

05

Strengthening of Corporate Governance

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Name	Choi Jaeho
Company	Asahi Kasei Microdevices Korea
Country/region	Korea

Directors (as of June 27, 2023)



Back row, from left

Masatsugu Kawase

Hiroki Ideguchi

Toshiyasu Horie

Chieko Matsuda

Tsuneyoshi Tatsuoka

Kazushi Kuse

Front row, from left

Tsuayoshi Okamoto

Koshiro Kudo

Hideki Kobori

Yuko Maeda

Directors and Audit & Supervisory Board Members (as of June 27, 2023)

Directors



Hideki Kobori
Chairman & Director

April 1978 Joined Asahi Kasei
 April 2008 Asahi Kasei Microdevices Director,
 Senior Executive Officer
 April 2009 Asahi Kasei Microdevices Director,
 Primary Executive Officer
 April 2010 Asahi Kasei Microdevices President &
 Representative Director, Presidential
 Executive Officer
 April 2012 Asahi Kasei Senior Executive Officer
 June 2012 Asahi Kasei Director
 (position held at present)
 April 2014 Asahi Kasei Representative Director,
 Primary Executive Officer
 April 2016 Asahi Kasei President and Director,
 Presidential Executive Officer
 April 2022 Asahi Kasei Chairman and Director
 (position held at present)



Koshiro Kudo
President &
Representative Director
Presidential Executive Officer

April 1982 Joined Asahi Kasei
 April 2013 Asahi Kasei Fibers Executive Officer
 April 2016 Asahi Kasei Lead Executive Officer
 April 2017 Asahi Kasei President of Fibers & Textiles
 SBU, Senior General Manager,
 Osaka Office
 April 2019 Asahi Kasei Senior Executive Officer,
 President of Performance Products SBU
 June 2021 Asahi Kasei Director
 (position held at present)
 April 2022 Asahi Kasei Representative Director
 (position held at present),
 President and Director
 (position held at present),
 Presidential Executive Officer
 (position held at present)



Kazushi Kuse
Director
Primary Executive Officer

April 1987 Joined IBM Japan
 April 2005 IBM Japan Executive Officer
 January 2008 IBM Vice President
 January 2017 IBM Japan Chief Technology Officer
 July 2020 Joined Asahi Kasei, Asahi Kasei
 Executive Officer, Asahi Kasei
 Executive Fellow
 April 2021 Asahi Kasei Senior Executive Officer,
 Asahi Kasei Digital Value Co-Creation
 Senior General Manager
 (position held at present)
 April 2022 Asahi Kasei Primary Executive Officer
 (position held at present)
 June 2022 Asahi Kasei Director
 (position held at present)



Toshiyasu Horie
Representative Director
Senior Executive Officer

April 1985 Joined Asahi Kasei
 April 2015 Asahi Kasei Chemicals Corporate
 Planning & Coordination
 General Manager
 April 2016 Asahi Kasei Petrochemicals SBU
 Planning & Coordination
 Senior General Manager
 April 2019 Asahi Kasei Executive Officer
 April 2020 Asahi Kasei Lead Executive Officer
 April 2022 Asahi Kasei Senior Executive Officer
 (position held at present)
 June 2022 Asahi Kasei Director
 (position held at present)
 April 2023 Asahi Kasei Representative Director
 (position held at present)



Hiroki Ideguchi
Director
Senior Executive Officer

April 1985 Joined Asahi Kasei
 April 2016 Asahi Kasei Pharma Corporate Planning
 & Coordination Senior General Manager
 April 2017 Asahi Kasei Pharma Executive Officer
 April 2019 Asahi Kasei Executive Officer
 Asahi Kasei Corporate Strategy Senior
 General Manager
 April 2020 Asahi Kasei Lead Executive Officer
 April 2022 Asahi Kasei Senior Executive Officer
 (position held at present)
 June 2023 Asahi Kasei Director
 (position held at present)



Masatsugu Kawase
Director
Senior Executive Officer

April 1990 Joined Asahi Kasei
 April 2016 Asahi Kasei Chemicals Basic Chemicals
 Division Senior General Manager
 April 2018 Asahi Kasei Production Center Planning
 & Coordination Senior General Manager
 April 2020 Asahi Kasei Senior Managing Executive
 Asahi Kasei Production Center Senior
 General Manager
 April 2023 Asahi Kasei Senior Executive Officer
 (position held at present)
 June 2023 Asahi Kasei Director
 (position held at present)



**Tsuneyoshi
Tatsuoka**
Outside Director

April 1980 Joined Ministry of International Trade
 and Industry
 January 2010 Councilor, Cabinet Secretariat
 August 2011 Deputy Vice-Minister of Economy, Trade
 and Industry
 June 2013 Vice-Minister of Economy, Trade and
 Industry
 July 2015 Retired from Ministry of Economy, Trade
 and Industry
 June 2016 Asahi Kasei Director
 (position held at present)



Tsuyoshi Okamoto
Outside Director

April 1970 Joined Tokyo Gas Co., Ltd.
 June 2002 Tokyo Gas Co., Ltd. Executive Officer
 April 2004 Tokyo Gas Co., Ltd.
 Senior Executive Officer
 June 2004 Tokyo Gas Co., Ltd. Director
 April 2007 Tokyo Gas Co., Ltd. Representative
 Director, Executive Vice President
 April 2010 Tokyo Gas Co., Ltd. Representative
 Director, President
 April 2014 Tokyo Gas Co., Ltd. Director, Chairman
 April 2018 Tokyo Gas Co., Ltd. Director, Senior
 Corporate Advisor
 June 2018 Asahi Kasei Director
 (position held at present)
 July 2018 Tokyo Gas Co., Ltd.
 Senior Corporate Advisor
 (position held at present)



Yuko Maeda
Outside Director

April 1984 Joined Bridgestone Corporation
 September 2003 Tokyo Medical and Dental University
 Director of Technology Transfer Center
 and Intellectual Property Manager of
 Intellectual Property Right Department
 October 2009 Tokyo Medical and Dental University
 Visiting Professor
 October 2011 Kyoto Prefectural University of Medicine
 Specially Appointed Professor
 May 2013 Bridgestone Corporation
 Executive Officer
 April 2014 Japan Agency for Marine-Earth Science
 and Technology Auditor
 (position held at present)
 January 2017 CellBank Corp. Director
 (position held at present)
 October 2020 Kyushu University Executive Vice
 President (position held at present)
 June 2021 Asahi Kasei Director
 (position held at present)



Chieko Matsuda
Outside Director

April 1987 Joined The Long-Term Credit Bank of
 Japan, Limited
 October 1998 Joined Moody's Japan K.K.
 September 2001 Corporate Directions, Inc. Partner
 October 2006 Booz & Company, Inc.
 Vice President (Partner)
 April 2011 Tokyo Metropolitan University Faculty of
 Economics and Business Administration
 Professor (position held at present)
 Tokyo Metropolitan University Graduate
 School of Management Professor
 (position held at present)
 June 2023 Asahi Kasei Director
 (position held at present)

Audit & Supervisory Board Members

**Yutaka Shibata**Audit & Supervisory Board
Member

April 1979 Joined Asahi Kasei
 April 2008 Asahi Kasei Executive Officer
 April 2009 Asahi Kasei Lead Executive Officer
 April 2011 Asahi Kasei Kuraray Medical President & Representative Director, Presidential Executive Officer
 Asahi Kasei Medical President & Representative Director, Presidential Executive Officer
 April 2016 Asahi Kasei Primary Executive Officer
 April 2017 Asahi Kasei Pharma President & Representative Director, Presidential Executive Officer
 June 2018 Asahi Kasei Director
 April 2019 Asahi Kasei Vice-Presidential Executive Officer
 June 2021 Asahi Kasei Audit & Supervisory Board Member (position held at present)

**Takuya Magara**Audit & Supervisory Board
Member

April 1982 Joined Asahi Kasei
 April 2012 Asahi Kasei Homes Executive Officer
 April 2014 Asahi Kasei Homes Director
 Asahi Kasei Homes Senior Executive Officer
 April 2016 Asahi Kasei Homes Primary Executive Officer
 April 2018 Asahi Kasei Homes Vice-Presidential Executive Officer
 April 2022 Asahi Kasei Homes Advisor
 June 2023 Asahi Kasei Audit & Supervisory Board Member (position held at present)

