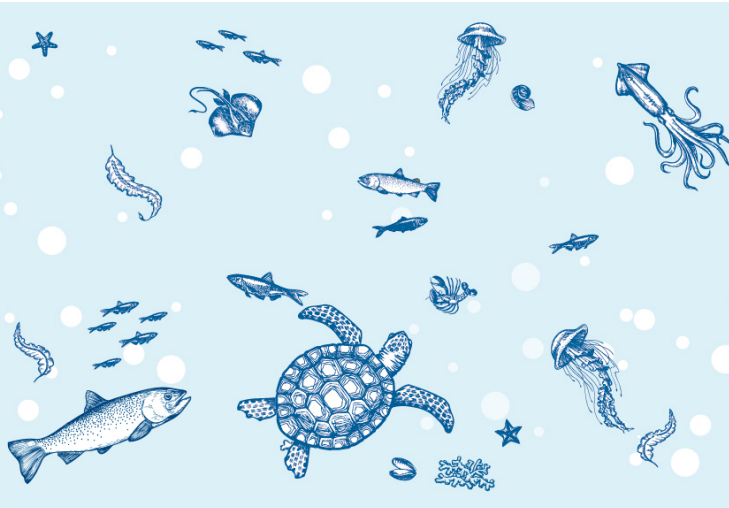
Business Foundation 2024

The Dreamology Company
—Make your dreams come true—

Trial & Error experiment driven company

KANEKA thinks "Wellness First."
Kaneka contributes to the sustainability of the earth,
develops its business in a "wellness-first" direction,
energizes people, adds vibrancy to business, and helps build a
happier society.

To make the world more wellness-first,
Kaneka takes an innovative approach to science,
and seeks to fulfill people's dreams by offering a wide variety
of solutions.



ESG Promotion

Management Approach

Basic Policy

In 2018, Kaneka Group established the ESG Charter to evolve its ESG management. Aiming to provide valuable solutions globally with a focus on chemistry, the ESG Charter serves as an action agenda for each employee to materialize our Corporate Philosophy.

ESG Charter

Putting the Corporate Philosophy Into Practice

1. We offer solutions characterized by value to global markets and contribute to the evolution of lifestyles and the environment through innovative chemistry.

- 1 We bring innovation to lifestyles and the environment by harnessing the unlimited potential of chemical materials to help communities achieve sustainability. (Earthology Chemical Solution)
- 2 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. (Active Human Life Solution)

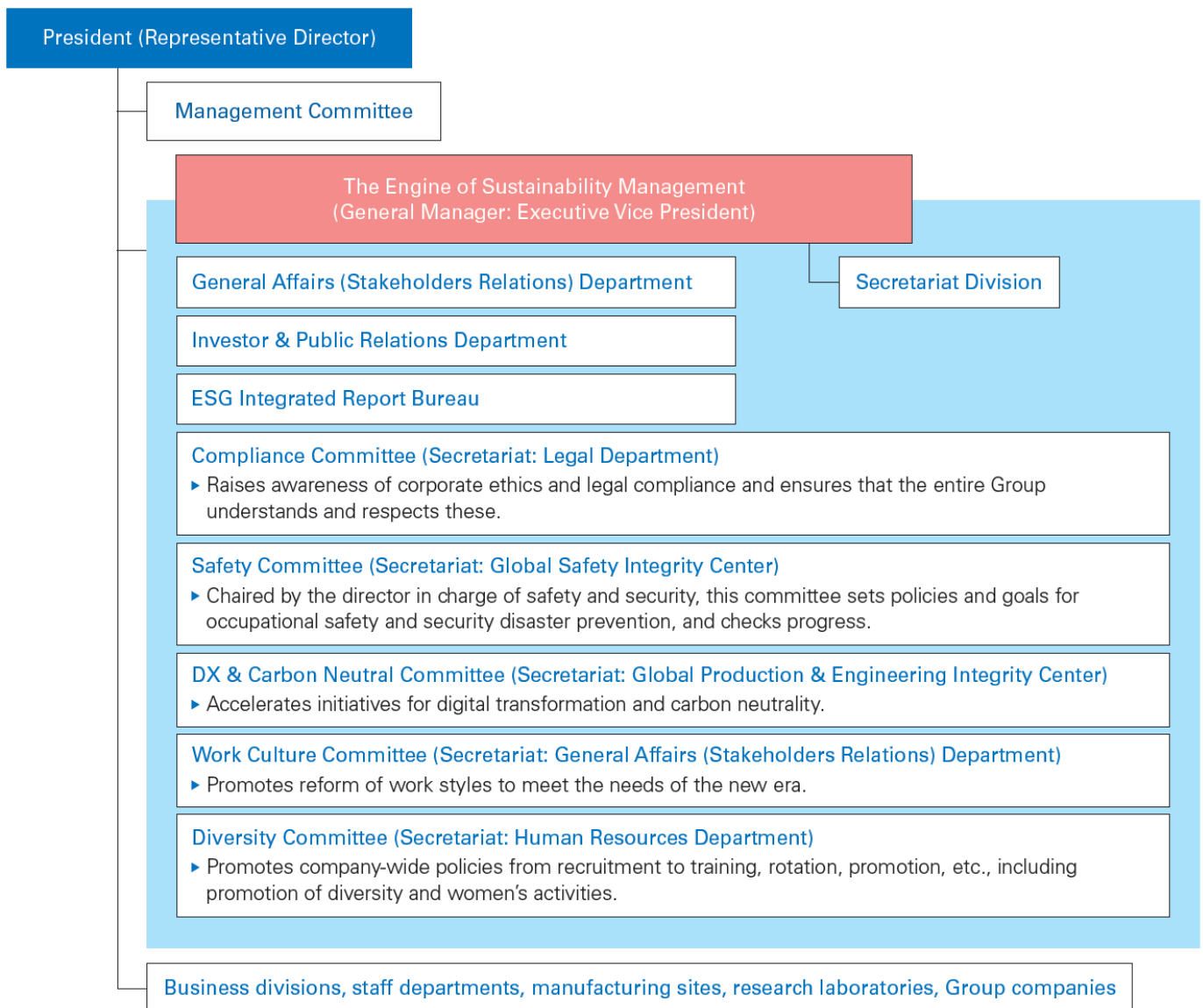
2. We fulfill our social responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking effort.

- 1 We actively contribute to our communities by cultivating understanding of the cultures and customs of the countries and regions where we do business and by pursuing corporate activities that are deeply rooted in those communities.
- 2 We operate our businesses in a fair and impartial manner based on the principles of free competition and legal compliance.
- 3 We're committed to communicating with shareholders and other stakeholders and to making information about our operations available in a timely and appropriate manner.
- 4 We strive to foster an organizational culture that respects the personalities and uniqueness of all employees so that they can enjoy good health, feel motivated, and make the most of their abilities.
- 5 Reflecting a commitment to make safety the top priority in our operations, we work to create safe and healthy workplaces, ensure product safety, and protect and preserve the environment.

ESG Promotion System

We reorganized our ESG-related organization with the establishment of the Engine of Sustainability Management on April 1, 2022. It is tasked with overseeing and enhancing ESG management. The Engine of Sustainability Management consists of eight implementation organizational entities. These work to promote ESG and the SDGs overseeing the activities of all related departments across the organization. We will work to protect the environment and to strengthen “Wellness First” health management to support a society that nurtures life.

■ Diagram of ESG Promotion System



ESG Promotion

ESG Promotion Activities

ESG Inspections

To inspect the legal and regulatory compliance status of the Kaneka Group and to improve its occupational safety and health performance, ESG inspections are carried out, comprising ESG safety and quality inspections and ESG evaluation audits, targeting Group companies within Japan and overseas.

ESG safety and quality inspections are conducted onsite to check the status of safety management at plants in terms of occupational health and safety, security and disaster prevention, environmental conservation, quality assurance of products, goods, and work-in-process, chemical substance management, and, compliance. In fiscal 2023, we conducted ESG safety and quality inspections at all parent manufacturing sites, 18 Group companies in Japan, and three overseas Group companies.

Kaneka's Environmental Health and Safety Management Regulations and Quality Management Regulations clearly define the actions and responsibilities expected of Group companies. Encouraging employees to be proactive, we endeavor to reduce environmental impacts and occupational accident risks, as well as to improve our crisis response capabilities in case of natural disasters and product accidents.

We conduct ESG evaluation audits to ensure that our business activities and labor practices comply with laws and regulations. In fiscal 2023, we conducted audits at all Kaneka business divisions, 30 Group companies in Japan, and 20 Group companies overseas in the area of competition laws like the Antimonopoly Act in Japan. Executives of Kaneka and of certain Group companies in Japan who are involved in sales, purchasing, and business development are required to undergo antitrust law compliance training and submit a written oath. At Group companies in Japan, we confirmed the preparation status of issues related to the April 2024 revision of the Labor Standards Act, ensured employees took at least five days of paid leave annually, and checked overall leave usage.

ESG Education

We engage in educational activities to promote ESG within the company through training sessions and the company intranet.

In fiscal 2023, we continued to use the "ESG Promotion Portal" on our intranet to raise awareness of ESG social issues, Kaneka's ESG progress, and initiatives related to our ESG Charter.

We will continue to enhance employees' understanding of ESG to resolve social issues through corporate activities.

Participation in Initiatives

Believing in the importance of working with industry organizations to address social issues and help build a sustainable society, the Kaneka Group participates in and collaborates with various initiatives to advance these aims.

Support for the United Nations Global Compact

In March 2015, Kaneka Group became a signatory to the United Nations Global Compact. The UN Global Compact is a voluntary code of conduct through which the top management of signatory companies commit themselves to take action aimed at achieving ten principles in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. As Kaneka Group with a global network, we actively share information about our commitment to global sustainable growth as a responsible corporate citizen with our stakeholders and the international community.

WE SUPPORT



UN Global Compact

■ The Ten Principles of the UN Global Compact

Human Rights	<ul style="list-style-type: none"> • Principle 1 : Businesses should support and respect the protection of internationally proclaimed human rights; and • Principle 2 : make sure that they are not complicit in human rights abuses.
Labour	<ul style="list-style-type: none"> • Principle 3 : Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining; • Principle 4 : the elimination of all forms of forced and compulsory labour; • Principle 5 : the effective abolition of child labour; and • Principle 6 : the elimination of discrimination in respect of employment and occupation.
Environment	<ul style="list-style-type: none"> • Principle 7 : Businesses should support a precautionary approach to environmental challenges; • Principle 8 : undertake initiatives to promote greater environmental responsibility; and • Principle 9 : encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	<ul style="list-style-type: none"> • Principle 10 : Businesses should work against corruption in all its forms, including extortion and bribery.

Endorsement of the Keidanren Initiative for Biodiversity Conservation

We endorse the Keidanren Biodiversity Declaration and Action Guidelines, developed by the Japan Business Federation (Keidanren) and its Nature Conservation Committee. This initiative encourages companies to voluntarily and actively promote biodiversity conservation efforts.

Membership in the Roundtable on Sustainable Palm Oil (RSPO)

As a user of palm oil, we hold RSPO supply chain certification, an international nonprofit standard that promotes the sustainable production and use of palm oil with respect for environmental and human rights concerns.

Participation in GX League

This initiative, led by the Ministry of Economy, Trade and Industry, brings together companies, government agencies, and academic institutions to achieve sustainable growth, with the aim of achieving carbon neutrality by 2050 and transforming the entire socio-economic system of the future.



Participation in the Clean Ocean Materials Alliance (CLOMA)

There are growing calls for efforts on a global scale to address the issue of marine plastic waste that is affecting the entire planet. CLOMA is a platform both for strengthening collaboration among a wide range of stakeholders across industries and for accelerating innovation.



Clean Ocean Material Alliance

ESG Promotion

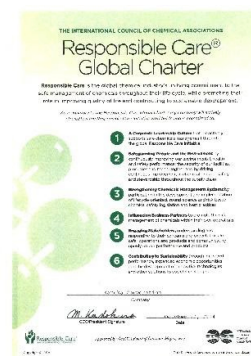
Promoting Responsible Care

Promoting Responsible Care

Since 1995, Kaneka Group has put in place policies governing safety and Responsible Care(*), and internal regulations ensuring effectiveness of the Responsible Care approach.

In September 2008, we signed the Declaration of Support for the Responsible Care Global Charter and announced that we would undertake Responsible Care activities worldwide. The Responsible Care Global Charter was revised at the board meeting of the International Council of Chemical Associations (ICCA) in May 2014. Responding to the revision, we signed the revised Responsible Care Global Charter in October 2014 to continue to actively promote our Responsible Care activities.

* Responsible Care refers to actions undertaken on a voluntary basis by the chemical industry to promote improvements in aspects of environmental, safety, and health performance, throughout the entire process from the development of chemical products to their manufacture, usage and disposal. The initiatives and achievements are communicated to the public to raise public confidence in their operations. Kaneka has been actively promoting this approach since 1995 as a founding member of the JCIA Responsible Care Committee (former Japan Responsible Care Council) established by the Japan Chemical Industry Association.



Signed the Responsible Care Global Charter revised in 2014

Basic Policies for Responsible Care

In keeping with our corporate philosophy, we at the Kaneka strive to ensure the conservation of resources and reduce environmental impact throughout the entire product lifecycle, while working to help realize the sustainable development and prosperity of society.

Basic Policies for Responsible Care

1. Protect the natural ecosystem and reduce environmental impact

Focusing on the impact of corporate activities on the global environment and the ecosystem, we endeavor to reduce environmental impact and promote resource conservation and energy saving throughout the lifecycle of products.

2. Offer safe products and information

We endeavor to offer products that are safe to distribute and use, and to provide adequate

information on the products such as instructions on how to use and handle products correctly.

3. Develop products and technologies in consideration of the environment and safety

Upon the development of new products, we give consideration to the environment and safety throughout the lifecycle of the products to the greatest extent possible, and endeavor to develop products and technologies with low environmental impact.

4. Reduce waste and promote the recycling of plastics

We reduce waste associated with manufacturing and its processes. We actively develop technologies for the adequate disposal or recycling of plastic waste concerning our products in cooperation with relevant industries, and endeavor to dispose of and recycle waste in a proper manner.

5. Enhance process safety, disaster-prevention, and occupational safety and health

Safety and disaster prevention constitute the foundations of the local community's trust, and occupational health and safety are issues that need to be fulfilled by chemical companies. We persistently strive to make improvements in these areas.

6. Win public confidence

From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public recognition and confidence.

Responsible Care Activities

We carry out a range of Responsible Care activities to further promote measures that can be taken by the chemical industry to protect human health and safety and preserve the environment. To ensure progress with respect to the six RC codes (environmental protection, process safety and disaster prevention, occupational safety and health, chemicals and product safety, distribution safety, and interaction/communication with the public), Kaneka has set up a system to guide its initiatives.

ESG Promotion

Communication with Stakeholders

Basic Policy

Under its ESG Charter, which declares that ‘we fulfill our corporate responsibility by empowering individual employees to put our corporate philosophy into practice through serious, forward-looking efforts,’ Kaneka Group, aspires as a good corporate citizen to a sustainable future in partnership with all its stakeholders. We will work to build relationships of trust with stakeholders through active information disclosure and communication with the aim of realizing this sustainable society.

Communication with Stakeholders

Stakeholder	Policy	Communication	Initiatives
Customers	We provide quality products and service value to customers to contribute to the health of society as a whole. We ensure product safety and make thoroughgoing disclosures.	<ul style="list-style-type: none"> • Communication with customers through sales and marketing • Information posting on websites and social media • Exhibitions • Quality assurance/customer support 	<ul style="list-style-type: none"> ▶ Product responsibility ▶ Exhibition information
Society	We conduct business activities rooted in the local community, promoting social contributions and community engagement. We contribute to creating a healthy community and society through ensuring the safety of plant operations and disclosing information.	<ul style="list-style-type: none"> • Interaction with local residents/participation in local events/dialogue • Fostering youth development/hosting plant visits • Supporting disaster reconstruction • Participation in initiatives 	<ul style="list-style-type: none"> ▶ Participation in initiatives ▶ Social contribution activities

Stakeholder	Policy	Communication	Initiatives
Shareholders and Investors	Recognizing the importance of our corporate stance and brand value, we provide appropriate returns and timely disclosure to shareholders. Aiming for a healthy company and healthy society, we will increase the level of trust in the Group overall.	<ul style="list-style-type: none"> • Opinion exchange with investors/analysts, holding of business and results briefings • Timely and appropriate information disclosure on the corporate website • General Meeting of Shareholders 	▶ IR information
Employees	Bearing in mind Kaneka Group employees and their family members, we maintain healthy work environments by providing job satisfaction, appropriate treatment and remuneration, and safe working conditions. We also give consideration to diversity.	<ul style="list-style-type: none"> • Communication between employees • Employee health consultations • Labor-management dialogue • Penetration of internal whistleblowing system 	▶ Human resources
Vendors	We conduct fair transactions with suppliers and contractors focusing on compliance and build relationships that aim to be mutually beneficial while offering equal opportunities to do business.	<ul style="list-style-type: none"> • Regular questionnaire surveys and dialogue with vendors • Cooperation, coprosperity and coexistence with vendors • Quality improvement in logistics operations • Appropriate information disclosure • Internal whistleblowing system 	▶ CSR procurement
The Environment	We strive to reduce environmental impact in raw material procurement, manufacturing, transport and other processes. In addition, though the development of cutting-edge materials and unique technologies, we contribute to the health of the global environment and fulfill our social responsibilities.	<ul style="list-style-type: none"> • Initiatives on global environment protection/resource conservation/environmental impact reduction • Promotion of environmental impact reduction in raw material procurement • Cleaning activities/local forest conservation/environmental conservation activities • Appropriate information disclosure 	▶ Environment

Dialogue with the Labor Union

We have established joint labor-management objectives and concluded a collective agreement with the Kaneka Labor Union.

Based on mutual trust, and in accordance with the standards, institutions, and procedures for discussion set forth in the collective agreement, we engage in constructive dialogue on issues such as the understanding and penetration of management measures and the improvement of working conditions.

The themes of the central labor-management dialogue in fiscal 2023 include resolving issues related to safety and health, reforming work styles including reducing total actual working hours, and confirming that all employees meet the standard livelihood amount confirmed by labor and management (held 15 times). At workplaces and workplaces labor and management also continue to engage in dialogue aimed at creating healthy, easy-to-work-in, and rewarding workplace environments.

The Health and Safety Committee, which meets once a month at each workplace, includes representatives of the labor union.

Kaneka employs a union shop system, and all regular employees except those in executive positions are members of the Kaneka Labor Union.

As of March 31, 2024, the union had 2,886 members.

The labor-management meetings are mainly held at the center, workplaces, and workplaces to (1) broadly exchange opinions on various issues for the realization of joint labor-management goals and (2) negotiate on systems, working conditions, and their operation.

Environment

Management Approach

Basic Policy

In keeping with our corporate philosophy, we at the Kaneka Group will contribute to realizing sustainable development and the enrichment of society by conserving resources and reducing environmental impacts at each stage of the entire product lifecycle.

Policy

Basic Policies for Responsible Care

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Promotion System

When dealing with important matters relating to global environment protection, the Corporate Manufacturing Integrity Center, which operates directly under the President, and the Global CSV (Quality Environment) Center take the lead role in sharing the issues with the Management Committee, the Plant Management Committee, and other relevant bodies and then formulating policies and measures.

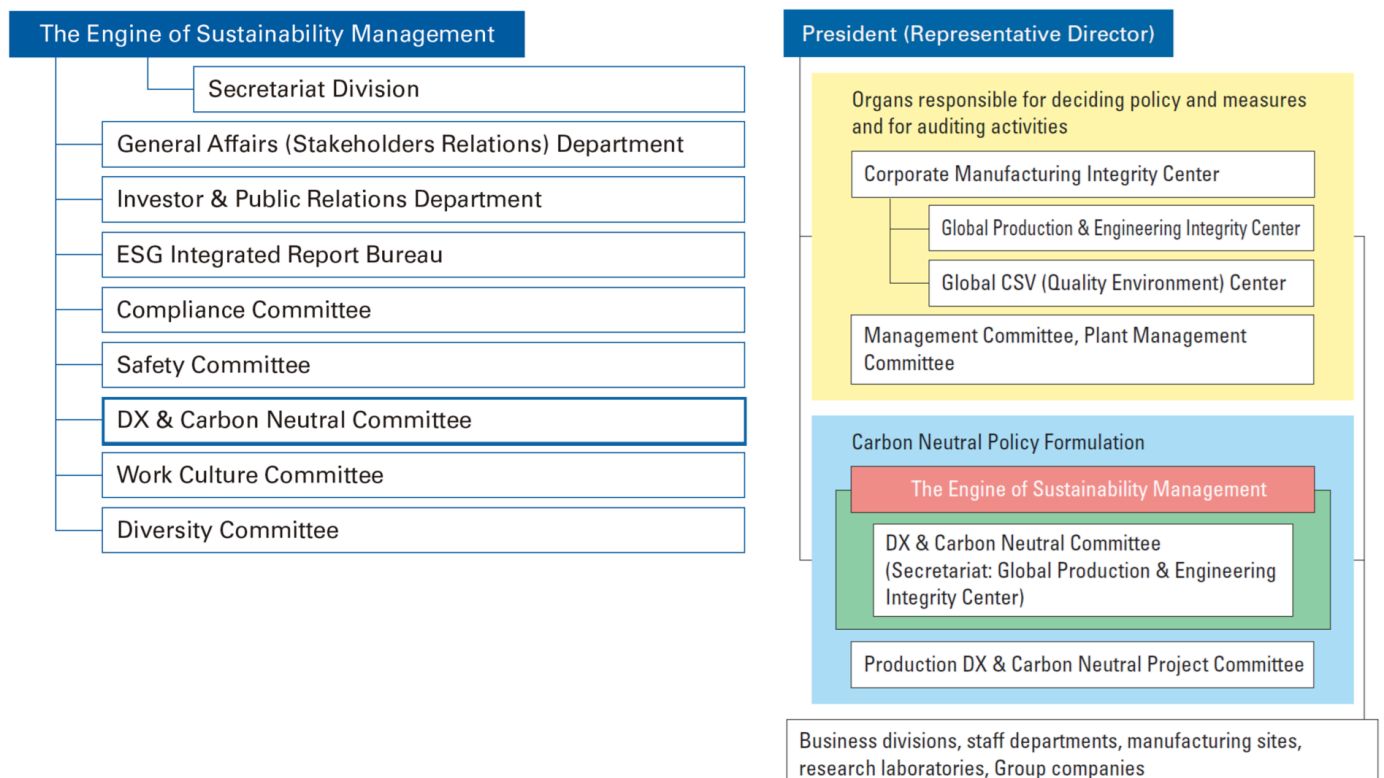
As to carbon neutrality, we have established a DX & Carbon Neutral Committee under the control of the Engine of Sustainability Management to accelerate initiatives.

In our business activities, we are taking steps to reduce environmental impact and ensure appropriate chemical substance management and information disclosure, with the Global CSV (Quality Environment) Center playing the central role in environment conservation activities.

Meanwhile, toward realizing a sustainable society, we have set out the Basic Policies for Responsible Care under which we ensure strict observance of laws protecting human health and safety and rigorous compliance with environmental legislation such as the Air Pollution Control Act and the Water Pollution Control Act and the criteria set out in related agreements. Internal auditing, ESG safety and quality inspections, and other tools are used to confirm compliance and to manage environmental impact and risk reduction.

■ Diagram of Promotion System

Task Force



Targets and Performance

Fiscal 2023 target		Fiscal 2023 performance
Energy intensity index (*1)	Average annual reduction of 1% or more	96.3 (all parent manufacturing sites) (106.3% year-on-year change (*2)) Five-year average change rate 100.4%
CO ₂ emission intensity index (*3)	Average annual reduction of 1% or more (fixed emissions factor) Estimated fiscal 2023 performance 90.4 (fiscal 2030 target 84.3)	83.3 (all parent manufacturing sites)
Air and water pollution prevention		Strict compliance with standards set by Air Pollution Control Act/Water Pollution Control Act and with criteria agreed with local governments
Chemical substance emissions reduction	VOC emissions 1,800 tons or below	Target achieved:VOC emissions of 1,687 tons
Waste reduction	Kaneka final landfill disposal rate: 0.2% or below Zero emissions(*4) at Kaneka and Group companies in Japan	Kaneka final landfill disposal rate 0.09% Zero emissions achieved by Kaneka and Group companies in Japan based on final landfill disposal rate of 0.39%
Check legal compliance of waste disposal subcontractors		Visited disposal subcontractors where on-site survey was possible and carried out checklist-based inspection

*1 Energy intensity index: a value for energy intensity indexed against a value of 100 for fiscal 2013. The value is calculated by dividing manufacturing energy consumption by activity volume (all parent manufacturing site production volume).

*2 The main reason for the increase is the new inclusion of non-fossil energy in calculations in line with revisions to the Energy Conservation Act.

*3 CO₂ emission intensity index: a value for energy origin CO₂ emission intensity indexed against a value of 100 for fiscal 2013. The value is calculated by dividing energy origin CO₂ emissions by activity volume.

*4 Zero emissions (Kaneka definition): final landfill disposal volume less than 0.5% of total generated waste.

Environmental Management Systems

We operate based on ISO 14001 and Eco-Action 21 environmental management systems, with the aim of reducing environmental impacts, preventing environmental problems, and responding quickly if any problems arise.

The ISO 14001 acquisition rate among the 47 reportable manufacturing companies within the Kaneka Group is 38.3%.

■ ISO 14001 Certification

Manufacturing Sites and Group Companies	Registration No.
Takasago Manufacturing Site	JCQA-E-0105
Osaka Manufacturing Site	JCQA-E-0053
Shiga Manufacturing Site	ISO 14001 – 0077396
Kashima Manufacturing Site	JCQA-E-0054
Vienex Corporation	JSAE1511
Osaka Synthetic Chemical Laboratories, Inc.	JCQA-E-0343
Kaneka Solartech Corporation	JQA-EM6704
Kanto Styrene Co., Ltd.	JEN-2024.0
Sanvic Inc.	JMAQA-E841
Showa Kaseikogyo Co., Ltd. Hanyu Headquarters Factory	E0062
Cemedine Co., Ltd. Ibaraki Plant, Mie Plant	JCQA-E-0366
Cemedine Co., Ltd. Kinuura Plant	497791UM15
Tatsuta Chemical Co., Ltd. Koga Plant	E2271
Tochigi Kaneka Co., Ltd.	E2163
Kaneka Belgium N.V.	97 EMS 002h
Kaneka (Malaysia) Sdn. Bhd.	EMS00400
Kaneka Innovative Fibers Sdn. Bhd.	EMS00400
Kaneka Eperan Sdn. Bhd.	EMS00400
Kaneka Paste Polymers Sdn. Bhd.	EMS00400
Kaneka Apical Malaysia Sdn. Bhd.	EMS00400
Kaneka MS Malaysia Sdn. Bhd.	EMS00400
Kaneka (Thailand) Co., Ltd.	EMS727351

■ Eco-Action 21 Certification

Group Company	Certification and Registration No.
OLED Aomori Co., Ltd.	0010329
Kaneka Kanto Styrol Co., Ltd.	0004259
Kaneka Sun Spice Corporation	0003556
Kaneka Chubu Styrol Co., Ltd.	0006600
Kaneka Nishinippon Styrol Co., Ltd. Headquarters, Saga Plant, Kagoshima Plant, Nagasaki Plant, and Hiroshima Plant	0003949
Kaneka Foods Manufacturing Corporation	0003491
Kaneka Foam Plastics Co., Ltd. Moka Plant	0003247
Kaneka Hokkaido Styrol Co., Ltd.	0001805
Kaneka Medix Corporation	0001893
Kyushu Kanelite Co., Ltd.	0001637
Kochi Styrol Co., Ltd.	0011039
Taiyo Yushi Corporation	0003575
Tokyo Kaneka Foods Manufacturing Corporation	0003473
Nagashima Shokuhin Co., Ltd.	0003093
Hokkaido Kanelite Co., Ltd.	0001905

Environment

Environmental Performance

By providing solutions that contribute to the global environment and a rich life and working to reduce environmental impacts and disclose timely information in fundamental business domains, Kaneka Group engages in various environmental initiatives.

Material Balance

Kaneka Group is working to reduce environmental impacts by aggregating the status of energy and resource inputs and material outputs through emissions and products to grasp production activity volume, targeting Kaneka and Group companies within Japan and overseas.

For data of indicators related to climate change and environment protection, we have received third-party assurance to ensure the reliability and transparency of Data Sheet 2024. [PDF](#)

For indicator data, some calculation methods have been changed. For details, please refer to “Calculation Methods for Data of Indicators related to Environment”. [PDF](#)

■ Fiscal 2023 results

INPUTS (Energy and Resources)

Items	Units	Kaneka Group	(From top) Kaneka Group companies in Japan Overseas Group companies
Main raw materials	thousand tons	1,567	1,152 255 159
Energy (GWh Conversions)	GWh	5,301	3,820 467 1,014
Water	million m ³	33.0	24.2 2.9 5.9





OUTPUTS (Discharges, Recycling, and Products)

Products			
Products	thousand tons	1,914	1,549 209 247
Into the atmosphere			
GHG (Scope1、 2)	thousand tons CO ₂ e	1,513	1,106 130 277
SOx	tons	51.2	39.6 10.1 1.5
NOx	tons	841.6	654.3 45.3 142.0
Soot and dust	tons	21.0	15.1 0.9 5.0
PRTR Law designated substances	tons	150.7	79.2 71.5 -
Into water systems			
Chemical oxygen demand	tons	290.9	229.7 7.2 54.1
Nitrogen	tons	138.4	136.4 1.9 0.1
Phosphorus	tons	3.7	3.5 0.2 0.0
Suspended solids	tons	235.4	200.8 6.8 27.8

PRTR Law designated substances	tons	35.5	35.4 0.04 –
As waste			
Final landfill	tons	4,096	60 248 3,788
External recycling	tons	54,567	40,167 8,889 5,512
External reduction	tons	10,553	322 5,322 4,910

*1 42 Kaneka consolidated subsidiaries in Japan and six non-consolidated subsidiaries. Consolidated subsidiaries in Japan do not include subsidiaries of Cemedine Co., Ltd.

Environmental Accounting

We efficiently and effectively promote environmental conservation activities by quantitatively grasping the investment and expenditure costs related to environmental conservation and the quantitative and economic impacts of environmental measures. We calculate these costs and effects based on the 2005 edition of the Environmental Accounting Guidelines by Japan's Ministry of the Environment with Kaneka's own unique way of thinking, targeting all parent manufacturing sites and 30 Group companies in Japan (manufacturing companies).

■ Environmental Costs (Investments, Expenditures)

(Millions of yen)

Cost Classifications	Main Efforts	Fiscal 2021		Fiscal 2022		Fiscal 2023	
		Investments	Expenditures	Investments	Expenditures	Investments	Expenditures
Business Area		3,987	6,048	893	6,350	1,147	6,696
1. Pollution Prevention	Air and water pollution prevention	3,737	3,881	835	4,124	1,073	4,283
2. Environmental Conservation	Addressing climate change and energy saving	-	-	-	-	-	-
3. Resource Recycling	Waste processing, recycling, and reduction	250	2,167	59	2,227	74	2,412
Upstream and Downstream	Product recycling, collection, and processing	0	25	0	24	0	17
Management Activities	Environmental education for employees and environmental impact monitoring and measurement	1	419	0	423	2	388
Research and Development	Research and development of products contributing to environmental conservation	-	9,219	-	11,876	-	12,387
Social Activities	Greening, beautification, and disclosure of environmental information	0	107	0	84	2	74
Environmental Damage	Payment of sulfur oxide emission charges	0	2	0	9	0	9
Total		3,988	15,820	893	18,766	1,151	19,570

Note: Figures do not include global environment conservation investments and expenditures and research and development investments. Amounts reported here may not fully match, due to rounding.

■ Quantitative Impact of Environmental Conservation Efforts

Category	Initiatives	Items	Units	Fiscal 2021	Fiscal 2022	Fiscal 2023
Pollution Prevention	Atmospheric and water discharges of hazardous substances	SOx emissions	Tons	85.5	81.6	49.7
		NOx emissions	Tons	876.3	786.7	699.6
		Chemical oxygen demand	Tons	236.2	228.7	236.9
		PRTR Law-designated chemical emissions	Tons	166.0	168.6	186.1
Environment	Greenhouse gas emissions	GHG emissions	Thousand tons-CO ₂ e	1,219.6	1,095.3	1,236.2
	Energy consumptions	GWh Conversions	GWh	4,247	3,802	4,287
Resource Recycling	Final landfill	Landfill	Tons	350.2	279.9	308.0
	External recycling	Amounts recycled	Tons	48,906.8	47,390.1	49,055.5

■ Economic Impacts of Environmental Measures

(Millions of yen)

Measures	Fiscal 2021	Fiscal 2022	Fiscal 2023
Revenue from recycling	184	198	230
Cost reductions by better resource efficiency (output per unit of input)	-19	-134	799
Waste disposal cost reductions by recycling	448	306	200
Cost reductions by energy conservation	422	84	364
Total	1,035	453	1,593

Note: Amounts reported here may not fully match, due to rounding.

Environmental Investments (Kaneka)

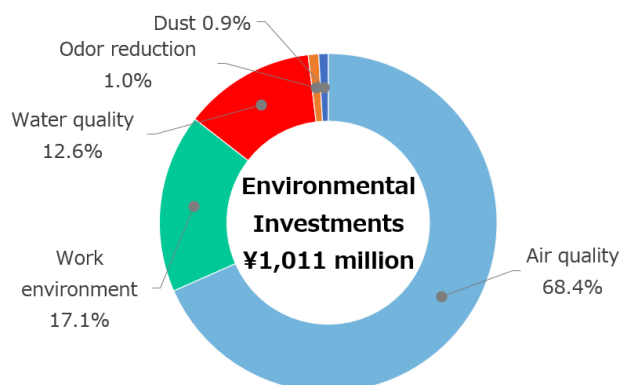
We continue to invest in environmental conservation.

Environmental investments in fiscal 2023 totaled 1,011 million yen.

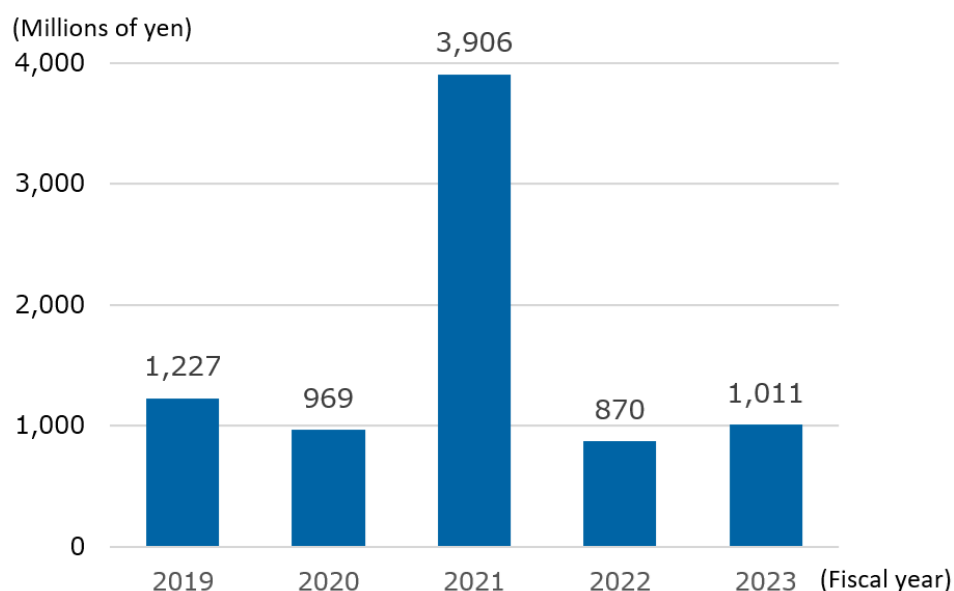
Environmental investment over the past five years averages about 1,600 million yen, leading with water quality

(54.3%), followed by air quality (30.5%) and the work environment (8.4%). We will continue to invest proactively to maintain and improve the environment.

