

Employee Roundtable

Creating New Value through Three Challenges



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To achieve the three challenges identified in “PASSION 2026,” collaboration across various organizational units is essential. Some of our employees who strive hard every day to support customers, society, and the planet shared some of their initiatives and thoughts.

A new organization to take on the three challenges

Ishikawa: Our Medium-Term Management Plan “PASSION 2026” outlined three challenges that create value: “Sustainability as an opportunity,” “Innovations starting from networking,” and “Transformation of people and organization.” To meet these challenges, I believe we must rise above various organizational barriers and collaborate with one another. First of all, please tell us about your organization and its relationship to the three challenges.

Miyagi: I belong to the Global HR Center, which implements various people-related measures to address the challenge, “Sustainability as an opportunity.” We focus on cultivating globally minded people and organizations. We work with HR managers at overseas bases to transform people and organizations and cultivate a global corporate

culture, such as discovering talent within the Group and cultivating successors.

Takasuka: The Innovation Networking Center (INC) is deeply involved in the challenge, “Innovations starting from networking.” We are playing three major roles: creating a framework for sustainable innovation, drawing on internal and external collaboration to create new businesses, and cultivating the people that will lead these efforts and fostering a culture to facilitate them.

Inui: The Corporate Sustainability Division focuses on the challenge, “Sustainability as an opportunity.” We oversee the Sustainability Medium-Term Plan, which summarizes the Kuraray Group’s sustainability-related measures. We also host activities that encourage people at our various offices to get involved with initiatives that embrace sustainability.

Ohta: The DX-IT Division addresses the challenge, “Transformation of people and organization.” We pursue all kinds of transformation from a digital angle. Therefore, we often work with the Corporate Sustainability Division and INC. We are currently engaged in various projects to support digital transformation, including building the infrastructure for data analysis and application.

Collaborating beyond organizational barriers

Ohta: We often collaborate with other divisions, on special projects and day-to-day operations. For example, we are working with INC on the use of digital technology and simulations in R&D. Together with the Global HR Center, we are nurturing personnel who will drive the Group’s digital transformation efforts going forward.

Takasuka: Because the digital element is critical to cultivating innovation, we have a close relationship with the DX-IT Division. Looking at major trends in society, I believe cooperation with the Corporate Sustainability Division is also indispensable. It is obvious to me that addressing sustainability is now a requirement when creating any new business.

Inui: The concept of sustainability has rapidly gained widespread recognition over the past few years. The Kuraray Portfolio Sustainability Assessment (PSA) system visualizes the contribution of products and services that improve the natural and living environments. But, I would like to brainstorm with people in other business divisions about how to connect the PSA system to new businesses and higher value-added products.

Ohta: I would like to see the DX-IT Division become more involved in collaborative efforts, such as sharing the PSA system data throughout the Company, and proposing products and services that offer higher customer satisfaction.

Ishikawa: Collaboration across organizational units sometimes leads to conflict arising from differences in values. How do you deal with that?



Inui: We have placed ambassadors at multiple overseas bases, and launched initiatives to jointly develop and pursue activities to instill sustainability awareness. Disparities exist between regions in terms of sustainability awareness and pressing social issues. By sharing information about different initiatives and good sustainability practices with each regional base, we are raising awareness and advancing various initiatives.

Takasuka: In some regions, even before the Corporate Sustainability Division was established, Group companies were already undertaking life-cycle assessments in collaboration with external parties. That's a situation where conflict is likely to occur.

Inui: Yes. There is a strong push for standardization across the Kuraray Group. One example is the method of calculating greenhouse gas emissions. So, we are carefully talking through issues as we develop common guidelines.

Miyagi: In terms of human resources, the concept of talent management is more advanced in Europe and the United States, and differs from what occurs in Japan. However, our Japan sites have been thinking

about the global use of employees for a long time. This region is working to gain a common awareness by sharing stories and ideas on how to enhance the Kuraray Group's organizational strengths as a whole.

Ishikawa: All of you belong to the corporate organization, which supports business activities across the Group, but what about collaboration with the various business divisions?

Takasuka: The business division system has been optimized for each business, and I think it's great that we have built a framework that can respond swiftly to customer needs. On the other hand, since each business is also under pressure to make short-term profits, it is sometimes difficult to create innovation across the Kuraray Group from a long-term perspective. INC does not have its own businesses or products. This becomes a major challenge when working alongside the business divisions to create innovation that serves the entire Group. It sometimes causes conflict. I try to cultivate constructive dialogue with each of the divisions and respect each one's values and plans, and then mesh those plans with INC initiatives.

Inui: I'm searching for ways to make everyone aware that sustainability leads to the creation of business opportunities. Our conventional CSR framework demands that organizations mount a strong response to critical matters such as risks and systems. By introducing the Kuraray PSA system, I hope to create value-based businesses that contribute to the sustainability of each division and society.

