

“I Wake Up Every Morning to Dream”^{*1}



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I. “I Wake Up Every Morning to Dream”^{*1}

Creating Your Own Story

The caption at the beginning

was borrowed from the title of a book containing interviews with Haruki Murakami.

How awe-inspiring.

His works are full of paradoxes and metaphors that stimulate the imagination.

Some of you may be surprised,

but I chose it because I was stimulated

by the paradox of this phrase.

Perhaps it's because people are always looking for a little fairy tale (dream)

in their mundane daily life,

whether at work or in their everyday lives?

I chose it because I felt that

dreaming (and living)

is about creating your own story.



Feeling Is Missing

There is something I am very concerned about at this moment.

That is, to look at the origin of our purpose,

“KANEKA The Dreamology Company—Make your dreams come true.”

Quite some time has passed since we entered the era of a surplus of goods.

During that time, even though functions and performance have improved dramatically, have they been able to meet the diversified needs of people with different tastes?

What I think is that no matter how great

the quality of new products are,

they will not scale well if

another value-added “feeling” is missing.

Because to “feel” is to have someone say, “I love it!”

Convenience and efficiency can be managed quickly with the latest digital technology.
If you communicate your objectives, the computer will gather information from all over the world.
The wide range of media keeps us soaked with information.
We have all become side-by-side holders of information.

Idea Craftsman

However, I believe that the future belongs to those who have acquired “unspeakable wisdom” such as “intuition,” “tips,” “inspiration,” “technique,” and “a sixth sense.”

I refer to those who use this wisdom to make a difference or solve a problem as “idea craftsman.”

Rather than just technical theories or how-to’s, the information and knowledge they possess will ferment within them and mature into great wisdom.

I believe this is where “idea craftsman that can make your dreams come true” can shine.

Pattern recognitions (stereotyped ways of seeing things) that rely on past patterns do not last forever and will mutate at some point. If we let things be given to us, “something new” and “something different” will never be born.

We live in an age of idea craftsman, where “feeling” is more important than “knowing.”



Let's Remove the Rust of Our Five Senses.

We have become so accustomed to being given things that we have somehow forgotten how to feel with our bodies and think with our five senses.

Our five senses (sight, hearing, smell, touch, and taste) are our identity, our originality, and our very essence. The clues to our work are outside of the company. Let's thoroughly watch the “changes and diversity of the times.” Let's venture out of our area of expertise.

Step out into town, see, touch, and smell the sites. And dig deep into things to find their essence.

When we speak of the “Kaneka Way” or “Kaneka Spirit,” we are referring to a way of working that removes the rust of the five senses and transforms “knowing” into “feeling.” “Kaneka 1-on-1” is a training program for “idea craftsman.” Uniqueness and originality are born from refining one's own sensitivity.

Our associates who “feel” this way are our pride and joy.



“I Wake Up Every Morning to Dream”^{*1}

In “I Wake Up Every Morning to Dream,”

Haruki Murakami says,

“For a writer, writing is just like

dreaming while

waking up.

It’s an exorbitant experience

that doesn’t always allow

logic to intervene.

I wake up every morning to dream.”^{*2}

To make an analogy in my own unique way,

I believe

that business,

like a story written by a writer,

is actually a work of empathy and emotion that

wanders between dreaming (vision) and awakening (critical thinking).

The strategic story line

begins with tossing a few questions and scenarios

into the sky,

and the disparate concepts

gradually take shape and come down.

Irony and paradoxes are common languages.

Sometimes we need the help of metaphors

to understand certain complex situations.

“Business ideas” are similar to the feeling of waking up and chasing a dream.



II. Life Focus Management — Limitless Adventure —

Before We Are No Longer Able to Live on the Earth

I would like to talk about the “roots” that we value,

or in other words, our purpose management,

“KANEKA The Dreamology Company—Make your dreams come true.”

The Earth’s life, our lives, they are all chemical reactions.

This is the root.

If we go back in history to 4.6 billion years ago,

we can trace the birth

of the Earth and all life on it to a single source.

Life phenomena

can be described almost exclusively in the common language of chemical reactions.

The reason why Kaneka’s management policy

is to research the “mysteries of life” and support a society that nurtures life

is precisely because our universal understanding that

“life is a chemical reaction” is at its very origin.