**Akemi Mochizuki**Outside Audit & Supervisory
Board Member

October 1984 Joined Aoyama Audit Corporation
 March 1988 Certified as a Certified Public Accountant
 August 1996 Joined Tohmatu Audit Corporation (currently Deloitte Touche Tohmatsu LLC)
 June 2001 Tohmatu Audit Corporation Partner
 July 2018 Akahoshi Audit Corporation Partner (position held at present)
 June 2021 Asahi Kasei Audit & Supervisory Board Member (position held at present)

**Haruyuki Urata**Outside Audit & Supervisory
Board Member

April 1977 Joined Orient Leasing Co., Ltd. (currently ORIX Corporation)
 February 2005 ORIX Corporation Executive Officer
 August 2006 ORIX Corporation Managing Executive Officer
 June 2007 ORIX Corporation Managing Director
 January 2008 ORIX Corporation Director and Deputy President
 January 2009 ORIX Corporation Director and Deputy President, and Group CFO
 January 2011 ORIX Corporation Representative Director and Deputy President, and Group CFO
 June 2015 ORIX Bank Corporation Representative Director and President
 June 2020 ORIX Bank Corporation Director and Chairman
 June 2021 ORIX Bank Corporation Special Adviser (position held at present)
 June 2022 Asahi Kasei Audit & Supervisory Board Member (position held at present)

**Yoshikazu Ochiai**Outside Audit & Supervisory
Board Member

April 1986 Appointed as Public Prosecutor
 October 2015 Tokyo District Public Prosecutors Office Deputy Superintending Prosecutor
 April 2017 Saitama District Public Prosecutors Office Chief Prosecutor
 February 2018 Supreme Public Prosecutors Office Director of Criminal Affairs Dept.
 July 2020 Supreme Public Prosecutors Office Deputy Prosecutor-General
 June 2022 Tokyo High Public Prosecutors Office Superintending Prosecutor
 January 2023 Retired as Public Prosecutor
 April 2023 Certified as an attorney-at-law
 Nishimura & Asahi law firm Of Counsel (position held at present)
 June 2023 Asahi Kasei Audit & Supervisory Board Member (position held at present)

Corporate Governance

Working to Strengthen Corporate Governance

Basic Policy

Guided by the Group Mission of contributing to life and living for people around the world, the Group Vision for Asahi Kasei is to provide new value to people throughout the world and help resolve social issues by enabling “living in health and comfort” and “harmony with the natural environment.” Based on this approach, we aim to contribute to society while achieving sustainable growth and improving corporate value over the medium to long term, by spurring innovation and creating synergies through the integration of our diverse range of businesses.

To that end, we will continuously pursue the optimal corporate governance framework for ensuring transparent, fair, timely, and resolute decision-making in accordance with changes in the business environment.

Changes to Strengthen Corporate Governance (fiscal 2003–2020)



Changes to Strengthen Corporate Governance (fiscal 2021–2022)

2021

Introduction of Interim Reviews at Meetings of Independent Officers

In fiscal 2021, Asahi Kasei began holding interim reviews evaluating the effectiveness of the Board of Directors by arranging discussion meetings of Independent Officers attended solely by Outside Directors and Outside Audit & Supervisory Board Members to incorporate more objective viewpoints and enhance the effectiveness of the Board of Directors. At the meetings, participants discuss the role of the Board of Directors, the nature of explanations and deliberations at meetings of the Board of Directors, and ways to evaluate the effectiveness of the Board of Directors, from an objective standpoint to identify issues at the Board of Directors and steadily improve its effectiveness.

Improvement of Meeting Proceedings through Better Organization of Discussion Points

We standardized the organization of discussion points in materials for meetings of the Board of Directors, thereby promoting better deliberations and more efficient discussions during meetings, with a focus on priority discussion points.



2022

Revision of Remuneration System for Directors

Given that remuneration of Directors is a key constituent element of corporate governance, we revised the remuneration system for Directors to provide appropriate incentives for both those charged with business execution and those conducting oversight for the continuous growth of the Asahi Kasei Group and increased corporate value over the medium to long term. Specifically, we aligned indicators for the performance-linked remuneration of Directors with indicators in the MTP and linked stock-based remuneration with the level of achievement of non-financial indicators.

Introduction of Matters to Be Discussed in Relation to Important Management Matters

In addition to matters to be resolved and reported, Asahi Kasei introduced matters to be discussed in fiscal 2022 to enable more in-depth discussions at meetings of the Board of Directors. This move allows important management matters to be deliberated in greater detail.

Enhancement of the Setting of Agenda Items at Meetings of the Board of Directors

Asahi Kasei enhanced the setting of agenda items at meetings of the Board of Directors, taking into consideration the circumstances of businesses and social trends. The Board of Directors improves its oversight function by proactively taking up various issues for discussion, such as business portfolio management, reviews of major M&A and significant investments, and management risks in relation to economic security and the global supply chain.

Improvement of Management of Meeting Proceedings through Pre-Meeting Briefings

In fiscal 2022, we reduced the time spent on explaining materials at meetings of the Board of Directors by providing pre-meeting briefings to enhance the quality and ensure the efficient progress of discussions at the meetings.

Introduction of Surveys to Receive Feedback from Employees

In fiscal 2022, we began anonymous surveys for Executive Officers and employees (excluding Directors and Audit & Supervisory Board Members) who attend meetings of the Board of Directors to assist with proposals and reporting. We use the results of the surveys to gauge expectations of and issues facing the Board of Directors and make improvements.

Revision of the Composition of the Board of Directors

Asahi Kasei decided to revise the composition of the Board of Directors with Inside Directors focused on Executive Officers responsible for corporate functions and an increased number of Independent Outside Directors and female Directors.

Note: Please refer to the section pertaining to our corporate governance configuration on [page 85](#) for the ratio of independent members and female members among the Board of Directors and Audit & Supervisory Board in fiscal 2023.



Discussing Asahi Kasei's Corporate Governance: Interview with New Outside Director Chieko Matsuda

Q Viewed from the outside, what impressions do you have of Asahi Kasei's corporate governance configuration?

My connection with Asahi Kasei began in the early 2000s through discussions in my capacity as an analyst for a credit rating agency, and I subsequently had the opportunity to work with Asahi Kasei as a management consultant. Over this long relationship, I sense that Asahi Kasei has been focused on strengthening corporate governance these last few years in particular.

Japanese companies tend to adopt U.S. and European models of corporate governance when strengthening their governance. In my view, however, blindly imitating the U.S. and Europe will not lead to a fundamental strengthening of governance. In that respect, I have the impression that Asahi Kasei carefully considers its own way of governance, and improves it step by step.

Q What expectations do you have for Asahi Kasei at present?

While I personally have a fondness for diversified companies, I understand that unwarranted diversification is viewed negatively from an investor's perspective. I believe that companies with extensive business portfolios such as Asahi Kasei can offer a compelling explanation to investors by outlining the process and background to the reorganization and consolidation of their businesses as a story, from origins to the present. Honorary Fellow Dr. Akira Yoshino once gave me a firsthand explanation of the course of Asahi Kasei's businesses. I was very interested to hear about the origins and subsequent offshoots of businesses through his explanation, which was very persuasive. Given its wealth of such stories, I think that Asahi Kasei should put more emphasis on its own narrative.



Chieko Matsuda

Outside Director

Following roles at The Long-Term Credit Bank of Japan, Limited, Moody's Japan K.K., Corporate Directions, Inc., and Booz & Company, Inc., Chieko Matsuda teaches as a professor at Tokyo Metropolitan University's Faculty of Economics and Business Administration and its Graduate School of Management. She became an Outside Director of Asahi Kasei in June 2023.

Q In light of your experience and expertise, in what ways do you aim to contribute as an Outside Director?