■ Environmental Investments in Fiscal 2023



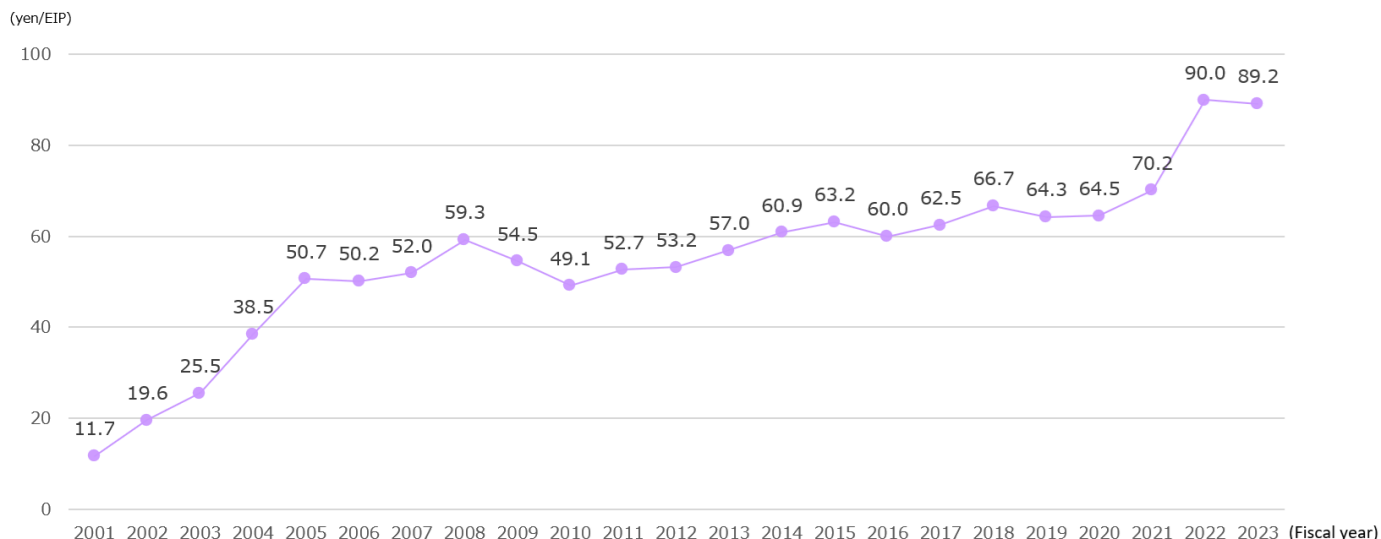
■ Cumulative Environmental Investments



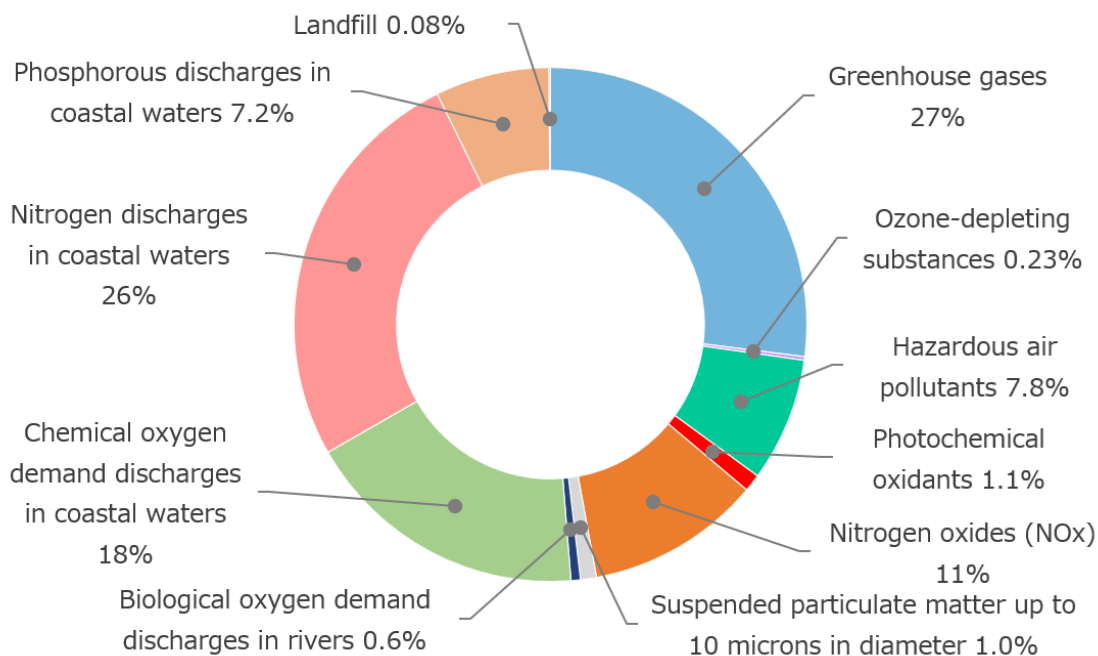
Environment Efficiency (Kaneka)

Kaneka assesses the environmental impact of our production activities using Environmental Impact Points (EIPs), which are compiled using the JEPIX methodology, and we use these points to assess our environmental efficiency. Our total environmental impact for fiscal 2023 amounted to 4.11 billion EIPs, a 0.3% increase from the previous year. This was primarily due to a rise in greenhouse gases and phosphorus, despite reductions in hazardous air pollutants, NOx, SPM10, and nitrogen. Environmental efficiency deteriorated by 0.9% compared to the previous year.

■ Environment Efficiency



■ Details of Total Environmental Impact



Fiscal Year	Net Sales (million yen)	Environmental Impact (100 million EIPs)	Environmental Efficiency (yen/EIP)
2021	334,675	47.7	70.2
2022	369,172	41.0	90.0
2023	366,950	41.1	89.2

CHECK & ACT

Under environmentally friendly management, we continue working to reduce environmental risks by complying with environmental regulations and legislation and criteria in agreements with local governments and by checking compliance with them through various means, including ISO 14001 internal audits and ESG safety and quality inspections.

We will also continue working to further reduce environmental impact and improve environmental efficiency by visualizing greenhouse gas emissions and promoting energy conservation activities.

TOPICS

Green Bond (Environmental Bond) Issued

As its 7th unsecured straight bond, Kaneka issued a green bond (environmental bond) to procure funds for the manufacture and R&D of KANEKA Biodegradable Polymer Green Planet™ (“Green Planet™”) in September 2019. A green bond is an ESG bond, and fund usage is limited to projects that contribute to resolving environmental issues. It is the first such industrial bond issued by a Japanese chemical company.

Green Planet™ is a 100% plant-based material derived from microorganisms that consume plant oils and store them as polymers within their bodies. Biodegradable in seawater and soil, it is expected to help solve the global issue of marine pollution caused by microplastics.

For the issuance of the green bond, Kaneka has established the Green Bond Framework, which conforms to the Green Bond Principles 2018 of the International Capital Market Association (ICMA) and the Green Bond Guidelines 2017 Edition of Japan’s Ministry of the Environment. To obtain eligibility for and transparency of this green bond and raise its appeal for investors, as a third-party evaluation, Kaneka has obtained a second opinion from Rating and Investment Information, Inc. (R&I) of how this framework conforms to the Green Bond Principles 2018 and the Green Bond Guidelines 2017 Edition. Kaneka has also obtained top-level evaluation in the green bond assessment by R&I, the GA1 preliminary evaluation.

The relevant business segments of the green bond principles and the relevant development objectives of the SDGs are shown in the table below.

Green bond principles / Green project categories	SDGs Development objectives
<ul style="list-style-type: none"> • Pollution Prevention and Control • Eco-Efficient and/or Circular Economy Adapted Products, Production Technologies and Processes 	

Redemption was completed in September 2024.

Annual Reporting

- [Green Bond 2020 Annual Reporting \(PDF\)](#)  PDF
- [Green Bond 2021 Annual Reporting \(PDF\)](#)  PDF
- [Green Bond 2022 Annual Reporting \(PDF\)](#)  PDF
- [Green Bond 2023 Annual Reporting \(PDF\)](#)  PDF

Environment

Climate Change Initiatives

To address global warming, we are working to promote energy conservation and reduce CO₂ emissions through a range of measures, including our own environmental capital investment program.

We are implementing life cycle assessment (LCA) for our main products and intend to successively expand the range of products covered going forward. We are also working to introduce carbon-life cycle analysis (cLCA) and indirect GHG emissions calculation. Carbon-life cycle analysis (cLCA) uses an LCA-based quantitative evaluation to calculate the contribution to GHG emissions reduction relative to comparable products. Indirect GHG emissions calculation covers business activities throughout the supply chain (Scope 3 emissions).

Initiatives for Climate Change: Information Disclosure in Line with TCFD

With people and technology growing together into creative fusion, we will break fresh ground for the future and tie in to explore New Values. We are also committed to challenge the environmental issues of our planet and contribute to upgrading the quality of life. Guided by this corporate philosophy, Kaneka Group will leverage its products and services to globally offer useful solutions to the issue of climate change, and will fulfill its social responsibilities regarding the various climate change-related impacts associated with the production and distribution processes. As part of this, we expressed our support for the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) in March 2021.

Fiscal 2021 performance  PDF

Fiscal 2022 performance  PDF

Fiscal 2023 performance  PDF

Energy Conservation Efforts

We are engaged in energy conservation activities, using the energy intensity index as an indicator for management. The energy intensity index for all parent manufacturing sites in fiscal 2023 was 96.3, an increase of 6.3% from the previous fiscal year. The average rate of change over the five-year period was an increase of 0.4%, which did not reach our goal of an annual average decrease of 1%.

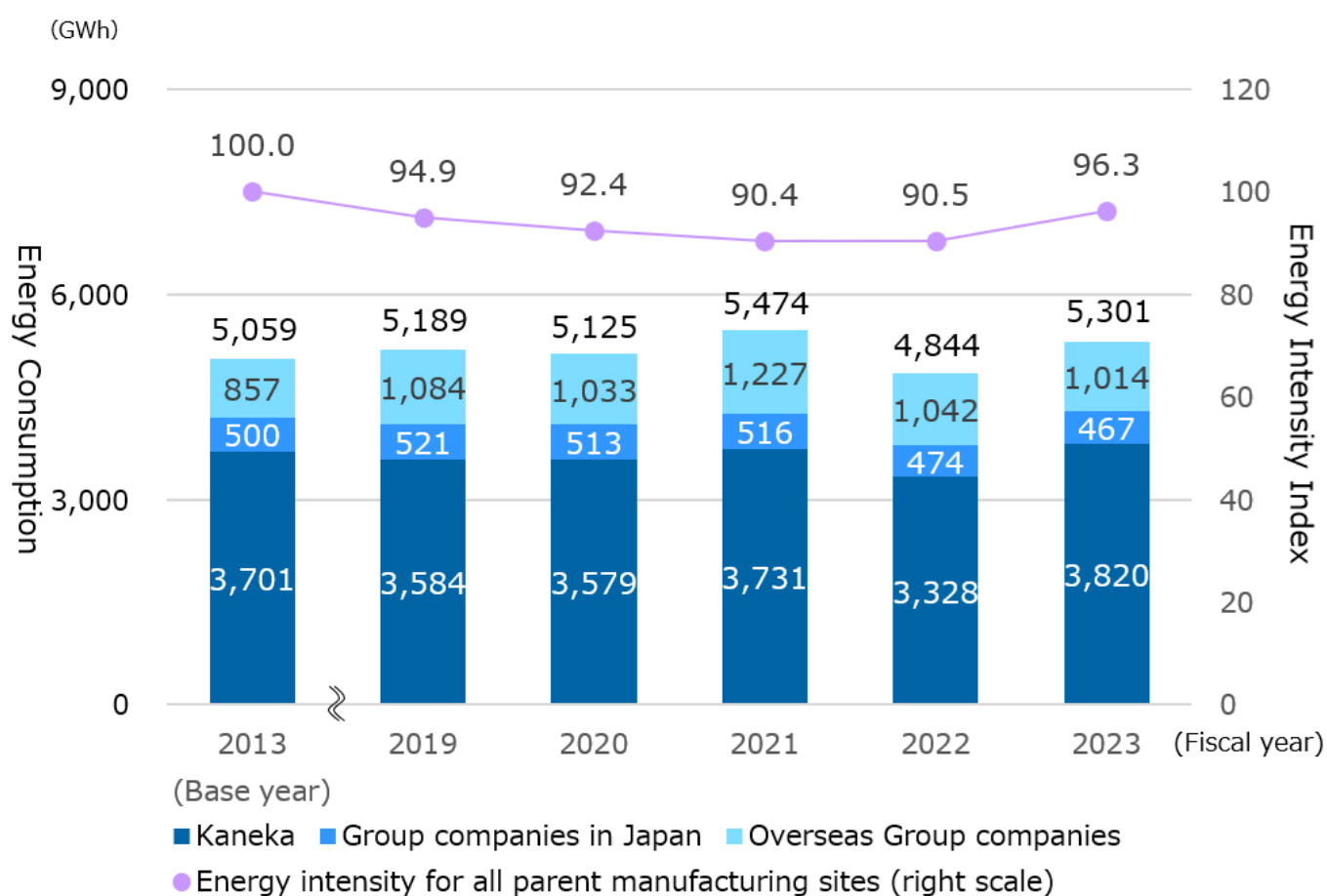
Kaneka Group used 5,301 GWh, an increase of 9.4% from the previous fiscal year, mainly due to an increase in production volume.

For details, please refer to “Calculation Methods for Data of Indicators Related to Environment”.  PDF

■ Targets and Performance/Evaluation

Fiscal 2023 target		Fiscal 2023 performance	Evaluation
Energy intensity index	Average annual reduction of 1% or more	96.3 (all parent manufacturing sites) (106.3% year-on-year change)	×
		Five-year average change rate 100.4%	×

■ Energy Consumptions and Energy Intensity Index



Actions to Reduce CO₂ Emission Intensity

We are working to reduce CO₂ emission intensity, using a CO₂ emission intensity index as an indicator for management, based on CO₂ emissions from energy consumption associated with production activities.

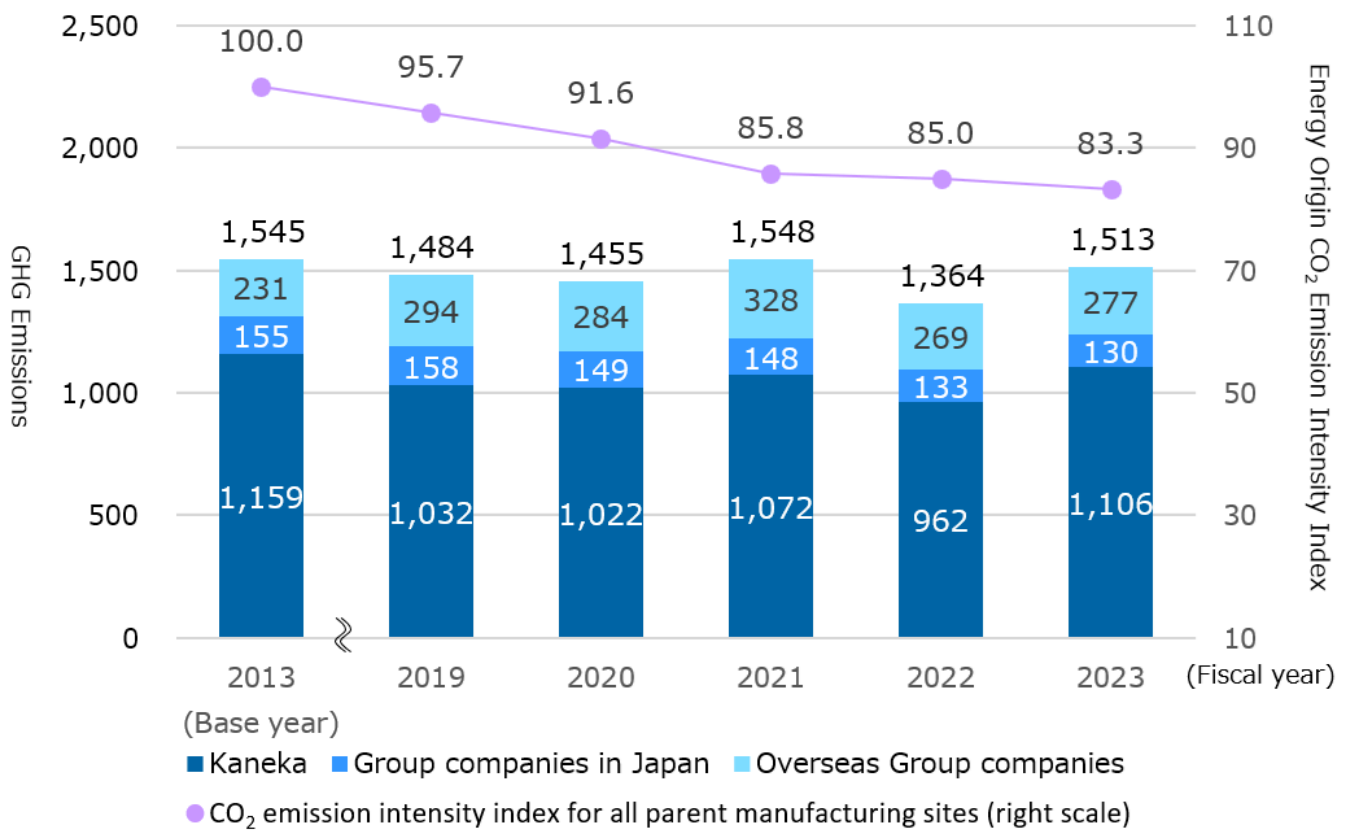
In fiscal 2023, the index for all parent manufacturing sites was 83.3, achieving our fiscal 2023 target of 90.4 (toward a fiscal 2030 target of 84.3). GHG emissions for the Kaneka Group as a whole were 1,513 thousand tons-CO₂e, up 10.9% from the previous fiscal year, due in part to increased production volume. Going forward, we will continue to take energy saving actions and, based on our strategy for carbon neutrality, will work to reduce GHG emissions by means of actions such as streamlining production processes through innovation and switching to alternative fuels.

■ Targets and Performance/Evaluation

Fiscal 2023 target		Fiscal 2023 performance	Evaluation
CO ₂ emission intensity index	Average annual reduction of 1% or more (fixed emissions factor) Estimated fiscal 2023 performance 90.4 (fiscal 2030 target 84.3)	83.3 (all parent manufacturing sites)	◎

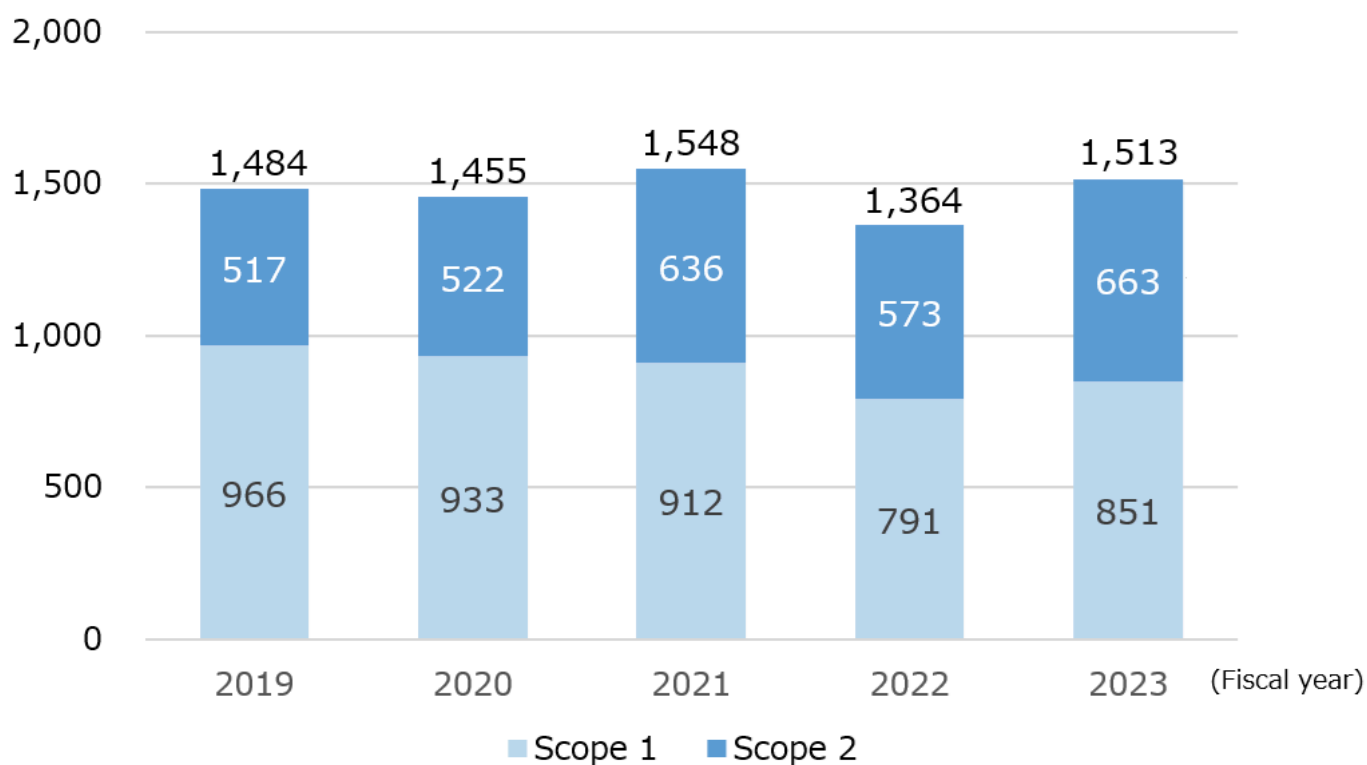
■ GHG Emissions and Energy Origin CO₂ Emission Intensity Index

(Thousand tons-CO₂e)



■ Scope 1 and 2 Emissions (Kaneka Group)

(Thousand tons-CO₂e)



■ Kaneka Group Scope 1 and 2 Emissions (Fiscal 2023)

(Thousand tons-CO₂e/year)

	Kaneka	Group companies in Japan	Overseas Group companies	Total
Scope1 direct emissions (*1)	662	64	125	851
Scope2 indirect emissions from purchased or acquired electricity, steam, heat and cooling (*2)	444	66	152	663
Total	1,106	130	277	1,513

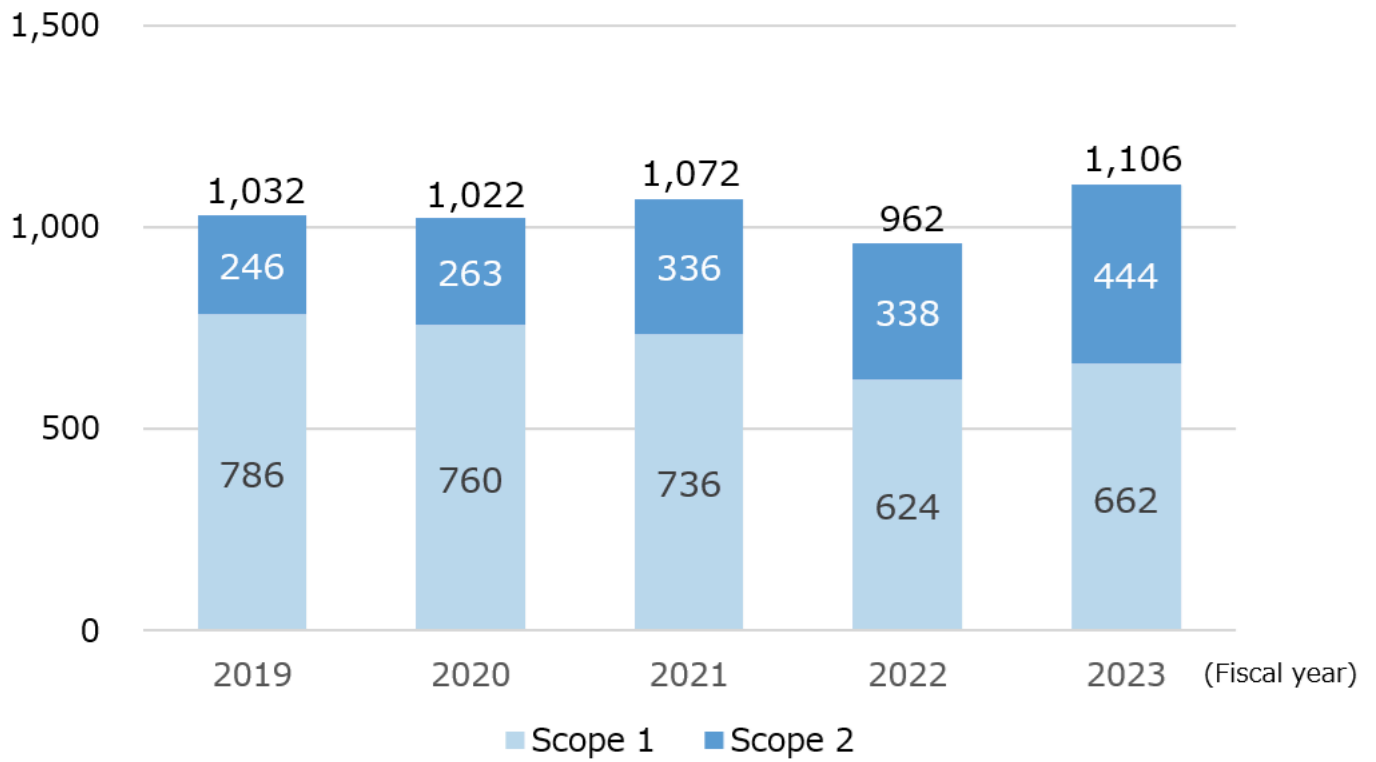
Note: Amounts reported here may not fully match, due to rounding.

*1 Non-energy CO₂ emissions and CO₂-equivalent of methane, N₂O, and NF₃ emissions are included.

*2 Scope 2 emissions calculated using the location-based method were 464 thousand tons CO₂e for Kaneka and 69 thousand tons CO₂e for Group companies in Japan. For overseas Group companies, Scope 2 emissions were the same calculated using location-based and market-based methods.

■ Scope 1 and 2 Emissions (Kaneka)

(Thousand tons-CO₂e)



GHG Emissions from Business Activities throughout the Supply Chain

We have calculated indirect GHG emissions (Scope 3) associated with our business activities through supply chains. Kaneka has thus far based its calculation of Scope 3 emissions on Kaneka, the parent company. Starting from fiscal 2022 results, we have started to calculate some categories of Scope 3 emissions on a consolidated basis. A dash (“–”) in the table indicates that data that has not been calculated.

■ Kaneka Group Scope 3 Emissions Calculated by Category (Fiscal 2023) (Thousand tons-CO₂e/year)

Category		Kaneka	Group companies in Japan	Overseas Group companies	Total
1	Purchased goods/services	1,817.0	–	–	1,817.0
2	Capital goods	49.3	22.7	29.3	101.3
3	Fuel-and energy-related activities not included in Scope 1 or Scope 2	159.1	24.9	78.9	262.9
4	Upstream transportation and distribution	20.9	–	–	20.9
5	Waste generated in operations (*3)	5.2	10.1	7.7	23.0
6	Business travel	7.3	0.5	0.4	8.2
7	Employee commuting	1.3	1.5	1.2	4.1
8	Upstream leased assets	0.0	–	–	0.0
9	Downstream transportation and distribution	(*4)	(*4)	(*4)	(*4)
10	Processing of sold products	(*4)	(*4)	(*4)	(*4)
11	Use of sold products	(*5)	(*5)	(*5)	(*5)
12	End-of-life treatment of sold products	539.3	104.6	280.3 (*6)	924.2
13	Downstream leased assets	0.02	–	–	0.02
14	Franchises	(*7)	–	–	–
15	Investments	406.3	–	–	406.3
Total of Scope 3 emissions		3,005.8	164.3	397.8	3,567.9

Note: Amounts reported here may not fully match, due to rounding.

*3 CO₂ emissions from waste transportation are not included in category 5 but are calculated in category 4.

*4 GHG emissions for this category were not calculated because we were unable to determine a rational calculation method due to the high percentage of intermediate products.

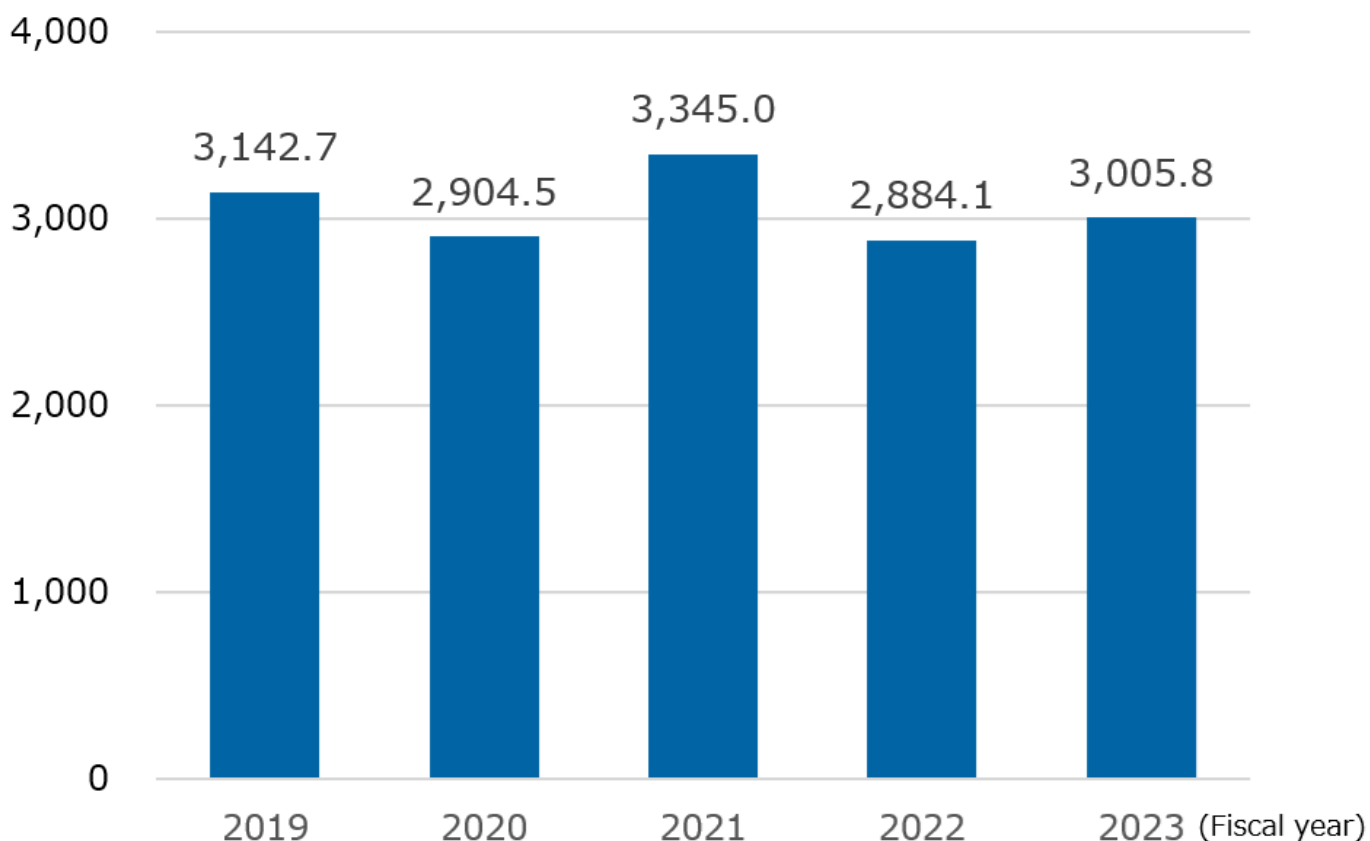
*5 Some products generate emissions when used. However, since it was confirmed that this represented less than 0.1% of total Scope 3 emissions, such emissions were excluded from the calculation range.

*6 Kaneka Medical Vietnam Co., Ltd. is not included in the calculation because its products have not been converted to weight.

*7 GHG emissions for this category were not calculated because we have no franchise stores.

■ Scope 3 Emissions (Kaneka) (*8)

(Thousand tons-CO₂e)



*8 Actual Category 5 figures for and prior to 2022 have been revised following a revision of the waste plastic processing classification and the deduction of CO₂ emissions related to waste transportation over previous fiscal years.

Investments in Energy-Efficient Facilities







To continue reducing energy intensity and CO₂ emission intensity, we are implementing our own environmental capital investment program, with an annual budget of 300 million yen (the budget was 200 million yen until fiscal 2020 but we increased it in fiscal 2021 to strengthen our climate change response). Investments are for small and medium investments that have a relatively long payback period, through activities in three areas – global warming prevention, effective use of resources, and environmental impact reduction – that are priorities in Kaneka’s environmental management program. In fiscal 2023 we continued allocating a large portion of this fund to projects that address climate change, including broader initiatives such as visualizing energy consumption. We will continue to use this investment program effectively to promote energy conservation and GHG emission reduction activities.

■ Results of Our Own Environmental Capital Investment Program

Fiscal Year	Investments (million yen)	Number	Reduced CO ₂ Emission of the Year
2019	200	29	1,227 tons-CO ₂
2020	200	27	1,010 tons-CO ₂
2021	300	36	1,757 tons-CO ₂
2022	300	30	2,319 tons-CO ₂
2023	300	38	3,692 tons-CO ₂

Eco-Friendly Products

Kaneka Group has focused on eco-friendly management since fiscal 2017. We have enhanced and expanded our lineup of eco-friendly products, which we define as products that help reduce the burden on the natural environment compared to conventional products at the customer use, disposal, and recycling stages (see the table below).

