

These documents have been translated from Japanese originals for reference purposes only.
In the event of any discrepancy between these translated documents and the Japanese originals, the originals shall prevail. The Company assumes no responsibility for this translation or for direct, indirect or any other forms of damages arising from the translations.

Denka Co., Ltd.
(Securities Code: 4061)

**NOTICE OF CONVOCATION OF
THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Date and Time: Thursday, June 20, 2024 at 10:00 a.m.

Place: Nihonbashi Mitsui Hall, COREDO Muromachi 1 (reception desk on the 4th floor)
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors (Excluding Directors who are Audit Committee Members)

Please exercise your voting rights in writing or via the Internet by
5:00 p.m. on Wednesday, June 19, 2024.

This year, the Company will not distribute souvenirs or beverages at the General Meeting of Shareholders.
We appreciate your understanding.

Message from the Management To Our Shareholders

In pursuit of our Purpose “Making the World a Better Place as Specialists in Chemistry,” we will re-examine our core values of “Initiative,” “Integrity,” and “Empathy.” By surely responding to changes in the assumptions of the management plan and ensuring our actions yield positive outcomes, we’ll promptly get back on the path to growth.

Enclosed please find the Notice of Convocation of the 165th Ordinary General Meeting of Shareholders.

We would like to take this opportunity to express our gratitude to you for your continued support of Denka and make some observations concerning the Company’s results and current initiatives.

May 29, 2024

Toshio Imai
Representative Director, President

During the fiscal year ended March 31, 2024 (fiscal 2023), the Japanese economy experienced a modest recovery, characterized by sluggish personal consumption due to increasing prices and a lack of vigor in capital investment. In the global economy, the growing sense of economic deceleration in China, alongside escalating prices and monetary tightening in Europe and the U.S. Against this backdrop, uncertainty about the future of the global economy increased.

Under these circumstances, the Group focused on expanding its business and securing profits by promoting the growth strategies set forth in the management plan “Mission 2030” based on the newly established vision.

As a result, net sales for fiscal 2023 totaled 389,263 million yen, down 18,295 million yen (4.5%) year on year, due to lower sales volumes of core products such as electronics & innovative products and chloroprene rubber, despite the positive effects of price revisions implemented in the previous fiscal year and higher proceeds from a weaker yen. On the earnings front, operating income was 13,376 million yen (down 18,947 million yen, or 58.6% year on year) and ordinary income was 5,474 million yen (down 22,550 million yen, or 80.5% year on year) due to a decrease in sales volume of core products and increased costs for the progress of specialization. Profit attributable to owners of parent amounted to 11,947 million yen (down 821 million yen, or 6.4% year on year), reflecting extraordinary loss on liquidation of business and extraordinary gain on sales of investment securities resulting from the reduction of strategic shareholdings.

In the first year of the management plan, “Mission 2030,” we were unable to increase sales volume sufficient to offset the increase in upfront investment and other costs planned under the previous management plan “Denka Value-Up” due to changes in the assumptions of the management plan. In addition, the Company had to suffer severe business results due to the impact of the Noto Peninsula earthquake and an impairment loss associated with the termination of norovirus vaccine development.

“Mission 2030,” our eight-year management plan, places “Business Value Creation” at the core of our growth strategy, and aims to make all of Denka’s businesses “three-star businesses” that fulfill the three elements of Specialty, Megatrends and Sustainability, and focus on ICT&Energy, Healthcare, and Sustainable Living, the three areas of focus derived from the envisioned future world and megatrends. The three growth strategies, including “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation,” are the unchanging long-term policies that we will continue to promote. However, in order to overcome the current difficult situation, we have to urgently respond to the changes in the assumptions of the management plan so that we can restore our business performance to a growth track while also controlling financial aspects. Specifically, first, we will accelerate portfolio transformation including selling or exiting a business. Making the profitability improvement of the chloroprene rubber business a top priority, we will carefully examine demand trends, optimal production capacity, etc. to determine drastic measures. Second, we will review our investment plan. In other words, the priority for investment projects will be clarified for more careful selection and, if changes in business environment makes a project less urgent, we will postpone such a project. We are determined to be very strict in selecting investment projects and review the timing and others. Furthermore, with the full commitment of the top management, we will vigorously promote company-wide cost reduction projects. This project is not just for cost reduction. Rather, we will adopt best practices new to us in order not only to reduce cost and improve operational efficiency but to help employees grow; thereby, the entire company will work together to contribute not only to “Business Value Creation” but also to “Human Resources Value Creation” and “Management Value Creation.”

With regard to our response to the serious incident and improprieties that occurred in fiscal 2023, we are mindful that ensuring safety at the manufacturing site and assuring product quality are essential requirements for a manufacturing company, and we take the recommendations of the Accident Investigation Committee and the external investigation committee very seriously. We are determined not to recur such incidents by taking a wide range of preventive measures in the areas of governance, management, processes, and human resources management.

The entire Group will once again reaffirm our core values of “Initiative,” “Integrity,” and “Empathy” which we cherish. To fulfill the Purpose of “Making the world a better place as specialists in chemistry,” we will actively pursue the three growth strategies outlined in our management plan “Mission 2030” and will promptly get back on the path to growth, ensuring that the measures taken in response to changes in the assumptions of the management plan yield positive results.

We hope we can count on the continued understanding and support of our shareholders in this endeavor.

(Securities Code: 4061)

May 29, 2024

Date of commencement of electronic provision measures

To Our Shareholders:

Toshio Imai
President
Denka Co., Ltd.
1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 165TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The 165th Ordinary General Meeting of Shareholders of Denka Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company provides electronically the Reference Documents of the General Meeting of Shareholders and other information (matters subject to the electronic provision measures) as the “Notice of the Convocation of the 165th Ordinary General Meeting of Shareholders” and “Matters Subject to the Electronic Provision Measures (Matters for which Document Delivery is Omitted)” on the Company website. Please access the following website to check the information.

The Company Website
https://www.denka.co.jp/ir/fact_04/ (available in Japanese)

The matters subject to the electronic provision are posted also on the website of the Tokyo Stock Exchange (TSE) as well as the above website. Please access the following TSE website (Listed Company Information Service) and enter the Company’s name Denka or securities code “4061” to search, and select “Basic Information” and “Documents for Public Inspection/PR Information” in order, and check the information.

TSE website (TSE-listed company information)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you may exercise your voting rights in writing by mail (Voting Rights Exercise Form) or via the Internet, etc., as described in the “Guide for Exercise of Voting Rights” (page 6). Please review the Reference Documents for the General Meeting and exercise your voting rights by 5:00 p.m. on Wednesday, June 19, 2024.

- 1. Date and Time:** Thursday, June 20, 2024 at 10:00 a.m.
- 2. Place:** **Nihonbashi Mitsui Hall, COREDO Muromachi 1
(reception desk on the 4th floor)**
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

Please also consider viewing the live-streaming of the General Meeting of Shareholders on the day of the meeting. Please refer to the enclosed “Guide for Live-streaming” for details.

3. Meeting Agenda:

- Matters to be reported:** 1. Business Report, Consolidated Financial Statements for the Company’s 165th Term (from April 1, 2023 to March 31, 2024) and results of audits by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements

2. Non-consolidated Financial Statements for the Company's 165th Term (from April 1, 2023 to March 31, 2024)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors (Excluding Directors who are Audit Committee Members)

- Among the matters subject to the electronic provision measures, the following matters are not stated in documents to be delivered to shareholders who make request for the delivery of hard copies, in accordance with the relevant laws and regulations and the provisions of the Article of Incorporation of the Company. The documents to be delivered to the shareholders who requested the delivery of the hard copies are a part of the documents audited by the Audit Committee and Accounting Auditor in preparing their Audit Reports. In addition, the Audit Committee Members and the Accounting Auditor have audited documents including the following.
 - Company's Systems and Policies (Systems to Ensure the Appropriateness of Operations, Operational Status of Systems to Ensure the Appropriateness of Operations, and Basic Policies regarding the Control of the Company) in the Business Report
 - Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements
- In the event of any modification to the matters subject to the electronic provision measures, the Company will post the modification on the Company's website and the TSE's website.

<Guide for Exercise of Voting Rights>

The following three methods are available for exercising voting rights pertaining to the Company's General Meeting of Shareholders.

Exercise of Voting Rights in Writing by Mail (Voting Rights Exercise Form)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send the completed form to us so that it is received by 5:00 p.m. on Wednesday, June 19, 2024. If no indication of approval or disapproval is made on the Voting Rights Exercise Form, it will be treated as an indication of approval of the Company's proposal.

Exercise of Voting Rights via the Internet etc.

Please access the website for exercising voting rights designated by the Company (<https://www.web54.net>), use the "Voting Rights Exercise Code" and the "Password" indicated on the enclosed Voting Rights Exercise Form, and follow the on-screen guidance. Please vote for or against the proposals by 5:00 p.m. on Wednesday, June 19, 2024.

(Inquiry about Exercise of Voting Rights via the Internet etc.)
Sumitomo Mitsui Trust Bank Stock Transfer Web Support Dial
Tel: 0120-652-031
(office hours: 9:00 a.m.–9:00 p.m.)

●Exercise of Voting Rights by Attending the Meeting

Please bring the enclosed Voting Rights Exercise Form with you to the meeting and submit it to the receptionist at the meeting venue.

* In the case of exercising voting rights by attending the meeting as a proxy, please submit a document evidencing the authority of proxy to the receptionist at the meeting venue together with the Voting Rights Exercise Form. Please note that such proxy must be one shareholder of the Company with voting rights in accordance with Article 18 of the Company's Articles of Incorporation.

Furthermore, the Company will not distribute souvenirs at the General Meeting of Shareholders. We appreciate your understanding.

***Handling of duplicated exercise of voting rights**

If you exercise your voting rights both by the method of exercising voting rights in writing by mail (Voting Rights Exercise Form) and by the method of exercising voting rights via the Internet etc., the exercise of voting rights by the method of exercising voting rights via the Internet etc. shall prevail regardless of the time of arrival of the votes.

In addition, if you exercise your voting rights multiple times via the Internet, etc., the vote made last shall prevail.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

In April 2023, the Company launched “Mission 2030,” an eight-year management plan covering the period through fiscal 2030. Under this plan, the Company is working to enhance its corporate value by focusing on both financial and non-financial aspects, with the three growth strategies of “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation.” To create business value, we aim to make all of Denka’s businesses “three-star businesses” that fulfill the three elements of Specialty, Megatrends, and Sustainability, and focus on ICT&Energy, Healthcare, and Sustainable Living, the three areas of focus derived from the envisioned future world and megatrends.

While we pursue strategic investments and engage in research and development to actualize these objectives, we aim to attain a total return ratio of 50% throughout the eight-year span of the management plan. Furthermore, we are committed to actively distributing profits to shareholders by either maintaining or increasing the dividend per share, with due consideration to future cash flows and other factors.

Shareholder returns under Management Plan “Mission 2030”	Aim to maintain or increase the dividend per share based on a target return ratio of 50% (cumulative total for the eight years of the management plan) * Total payout ratio = (Dividends paid + treasury stock purchased) / consolidated net income
--	--

With respect to the year-end dividend for the 165th term, in view of the above, the Company proposes a year-end dividend of ¥40 per share, as follows. Combined with the interim dividend, the annual dividends will be ¥100 per share, for a total payout ratio of 72.1%.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥40 per share of common stock of the Company
Total amount of dividends: ¥3,450,916,840
- (3) Effective date of dividends from surplus
June 21, 2024

Proposal No. 2: Election of Five (5) Directors (Excluding Directors who are Audit Committee Members)

The terms of office of five (5) Directors (excluding Directors who are Audit Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of five (5) Directors is proposed.

The candidates for Directors are as follows.