There are three main ways I aim to contribute. The first is to offer opinions from an investor's perspective. In doing so, I will draw on my experience at a bank assessing the creditworthiness of companies, and my work as a securities analyst.

My perspective differs from that of those in charge of business execution due to our different standpoints, so our opinions may diverge from time to time. Nevertheless, I hope to play a part in enhancing the quality of management through discussions from multiple perspectives.

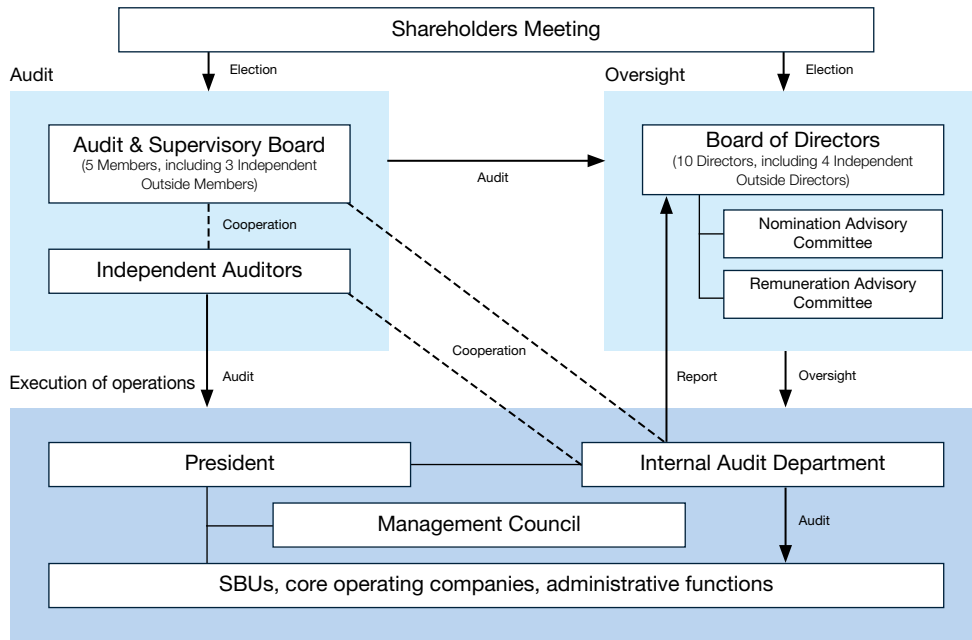
The second is to offer opinions on company-wide strategy. I am keen to engage proactively in discussions on business portfolio management in my capacity as a professor currently researching corporate management, primarily company-wide strategies.

The third is diversity. For a company such as Asahi Kasei, which is expected to spur innovation, ensuring task-oriented diversity in terms of career backgrounds and other roles, as well as of gender and nationality, is also crucial. I intend to make use of my position as someone who has had many career roles to share my views.

Q On what points do you intend to focus in supervising management as an Outside Director?

A key role of outside directors is to supervise management from the perspective of someone who can see things in a certain way precisely because they are on the outside. With that said, having a discussion would be impossible without knowing anything about a company's businesses. As an outside officer at other companies over the years, I have endeavored to develop my intuition by visiting many sites and plants, including overseas, for a firsthand sense of working environments and the mood of the people. Talking in person with frontline employees often brings business model issues to light, highlighting their essence from a management perspective. I hope to proactively visit Asahi Kasei's front lines and communicate in a similar manner.

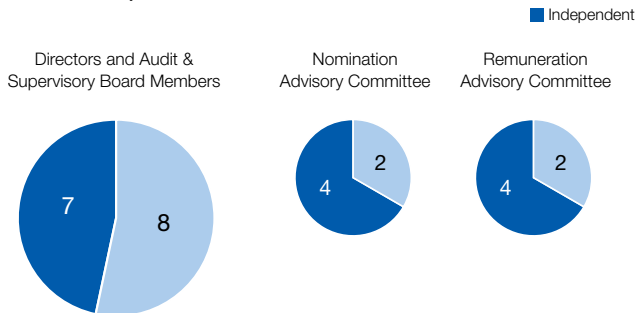
Corporate Governance Configuration (as of June 27, 2023)



Status of Activities in Fiscal 2022

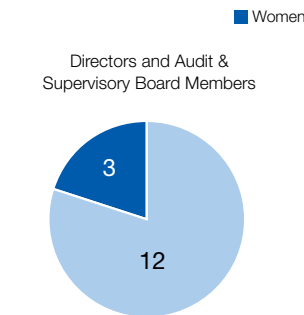
Meeting	No. of Meetings Held	Average Attendance	Main Subjects of Agenda
Board of Directors Chair: Hideki Kobori	15	99% (Directors and Audit & Supervisory Board Members)	<ul style="list-style-type: none"> Medium-term management plan, annual management plan Quarterly and annual results Examinations, decisions, and follow-up of large investments, M&A, and reorganization Analysis and disclosure for TFCD Enhancement of risk management, follow-up on plant accidents, and influence of the situation in Ukraine Effectiveness evaluation of the Board of Directors, review on the officer remuneration system, nomination of officers
Nomination Advisory Committee Chair: Tsuyoshi Okamoto	5	100% (committee members)	<ul style="list-style-type: none"> Election of chair Committee schedule Nomination of officers for fiscal 2023
Remuneration Advisory Committee Chair: Tsuyoshi Okamoto	6	100% (committee members)	<ul style="list-style-type: none"> Review on the officer remuneration decision-making policy Review on the performance-linked remuneration system Review on the stock-based remuneration system Decision of individual performance-linked remuneration amounts
Audit & Supervisory Board Chair: Masafumi Nakao	19	98% (Audit & Supervisory Board Members)	<ul style="list-style-type: none"> Audit plans Opinion exchange on agenda of the Board of Directors meetings Checks of financial statements Opinion exchange sessions with Outside Directors Evaluation of Independent Auditors

Ratio of Independent Officers



Note: 7 out of 15 Directors and Audit & Supervisory Board Members are independent (4 out of 10 Directors are independent)

Ratio of Women



Note: 3 out of 15 Directors and Audit & Supervisory Board Members are women (2 out of 10 Directors are women)

Fields in Which Expectations of Directors and Audit & Supervisory Board Members Are Particularly High

We have identified the knowledge, experience, and capabilities required to advance Group management and its supervision and auditing at a higher level in a discontinuous and uncertain business environment, and have considered the composition of the Board of Directors with consideration to the balance of its diversity and independence.

In addition to “corporate management & strategy,” “finance & accounting,” “legal affairs, intellectual property & risk management,” and “R&D, manufacturing & technology,” which are indispensable for pursuing opportunities and reducing risks, we also emphasize “global” to align with the internationalization of markets and businesses, “digital” to advance digital transformation, “environment & society” to respond to changes in the social environment and the status of stakeholders with agility, and “human resource management” to utilize people as the foundation of business management.

To further enhance the monitoring capability of the Board of Directors, we decided to adjust the composition so that Inside Directors mainly comprise Executive Officers responsible for corporate functions.

We expect that each Director and Audit & Supervisory Board Member will demonstrate their knowledge, experience, and capabilities, and will accordingly carry out important decision-making of group management and appropriate supervision and auditing comprehensively from diverse perspectives.

Skill Matrix (configuration from June 27, 2023)

		Corporate Management & Strategy	Finance & Accounting	Legal Affairs, Intellectual Property & Risk Management	R&D, Manufacturing & Technology	Global	Digital	Environment & Society	Human Resource Management
Directors	Hideki Kobori	★		★				★	
	Koshiro Kudo	★				★		★	★
	Kazushi Kuse				★	★	★	★	
	Toshiyasu Horie	★	★					★	
	Hiroki Ideguchi			★				★	★
	Masatsugu Kawase				★			★	
	Tsuneyoshi Tatsuoka	Independent		★		★		★	
	Tsuyoshi Okamoto	Independent	★	★				★	
	Yuko Maeda	Independent			★	★		★	
	Chieko Matsuda	Independent	★	★				★	
Audit & Supervisory Board Members	Yutaka Shibata		★	★				★	
	Takuya Magara				★			★	
	Akemi Mochizuki	Independent		★				★	
	Haruyuki Urata	Independent	★	★				★	
	Yoshikazu Ochiai	Independent			★			★	

Note: Up to four fields with particularly high expectations are noted for each individual. The table above does not represent all of the knowledge, experience, and capabilities of each individual.