 <p>Energy Creation</p> <p>Product name VISOLA™ / SoltileX™ / GRANSOLA™</p> <p>Intended use Photovoltaic power generation systems</p> <p>Reason for environmental contribution Creating energy with houses equipped with this product</p>	 <p>Energy Storage</p> <p>Product name Residential electricity storage systems</p> <p>Intended use Residential stationary batteries</p> <p>Reason for environmental contribution Storing energy by houses equipped with this product</p>
 <p>Energy Saving</p> <p>Product name Kaneparl™</p> <p>Intended use Residential/automotive foams</p> <p>Reason for environmental contribution Saving energy as insulation and lightweight residential/automotive materials</p>	 <p>Energy Saving</p> <p>Product name Eperan™</p> <p>Intended use Automotive parts, Package cushioning materials</p> <p>Reason for environmental contribution Saving energy as lightweight automotive parts</p>
 <p>Waste Reduction</p> <p>Product name Green Planet™</p> <p>Intended use Biodegradable Polymer (straws, cutlery)</p> <p>Reason for environmental contribution A naturally derived and biodegradable resin that has little environmental impact when discarded</p>	 <p>Chemical Pollution Prevention</p> <p>Product name KANEKA Surfactin™</p> <p>Intended use Biosurfactant, Cosmetic, Cleaning agents</p> <p>Reason for environmental contribution A naturally derived and biodegradable material friendly to the environment</p>

Eco-friendly products have been defined as follows.

Type of Environmental Contribution	Qualitative Definition
GHG Reduction	Products reducing greenhouse gas (GHG) emissions
Energy Saving	Products lowering energy consumption
Energy Creation	Products creating energy
Energy Storage	Products storing energy
Waste Reduction	Products reducing waste
Resource Saving	Products achieving resource savings
Biomass	Products (derived from non-fossil materials) reducing reliance on fossil materials
Water Resources	Products saving water and improving the water environment
Chemical Pollution	Products preventing chemical pollution
Biodiversity	Products conserving biodiversity
Intermediate Materials	Intermediate materials essential to ensuring that finished products contribute to the environment
Disaster Control	Products helping disaster prevention and preparedness and reducing environmental impacts during a disaster
Adaptive Contribution	Products adapting to global warming

Energy-Efficiency Initiatives in Logistics

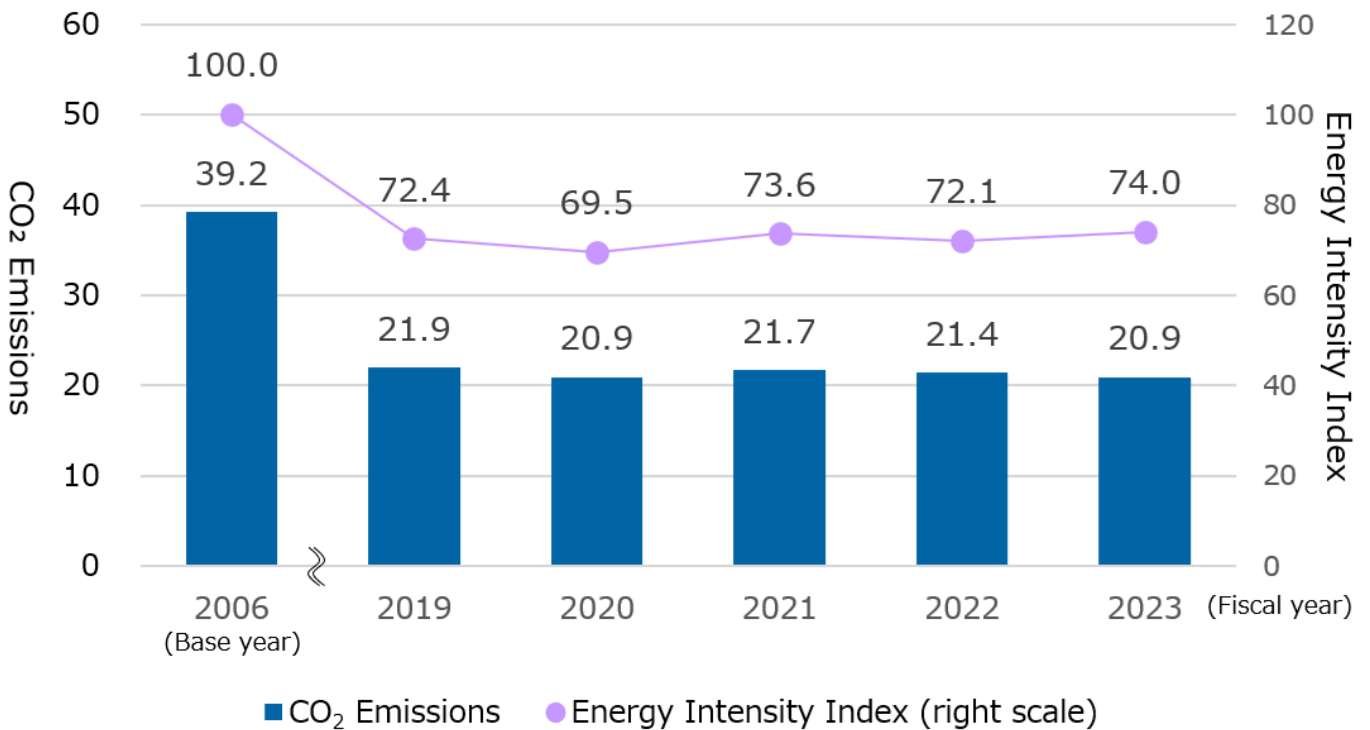
To achieve an annual 1% reduction in energy intensity and a continuation of 1% improvement in five-year average energy intensity as a specified consigner under the amended Act on Rational Use of Energy, we continued working towards implementing modal shifts, promoting joint distribution, and improving cargo load ratios.

In fiscal 2023, by continuing to implement modal shifts and making use of various subsidies, we achieved a reduction of 0.5 thousand tons in CO₂ emissions. However, due to a decrease in rail transport and a rise in the share of truckload (regional services) and small parcel deliveries, the energy intensity index increased by 1.9% compared to the previous year.

We continue to promote modal shifts, including the use of rail transport, and work on improving load ratios to enhance transportation efficiency as we strive to reduce our CO₂ emissions.

CO₂ Emissions and Energy Intensity Index from Logistics (Kaneka)

(Thousand tons-CO₂e)



Response to the Fluorocarbons Emission Control Law

Complying with the Act on Rational Use and Proper Management of Fluorocarbons in Japan, we are promoting the replacement of aging equipment that use specified fluorocarbons as well as strengthening our management of equipment.

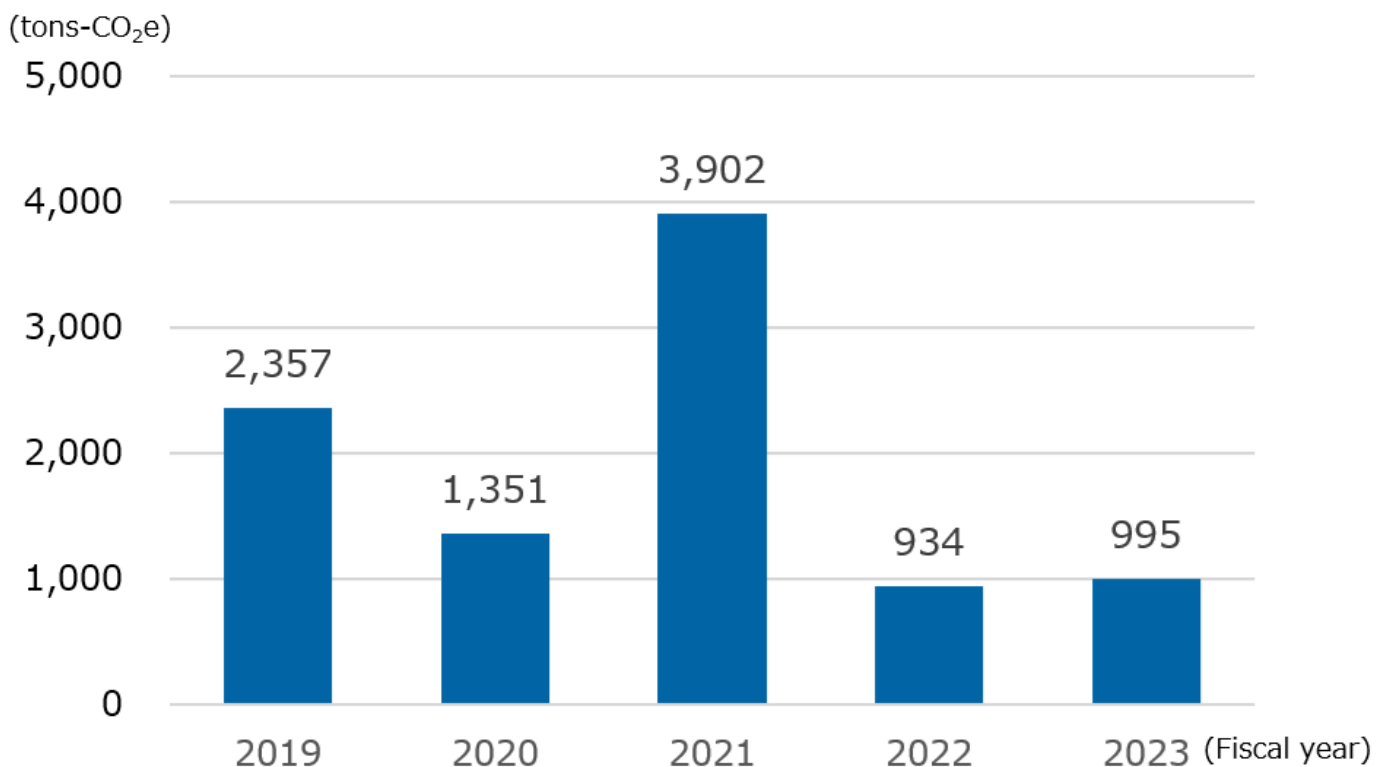
The estimated leakage of fluorocarbons in fiscal 2023 at Kaneka was 995 tons-CO₂e. While this marked an increase of 61 tons-CO₂e from the previous year, we met our target for reducing the estimated leakage of fluorocarbons to 1,000 tons-CO₂e or less for the second consecutive year. At Group companies in Japan, there were no estimated leakage of fluorocarbons exceeding 1,000 tons-CO₂e. We will continue to systematically update aging equipment, selecting equipment with low global warming potential (*9) and green refrigerant. We will also reduce the leakage of fluorocarbons by inspecting equipment to detect and eliminate fluorocarbon leaks at an early stage.

These initiatives and information dissemination have been recognized with an A rating in the Fluorocarbon Countermeasure Rating 2023 by the Japan Refrigerants and Environment Conservation Organization (JRECO) (*10). We have been awarded an A rating for three consecutive years in the organization's compliance status survey for the Act on Rational Use and Proper Management of Fluorocarbons.

*9 Global warming potential is a figure that shows, on the basis of carbon dioxide, how other greenhouse gases have the property of causing global warming.

*10 This survey evaluates whether companies understand and recognize the Act on Rational Use and Proper Management of Fluorocarbons, and whether they are taking action and disseminating information. The Japan Refrigerants and Environment Conservation Organization (JRECO) conducts an online search of each company's integrated reports and sustainability reports, comprehensively assesses their efforts regarding fluorocarbons, and annually announces the Fluorocarbon Countermeasure Rating.

■ Estimated Leakage of Fluorocarbons (Kaneka)



Environment

Preventing Pollution and Managing Chemical Substances

We are working for the prevention of air and water pollution, the appropriate management of toxic chemical substances, and the reduction of related emissions.

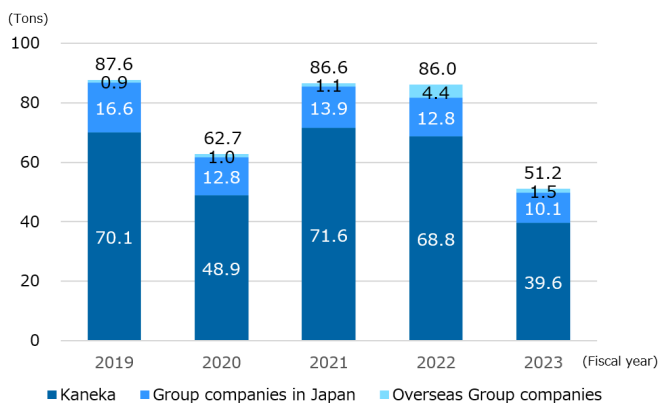
Preventing Air Pollution

Our production activities comply with the standards stipulated in the Air Pollution Control Act as well as the criteria in agreements with local governments.

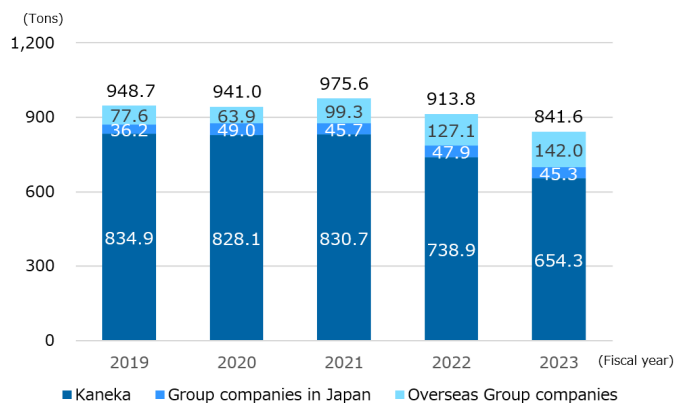
Regarding the atmosphere, SOx, NOx, and soot and dust emissions from all parent manufacturing sites decreased in fiscal 2023 from the previous fiscal year. This was mainly due to the effect of reducing coal used in the boilers.

Note: Amounts reported here may not fully match, due to rounding.

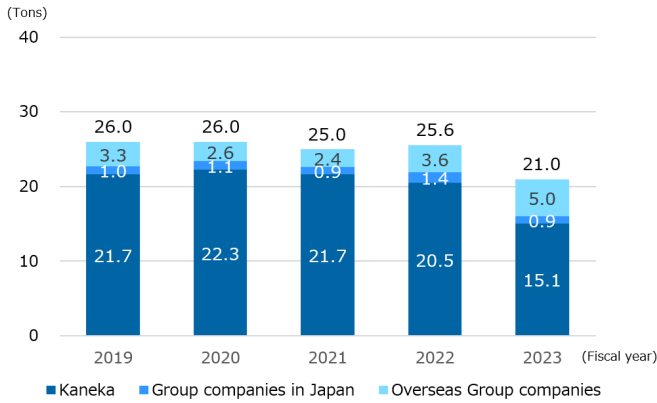
SOx Emissions



NOx Emissions



Soot and Dust Emissions



Water Conservation

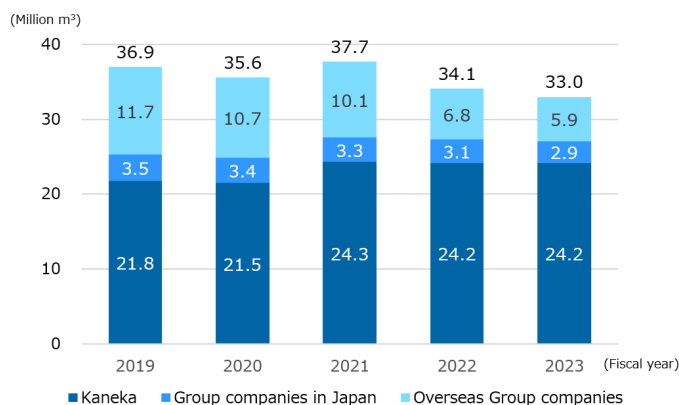
Our production activities comply with the standards stipulated in the Water Pollution Control Act as well as the criteria in agreements with local governments.

In fiscal 2023, Kaneka Group consumed 33.0 million m³ of water and discharged 29.8 million m³ of water. We monitor the amount of water intake and strive to use water efficiently. To prevent water pollution, we aim to maintain and improve the quality of wastewater discharged into public water bodies.

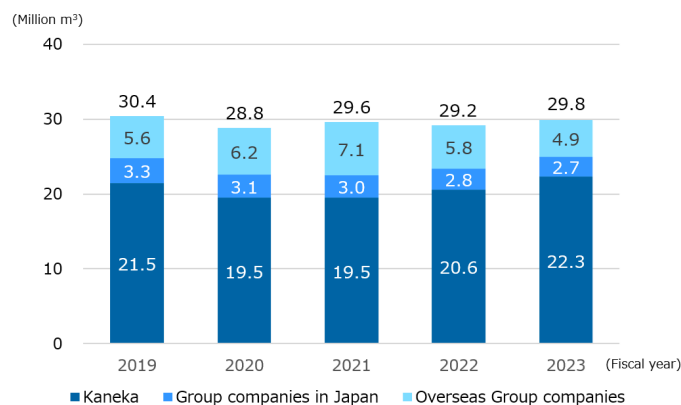
To promote water conservation, we monitor our intake of water and take care to use it efficiently. To conduct water risk assessments for each Kaneka Group site and the bases of Group companies in Japan and overseas, we used an assessment tool (Aqueduct Water Risk Atlas) to identify areas with high water stress and, based on the proportion of water intake from water-stressed areas to total water intake, and confirmed that Kaneka Group as a whole does not face high water risks. Going forward, we will expand the scope of the assessment targets in terms of geographical location and time, and prioritize and implement measures based on results of the assessment.

Note: Amounts reported here may not fully match, due to rounding.

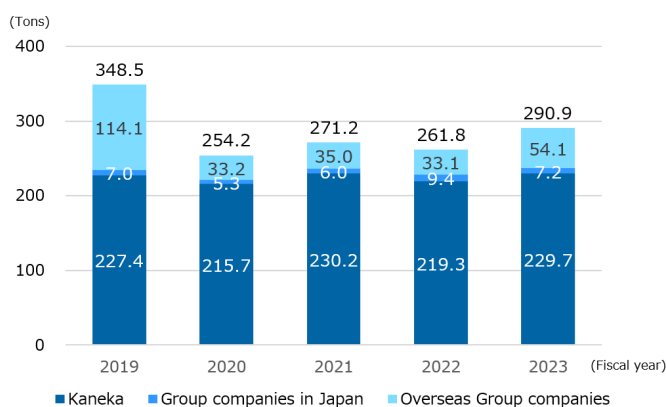
Water Consumption (*1)



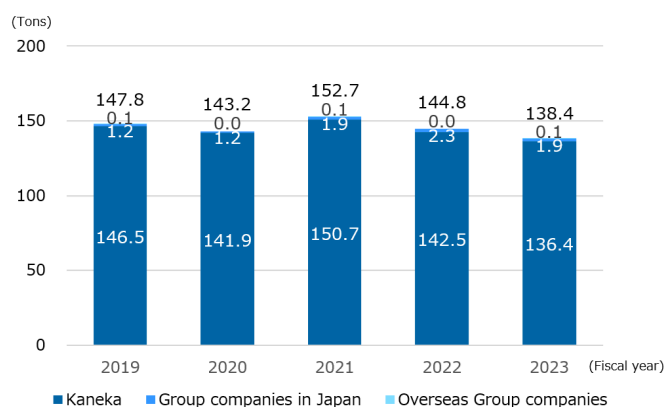
Wastewater Discharges (*1)



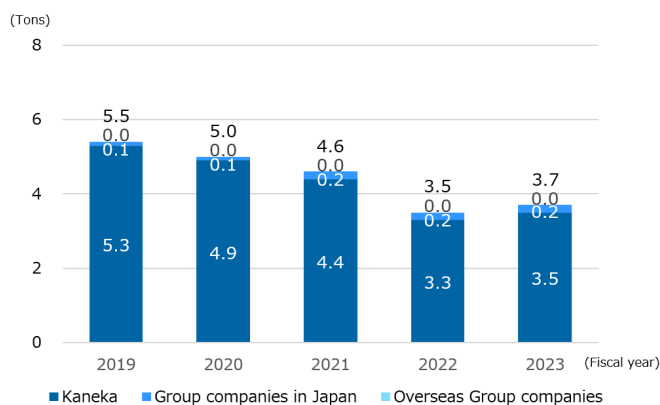
Chemical Oxygen Demand in Wastewater (*1) (*2)



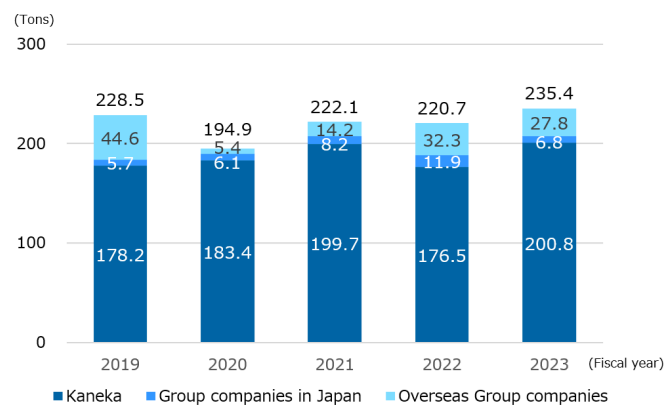
Nitrogen in Wastewater (*1) (*2)



Phosphorus in Wastewater (*1) (*2)



Suspended Solids in Wastewater (*1) (*2)



*1 Our water consumptions and wastewater volume include those generated from non-manufacturing facilities other than the plant department.

*2 Starting from the fiscal 2023 results, overseas Group companies are subject to third-party assurance. A review of data for and prior to fiscal 2022 revealed input errors, etc. The actual values have therefore been revised.

Volatile Organic Compounds Emission Reductions

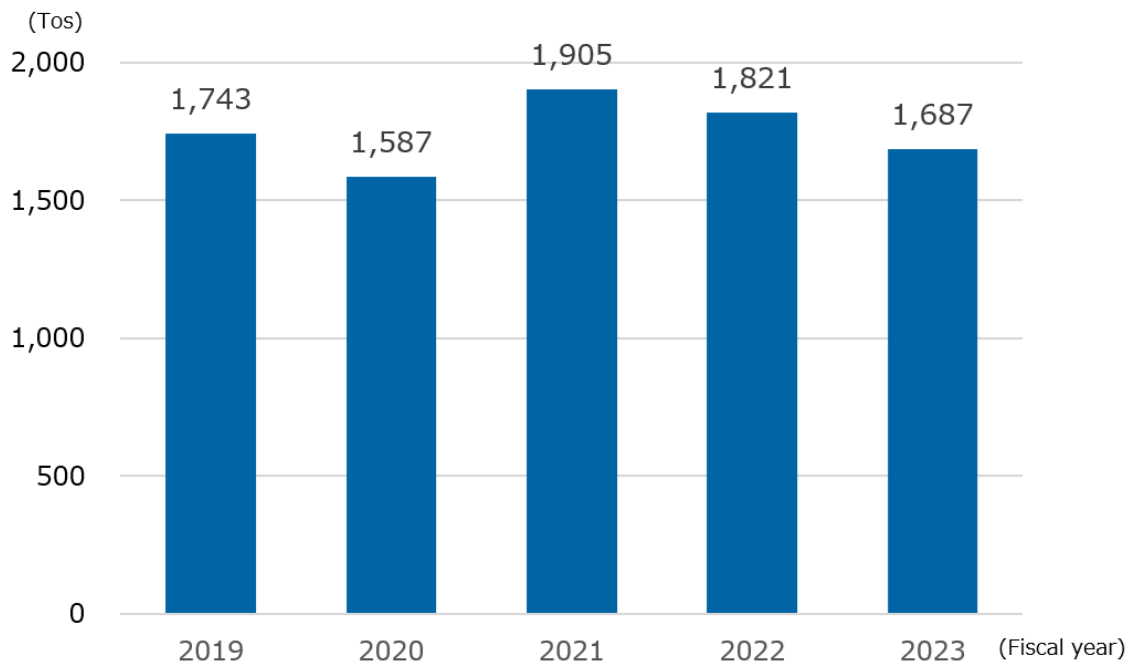
We are committed to reducing the emission of VOCs (*3), which are known to cause photochemical smog. In fiscal 2015, we at Kaneka set the goal of controlling VOC emissions to below 1,800 tons.

In fiscal 2023, VOC emissions totaled 1,687 tons, a reduction of 7.3% from the previous fiscal year, achieving our

target. To reduce VOC emissions, we are focusing on improving the recovery rate of acetone, which accounts for 45% of VOC emissions, by increasing refrigeration capacity through refrigeration equipment upgrades. We will continue our efforts to manage and reduce VOC emissions.

*3 Volatile Organic Compounds (VOCs) are organic chemical substances that cause suspended particulate matter and photochemical oxidants.

■ VOC Emissions (Kaneka)

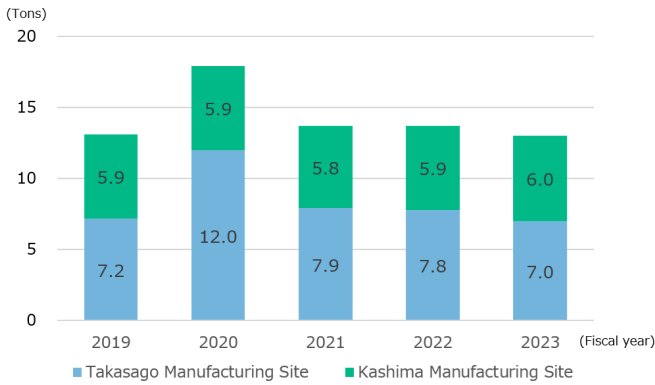


Hazardous Atmospheric Pollutants

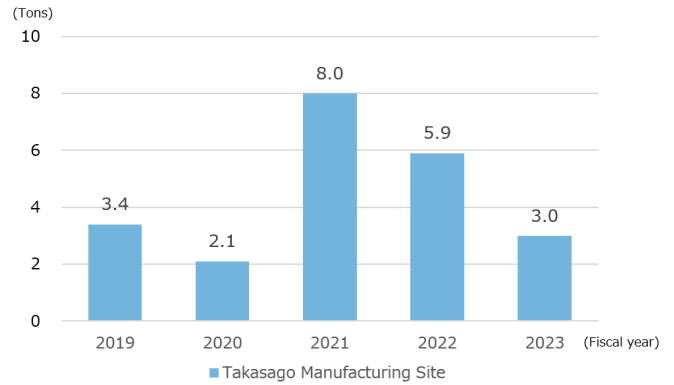
Kaneka is voluntarily aiming to reduce emissions of hazardous atmospheric pollutants (shown by manufacturing site in the following graphs). Total emissions of these six pollutants in fiscal 2023 were 18.6 tons, representing a 22.8% decrease from the previous year's 24.1 tons.

The decrease in emissions was due to two main factors: a temporary increase in 1,2-dichloroethane emissions due to equipment malfunctions in the previous year, which was resolved through equipment improvements; and a reduction in dichloromethane handling volume due to decreased production. At the Takasago Manufacturing Site, we are strengthening facility management to curb emissions of these hazardous air pollutants. We will continue our efforts to control emissions and reduce environmental impact.

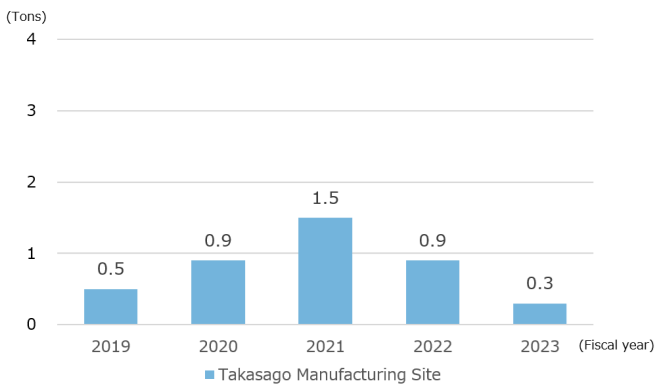
Chloroethylene Emissions



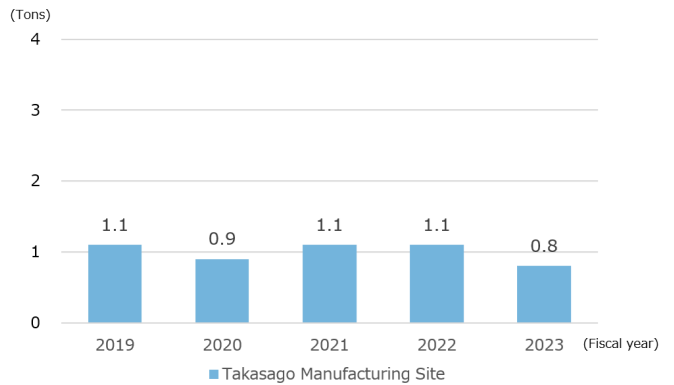
1,2-Dichloroethane Emissions



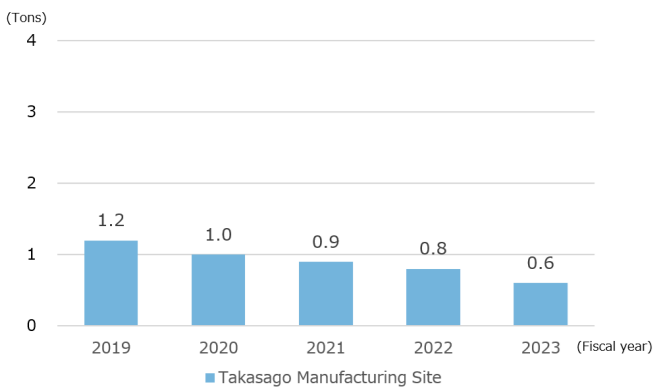
Chloroform Emissions



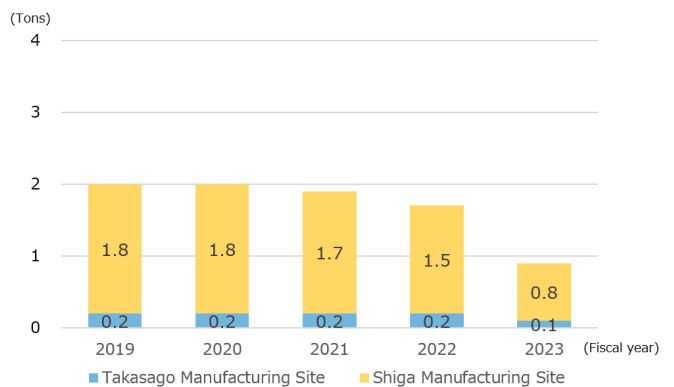
Acrylonitrile Emissions



1,3-Butadiene Emissions



Dichloromethane Emissions



Substances Subject to the PRTR Law

Based on the Act on the Assessment of Releases of Specified Chemical Substances in the Environment and the Promotion of Management Improvement (PRTR Law), we calculate the release and transfer amount of chemical substances subject to the law.

Due to amendments in the PRTR Law, the list of substances subject to reporting has changed. As a result, 13 substances at Kaneka and five substances at our Group companies in Japan are now newly subject to reporting. Among these, the substances that significantly impacted the increase in emissions were tetrahydrofuran, ethylenediaminetetraacetic acid and sodium salts, salt of alkyl (benzyl) (dimethyl) ammonium, and cyclohexane.

■ Kaneka Emissions Subject to the PRTR Law

(Kilograms)

	JPSN (Japan PRTR-SDS Number)	Chemical Substances	Fiscal 2023					Fiscal 2022	
			Emissions					Transferred	Emissions
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soil	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	392	Hexane	20,699	0	0	0	20,699	108,062	24,336
	595	Ethylenediaminetetraacetic acid and its potassium and sodium salts	0	19,521	0	0	19,521	1,136	-
	134	Vinyl acetate	13,949	308	0	0	14,257	0	6,486
	94	Chloroethylene (synonym: Vinyl chloride)	12,974	659	0	0	13,632	954	14,192
	275	Sodium dodecyl sulfate	0	8,504	0	0	8,504	0	8,479
	420	Methyl methacrylate	4,983	41	0	0	5,024	2	5,258
	674	Tetrahydrofuran	3,650	0	0	0	3,650	6,181	-
	232	N,N-Dimethylformamide	2,276	1,142	0	0	3,418	216,231	3,185
	7	Butyl acrylate	3,312	1	0	0	3,313	2,881	3,306
	123	3-Chloropropene (synonym: Allyl chloride)	3,252	0	0	0	3,252	0	2,827
Total Other than the 10 Substances Above			14,090	5,254	0	0	19,344	154,789	24,979
Grand Total for All Substances			79,184	35,429	0	0	114,613	490,235	93,048

Note: Of the 515 substances subject to the PRTR Law, Kaneka reports about 61 items.
Amounts reported here may not fully match, due to rounding.

■ Group Companies in Japan Emissions Subject to the PRTR Law

(Kilograms)

	JPSN(Japan PRTR-SDS Number)	Chemical Substances	Fiscal 2023					Fiscal 2022	
			Emissions					Transferred	Emissions
			Atmospheric Emissions	Discharges into Public Waterways	Discharges into Soil	Internal Landfill	Total	Total	Total
Large Discharges of 10 Substances	232	N,N-Dimethylformamide	35,040	0	0	0	35,040	17,659	41,111
	300	Toluene	26,924	0	0	0	26,924	745,322	19,763
	691	Trimethylbenzene	2,805	0	0	0	2,805	0	2,696
	80	Xylene	2,619	0	0	0	2,619	0	2,517
	186	Dichloromethane (synonym: Methylene chloride)	2,528	0	0	0	2,528	38,372	7,336
	127	Chloroform	500	0	0	0	500	5,750	50
	392	Hexane	470	0	0	0	470	8,350	240
	355	Bis(2-ethylhexyl) phthalate	313	32	0	0	345	242,719	522
	56	Ethylene oxide	196	0	0	0	196	0	700
	438	Methylnaphthalene	72	0	0	0	72	0	74
Total Other than the 10 Substances Above			6	6	0	0	12	22,258	518
Grand Total for All Substances			71,472	38	0	0	71,509	1,080,430	75,527

Note: Of the 515 substances subject to the PRTR Law, Group companies in Japan reports about 31 items. Amounts reported here may not fully match, due to rounding.

CHECK & ACT

We are working to reduce environmental impacts on air and water quality and ensure rapid response to any abnormality.

Environment

Reducing Waste and Recycling Resources

To make effective use of limited resources, we seek to reduce and recycle industrial waste from our operations through the 3Rs (*1). We are also working toward achieving zero emissions (*2) at Kaneka and Group companies in Japan. In addition, we are working to use our resources effectively based on our target of improving the resource recycling rate (*3) for the Kaneka Group by 1% each year.

*1 3Rs refers to reduce, reuse and recycle.

*2 Zero emission definition by Kaneka: The final landfill waste must be less than 0.5% of the generated waste.

*3 Recycling rate: Volume of generated industrial waste that is recycled (total figure for industrial waste that is subject to reuse, recycling or heat recovery).