This is why

animals, plants, and the Earth are featured in our integrated reports

However, cruelly, it is said that the root causes of the problems that humanity is facing have undoubtedly been sown by humans.

The global population has already exceeded 8 billion,

and the explosion in population has now

reached the point where it is

devastating the entire biosphere with the

“footprints” that humans continue to carve.

The natural world is becoming

increasingly overburdened.



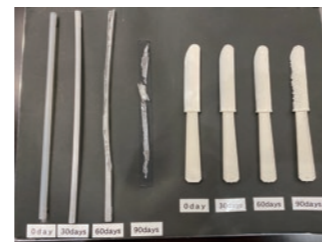
Chemistry of Life

If the “critical point” is exceeded, the situation could lead to dangerous climate change and mass extinctions. Unless we reduce the risks, future generations will be left with a depleted, emaciated world.

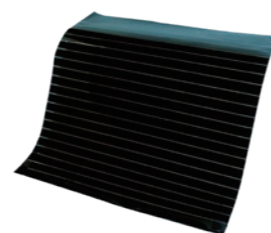


Life and the Earth are connected as one. In order for humans to survive as a “species,” we require a “chemistry of life” that changes our thinking patterns, zooms out, and reexamines the entire “Earth and all life on it” from the perspective of life on Earth.

We must further our understanding of nature and rapidly deploy appropriate technology before we are no longer able to live on the Earth. This perspective is our purpose management, “KANEKA The Dreamology Company —Make your dreams come.”



Each research may appear different, but they are all connected to the big “life,” that is, life on Earth. This is the new frontier created by chemistry.



Shift in Emphasis to Life Sciences

The definition of “life science” is the technologies and creative activities that use chemistry to make life on Earth healthier.

Kaneka’s “biomanufacturing,” such as the biodegradable polymer Green Planet™, genome editing technology, biopharmaceuticals, regenerative and cell medicine, organic dairy products business, supplements, and fermentation culture process technology, PV technology, and medical devices are all connected to the big “life,” that is, life on Earth.



They are all “new frontiers paved by chemistry” that Kaneka is taking up as a challenge.

Kaneka will drive the transformation of its portfolio by taking on the challenge of “R2B” in the life science area.

We will aggressively expand “life sciences for a healthier planet” and work to transform our business into a new, highly profitable structure.

Hybrid Management of the Toy Box

Innovation is “a new combination that does things in a different way.” Combining different things in different business fields in a new way.

We call this “hybrid management.” Kaneka has a wide variety of different technologies. Just like a “toy box.”

The surprising combination of them creates creative and valuable solutions. Through this “hybrid management,” we will contribute to solving social problems.

Kaneka has created countless new combinations, including Green Planet™, a biodegradable polymer that combines biotechnology and polymer technology, and “Watashi no Chikara (My Energy)™ Q10 Yogurt,” which combines supplement products with food products.

More products, technologies, and businesses will continue to emerge from our hybrid management. Please look forward to the hybrid management of the toy box.



Limitless Adventures of a Human Driven Company

Kaneka is a human driven company.

It's all about people.

We will increase corporate value and drive growth through the growth of people.

Leadership and followership are important.

The captain of a ship unites the feelings of the crew to create a winning momentum.

"Kaneka 1-on-1" lighting a fire in people's hearts.

The progress of plans and the career and skill development of subordinates are facilitated by frequent dialogue between supervisors and subordinates.

Kaneka is a pioneer of the 1-on-1 system in Japan.

Today, society is surrounded by an atmosphere where communication is lacking without even realizing it.

The aftereffects of the COVID-19 pandemic have weakened the connections between people.

Trust People & Mutual Respect

"Trusting colleagues and respecting differences" has been a Kaneka tradition spanning 70 years.

We will revitalize a culture in which customers and colleagues work together as one team with a sense of trust and respect.

I can't do it, it's impossible for me.

Say goodbye to such negativity.

Limitless adventure is our new theme.

Let's remove limits with positive thinking.



Diversity: Creating New Value and Women's Participation

"Wow, I never thought of it that way!"

"Your perspectives are unique and always moving."

Diversity of ideas!

I want to fill Kaneka with such "idea craftsman."

I want to amaze the world with their creativity and human magic.

I work with this in mind.

My job is to bring out their unhindered performance as a stage director.

Unbound by gender, age, nationality, and other circumstances.

I want you to leap out of the box.