Results of Evaluation of Effectiveness of the Board of Directors (fiscal 2022)

The Board of Directors of the Company conducts regular evaluations of its own effectiveness every fiscal year. The evaluation method and measures in fiscal 2022 and issues recognized for the future are as follows:

Effectiveness evaluation method

In the middle of the fiscal year, based on the previous fiscal year's evaluation as well as institutional investors' demands and capital market trends, the chair of the Board of Directors took the lead in examining the future direction of the Company's Board of Directors. Independent officer meetings, which were attended only by Outside Directors and Outside Audit & Supervisory Board Members, also conducted interim reviews on the effectiveness of the Board of Directors and exchanged opinions. Then, the Board of Directors discussed the matters to organize and categorize them into issues that require improvement within the current fiscal year and ones that require continuous consideration. After these steps, at the start of the new fiscal year, the Board of Directors again deliberated on the effectiveness of the Board of Directors, as well as checking the progress of improvement actions in the fiscal year.

Main measures implemented in fiscal 2022

The Board of Directors of the Company implemented the following measures in fiscal 2022 based on evaluation of the previous fiscal year.

(1) The composition of the Board of Directors

To keep a higher level of the Group management and supervision and auditing on the management in this discontinuous and uncertain business environment, we have discussed the composition of the Board of Directors considering the balance of its diversity and independence. We decided that the following rectifications will be made on the member composition to further enhance the monitoring capability of the Board of Directors and facilitate discussions in the Board of Directors:

- i. A rectification to ensure that Inside Directors are mainly composed of officers responsible for corporate departments
- ii. Increases in Independent Outside Directors and female Directors

(2) Receiving feedback from employees

Anonymous surveys were conducted for officers and employees (who are not Directors or Audit & Supervisory Board Members) who attended the Board of Directors meetings as assistants for proposing or reporting. The surveys are intended to know what expectations or issues the officers and employees have with the Board of Directors. The surveys found that employees and other staff generally recognize the value in deliberations by the Board of Directors from perspectives different from those of internal discussions. The survey also helped us identify issues with how to propose and report matters in the Board of Directors meetings with an awareness of differences from internal meetings, including the Management Council. These issues have led to the following improvements for facilitating meetings.

(3) Improvements for facilitating meetings

Starting from fiscal 2022, the agenda includes matters to be discussed in addition to matters to be resolved and reported, and a procedure is established for the Management Council meetings and other internal meetings to share their discussions with the Board of Directors. With such measures, the Board of Directors can discuss important management matters more deeply. In addition, the meetings of the Board of Directors provide a more concise explanation of materials while enabling outside officers to receive a preliminary explanation. The executive summary is utilized to organize discussion points. These improvements helped the Board of Directors have more effective discussions. Furthermore, a guidance document was created to clarify basic points so that meetings can be facilitated more effectively, considering the composition and role of the Board of Directors.

Issues recognized for the future

Based on measures implemented in fiscal 2022, the Board of Directors has confirmed a common awareness of the following issues for the future.

(1) Methods to evaluate the effectiveness of the Board of Directors

We continue to scrutinize evaluation methods with objective perspectives, such as working with third parties.

(2) The way that the Board of Directors should be

As our business environment is changing, we continuously pursue the ideal Board of Directors (in terms of independence, diversity, and organizational structure).

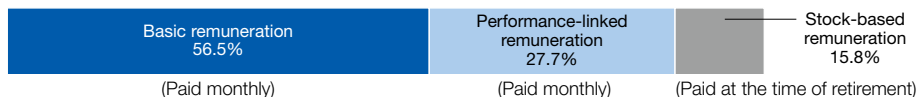
Officer Remuneration

Remuneration for Officers in fiscal 2022

The amount of remuneration, etc., of Directors and Audit & Supervisory Board Members in fiscal 2022

Classification	Amount Paid (Millions of Yen)	Breakdown by Remuneration Type (Millions of Yen)			Number of Directors and Audit & Supervisory Board Members Paid
		Basic Remuneration	Performance-linked Remuneration	Stock-based Remuneration	
Directors	528	379	95	54	11
of which, Outside Directors	53	53	—	—	3
Audit & Supervisory Board Members	154	154	—	—	6
of which, Outside Audit & Supervisory Board Members	53	53	—	—	4

Composition of remuneration for Executive Directors in fiscal 2022



• Performance-linked remuneration = commitment to results • Stock-based remuneration = perspective of shareholders
Note: Outside Directors receive basic remuneration only.

Remuneration for Directors

(1) Decision-making policy

As one of the corporate governance mechanisms to ensure that the Asahi Kasei Group achieves sustainable growth and enhances corporate value over the medium to long term, the Board of Directors sought the advice of the Remuneration Advisory Committee on the decision-making policy. Respecting the contents of the committee's report, the Board of Directors passed a resolution on the decision-making policy, which includes the following basic policy.

Basic policy

The Directors' remuneration of the Company is one of the important components of corporate governance. The Company designs this system to provide appropriate incentives to both executives and supervisors for achieving sustainable growth and improving medium- to long-term corporate value.

Remuneration for Non-executive Directors* including Outside Directors, who supervise the management of the Company, solely comprises fixed basic remuneration at a level determined in consideration of third-party survey data, in order to secure a high degree of independence unaffected by short-term earnings fluctuations. The remuneration for Executive Directors combines performance-linked remuneration with stock-based remuneration as nonmonetary remuneration, in addition to fixed basic remuneration, which serves a basic livelihood, in order to provide incentives tied to earnings and management strategy as senior management, with levels of remuneration amounts and proportions of types of remuneration adjusted as appropriate for each role according to management strategy and tasks, in consideration of third-party survey data.

To ensure the optimal way of remunerating Directors and the design of the remuneration system, the Board of Directors and the Remuneration Advisory Committee regularly deliberate and continually confirm their appropriateness and make improvements.

* Non-executive Directors include the Chairman.

(2) Basic design

1) Performance-linked remuneration

- Designed by combining both the achievement of financial targets, such as capital efficiency, to provide incentives tied to earnings and management strategy as management leaders, together with the achievement of non-financial targets including individual targets, one of which is progress on sustainability
- Calculated by making a comprehensive judgment based on achievement of financial targets such as consolidated net sales, operating income, return on invested capital (ROIC), etc., together with achievement of individually set targets, including progress on sustainability

- Standards for financial incentives selected from the perspectives of appropriateness as clear and objective evaluation criteria based on earnings results as well as awareness for increased capital efficiency
- The formula required to calculate individual performance-linked remuneration is outlined as follows:

$$\text{Index calculated by evaluation}^1 \times \text{Basic amount by rank} = \text{Individual performance-linked remuneration amount}$$

¹ Coefficient comprehensively considering achievement of financial targets and non-financial targets

- Target figures / standard figures and actual figures of management indicators to be used for the calculation of performance-linked remuneration in fiscal 2022

	Fiscal 2022 Target Figure / Standard Figure	Fiscal 2022 Actual Figure
Consolidated net sales	¥2,731.0 billion	¥2,726.5 billion
Consolidated operating income	¥210.5 billion	¥128.4 billion
Consolidated ROIC ²	6.0%	4.0%

² (Operating income-income taxes) / average annual invested capital

2) Stock-based remuneration

- Designed to reinforce a common perspective with shareholders, including both the benefits of share price increases and the risk of share price decreases
- A trust established by Asahi Kasei acquires shares of the Company and grants them to eligible Directors. Based on the Share Grant Regulations adopted by the Board of Directors, eligible Directors are conferred points in accordance with their rank (maximum of 150,000 points per fiscal year) and the shares are granted to eligible Directors corresponding to the accumulated number of points at the time of their retirement as Director and as Executive Officer of the Group (one share of stock per point).
- The following table describes the status of the performance targets above, which are defined by the Board of Directors, for fiscal 2022.