No.	Name	Positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Reappointed Manabu Yamamoto	Chairman and Director	14/14 (100%)
2	Reappointed Toshio Imai	Representative Director, President and Chief Executive Officer	14/14 (100%)
3	Reappointed Kazuo Takahashi	Representative Director, Senior Managing Executive Officer Chief Technical Officer (CTO) In charge of Purchasing Dept., Logistics Dept., Environment and Safety Dept., Quality Assurance Dept., Engineering Dept.	14/14 (100%)
4	Reappointed Ikuo Ishida	Director, Managing Executive Officer Chief Human Resource Officer (CHRO) Chief Compliance Officer (CCO) Corporate Planning Dept., Best Practice Promoting Dept., HR Dept., In charge of Corporate Communications Dept., Denka Corporation, Denka Chemicals GmbH, Chinese Business	10/10 (100%) (Since taking office in June 2023)
5	New appointment Outside Independent Director (planned) Rumiko Nakata		-/- (-)

Reappointed: Candidate for reappointment as Director

New appointment: Candidate for new appointment as Director

Outside: Candidate for Outside Director

Independent Director: Independent Director as notified to the Tokyo Stock Exchange

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
1	(Reappointed) Manabu Yamamoto (March 31, 1956) Age: 68 [June 2013] [11 years at the conclusion of this Ordinary General Meeting of Shareholders]	<p>April 1981 Joined the Company</p> <p>June 2004 General Manager of Functional Ceramics Div. of Electronics Materials Business Group of the Company</p> <p>April 2009 Executive Officer, General Manager of Electronics Materials Div. of Electronics Materials Business Group of the Company</p> <p>April 2011 Senior Executive Officer of the Company</p> <p>April 2013 Managing Executive Officer, Head of Electronics & Innovative Products of the Company</p> <p>June 2013 Director and Managing Executive Officer of the Company</p> <p>April 2015 General Manager of Corporate Planning Dept. of the Company</p> <p>April 2016 Director and Senior Managing Executive Officer of the Company</p> <p>June 2016 Outside Audit & Supervisory Board Member of Koatsu Gas Kogyo Co., Ltd. (until June 2019)</p> <p>April 2017 Representative Director, President and Chief Executive Officer of the Company</p> <p>April 2021 Chairman and Representative Director of the Company</p> <p>April 2023 Chairman and Director of the Company (present)</p>	28,104 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 14,704)
	Attendance at Board of Directors meetings 14/14 (100%)	<p>[Reasons for selection as a candidate for Director] Through work experience at overseas subsidiaries and many years of responsibility for the electronics materials business division, Mr. Manabu Yamamoto possesses international viewpoints and adequate operational experience. After he supervised new business strategies and accounting and finance strategies across the entire Denka Group as the executive responsible for management strategy, accounting and finance, and investor relations and corporate communications divisions, Mr. Yamamoto promoted the previous management plan, "Denka Value-Up," as Representative Director, President. As Chairman and Director, he currently serves in the position of the Chairman of the Board of Directors, based on his deep knowledge and understanding of the Group. The Company has judged that he can appropriately fulfill the role of supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] As Chairman of the Board of Directors, I will support the activities of the executive structure to overcome current major issues and promote "Mission 2030" through further revitalization of the Board of Directors, thereby enhancing corporate value.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
2	(Reappointed) Toshio Imai (January 25 1959) Age: 65 [June 2019] [5 years at the conclusion of this Ordinary General Meeting of Shareholders]	<p>April 1982 Joined the Company</p> <p>October 2006 General Manager, Styrene Div. of the Company</p> <p>June 2011 General Manager, Corporate Planning Dept. of the Company</p> <p>April 2013 Executive Officer, Assistant to General Manager, Elastomers & Performance Plastics of the Company</p> <p>April 2015 General Manager, Elastomers & Performance Plastics of the Company</p> <p>April 2017 Managing Executive Officer of the Company</p> <p>April 2019 General Manager, Denka Value-Up Promotion Dept. of the Company</p> <p>June 2019 Director and Managing Executive Officer of the Company</p> <p>April 2020 Director and Senior Managing Executive Officer of the Company</p> <p>April 2021 Representative Director, President and Chief Executive Officer of the Company (present)</p>	23,646 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 9,746)
	Attendance at Board of Directors meetings 14/14 (100%)	<p>[Reasons for selection as a candidate for Director] Mr. Toshio Imai possesses an international perspective and adequate operational experience, including work experience at overseas subsidiaries, and taking responsibility for the styrene and elastomer businesses over many years. After taking charge of business strategy for the Denka Group as a whole, including overseas businesses, as the executive responsible for management strategy and investor relations and corporate communications divisions, he currently serves as Representative Director, President. Based on his rich experience and impressive track record in Company administration, it is hence judged by the Company that he can appropriately fulfil the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] To achieve the goals of our medium-term management plan "Mission 2030," we will make every effort to promote "Business Value Creation," "Human Resources Value Creation," and "Management Value Creation" to realize our aim of "making the world a better place as specialists in chemistry."</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
3	(Reappointed) Kazuo Takahashi (March 30, 1960) Age: 64 [June 2021] [3 years at the conclusion of this Ordinary General Meeting of Shareholders]	<p>April 1983 Joined the Company</p> <p>October 2013 Deputy General Manager, Chiba Plant of the Company</p> <p>April 2015 General Manager, Ofuna Plant of the Company</p> <p>April 2017 Executive Officer, General Manager, Omuta Plant of the Company</p> <p>April 2019 President of Denka Performance Elastomer LLC</p> <p>April 2021 Managing Executive Officer of the Company</p> <p>June 2021 Director and Managing Executive Officer of the Company</p> <p>April 2023 Representative Director and Senior Managing Executive Officer of the Company (present)</p>	11,833 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 5,133)
	Attendance at Board of Directors meetings 14/14 (100%)	<p>[Reasons for selection as a candidate for Director] Mr. Kazuo Takahashi possesses adequate operational experience, including work experience in plant manufacturing and overseas subsidiaries. Mr. Takahashi was in charge of business strategy for the Denka Group as a whole, including overseas businesses, as the executive responsible for management strategy, human resources strategy, investor relations, corporate communications and other divisions, and promoted the previous management plan, "Denka Value-Up." Currently, he oversees technical divisions as Chief Technology Officer, and also assists the President as Representative Director and Senior Managing Executive Officer. It is hence judged by the Company that he can appropriately fulfil the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] I will strive to promote business portfolio transformation and Group awareness reform, consistently ensuring rational and appropriate decision-making and actions.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
4	(Reappointed) Ikuo Ishida (March 7, 1962) Age: 62 [June 2023] [1 year at the conclusion of this Ordinary General Meeting of Shareholders]	<p>April 1985 Joined the Company</p> <p>April 2009 General Manager, Functional Films Dept., Electronics Materials Div. of Electronics Materials Business Group of the Company</p> <p>October 2011 General Manager, Advanced Fillers Dept., Electronics Materials Business Group of the Company</p> <p>October 2013 General Manager, Advanced Specialty Materials Dept., Electronics & Innovative Products of the Company</p> <p>April 2017 Assistant General Manager, Electronics & Innovative Products of the Company</p> <p>April 2019 Executive Officer and General Manager, Electronics & Innovative Products of the Company</p> <p>April 2023 Managing Executive Officer of the Company</p> <p>June 2023 Director and Managing Executive Officer of the Company (present)</p>	6,916 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 1,316)
	Attendance at Board of Directors meetings 10/10 (100%)	<p>[Reasons for selection as a candidate for Director] Mr. Ikuo Ishida possesses an international perspective and adequate operational experience, including work experience at overseas subsidiaries and taking responsibility for the electronic materials business division for many years. He currently takes charge of business strategy for the Denka Group as a whole, including overseas businesses, as the executive responsible for management strategy, human resources strategy, compliance, investor relations and corporate communications divisions. It is hence judged by the Company that he can appropriately fulfil the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] Recognizing the realization of "Mission 2030" as key to the Company's growth and development, I will always consider what should be done currently and strive to enhance corporate value.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Outside Director since] [Outside Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
5	(New appointment) (Outside) (Independent Director (planned)) Rumiko Nakata (April 6, 1956) Age: 68 [-] [-]	<p>April 1979 Joined Esso Sekiyu K.K.</p> <p>April 1996 Center for Socio-Economic Research K.K.</p> <p>June 2000 Joined Pfizer K.K.</p> <p>February 2007 Manager, Pharmaceutical Development and Human Resources (Public Relations) Dept., Pfizer K.K.</p> <p>May 2010 General Manager, Human Resources Group, Business Partners, Pfizer K.K.</p> <p>December 2011 Head of HR and Global Operations, Pfizer K.K.</p> <p>January 2014 Corporate Officer, Pfizer K.K.</p> <p>March 2018 Executive Officer, in charge of Diversity & Inclusion, Mitsubishi Chemical Corporation</p> <p>April 2019 Managing Executive Officer, Supervising – Human Resources, Mitsubishi Chemical Corporation</p> <p>April 2020 Director of the Board, Managing Executive Officer, Supervising – Administration, Public Relations, Human Resources, Mitsubishi Chemical Corporation</p> <p>April 2021 Director of the Board, Managing Executive Officer Supervising – Resources, Mitsubishi Chemical Corporation</p> <p>April 2022 Director of the Board, Mitsubishi Chemical Corporation</p> <p>March 2023 Outside Director of the Board, Kyowa Kirin Co., Ltd. (present)</p>	–
	Attendance at Board of Directors meetings –/– (–)	<p>[Reasons for selection as a candidate for Outside Director, and summary of expected roles] Having consistently held positions in charge of human resources departments for many years, Ms. Rumiko Nakata has rich management experience in human capital strategies, such as human resources system reform and promotion of diversity and inclusion. In addition, she has a deep knowledge of human capital management, including having served as a member of a study group on human capital organized by the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare. In order to receive recommendations and supervision of the Company's management based on her deep insight, her election as Outside Director is requested.</p> <p>[Message to shareholders] With a medium- to long-term perspective and integrity, I will contribute to the sustainable growth of the Company and the enhancement of its corporate value over the medium to long term.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. If the appointment of the above candidate is approved, based on Article 427, Paragraph 1 of the Companies Act, the Company will enter into a liability limitation contract with the candidate that limits her liability for damages of Article 423, Paragraph 1 of said Act to a predefined amount of ¥5 million or more or the amount stipulated by laws and regulations, whichever is higher.
3. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then she will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

(Reference)

1. The Company's views regarding the election of Directors

Under the Denka's vision formulated in 2022, in order to achieve the eight-year management plan "Mission 2030" through fiscal 2030, the Company aims to strengthen the management structure with Directors and Executive Officers, while enriching the governance structure and supervisory function.

In electing Directors, internal Directors are chosen from persons who possess a wealth of experience and achievements in various divisions within the Company, while also possessing insights and adequate specialized knowledge as Director, and Outside Directors are chosen from persons who possess specialization required for continuous growth and improvement in corporate value of the Company and wide insights based on a wealth of business experience and management experience at other companies. The Company believes that it is important for the Board of Directors as a whole to elect a good balance of personnel with a variety of knowledge, experience, and abilities, and ensure that the composition of the Board of Directors is diverse in terms of gender, international background, work history, and other factors.

Additionally, the Company believes that Independent Outside Directors should comprise at least one-third of Directors. The present ratio is approximately 44%.

2. Skills Matrix of the Company's Board of Directors

*If Proposal 2 is approved as submitted.