Reducing Industrial Waste Sent to Final Landfill and Increasing Recycling Rate

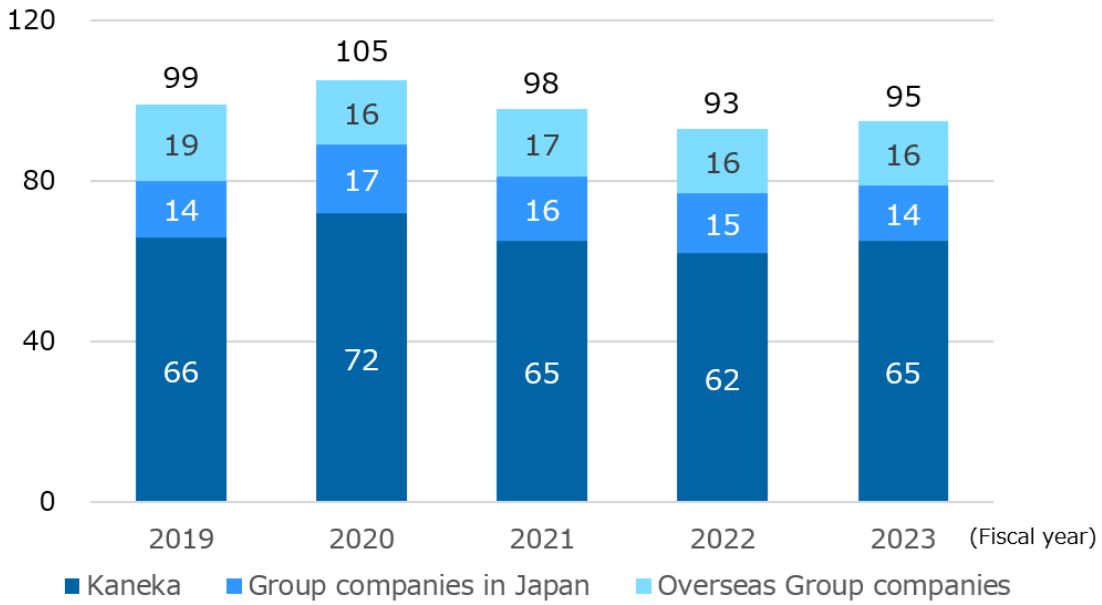
In fiscal 2023, Kaneka Group generated 95,411 tons of waste, an increase of 2,319 from the previous fiscal year. Although coal usage decreased from the previous year, the increase in soot and dust generation was mainly due to the use of coal with a high ash content.

Kaneka's final landfill volume was 11,549 tons in fiscal 1996. In fiscal 2023, it had decreased substantially to 59.9 tons. The final landfill rate was 16.33% in fiscal 1996, but dropped to 0.092% in fiscal 2023, marking 17 consecutive years of zero emissions for Kaneka. Additionally, with the final landfill rate for Kaneka and Group companies in Japan at 0.39%, we have achieved zero emissions.

In fiscal 2023, Kaneka Group used external recycling of 54,567 tons of waste. The recycling rate of waste for the Kaneka Group improved 0.4% from fiscal 2022 to 57.2%.

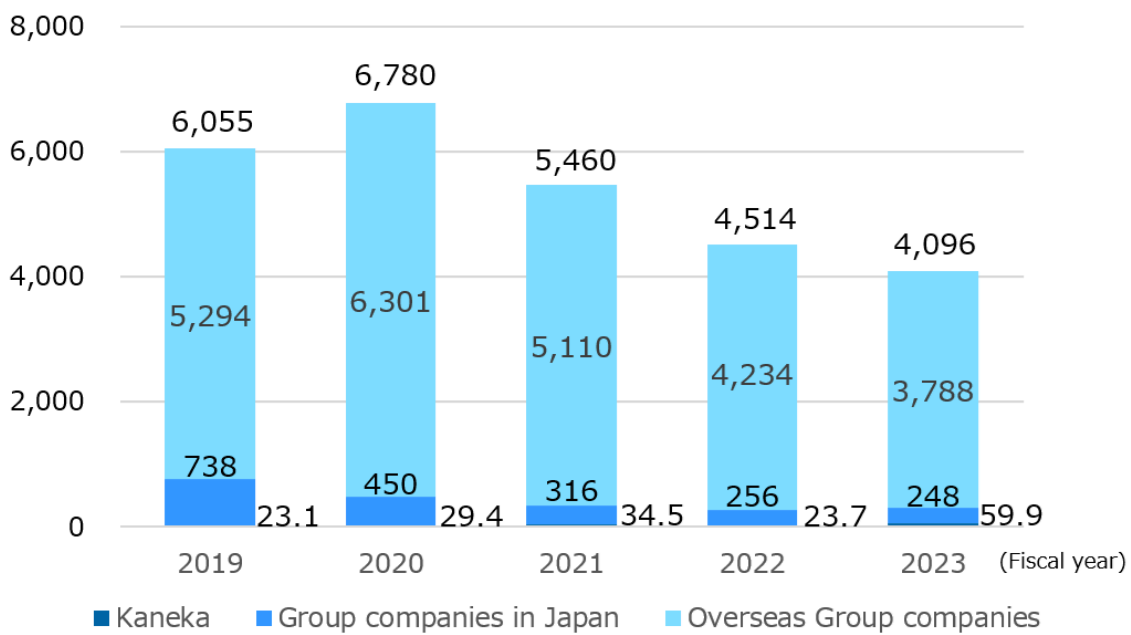
■ Waste Generated

(Thousand tons)

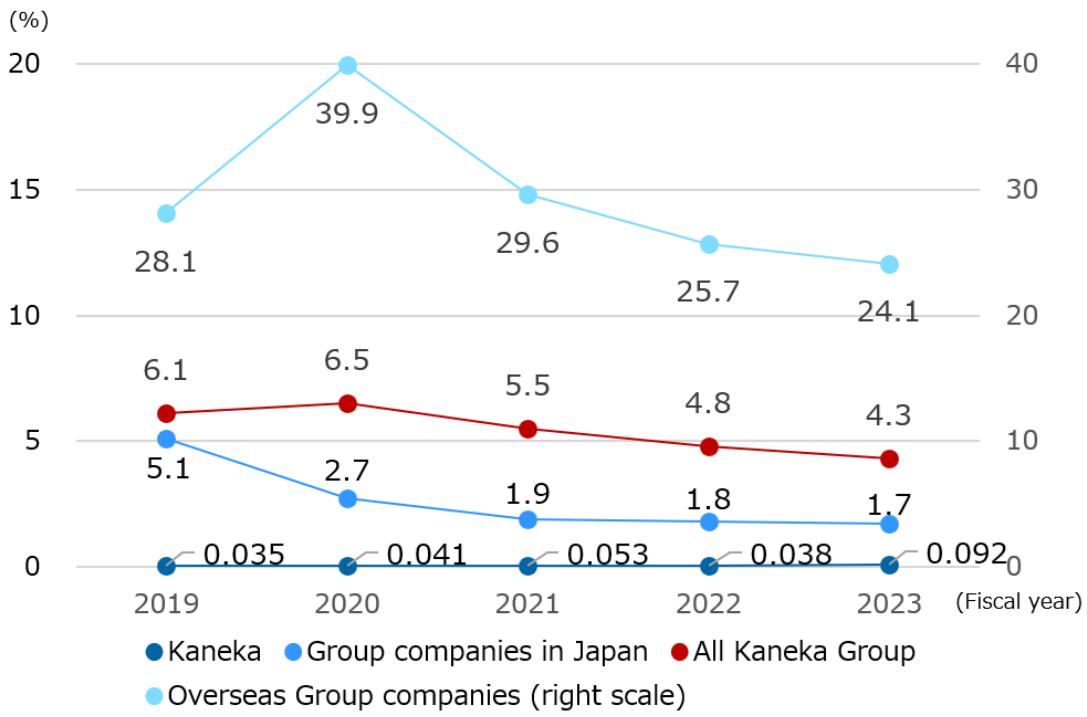


■ Volume of Waste Sent to Final Landfill

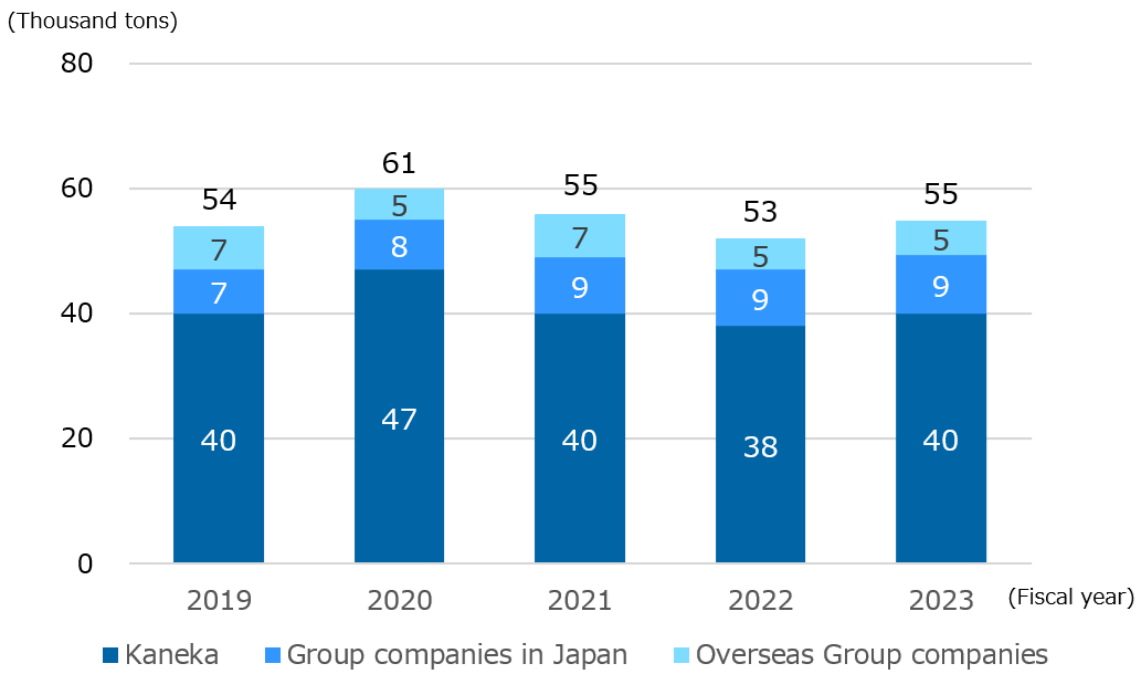
(Tons)



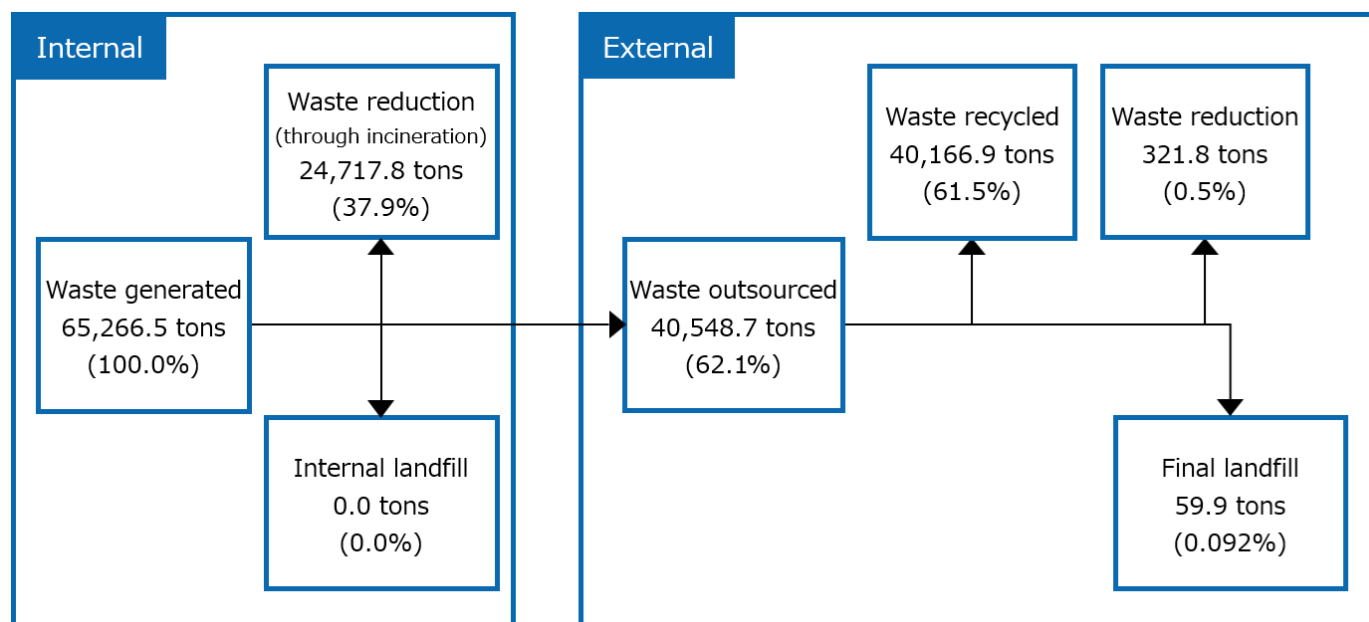
■ Rate of Waste Sent to Final Landfill



■ External Recycling



■ Waste Flow: From Generation to Landfill (Fiscal 2023 results at Kaneka)



Proper Disposal of Industrial Waste

We regularly visited waste disposal subcontractors and conducted surveys based on a checklist to ensure that waste was being properly processed by waste disposal subcontractors.

Response to the Plastic Resource Circulation Act

Status of Plastic Waste Generation and Reduction Targets

The amount of plastic waste generated, which was disposed of by outsourcing it as industrial waste was 1,715.8 tons at Kaneka (a 1.5% decrease from the previous year), 2,556.9 tons at Group companies in Japan (an 8.2% decrease from the previous year), and 4,272.7 tons on a consolidated basis in Japan (a 5.7% decrease from the previous year). Kaneka is working to reduce emissions and improve recycling rates with an initial goal of reducing the amount of plastic waste generated by 1% per year.

■ Status of Plastic Waste Generation (Fiscal 2023)

(Tons)

	Waste generated	Waste recycled	Waste incinerated	Landfill	Recycling rate (%)
Kaneka	1,715.8	1,572.6	114.2	29.0	91.7
Group companies in Japan	2,556.9	2,297.2	188.1	71.5	89.8
Total	4,272.7	3,869.9	302.4	100.5	90.6

Promotion of the 3Rs

We are taking actions across the company to reduce waste, recognizing that this ties into the maintaining and improving the natural environment in terms of saving resources, cutting costs, and reducing CO₂ emissions, among other benefits.

Kaneka and Group companies in Japan are pursuing activities to reduce waste and recycle materials, mainly through a 3R approach at our various production facilities. We also facilitate continuous improvement activities through process analysis at Group companies in Japan using Material Flow Cost Accounting (MFCA).

3R Initiatives

Initiatives by Kaneka

We are continuously working on several initiatives to curb plastic waste emissions: (1) stabilizing manufacturing processes to improve yield; (2) process recycling of waste generated in manufacturing processes; (3) Reduction of emissions by reviewing the use of unnecessary plastic materials (4) examining measures to prevent scale generation during plastic manufacturing; and (5) thorough sorting to recycle plastic waste. We are also working to reduce waste by converting plastic waste into valuable materials and to recycling plastic waste that would otherwise be outsourced for incineration.

Initiatives by Group Companies in Japan

Group companies in Japan are actively working to reduce plastic waste emissions through several initiatives: (1) reusing packaging materials used within processes, (2) preparing the appropriate amount of packaging materials to minimize waste, (3) reducing defective products (plastic waste) by improving yield, (4) reusing scrap generated during manufacturing, (5) reviewing raw material containers, and (6) ensuring thorough sorting to recycle plastic waste.

CHECK & ACT

For industrial waste, we will control waste generation to increase the recycling rate of waste from our operations at home and abroad.

Environment

Biodiversity

Considering the impacts of our businesses on ecosystems, we at Kaneka strive to develop technologies, materials and products that have less environmental impacts, as well as to mitigate the environmental impacts of our production. As part of our corporate social responsibility efforts, we also collaborate with stakeholders outside the company in biodiversity conservation activities.

Participation in Biodiversity Activities

- Keidanren Initiative for Biodiversity Conservation
- Japan Business and Biodiversity Partnership

Takasago Manufacturing Site “Kaneka Forestry for the Future”

At the Takasago Manufacturing Site, we have been engaged since 2012 in the “Kaneka Forest for the Future” project to conserve satoyama—woodlands that border farmland—in Taka, Hyogo Prefecture. These woodlands lie upstream of the Kakogawa River, the site’s water source. Activities were suspended during the COVID-19 pandemic but resumed in June 2024.

Under the slogan “Enriching the heart with the green of the forest,” we work with local residents, partner groups, and employees to promote harmony between people and forests, protect biodiversity, and carry clean water to the Harima-nada Sea to help sustain a healthy marine environment.

We will continue to raise environmental awareness and engage in activities to protect satoyama landscapes.

Osaka Manufacturing Site “Settsu-no-mori Kaneka Biotope”

Since 2012, we have operated the Settsu-no-mori Kaneka Biotope(*) on the premises of the Osaka Manufacturing Site in collaboration with the Settsu Firefly Society, to create a firefly habitat in Settsu City.

Along with the appearance of fireflies in May and June, we open the Osaka Manufacturing Site to the public for a firefly viewing gathering. Since 2017, as the yearly kickoff event of this gathering, we have held an ensemble concert

by the Japan Century Symphony Orchestra at the site.

We will continue our activities as a plant open to the local community.

* Biotope: A compound word from the Greek “bios” (life) and “topos” (place). The concept, introduced to Japan from Germany, refers to a restored habitat for wildlife.

The photo shows the activity in the May 2023.



Entrance to “Settsu-no-mori Kaneka Biotop”



Firefly viewing gathering



Firefly Evening Concert

Shiga Manufacturing Site “Walnut School”

Employees at the Shiga Manufacturing Site have joined the Walnut School’s efforts to conserve the Konooka Biotop, a precious natural environment of Lake Biwa, as a steering committee member.

The Walnut School consists of members of local residents’ associations, including Shiga Prefecture, Otsu City, and the Shiga Manufacturing Site. We participated in its summer and autumn nature observation gatherings and regular activities, such as grass mowing, sidewalk maintenance, the updating of tree signs and so on.

The natural observation gatherings provide valuable learning opportunities for children to observe rare plants, wild birds, and insects in the biotope and to understand its importance.

We will continue to contribute to the conservation of the beautiful natural environment of Lake Biwa.



Safety

Management Approach

Basic Policy

Placing the top priority for management on safety, we have established the Basic Policy on Safety, under which all employees as well as all persons working at the Kaneka Group and our partner companies work to create safe and healthy workplaces, pursuing the goal of no accidents and no disasters.

Policy

Basic Policies for Responsible Care

- 1. Protect the natural ecosystem and reduce environmental impact**
Focusing on the impact of corporate activities on the global environment and the ecosystem, we endeavor to reduce environmental impact and promote resource conservation and energy saving throughout the lifecycle of products.
- 2. Offer safe products and information**
We endeavor to offer products that are safe to distribute and use, and to provide adequate information on the products such as instructions on how to use and handle products correctly.
- 3. Develop products and technologies in consideration of the environment and safety**
Upon the development of new products, we give consideration to the environment and safety throughout the lifecycle of the products to the greatest extent possible, and endeavor to develop products and technologies with low environmental impact.
- 4. Reduce waste and promote the recycling of plastics**
We reduce waste associated with manufacturing and its processes. We actively develop technologies for the adequate disposal or recycling of plastic waste concerning our products in cooperation with relevant industries, and endeavor to dispose of and recycle waste in a proper manner.
- 5. Enhance process safety, disaster-prevention, and occupational safety and health**
Safety and disaster prevention constitute the foundations of the local community's trust, and occupational health and safety are issues that need to be fulfilled by chemical companies. We persistently strive to make improvements in these areas.

6. Win public confidence

From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public recognition and confidence.

Promotion System

Established under the Engine of Sustainability Management, the Safety Committee sets policies and goals related to occupational safety, process safety, and disaster prevention and to check their implementation and progress.

As set out in our Basic Safety Policies, our Zero Accident Principles, and Kaneka Group Code of Conduct, we prioritize safety above all else, observe the principles of safety, and work to ensure that safe practice is taken on board and strictly adhered to. In this way we seek to guarantee safety and peace of mind through stable day-to-day manufacturing operations.

A member of management makes in-person visits to manufacturing sites to confirm the situation on the ground and talk with employees, reaffirming the importance of placing top priority on safety. In his greetings at New Year and on the yearly anniversary of our foundation, the president also delivers a related message directly to employees.

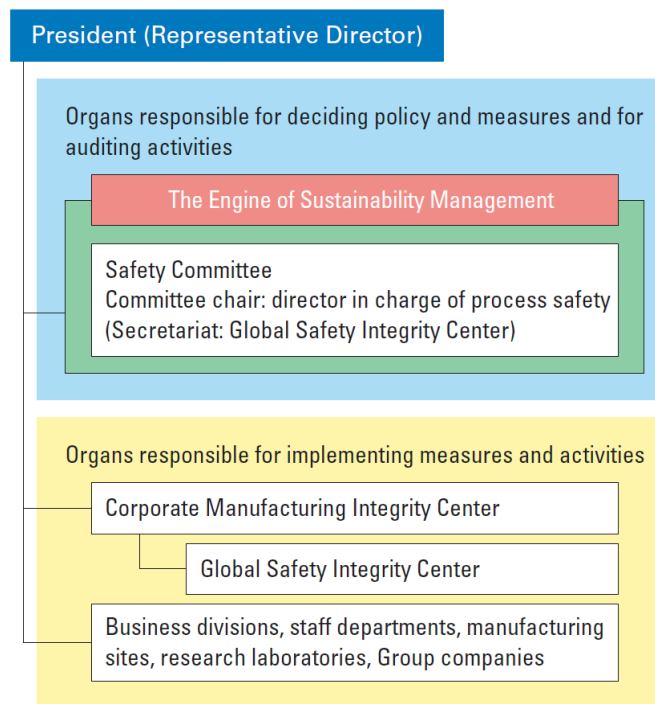
Message from the President (2024 Anniversary of our foundation)

Kaneka has built up trust by steadily supplying valuable products. Manufacturing is a fundamental value, serving as a cornerstone of trust. The stable operation of manufacturing sites begins with ensuring safety. Workplaces are hazardous places, where even a moment's carelessness can lead to a major accident. Always keep this in mind as you maintain a sense of urgency about ensuring a safe workplace.

Continuing to make steady efforts to deliver stable value to customers is a vital mission for Kaneka.

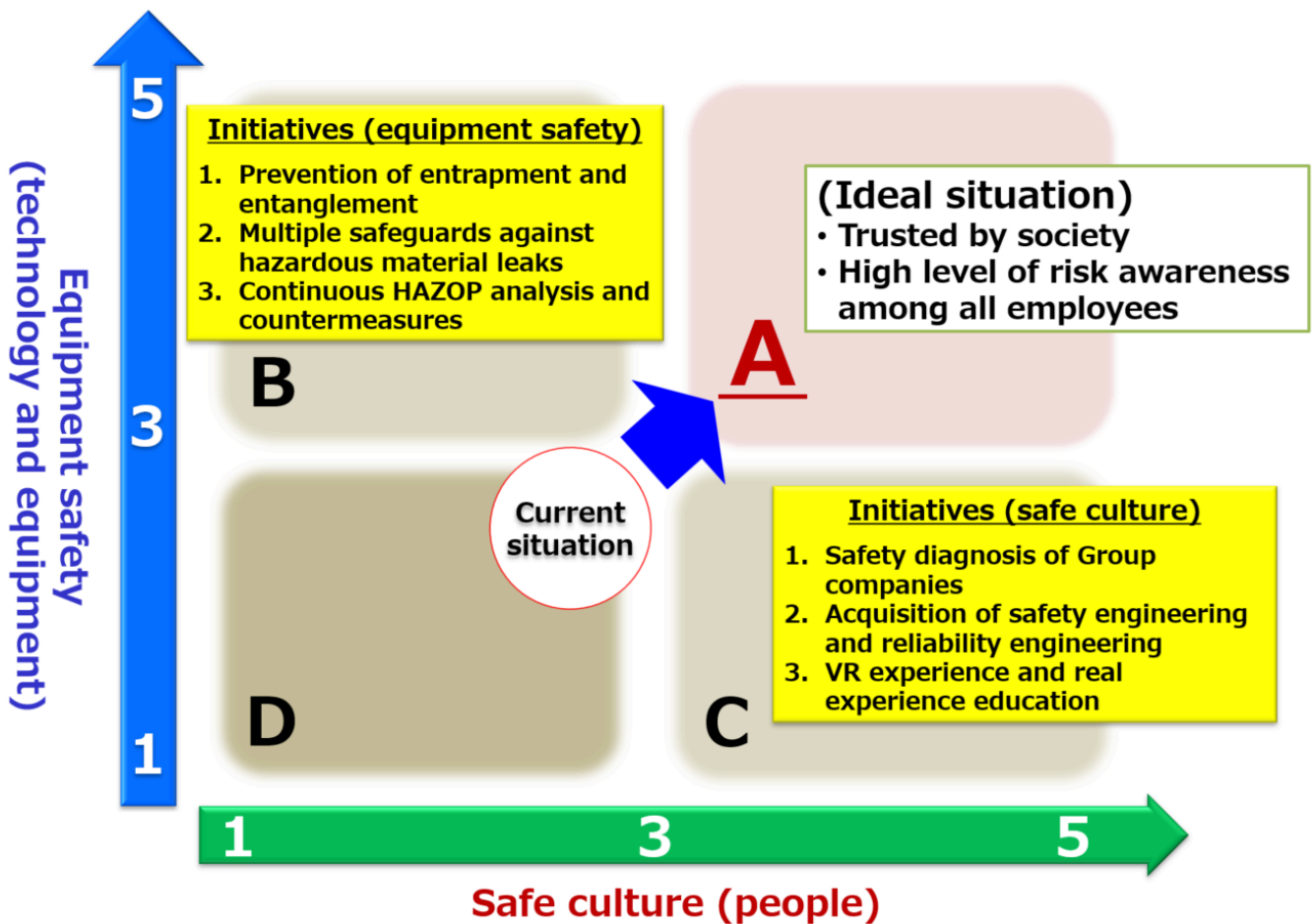
As part of our internal audits, we conduct ESG safety and quality inspections of all Kaneka manufacturing sites and Group companies in Japan and overseas. We check the progress of activities from various standpoints: occupational safety and health, process safety and disaster prevention, environmental conservation, the quality assurance of products at various stages of manufacture, chemical substance management, and compliance.

■ Diagram of Promotion System



Ensuring Safety at Our Manufacturing Sites

All employees of the Kaneka Group prioritize safety in their actions, working toward our goal of zero occupational accidents and zero process accidents. With a dual focus on safe culture and equipment safety, we strive to earn the trust of society, maintain a high level of risk awareness among all, and ensure safety at our manufacturing sites.



Safe culture (people)

- Promotion of safety awareness: Plant tours by the president, safety training for plant managers by external experts, and safety education for production supervisors.
- Enhancing risk sensitivity: Visualization of individual fall risk levels and promotion of experiential learning.
- Enhancing security capabilities: Conducted a simplified security capability assessment (*1) at three domestic Group companies. Identified safety-related vulnerabilities and developed improvement plans to enhance security capabilities.

*1 Safety capability simplified diagnosis: A method developed by the NPO Japan Industrial Safety Competency Center, commissioned by the Ministry of Economy, Trade and Industry, to assess safety capability—including safety culture and safety infrastructure. The assessment involves pre-surveys and analysis, on-site inspections, and interviews across different organizational levels.

Equipment safety (Technology and equipment)

- Improving equipment safety: Continuously promote risk assessment and equipment improvements through HAZOP (*2).
- Plant safety standards: Continuation of the development of plant safety standards aimed at passing down unique safety technologies.

*2 HAZOP (Hazard and Operability Studies): A safety assessment method for identifying hazards in processes and operations. This systems engineering approach was originally developed for chemical plants.

Targets and Performance

Fiscal 2023 target		Fiscal 2023 performance
Ensure occupational safety and health Strengthen process safety and disaster prevention		<ol style="list-style-type: none"> ESG safety and quality inspections Conducted at all Kaneka manufacturing sites: 18 Group companies in Japan and three Group companies overseas, in accordance with the Kaneka Group ESG Safety and Quality Inspection Implementation Standards. Readiness for emergency Emergency response and evacuation drills and comprehensive disaster prevention drills carried out
Occupational accidents Process accidents	Zero accidents	(Occupational accidents) Serious accidents: 1, Accidents resulting in lost time:11, Accidents not resulting in lost time: 4 Process accidents: 6

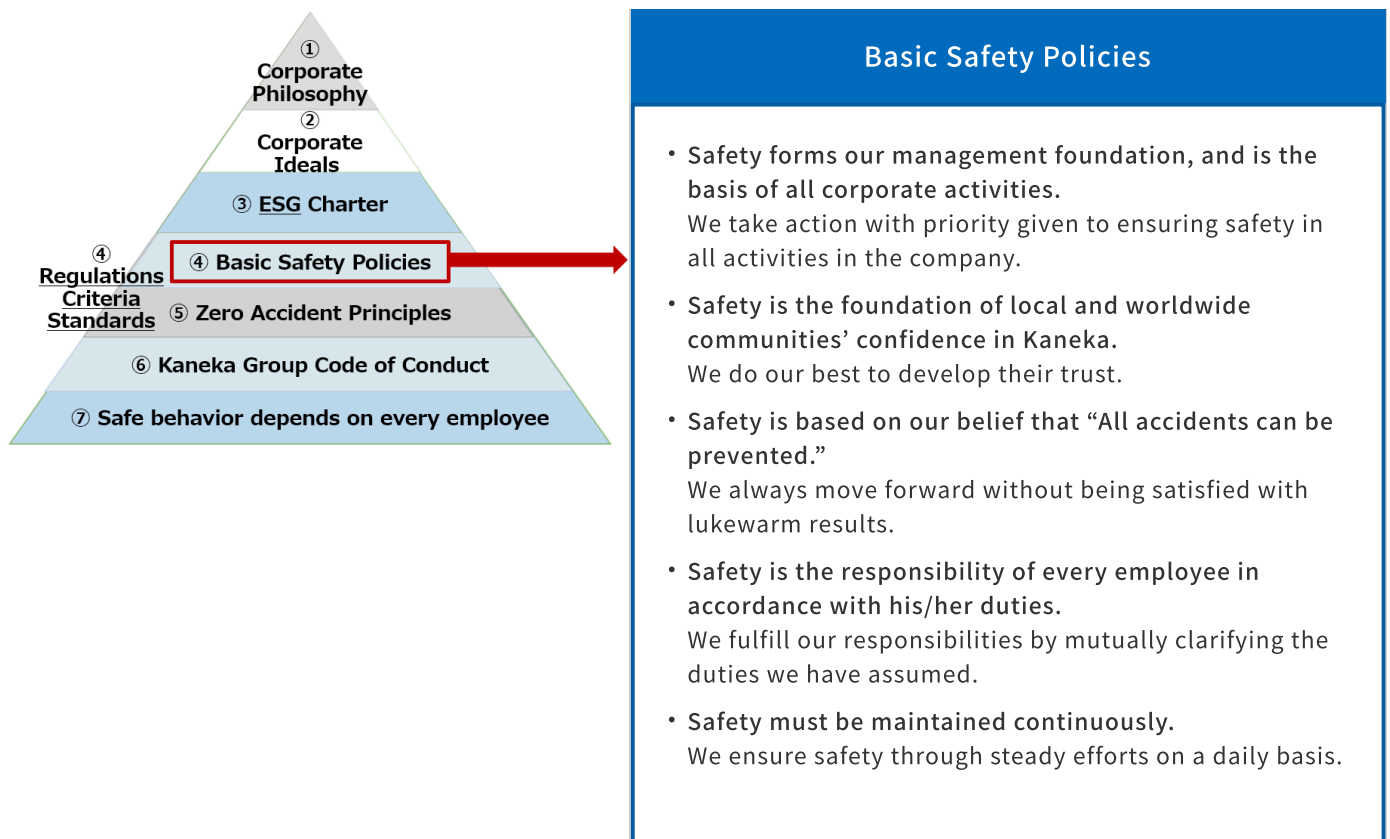
Note: The reporting period for occupational accidents is from January 1 to December 31, 2023.

Safety

Process Safety and Disaster Prevention

Targeting Zero Process Accidents

Placing the top priority for management on safety, we have established the Basic Policy on Safety.



Measures to Prevent Leakage Accidents

To prevent leakage from storage tanks, we continue to make improvements from the perspective of multiple layers of protection through risk assessments of all chemical storage facilities, in accordance with the KGSS (*1) process safety implementation standards on the storage and handling of chemical substances.

*1 KGSS (Kaneka Global Safety Standards)

A set of global safety standards shared across the Kaneka Group, both in Japan and internationally with the aim of ensuring onsite safety and security. We have put in place implementation standards (17 for occupational safety, 7 for process safety, and 1 for emergency response) under the respective management standards for occupational safety, process safety, and emergency response. A major feature of our approach is that each year we carry out gap assessments (of gaps between standards and actual conditions), and fill any gaps with the standards.

Plant Safety Initiatives

Emergency Response Training

Every year, all parent manufacturing sites hold comprehensive disaster drills that simulate emergencies such as major earthquakes, leaks of high-pressure gases or hazardous materials, and fires. These drills cover initial response measures, including in-house firefighting to contain damage, and are carried out in cooperation with local authorities and nearby industrial complexes.

■ Emergency Response and Evacuation Drills (Examples in fiscal 2023)

No.	Training	Content (Purpose)
(1)	Undisclosed scenario training	Abnormal events and scenarios are not disclosed in advance. A third party introduces ad-lib elements to train training participants in making on-the-spot judgments and communication methods.
(2)	Comprehensive disaster drills	Assuming plant damage, the entire plant participates in these drills, with participation by government representatives. Serves also to convey safety and security to the government.
(3)	Drills for nighttime power outages	Training to carry out bare minimum activities in complete darkness (while wearing a headlamp, etc.).
(4)	Toxic gas leakage evacuation drills	Evacuation drills positing a chlorine gas leak, including at adjacent plants. Includes evacuating buildings, wearing a gas mask, and practicing gas concentration measurement.

■ Comprehensive Disaster Drills

Manufacturing Site	Date	Participants	Details
Takasago Manufacturing Site	December 18, 2023	2,120	An earthquake resulting in a fire caused by hazardous material leakage
Osaka Manufacturing Site	November 8, 2023	1,100	An earthquake resulting in a fire caused by hazardous material leakage
Shiga Manufacturing Site	November 26, 2023	367	An earthquake resulting in a fire
Kashima Manufacturing Site	December 12, 2023	72	Hazardous material leakage and fire at the time of loading onto tanker trucks



We advance countermeasures against natural disasters in order of priority, including promoting the earthquake-proofing of equipment in preparation for large-scale earthquakes, and implementing risk assessment for typhoons, heavy rains and floods, which have frequently occurred in recent years, based on hazard maps for all parent manufacturing sites and Group companies in Japan.

We also learn how to initially respond to a fire and how to use a hydrant to prevent the spread of a fire through daily training to ensure that we can immediately perform self-defense fire-fighting operations. To constantly improve our disaster coping skills and strengthen anti-disaster activities, we join a hydrant operation competition held locally, ranking higher every year.

Implementation of Safety Training

At Kaneka, we conduct various safety management and safety technology training sessions for newly appointed manufacturing managers, section chiefs, and dedicated safety engineers.

We evaluate the safety of our facilities using HAZOP (*2). The evaluation is mandated to be conducted by individuals registered as evaluators under our internal certification system. We also conduct HAZOP training annually to develop evaluators.

We are continuously working to enhance safety technologies by establishing methods for assessing the risks of chemical interactions and evaluating thermal runaway in reactions, thereby ensuring plant safety.

Learn more about our safety training details and achievements [here](#).

*2 HAZOP (Hazard and Operability Studies): A safety assessment method for identifying hazards in processes and operations. This systems engineering approach was originally developed for chemical plants.

CHECK & ACT

To reduce the number of process accidents, we will work to ensure risk assessment and intrinsic safety by setting risk assessment standards and fostering safety evaluators. We will continue to make company-wide efforts to thoroughly prevent recurrence and similar accidents.