Indicator	Indicator Calculation Method	Fiscal 2022 Target Figure / Standard Figure	Fiscal 2022 Actual Figure
Job satisfaction	Percentage of employees absent due to mental illness	0.80%	1.07%
DX	Total number of digital professionals	1,000	1,206
Diversity	Percentage of female employees working as managers and Group Masters	3.9%	3.8%

(3) Decision-making process

- As authorized by the Board of Directors, the Remuneration Advisory Committee confirms the reasonableness and appropriateness of the evaluation of the achievement of targets by Executive Directors, as proposed by the President & Director, and determines remuneration amounts for individual Directors by applying this evaluation to the framework formula determined by the Board of Directors.
- The Board of Directors determines the amount of fixed basic remuneration by rank.
- Stock-based remuneration is granted when certain conditions are met, corresponding to points conferred based on the Share Grant Regulations adopted by the Board of Directors (the Remuneration Advisory Committee reports the degree of achievement of targets and the performance-linked indicators at the end of each fiscal year in relation to stock-based remuneration).
- The Remuneration Advisory Committee comprises a majority of Outside Directors and regularly reports to the Board of Directors on the process of confirmation and determination described above.

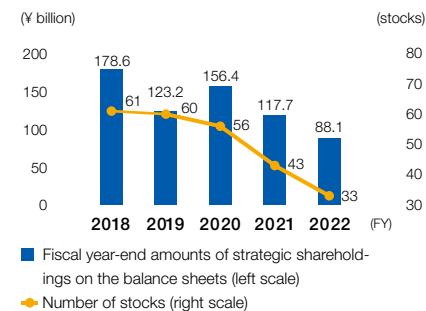
Strategic Shareholdings

The Company is continuing to reduce its holdings of shares held for purposes other than pure investment (strategic shareholdings), taking into consideration factors such as the risk of share price fluctuations, costs associated with such holdings, and capital efficiency.

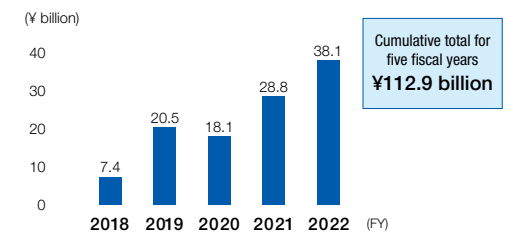
The purpose, effectiveness, and economic rationale of individual strategic shareholdings are regularly evaluated from qualitative and quantitative aspects each year, and are reviewed by the Board of Directors.

As a result of the verification, the Company reduces, through sales or other means, holdings of shares judged to be no longer compatible with the purpose of holding them or deemed to have costs and risks that outweigh the benefits of holding them, taking into consideration the conditions of the company concerned.

Strategic holdings of listed shares



Sales of strategic shareholdings



Risk Management



Hiroki Ideguchi

Director, Senior Executive Officer
Executive Officer for Risk
Management & Compliance

Basic concept

We are accelerating the global expansion of the Asahi Kasei Group's diverse operations in three sectors. Meanwhile, the operating environment has become highly volatile. The emergence of new and more complex risks threatens to have a substantial impact, which makes it necessary for us to grasp and manage risks from the broader perspective of group management. In fiscal 2022 we adopted a major revision to our risk management framework.

My role in the risk management framework

Our Risk Management Team, which reports directly to me as the responsible Executive Officer, keeps track of the activities of each business unit. In addition to providing direction and support regarding individual risk countermeasures, this team functions as the

organizer for the Risk Management & Compliance Committee, chaired by the President, and ensures that decisions and instructions from upper management are fully conveyed to each business unit.

By having a Risk Management Team comprising members from General Affairs and members from Corporate Strategy, we are able to respond not only to pure risks but also to business opportunities and risks.

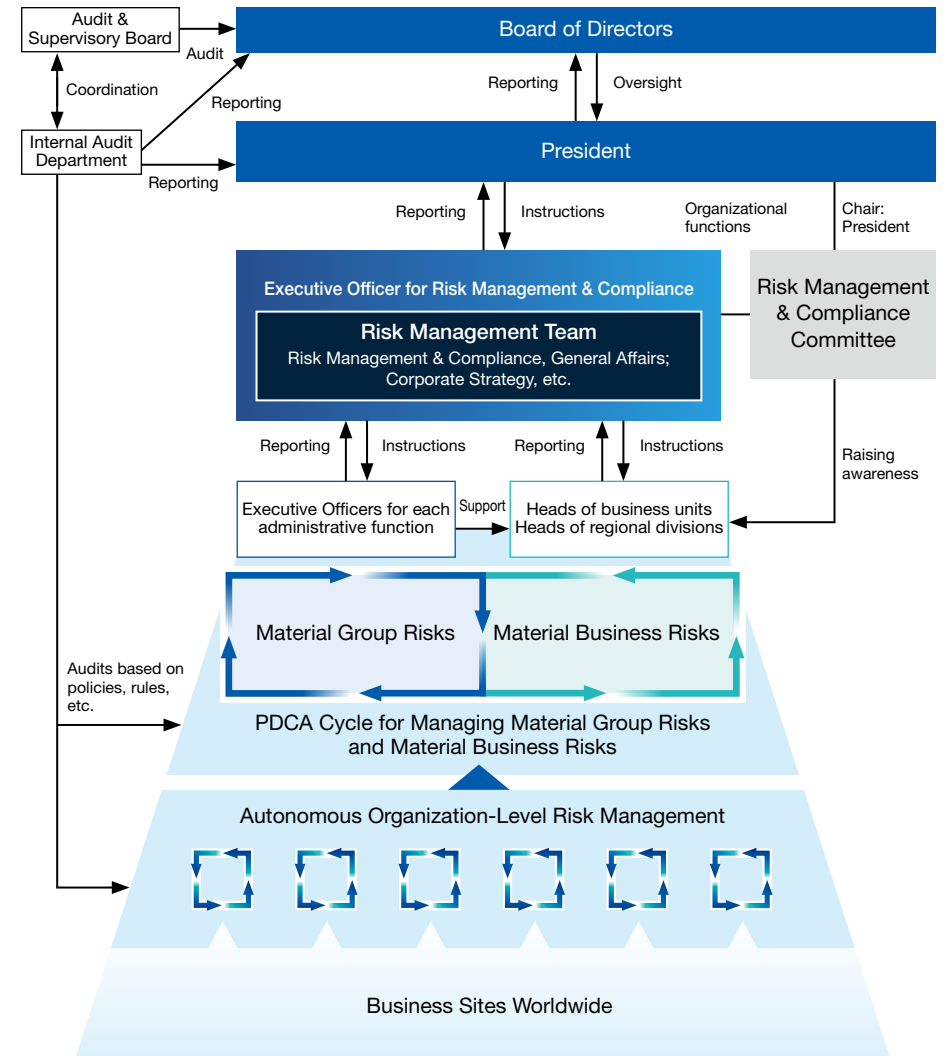
Strengthening risk management in line with business characteristics

Our basic policy is for each organization to manage its own risks autonomously. Among the various risks, those requiring regular monitoring by the Board of Directors are defined as Material Group Risks, and those which could impede the annual plans of business units are categorized as Material Business Risks to be addressed through concerted effort within a given fiscal year.