		Attributes	Skills											
			Corporate Management /Corporate Planning	Human Resources Value Creation	Global Business	Financial Strategy / Accounting	Legal/ Compliance	Sustainability/ESG			Business Value Creation and Marketing	Research/ Intellectual property	Technology / Manufac-turing	DX
								E (Environ-ment)	S (Society)	G (Govern-ance)				
Manabu Yamamoto	Chairman and Director	Age: 68 Years of service: 11 Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>				<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			
Toshio Imai	Representative Director, President and Chief Executive Officer	Age: 65 Years of service: 5 Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>			<input type="radio"/>		<input type="radio"/>	<input type="radio"/>			
Kazuo Takahashi	Representative Director and Senior Managing Executive Officer	Age: 64 Years of service: 3 Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>					<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Ikuo Ishida	Director and Managing Executive Officer	Age: 62 Years of service: 1 Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>		<input type="radio"/>				<input type="radio"/>			
Rumiko Nakata	Director	Independent Outside Age: 68 Years of service: - Female		<input type="radio"/>					<input type="radio"/>					
Mizuhiro Uchida	Director Full-time Audit Committee Member	Age: 62 Years of service: 1 Male				<input type="radio"/>	<input type="radio"/>		<input type="radio"/>	<input type="radio"/>				<input type="radio"/>
Toshio Kinoshita	Director Audit Committee Member	Independent Outside Age: 75 Years of service: 9 Male			<input type="radio"/>	<input type="radio"/>				<input type="radio"/>				
Akio Yamamoto	Director Audit Committee Member	Independent Outside Age: 72 Years of service: 9 Male	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>						<input type="radio"/>			
Miyuki Matoba	Director Audit Committee Member	Independent Outside Age: 50 Years of service: 3 Female					<input type="radio"/>		<input type="radio"/>	<input type="radio"/>		<input type="radio"/>		

*The matrix above shows the skills that the Board of Directors expects from them among knowledge and experience they possess.

*Age and years of service are shown as of June 20, 2024.

(Reference)

Skill matrix of the Executive Officers who are not Directors

Kazuya Tokumoto	Managing Executive Officer	Age: 65 Years of service: – Male	○		○			○	○			○	○	
Rimiru Hayashida	Managing Executive Officer	Age: 62 Years of service: – Male				○				○				
Yukio Sasagawa	Managing Executive Officer	Age: 63 Years of service: – Male						○	○			○	○	○
Hideki Toya	Managing Executive Officer	Age: 63 Years of service: – Male						○	○			○		

3. Necessary skills for the Company’s Directors and the reason they were selected

The skills considered necessary for the Company’s Board of Directors to make important decisions and supervise management under Denka’s vision formulated in 2022 to reach the goals of the Company’s eight-year management plan through fiscal 2030, and to promote ESG management through the priority management materiality issues are as follows.

Skills		Reason for the selection of the skills
Corporate Management and Corporate Planning		Directors are needed who have extensive management experience and achievements to establish and review management plans aimed at realizing the Denka’s Vision and supervise the execution of duties to achieve these plans.
Human Resources Value Creation		Directors are needed who have extensive knowledge and experience related to human resources value creation in order to realize human resource investment and system reforms, aiming to become a company where each and every employee can gain experience self-realization and personal growth.
Global Business		Directors are needed who have extensive experience in global business to fulfill our Purpose to “making the world a better place as specialists in chemistry” with an awareness of global megatrends.
Financial Strategy/Accounting		Directors are needed who have extensive knowledge and experience in the financial strategy and the accounting field not only to ensure the accurate disclosure of financial information, but also to drive selection and concentration of businesses, pursue optimal capital structure and improve profitability and efficiency.
Legal/Compliance		Directors are needed who have robust knowledge and experience in the legal and compliance fields to ensure fair and trustworthy corporate activities appropriately responding to increasingly complex legal systems and regulations in Japan and abroad.
Sustainability/ ESG	E (Environment)	Directors with extensive knowledge and experience in E (Environment) are needed to fulfill corporate social responsibility working on the precondition for continuation of business, “Achievement of carbon neutrality,” “Sustainable cities and fulfilling daily lives,” and “Environmental conservation and minimization of environmental footprint.”
	S (Society)	Directors with solid knowledge and experience in S (Society) are needed to fulfill corporate social responsibility through the provision of safe and high-quality products, respect for human rights, and participation in the effort to build a better community.
	G (Governance)	Directors with solid knowledge and experience in G (Governance) are needed to fulfill corporate social responsibility building a more advanced and effective corporate governance system that ensures transparency and fairness based on high ethical standards.
Business Value Creation and Marketing		Directors are needed who have market insight based on a broad perspective, as well as extensive business experience to ensure that all the three focus areas, ICT & Energy, Healthcare, and Sustainable Living, will be fully made up of “three-star businesses” that incorporate the three elements of specialty, megatrends, and sustainability, while promoting the transformation of business portfolio, considering also selling or exiting a business that is difficult to convert to a “three-star business.”

R&D/Intellectual Property	Directors are needed who have a track record of promotion of innovation, as well as deep knowledge in science and technology and a wealth of experience in proprietary technologies and intellectual property, in order to create business value in the three focus areas of ICT & Energy, Healthcare, and Sustainable Living.
Technology/Manufacturing	Directors are needed who are deeply familiar with technology, and who have extensive practical experience and robust insight into manufacturing in order to create management values through process innovation to improve productivity, ensure trustworthiness in manufacturing, and establish a safe work environment.
DX	Directors are needed with a profound knowledge and extensive experience related to digital technologies and data utilization, as well as the ability to understand and analyze the nature of the Group's business, and use this insight to transform it, in order to promote transformation of business model and organization through process innovation.

4. Standards of Independence for Denka Outside Directors

The Company selects candidates for Outside Directors based mainly on practical considerations, such as whether we can expect the candidate to contribute to an increase in the corporate value of the Company as an independent officer. Specifically, the Company has defined the following standards, in accordance with the requirements for independence stipulated in the Companies Act, in addition to the standards for independence defined by the Tokyo Stock Exchange and other factors.

Standards of Independence for Outside Directors

The standard of independence for an Outside Director of the Company shall be persons that do not fall under any of the categories defined in items (1) through (5) below.

- (1) An executor of business (*4) at a main customer (*1), main supplier (*2), or main lender (*3) that is a main trading partner of the Company;
- (2) A consultant, accountant, lawyer, or other such person that has received money or other property exceeding ¥10 million in value per year from the Company, excluding officer compensation, in the most recent fiscal year;
- (3) A person belonging to a group for whom the amount paid by the Company makes up 2% or more of the group's revenues or total income in the most recent fiscal year, in cases where the entity receiving property under item (2) above is a group;
- (4) A person that has fallen under any of the above categories (1) through (3) within the past year;
- (5) A spouse or relation within the second degree of a person falling under any of the categories below (excluding an insignificant person):
 - i. A person that falls under any of the above categories (1) through (4);
 - ii. A person that is or was an executor of business at the Company or a subsidiary of the Company now or within the past year.

(*1) Main customer: A customer from whom the amount paid has made up 2% or more of the Company's revenues in the most recent fiscal year

(*2) Main supplier: A supplier to whom the amount paid from the Company has made up 2% or more of the supplier's revenues in the most recent fiscal year

(*3) Main lender: A lender that was essential for the Company's funding, and that the Company relied on to the extent the lender was irreplaceable, as of the end of the most recent fiscal year

(*4) Executor of business: An executive director, executive, executive officer, or other employee, etc.

(Reference)

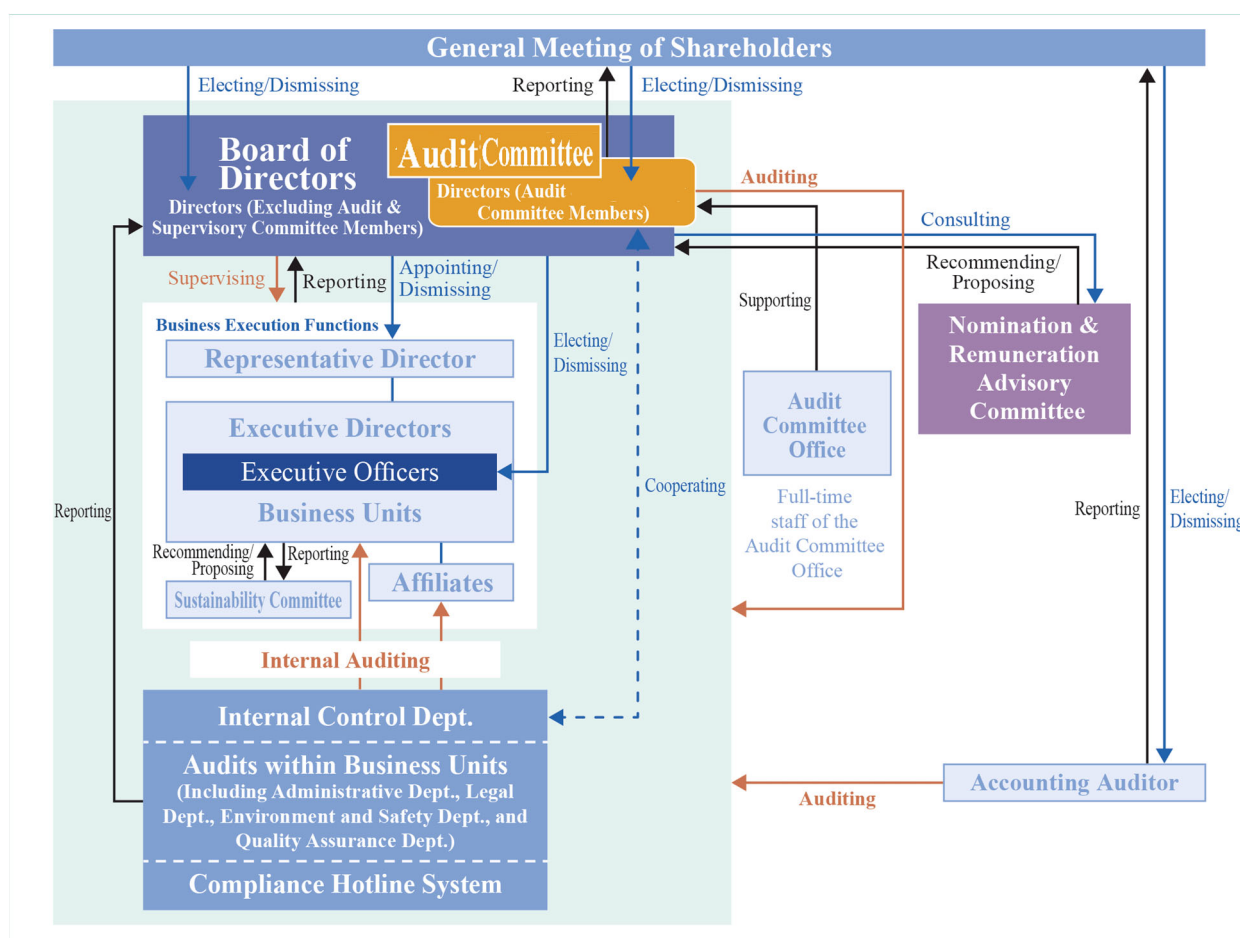
Denka's Corporate Governance Initiatives

Basic Approach to Corporate Governance

In order to fulfill the expectations and trust of its many stakeholders, including shareholders, customers, local society, and employees, based on the Denka's Vision (a vision of the future) comprising the Core Value that is the Company's DNA to serve as the foundation to support the tiers above, Purpose that serves as the North Star to guide the Company, and the Mission that the Company aspires to accomplish by 2030, the Company strives to strengthen its business foundation by improving its earnings power and expanding the scope of operations, while also working to improve corporate value by making every effort to continue being a company that can win the trust and sympathy of society.

The Company considers corporate governance as the foundation for the above, and so we have striven to strengthen governance, in order to fulfill the responsibilities, we owe to all our stakeholders, and ensure the transparency and soundness of our management.

Current Corporate Governance System



Board of Directors and optional committees

■Board of Directors (Met 14 times in fiscal 2023)

To accomplish the Company's Mission in the Vision, the Board of Directors monitors and supervises major operational decision-making and execution of business duties by executive officers, based on strategic and management planning. The Board of Directors as a whole appoints candidates to be Directors in line with the standards for the appointment of both internal and Outside Directors, based on the belief that it is important to appoint a good balance of people with a variety of expertise, experiences, and skills. For further details of our approach in appointing members of the Board of Directors, please see page 14.