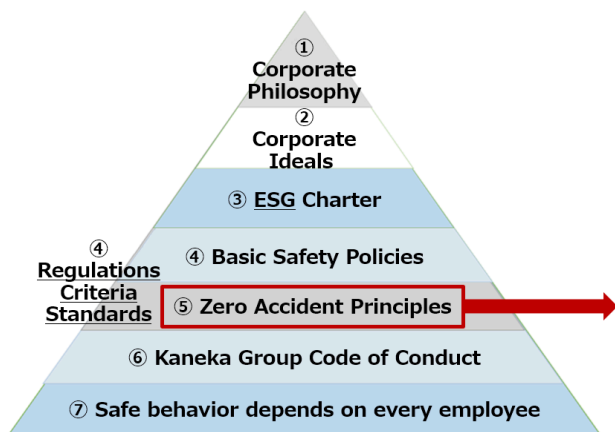
Safety

Occupational Safety and Health

Safety is a top management priority for the Kaneka Group, and it is our social mission to improve safety. To ensure safe and secure operations, we believe it is important to create a workplace environment where employees can work in good physical and mental health.

Preventing Occupational Accidents

Kaneka Group has set out Zero Accident Principles, requiring every employee to follow them without exception and to act in ways that build a strong safety culture.



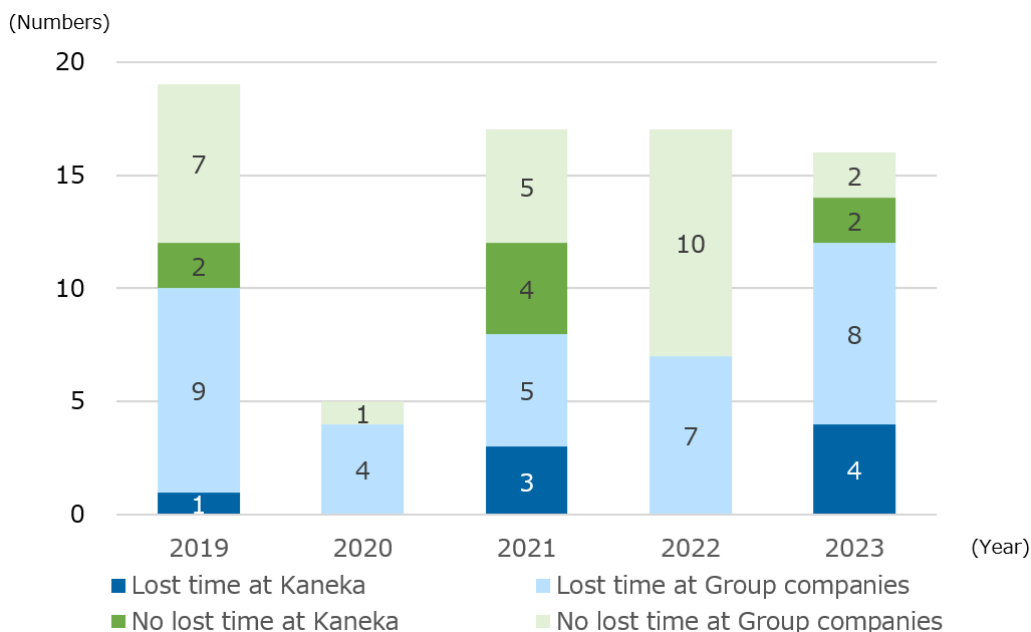
Zero Accident Principles

- All people, you and me, are indispensable
We ensure everyone is working safely.
[Pledge of zero accidents]
- Safety is everyone's responsibility
We do not miss sparing the time to seek safety.
[Participation in safety]
- There is no trick to safety
We always value a fundamental approach to it.
[Adherence to safety basics]
- Be aware of potential danger
We endeavor to eliminate safety risks
[Safety in advance]
- Where there is carelessness, there is the possibility of an accident
We do not allow even a small chance of negligence.
[99%, yet 0%]

ESG safety and quality inspections confirm the status of on-site safety management at manufacturing sites and the implementation of safety activities based on the key policies of the Safety Committee. Areas requiring improvement are shared between the head offices and manufacturing sites. We draft improvement plans with a one-year timeframe and implement PDCA cycles throughout the year.

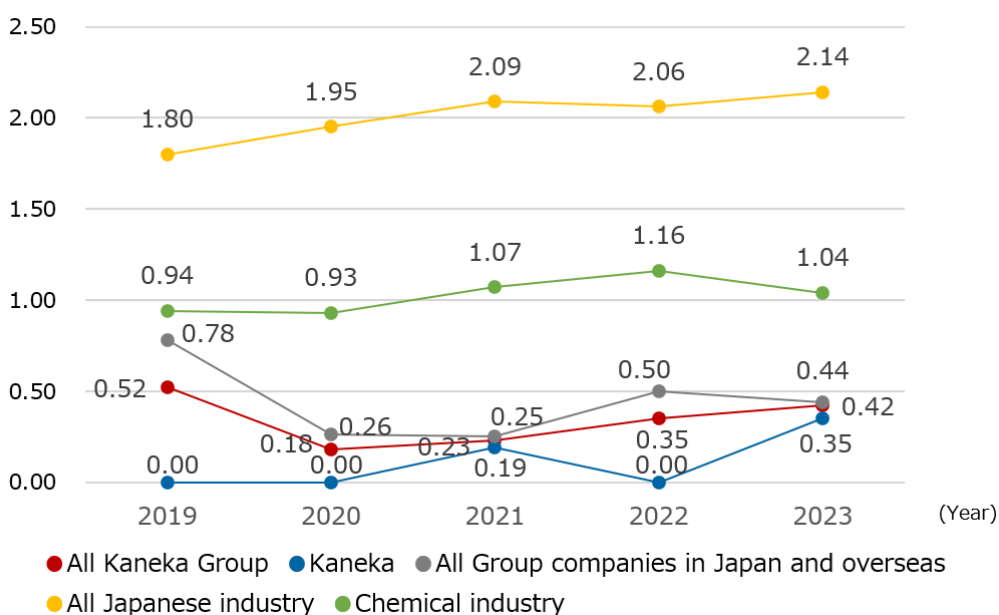
In 2023, occupational accidents frequently occurred due to insufficient safety awareness, with the number of incidents remaining flat over the past three years. Kaneka Group's accident frequency rate worsened by 0.07 points year on year to 0.42. However, the accident severity rate improved by 0.01 points due to a decrease in the number of serious accidents. We will continue to enhance each employee's safety awareness and prevent occupational accidents by advancing safety activities that adhere to the Zero Accident Principles, such as improving risk sensitivity and ensuring equipment safety.

■ Accidents Resulting / Not Resulting in Lost Time



Note: The number of occupational accidents includes those among employees at Kaneka and partner companies working in the Kaneka Group.

■ Accident Frequency Rate

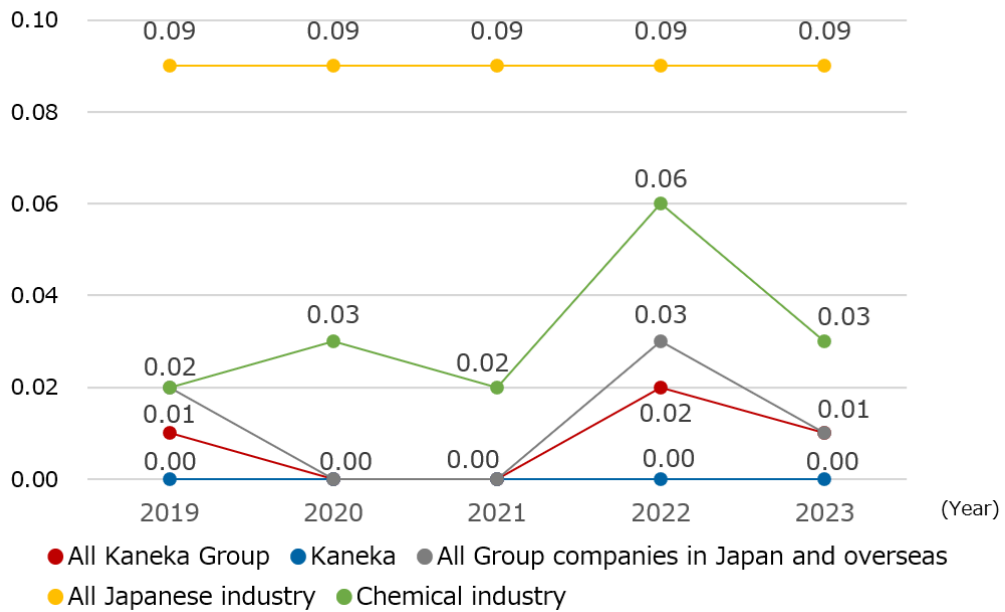


Accident Frequency Rate : An indicator that shows the frequency of occupational accidents that caused death and/or injury by indicating the number of casualties per total 1 million actual working hours.

Scope: Includes manufacturing sites with regular employees, contract employees, and temporary employees dispatched from other companies. The Tomatoh (Hokkaido) Manufacturing Site, completed in August 2024, is not included in 2023 results. Employees

seconded to or from other companies and employees of partner companies are not included.

■ Accident Severity Rate



Accident Severity Rate : An indicator that shows the level of severity of occupational accidents by indicating the number of lost work days per total 1,000 working hours. The number of lost work days is calculated as equivalent to the number of days lost from work due to an accident resulting in work absence.

Scope: Includes manufacturing sites with regular employees, contract employees, and temporary employees dispatched from other companies. The Tomatoh (Hokkaido) Manufacturing Site, completed in August 2024, is not included in 2023 results. Employees seconded to or from other companies and employees of partner companies are not included.

Enhancing Our Occupational Safety and Health Management System

Our all parent manufacturing sites acquired Occupational Safety and Health Management System (OSHMS) certification from the Japan Industrial Safety & Health Association (JISHA) in fiscal 2007, and have continued our efforts to enhance these systems.

■ OSHMS Certifications

Manufacturing Site	Location	Certification Date	Certification No.
Takasago Manufacturing Site	Hyogo	March 10, 2008	08-28-13
Osaka Manufacturing Site	Osaka	August 21, 2007	07-27-10
Shiga Manufacturing Site	Shiga	January 15, 2008	08-25-6

Manufacturing Site	Location	Certification Date	Certification No.
Kashima Manufacturing Site	Ibaraki	December 13, 2010	10-8-26

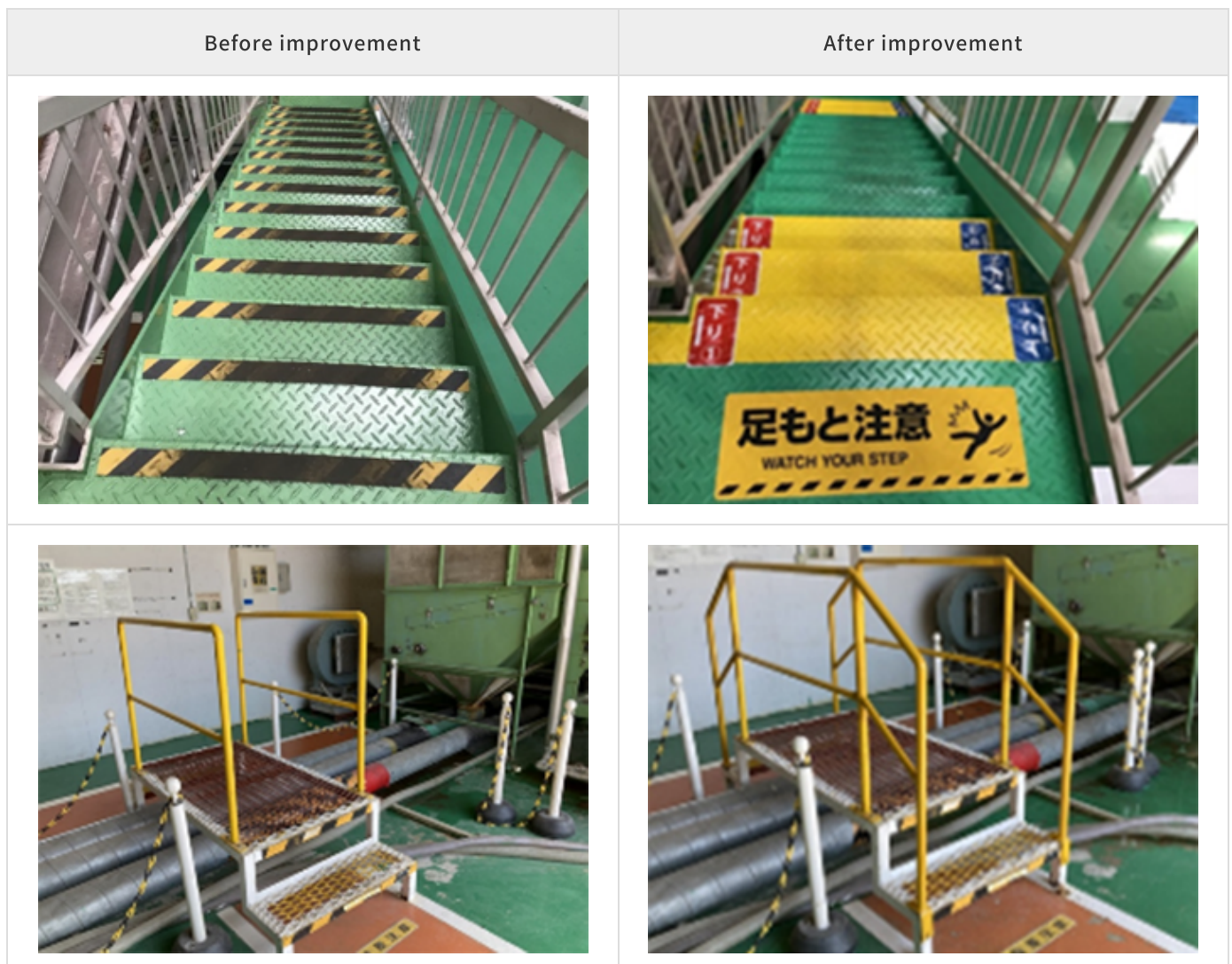
Prevention of Slips, Trips, and Falls

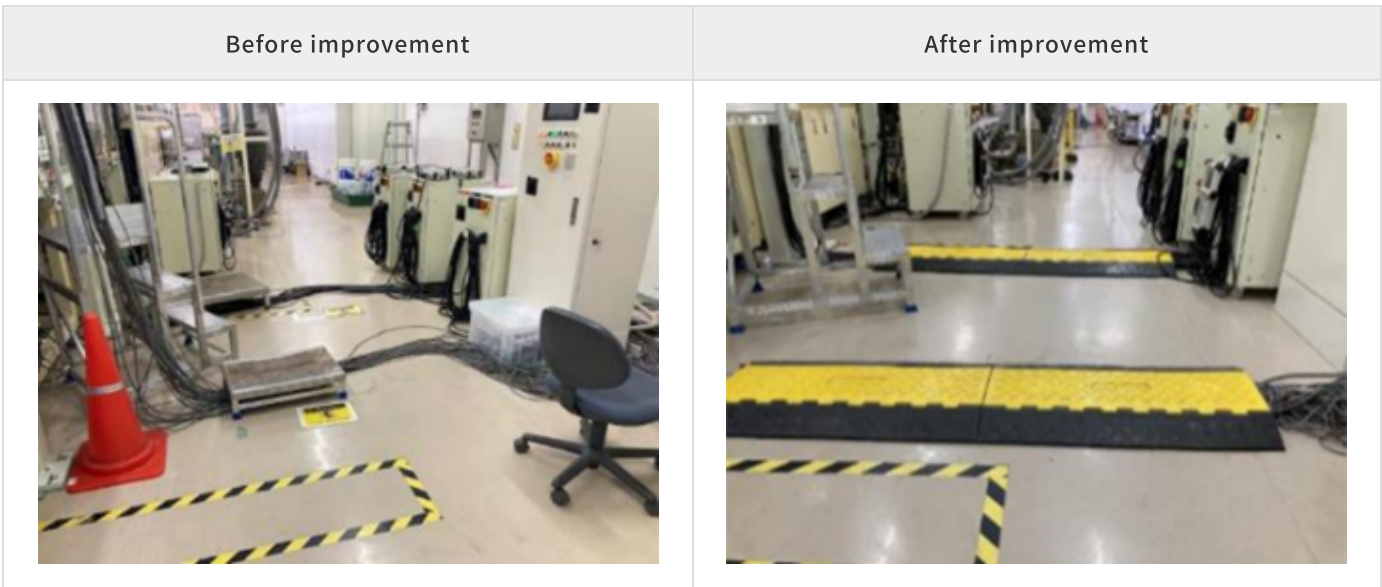
Over the past five years (2019 to 2023), the most frequent occupational accidents have been slips and falls and entrapment/entanglement. In recent years, there has been an increasing trend in accidents involving slips and falls. To prevent these, we are focusing on improving the working environment and enhancing the awareness of potential dangers among workers at domestic group companies with a high number of occupational accidents. We are undertaking the following two initiatives.

Improving the Work Environment

- In each company, model areas were designated, and concentrated improvements were made to locations prone to tripping, such as stairs and steps (improvements were made in 134 areas and 216 locations across 50 manufacturing sites).
- The ideal model area will be shared company-wide as a best practice.

■ Improvement examples





Raising awareness of potential hazards

- We use IT tools to measure each person’s physical traits and make their risk of falling visible.
- The program combines measurement, analysis, and targeted exercises to lower fall risk. After a few months, we measure again to check the impact of the exercises and refine the process through a PDCA cycle. This initiative has been rolling out in stages since fiscal 2023.



StA2BLE™ is a registered trademark of UNTRACKED Corporation.
(Photo courtesy of UNTRACKED Corporation)

Feeling Danger Physically: Experiential Learning

Kaneka Group is pursuing hands-on learning to enhance sensitivity to risks. In addition to conventional hands-on safety experience equipment, we introduced virtual reality-based learning equipment that allows participants to experience 17 simulation scenarios, including crashes, electric shocks, and explosions. Through this initiative, we are working to increase safety awareness.

In fiscal 2023, 1,510 individuals participated in the training.

Training Safety Technicians

Kaneka is committed to maintaining a safe and secure factory environment by implementing more advanced risk assessments and engineering measures. In fiscal 2023, we launched a new Plant Safety Technology Training program

aimed at developing safety engineers capable of addressing these challenges.

In this training program, we provide specialized education in areas such as safety engineering and reliability engineering, with external academics serving as instructors. In fiscal 2023, 20 participants attended the Basic Course, which consisted of seven sessions. In addition, those who completed the Basic Course will have the opportunity to challenge themselves further by enrolling in the more technically specialized Advanced Course starting in fiscal 2024.

Safety training (including training by job level)

The Kaneka Group is continuously engaged in developing safety personnel through various safety education programs, including risk assessment training, safety engineer training, and experiential learning. Additionally, we conduct line manager training for supervisors. In fiscal 2023, 2,244 employees of the Kaneka Group participated in safety-related training.

	Training Name	Content	Number of Participants
Safety Education	HAZOP Training	<ul style="list-style-type: none"> Attend lectures, conduct comprehension tests, and perform exercises. Basic training and exercises on the HAZOP method conducted by in-house instructors. 	68
	Training for dedicated safety technicians	<ul style="list-style-type: none"> Awareness of the Company's safety and health practices Lectures and practical exercises on various safety technologies 	14
	Human error prevention and analysis training	<ul style="list-style-type: none"> Attend lectures, conduct comprehension tests, and perform exercises. Understanding human factors and human error Understanding and group practice of accident and disaster analysis methods 	10
	Chemical Risk Assessment (CRA) Training (explosion and fire prevention module)	<ul style="list-style-type: none"> Attend lectures, conduct comprehension tests, and perform exercises Explanation and exercises on hazard assessment methods reflecting the new guidelines for chemical substance risk assessment An Overview of CRA for explosion and fire prevention and the reality of explosion and fire in chemical companies Methods for collecting information required for CRA 	33
	Chemical Risk Assessment (CRA) training (health hazard prevention module)	<ul style="list-style-type: none"> Attend lectures, conduct comprehension tests, and perform exercises Explanation and exercises on hazard assessment methods reflecting new guidelines for chemical risk assessment Methods for collecting information required for CRA 	35

	Training Name	Content	Number of Participants
	Comprehensive safety technology training	<ul style="list-style-type: none"> • Basic training and explanation of comprehensive machine safety technology by external instructors. Exam preparation courses and guidance 	30
	Risk assessment training	<ul style="list-style-type: none"> • Attend lectures, conduct comprehension tests, and perform exercises • Introduction to our risk assessment and Group discussion • Understanding potential risks through photos and videos • Understanding of assessments based on work risk assessments and process hazard analyses 	29
	Plant safety technology training (basic course)	<ul style="list-style-type: none"> • Overview of laws and regulations related to safety and health, as well as internal standards and regulations (such as plant safety standards and change management standards) • Lectures, practical exercises, and comprehension checks on various safety technologies 	20
	Safety experience training (Preventing entrapment and entanglement)	<ul style="list-style-type: none"> • Experiential learning facilities and experiences using videos to prevent entrapment and entanglement. • Lecture on safety knowledge and practices • Integration with on-site equipment through group discussions 	222
	Safety experience education (static electricity, explosion, fire)	<ul style="list-style-type: none"> • Experiential learning equipment for experiencing fire, explosion, and static electricity through videos • Lecture on safety knowledge and practices • Integration with on-site equipment through group discussions 	206
	VR safety experience education	<ul style="list-style-type: none"> • We implement measures to prevent entrapment and entanglement prevention, using VR experiential learning equipment to help personnel recognize dangerous behaviors • Lecture on safety knowledge and practices • Integration with on-site equipment through group discussions 	1,510
Line manager training	Training for newly appointed manufacturing department managers and manufacturing group leaders	<ul style="list-style-type: none"> • Understanding the environmental and safety status of the Kaneka Group • Reaffirmation of laws and regulations • Responsibilities of Department Heads: Safety management lectures and discussions 	–

	Training Name	Content	Number of Participants
	Safety management training for manufacturing managers	<ul style="list-style-type: none"> • Understanding the environmental and safety status and trends of the Kaneka Group • Reaffirmation of laws, regulations, and standards • Lectures by external experts, understanding and discussion of responsibilities • Safety management and actions 	24
	Safety training for newly appointed manufacturing managers	<ul style="list-style-type: none"> • Understanding the environmental and safety status of the Kaneka Group • Reinforcing awareness of laws, regulations, and standards • Responsibilities of the section manager: safety management lectures and discussions • Declaration of safety management actions 	3
	Training for newly appointed group company manufacturing managers on safety	<ul style="list-style-type: none"> • Understanding the environmental and safety status and trends of the Kaneka Group • Responsibilities of line managers and reaffirmation of laws and regulations • Discuss and deliberate on the safety management actions of line managers. 	30
	Foreman management training: occupational safety and health law training	<ul style="list-style-type: none"> • Occupational safety and health education based on Article 60 of the Industrial Safety and Health Act • Understanding the Environmental and Safety Status and Trends of the Kaneka Group • Reinforcing awareness of laws, regulations, and standards • Understanding the responsibilities and management actions of team leaders 	10

Safety Awards

- Certification as a Safety-conscious Company by the Japan Chemical Industry Association

Group Company	Certification for Zero Accident and Disaster Period
Kaneka Solartech Corporation	More than 3 years
Kaneka Tohoku Styrol Co., Ltd.	More than 10 years
Kaneka Kanto Styrol Co., Ltd.	More than 10 years

Group Company	Certification for Zero Accident and Disaster Period
OLED Aomori Co., Ltd.	More than 10 years
Tamai Kasei Co., Ltd. Plant No. 1	More than 10 years
Tamai Kasei Co., Ltd. Plant No. 2	More than 10 years

■ President's Safety Award for No Accidents and No Disasters based on the Internal Standards (Fiscal 2023)

Group Company	Award for Zero Accident and Disaster Period
Kaneka Medix Corporation	November 9, 2010 —
Kaneka Solartech Corporation	October 31, 2018 —
Tochigi Kaneka Corporation	May 26, 2012 —
Cemedine Co., Ltd.	January 11, 2019 —

CHECK & ACT

In 2023, 16 occupational accidents occurred. To achieve zero accidents, we will work to promulgate basic safety actions to all employees, improve production line management, and strengthen the risk assessment foundation.

Quality

Management Approach

Basic Policy

Aiming to benefit society and satisfy customers through a stable supply of safe and reliable products and services, Kaneka Group has set Quality Management Regulations to ensure thorough day-to-day quality control and product safety across the supply chain, from product design and development to delivery to customers.

Policy

Basic Policies for Responsible Care

1. Protect the natural ecosystem and reduce environmental impact

Focusing on the impact of corporate activities on the global environment and the ecosystem, we endeavor to reduce environmental impact and promote resource conservation and energy saving throughout the lifecycle of products.

2. Offer safe products and information

We endeavor to offer products that are safe to distribute and use, and to provide adequate information on the products such as instructions on how to use and handle products correctly.

3. Develop products and technologies in consideration of the environment and safety

Upon the development of new products, we give consideration to the environment and safety throughout the lifecycle of the products to the greatest extent possible, and endeavor to develop products and technologies with low environmental impact.

4. Reduce waste and promote the recycling of plastics

We reduce waste associated with manufacturing and its processes. We actively develop technologies for the adequate disposal or recycling of plastic waste concerning our products in cooperation with relevant industries, and endeavor to dispose of and recycle waste in a proper manner.

5. Enhance process safety, disaster-prevention, and occupational safety and health

Safety and disaster prevention constitute the foundations of the local community's trust, and occupational health and safety are issues that need to be fulfilled by chemical companies. We persistently strive to make improvements in these areas.

6. Win public confidence

From the management to every employee, all our members shall act in compliance with laws, regulations, standards, etc. relating to environment and safety both at home and abroad. Our approach to Responsible Care as such shall be publicized accurately to the public, in hope of rightfully gaining public recognition and confidence.

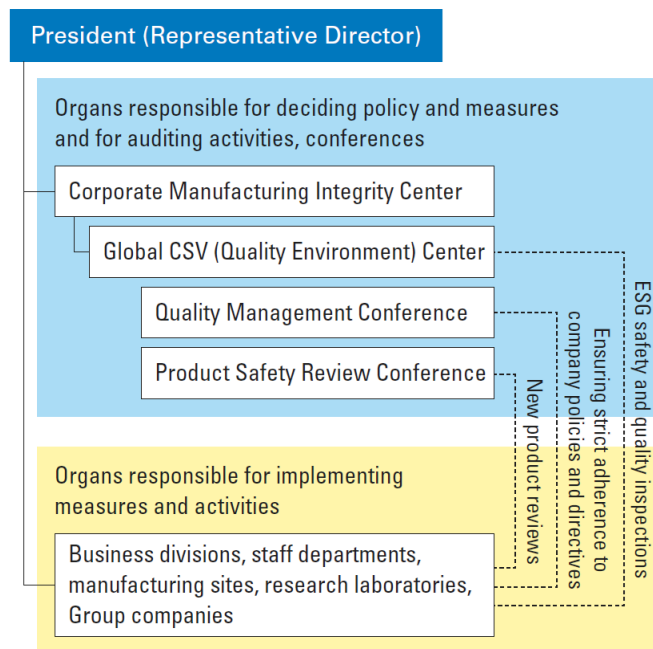
Promotion System

The Global CSV (Quality Environment) Center coordinates quality assurance activities throughout the Kaneka Group and drives quality management, including product safety assurance, at all stages from product design and development to raw material procurement, manufacturing, storage, transportation, sales, and disposal. We hold quality management conferences, inviting personnel in charge of quality management in each business division, to instill Group-wide policies and instructions.

For new product launches, a Product Safety Review Conference meeting chaired by the Global CSV (Quality Environment) Center Director is held to ensure product safety.

We conduct ESG safety and quality inspections of business divisions, manufacturing sites, research laboratories, and Group companies to confirm their quality assurance efforts. Each of our businesses also undergoes regular third-party auditing and inspection and internal audits based on ISO 9001 and other established standards and regulations. In this way, we take steps to enhance our quality management system and thereby raise product quality standards.

■ Diagram of Promotion System



Targets and Performance

Fiscal 2023 target	Fiscal 2023 performance
Inspection of Operation of Quality Management System	<ul style="list-style-type: none"> • We convened quality management leaders from all business units for quarterly quality management conferences. These sessions reinforced company-wide action plans and directives, while facilitating the exchange of ideas and sharing of quality assurance information. • We held a product safety review conference for two new products set to launch, ensuring their safety and robust service systems. • We implemented improvements to address issues identified through the ESG safety and quality inspections of all Kaneka manufacturing sites and 16 departments of Group companies in Japan and overseas.
Ensuring thorough compliance with laws and regulations governing chemical substances	<ul style="list-style-type: none"> • We held two liaison meetings, bringing together chemical substance management personnel from eight business divisions that handle chemical products. • We conducted internal training on chemical management through seminars and e-learning.

Quality

Product Responsibility

Quality Management

We coordinate quality assurance activities throughout the Kaneka Group and drive quality management, including product safety assurance, at all stages from product design and development to raw material procurement, manufacturing, storage, transportation, sales, and disposal.

In fiscal year 2023, we conducted ESG safety and quality inspections across all parent manufacturing sites and 16 departments of our domestic and overseas Group companies, and implemented improvements for the identified issues.

We confirmed that the 12 newly launched products were being inspected according to the established criteria using appropriate methods.

Quality Assurance Initiatives

In fiscal 2023, we focused on the following initiatives.

- We held quality management conferences on four occasions, to instill the Company-wide policy and instructions and to exchange views on product quality assurance and share quality information, including customer satisfaction.
- We held a product safety review conference for the launches of new medical devices and organic milk, confirming that there were no issues with the quality assurance system and product safety.
- As part of our commitment to food safety, we conducted ESG safety and quality inspections on the design and development of our food business and confirmed that there were no issues.
- We confirmed that 12 products, including medical devices, COVID-19 treatment drug intermediates, and lactic acid bacteria products, were tested according to the prescribed items using appropriate methods.
- We held a Quality Internal Audit Secretariat Division Meeting as a common review framework to confirm change management during design and development for each business.
- We invited external experts to lead a seminar on consumer-oriented management for our food business teams, aiming to sharpen their focus on delivering safe products to customers.
- Aiming to raise the quality assurance level of each employee, we sent employees to outside seminars, used e-learning materials on internal rules and standards, and brought in outside lecturers to hold in-house seminars on topics such as the circular economy and product safety.

Going forward, we will continue working to enhance the quality management system, through audits, inspections, and other checks and human resource training. In this way, we aim to ensure full compliance and product safety throughout the entire supply chain.

Chemical Substance Management

In each division, we clearly identify domestic and international legal requirements for regulating chemical substances according to the characteristics of our business and manage these substances accordingly. For example, we properly handle the registration of chemical substances, management of production and import volumes, and performance reporting in compliance with laws such as Japan's Chemical Substances Control Law (*1) and the EU's REACH regulation (*2).

For raw material procurement, we have established Green Procurement Standards to prevent the inclusion of prohibited substances under the Chemical Substances Control Law and other regulations. In product distribution, we actively disclose information on the hazards and risks of chemicals through GHS (*3)-compliant labeling and Safety Data Sheets (SDS).

In fiscal 2023, we convened two meetings with chemical substance management representatives from eight business divisions handling chemical products. During these meetings, we disseminated information on updates such as the Occupational Safety and Health Law (addition of SDS-targeted substances), the Food Sanitation Law (revision of the positive list), and the EU REACH regulation (addition of SVHCs). We also shared concerns and challenges from each division and engaged in discussions.

In our internal training, we conducted seminars on the Occupational Safety and Health Act, the Chemical Substances Control Law, UN Dangerous Goods, and SDS. Additionally, we provided e-learning education on GHS labels, Yellow Cards, SDS, domestic laws such as the Chemical Substances Control Law, and international regulations such as the EU REACH regulation.

*1 Chemical Substances Control Act: Act on the evaluation of chemical substances and regulation of their manufacture, etc.

*2 REACH regulation: Regulation concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals.

*3 GHS (Globally Harmonized System of Classification and Labelling of Chemicals) : A globally unified system for classifying and labeling chemicals according to their hazardous properties.