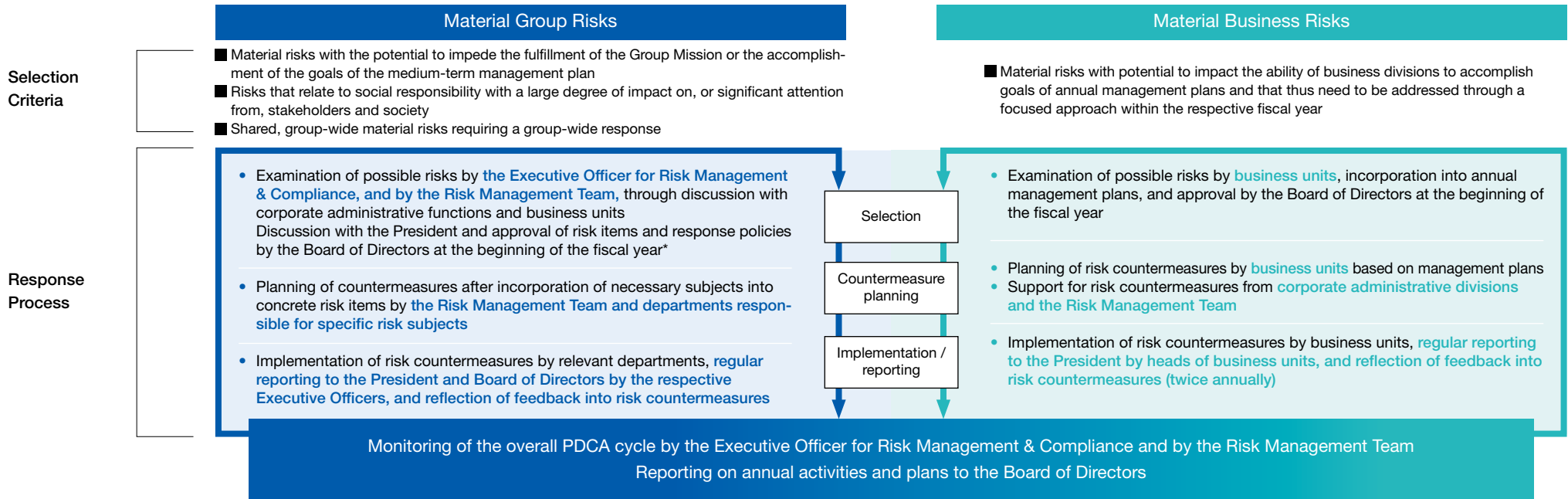
Flexible management commensurate with individual circumstances is required. In the Material sector, there is substantial overlap between Material Group Risks and Material Business Risks, and in the Homes and Health Care sectors, there are many cases in which the business unit directly handles industry-specific risks such as permits and regulations.

To prevent inadequate risk response due to administrative functions and business units each expecting the other to take the lead, we have clarified each of their roles and responsibilities, and strengthened communication among administrative functions and between administrative functions and business units, ensuring quick and proper response both in normal times and in emergencies.

Risk Management Framework and Roles of Constituents

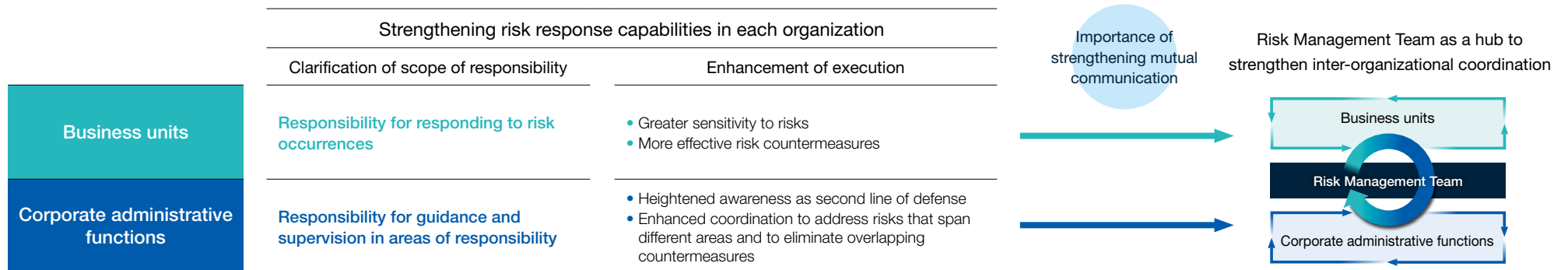


Risk Management PDCA Cycle (Material Group Risks and Material Business Risks)







* Revisions instituted as necessary in response to major changes in the operating environment

Enhancement Policy for Fiscal 2023



FY2023 Material Group Risks and thrust of main initiatives

Material Group Risks		Thrust of Main Initiatives	
Risks related to accidents at production sites (environmental abnormalities, industrial accidents, injuries)		<ul style="list-style-type: none"> Reinforcement and enhancement of Life Saving Actions (adherence to activity prohibitions for eliminating serious accidents) Improvement of fire prevention technology at individual production sites Reinforcement of workplace safety auditing functions and cultivation of environmental safety experts Identification of hazard sources at individual production sites, conveyance and education of process safety techniques, thorough implementation of PDCA in response to abnormalities 	For more information, see “Environmental Protection” on page 92 
Risks related to quality-associated misconduct (data falsification, etc.)		<ul style="list-style-type: none"> Enhancement of quality awareness and culture through regular communication between management and frontline workers Extensive circulation of information regarding quality risks through increased information communication from corporate quality assurance departments Reinforcement of governance through quality inspections and reinforcement of training for quality assurance personnel 	
Risks related to domestic and international laws, regulations, certification requirements, etc., regarding the environment, safety, and quality assurance	Environment and safety	<ul style="list-style-type: none"> Circulation of information regarding regulations and regulatory revisions, exhaustive education activities, appointment of experts, and strengthening of internal consultation frameworks Development of systems for improving compliance 	
	Quality assurance		
Risks related to economic security and global supply chains	Risks related to tightening of economic sanctions and export restrictions (including both upstream and downstream)	<ul style="list-style-type: none"> Timely monitoring of regulatory trends and consultation with relevant organizations and experts as necessary before issues emerge Rigorous screening of customers through external screening systems 	
	Risks related to corporate activities due to geopolitics	<ul style="list-style-type: none"> Setting of risk scenarios for geopolitical emergencies and studying of impacts on business activities such as employee safety, procurement, and sales Specification of initial responses and BCP to be carried out under task force in the event of emergency 	
	Human rights risks (including both upstream and downstream)	<ul style="list-style-type: none"> Promotion of business activities in accordance with the Asahi Kasei Group Human Rights Policy Fostering an awareness and culture of respect for human rights through human rights due diligence, education and awareness activities, etc. 	For more information, see “Human Rights” on page 93 
	Feedstock/material procurement risks	<ul style="list-style-type: none"> Transparency for raw material procurement risks and countermeasure priorities for each business, strengthening of support systems on corporate side Diversification of procurement routes and maintenance of appropriate inventory levels for feedstocks used in major products and businesses Formation and maintenance of relationships with alternative suppliers for equipment components prone to unreliable supplies Revision of management procedures pertaining to delivery and upgrade timings for equipment components 	
Risks related to cybersecurity and technological information management	Risks related to cybersecurity and communications infrastructure	<ul style="list-style-type: none"> Implementation of swift and flexible countermeasures to combat ever-evolving cyberattacks through technical measures made possible by installing security systems and raising and reinforcing awareness regarding security via employee education, etc. Planning and implementation of BCP measures aimed at achieving minimum level of IT usage (communication, information access) in the event of large-scale disaster 	For more information, see “Information Security” on page 94 
	Risk of technological information leakage	<ul style="list-style-type: none"> Formulation of technological information management rules and implementation of leak prevention measures based on those rules Strengthening of group-wide unified monitoring systems for leak prevention measures 	
Risks related to natural disasters, pandemics, and terrorism or conflicts	Headquarters and office districts (domestic and overseas)	<ul style="list-style-type: none"> Recompilation of response policies and manuals based on past cases such as large-scale natural disasters and pandemics, implementation of training simulating risk actualization Establishment of standards and systems for setting up emergency response headquarters and response manuals to prepare for acts of terrorism, conflicts, and other extreme circumstances that may occur overseas 	
	Production sites (domestic and overseas)		
Risks related to M&A		<ul style="list-style-type: none"> Prudent due diligence of potential acquisitions Careful verification of post-merger integration plans 	
Risks related to climate change		<ul style="list-style-type: none"> Monitoring and formulation of measures based on annual analyses and investigations of climate change-related risks and opportunities 	For more information, see “Disclosure Based on the TCFD Recommendations” on page 61 