In addition, in principle, the Company has discontinued the use of executive titles, (such as Senior Managing Director, Managing Director) for Directors, such that all Directors may focus on monitoring and supervising the execution of business duties from an equal standpoint. Also, the Company has set the length of Directors' (excluding Audit Committee Members) terms to one year, in order to facilitate flexible checks on them at the General Meeting of Shareholders.

Additionally, the Nomination & Remuneration Advisory Committee has been established as an advisory organ of the Board of Directors, to strengthen the roles of the Board of Directors and foster higher standards of objectivity and transparency. It also organizes the D&A Round Table, aimed at enriching deliberations on major matters of particular management concern.

■Nomination & Remuneration Advisory Committee (Met 4 times in fiscal 2023)

For major management matters such as nomination, remuneration and other elements of governance, the Board of Directors has set up the Nomination & Remuneration Advisory Committee, comprising all Outside Directors, the Chairman and the President, to foster transparency and objectivity in management decision-making, informed by a wide range of opinion and advice from Outside Directors.

In fiscal 2023 this Committee received inquiries from the Board of Directors regarding the executive and governance structure, the formulation of a skills matrix, succession planning, and remuneration for officers, and made recommendations and proposals regarding the results of these inquiries after deliberations at the Committee. The committee is chaired by an Outside Director as of fiscal 2023.

■D&A Round Table (Met 12 times in fiscal 2023)

In order to facilitate in-depth discussions regarding management matters that are of particular importance, the D&A Round Table is organized as a forum for free, open-minded, constructive discussions, exchange of opinions and information, and strengthening of cooperation between internal and Outside Directors.

■Sustainability Committee (Met 3 times in fiscal 2023)

The Sustainability Committee was established to supervise the efforts of the Executive Division to address issues related to sustainability (medium- to long-term sustainability) in order to achieve non-financial targets. (Chairperson: President; Committee member: Executive Officer in charge of the Management Department; Observers: Chairman, Outside Directors and Full-time Audit Committee Members).

This Committee deliberates on the activities of each division and reports to the Board of Directors, taking into consideration the risks and profit opportunities of business activities and their consistency with the value creation strategies related to business, human resources, and management.

The main matters of discussion in fiscal 2023 that were reported to the Board of Directors included the need to strengthen activities in areas such as safety and quality while ensuring that employees are not overburdened, as well as the importance of the creation of systems and their penetration to the frontlines, rather than the ultimate goal of achieving numerical targets.

■Evaluation of the Effectiveness of the Board of Directors

At Denka, the effectiveness of the Board of Directors is analyzed and evaluated annually. As a result of measures taken in fiscal 2023, we reaffirmed that the frequency and duration of meetings of the Board of Directors, and that the Board size and composition (in terms of achieving the right balance of expertise, experience, ability and diversity) are appropriate. In addition, due to the further efforts of the Nomination & Remuneration Advisory Committee and the D&A Round Table, we affirmed that monitoring and supervision of the management were being appropriately implemented by the Board of Directors, 44% of the members of which are Outside Directors.

With regard to the further enhancement of discussions at the Board of Directors meetings, which was an issue in the year before last, it was pointed out that there have been improvements in the monitoring and follow-up of long-term business strategies and major investment projects, yet the Board of Directors should continue to make efforts to provide timely information and increase the number of opportunities for free discussion.

As for the further utilization of the Nomination & Remuneration Advisory Committee, the frequency of its meetings was increased and explanations and materials were enhanced to further invigorate discussions. As a result, we have seen a steady increase in its effectiveness, including a review of the executive remuneration system and the establishment of a new training system for candidates for management positions. In order to ensure the reliable operation of these systems in the future, we are aware of the need to continue discussions and make recommendations.

It was also suggested that further careful selection of agenda items for the Board of Directors and more efficient reporting would require continued review and consideration, with an eye to speeding up the decision-making process.

Looking ahead, in light of these constructive opinions, we will take steps to further improve the effectiveness of the Board of Directors, aiming to improve medium-to-long-term corporate value, and respond to the expectations and trust placed in us by our shareholders and numerous other stakeholders.

Audit Committee (Met 14 times in fiscal 2023)

In accordance with their fiduciary responsibilities to shareholders, Audit Committee Members and the Audit Committee work with the support of the full-time staff of the Audit Committee Dept., whose independence from management is ensured, and in close cooperation with the Internal Control Department, conduct legal and appropriate audits of the execution of duties by the Directors through activities such as interviews and various investigations of each department, office, and subsidiary.

In addition, the Audit Committee forms views on matters related to the election and compensation of Directors (excluding Directors who are Audit Committee Members), as well as the election, dismissal, or non-reappointment of accounting auditors, in accordance with the Companies Act.

Furthermore, the Company appoints candidates for Directors who are Audit Committee Members based on its judgment that, in order for the Audit Committee to fulfill its roles and responsibilities, Audit Committee Members should possess appropriate experience and ability as required for their duties, and that in particular, there should be at least one person with expertise in finance and accounting.

Messages from the Directors who are Audit Committee Members

“I will diligently oversee management and audits with a wide-angle lens, aiming to bolster corporate governance, the cornerstone of enhancing our management’s value. This aligns with the Group’s pursuit of new growth.”

Mizuhiro Uchida, Director (Audit Committee Member)

“I will evaluate the operational and financial risks of the Company and the Group from the perspective of a certified public accountant specializing in financial accounting, and propose appropriate measures to support the sound management and sustainable growth of the Group.”

Toshio Kinoshita, Outside Director (Audit Committee Member)

“As the entire Company is working together to structurally reform its business foundation to support its growth strategies, including Business Portfolio Shift and the creation of new businesses, I renew my commitment to contribute to the realization of a sound growth path and the enhancement of corporate value by maintaining a medium-to-long-term perspective and a sincere, fair and upright attitude as an Outside Director who is an Audit Committee Member.”

Akio Yamamoto, Outside Director (Audit Committee Member)

“I will work with a medium- to long-term perspective and a fair, sincere attitude to ensure that corporate governance functions more appropriately, thereby contributing to the enhancement of the Group’s corporate value.”

Miyuki Matoba, Outside Director (Audit Committee Member)

Outside Directors

Regarding Outside Directors, the Company selects candidates based mainly on practical considerations, such as whether we can expect the candidate to contribute to an increase in the corporate value of the Company as an independent officer, and has also defined its own standards of independence (please see page 18, in accordance with the requirements for independence stipulated in the Companies Act, in addition to the standards for independence defined by the Tokyo Stock Exchange and other factors).

In addition, by enhancing their understanding of the Company, the Company strives to create an environment that allows those appointed as Outside Directors to perform their roles for the sake of the sustainable growth of the Company and the increase of its corporate value.

Specifically, in addition to tours of offices, plants, and other facilities, the Company has been implementing the following initiatives:

- Objective briefings (Met twice in fiscal 2023)

Briefings are held in order to have Outside Directors understand the Company's medium- to long-term and short-term business and research policies.

■ Outside Officer Liaison Committee (Met 4 times in fiscal 2023)

Outside officers frankly discuss the nature of agenda and operation of the Board of Directors, as well as the Company's medium- to long-term issues and their solutions, from an independent standpoint and share the results of the discussions with internal Directors, so as to contribute to management.

Strategic shareholdings

■ Reduction of strategic shareholdings

The Company's Board of Directors comprehensively examines the strategic shareholdings from various perspectives, including the financial condition of the issuer, the volume of transactions with the Company and its economic rationale, and comparison with the Company's cost of capital, in an effort to reduce the number of such shares.

In the fiscal year ended March 31, 2023, we re-examined the purpose of holding such shares, including from the viewpoint of capital efficiency, and further promoted the reduction of such shares. As a result, the number of issues of strategic shareholdings as of March 31, 2024 decreased by 16 from the end of the previous fiscal year to 54 and the ratio to consolidated net assets decreased by 2.76 percentage points to 7.21% from the end of the previous fiscal year.

Trends in strategic shareholdings

		FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
		158th	159th	160th	161st	162nd	163rd	164th	165th
		term	term	term	term	term	term	term	term
Number of issues		111	106	102	97	93	90	70	54
Amount on balance sheet (Millions of yen)	A	33,134	36,233	32,665	26,468	33,243	34,034	29,956	22,848
Total net assets (Millions of yen)	B	227,487	242,780	250,481	254,014	270,036	292,094	300,351	316,915
	A/B	14.57%	14.92%	13.04%	10.42%	12.31%	11.65%	9.97%	7.21%

(Reference)**Initiatives to Corporate Governance Thus Far**

	Purpose	Measures
2007	To speed up decision-making	Cut the number of directors by half and introduce an executive officer system
2008	Ensure that Directors monitor and supervise the execution of business on an equal footing	Abolition of executive titles (such as Senior Managing Director, Managing Director)
	Clear separation of monitoring and supervisory functions from the execution of business	Reassigning the authority of business execution and executive titles from directors to executive officers
	Flexibly perform checks on directors	Shortening the length of directors' appointments to one year
	Step up checks on management from an external perspective	By appointing two Outside Directors, the number of appointments of outside officers rises to four, including two Outside Audit & Supervisory Board Members (per statutory requirements)
	Create system enabling appropriate advice-giving even outside of meetings of the Board of Directors, by arranging ample exchange of opinions	Implement regular opportunities for outside officers to exchange opinions with top management
	Speed up decision-making by deepening discussions of important management matters	Establishment of a Management Committee comprising Directors, Audit & Supervisory Board Members (internal), and some executive officers
2015	Improve the governance framework and raise standards of transparency and soundness of management	Increasing the number of Outside Directors (from two to three) and reducing the number of members of the Board of Directors (by two)
	Create venues for free, vigorous and constructive deliberations, exchange of opinions and information and alliance-strengthening for internal and Outside Directors and Audit & Supervisory Board Members	To step up round-table meetings of Outside Directors and Audit & Supervisory Board Members formerly held twice per year, hold a round-table conference of Directors and Audit & Supervisory Board Members (current D&A Round Table)
	Achieve optimum standards of corporate governance to ensure sustainable growth and improve medium to long-term corporate value	Compilation of the Denka Corporate Governance Guidelines
	Deepen understanding of the Company's business, and stimulate debate at meetings of the Board of Directors	Enhance the provision of advance explanation for outside officers regarding specific agenda items that require adequate explanation
	From a standpoint independent of the Company, outside officers freely discuss the agendas and administration of Board meeting, medium- to long-term issues facing the Company, and their solutions, and share their views with Inside Directors	Holding "Outside Officer Liaison Committee" four times per year
2016	Promote understanding of the Company's medium- to long-term and short-term business and research objectives	Holding business and research objective briefings (currently referred to as objective briefings) for outside officers twice a year
	Ensure adequate auditing and supervision of business execution by executive officers	Clarification of the details of agenda and report materials at the Board of Directors meetings
	Step up the effectiveness of the Board of Directors	Arrangement for all Directors and all Audit & Supervisory Board Members to annually analyze and evaluate the effectiveness of the Board of Directors, and disclose the results in the Corporate Governance Report
2017	Foster greater transparency and objectivity in business decision-making, with the Board of Directors accepting diverse opinions and advice from the outside officers with regard to major business topics including appointments, remuneration and other governance matters	Establishment of the Management Advisory Committee comprising all Outside Directors, all Outside Audit & Supervisory Board Members, the Chairman and the President (current Nomination & Remuneration Advisory Committee)

	Purpose	Measures
2019	Further strengthen corporate governance and improve corporate value by further strengthening the supervisory role of the Board of Directors, by enabling more rapid decision-making and vesting directors who are members of the Audit Committee with voting rights at the Board of Directors meeting	Shift from the “Company with Audit & Supervisory Board” model to that of a “Company with Audit Committee”
2021	Review of regulations regarding the appointment of retirees from the office of Chairman and President as Counselors and Advisors.	Abolish the office of Counselor
	Clarify the roles of the Board of Directors and the executive structure, further enhance the effectiveness of discussions at Board of Directors meetings, and further expedite its decision-making process	Reduce the number of Directors from 12 to 9, and raise the proportion of Outside Directors on the Board of Directors to over 44%
2023	Effective committee administration through greater independence and objectivity	Appoint an Outside Director as chair of the Nomination & Remuneration Advisory Committee
	Strengthening of incentives	Revise the officer remuneration system <ul style="list-style-type: none"> - Revision of remuneration composition ratio and strengthening of short-term incentives - Introduction of an individual performance evaluation system - Introduction of stock-based compensation for Executive Officers
	Sustainability-related activities, progress with achievement of non-financial targets and KPIs, and responses to risks and earning opportunities	Established the Sustainability Committee, with Outside Directors and full-time Audit Committee Members as observers

Business Report

(From April 1, 2023 to March 31, 2024)

1. Overview of the Group

(1) Business Progress and Results

During the fiscal year under review, the Japanese economy showed only a moderate recovery, as consumer spending was sluggish due to rising prices, and capital investment lacked momentum. In the global economy, the sense of economic slowdown intensified in China, while high prices and monetary tightening also progressed in Europe and the U.S. Against this backdrop, uncertainty about the future of the global economy increased.