Product Responsibility (as of March 31, 2024)

■ ISO 9001 Certification

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Vinyls and Chlor-Alkali SV	Caustic soda, hydrochloric acid, sodium hypochlorite, liquid chlorine, vinyl chloride monomers, polyvinyl chloride, polyvinyl chloride paste, heat-resistant polyvinyl chloride, and OXY chlorination catalyst	JCQA / JCQA-1263
Performance Polymers (MOD)SV	Impact modifiers (Kane Ace™ B etc.), processing aids and specialty additives (Kane Ace™ PA etc.), toughener for thermosetting resins (Kane Ace™ MX), engineering resin for injection molding (Kaneka Hyperite™), zero birefringence PMMA material (Kaneka Hyperite™), and Acrylic film (Sunduren™)	LRQA / ISO 9001-0066620

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Performance Polymers (MS)SV	Silyl-terminated polyether (Kaneka MS Polymer™ etc.), acrylic silicon polymer (Kaneka Gemlac™), terminally reactive liquid acrylic polymer (KANEKA XMAP™ etc.), and isobutylene-based thermoplastic elastomer (SIBSTAR™)	
Green Planet Project	Biodegradable polymer (KANEKA Biodegradable Polymer Green Planet™)	
Foam & Residential Techs SV	Bead technique-based polyolefin resins and molded products (Eperan™, Eperan PP™), bead technique-based expandable polystyrene (Kaneparl™), and extruded polystyrene foam board (Kanelite™)	JCQA / JCQA-0673
Hokkaido Kanelite Co., Ltd.		
Kyushu Kanelite Co., Ltd.		
E & I Technology SV	Ultra-heat-resistant polyimide films (Apical™, Pixeo™), optical film (Elmech™), optical acrylic resin, polyimide varnish for flexible displays, bonded magnets (Kaneka Flux™), multi-layered insulation materials, PVC pipes for underground electric cables, high thermal-conductive graphite sheet (Graphinity™), thermal conductive elastomer, and flexible cover coat ink	LRQA / ISO 9001-0077397
	Highly heat-resistant, highly light-resistant resins and molded products	DNV / 01635-2006-AQ-KOB-RvA/JAB
PV & Energy Management SV	Design, development, manufacturing, sales, and services of photovoltaic modules Sales and services of photovoltaic power generation system materials	JQA / JQA-QMA13200
Kaneka Solartech Corporation		
Kaneka Solar Marketing Corporation		
Foods & Agris SV	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, fermented milk products, flour paste, butter cream, chocolate, frozen dough, cheese, mayonnaise, cooking fillings, prepared foods, yeast, radish sprout extract, enoki mushroom extract formulations, and seasoning materials	JQA / JQA-QMA10274
Takasago Manufacturing Site Foods Manufacturing Department		
Kaneka Foods Manufacturing Corporation		
Tokyo Kaneka Foods Manufacturing		

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Corporation		
Kaneka Foods Corporation	Purchase, design, sales, technological services, and quality assurance for processed foods and raw materials, and sales of food processing machinery	
NJF Co., Ltd.	Production instruction of processing contractors	
OLED Business Development Project	Organic electroluminescent lighting	JMAQA / JMAQA-2532
OLED Aomori Co., Ltd.		
Showa Kasei Kogyo Co., Ltd.	Plastic compounds	ASR / Q0556
Tatsuta Chemical Co., Ltd.	Plastic film, plastic sheet	ASR / Q4917
Sanvic Inc.	Synthetic resin sheets and films	JMAQA / JMAQA-1824
Tobu Chemical Co., Ltd.	Plastic wallpaper, vinyl chloride resin wallpaper	LRQA / YKA0958154
Cemedine Co., Ltd.	Development and manufacture of general and industrial adhesives, sealants and special paints	JCQA / JCQA-0386
Kanto Styrene Co., Ltd.	Bead technique-based polystyrene foam molded products	IIC / JN-1050.0
Kaneka Foam Plastics Co., Ltd. Moka Plant, Kyushu Plant	Bead technique-based polyolefin molded products	ASR / Q1919
Tamai Kasei Co., Ltd.	A series of operations related to order receipt, manufacturing, inspection, and shipping of Phase Change Material (PCM) (Patthermo™)	ASR / Q4131
Vienex Corporation	Electronic products	JSA / JSAQ2593
Shinka Shokuhin Co., Ltd.	Modifiers for bread and confectionery, processed fruit products, outsourced products (margarine, cooking fillings, modified milk)	JQA / JQA-QMA15323
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, dairy products, and food additives	JQA / JQA-QMA14671

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
	Cosmetics for hair and skin care, dental care items, body soaps, and soaps for clothes, dish washing and house cleaning	BVJ / 4171923
Kaneka Sun Spice Corporation	(1) Product design and development of spices and secondary processed products incorporating spices (2) Purchase and sales of general processed foods and their ingredients	JQA / JQA-QMA11351
Nagashima Shokuhin Co., Ltd.	Frozen puff pastry dough and frozen cookie sheets	JQA / JQA-QMA15844
Tochigi Kaneka Corporation	Design and manufacture of multilayer insulating materials, graphite sheets, solar panel assembly	ASR / ISO-9001-Q4710
Kaneka Belgium N.V.	Modifier resins (Kane Ace™), bead technique-based polyolefins (Eperan™, Eperan PP™), modified silicone polymer (Kaneka MS Polymer™), and acrylic sol	AIB-VINCOTTE / BE-91 QMS 028j
Kaneka North America LLC	Ultra-heat-resistant polyimide films (Apical™), modifier resins (Kane Ace™, Kaneka Telalloy™), heat-resistant vinyl chloride resins, and modified silicone polymers (Kaneka MS Polymer™)	BSI / FM72722
Kaneka (Malaysia) Sdn. Bhd.	Modifier resins (Kane Ace™)	SIRIM QAS / QMS 00900
Kaneka Paste Polymers Sdn. Bhd.	Vinyl chloride paste resin	SIRIM QAS / QMS 00900
Kaneka Apical Malaysia Sdn. Bhd.	Ultra-heat-resistant polyimide films (Apical™), High thermal-conductive graphite sheet (Graphinity™)	SIRIM QAS / QMS 00900
Kaneka MS Malaysia Sdn. Bhd.	Modified silicone polymer (Kaneka MS Polymer™)	SIRIM QAS / QMS 00900
Kaneka Innovative Fibers Sdn. Bhd.	Synthetic fibers (FPW, iMODA)	SIRIM QAS / QMS 00900
Kaneka Eperan Sdn. Bhd.	Development, manufacture of polyethylene foam, polypropylene foam beads and planks	SIRIM QAS / QMS00996
Kaneka Eperan (Suzhou) Co., Ltd.	Bead technique-based polyolefins (Eperan™, Eperan PP™)	SGS / CN18/20031
Kaneka (Foshan) High Performance Materials Co., Ltd.	Bead technique-based polyolefins (Eperan™, Eperan PP™)	Beijing East Allreach certification Center Co., Ltd. / USA19Q44009R1S

Division or Group Company (SV : Solutions Vehicle)	Major Products	Registry Organization and Number
Kaneka (Thailand) Co., Ltd.	Development, manufacture of mini pellets and polyolefin beads, including product application development	BSI / FM714676
KSS Vietnam Co., Ltd.	Processed spices, herbs, dried vegetables, and mixed spices	Intertek Certification Limited / CPRJ-2015-040996
Kaneka Eurogentec S.A.	Development, production and sales of products and services for research and development in life sciences	BSI / FS 638601
Anaspec Inc.	Peptides, antibodies, synthetic resins, amino acids, and reagents for research	SQA/09.357.1

■ ISO 13485 Certification (*1)

Division or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Medical SV	Adsorbents, Lixelle™, liposorber™, catheters, silascon™, ED coil, and in-vitro diagnostics	TÜV SÜD / Q5 024736 0069
Kaneka Medix Corporation		
Kaneka Medical Vietnam Co., Ltd.		
Kaneka Medical Tech Corporation	Catheters (parts)	
	Endoscopic instruments, catheter electrodes	
Kaneka Eurogentec S.A.	Contract manufacturing of in vitro diagnostic oligonucleotides	BSI / MD 638600
AB-Biotics, S.A.	Medical devices using probiotic extracts	KIWA / 20786-M

*1 ISO 13485 is an international standard covering the comprehensive management system requirements for the design and manufacture of medical equipment.

■ ISO 22000 Certification (*2)

Manufacturing Department or Group Company	Main Products	Registry Organization and Number
Takasago Manufacturing Site	Coenzyme Q10 (Kaneka Q10™, Kaneka QH™)	SGS / JP10 / 030379

Manufacturing Department or Group Company	Main Products	Registry Organization and Number
Pharmaceutical Department		
KSS Vietnam Co., Ltd.	Processing of spices, herbs, dried vegetables, and mixed spices	Intertek Certification Limited / 38191405003
Shinka Shokuhin Co., Ltd.	Modifiers for bread and confectionery, processed fruit products, outsourced products (margarine, cooking fillings, modified milk)	JQA-FS0286

*2 ISO 22000 is an international standard for food safety management systems.

■ Food Safety System Certification 22000 (FSSC 22000) (*3)

Manufacturing Department or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
Takasago Manufacturing Site Foods Manufacturing Department	Margarine, shortening, edible oils and fats, edible refined oils and fats, whipped cream, concentrated milk products, modified milk, and yeast	JQA / JQA-FC0047-1
Kaneka Foods Manufacturing Corporation	Margarine, flour paste, buttercream, cheese, fermented milk products, antifreeze protein, antifreeze polysaccharide, and seasoning materials	JQA / JQA-FC0047-2
Tokyo Kaneka Foods Manufacturing Corporation	Margarine, shortening, flour paste, buttercream, and whipped cream	JQA / JQA-FC0047-3
Taiyo Yushi Corporation	Margarine, shortening, edible refined oils and fats, edible vegetable oils and fats, refined lard, other edible oils and fats, processed fats, and dairy products (butter)	JQA / JQA-FC0044
Nagashima Shokuhin Co., Ltd.	Frozen dough (pies and confectionery)	JQA / JQA-FC0109
PT. Kaneka Foods Indonesia	Cooking fillings, whipping creams, margarines, modifiers for bread	SGS / ID22/00000151
Kaneka Sun Spice Corporation Shiga Plant	Manufacture of spices, seasonings, curry powder and liquid spices (garlic, ginger, oil seasonings)	JQA / JQA-FC0281-1
Kaneka Sun Spice Corporation Ibaraki Plant	Manufacture of spices, seasonings, curry powder and liquid spices (garlic, ginger, oil seasonings)	JQA / JQA-FC0281-2

Manufacturing Department or Group Company (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
AB-Biotics, S.A.	Manufacturing of probiotic supplements	LQRA / 10516505

*3 The Food Safety System Certification 22000 (FSSC22000) offers a complete certification Scheme for Food Safety Management Systems based on ISO 22000, ISO/TS 22002-1, and additional FSSC 22000 requirements.

■ ISO 22716 Certification (*4)

Group Company	Main Products	Registry Organization and Number
Taiyo Yushi Corporation	Shampoos, conditioners, body soaps, and hand creams	BJV / 4521945

*4 ISO 22716 is guidelines on the Good Manufacturing Practices (GMP) of cosmetic products.

■ ISO 17025 Certification (*5)

Group Company	Main Products	Registry Organization and Number
Tokyo Kaneka Foods Manufacturing Corporation	Microbial testing (viable bacteria count, coliform count)	JAB / RTL04360
Kaneka Foods Manufacturing Corporation	Microbial testing (viable bacteria count)	JAB / 113749

*5 ISO 17025: General requirements for the competence of testing and calibration laboratories; Criteria based on which an accreditation body assesses whether the relevant testing and calibration laboratory can produce accurate measurement and calibration results.

■ IATF 16949 Certification (*6)

Group Company	Main Products	Registry Organization and Number
Kaneka Eperan Sdn. Bhd.	Development, manufacture of polypropylene foam beads	SIRIM QAS / 0388920
Kaneka (Thailand) Co., Ltd.	Development, manufacture of mini pellets and polyolefin beads, including product application development	BSI / Certification No.795333 IATF No.0499559

*6 IATF 16949 is a sector standard for quality management systems based on ISO 9001 with the addition of automobile industry-specific requirements.

■ JISQ 8901 Certification (*7)

Division (SV: Solutions Vehicle)	Main Products	Registry Organization and Number
PV & Energy management SV	Photovoltaic modules	JET / PV10-8901- 1001

*7 JISQ 8901: Defines requirements for reliability assurance system (design, manufacturing and performance assurance) for ground-mounted solar cell (PV) modules.

CSR Procurement

Management Approach

Basic Policy

Kaneka Group works to build relationships of trust with its business partners (suppliers) with the aim of mutual increase in corporate value. Under our Basic Procurement Policy, we pursue efficient procurement activities that also take account of fairness and equity in terms of ensuring safety and quality, protecting the global environment in areas such as climate change and biodiversity, showing respect for human rights, and ensuring legal compliance. In 2015, we signed the United Nations Global Compact to show our agreement with its principles for voluntary action in the four areas of Human Rights, Labour, Environment, and Anti-Corruption. In 2018, with the aim of further evolving our ESG management, we additionally set out an ESG Charter as an action agenda for each individual employee to help realize our corporate philosophy. On this basis, we pursue procurement activities for a sustainable society.

Policy

Basic Procurement Policy

- We will engage in procurement activities that enhance the corporate value of both Kaneka and our business partners.
- We will endeavor to reduce environmental damage by engaging in green procurement.
- We will provide opportunities for business partners to make fair and rational transactions in consideration of quality, price, supply stability, technical development capabilities, environmental protection, and safety.
- We will abide strictly by the relevant Japanese and foreign laws and regulations.

CSR Procurement

CSR Procurement

Responsible Procurement Initiatives

In all procurement activities within the framework of our business operations, we undertake responsible procurement and management of raw materials and other resources. Our Basic Procurement Policy requires the general manager of each business division to put in place and take charge of an appropriate system to manage procurement, including that of mineral raw materials, with the cooperation of business partners.

Additionally, as part of sustainable raw material procurement that takes due account of the environment and human rights, we have acquired a Roundtable on Sustainable Palm Oil (RSPO) supply chain certification for a portion of our palm oil procurement.

Green Procurement Based on Basic Procurement Policy

Based on the Basic Procurement Policy, Kaneka Group declared its commitment to pursue green procurement, aiming to reduce the burden on the environment. Based on this commitment, we have established the Green Procurement Standards.

In fiscal 2023, we revised our list of target substances to reflect the addition of regulated substances to REACH regulations in the EU. We also revised the Green Procurement Standards. Recognizing that green procurement initiatives are one of the most important elements of our environmental protection activities, we will continue to work actively with our business partners going forward.

*1 REACH regulation: Regulation concerning the Registration, Evaluation, Authorization, and Restriction of Chemicals.

Procurement Initiatives

The Procurement Division is actively seeking new suppliers to support business growth, including the launch of the Tomatoh Manufacturing Site. To keep pace with a rapidly changing procurement landscape, we are focused on building stronger, value-creating relationships with our partners through ongoing dialogue. In pursuit of responsible supply chain management, we have started defining requirements for our suppliers as part of our CSR procurement efforts.

Initiatives for Logistics Safety

In fiscal 2023, we drew up an annual plan for environmental, health, and safety measures. Working with transport companies, we held monthly safety meetings to raise safety awareness. These included drills on responding to chlorine leaks and exercises for reporting transport incidents.

To prevent chemical logistics accidents and disasters, we are driving digital transformation in logistics to build a supply chain that can adapt to rapid changes in society. For example, we have introduced a warehouse management system and a delivery system that streamlines product assortments, enabling us to handle a wider range of transport and storage needs. To make warehouse operations safer, we have also begun trials of the latest automated forklifts, aiming to put them into use in fiscal 2025.

By boosting safety awareness and pushing ahead with digital transformation, we are strengthening the foundations of logistics safety while tackling future labor shortages and environmental challenges.



Training for handling leaks of toxic and hazardous products

Declaration of Partnership Building

Based on the belief that it is important to actively work on strengthening the supply chain, Kaneka endorses the aims of the Council on Promoting Partnership Building for Cultivating the Future advanced by the Cabinet Office and other related ministries and agencies. We announced our Declaration of Partnership Building in October 2022. The aim is to build new partnerships by promoting cooperation, coexistence, and coprosperity with business partners in the supply chain and other business operators seeking to create value.

CHECK & ACT

Kaneka Group continues to engage in procurement activities based on the Green Procurement Standards.

Human Resource Strategy

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. Dialogue through the Kaneka 1-on-1 program raises motivation and through synergies between job roles and conventional off-the-job training we develop our human resources.

In addition, to ensure that diverse human resources generate diverse ideas, we not only promote women's participation and advancement, we make mid-career hires of people with diverse specialties and have introduced a matching program to expand the range of activity of senior employees.

We work to maintain an environment for demonstrating abilities and to foster bonds between coworkers, and also maintain the physical and mental health of employees and encourage them to take on the challenge of daily work.

Management Strategy

Human Resource Strategy

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Trust & Respect

Promotion of Diversity

Diverse individuality delivers unique Kaneka value

Promotion of Wellness

Coworkers with the same aspiration engage in work with vitality

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

Making dreams a reality by "lighting a fire in people's hearts"

▶ Enlarge the figure (1.8MB) PDF

Human Resource Strategy

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

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

Through the Kaneka 1-on-1 program, we develop human resources who learn and choose on their own, and take on challenges.

Kaneka supports each employee in realizing their dreams and their vision of how they wish to be.

Beyond the career paths grown employees will take and beyond the challenges they will enthusiastically engage in, there awaits new value not present before and the transformation of the Kaneka Group.

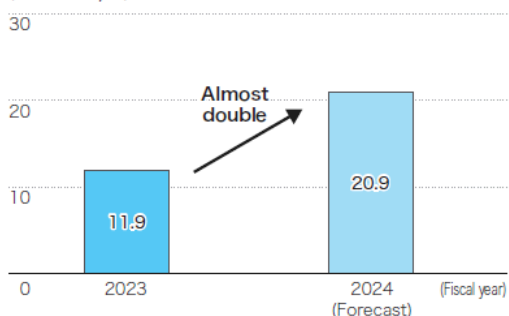
Daily Management Itself Is 1-on-1

Raising the Quality of the 1-on-1 Program

The 1-on-1 program was introduced in fiscal 2018. Superiors constantly maintain a medium- to long-term development vision for their staff members (subordinates) and provide specific feedback, while staff members gain an understanding of their strengths and areas for improvement, which can raise the quality of actions for growth. To promote dialogue focused on growth and improve the quality of the 1-on-1 program, we have conventionally held workshops for executives, and in fiscal 2023 we started workshops for division heads and staff members. In fiscal 2024, we plan to further expand the workshops and approximately double the amount spent on training.

Kaneka 1-on-1 and Career Design Training Expenditures

(Millions of yen)



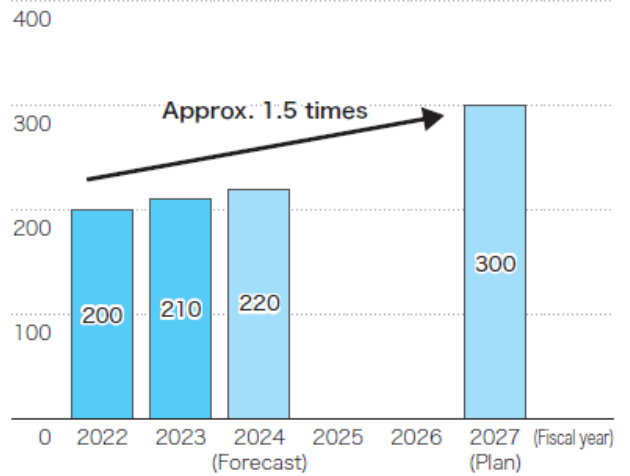
	Areas that will be deepened
Division heads	Based on the idea of spending 80% of one’s energy on subordinate development, be aware of one’s impact as a leader
Executives	As superiors, connect member growth and job results, and through dialogue achieve both
Regular employees	As company members, visualize your own plan for growth and raise the quality of dialogue

All employees will effectively utilize dialogue opportunities and accelerate lifetime growth as people and on the job, aiming to develop organizational capacities for producing results as an organization. To respond to the motivation of employees seeking to improve their skills, we will expand off-the-job training programs and plan to invest 300 million yen in human resources development in fiscal 2027 (1.5 times more than fiscal 2022).

In addition, in line with Kaneka's global strategy, we provide language training to employees seeking career development overseas, and both selective and voluntary English training receive more applications than the number being recruited.

Total Amount Spent on Training

(Millions of yen)



Challenges for the Next Generation of Human Resources

Development of the Next Generation of Leaders

Hitotsubo-no-Tane Momi Juku, our training program led by top management, has trained 121 people since it started in fiscal 2015, of which 31 are division heads.

The chairman, president, and executive vice president take part in all sessions, spending a total of 12 days (about 100 hours) over eight months and directly giving advice to raise the viewpoints of the participants.

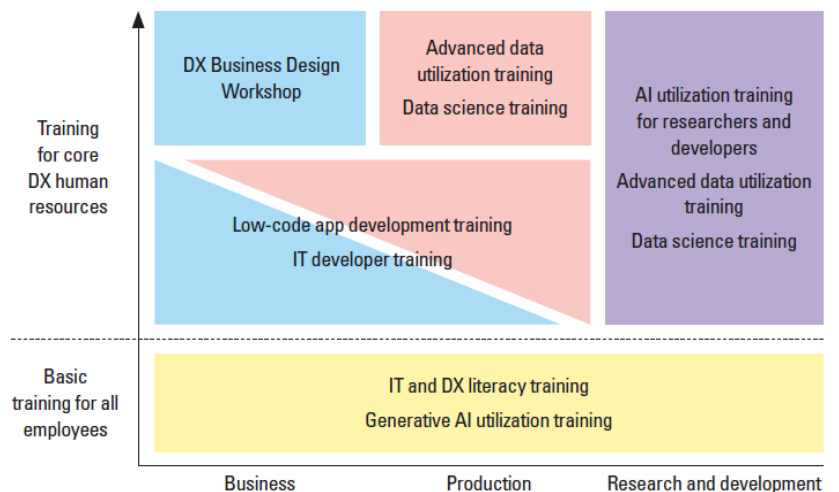


DX Human Resources Development

We are focused on training core human resources for DX and are also expanding the scope to the business planning field. At workplaces for business, production, research and development, DX is autonomously promoted centering on core human resources to generate new value.

In addition, for all employees, we have started IT and DX literacy training and also have introduced training on utilizing generative AI along with a large-scale practice test.

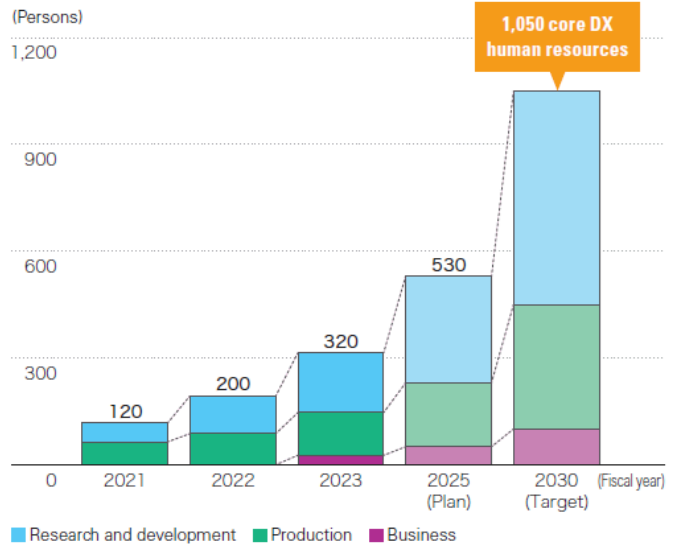
DX Curriculum System Diagram



< Examples of DX Results at the Workplace >

- Demand prediction using AI
- Improved productivity from optimal production planning using optimized calculation technology
- Control automation by embedding AI in plant processes
- Succession of know-how, knowledge and past data using generative AI
- Ideas for new businesses at the Business Design Workshop

Expansion of Human Resources Utilizing AI and Data



Human Resource Strategy

Promotion of Diversity

Diverse individuality delivers unique Kaneka value

Kaneka is striving for a diversity of ideas whereby diverse human resources deliver new value.

Since 2023, diversity has been added to the evaluation items for executives, and initiatives are being conducted at the workplace level.

We promote people without regard for educational background or years of experience and our executive team already has diverse backgrounds.

We are currently focused on policies for further expanding the opportunities for women to participate and advance.

Promoting Women's Participation and Advancement Pivoting on Growth

Growth Opportunities at the Assistant Manager and Executive Levels

We support proactive challenges and promotions by encouraging the growth of individuals through the 1-on-1 program without regard for gender. For women, who have few leader role models, Kaneka establishes opportunities for dialogue with Independent Member of the Board Yuko Sasakawa at the executive level and Independent Member of the Board Hiromi Miyake at the assistant manager level.

This teaches participants the stance of accepting changes in role expectations as opportunities and provides the chance to gain insights. Among participants in the initiative, there have been people promoted the next fiscal year and others who have taken on the challenge of a new business.



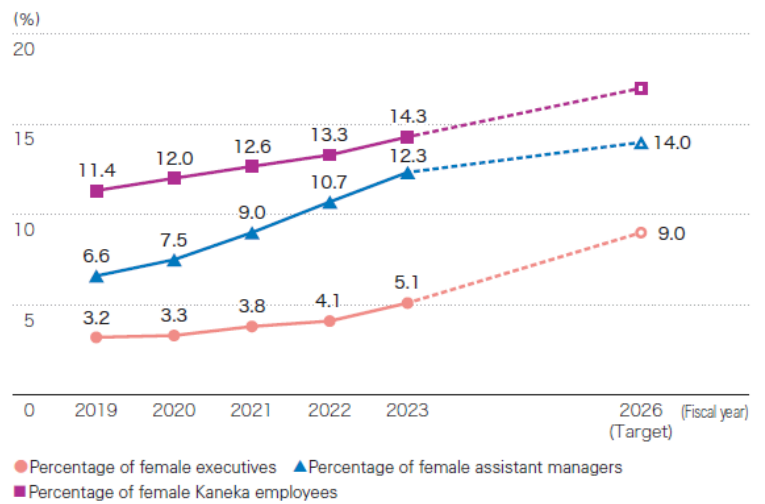
Promotions after Challenges

By strengthening programs of job placements, training, and mid-career hiring, we continue efforts to raise the percentage of women in executive positions. We are planning to have

80 women in executive positions in fiscal 2026, a percentage of 9%.

Over the medium to long term, we are also focused on assistant manager training to provide candidates for executive positions.

Trends and Prospects for Female Executives and Candidates



Hiring of Human Resources that Freely Excel

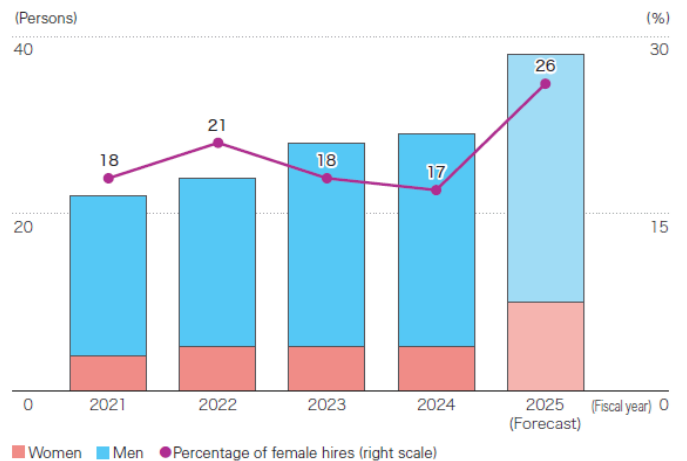
Efforts to Hire Women

In new hiring for administrative positions, we are hiring around the same number of women as men. At the same time, the female hiring ratio for technical positions continues to be lower than for administrative positions.

In fiscal 2023, we substantially upgraded our new graduate recruitment seminar aimed at women in the sciences, establishing opportunities to introduce our programs for work-life balance and the careers and mindsets of women working in technical positions. As a result, we are expecting an increase in female hires for technical positions joining the company in fiscal 2025.



New Hires for Technical Positions



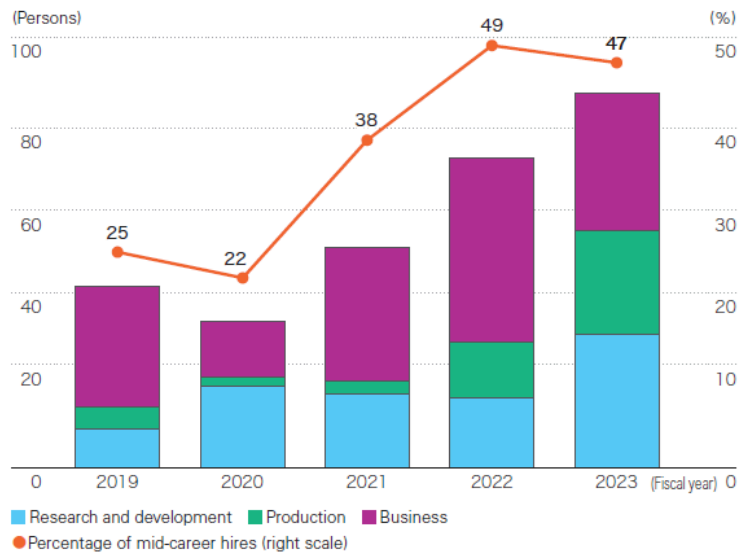
Acquiring Diverse Experience and Specialties

We actively conduct mid-career hiring so that diverse employees respect one another and can demonstrate their abilities.

We maintain a mid-career hiring ratio of over 40% each year to help rejuvenate the organization and to leverage diverse experience and specialties for business growth.

Promotions do not consider years of service and approximately 20% of executives are mid-career hires.

Mid-Career Hires in Each Area



Human Resource Strategy

Promotion of Wellness

Coworkers with the same aspiration engage in work with vitality

Establishing a corporate culture and environment where employees can excel with a robust vitality is an ongoing process without a final goal.

Having a healthy organization that is actively rejuvenated and having firm bonds in which employees support one another in taking on challengers is the foundation supporting Kaneka’s healthy management.

Promotion System

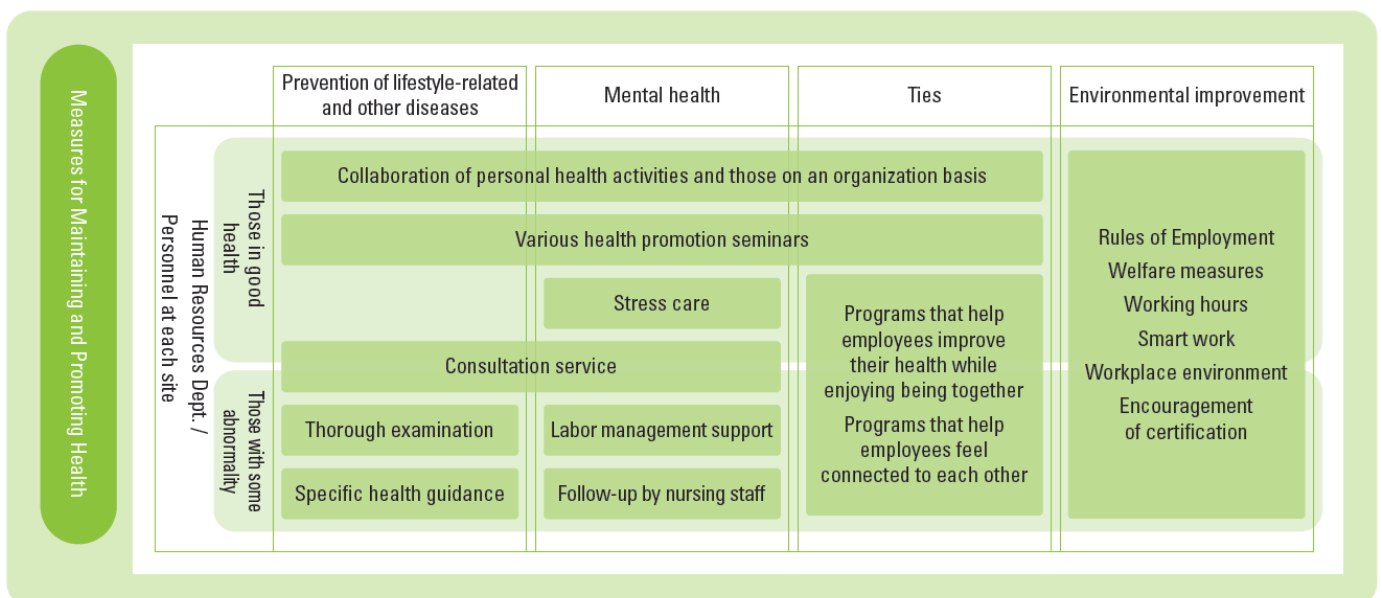
The Engine of Sustainability Management will lead a company-wide task force.

Goals of Our Vision for Health

Coworkers : Employees who spend their healthy and vibrant lives, and work on their jobs

Organization: A workplace where everyone can work healthy and freely as one team, and each person can develop and show the full potential of one’s unique character and ability

Measures for Maintaining and Promoting Health



Wellness Promotion System

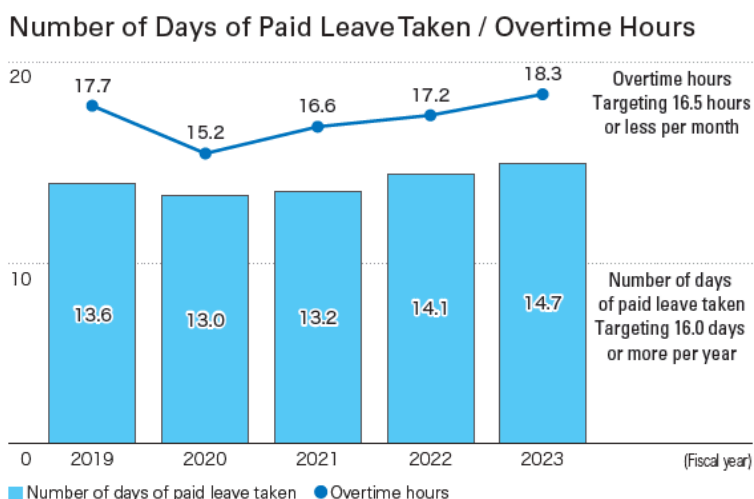


Forming the Foundation for a Healthy, Active Life

Maintaining an Environment Where It Is Easy to Work

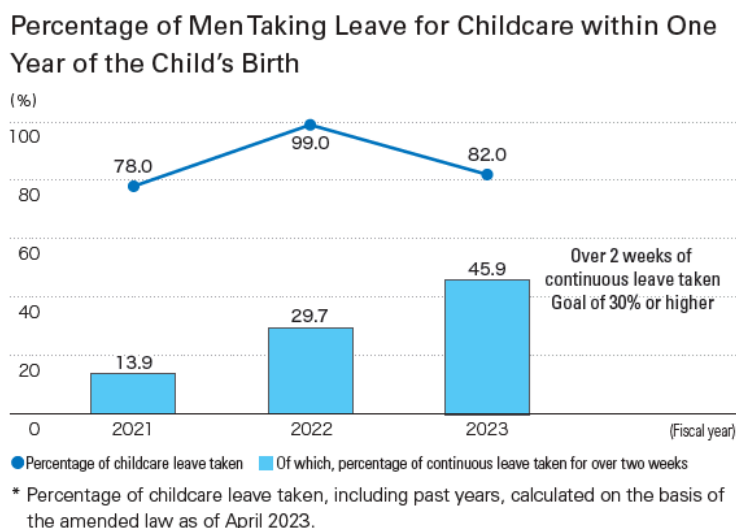
Maintaining physical and mental health and an environment where work can be promoted while workers are refreshed leads to a way of working that increases productivity and to reforms to the work culture.

In fiscal 2025, we are aiming for 16.0 days of paid leave taken and 16.5 hours of overtime per month.



Raising Awareness for Active Support of Childbirth and Childcare

An "iku-boss" seminar was held for superiors as a message to support work-life balance. The seminar's aim was to raise awareness of management at workplaces where diverse human resources actively take part and of developing the workplace, promoting a positive cycle in the organization at the workplace level. As one indicator, the percentage of men taking at least two weeks of continuous leave for childcare within one year of the child's birth was over 30% and continues to rise each year.

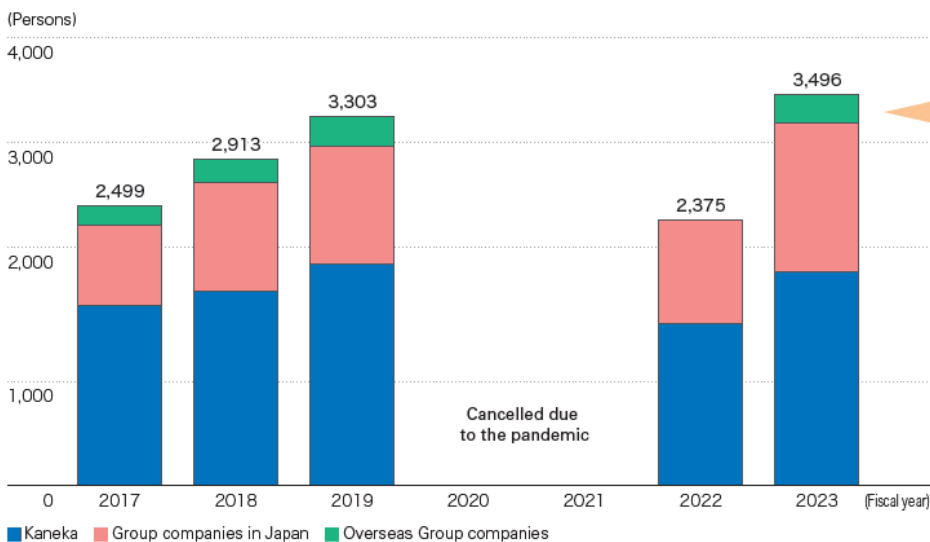


Opportunities to Build Unity

“Run, Run, Run. Kaneka.” is a sports event to deepen ties within the Kaneka Group started in fiscal 2014. It is major festival centering on running—the main event is a group Ekiden—where Kaneka Group employees from inside and outside Japan gather together in the same place. The initiative makes ties tangible, with all of the Kaneka Group becoming one team under one flag. Out of ties between other departments and Group companies, new discoveries and creations emerge.