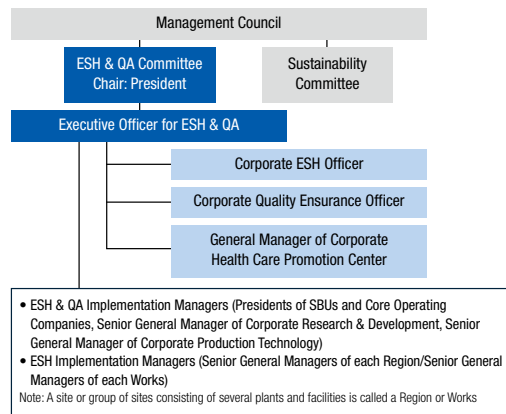
Environmental Protection

Policy and Management Framework

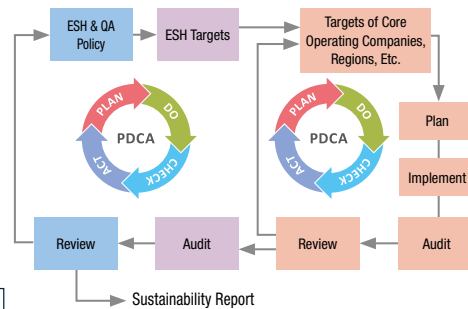
The Asahi Kasei Group Mission states that “we, the Asahi Kasei Group, contribute to life and living for people around the world.” Based on this mission, we implement environment, safety, and health (ESH) and quality assurance (QA) activities that recognize health maintenance, process safety, workplace safety and hygiene, quality assurance, and environmental protection as the most important management tasks in all business activities. In July 2022, we revised the **Asahi Kasei Group ESH & QA and Health & Productivity Management Policy**. Under this revision, we strive for stable and safe operation while preventing workplace accidents and securing the safety of personnel and members of the community, and are strengthening our environmental safety initiatives.

We aim to gain public understanding and trust by ensuring legal compliance and adopting self-imposed targets to achieve continuous improvement while proactively disclosing information and communicating.

Management Framework



PDCA Cycle for Safety Management

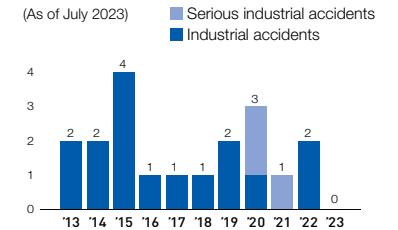


Current Status and Fiscal 2023 Improvement Policy

In fiscal 2022, industrial accidents occurred in April and September, leading to fires that took time to extinguish. In addition, there were 14 minor incidents involving small fires, smoke, and minor leaks of hazardous materials and other substances within plant grounds. In total, 19 industrial accidents, including serious ones, have occurred over the past 10 years.

In light of these circumstances, the ESH & QA Committee convened in July 2023, reaffirming the importance of measures to address industrial accidents and prevent the spread of fires. At the same time, the committee determined on a policy to work toward understanding conditions at work sites and taking effective measures, given that there is no immediate remedy. In fiscal 2023, we are prioritizing the following three measures based on this policy.

Occurrences of industrial accidents and serious industrial accidents



- 1) Prevention of industrial accidents through company-wide promotion and establishment of activities to impart process safety technology
- 2) Prevention of the spread of fires, drawing on standards for the installation of fire prevention and extinguishing equipment in areas at high risk of indoor fires
- 3) Implementation of a PDCA cycle of activities at work sites with the support and collaboration of experts

In addition, we will focus on developing a culture that strengthens two-way communication with the goal of fostering a culture of safety among all employees. To this end, we will promote and ingrain the Life Saving Actions program, a uniform, company-wide safety initiative.

FY2023	Target	Priority Initiatives and Measures
ESH	Nurture a culture of safety	<ul style="list-style-type: none"> Promotion and ingrain of the Life Saving Actions program (thorough adherence to rules on prohibited behaviors to eradicate serious occupational accidents) Strengthening of two-way communication between management and work sites
	Develop human resources with expertise in ESH	<ul style="list-style-type: none"> Establishment of Group Masters in ESH and formulation and implementation of succession plans for them
Process Safety	Achieve zero serious industrial accidents	<ul style="list-style-type: none"> Company-wide promotion of prioritized activities for imparting process safety technology Implementation of highly effective expert audits of work sites
	Prevent the spread of fires	<ul style="list-style-type: none"> Promotion of standards established with the participation of experts for installation of fire prevention and extinguishing equipment Implementation of effective emergency drills in cooperation with public fire departments

Please see “**Process Safety**” for details on these initiatives.



Masatsugu Kawase
 Director, Senior Executive Officer
 Oversight for ESH, QA,
 Regional Offices, Manufacturing,
 Production Technology Functions

The Asahi Kasei Group, which aims to realize the two mutually reinforcing aspects of sustainability of “contributing to sustainable society” and “the sustainable growth of corporate value,” acknowledges that the serious industrial accidents of recent years constitute a serious risk that could undermine our value from the perspectives of public trust, consideration for the environment, the safety of employees and local communities, and our own growth. To prevent such critical accidents, we are striving to enhance process safety technology on a company-wide basis and foster a culture of safety, including at subsidiaries and affiliates, while incorporating improvement measures based on audits by experts.

Human Rights

Policy

Respect for the human rights of all people is one of the most important aspects of the Asahi Kasei Group's business activities. The Asahi Kasei Group Human Rights Policy, which was established with the approval of the Board of Directors in fiscal 2021, complies with the International Bill of Human Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work. The Asahi Kasei Group has also pledged its support for the Ten Principles of the United Nations (UN) Global Compact as well as the UN Guiding Principles on Business and Human Rights and the Children's Rights and Business Principles. Guided by these frameworks, we will strive to identify and appropriately address human rights issues in our business activities.

Asahi Kasei Group Human Rights Policy [▶](#)

Basic Approach

- Respecting the human rights of all stakeholders
- Compliance with international human rights standards
- Endeavoring with business partners to remediate and eliminate human rights violations that occur

Addressing Human Rights Issues (daily activities)

- Compliance with laws and regulations (including on working hours, wages, safety and hygiene, and protection of personal information)
- Prohibition of unacceptable conduct (including discrimination and harassment)
- Respect for the human rights of all people in society (including customers and communities)

Promoting Respect for Human Rights (corporate initiatives)

- Education
- Implementation of human rights due diligence
- Commitment to engage with affected stakeholders
- Grievance mechanisms
- Disclosure

Regarding the supply chain, the [Asahi Kasei Group's procurement policy](#) [▶](#) states that it is a policy to consider suppliers as important partners. In addition, we formulated [Supplier Guidelines](#) [▶](#) in 2021 to promote understanding and cooperation among suppliers.

Human Rights Education and Training

The Respect for Human Rights and Diversity section of the Asahi Kasei Group Code of Conduct clearly expresses a firm policy against all forms of discrimination and harassment. In fiscal 2022, we held human rights seminars by outside experts for training and raising awareness among senior executives. In addition, we promoted understanding of respect for human rights through e-learning on the topic of business

and human rights among all employees. We will continuously carry out activities to raise awareness of human rights and strengthen our initiatives going forward.

Management Framework

Establishment of Human Rights Committee

We established a Human Rights Committee as a platform to discuss and determine our approach to human rights, and to promote the Asahi Kasei Group Human Rights Policy. The first meeting of the committee was held in 2022. With public interest in human rights issues growing each year and various countries adopting related laws and regulations, the committee will continually share information pertaining to human rights initiatives.

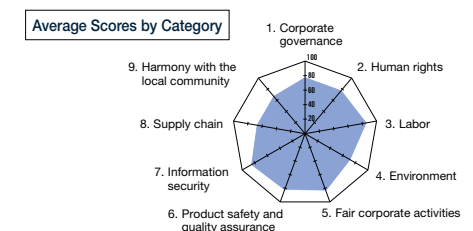
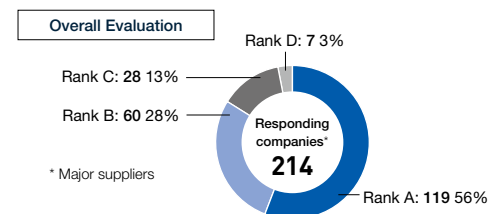


Due Consideration for Human Rights in Procurement

At the Asahi Kasei Group, Corporate Procurement & Logistics, the Sustainability Strategy Planning Department, and Group companies work in collaboration to foster awareness of corporate social responsibility (CSR), including respect for human rights. Our Supplier Guidelines stipulate that all suppliers must respect human rights. In addition to thorough propagation of this knowledge, we conduct a CSR procurement questionnaire on an annual basis to ascertain the status of initiatives in relation to human rights and labor practices at suppliers.