Under such circumstances, the Group launched our new management plan, “Mission 2030,” this fiscal year. With our new vision as the starting point, the management plan is based on the three growth strategies of “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation,” and with fiscal 2030 as the goal year, is designed to enhance enterprise value through the implementation of initiatives focused on both financial and non-financial areas. In the realm of “Business Value Creation,” the core growth strategy, we have defined businesses that incorporate the three elements of “specialty,” which is backed by our outstanding technologies, “megatrends,” which are the demands of society, and “sustainability,” which is a critical requirement for business operations, as “three-star businesses,” and will be making such businesses the central components of our portfolio. In addition, we aim to become a company where each and every employee can demonstrate empathy and experience self-actualization and growth, and we will be further reinforcing our managerial foundation through the advancement of corporate governance from the perspective of ESG management, thereby enhancing the value of our human resources and management.

As a result, net sales totaled ¥389,263 million, down ¥18,295 million (4.5%) from the previous year. Although we benefited from the positive impact of prices revised last fiscal year and the weaker yen, sales volumes for core products such as electronic & innovative products and chloroprene rubber declined. In terms of earnings, sales volume of some mainstay products decreased and cost associated with the development of specialty products increased, resulting in operating income of ¥13,376 million (down ¥18,947 million, or 58.6% year on year) and ordinary income was ¥5,474 million (down ¥22,550 million, or 80.5% year on year). Profit attributable to owners of parent was ¥11,947 million (down ¥821 million, or 6.4% year on year), reflecting extraordinary loss from loss on business liquidation and extraordinary gains from gain on sales of investment securities associated with the paring back of strategic stockholdings.

(Reference)

Sales	¥389.3 billion (YoY -4.5%)
Operating income	¥13.4 billion (YoY -58.6%)
Ordinary income	¥5.5 billion (YoY -80.5%)
Profit attributable to owners of parent	¥11.9 billion (YoY -6.4%)

Results of operations by division are described below.

Electronics & Innovative Products Division

(Sales: ¥87,839 million; Operating Income: ¥9,022 million)

Principal products: Electronic packaging materials, fine ceramics, fused silica, acetylene black, electronic circuit substrates, industrial tapes, etc.

As for high purity conductive carbon black, sales for xEVs remained strong in the first half of the fiscal year under review, but were impacted by softening demand in the second half while sales for high-voltage cables temporarily declined due to a delay in installation work in Europe, resulting in decreased sales of this material. Demand for spherical alumina for xEV showed a recovery trend, but its demand for consumer applications remained sluggish, resulting in decreased sales of this material.

Additionally, sales of high-performance films and spherical fused silica filler for electronic components and semiconductor-related fields decreased due to a decline in demand for consumer products such as PCs and smartphones. Sales of HITPLATE aluminum substrates for automotive applications was also down year on year.

As a result, division sales decreased ¥5,701 million or 6.1% year on year to ¥87,839 million, while operating income decreased ¥8,953 million or 49.8% year on year to ¥9,022 million.

Life Innovation Division

(Sales: ¥47,078 million; Operating Income: ¥11,733 million)

Principal products: Vaccines, diagnostic reagents, oncolytic virus agents, etc.

As for POCT test reagents, COVID-19 rapid antigen test kits underperformed compared to the previous year, but shipments of dual COVID-19 and influenza test kits increased due to the spread of influenza, resulting in higher sales. In addition, sales of other test reagents were unchanged from the previous year and shipments of influenza vaccines remained on par with the previous year.

As a result, division sales decreased ¥447 million or 0.9% year on year to ¥47,078 million, but operating income decreased ¥2,645 million or 18.4% year on year to ¥11,733 million.

Elastomers & Infrastructure Solutions Division

(Sales: ¥111,354 million; Operating Loss: ¥9,295 million)

Principal products: Chloroprene rubber, cement, special cement additives, fertilizers, calcium carbide, fire resistant materials, environmental materials, etc.

In terms of selling prices, chloroprene rubber benefited from the contribution of phased price increases in the last fiscal year and the weaker yen. However, its sales volume decreased due to an overall decline in demand and the temporary suspension of operations after the Noto Peninsula earthquake, resulting in lower sales. In addition, sales of special cement additives were roughly in line with the previous year while fertilizers sales declined year on year.

As a result, division sales decreased ¥12,472 million or 10.1% year on year to ¥111,354 million, and operating loss was ¥9,295 million (operating loss in the previous fiscal year was ¥1,100 million).

Polymer Solutions Division

(Sales: ¥124,240 million; Operating Loss: ¥102 million)

Principal products: Styrene monomer, polystyrene resin, ABS resin, CLEAREN, heat-resistant resin, transparent resin, POVAL, synthetic fiber for wigs, food packaging materials, etc.

MS resins of Denka Singapore Pte. Ltd. experienced an increase in sales volume year on year with sales increase. On the other hand, sales of styrene monomer decreased due to a review of selling prices in response to falling raw material prices, and sales volume of transparent resins decreased due to the impact of the slowdown of the Chinese economy. Also, sales of sheets for food wrapping materials and its processed products, and the TOYOKALON[®] synthetic fiber for wigs remained weak.

As a result, division sales decreased ¥3,329 million or 2.6% year on year to ¥124,240 million, and operating loss was ¥102 million (operating loss in the previous fiscal year was ¥1,228 million).

Others Division

(Sales: ¥18,750 million; Operating Income: ¥1,896 million)

Principal business: Plant engineering etc.

Transaction volumes of Akros Trading Co. Ltd. and other trading companies remained roughly unchanged year on year.

As a result, division sales increased ¥3,656 million or 24.2% year on year to ¥18,750 million, and operating income decreased ¥615 million or 24.5% year on year to ¥1,896 million.

(2) Capital Investment

During the eight-year term of the management plan “Mission 2030”, from fiscal 2023 to fiscal 2030, the Group has planned cumulative capital investment to reach ¥540 billion, including 360 billion yen in strategic investments, and in the fiscal year under review, the Group carried out capital investments totaling ¥43,686 million.

In the Electronics & Innovative Products Division, in response to megatrends such as semiconductor, xEVs and renewable energy, capital investments of ¥23,157 million were made in the “ICT & Energy” area for the construction projects, including the production capacity enhancement of the next-generation functional spherical fillers and silicon nitride at the Company’s Omuta Plant, spherical silica at Denka Advantech Pte., Ltd., a consolidated subsidiary in Singapore, and the acetylene black production plant at Denka SCGC Advanced Materials Co., Ltd., a newly established consolidated subsidiary in Thailand.

In the Life Innovation Division, capital investments of ¥3,886 million were made in the “Healthcare” area for the construction project to increase the production capacity of rapid antigen test kits and test reagents at the Company’s Gosen Site and other projects.

In the Elastomers & Infrastructure Solutions Division, capital investments of ¥11,792 million were made in the Company’s Omi Plant and others.

In the Polymer Solutions Division, capital investments of ¥4,673 million were made in the Company’s Chiba Plant and others.

Besides, as a part of our efforts to enhance environmental contributions, in the “Sustainable Living” area, we have concluded an agreement with Transform Materials LLC, a U.S. venture company, to conduct joint research and install demonstration facilities for the establishment of a low-carbon acetylene chain. Additionally, in cooperation with the Company, Toyo Styrene Co., Ltd., a Denka’s equity-method affiliate, completed the construction of a chemical recycling plant for used polystyrene to build a circular economy.

(3) Financing

In fund procurement, the Company did not obtain any financing through the issue of new shares or corporate bonds during the fiscal year under review.

(4) Issues to be Addressed

The Group has promoted the management plan “Mission 2030” started in fiscal 2023. This management plan is based on our “Vision” consisting of the Core Value we cherish, our Purpose as the compass, and the Mission, which is the duties we aim to fulfill by 2030, and is designed to enhance enterprise value through the implementation of initiatives focused on both financial and non-financial areas with the three growth strategies of “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation” in place. Regarding the growth strategy “Business Value Creation,” which forms the core of our management plan, we would like to introduce some specific examples of our efforts made in fiscal 2023, the first year of the plan.

In the “ICT & Energy” area, one of our focus areas, we established a joint venture with SCG Chemicals Public Company Limited (headquartered in Bangkok, Thailand) for acetylene black used in lithium-ion batteries for xEVs and in high-voltage transmission line cables for offshore wind power generation. At the same time, along with the construction of an acetylene black production plant in Thailand, we are determined to strengthen our production and sales systems and stabilize our supply system in anticipation of future growth in demand. In the “Healthcare” area, the Company concluded a collaborative research agreement with VLP Therapeutics Japan, Inc. and the Research Institute for Microbial Diseases of Osaka University regarding the development of influenza vaccines using next-generation mRNA technology. This technology not only has advantages of conventional mRNA technology, which can be easily modified and swiftly manufactured, but is also expected to contribute to the development of vaccines that are safe to use, effective at lower doses, and provide long-lasting immunity. The Company has already increased the influenza vaccine production capacity to prepare for seasonal influenza season and established a system to deliver vaccines to as many people as possible. On top of that, we have also begun developing next-generation vaccine technologies to continue contributing to improving people’s quality of life (QOL). In the “Sustainable Living” area, the Company and Toyo Styrene Co., Ltd., a Denka’s equity-method affiliate, completed the construction of a chemical recycling plant for used polystyrene at the Chiba Plant. The Group’s chemical recycling method produces material that is equivalent to new material in quality and physical properties, and that can be used without any restrictions, by chemically decomposing polystyrene into chemical raw materials, which can be recycled. This method reduces CO₂ emissions as compared to thermal recycling, contributing to the creation of a

decarbonized, recycling-oriented society. In the realm of “Business Value Creation,” we will also pursue sustainability together with specialty and megatrends.