Number of Participants in Run, Run, Run. Kaneka



In fiscal 2023 around 3,500 people participated, a level that exceeded pre-pandemic levels (2019). A total of 32 Group companies participated from overseas, a new record high, and 43 domestic Group companies also participated, over three times the amount when the event first started (13 companies).

Many runners from Kaneka take part in the Hokkaido marathon, which Kaneka has co-sponsored since 2013, primarily high-ranking runners from the Run, Run, Run. Kaneka Ekiden. On the day of the race, Hokkaido Group companies and many people involved cheer on the runners from the side of the road despite the hot summer heat, together adding to the excitement of the event.



Social Contributions

Management Approach

Basic Policy

As a good corporate citizen, Kaneka Group engages in various activities to deepen stakeholder understanding, such as disaster reconstruction support, youth development, international contributions, and environmental conservation. Thereby, we work to build strong ties with communities and society as a highly open and transparent company.

Social Contributions

Supporting Disaster Reconstruction and Other

Establishment of the KANEKA UNITED Kizuna Foundation

In fiscal 2018, Kaneka decided to move toward ESG Management. KANEKA thinks “Wellness First.” Under this management philosophy, we established the KANEKA UNITED Kizuna Foundation in September 2019 to help areas severely affected by natural disasters, such as a typhoon and an earthquake, return to normal and healthy condition as soon as possible.

The Foundation is financed by the company and regular voluntary contributions from our directors and employees who agree with the purpose of the Foundation. We regularly recruit new supporters and post an annual report each year, and the provision of donations is reported on the company intranet.

Relief Efforts Following 2024 Noto Peninsula Earthquake

Kaneka provided relief following the Noto Peninsula earthquake that struck on New Year’s Day, 2024.

Immediately after the disaster, we provided 1,000 disaster relief blankets and bottled drinking water to Kanazawa City.

To assist victims and help restore affected areas, we donated a total of 10 million yen to Ishikawa Prefecture through the KANEKA UNITED Kizuna Foundation as relief funds.

We hope for a swift recovery and reconstruction of the affected areas.

< Kaneka Kanto Styrol Co., Ltd., Tokyo Kaneka Foods Manufacturing Corporation >

- Donated through the Japanese Red Cross Society and local chambers of commerce.

Other Forms of Support

< Kaneka Takasago Manufacturing Site, Kaneka Sun Spice Corporation, Kaneka Tohoku Styrol Co., Ltd., Kaneka Hoken Center Co., Ltd., Kaneka Hokkaido Styrol Co., Ltd. >

- Donated to Central Community Chest of Japan.
- Donations to support groups for cancer and chronic disease patients and to facilities for pediatric cancer patients.
- Donated to the local social welfare council.

< Kaneka Shiga Manufacturing Site, Cemedine Co., Ltd., Tochigi Kaneka Corporation, Kaneka (Thailand) Co., Ltd., Kaneka (Malaysia) Sdn. Bhd., HiHua Fiber Co., Ltd. >

- Employees took part in blood donation activities.

Social Contributions

Fostering Youth Development

Kaneka Group is active in efforts to foster youth development in communities where it operates. We will make a continuous contribution to local communities through youth development.

Exploring Manufacturing and the Wonder of Chemistry

As part of Kaneka's efforts to support the education of the next generation in the community and society, we teach classes on manufacturing and on-site classes. Retired employees and current employees, including new hires, serve as lecturers.

Partnering with Core-Net, an NPO dedicated to educating the next generation, we conduct the Kaneka Manufacturing Class at elementary schools near Kaneka Takasago Manufacturing Site, Osaka Manufacturing Site, and Shiga Manufacturing Site. The aim of the class is to increase children's interest in and understanding of manufacturing. In the class, sixth graders assembled Scrollers II (a small self-powered rolling robot) kits, gaining a sense of the fun and satisfaction of making things.

Elementary schools near the Kaneka Kashima Manufacturing Site are conducting field trip classes for chemical experiments based on a concept of "Let's get into science." In fiscal 2023, the class activity focused on making original erasers using polyvinyl chloride resin, which gave students a chance to experience the wonders of chemistry. We will continue supporting students' education with an emphasis on lighthearted fun.

Efforts of the Kaneka Group

< All parent manufacturing sites, Group companies in Japan and overseas >

- Regularly accepting local students for internships, onsite training, work experience, and workplace visits.
- Organizing plant and facility tours for local schools.



Environmental exploration field trip class
(Kaneka Takasago Manufacturing Site)



Providing factory tours
(Kochi Styrol Co., Ltd.)



Try It Out Week, in which junior high school
students experience manufacturing
processes
(Kaneka Foods Manufacturing Corporation)

< Kaneka Takasago Manufacturing Site >

- Digging sweet potatoes in the fall in the fields on the grounds of the plant with local kindergarteners, elementary school students, and students from a special needs school.

< Cemedine Co., Ltd. >

- Presenting woodworking adhesives to new first-year students in cities where we have manufacturing sites.
- Taking part in Bell Mark activities.

< Tokyo Kaneka Foods Manufacturing Corporation >

- Sponsoring a Christmas party for local children.

Social Contributions

Local Communities (Efforts of the Kaneka Group)

Coexistence and Contribution with Local Communities

< Kaneka, all parent manufacturing sites, Group companies in Japan and overseas >

- Supporting local festivals, fireworks festivals, and various events through donations and sponsorship of advertising. Also offering products and beverages.
- Participating in and sponsoring regional sports tournaments
- Participating in and cooperating with local fire drills and activities.
- Participating in and donating to local communities.



Holding a summer festival attended by local residents
(Kaneka Takasago Manufacturing Site)



Participating in firefighter training
(Kaneka Osaka Manufacturing Site)



Participating in the local autumn festival
(Kaneka Shiga Manufacturing Site)



Participating in the fire hydrant operation competition
(Tokyo Kaneka Foods Manufacturing Corporation)



Cooperating with the community in fire drill activities
(Kaneka (Thailand) Co., Ltd.)



Building a community hut on the river pier
(Kaneka (Malaysia) Sdn. Bhd.)

< Kaneka Sun Spice Corporation, Kaneka Medix Corporation >

- Editing and distribution of regional association newsletters, flyers, and posters.

< Kaneka Singapore Co. (Pte) Ltd. >

- Visiting facilities for the elderly and engaging with them through conversation and games, as well as donating daily necessities.

< Kaneka (Thailand) Co., Ltd. >

- Reusing PET bottles and PET bottle caps to create school bags and furniture for nearby elementary schools.

< Showa Kasei Kogyo Co., Ltd. >

- Sponsoring the local soccer team to support their activities.

< Tochigi Kaneka Corporation >

- Conducting a study session on employment for people with disabilities for all employees.
- Obtaining certification as a Workplace Adjustment Supporter (Job Coach).

Environmental Activities

< All parent manufacturing sites, Group companies in Japan and overseas >

- Regularly conducting cleaning and beautification activities around our plants.
- Participating in and donating to environmental protection activities.



Hokkaido Kanelite Co., Ltd.



Tamai Kasei Co., Ltd.



Kaneka Medix Corporation



Tochigi Kaneka Corporation

< Kaneka, Taiyo Yushi Corporation >

As a company using palm oil, gained full membership in the RSPO (Roundtable on Sustainable Palm Oil), a global non-profit organization that aims to promote sustainable palm oil production and use, focusing on the environment and human rights.

Taiyo Yushi Corporation participated as a board company in the Japan Sustainable Palm Oil Network (JaSPON), founded to accelerate the procurement and consumption of sustainable palm oil in the Japanese market.

< Tokyo Kaneka Foods Manufacturing Corporation >

- Donated to the Green Space Conservation and Greening Promotion Project.

International Contributions

Supporting the Activities of the UN World Food Programme

Kaneka supports the mission of the UN World Food Programme (WFP) to eliminate hunger and poverty and, as part of its ESG activities, has continued to provide support as a partner in the corporate program of the Japan Association for the World Food Programme (JAWFP) since 2013. In Africa, where our KANEKALON™ business has expanded, we provide school meals to children who cannot attend school and to children who are chronically malnourished. We also sponsored two charity events organized by JAWFP: WFP Walk the World 2023 and WFP Essay Contest 2023. We will continue to support the betterment of nutritional conditions and broader learning opportunities for children in Africa, making the world a healthier place.

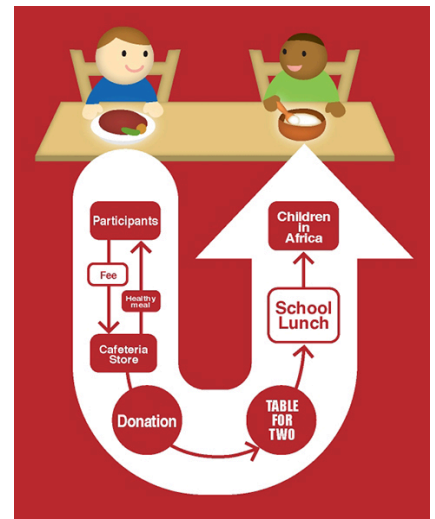


Participating in TABLE FOR TWO Activities at the Company Cafeteria

Kaneka has been participating in TABLE FOR TWO (TFT) activities since 2010. TFT is a social contribution activity aimed at addressing food imbalance, whereby developing countries suffer from hunger and malnutrition, while developed countries have problems with obesity and lifestyle diseases. The employee cafeteria offers a menu with reduced calories to prevent obesity and lifestyle diseases. For every one of these meals that is bought at a company cafeteria, 20 yen is donated through TFT toward school meals for children in developing countries.

We donated the equivalent of 7,532 meals (150,640 yen) in 2023.

In addition to the TABLE FOR TWO (TFT) program at the employee cafeteria, Tochigi Kaneka Corporation has installed a donation-based vending machine called CUP FOR TWO. In fiscal 2023, we delivered 5,909 meals (118,183 yen). We will continue our efforts to share meals and deliver hearty school lunches through our employee cafeterias.



Mechanism of TFT

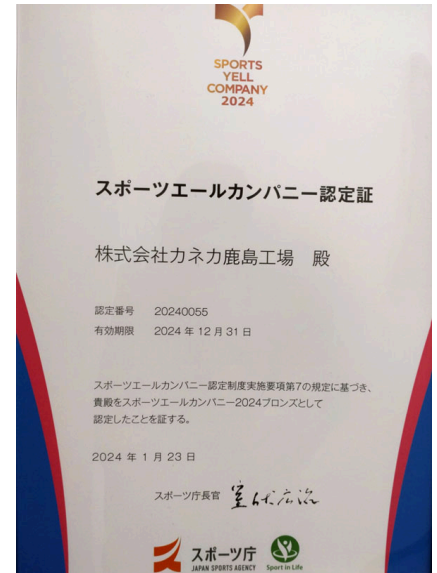
Awards & Recognition

< Kaneka >

- At the 63rd All Hokkaido Advertising Association Awards, Kaneka received an Encouragement Award in the newspaper category.
- At the 72nd Nikkei Advertising Awards, Kaneka received the Grand Prize in the Purpose and ESG category.

< Kaneka Kashima Manufacturing Site >

- Recognized as a “Sports Yell Company” for proactive efforts to promote sports including as a way of supporting employee health.



< Kaneka Sun Spice Corporation >

- Recognized by the Japan Food Hygiene Association for excellence in food hygiene management, receiving the Chairman’s Award.



< Kaneka Hoken Center Co., Ltd. >

- Recognized as one of the 2024 Excellent Health Management Corporations (small and medium size corporation category).

< Kaneka (Malaysia) Sdn. Bhd. >

- Received the Bronze Award for the environment, protection regulations, process safety, etc. at the CICM Responsible Care Awards.



< HiHua Fiber Co., Ltd. >

- Awarded the Excellent Team Award by the Qingdao Federation of Trade Unions for thorough safety production.

< Tokyo Kaneka Foods Manufacturing Corporation >

- Received an accident-free record certificate from the Tokorozawa District Labor Standards Association in recognition of efforts to prevent industrial disasters, having achieved a continuous period of 2.2 million hours (from

May 24, 2018 to October 15, 2023) with no accidents.

- Ten employees underwent training in cardiopulmonary resuscitation (CPR), how to use an AED, etc., and were awarded certificates of completion.
- Six employees were recognized as Excellent Workers for their efforts on health, safety and environmental conservation.
- Continue to receive Silver Certification as an excellent health enterprise certification from the Tokyo Federation of Health Insurance Associations.

Corporate Governance

Basic Policy

Guided by our Corporate Philosophy, Kaneka aims to achieve sustainable growth, improve medium- to long-term corporate value, and build trust among all stakeholders, including shareholders, investors, customers, local communities, vendors, and employees, realizing optimum corporate governance to fulfill our social responsibility. Kaneka believes that a working corporate governance function is extremely important for realizing diverse, global business growth and maintaining the optimal allocation of corporate resources to the R&D, production and sales activities that support that growth. It is also essential for realizing sustainable growth together with the medium- to long-term improvement of corporate value. From that perspective, Kaneka is working to enhance corporate governance, both to ensure transparency and fairness in decision-making and to build more dynamic management through swift, bold decisions. Kaneka believes the following basic items are particularly important in those efforts.

- Respecting and ensuring the equality of shareholder rights
- Collaborating with other stakeholders in the value-creation process
- Ensuring transparency through the timely, appropriate disclosure of information
- Strengthening the oversight and strategic recommendation functions of the Board of Directors by leveraging the independence and insight of its independent member of the board
- Appropriately communicating and encouraging understanding of Kaneka’s corporate philosophy and policies among all stakeholders
- Conducting a constructive dialogue with shareholders based on an understanding of Kaneka’s corporate policies

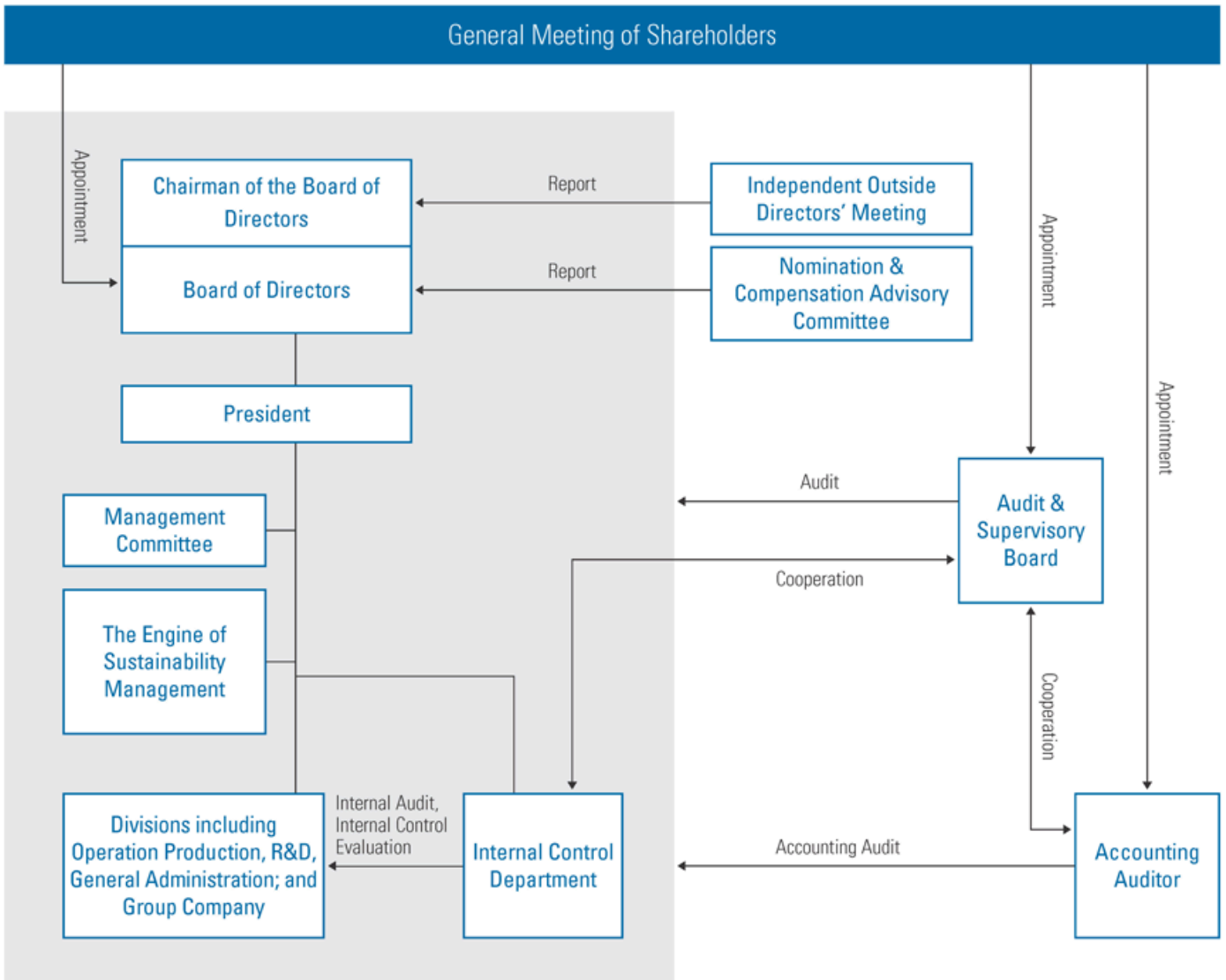
Efforts to Strengthen the Governance Capacity

	2006–	2011–	2021–
Corporate Philosophy	2009 Established the “Declaration of Kaneka United”	2018 Established the “ESG Charter”	
Separation of management and execution	2006 Introduced the executive officer system 2006 Changed the number of directors from 21 to 13		
Outside directors		2011 Appointed an outside director 2015 Increased the number of outside	2022 Appointment of one female director 2023 Increased the

		directors from 1 to 2 2020 Increased the number of outside directors from 2 to 4	number of female directors from 1 to 2
Committees		2015 Established the Nomination & Compensation Advisory Committee 2015 Established the Independent Outside Directors' Meeting	2021 Majority of the Nomination & Compensation Advisory Committee is the Independent Outside Directors
Internal control system	2006 Formulated the Basic Policy on Internal Control System		
Corporate governance		2015 Formulated the Basic Policy on Corporate Governance	
Independence criteria for outside directors		2013 Formulated the Criteria for Independence of Outside Directors	
Effectiveness evaluation		2016 Commenced the effectiveness evaluation on the Board of Directors	

Corporate Governance Structure

■ Diagram of Corporate Governance System



Organizational Design

We currently have four independent outside directors and two independent outside Audit & Supervisory Board Members. Since both the overseeing of business operations by the Board of Directors and auditing by the Audit & Supervisory Board are functioning well, Kaneka has chosen to be a Company with Audit & Supervisory Board under the Companies Act.

Main items	
Organizational structure	Company with Audit & Supervisory Board
Term of office of directors	1 year
Adopted executive officer system	Yes

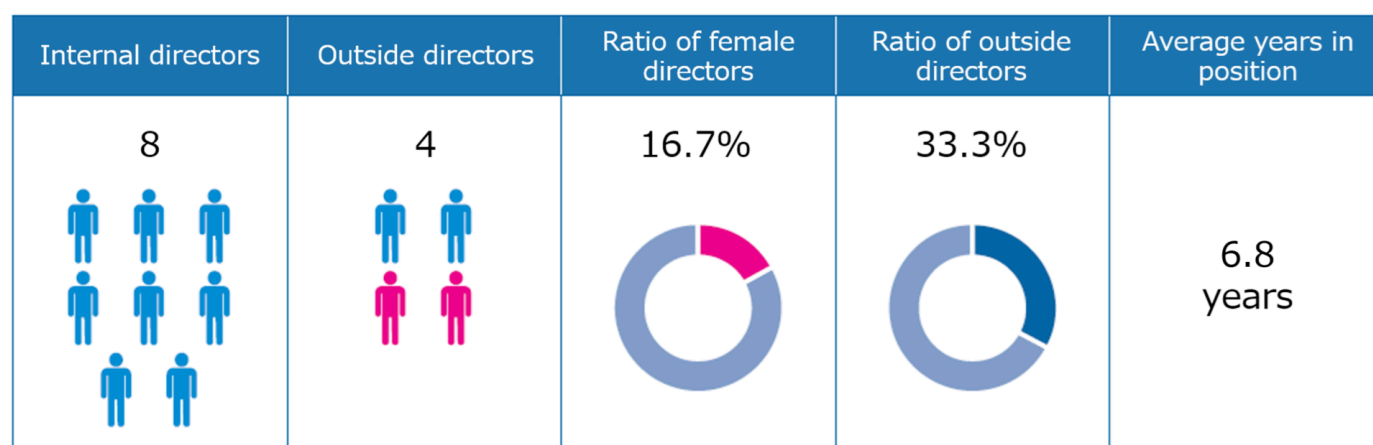
Organization that assists the president in decision making	Management Committee
Voluntary advisory body to the Board of Directors	Nomination & Compensation Advisory Committee
Other important bodies	Independent Outside Directors' Meeting

Directors and the Board of Directors

The Board of Directors seeks to ensure efficient and effective corporate governance in order to realize the company's sustainable growth and increase corporate value in the medium- to long-term.

The Board of Directors exercises its oversight functions on overall management to ensure fairness and transparency, as well as to appoint management positions, evaluate and determine remuneration, evaluate serious risks and determine strategies to counter them, and make the best decisions on important business operations. The Board of Directors makes resolutions on important matters related to the management of the Kaneka Group after deliberation by the Management Committee, which includes the president. There are at most 13 members on the Board of Directors. Of these, four are independent outside directors, in principle, to strengthen the oversight function. Directors serve for a period of one year to clearly define management responsibilities.

■ Composition of the Board of Directors



Note: The above details are true as of the end of the 100th Annual General Meeting of Shareholders held on June 27, 2024.

The Board of Directors met 14 times in fiscal 2023. (The rate of attendance by Directors and Audit & Supervisory Board Members was 100.0%). Based on the rules of the Board of Directors, it discussed and decided on the mid-term management plan, annual budget, financial policy, key personnel, quarterly/year-end accounts, and strategic investments. The Board of Directors also received and discussed reports on each business division with regard to progress on the mid-term management plan and the monitoring of issues.

Audit & Supervisory Board Members and the Audit & Supervisory Board

Audit & Supervisory Board Members and the Audit & Supervisory Board seek to ensure healthy and sustainable corporate growth and to establish a structure with good corporate governance that can gain social trust by checking on the performance of directors in regard to their duties.

The Audit & Supervisory Board comprises four members, two of whom are independent outside members, and performs audits in coordination with the Accounting Auditor and the Internal Control Department. Audit & Supervisory Board Members are given space to periodically exchange views with the representative director, and monitor the state of business operations when necessary, by attending key meetings of the Board of Directors and

those of the Management Committee, which decides on the implementation of important matters, as well as division head meetings.

Nomination & Compensation Advisory Committee/Independent Outside Directors' Meeting

We have established the Nomination & Compensation Advisory Committee and Independent Outside Directors' Meeting. The Nomination & Compensation Advisory Committee discusses remuneration of Directors, and candidates for Directors and Audit & Supervisory Board Members, and reports them to the Board of Directors. The Independent Outside Directors' Meeting discusses the effectiveness of the Board of Directors to report to the Chairman of the Board of Directors. In order to increase neutrality, the majority of the Nomination & Compensation Advisory Committee are the independent outside directors.

Implementation of Business Operations

Kaneka has adopted the executive officer system to harmonize the oversight function of directors with the implementation function of business operations, which also facilitates decision-making and clearly defines roles. The Board of Directors decides on key management strategies and business operations of the entire Kaneka Group, while executive officers handle business operations in their respective areas of responsibility. The Executive Officers' Meeting is held monthly to share management policies and issues with the aim of achieving management goals speedily. Division heads, including executive officers appointed by the Board of Directors, are given extensive authority over daily business execution. Monthly division head meetings are held to enable the directors and Audit & Supervisory Board Members to directly hear progress reports from each division head. The Internal Control Department evaluates the effectiveness of internal control and conducts an internal audit.

Selection Criteria for Directors

At Kaneka, directors are selected by the Board of Directors, on the basis of character, judgment, expertise and experience as well as ethics, after deliberation by the Nomination & Compensation Advisory Committee, which is comprised of directors and independent outside directors.

We are expanding diverse businesses globally. In order for the Board of Directors to make accurate and prompt decisions and supervise these corporate activities, we place great importance on appointing directors with different backgrounds such as diverse knowledge, experience, and expertise. Specifically, we expect knowledge, experience, and expertise related to business, global, technology, diversity and corporate & governance. We also believe that the Board of Directors as a whole has well-balanced knowledge, experience, and expertise, and is composed of an appropriate number of people.

In selecting directors, no restrictions are made in terms of gender, age or nationality.

■ Skills Matrix of the Members of the Board

Name	Position in the Company	Fiscal 2023 attendance at Meetings of the Board of Directors	Knowledge, experience, and expertise				
			Business	Global	Technology	Diversity	Corporate & Governance
Kimikazu Sugawara	Chairman of the Board (Representative Director)	100%	○	○		○	○
Kazuhiko Fujii	President (Representative Director)	100%	○	○		○	○
Shinichiro Kametaka	Member of the Board, Executive Vice President	100%	○	○		○	○
Mamoru Kadokura	Member of the Board, Executive Vice President	100%	○	○	○	○	
Katsunobu Doro	Member of the Board, Managing Executive Officer	100%	○	○		○	
Jun Enoki	Member of the Board, Managing Executive Officer	100%	○	○		○	○
Toshio Komori	Member of the Board, Managing Executive Officer	100%	○	○		○	○
Masaaki Kimura	Member of the Board, Managing Executive Officer	—	○	○	○	○	
Mamoru Mohri	Independent Member of the Board	100%		○	○	○	○
Jun Yokota	Independent Member of the Board	100%		○		○	○
Yuko Sasakawa	Independent Member of the Board	100%	○			○	○
Hiromi Miyake	Independent Member of the Board	100%		○		○	○

Note: The above details are true as of the end of the 100th Annual General Meeting of Shareholders held on June 27, 2024. The table above does not show all the skills of each Member of the Board.

Analysis and Evaluation of Effectiveness of the Board of Directors

Each year, Kaneka implements an analysis and evaluation of the effectiveness of the Board of Directors, and discloses a summary of the evaluation results. Specifically, the Chairman of the Board of Directors periodically receives reports from the Independent Outside Directors' Meeting and opinions from the internal directors.

Based on these reports, the current status of operations of the Board is evaluated. In the evaluation process in fiscal 2023, the Independent Outside Directors' Meeting held discussions focusing on the operation of the Board of Directors (number of meetings held, frequency, length, contents of information provided beforehand, contents of agendas, deliberations, etc.), role of outside directors, information provision to outside directors, and risk management. Based on the discussion results, the Board of Directors conducted a self-evaluation. As a result, it has been confirmed that the Board of Directors functions effectively in making decisions on important matters for the Group such as risk management and supervising business execution. We will continue to enhance the effectiveness of our Board of Directors through effectiveness evaluations.

Standards for Independence of Outside Directors/Audit & Supervisory Board Members

We have defined the Standards for Independence of Outside Directors/Audit & Supervisory Board Members to guarantee the independence of independent outside directors and Audit & Supervisory Board Members in practice. The standards are disclosed in our notice of convocation of general meeting of shareholders, corporate governance report, etc.

Support Framework for Outside Directors/Outside Audit & Supervisory Board Members

For outside directors, the secretariat of the Board of Directors seeks to provide full explanations of the background, purpose, and content of proposed agenda items for Board meetings in advance. Outside directors attend Board meetings and make appropriate remarks based on their wealth of knowledge. They also receive monthly business reports from directors and share opinions as appropriate. In addition, they meet regularly with the representative directors and attend meetings of the Nomination & Compensation Advisory Committee and the Independent Outside Directors' Meeting to exchange views.

Outside Audit & Supervisory Board Members attend meetings of the Board of Directors and the Audit & Supervisory Board, where they make appropriate remarks. They also receive monthly reports from the full-time Audit & Supervisory Board Members on auditing operations, exchanging views and discussing critical matters. Furthermore, they meet with the representative directors and attend the Independent Outside Directors' Meeting to exchange opinions. We have established a secretariat for the Audit & Supervisory Board and appointed assistants to support Board Members in their duties.

Remuneration of Members of the Board, etc.

Matters relating to decision policies relating to the details of individual remuneration, etc., of Members of the Board.

- How this policy is determined

The Company decided on this policy by resolution of the Board of Directors held on February 9, 2021 following deliberation by the Nomination & Compensation Advisory Committee.

- Basic policy

The remuneration of our directors is appropriate, fair, and balanced. It aligns to the medium- to long-term interests of shareholders, increasing the motivation of Members of the Board toward maximizing the Company's corporate value. Remuneration for internal directors consists of monthly remuneration as fixed remuneration, bonuses as performance-linked remuneration, and stock option remuneration as non-monetary remuneration. Individual remuneration is determined according to the job responsibilities of each individual. For outside directors, only monthly remuneration is provided as fixed remuneration.

■ Total Amount of Remuneration for Directors and Audit & Supervisory Board Members

Category	Personnel eligible for payment	Total amount paid	Total amount by type of remuneration		
			Basic remuneration	Performance-linked remuneration (bonus)	Non-monetary remuneration (stock option remuneration)
Directors (Of which, outside directors)	14 (5)	706 million yen (68 million yen)	547 million yen (68 million yen)	110 million yen (-)	49 million yen (-)
Audit & Supervisory Board Members (Of which, outside Audit & Supervisory Board Members)	5 (2)	82 million yen (34 million yen)	82 million yen (34 million yen)	-	-

Note: Amounts are rounded down to the nearest unit.

The amount for non-monetary remuneration (stock option remuneration) 49 million yen is the cost amount recorded for the most recent stock acquisition rights granted to eight directors excluding outside directors.

Policy on Strategic Shareholdings

Kaneka holds the minimum number of strategic shareholdings necessary for maintaining and strengthening business relationships, business alliances, and capital alliances.

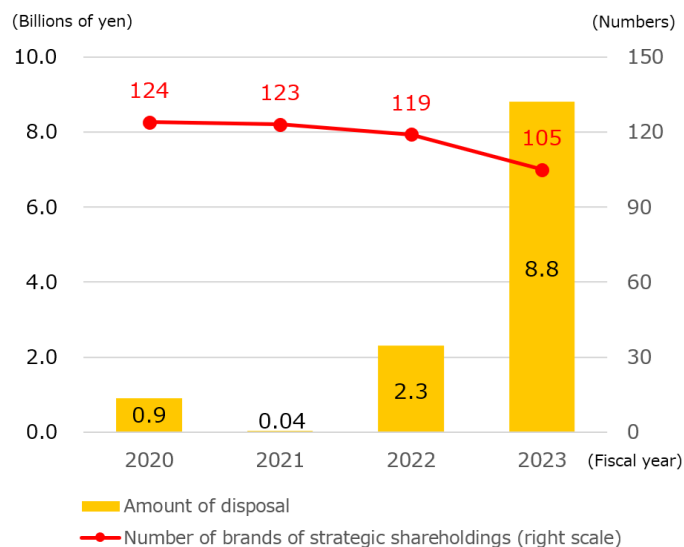
Each year we periodically review our strategic shareholdings after comprehensively assessing the appropriateness of the purpose of the holdings and the economic rationale in terms of the returns and risks associated with such holdings. When we determine that a holding is of low necessity, we reduce the number of shares that we hold. Each year, we report on these initiatives to the Board of Directors and disclose an overview of them. In fiscal 2023, we sold 17 listed stocks including partial sales as a result of the assessment described above. In addition, the exercise of voting rights pertaining to the shares held by the policy will be carried out after determining the approval or disapproval of each individual proposal after setting the exercise criteria.

■ Strategic Shareholdings

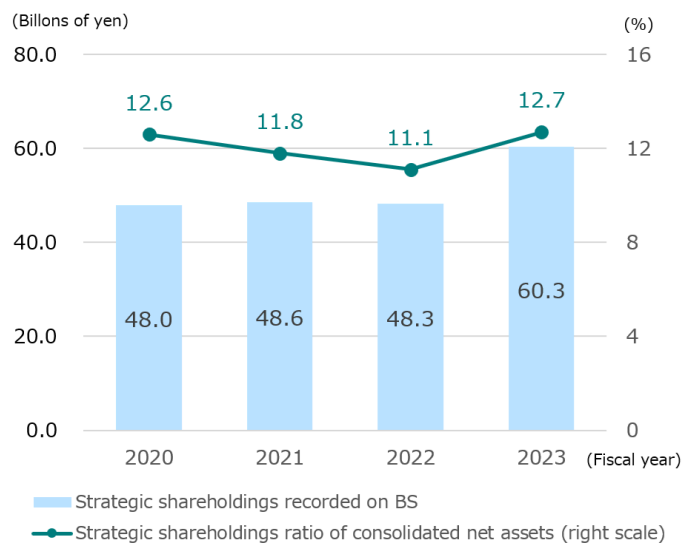
	Fiscal 2020	Fiscal 2021	Fiscal 2022	Fiscal 2023	Fiscal 2024
Number of listed company stocks sold	4	3	4	17	8(*)
Total amount sold related to decrease in number of shares (million yen)	859	36	2,283	8,834	2,801

* Figures for fiscal 2024 are up to the 3rd quarter

- Steadily dispose of strategic shareholdings
- Endeavor to continue reduction



- Net asset ratio in fiscal 2023 increased due to an increase in the fair value of shares held
- Aim for a net asset ratio of 10% or less



Basic Policy for the Internal Control System and Status of Operation

The Company has established a Basic Policy for the Internal Control System by resolution of the Board of Directors. We periodically assess and review this policy as appropriate to ensure that our internal control system is effective. In fiscal 2023, we confirmed the status of operations with respect to (1) the compliance system and risk management system, (2) the system for the efficient performance of duties by directors, and (3) the system for management of subsidiaries and (4) the system for auditing by Audit & Supervisory Board Members.

Business Risks and Uncertainties

Basic Policy

Kaneka Group has formulated a basic risk management policy to respond to potential risks in business operations, aiming for the goal of “Wellness First” to make the world healthy.

Risk Management System

Our basic risk management policy is that each division identifies operational risks and other types of risks that it may face, takes appropriate preventive measures, and responds appropriately in cooperation with other relevant divisions if a risk manifests itself.

For preventive measures against potential risks including those related to ethics and legal compliance, the Compliance Committee oversees the development and implementation of the company-wide plans.

When a risk occurs or is likely to occur, the Compliance Committee handles the risk in cooperation with the relevant divisions.

We regularly check whether the above-mentioned activities are implemented properly to prevent our risk management system from falling into mere formality, and strive to maintain and improve its effectiveness.

Business-Related Risks

Factors that may significantly affect the financial status, performance results, and cash flow status of the Kaneka Group include those described below.

1. Risks related to the Group’s ability to maintain operational advantages and trends in the Japanese and overseas economic environment
2. Risks associated with the globalization of our business
3. Risks of price fluctuations of raw materials and fuel
4. Risks associated with product liability, industrial accidents and large scale disasters
5. Risks associated with the protection of intellectual property rights
6. Impact of environment related regulations
7. Risks associated with legal action

8. Risks associated with information security

9. Other risks

Please note that the matters described are only those that we considered risks, but that this is not an exhaustive list of risks borne by the Group.