In fiscal 2022, we also conducted a survey of suppliers regarding procured materials containing tantalum, tin, tungsten, gold, cobalt, and mica in response to the issue of conflict minerals, which have been identified as a possible source of funding for armed groups linked to inhumane acts. The results of the survey confirmed that none of the materials procured came under the category of conflict minerals.

FY2022 CSR Procurement Questionnaire Results (raw material suppliers)



Compliance / Information Security

Compliance

Policy and Management Frame

The Asahi Kasei Group positions compliance as a priority issue of materiality from the perspective of value creation. We seek to act with sincerity in accordance with our Group Values through strict compliance with internal rules as well as laws and regulations that relate to our businesses and operations. We apply the [Asahi Kasei Group Code of Conduct](#) to all executives and employees and thoroughly familiarize them with the code while continuously revising it in light of changing societal demands and circumstances.

To strengthen management of compliance, we established the Risk Management & Compliance Committee, which is chaired by the President and has Presidents of SBUs and core operating companies as members. Matters to be reported include plans and results of compliance promotion activities, serious compliance violations, and the operational status of the Compliance Hotline.

Awareness of the Code of Conduct

Group companies in Japan maintain an understanding of the status of compliance through questionnaires on the issue and regular exchanges of opinions in small groups—such as sections and subsections—using examples of compliance violations, which help promote awareness and understanding of compliance. In fiscal 2021, the compliance questionnaire response rate came to 93.5%, with 97% of respondents answering that they had read the Asahi Kasei Group Code of Conduct and approximately 80% that they understood it. Going forward, we will also expand and strengthen compliance activities globally.

Establishment of the Group Principles

As Asahi Kasei's business becomes more diversified and global, legal requirements and public expectations around the world are increasingly complex and demanding. The Group Principles were established as basic principles to be applied consistently across the entire Asahi Kasei Group. Accordingly, Group companies around the world formulate rules suited

to each business and region based on these common standards. The Group Principles form the basis of ongoing efforts to develop the optimal system of Group management.

Compliance Hotline

The Asahi Kasei Group operates a Compliance Hotline in order to promptly collect information on compliance violations and take measures in response. A wide variety of reports and consultations are received, including from suppliers and their employees, with the designated office or an investigation and response team carrying out investigations depending on the nature of the reports or consultations. The Executive Officer for Risk Management & Compliance reports on the operational status of the hotline to the Risk Management & Compliance Committee and to the Audit & Supervisory Board.

The system was revised in June 2022 in accordance with an amendment to Japan's Whistleblower Protection Act.

Number of reports and operational status (fiscal 2022):

85 reports (2 of which were in relation to human rights issues, such as discrimination and harassment)

Prevention of Bribery

The Asahi Kasei Group has endorsed the United Nations Global Compact and declared that it will work to prevent all forms of corruption, including coercion and bribery. In particular, we consider bribery to be a serious risk factor that could considerably jeopardize our corporate reputation. Accordingly, we have established the [Asahi Kasei Group Basic Policies for Prevention of Bribery](#) and operate bribery prevention measures in accordance with regulations.

Information Security

Policy and Management Framework

The Asahi Kasei Group considers information security to be a serious issue for management in promoting digital transformation (DX). Accordingly, we formulated the [Asahi Kasei Group Information Security Policy](#) with the aim of ensuring and further enhancing information security. Regarding the information security framework, we have established a specialized internal organization (the Security Center) for the implementation of information security measures at all Group companies in Japan and overseas from the perspectives of both corporate governance and technology.

Cybersecurity

Cybersecurity measures have become increasingly important due to the sharp rise and growing sophistication of cyberattacks. The Asahi Kasei Group began operating a security operation center (SOC)¹ utilizing advanced security systems, such as endpoint detection and response (EDR),² to prevent such cyberattacks. In addition, we devote efforts to employee awareness activities, including carrying out targeted email attack drills several times a year, as most cyberattacks originate from suspicious emails, and implementing regular information security training.

¹ A SOC is an organization that monitors security. It receives alerts and other intelligence from security tools and investigates the impact scope and severity of attacks.

² EDR is a system for detecting advanced cyberattacks. The system can also respond to incidents in a variety of ways, such as by collecting logs required for analysis and isolating breached computers.

Communication with Stakeholders

The Asahi Kasei Group's businesses are built on relationships of trust with stakeholders. We believe that understanding the requirements and meeting the expectations of a diverse range of stakeholders—including customers, shareholders and investors, suppliers, community members, the general public, and employees—will improve our corporate value. Accordingly, we have created a variety of communication opportunities to ensure that dialogue with stakeholders further enhances our business activities.

Main Stakeholders and Communication Opportunities

 Customers	<ul style="list-style-type: none"> • Support by marketing and sales personnel • Provision of information on products and services via website • Addressing of telephone, website, and other inquiries
 Shareholders and investors	<ul style="list-style-type: none"> • General Meetings of Shareholders, various briefings for investors • Individual meetings, information disclosure via website • Addressing of telephone, website, and other inquiries
 Suppliers	<ul style="list-style-type: none"> • Safety discussion forums and other gatherings, CSR questionnaires • Whistle-blowing system (Compliance Hotline)
 Communities and society	<ul style="list-style-type: none"> • Regular community networking events • Community contribution activities
 Employees	<ul style="list-style-type: none"> • Various training programs and meetings, communication between employees and management • In-house magazine and intranet • Whistle-blowing system (Compliance Hotline)

Promoting Dialogue Focused on Improving Corporate Value

Led by its senior management, Asahi Kasei proactively endeavors to disclose information and engage in two-way communication to allow shareholders and investors in Japan and overseas to gain an understanding of its road map, including the Asahi Kasei Group's vision, management strategies, and corporate governance, for achieving sustainable growth of corporate value.

In fiscal 2022, we held briefings on sustainability (such as our response to climate change and human resource strategies), intellectual property strategies, DX strategies, and other topics, in addition to management briefings, earnings results briefings (quarterly), and business briefings, disclosing details of them on our website. We conduct approximately 277 individual meetings annually, engage in dialogue with passive investors on the topic of shareholder relations, and hold many meetings and other forums on non-financial information, such as ESG, intellectual property, and intangible assets. We strive to improve information disclosure based on the views of shareholders and investors by receiving feedback in response to various briefings, meetings, disclosure materials, and other documents. For overseas investors, we provide full disclosure in English on our website and proactively conduct meetings, primarily online conferences.

Senior management proactively promotes communication to improve corporate value over the medium to long term by making presentations at briefings and through meetings, small meetings, and other forums. In these ways, we accelerate the transformation of our business portfolio and improve KPIs while taking into account the disposition of the stock market—such as for further improvement of capital efficiency—which are identified through dialogue.

Establishing the Miyazaki Prefecture Digital Human Resource Development Consortium

In May 2023, five organizations, including Asahi Kasei, established a consortium to develop digital human resources in Miyazaki Prefecture, where our company was founded and a main location of our manufacturing sites. The consortium aims to address issues in the prefecture and contribute to regional revitalization by promoting efforts to popularize, spread, and improve the quality of digital technology through development of digital human resources across industry, government, and academia.

Although issues including the ageing population and labor shortages are becoming increasingly serious in Miyazaki Prefecture, it has abundant tourism resources and thriving industries, such as agriculture, forestry, fisheries, and livestock. The consortium believes leveraging digital technology can further enhance the prefecture's appeal.

The consortium will begin by operating programs for students and working adults, respectively, and expand the scope of its activities by promoting this initiative through a concerted industry–government–academia effort, with each organization utilizing engagement and its own strengths to develop human resources who will drive digitalization within Miyazaki Prefecture.