The first year of the management plan, “Mission 2030,” suffered from changes in the economic environment, such as prolonged sluggish demand for semiconductors, slowdown of the Chinese economy and global inflation, as well as a decrease in demand for chloroprene rubber. Therefore, we were not able to increase sales volume sufficient to offset the increase in upfront investment and other costs planned under the previous management plan “Denka Value-Up.” Although there was an extraordinary gain from the sale of strategic shareholdings, the Company had to suffer severe business results due to the impact of the Noto Peninsula earthquake and an impairment loss associated with the termination of norovirus vaccine development. Despite these circumstances, our long-term strategy remains unchanged. As facilities built on upfront investment are scheduled to start their operations one after another in the coming years, we will promote the three growth strategies in the “Mission 2030” while steadily capturing demand for these facilities. However, we have to urgently respond to the changes in the assumptions of the management plan so that we can restore our business performance to a growth track while also controlling financial aspects. Specifically, first, we will accelerate portfolio transformation including selling or exiting a business. Making the profitability improvement of the chloroprene rubber business a top priority, we will carefully examine demand trends, optimal production capacity, etc. to determine drastic measures. As for businesses that are difficult to incorporate the three elements of specialty, megatrends, and sustainability, we will set a deadline for finalizing necessary measures. In this way, we are going to accelerate portfolio transformation and concentrate our management resources on growth areas to improve business performance and financial condition. Second, we will review our investment plan. In other words, the priority for investment projects will be clarified for more careful selection and, if changes in business environment makes a project less urgent, we will postpone such a project. We are determined to be very strict in selecting investment projects and review the timing and others. Furthermore, with the full commitment of the top management, we will vigorously promote company-wide cost reduction projects. This project is not just for cost reduction. Rather, we will adopt best practices new to us in order not only to reduce cost and improve operational efficiency but to help employees grow; thereby, the entire company will work together to contribute not only to “Business Value Creation” but also to “Human Resources Value Creation” and “Management Value Creation” to put our profit level back on a growth track.

In fiscal 2023, we experienced serious incidents that threaten the principles of “maintaining safe work environments” and “assuring the quality of our products,” which are the very foundation of our continued existence as a manufacturer.

On June 14, 2023, a pipe burst accident occurred at the Omi Plant (Itoigawa, Niigata Prefecture) during maintenance work on production equipment, which claimed the life of one person and injured two people; all were the employees of our partner company engaged in the construction work. After this accident, the Company was fully cooperating with the investigations into the cause of the accident by relevant authorities while forming an Accident Investigative Committee consisting of external experts and specialists on July 11, 2023, aiming for conducting a more expert investigation, looking into the cause more exhaustively and formulating measures to prevent any recurrence. On January 11, 2024, we received the final report*¹ from the Committee. We take the recommendations of the committee very seriously, and are working diligently to ensure the implementation of measures to prevent recurrence and to foster a culture of safety.

On May 29, 2023, the Company announced improprieties related to certain resin products manufactured and sold by the Company and Toyo Styrene Co., Ltd., an equity-method affiliate, and certified by Underwriters Laboratories Limited Liability Company, an independent safety science organization based in the United States, etc. In response to this incident, we established an external investigation committee consisting of outside experts who have no vested interests with the Group and commissioned the committee to thoroughly investigate the improprieties, determine their causes and formulate measures to prevent any recurrence. On December 11, 2023, we received an investigation report*² from the committee. The report pointed out a number of organizational issues, including a lack of a system to ensure the psychological safety of those who speak up improprieties. We take the findings of the investigation report seriously and are doing our utmost to implement drastic measures to ensure that the management stance of placing the highest priority on compliance permeates throughout the Group.

Although the above two cases didn’t have a particular impact on our financial results, the principles of “maintaining safe work environments” and “assuring the quality of our products” are mission-critical for a manufacturer. Thus, the Company took these two incidents very seriously and returned a portion of the compensation of the officers involved. We are determined not to recur such incidents by taking a wide

range of preventive measures in the areas of governance, management, processes, and human resources management.

On April 9, 2024 (local time), the U.S. Environmental Protection Agency (EPA) announced new chemical air emission regulations applicable to chloroprene rubber manufacturing facilities, including Denka Performance Elastomer LLC (“DPE”), a Company’s U.S. subsidiary. Under the newly announced chemical air emission regulations (“new regulations”), chloroprene rubber manufacturing facilities in the U.S. are required to take various emission control measures to substantially reduce emissions of chloroprene monomers*³. The new regulations respond to the results of the EPA’s Risk and Technology Review (RTR), which is based on the EPA’s 2010 Integrated Risk Information System (IRIS) carcinogenicity assessment of chloroprene monomers. In contrast, DPE has long demanded that the EPA review the carcinogenicity assessment of chloroprene monomers based on the latest science, claiming that the carcinogenicity of chloroprene monomers is overestimated by IRIS. DPE has consistently operated this business of manufacturing chloroprene rubber in compliance with the emission standards of the state of Louisiana since it took over the business in November, 2015. It also voluntarily invested in the environment and achieved an 85 percent reduction in Chloroprene monomers emissions as of 2019 compared to 2014. Since the new regulations are not considered to be a legitimate review of the carcinogenicity assessment based on the latest science and may have a significant impact on DPE’s continued operations, DPE submitted a request for an extension of the grace period for taking emissions reduction measures, and will take all possible actions, including filing a lawsuit in the U.S. Court of Appeals for review of the regulations.

The entire Group will once again reaffirm our core values of “Initiative,” “Integrity,” and “Empathy” which we cherish in order to work on achieving our Purpose “Make the world a better place as specialists in chemistry.” Furthermore, in order to focus on our three-star business incorporating the three elements of specialty, megatrends, and sustainability, the Group will work as one to engage in “Business Value Creation,” in which we are going to develop new businesses while reforming existing businesses, “Human Resources Value Creation” and “Management Value Creation.”

*1: “Final Report on the Investigation of the Chloroprene Monomer Production Equipment Accident at the Omi Plant” (in Japanese)

https://www.denka.co.jp/storage/news/pdf/1193/20240111_denka_omi_finalreport.pdf

*2: “Announcement Concerning the Report of an External Investigation Committee Regarding Improprieties Related to Third-Party Certification of Resin Products of Denka and Toyo Styrene, an Equity-Method Affiliate” (in Japanese)

https://www.denka.co.jp/storage/news/pdf/1185/20231211_denka_report_measures.pdf

*3: Chloroprene monomer: Chemical substance that is a raw material of chloroprene rubber

(5) Financial Position and Results of Operations

(Millions of yen, unless otherwise stated)

Item	162nd term (from April 1, 2020 to March 31, 2021)	163rd term (from April 1, 2021 to March 31, 2022)	164th term (from April 1, 2022 to March 31, 2023)	165th term (from April 1, 2023 to March 31, 2024)
Net sales	354,391	384,849	407,559	389,263
Operating income	34,729	40,123	32,324	13,376
Ordinary income	32,143	36,474	28,025	5,474
Profit attributable to owners of parent	22,785	26,012	12,768	11,947
Net income per share (yen)	264.24	301.67	148.8	138.61
Total assets	526,035	557,646	592,158	616,244
Total net assets	270,036	292,094	300,351	316,915
Net assets per share (yen)	3,101.92	3,345.34	3,438.28	3,568.69
Total shareholders' equity ratio (%)	50.8	51.7	50.1	49.9
Return on equity (ROE) (%)	8.8	9.4	4.4	4.0
Total dividends paid	10,785	12,510	8,627	8,627
Dividends per share (yen)	125.00	145.00	100.00	100.00

- Notes: 1. Net income per share is calculated using the average number of shares issued and outstanding excluding treasury stock. Net assets per share are calculated using the number of shares issued and outstanding at the end of the fiscal year excluding treasury stock.
2. For total dividends paid and dividends per share for the 165th term, the sum of the interim dividend paid in December 2023 and the dividend proposed for resolution at this Ordinary General Meeting of Shareholders is indicated.

(6) Significant Subsidiaries (as of March 31, 2024)

1) Significant subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
Denka Chemicals Holdings Asia Pacific Pte., Ltd.	USD 68,700 thousand	100.0	Regional headquarters for Southeast and South Asia
Denka Singapore Pte., Ltd.	SGD 69,410 thousand	100.0 (100.0)	Manufacturing and sales of acetylene black and functional resin products
Denka Advantech Pte., Ltd.	SGD 17,000 thousand	100.0 (100.0)	Manufacturing and sales of fused silica, spherical alumina, and synthetic fiber for wigs and hairpieces
Denal Silane Co., Ltd.	JPY 500 million	51.0	Manufacturing and sales of monosilane gas, etc.
Denka Advanced Materials (Suzhou) Co., Ltd.	CNY 55,440 thousand	100.0	Manufacturing, processing, and sales of electronic packaging materials
Denka Electronic Materials Dalian Co., Ltd.	JPY 1,000 million	100.0	Processing and sales of electronic materials
Denka Advanced Materials Vietnam Co., Ltd.	USD 12,000 thousand	100.0 (100.0)	Manufacturing and sales of electronic packaging materials and vinyl tapes
Denka SCGC Advanced Materials Co., Ltd.	THB 3,232,590 thousand	60.0 (35.0)	Manufacturing and sales of acetylene black
Denka Performance Elastomer LLC	USD 121,000 thousand	70.0 (70.0)	Manufacturing and sales of synthetic rubbers
Hinode Kagaku Kogyo	JPY 300 million	100.0	Manufacturing and sales of fertilizers and chemical products
Nishi-nihon Koatsu Gas Co., Ltd.	JPY 80 million	100.0	Manufacturing and sales of high-pressure gas
Denka RENOTEC Co., Ltd.	JPY 50 million	100.0	Repair, design, engineering and management work for concrete structures
Denka Azumin Co., Ltd.	JPY 300 million	100.0	Manufacturing and sales of fertilizers and agricultural materials
Denka Inorganic Materials Tianjin Co., Ltd.	JPY 250 million	100.0	Manufacturing and sales of special cement additives
Denka Infrastructure Malaysia Sdn Bhd.	MYR 8,649 thousand	100.0 (100.0)	Manufacturing and sales of construction chemicals
Denka Construction Solutions Malaysia Sdn Bhd.	MYR 1,500 thousand	100.0 (100.0)	Manufacturing and sales of construction chemicals
PT. Hissan Trading Indonesia	IDR 10,001,376 thousand	100.0 (100.0)	Sales of special cement additives, etc.in Indonesia
DENKA Polymer Co., Ltd.	JPY 2,080 million	100.0	Manufacturing and sales of various packaging materials and plastic containers
Denka Astec Co., Ltd.	JPY 50 million	100.0	Manufacturing, processing, and sales of rain gutters
Denka Chemicals Shanghai Co., Ltd.	USD 2,000 thousand	100.0	Sales of various products and headquarters for Group companies in China

Company name	Capital	The Company's percentage of equity participation	Principal business
Denka Chemicals GmbH	EUR 256 thousand	100.0	Import, export and sales of chemical and electronics products
Denka Consultant & Engineering Co., Ltd.	JPY 50 million	100.0	Design and engineering of various industrial facilities, transportation facilities, etc.
Akros Trading Co. Ltd.	JPY 1,200 million	76.8	Sales of inorganic industrial products, organic industrial products, civil engineering and construction materials, interior materials, etc.
Akros Trading China Co., Ltd.	USD 300 thousand	100.0 (100.0)	Sales of electronic packaging materials, etc.
Akros Trading Taiwan Co., Ltd.	TWD 29,000 thousand	100.0 (100.0)	Sales of resins and semiconductor-related materials, etc.

Note: 1. The Company's percentage of equity participation is calculated by dividing the number of shares held by the Company by the number of shares issued and outstanding. The figure within parentheses indicates the percentage of indirect ownership by subsidiaries.
2. The capital of Denka SCGC Advanced Materials Co., Ltd. represents the paid-in capital of THB 3,232,590 thousand out of the registered capital of THB 7,258,560 thousand.

2) Significant affiliates

Company name	Capital	The Company's percentage of equity participation	Principal business
Toyo Styrene Co., Ltd.	JPY 5,000 million	50.0	Manufacturing processing sales of polystyrene resin and styrene-based special resin.
Denak Co., Ltd.	JPY 600 million	50.0	Manufacturing and sales of monochloroacetic acid
Kurobegawa Power Plant	JPY 3,000 million	50.0	Operation of electric power business and other incidental business

(7) Principal Business Details (as of March 31, 2024)

The Company manufactures and sells the following products.