Takasuka: INC is engaged in a wide range of activities. One is called segment team activities, where members from across the organization work together to reach designated markets. I lead the Sports & Outdoors team, which consists of members from 11 of our business divisions. We engage in highly forward-looking activities, such as proposing

products from multiple businesses to existing customers. Currently, a project is underway to develop a new type of resin for sports applications that draws on our core technologies. Previously, we would have outsourced such processing trials, but when we shared activities from the Sports & Outdoors team with others in the Company, one business division proposed conducting the processing trials in-house. My sense is that barriers between the business divisions are lower than before.

Ohta: I'm also participating in that project. I am proposing ways of raising the quality and impact of presentations. One way is through using digital technology to speed up the hypothesis-testing cycle for products and by incorporating simulation results into proposals.

Miyagi: As one aspect of training, I also gathered about 20 people from various business divisions and held a marketing workshop with Mr. Takasuka. Much of the workshop feedback included gratitude for the chance to network with employees from other divisions. This suggests that there may be a surprisingly large number of employees who have not yet experienced such collaboration.

Creating virtuous cycles of growing and contributing

Ishikawa: In your current work, what are you doing to create virtuous cycles in which the Kuraray Group continues to grow while contributing even more effectively to customers, society, and the planet?

Miyagi: In 2022, we started a training program designed to build organizational performance. To help grow the entire organization, we encourage every program participant to share their challenges and vision, regardless of age or job grade. As the size of the organization and the issues they regularly face are different in headquarters and plant offices, I

would like to expand this program to other locations to further enhance growth and performance of the entire organization.

Takasuka: I really like that perspective of thinking about growth across the entire organization. That forces us to confront an array of outlooks and challenges, as well as various societal developments, which can be a stimulus for action. I believe the innovation born out of this program will further contribute to customers, society, and the planet.

Inui: I think it's important to understand each other's differences in communication. I hope learning about differences in initiatives across regions will feed innovation, like technologies and products that were previously unimaginable.

Takasuka: Exactly. What we need is innovation, not invention. For example, as a wide range of people come into contact—from the Corporate Sustainability Division, the DX-IT Division, and the various business divisions—there's bound to be some kind of chemistry that will generate unanticipated new value. That will tie into contributing to customers, society, and the planet. I think this process is vitally important. In that sense, all we can do is roll up our sleeves and keep networking.

Ohta: I'm thinking about whether a digital outlook can bring any benefit to such networking. Among our customers, there are moves to make the best use of digital technology. Going forward, I believe digital technology will be a major key to contributing even more effectively to customers, society, and the planet.

Inui: I totally agree. For example, recipe-sharing sites on social media are digital platforms that collect scattered knowledge about cooking that leads to new discoveries. I think our role also involves motivating others to want to contribute.

New possibilities starting from individuals

Ishikawa: In the Kuraray Group's corporate tagline, "Possible starts here," President Kawahara emphasizes that the term "here" encompasses every employee. What is the "possible" that starts with you?

Inui: Taking on new perspectives opens a broad range of new business possibilities. We are at a point now where society recognizes the great value of sustainability. I believe instilling a sustainability mindset in all facets of the Company will link to new business opportunities.

Ohta: The DX-IT Division created a climate in which it is easy to speak up. Our basic principles include "Fight & Unite" and "We Have An Equal Voice." I am convinced that taking on such relatively small challenges and working to cultivate a conducive environment will lead to new possibilities.

Miyagi: I'm interested in creating opportunities for direct conversation, as a means of bridging the distance between people. In 2021, our Global Team Training program was held completely online. In 2022, we gathered in person and held an additional workshop in Silicon Valley as a follow-up exercise.

Takasuka: I want to connect people by simply encouraging them to try out new things. I think this is how we can uncover new possibilities that become the starting point for innovation. By combining the charm of individuals with unique products and technologies, we can create value and become a corporate group that customers specifically request to work with. Furthermore, I want us to value being a company where people can openly appreciate the good points of others. Always keeping that in mind will naturally generate a positive working atmosphere.

Miyagi: Yes. It's about finding what stands out about a person and encouraging that trait. There's a

method of communication that uses the phrase "yes, and" to affirm the other person. Saying "Yes, that's great. And then..." generates more and more ideas. Wouldn't it be fascinating if this kind of interaction spread throughout the Company? Rather than worrying and criticizing each other, a corporate culture of saying, "That's great," before anything else.



Ishikawa: What struck me as I was listening to this discussion was that the "here" in our tagline represents in a way the smallest unit of energy that each person brings. We have a mission: "For people and the planet—to achieve what no one else can." Gathering the convictions of every employee—what they bring when they are "here" at Kuraray and taking that beyond organizational barriers through a "yes, and" style of communication—will eventually pervade the entire company. It will even spread beyond the Group, ultimately shaping the mission of Kuraray as a whole. I would like us to contribute to our customers, society, and the planet by surmounting barriers, closing the distance between people, and working together to address the three challenges.