I want the hands of different and diverse employees to create new value.

This is what Kaneka considers diversity.

Diversity of DNA.

Only a company that attracts a diversity of human resources that cause change - can survive.

"Be different" is the keyword.

We actively promote the hiring and promotion of women.

The reason we wish to expand opportunities for women is because we want to inspire the world with the diversity of our ideas.

A Network Connecting Global and Local

The place where our diverse employees can thrive is, of course, global.

When I think of domains on a global scale, I feel that the adventure is like putting my foot in someone else's shoe.

There are countless different shapes and sizes of shoes in the world, and when you step into those shoes,

you are able to

see the world through

someone else's eyes.

Only when you walk in those shoes

will your business start moving.



Carbon Neutral/DX Initiatives

We aim to reduce GHG emissions by 30% by 2030.

Our goal is to achieve carbon neutral by 2050.

We aim to reduce GHG emissions mainly in Scope 1 by reducing energy consumption through fuel conversion of in-house power generation facilities and process innovation.

We are also considering the introduction of an internal carbon pricing system.

As for DX, we will continue to advance the sophistication of our digital platform by making full use of digital technology and materialize the concept of carbon-neutral production technology.

We are also working on a company-wide digital platform concept using the latest digital technology to promote operational innovation in research and development, sales, SCM, and back-office operations.

Through these efforts, we will create new values such as “creation of new businesses” and “transformation of work culture.”

As for human resources, there will be a major shift to creative work through the automation and streamlining of routine basic work through digitalization.

Our goal is to achieve 50% creative work by 2025 and 70% by 2030.

Human-Driven Health Management —Wellness First

Kaneka aims to transform its portfolio with life science as the core, focusing on the three crises of global life:

“environment and energy,” “food,” and “Wellness” as domains.

“Wellness First —Human-Driven Management,” which aims to make the world healthier by addressing ESG issues, is an island that we are striving to create.



We want to be a value-creating company that contributes to people’s health and the enrichment of society. We will contribute to building a “sustainable society.”

It’s not “what will the future look like” but “what will we do with the future?” The key is not to forecast the future, but to plan it.

We must act proactively to anticipate changes in the global environment. The highest adaptability is the creativity to create a sustainable future for oneself. This is also where the idea craftsman come in.

III. Gratitude and Prayers

Management is the field. The god of management lives in the details. Each and every thing that happens in the field, each and every change in each and every person in the field is management itself. Management is about shining a light on the details and moving the whole thing forward. I believe that it means to go back and forth between the entirety and the parts, and to adapt to change.

Nothing would make me happier than for you to read this report and understand the relationship between the entirety and the parts of management. Each one is a philosophy or policy itself.

Over the past year, we have also been engaged in “Human-Driven Management.” I am reporting this with gratitude and prayers for all of you.



IV. Discover Future

—My Thoughts on the “Plan: The Three-Year Initiative” 2024—

The Three-Year Initiative

1. We ended the Mid-term Plan.

We are transforming the Mid-term Plan

into “Plan: The Three-Year Initiative.”

A plan is a management initiative,

and we set out to fulfill what we have set as a goal.

Acting on and realizing the goal.

And, above all,

the “Plan: The Three-Year Initiative” is a creative mechanism.

When it comes to Mid-term Plans, the implicit assumption that the present moment can be postponed always arises.

Nothing starts. The present moment doesn't change.

A plan, in the first place, is to decide on the present by looking ahead at tomorrow, and then moving quickly in the present moment (towards tomorrow).

But the present moment is frozen within the confines of the Mid-term Plan.

So, let's demolish the “Mid-term Plan” box and throw it away.

It is a limitless treasure box filled with curiosity and dreams.

“Plan: The Three-Year Initiative” is about this transformation.

2. Putting Culture Front and Center in Management.

I believe that Kaneka's culture, with our free and open

atmosphere and spirit of challenge, known as “Kaneka Way,

Kaneka Spirit,” is what we must value most.



Always doing what others don't do and making new proposals.

I believe the fundamental source of Kaneka's strength is our youthfulness in creating new things. I believe it is our duty as managers to pass this source down to the next generation, and even generations after that.

However, teamwork is vital for managing a hybrid company like Kaneka, with such a diverse range of business areas, over the next 50 years.

Management team members must share a common awareness of the current condition (Status Quo) as well as our vision.