Business division	Main products
Electronics & Innovative Products Division	Electronic packaging materials, fine ceramics, fused silica, acetylene black, electronic circuit substrates, industrial tapes, etc.
Life Innovation Division	Vaccines, diagnostic reagents, oncolytic virus agents, etc.
Elastomers & Infrastructure Solutions Division	Chloroprene rubber, cement, special cement additives, fertilizers, calcium carbide, fire resistant materials, environmental materials, etc.
Polymer Solutions Division	Styrene monomer, polystyrene resin, ABS resin, CLEAREN, heat-resistant resin, transparent resin, POVAL, synthetic fiber for wigs, food packaging materials, etc.
Others Division	Plant engineering etc.

(8) Principal Offices and Factories (as of March 31, 2024)

Company name	Principal offices
Denka Co., Ltd.	Head Office: 1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo Branches: Tokyo, Osaka, Nagoya, Fukuoka, Kanetsu (Saitama) Sapporo Plants: Omi (Itoigawa, Niigata Prefecture), Omuta, Chiba (Ichihara, Chiba Prefecture), Shibukawa, Ofuna (Kamakura, Kanagawa Prefecture), Isesaki, Gosen Research Institutes: Denka Innovation Center (Machida, Tokyo)
Denka Chemical Holdings Asia Pacific Pte., Ltd.	Head Office: Singapore
Denka Singapore Pte., Ltd.	Head Office and Plants: Singapore
Denka Advantech Pte., Ltd.	Head Office and Plant: Singapore
Denal Silane Co., Ltd.	Head Office: Chuo-ku, Tokyo
Denka Advanced Materials (Suzhou) Co., Ltd.	Head Office and Plant: Suzhou, Jiangsu, China
Denka Electronic Materials Dalian Co., Ltd.	Head Office and Plant: Dalian, Liaoning, China
Denka Advanced Materials Vietnam Co., Ltd.	Head Office and Plant: Hung Yen, Vietnam
Denka SCGC Advanced Materials Co., Ltd.	Head Office and Plant: Rayong, Thailand
Denka Performance Elastomer LLC	Head Office and Plant: Louisiana, United States
Hinode Kagaku Kogyo	Head Office and Plant: Maizuru, Kyoto Prefecture
Nishi-nihon Koatsu Gas Co., Ltd.	Head Office: Fukuoka, Fukuoka Prefecture
Denka RENOTEC Co., Ltd.	Head Office: Chuo-ku, Tokyo
Denka Azumin Co., Ltd.	Head Office and Plant: Hanamaki, Iwate Prefecture
Denka Inorganic Materials Tianjin Co., Ltd.	Head Office and Plant: Tianjin, China
Denka Infrastructure Malaysia Sdn Bhd.	Head Office and Plant: Selangor, Malaysia
Denka Construction Solutions Malaysia Sdn Bhd.	Head Office and Plant: Selangor, Malaysia
PT. Hissan Trading Indonesia	Head Office: Jakarta, Indonesia

Company name	Principal offices
DENKA Polymer Co., Ltd.	Head Office: Koto-ku, Tokyo Plants: Sakura, Katori (Tako-machi, Chiba Prefecture), Goi (Ichihara, Chiba Prefecture)
Denka Astec Co., Ltd.	Head Office: Minato-ku, Tokyo Plant: Kasai, Hyogo Prefecture
Denka Chemicals Shanghai Co., Ltd.	Head Office: Shanghai, China
Denka Chemicals GmbH	Head Office: Düsseldorf, Germany
Denka Consultant & Engineering Co., Ltd.	Head Office: Ichihara, Chiba Prefecture
Akros Trading Co., Ltd.	Head Office: Minato-ku, Tokyo
Akros Trading China Co., Ltd.	Head Office: Shanghai, China
Akros Trading Taiwan Co., Ltd.	Head Office: Hsin-Chu, Taiwan

(9) Employees (as of March 31, 2024)

1) The Group

Business segment	Number of employees	
Electronics & Innovative Products Division	1,660	[173]
Life Innovation Division	966	[194]
Elastomers & Infrastructure Solutions Division	1,628	[263]
Polymer Solutions Division	1,158	[207]
Others Division	696	[152]
Corporate (common)	406	[71]
Total	6,514	[1,060]

- Notes: 1. The number of employees indicated is the number of full-time employees and the annual average number of temporary employees is indicated in brackets.
2. The number of employees indicated for “Corporate (common)” is the number of employees who belong to administrative divisions that cannot be classified into a specific business.

2) The Company

Number of employees	Increase (Decrease) from the previous fiscal year-end	Average age	Average service years
4,330 [721]	+132 [(44)]	40.7	16.1

Note: The number of employees indicated is the number of full-time employees and the annual average number of temporary employees is indicated in brackets.

(10) Principal Lenders (as of March 31, 2024)

Lender	Outstanding borrowings (Millions of yen)
Syndicated loan	79,000
Mizuho Bank, Ltd.	21,789
The Norinchukin Bank	6,035
Sumitomo Mitsui Banking Corporation	5,278
MUFG Bank, Ltd.	3,981

Note: The syndicated loan is managed by Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation and is co-financed.

(11) Other Significant Matters concerning the Group's Current Situation

Not applicable.

2. Status of Shares (as of March 31, 2024)

(1) Total Number of Authorized Shares	290,000,000 shares
(2) Shares of Common Stock Issued	88,555,840 shares (including 2,282,919 shares of treasury stock)
(3) Number of Shareholders	61,370

(4) Major Shareholders

Shareholder name	Number of shares held (hundred shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	151,148	17.52
Custody Bank of Japan, Ltd. (Trust Account)	96,326	11.17
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account (Account re-entrusted by Custody Bank of Japan, Ltd.)	32,158	3.73
TAIJU LIFE INSURANCE COMPANY LIMITED	23,816	2.76
SSBTC CLIENT OMNIBUS ACCOUNT	22,305	2.59
National Mutual Insurance Federation of Agricultural Cooperatives	21,507	2.49
Denka Employee Stockholding Association	14,187	1.64
Mitsui Sumitomo Insurance Company, Limited	11,066	1.28
MITSUI & CO., LTD.	10,874	1.26
Custody Bank of Japan, Ltd. (Trust Account 4)	10,771	1.25

Notes: 1. 2,282,919 shares of treasure stock have been excluded from the above list of major shareholders.

2. Treasury stock is excluded for calculation of the percentage of shares held.

(5) Other Significant Matters concerning Shares

Not applicable.

3. Matters concerning the Company's Stock Acquisition Rights (as of March 31, 2024)

Not applicable.

4. Company Officers

(1) Directors (as of March 31, 2024)

Name	Position	Responsibilities and significant concurrent positions
Manabu Yamamoto	Chairman and Director	
Toshio Imai	Representative Director, President	President and Chief Executive Officer
Kazuo Takahashi	Representative Director	Senior Managing Executive Officer Chief Technical Officer (CTO) Chief Compliance Officer (CCO) In charge of Purchasing Dept., Logistics Dept., Production & Process Technology Dept., Engineering Dept., Digital Strategy & Innovation Dept.
Ikuo Ishida	Director	Managing Executive Officer Chief Human Resource Officer (CHRO) In charge of Corporate Planning Dept., HR Dept., Corporate Communications Dept., Denka Corporation, Denka Chemicals GmbH, Chinese Business
Yoshiyuki Fukuda	Director (Outside)	
Mizuhiro Uchida	Director (Full-time Audit Committee Member)	
Toshio Kinoshita	Director (Outside) (Audit Committee Member)	Representative Director of Global Professional Partners Outside Director of TACHI-S CO., LTD.
Akio Yamamoto	Director (Outside) (Full-time Audit Committee Member)	
Miyuki Matoba	Director (Outside) (Audit Committee Member)	General Manager, Intellectual Property and Legal Div. and compliance supervisor of NITTO KOHKI CO., LTD.

- Notes: 1. Directors Mr. Yoshiyuki Fukuda, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba are outside directors as stipulated in Article 2, Item 15 of the Companies Act.
2. Director who is an Audit Committee Member, Mr. Toshio Kinoshita is a certified public accountant, and has an adequate level of knowledge regarding finance and accounting.
3. The Company has appointed Director Mr. Mizuhiro Uchida as a Full-time Audit Committee Member, in order to enhance the effectiveness of audits through better information gathering and sufficient coordination with the Internal Control Dept., etc., and thereby strengthen audit and supervisory functions.
4. The Company designated Directors Mr. Yoshiyuki Fukuda, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba as independent officers as defined by Tokyo Stock Exchange, Inc. and notified it of the designation.

(Reference) Executive Officers (as of July 1, 2024)

Title	Name	Responsibility
President and Chief Executive Officer	Toshio Imai	
Senior Managing Executive Officer	Kazuo Takahashi	Chief Technical Officer (CTO) In charge of Purchasing & Logistics Dept., Environment and Safety Dept., Quality Assurance Dept. Engineering Dept.
Managing Executive Officers	Kazuya Tokumoto	President of Denka Performance Elastomer LLC
	Rimiru Hayashida	Chief Financial Officer (CFO) In charge of Accounting Dept., Finance Dept.
	Ikuo Ishida	Chief Human Resource Officer (CHRO) Chief Compliance Officer (CCO) In charge of Corporate Planning Dept., Best Practice Promoting Dept., HR Dept., Corporate Communications Dept., Denka Corporation, Denka Chemicals GmbH, Chinese Business
	Yukio Sasagawa	General Manager, Gosen Site
	Hideki Toya	Chief Scientific Officer (CSO) General Manager, New Business Development General Manager, Innovation Center
Executive Officers	Masanobu Kosaka	In charge of Production & Process Technology Dept., Digital Strategy & Innovation Dept., Sustainability Promotion Dept.
	Michio Kawamura	Managing Director, DCHA, DSPL, DAPL
	Masahiro Kawai	General Manager, Chiba Plant
	Takeshi Hagiwara	General Manager, Omi Plant
	Masahiro Omata	General Manager, Elastomers & Infrastructure Solutions
	Kei Hara	General Manager, Polymer Solutions
	Ken Watanabe	Deputy Division Director, New Business Development In charge of New Business Creation Dept. In charge of Special assignment (Strengthening of group internal control)
	Hiroto Horiuchi	General Manager, Electronics & Innovative Products
	Tetsuo Noguchi	General Manager, Shibukawa Plant
	Koji Nishimura	General Manager, Omuta Plant
	Taro Inada	General Manager, Life Innovation
	Akinori Adachi	In charge of Administrative Dept., Legal Dept., Secretary Dept., Internal Control Dept.

Notes: DCHA: Denka Chemicals Holdings Asia Pacific Pte., Ltd.

DSPL: Denka Singapore Pte., Ltd.

DAPL: Denka Advantech Pte., Ltd.

(2) Directors who Retired during the Fiscal Year Under Review

Name	Date of retirement	Reason for retirement	Position, responsibilities and significant concurrent positions at the time of retirement
Tetsuya Shinmura	June 22, 2023	Expiration of term of office	Director, Advisor
Masaharu Suzuki	June 22, 2023	Expiration of term of office	Director (Full-time Audit Committee Member)

(3) Summary of Liability Limitation Agreements

Based on Article 427, Paragraph 1 of the Companies Act, the Company currently has liability limitation contracts with Directors Mr. Yoshiyuki Fukuda, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba that limit their liability for damages provided for in Article 423, Paragraph 1 of said Act. The limit of liability under the contract is set to a predefined amount of ¥5 million or more or the amount stipulated by laws and regulations, whichever is higher.

(4) Summary of Directors and Officers Liability Insurance

The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The Company's Directors (including Directors who are Audit Committee Members), Executive Officers, and Directors, Corporate Auditor & Supervisory board members and Executive Officers of some of the Company's Group companies are insured parties under the contract. As a rule, the insured parties are not responsible for paying insurance premiums.

The Directors and officers liability insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured persons due to an act committed by an insured person in his/her capacity as such. However, measures have been implemented to ensure that proper execution of duties by officers, etc. is not impaired. These include an exclusion where the Company makes a claim for damages against the insured parties, as well as the establishment of a deductible amount.