See [the Financial Section](#) for more details.

Enhancing Crisis Management Systems

Based on our basic risk management policy, we have set forth Crisis Management Regulations that define our basic system and roles for emergency response, providing emergency examples and clarifying ranks, etc. We will continue to fulfill our social responsibility by maintaining corporate activities while avoiding and reducing adverse effects on the Kaneka Group as much as possible.

In preparation for an emergency, we regularly conduct a disaster drill and a safety confirmation system drill. We also provide employees with the Crisis Management Handbook about the initial response. This handbook explains emergency procedures: proper incident notification, instructions, consultation, and response, as well as the smooth flow of information.

Information Security

Basic Policy

Information systems play a key role in all aspects of business activities.

We believe that protecting information assets from all kinds of threats, including cyberattacks, unauthorized access, data breaches, and other risks arising from inside and outside the Group, is a key management issue. Aware of the importance of managing information and their responsibilities in this regard, all directors and employees in the Kaneka Group are committed to properly managing information.

Policy

Basic Information Management Policy

1. Observance of laws/regulations and rules

The trust and confidence of society and customers is the most precious asset the Group must protect. Complying with laws and regulations, social norms, and internal regulations/procedures is the basic principle that all individuals engaged in business activities should follow.

2. Protection of confidential information

Confidential information concerning manufacturing processes, research, sales, etc. is the source of the Group's competitiveness.

All individuals engaged in business activities must be fully aware of this, and must not leak such information or use it for illicit purposes. In particular, data requiring strict handling, such as personal information and information entrusted as confidential from other entities, must be identified as such and managed strictly by the person in charge of information management at each company.

3. Establishment of systems/structures

In order to sustain and expand the Group's business, it is essential to make effective use of information and increase the efficiency of business operations.

In addition to establishing rules regarding information security and continuing to improve information systems to ensure safe, effective use of information, the persons responsible for information management should be determined to ensure appropriate information management.

4. Implementation of training and awareness-raising programs

With the strengthening of Group management and increased use of external resources, people with diverse values and ethics are involved in Kaneka's business operations.

To ensure smooth cooperation with these members, efforts should be made to raise awareness of

information security risks and to enhance and continue training on information security including ethical aspects.

We have established the Basic Information Management Policy and Information Management Regulations to strengthen the protection of our information assets both in Japan and overseas.

Promotion System

We have put in place a risk management system at the Kaneka Group that is led by management. Within the IoT Solutions Center (Information Systems Department), we have set up an organization for information security. Through this organization, which is headed by the Group information management manager who is the director in charge, we appropriately manage information to avoid information leakage and other risks, and promote effective use of information and efficiency in operations.

Target and Result

Fiscal 2023 target	Fiscal 2023 performance
Serious information security incidents 0	0

Strengthening of Information Security

The Kaneka Group is working to reinforce various security measures to prevent serious information security incidents. In fiscal 2023, there were zero serious information security incidents resulting in suspension of operations, leakage of personal information, or other damage.

Guarding against Cyberattacks

Drawing on the principles of the National Institute of Standards and Technology (NIST) Cybersecurity Framework, we have put in place multi-layered security measures across our entire supply chain. We also undergo regular security assessments by external vendors in both IT and operational technology (OT), and make improvements based on their findings.

Classification of Measures	Countermeasures
Governance	• Development of Information Security Regulations and Standards
Identify	• Asset management of PCs and servers used by the Group

Classification of Measures	Countermeasures
Protect	<ul style="list-style-type: none"> • Malware and vulnerability protection for PCs, servers, and networks • E-learning for employees, targeted attack email training
Detect	<ul style="list-style-type: none"> • Establishing a Global Security Operations Center (SOC*)
Respond	<ul style="list-style-type: none"> • Establishment of an information security incident response system
Recover	<ul style="list-style-type: none"> • Regular backup of critical information

* SOC (Security Operation Center): A system for monitoring and analyzing threats to information systems.

Strengthening Information Management for Employees

In fiscal 2023, we conducted training to enhance literacy about information security.

- Conducted e-learning for all employees
- Conducted targeted email attack training for all employees (twice)
- Information security onboarding training (new graduates/mid-career hires)
- Conducted incident response training in the information security specialist organization
- Conducted training for information management officers in each division/Group company

Compliance

Basic Policy

Viewing compliance as an important management issue, we implement various initiatives to ensure compliance among all directors and employees not only with all applicable laws and regulations, but also with business and social ethics. We aim to improve our compliance activities by thoroughly implementing the ESG Charter and the Code of Ethical Conduct, which serve as the guidelines for the behavior of each director and employee, enabling us to build relationships of trust with our stakeholders.

Promotion System

We have established, under the Engine of Sustainability Management, a Compliance Committee, an organization that supervises the corporate ethics and compliance of the Kaneka Group. The Compliance Committee meets twice a year to set compliance policies and targets for the Kaneka Group and to check on progress. We also work to oversee and direct the entire Group on compliance matters, to check the status of awareness and compliance, and to establish and maintain the appropriate consultation and reporting hotlines.

Initiatives

Kaneka Group carries out business activities globally and as various rules are strengthened around the world, it faces a need for even greater legal compliance. Improving compliance is important for building trust with stakeholders and vital for our business activities.

ESG Evaluation Audits: Reinforcing Legal Compliance

There were no serious violations of laws, regulations, or rules in fiscal 2023.

We conducted ESG evaluation audits at all Kaneka business divisions, 30 Group companies in Japan, and 20 Group companies overseas in the area of competition laws like the Antimonopoly Act in Japan. Executives of Kaneka and of certain Group companies in Japan who are involved in sales, purchasing, and business development are required to undergo antitrust law compliance training and submit a written oath. In addition, at Group companies in Japan, we prepared for the April 2024 revisions to the Labor Standards Act, ensured the mandatory acquisition of five days of paid leave annually, and reviewed the status of leave acquisition.

Compliance Education and Internal Awareness Raising — In-house Training

The “Ethical Code of Conduct” and “Compliance Guidebook” that all of our directors and employees should follow are posted on the company’s intranet.

I Relationship with Society

Environmental Preservation and Protection
 Compliance with Laws and Regulations
 Compliance with Export Controls
 Contributions and Political Donations
 Determined Response to Antisocial Elements
 Timely Disclosure
 No Insider Trading
 Proper Accounting and Tax procedures

II Relationship with Customers, Business Partners, and Competitors

Product Safety
 Compliance with Antitrust Laws
 Fair Dealing with Contractors
 Trade Secret
 Appropriate Advertise and Publicity
 Entertainment and Gift

III Relationship with Employees

Respecting Human Rights and Prohibiting Discrimination
 No Sexual Harassment
 Protection of Privacy
 Safety and Hygiene at Workplace
 Strict Adherence to Labor-related Laws

IV Company Properties

Trade Secrets
 Company's Properties
 Intellectual Properties
 Use of Information Systems

We will continue to conduct various training programs to strengthen legal compliance and raise awareness.

■ Human Rights / Compliance Education

Program	Content	Participants		
		Fiscal 2021	Fiscal 2022	Fiscal 2023
Introductory training for new employees	Providing explanation about issues such as sexual harassment, power harassment and national origin discrimination	83	74	98

Program	Content	Participants		
		Fiscal 2021	Fiscal 2022	Fiscal 2023
Training for newly appointed executives	Human rights and compliance education provided by external specialist	57	65	59
Compliance training for executives	Acquisition of workforce management knowledge required for executive positions	840	862	837

In fiscal 2022, we start a compliance newsletter, which we circulated to employees of Kaneka and our Group companies in Japan to deepen their understanding of compliance.

Going forward, we will carry out initiatives to strengthen legal compliance and raise awareness of compliance, striving to ensure that we conduct our business activities in a fair, appropriate, and transparent manner.

Internal Reporting and Establishment of Consultation Hotlines

To prevent compliance violations and ensure early detection and remediation, we have established whistleblowing (internal reporting) services within the Company and at outside law firms. The whistleblowing services are available to Kaneka Group directors and employees and their families, former employees who have resigned within the past year, and businesses with which the Company has relationships, including partner companies and suppliers. The rules on whistleblowing stipulate the reporting framework and response when there is a consultation, and delineate the responsibilities of those involved, to ensure that whistleblowers and consultants are not subject to adverse treatment in violation of the Whistleblower Protection Act.

We have also established a consultation hotlines for harassment at each workplace. Each one is staffed with several counselors, including Health Consultation Office and Human Resources Department staff as well as labor union representatives.

Kaneka's internal rules stipulate that members who receive consultations through the whistleblowing services or various other forms of consultation must maintain rigorous confidentiality and protect personal information, and prohibit the leaking of information.

In fiscal 2023, there were five cases of reporting and consultation. Fact-finding investigations and hearings were conducted, and the cases were handled in accordance with rules on whistleblowing and other criteria. Details of the cases are reported to the Compliance Committee chair.

Anti-Corruption and Anti-Bribery Initiatives

As a signatory to the United Nations Global Compact, Kaneka Group has declared its commitment to “work against corruption in all its forms, including extortion and bribery,” as stated in the Ten Principles.

Our Code of Ethical Conduct stipulates that we shall strive to maintain lawful and sound relationships with political and government entities and with all our business partners. The Compliance Guidebook also provides an easy-to-understand explanation of corruption and bribery prevention.

Respect for Human Rights

Human rights are the rights that anyone can feel, the right to live like a human being, which each and every one of us is born with. Since its foundation, Kaneka has practiced respect for humanity in its management. We have a fine tradition of maintaining a culture and climate that tries to make the most of the good qualities of each individual. We see respect for human rights as a fundamental principle that should be upheld by the Company and each of its employees. Throughout our business activities, we strive to raise awareness of respect for individuality and consideration for human rights.

To maintain a workplace environment where all employees feel healthy and fulfilled in their work and where there is no harassment, we will deepen awareness and understanding among employees and make the workplace environment a more comfortable place for them to work.

Intellectual Property

Basic Policy

Kaneka Group secures intellectual property rights, such as patents for our R2B+P results, aiming to provide prompt solutions to help resolve social issues. All our researchers and engineers recognize intellectual property as one of the outputs of R2B+P activities and actively seek to acquire intellectual property rights for their achievements including know-how.

To respect the intellectual property rights of others and avoid patent disputes, we make sure to carry out patent searches, trademark searches, and design surveys at various stages in the business development process, such as theme proposals, capital investments, commercialization, specification changes, and brand naming, taking every possible precaution to ensure clearance.

Promotion System

The Intellectual Property Department, which operates directly under the President, works to secure and maintain the Kaneka Group's intellectual property, which supports our business.

At each of our regional headquarters in the Americas, Europe, and Asia, we have put a framework in place for assigning intellectual property specialists to respond directly to local issues. To mitigate intellectual property risks and prevent leaks of trade secrets at Group companies in Japan and overseas, we are also shoring up cooperation between the various Group companies and the Intellectual Property Department.

Based on our Corporate Governance Code, which we revised in 2021, we continue taking actions to improve our governance of intellectual property. The director in charge of the Intellectual Property Department receives reports and gives directions at monthly reporting meetings.

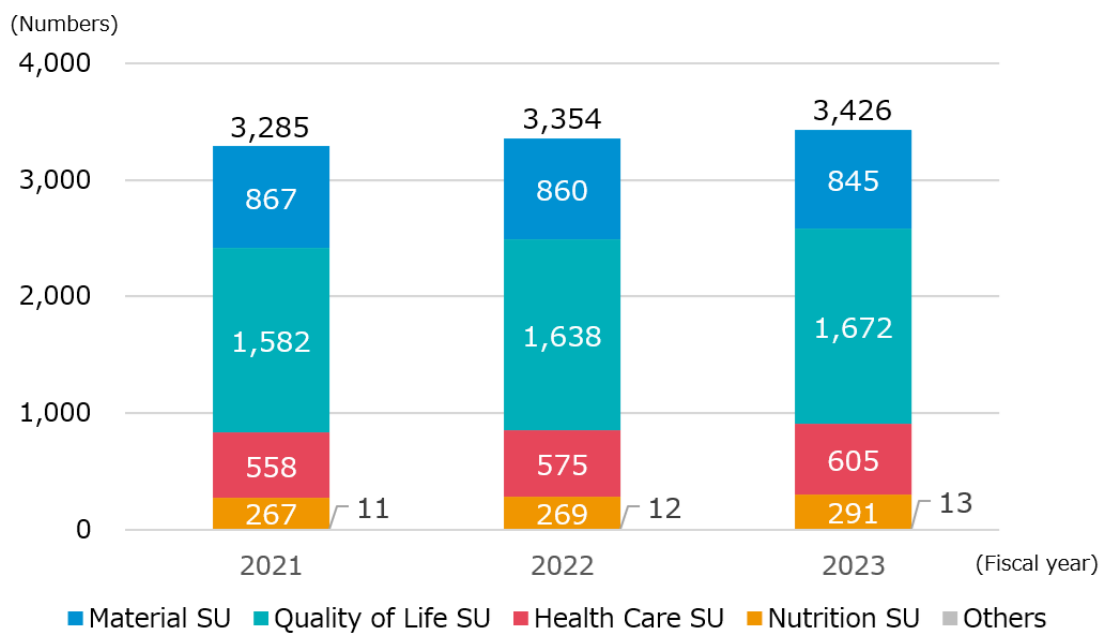
In addition, in line with our intellectual property strategies, meetings are held once a year for each division. These meetings are attended by general managers of the division, the research division, and the Intellectual Property Department. We will continue to strengthen the linkage between our intellectual property strategy and the business and research strategies of each division, with the aim of contributing to business performance.

Creation of Intellectual Property

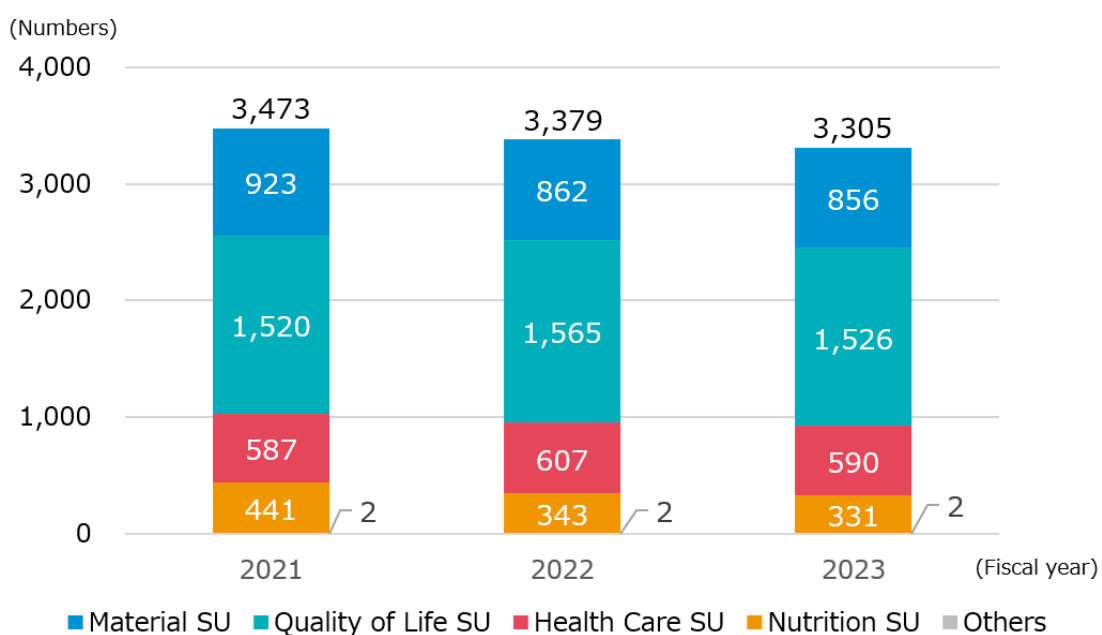
To strengthen the business portfolio, Kaneka proactively files patent applications in Japan and overseas and works to acquire rights.

In fiscal 2023, we filed 316 new patents in Japan and 239 patents overseas. At the same time, we are working to efficiently manage the costs of intellectual property. As a result of actively surrendering dormant patents, we held 3,426 patents in Japan and 3,305 patents overseas as of the end of fiscal 2023, roughly the same number as the previous year. We will continue our efforts to build an even robust intellectual property portfolio.


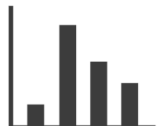
■ Number of Japanese Patents Held



■ Number of Overseas Patents Held



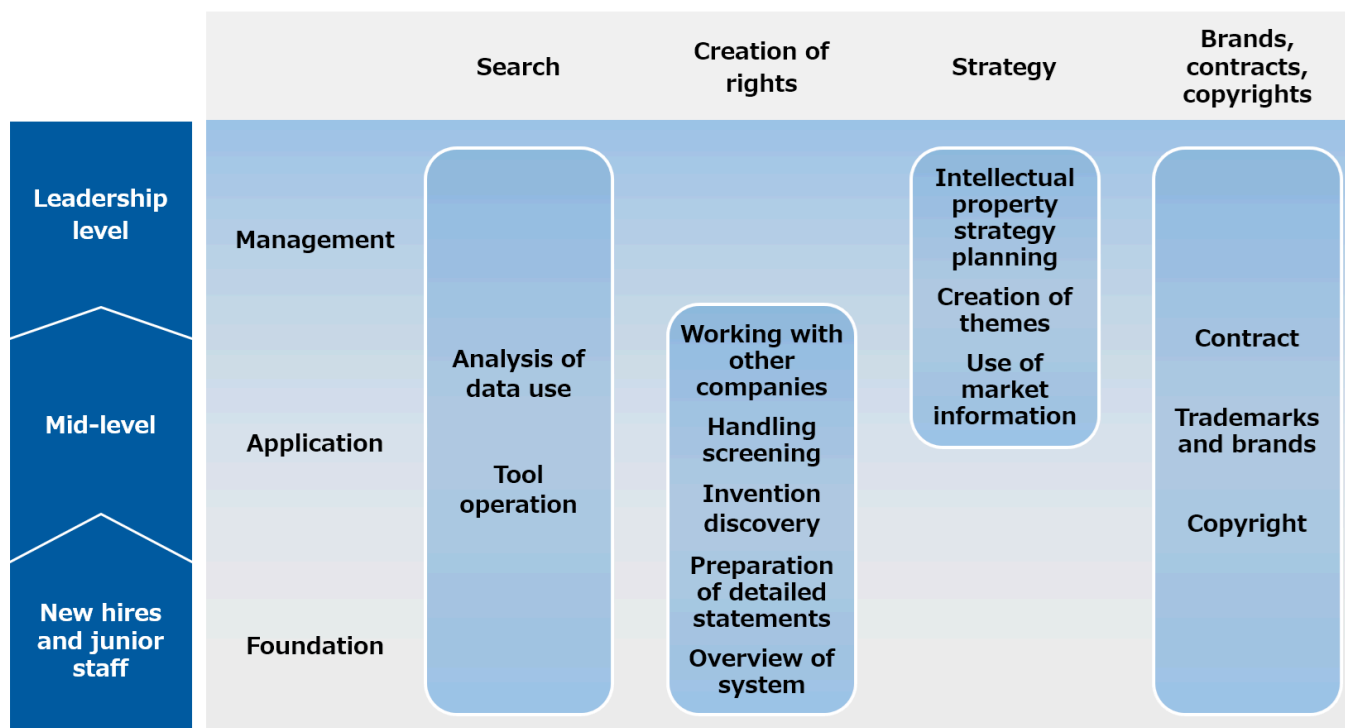
Resources and Intellectual Property

Intellectual Property	Building a robust intellectual property portfolio	Aligning business strategy and intellectual property strategy	Using intellectual property to protect our business	Strengthening intellectual property functions through digital transformation	Enhancing Group intellectual property capabilities	
	<p>In our application proposals and rights allocation, we will manage our rights in groups, identifying inventions that will be needed tomorrow and those that are needed today.</p> 	<p>We collect a variety of information, including intellectual property data. Our analysis of this data will guide our decisions as we formulate strategies.</p> 	<p>We will build a rights network to protect our key technologies and brands, protect our business, and continue to cultivate a culture that respects the rights of other companies.</p>	<p>We will introduce digital transformation to optimize and upgrade our intellectual property operations.</p>	<p>We will deepen cooperation between Group companies and overseas sites, aiming to gather and strengthen the intellectual property capabilities of the entire Group.</p>	
	Developing human resources for intellectual property					
	Intellectual Property Education	<p>We will develop human resources who can combine diverse technologies to create new solutions. In doing so, we will maintain and strengthen our competitiveness.</p>				

Intellectual Property Activities

We focus on educating our researchers and engineers about intellectual property. This ensures that they understand the importance of intellectual property as one of the outputs of our R2B+P activities, so that they will seek to acquire rights for their achievements and actively utilize them.

Employees in charge of technology and sales, including those at Group companies, undergo the training. We prepare content on a range of topics from the basics of intellectual property to applications such as discovery of inventions and preparation of statements, and even intellectual property strategies. The materials are tailored for each organizational level, from new hires and junior employees to mid-level employees and those in leader positions. For our intellectual property education, we have prepared a wide range of programs. These programs, which include e-learning, cover areas such as search training, licensing stage training, strategic initiatives such as training on theme creation and market data utilization, and training on trademark, brands, and copyrights. We also work with external experts to develop our human resources in areas such as theme creation, data utilization, and strategy planning.



Intellectual Property that Leads to Value Creation

In fiscal 2023, we focused on filing patents and securing rights for technologies that address three major challenges—environment/energy, food, and wellness—to help tackle pressing social issues.

For environment/energy, Kaneka has focused on KANEKA Biodegradable Polymer Green Planet™.

To broaden the uses of Green Planet™, we have developed processing technologies suited for food packaging and straws, and have secured patent rights not only in Japan but also in Europe, China, and other markets. In addition to patents, we have obtained design rights for items such as cutlery and hairbrushes, protecting the value of our technologies and products through a range of intellectual property. By starting with materials that break down in the ocean, we aim to create new value in the environmental and energy fields.

In food, we have secured rights for a manufacturing technology that brings out the flavor of foods and beverages while delivering a clean, refreshing aftertaste in dairy drinks. These technologies, which adjust the taste and composition of milk to suit different foods and drinks, are used in Hokkaido raw milk products such as Milk for Bread™. We have also filed trademark applications as part of efforts to strengthen our intellectual property around organic dairy products made from organic A2 milk, produced through circular organic dairy farming in partnership with dairy companies. We will continue to deliver new food value that supports both health and great taste.

In wellness, we are broadening the use of reduced coenzyme Q10 to offer more value to customers. Beyond conventional capsules, we have filed and secured rights for technologies covering tablets, yogurt, gummies, and other forms. To refresh our intellectual property portfolio for reduced coenzyme Q10, we are driving new technology development and IP strategies. By securing rights for new technologies, we are building new barriers to entry and safeguarding our market edge for the long term.

Through these technologies, we will help create patent value that addresses social issues.

Data Utilization

Data Utilization Initiatives

To boost the competitive strength of our business, we are promoting information analysis and information utilization initiatives such as IP landscape™. Following on from the deployment in fiscal 2021 of specialized personnel, in fiscal

2022, we strengthened our efforts by establishing a new group within the Intellectual Property Department that specializes in analyzing and using information.

In fiscal 2023, we drove innovation across the organization by hosting seminars and workshops on how to use information effectively to spark new business ideas. While sharing the importance and usefulness of data utilization by the Intellectual Property Department and business divisions, this group enables coordination aimed at developing strategies for a range of research and development and business issues. By understanding customer value and analyzing the competitive environment, we aim to improve our business competitiveness.

IP landscape™ is a registered trademark of Masayuki Shobayashi, patent attorney at Shobayashi International Patent & Trademark Office.

Using Patent Scores

We use a wide range of patent analysis tools to review our patent portfolio, referencing the value of our published patents. In our portfolio review, we focus on the value of each patent, conducting an inventory check of the rights we hold. In determining whether we need to maintain the rights to registered patents, we tap into the insights of the Company's technology and business leaders, assess the cost of maintenance, and check the objective patent score.

Protecting our Technology and Brands

Information Leakage and Legal Compliance

To prevent our proprietary technology and know-how from being leaked, we provide intellectual property protection training to sales representatives. The training, which includes measures against leakage of confidential information, is provided when these staff are developing customers or providing samples. We also regularly provide training to instill respect for the rights of others and strengthen compliance with laws and regulations on copyright, covering topics such as preventing copyright infringement when creating materials.

Protecting our Brands

To support the brand development of our mainstay products, we have acquired trademarks in countries around the world to protect the brands of global products such as KANEKA Biodegradable Polymer Green Planet™ and KANEKALON™ hair accessory products. We constantly monitor trademark applications around the world, working continuously to prevent others from licensing the same or similar trademarks. If an application for a similar trademark is detected, an objection is filed with each country's patent office, which leads to others being prevented from licensing similar trademarks.

To ensure that our trademarks are correctly used and applied in our business, we held trademark seminars in fiscal 2023 for business divisions that hold a large number of trademarks.

Editorial Policy

Editorial Policy

The Kaneka Group's official website for ESG activities provides both financial and non-financial information. We hope that it will help stakeholders understand the Kaneka Group's medium- to long-term value creation.

Kaneka Group is strengthening efforts for ESG management to contribute to the sustainability of the earth and the establishment of a sustainable society.

We hope that this will help our shareholders, investors, and other stakeholders deepen their understanding of our company.

Reporting Organizations

The scope of reporting includes Kaneka and its consolidated group companies in Japan and overseas.

Please refer to the Reporting Organizations section for the scope of data concerning ESG activities.

▶ Reporting Organizations

In this document, Kaneka Corporation is referred to as “the Company” or “Kaneka” and Kaneka Corporation and its group companies are referred to as “the Group” or “Kaneka Group.” Where the text refers only to “Group companies,” this does not include Kaneka Corporation.

The totals of figures presented in tables and graphs may differ due to rounding. Some items contain revisions to data from previous years.

Third-Party Assurance

For data of indicators related to climate change and environment protection from April 1, 2023 to March 31, 2024, and occupational safety from January 1, 2023 to December 31, 2023, we have received the third-party assurance by KPMG AZSA Sustainability Co., Ltd. to ensure the reliability and transparency of Data Sheet 2024. The indicators subject to assurance are marked with the “★” symbols. We will continue to expand the scope of information covered by the guarantee in the future.

▶ Data Sheet 2024 (2.3MB)  PDF

▶ Independent Assurance Report (189KB)  PDF

The above is an electronic version of items contained in the original assurance report. The original is stored separately by KPMG AZSA Sustainability Co., Ltd. and by Kaneka.

Reporting period

From April 1, 2023, to March 31, 2024 (including some information outside this period)

Referenced Guidelines

This report has been produced with reference to the following sources:

- GRI Sustainability Reporting Standards
- Environmental Reporting Guidelines 2012 of the Ministry of the Environment
- Environmental Accounting Guidelines 2005 of the Ministry of the Environment

Cautionary Statement Regarding Forward-looking Statements

The forward-looking statements in this report are based on information currently available to the Company and certain assumptions that the Company deems to be reasonable. Such statements do not constitute a commitment by the Company that they will be achieved. Actual results may differ significantly due to various factors.

Contact Information

KANEKA CORPORATION

ESG Integrated Report Bureau

2-3-18, Nakanoshima, Kita-ku, Osaka 530-8288, Japan

Tel: +81-6-6226-5091

Fax: +81-6-6226-5127

Report Download

Kaneka Group is strengthening efforts for ESG management to contribute to the sustainability of the earth and the establishment of a sustainable society. In this report, we convey our strong determination toward our mission, ‘KANEKA thinks “Wellness First.”’ We outline how we find a healthy balance between social value and economic value creation through our business so that we can help solve social issues. We hope that this will help our shareholders, investors, and other stakeholders deepen their understanding of our company.




Report Download


▶ Kaneka Integrated Report 2024 Full Report (6.5MB)  PDF

I Top Message (561KB)  PDF

II Management Philosophy (273KB)  PDF

III Management Strategies (3.3MB)  PDF

IV Business Foundation (552KB)  PDF

V Appendices (485KB)  PDF

Back Numbers of Report

▶ Kaneka Integrated Report 2023 (5.3MB)  PDF

▶ Data Sheet 2023 (2.2MB)  PDF

▶ Kaneka Integrated Report 2022 (9.0MB)  PDF

▶ Data Sheet 2022 (1.6MB)  PDF














▶ Kaneka Integrated Report 2021 (9.0MB)  PDF











▶ Data Sheet 2021 (2.0MB)  PDF

▶ Business Foundation 2023 (Detailed Version) Full Report (15.8MB)  PDF

▶ Business Foundation 2022 (Detailed Version) Full Report (5.1MB)  PDF

▶ Business Foundation 2021 (Detailed Version) Full Report (5.6MB)  PDF

- ▶ Kaneka Integrated Report 2020 (5.3MB)  PDF
- ▶ Data Sheet 2020 (3.5MB)  PDF
- ▶ Kaneka Integrated Report 2019 (6.1MB)  PDF
- ▶ Data Sheet 2019 (1.0MB)  PDF
- ▶ Kaneka Integrated Report 2018 (4.2MB)  PDF
- ▶ ESG Website 2017 (5.5MB)  PDF
- ▶ Kaneka Group CSR Report 2016 (8.0MB)  PDF
- ▶ Kaneka Group CSR Report 2015 (16.0MB)  PDF
- ▶ Kaneka Group CSR Report 2014 (15.0MB)  PDF
- ▶ Kaneka Group CSR Report 2013 (8.4MB)  PDF
- ▶ Kaneka Group CSR Report 2012 (6.1MB)  PDF
- ▶ Kaneka Group CSR Report 2011 (5.2MB)  PDF
- ▶ Kaneka Group CSR Report 2010 (4.4MB)  PDF

- ▶ Business Foundation 2020 (Detailed Version) Full Report (5.9MB)  PDF
- ▶ Business Foundation 2019 (Detailed Version) Full Report (8.4MB)  PDF
- ▶ Data Sheet 2018 (1.1MB)  PDF
- ▶ Kaneka Integrated Report 2017 (5.6MB)  PDF
- ▶ The Digest Edition 2016 (14.8MB)  PDF
- ▶ The Digest Edition 2015 (5.2MB)  PDF
- ▶ The Digest Edition 2014(4.0MB)  PDF
- ▶ The Digest Edition 2013 (2.9MB)  PDF
- ▶ The Digest Edition 2012 (4.7MB)  PDF
- ▶ The Digest Edition 2011(3.2MB)  PDF

Reporting Organizations

Reporting Organizations

This report covers Kaneka and its group companies in Japan and overseas that engage in ESG activities.

- Environment overview: Kaneka, 48 companies in Japan, 16 companies overseas
However, environmental accounting applies to Kaneka's manufacturing sites and 30 manufacturing companies in Japan.
- Safety: Kaneka, 30 manufacturing companies in Japan, 12 companies overseas

Kaneka

< Manufacturing Sites >

- Takasago Manufacturing Site
- Osaka Manufacturing Site
- Shiga Manufacturing Site
- Kashima Manufacturing Site
- Tomatoh Manufacturing Site
- Foods & Agris Solutions Vehicle Eniwa Office

< Laboratories outside Manufacturing Sites, facilities >

- Toyooka Technical Center
- Foods & Agris Solutions Vehicle Foods Technology Center Development Group
- Process Development Research Laboratories
- Regenerative Medicine and Cell Therapy Laboratories
- Agri-Bio Research Center
- Training facilities, welfare facilities, dormitories, company housing

< Offices >

- Tokyo Head Office
- Osaka Head Office
- Nagoya Sales Office

Group Companies in Japan

< Manufacturing Companies (30) >

- Kaneka Hokkaido Styrol Co., Ltd.
- Kaneka Tohoku Styrol Co., Ltd.

- Kaneka Kanto Styrol Co., Ltd.
- Kaneka Chubu Styrol Co., Ltd.
- Kaneka Nishinippon Styrol Co., Ltd.
- Kanto Styrene Co., Ltd.
- Kochi Styrol Co., Ltd.
- Kaneka Foam Plastics Co., Ltd.
- Hokkaido Kanelite Co., Ltd.
- Kyushu Kanelite Co., Ltd.
- Kaneka Sun Spice Corporation
- Kaneka Foods Manufacturing Corporation
- Tokyo Kaneka Foods Manufacturing Corporation
- Taiyo Yushi Corporation
- Nagashima Shokuhin Co., Ltd.
- Tamai Kasei Co., Ltd.
- Shinka Shokuhin Co., Ltd.
- Tatsuta Chemical Co., Ltd.
- Showa Kasei Kogyo Co., Ltd.
- Tochigi Kaneka Corporation
- Vienex Corporation
- Osaka Synthetic Chemical Laboratories, Inc.
- Kaneka Solartech Corporation
- Sanvic Inc.
- Kaneka Medix Corporation
- OLED Aomori Co., Ltd.
- Kaneka Medical Tech Corporation
- Dia Chemical Co., Ltd.
- Cemedine Co., Ltd.
- Tobu Chemical Co., Ltd.

< Non-manufacturing Companies (18) >

- Kaneka Foods Corporation
- Hane Co., Ltd.
- Kaneka Kentech Co., Ltd.
- Kaneka Solar Marketing Corporation
- Kaneka Takasago Service Center Co., Ltd.
- Kaneka Osaka Service Center Co., Ltd.
- Shiga Denshi Co., Ltd.
- NJF Co., Ltd.
- GeneFrontier Corporation
- Kaneka Your Health Care Co., Ltd.

- SC Housing System Corporation
- Kaneka Hoken Center Co., Ltd.
- Kaneka Techno Research Corporation
- Kaneka Creative Consulting Co., Ltd.
- KM Transderm Ltd.
- Biomaster, Inc.
- Kaneka Hokkaido Co., Ltd.
- Japan Medical Device Technology Co., Ltd.

Overseas Group Companies

Note: Covered under Environment, Safety.

- Kaneka Belgium N.V.
- Kaneka Eurogentec S.A.
- Kaneka North America LLC
- Kaneka Singapore Co. (Pte) Ltd.
- Kaneka (Malaysia) Sdn. Bhd.
- Kaneka Eperan Sdn. Bhd.
- Kaneka Paste Polymers Sdn. Bhd.
- Kaneka Innovative Fibers Sdn. Bhd.
- Kaneka Apical Malaysia Sdn. Bhd.
- Kaneka MS Malaysia Sdn. Bhd.
- Kaneka Medical Vietnam Co., Ltd.
- Kaneka Eperan (Suzhou) Co., Ltd.
- HiHua Fiber Co., Ltd.
- Kaneka (Foshan) High Performance Materials Co., Ltd.
- PT. Kaneka Foods Indonesia
- Kaneka (Thailand) Co., Ltd.
- Kaneka Modifiers Deutschland GmbH

ESG Index and Socially Responsible Investing Evaluation

ESG Index and Socially Responsible Investing Evaluation(as of November 2024)

2024 CONSTITUENT MSCI JAPAN
EMPOWERING WOMEN INDEX (WIN)

2024 CONSTITUENT MSCI NIHONKABU
ESG SELECT LEADERS INDEX