Furthermore, I believe communicating this clearly to all employees is most important.

So that all of Kaneka's employees become one team.

Communicate with each other.

Therefore, today, we have chosen a flag (catch phrase) for all of us to share a common understanding and vision that is essential for Kaneka to continue shining in the next era.

Discover Future : Leap towards tomorrow

Stay Positive, Stay Hungry: The only option for survival is to change now

Change & Create New : Discard courageously and create a new tomorrow



3. Sorting Out Issues Is Hypothetical Thinking

Technological innovation is astounding, with new things emerging one after the other.

What we thought would remain stable is changing dramatically.

With the given business assumptions quickly crumbling, the standard way of thinking that we can predict the future is no longer viable for planning.

In most planning, despite the future being unknown, numbers and scenarios are set as assumptions and strategies are implemented as though the future will remain unchanged.

The key is to think about what success means and to work backwards from the final goal.

Backcast how things should be in order to achieve the desired results, and then write out the initiative as a hypothesis.

Also consider what some checkpoints might be to make them more concrete.

Even so, if there is a gap between your assumptions and reality, you can consider alternative hypotheses. Sorting out issues is hypothetical thinking.



4. Plans Are Options for the Future

Humans are creatures that are bent on maintaining the status quo.

A sense of helplessness when under pressure, or naive wishful thinking (that we can figure it out), is not enough to ignite a team's passion. They are just excuses to escape reality.

It is important to identify the factors that will be the source of choice (market growth, market prices, competitor response, customer response, etc.) when uncertainty is high, and to act first to the extent that the risk does not become too great after hypothesizing about these futures.

That marks the start of the options for the future.

If the hypothesis is correct and it swings upward, we will move to invest in additional resources.

On the other hand, if there is a downturn, we can change the policy.

Even though there is much uncertainty about the future, if we don't start anything, we will never have a chance.

Let's zoom out and zoom in on the situation, organize the issues, and stay ahead of the changes while on the move.

Take the first step with hypothetical thinking.

We are at the crossroads of a strategic shift.

Think about shifting strategies from a meta-perspective.

Make 2024 a remarkable breakthrough year.

We will discuss Kaneka's unique management strengths, which are unique to Kaneka in light of the changing times.

Discover Future!

Choose your own future based on your sense of mission and values.

Let's design

a future unique to Kaneka from a meta-perspective.

Exciting: Does the image of the future make your heart dance?

Unique : Is Kaneka's character tightly woven in?

Can do : Do you and those around you want to do it and believe it is possible after hearing about it?



Draw Your Own Plot

What do you want to do?

Imagine all you want to create.

I believe that creation is the combination or rearrangement of two or more unexpected elements.

Creating something new.

And making it useful.

That is all.

It is very simple.

Innovation, Schumpeter says, is an example of creativity.

Let's be frank.

How many people spend years or decades

following someone else's plan,

despite having only one life to live?

We are too caught up.

With a limited mindset.

In walking a well-worn path.

Shu-Ha-Ri

Shu-Ha-Ri is a term originally used in Kabuki, martial arts, and tea ceremonies to describe the process of passing down the master's craft in training.

Learn the forms in "Shu," break them in "Ha,"

and transcend to new heights in "Ri."

I would like to establish such an algorithm in Kaneka

that scales the "craftsman" of creativity

to a "mechanism" of routine.

The new Kaneka Way/Kaneka Spirit.

1. The workplace will not only adhere to the "forms," but will also normalize new initiatives that transcend their boundaries. Exactly what Shu-Ha-Ri recommends (out of the box).

By doing so, I want to build an organization culture that encourages innovation.

2. Next, the innovations generated in the field are made into new "forms."

This will enable expansion across the organization.

3. Finally, I want to replace old "forms"

and wisdom with new ones.

I want to establish a new algorithm for the 21st century.

Closing Remarks

First, ask yourself these questions.

Is the current approach working?

Is my current way of living and working alright?

If we always strive to express ourselves,

we will naturally be able to live,

work, and be as creative as we envision.

The "Plan: Three-Year Initiative" plan

is a creative mechanism

to progress toward

the goal.



*1 Haruki Murakami, "I Wake Up Every Morning to Dream: Haruki Murakami Interview Collection 1997-2011," Bungeishunju (Bunshu Bunko), 2012

*2 Same as above, P.165