(5) Remuneration and Other Payments to Directors

1) Policy on the determination of remuneration and other payments to individual Directors

The Board of Directors of the Company has decided on the following policy for determining remuneration and other payments to individual Directors (hereinafter referred to as the "Decision Policy"), after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee.

[Basic Policy]

Remuneration for individual Directors (excluding Directors who are Audit Committee Members; the same applies hereinafter) shall be in accordance with each Director's roles and responsibilities and performance, and shall be determined by the Board of Directors after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations, in order to enhance objectivity and transparency.

The structure of Directors' remuneration shall, in addition to a fixed monthly amount of basic remuneration, consist of performance-linked cash remuneration, designed to increase motivation to improve the Company-wide and individual performance for each fiscal year, and stock remuneration, designed to increase motivation to contribute to improving medium- and long-term performance and enhancing corporate value. These function as sound incentives to maintain growth. However, in view of the duties performed by Outside Directors and non-executive Directors, remuneration for these Directors shall consist solely of basic remuneration.

[Policy on the determination of remuneration and other payments to individual Directors]

- i) Policy on the determination of the amount and calculation method of basic cash remuneration
Basic remuneration shall be determined in accordance with each Director's roles and responsibilities, taking into consideration factors such as the level of employee pay. It shall be paid in a fixed amount every month.
- ii) Policy on the determination of the performance indicators, amount and calculation method of performance-linked cash remuneration

Performance-linked remuneration shall consist of Company-wide performance-linked remuneration and individual performance-linked remuneration. However, the Chairman and President shall receive only Company-wide performance-linked remuneration, excluding the Chairman without representative rights (non-executive Director).

The total amount of Company-wide performance-linked remuneration shall be determined with reference to consolidated operating income, a key indicator under the Company's management plan. It shall then be allotted in accordance with each Director's roles and responsibilities, and paid promptly after the financial results are finalized. However, if consolidated operating income is below a certain level, or a massive extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment shall be made, or the payment amount shall be reduced. Individual performance-linked remuneration shall be linked to each Director's individual evaluation of the achievement and others of financial and non-financial targets, and shall be paid promptly after the financial results are finalized in accordance with internal regulations determined by the Company in advance.

- iii) Policy on the determination of the details, amount and calculation method of stock remuneration
The stock remuneration scheme shall utilize a trust structure. Points shall be granted to Directors each month in accordance with rank, based on stock delivery regulation established by the Company, and shares of the Company's stock shall be delivered to Directors through the trust on retirement, based on the number of points they have accumulated. The maximum amount of money to be contributed by the Company to the trust for the purpose of delivering the Company's shares to Directors shall be ¥40 million per year.
- iv) Policy on the determination of the proportions of the total amount of remuneration paid as basic remuneration, performance-linked remuneration, and stock remuneration
No policy is established specifically to determine the proportion of Directors' remuneration to be paid as basic remuneration, performance-linked remuneration, and stock remuneration. However, if the operating income target under the management plan is achieved, and the evaluation of individual performance-linked compensation is standard, then the proportions will be approximately 60%, 30% and 10% respectively.
- v) Method used to determine remuneration and other payments to individual Directors
The details of remuneration and other payments to individual Directors shall be determined by the Board of Directors, after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations.
The individual performance-linked component of the remuneration for Directors shall be determined by the President, who has been delegated this authority, after individual evaluation in accordance with the internal regulations determined by the Board of Directors. In order to ensure that the President exercises this authority appropriately, the Board of Directors shall establish in advance the amount of remuneration linked to individual evaluations in the internal regulations and shall receive reports on the details of such remuneration.

Note: The underlined part was resolved to be changed at the Board of Directors meeting held on March 11, 2024, and has been effective since April 2024.

2) Reason why the details of remuneration and other payments to individual Directors are judged by the Board of Directors to be in accordance with the Decision Policy

The Board of Directors establishes the details of remuneration in internal regulation, in accordance with the Decision Policy, after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee. Remuneration for individual Directors is determined based on these regulations. Therefore, the Board of Directors deems it to be in accordance with the Decision Policy.

Even though the individual performance-linked component of the remuneration for Directors is determined by the President, who has been delegated this authority, after individual evaluation in accordance with the internal regulations, the Board of Directors receives reports on the details of such component and affirms that they are in accordance with the Decision Policy.

3) Remuneration and other payments to Directors

Category	Number of persons	Amount of remuneration, etc. (Millions of yen)	Breakdown					
			Cash remuneration				Stock remuneration	
			Basic remuneration		Performance-linked remuneration			
			Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)
Directors (excluding Directors who are Audit Committee Members) (of which Outside Directors)	6 (1)	205 (12)	6 (1)	162 (12)	2 (-)	14 (-)	5 (-)	27 (-)
Directors (Audit Committee Members) (of which Outside Directors)	5 (3)	74 (36)	5 (3)	74 (36)	- (-)	- (-)	- (-)	- (-)
Total (of which Outside Directors)	11 (4)	279 (48)	11 (4)	237 (48)	2 (-)	14 (-)	5 (-)	27 (-)

- Notes: 1. The maximum amount of cash compensation remuneration for Directors (excluding Directors who are Audit Committee Members) is ¥490 million per year (of which the maximum amount of remuneration for Outside Directors is ¥40 million, excluding the portions of their salaries as employees) as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 7 Directors (excluding Directors who are Audit Committee Members), including 2 Outside Directors, as of the conclusion of the 160th Ordinary General Meeting of Shareholders.
2. The maximum amount of remuneration for Directors who are Audit Board Members is ¥166 million per year as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors who are Audit Board Members as of the conclusion of the 160th Ordinary General Meeting of Shareholders.
3. Regarding the amount of stock remuneration for Directors (excluding Directors who are Audit Committee Members or Outside Directors), the maximum amount of cash to be contributed by the Company is ¥40 million per year, and the maximum number of points to be awarded to Directors is 110,000 points per year, as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors (excluding Directors who are Audit Committee Members or Outside Directors) as of the conclusion of the 160th Ordinary General Meeting of Shareholders.
4. There were 9 Directors as of March 31, 2024. The difference between the total number of Directors shown in the table above and in (1) Directors is because the table above includes remuneration for 2 Directors who retired at the conclusion of the 164th Ordinary General Meeting of Shareholders held on June 22, 2023, as stated in (2) Directors who Retired during the Fiscal Year Under Review.
5. The total amount of stock remuneration is the amount of expenses recorded for the fiscal year under review for the stock remuneration plan that allots shares of the Company (a stock remuneration plan wherein a trust established by the Company makes acquisitions using funds contributed by the Company, and shares of the Company and cash equivalent to the disposal conversion amount of the Company's

shares are allotted to Directors (excluding Directors who are Audit Committee Members and Outside Directors) through said trust).

6. The amount of Company-wide performance-linked component of the performance-linked remuneration paid is determined with reference to the consolidated operating income for each fiscal year. If consolidated operating income is below a certain level, or massive amount of extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment is made, or the payment amount is reduced. The reason why consolidated operating income has been selected as an index is because it is a key indicator in the Company's management plan. The trend in operating income for fiscal 2023 and other years is presented in 1. (5) Financial Position and Results of Operations.

Individual performance-linked remuneration is linked to each Director's individual evaluation of the achievement and others of financial and non-financial targets, and the payment amount is determined in accordance with internal regulations set by the Company in advance.

(6) Outside Officers

1) Significant concurrent positions as business executors at other companies, etc. and the relationship between the Company and such companies, etc.

Director who is an Audit Committee Member Mr. Toshio Kinoshita is Representative Director of Global Professional Partners. There are no significant transactions between the Company and Global Professional Partners.

Director who is an Audit Committee Member Ms. Miyuki Matoba is General Manager of the Intellectual Property and Legal Div. of NITTO KOHKI CO., LTD. There are no significant transactions between the Company and NITTO KOHKI CO., LTD.

2) Significant concurrent positions as outside officers etc. at other companies, etc. and the relationship between the Company and such companies, etc.

Director who is an Audit Committee Member Mr. Toshio Kinoshita is Outside Director of TACHI-S CO., LTD.

There are no significant transactions between the Company and TACHI-S CO., LTD.

3) Relationship with specified related parties such as major customers

Not applicable.

4) Principal activities in the fiscal year ended March 31, 2024

[Board of Directors meetings]

The Board of Directors met 14 times in the fiscal year ended March 31, 2024. Director, Mr. Yoshiyuki Fukuda, attended all 14 meetings of the Board of Directors held (attendance rate: 100%). Directors who are Audit Members, Mr. Toshio Kinoshita and Mr. Akio Yamamoto, and Ms. Miyuki Matoba attended all 14 meetings of the Board of Directors (attendance rate: 100%). Mr. Yoshiyuki Fukuda, based on his rich experience and wide views as a corporate executive and high-level knowledge of corporate finance, actively made necessary inquiries and recommendations.

In addition, as Directors who are Audit Committee Members, Mr. Toshio Kinoshita, based on his experience and rich accounting knowledge as a certified public accountant in Japan and the US, Mr. Akio Yamamoto, based on his rich experience and wide views as a corporate executive and rich international experience serving as a business manager at global companies, and Ms. Miyuki Matoba, based on her rich experience and expert knowledge as a lawyer, actively made necessary inquiries and recommendations.

[Audit Committee]

The Audit Committee met 14 times in the fiscal year ended March 31, 2024. Mr. Toshio Kinoshita, Mr. Akio Yamamoto and Ms. Miyuki Matoba attended all 14 meetings of the Audit Committee (attendance rate: 100%.) Each member of the Audit Committee worked closely with the Internal Control Dept., etc. to perform efficient and effective audits of the Company's divisions and departments, business sites and subsidiaries and receive briefings on the status of business execution at

periodic divisional report meetings. They reported the results of these activities to the Audit Committee and had necessary discussions with other Directors who are Audit Committee Members.

	Board of Directors meetings		Audit Committee	
	Attendance	Attendance rate	Attendance	Attendance rate
Director Yoshiyuki Fukuda	14/14	100%	–	–
Director (Audit Committee Member) Toshio Kinoshita	14/14	100%	14/14	100%
Director (Audit Committee Member) Akio Yamamoto	14/14	100%	14/14	100%
Director (Audit Committee Member) Miyuki Matoba	14/14	100%	14/14	100%

5) Summary of Duties Fulfilled by Outside Directors Related to Their Expected Roles

	Expected roles	Summary of duties performed related to expected roles
Director Yoshiyuki Fukuda	Recommendations and supervision regarding the Company's management in general, based on his rich experience and wide views as a manager, and expert knowledge of corporate finance	Inquiries and recommendations regarding finance strategy for the entire Group and risk management for overseas businesses
Director (Audit Committee Member) Toshio Kinoshita	Supervision and audit of the Company's management, based on his experience and rich accounting knowledge as a certified public accountant in Japan and the US	Inquiries and recommendations regarding the strengthening of governance structures at the entire Group and business risk
Director (Audit Committee Member) Akio Yamamoto	Recommendations and supervision regarding the Company's management, based on his rich experience in Japan and overseas and wide views as a corporate executive, and rich international experience serving as a business manager at global companies	Inquiries and recommendations regarding business environment and risk management in overseas business and new businesses
Director (Audit Committee Member) Miyuki Matoba	Supervision and audit of the Company's management, based on her rich experience and expert knowledge as a lawyer	Inquiries and recommendations regarding the strengthening of governance structures at the entire Group and risk management

Note: In the fiscal year ended March 31, 2024, the Company announced improprieties identified at the Company and Toyo Styrene Co., Ltd., an equity-method affiliate, related to certification by Underwriters Laboratories Limited Liability Company, a U.S.-based independent safety science organization, and others.

Each of the Outside Directors was unaware of this case until it was brought to light. However, Outside Directors had regularly made remarks at the Company's Board of Directors meetings and other meetings from the perspective of emphasizing compliance and strengthening the group governance system. Upon learning of the fact, they have fulfilled their responsibilities by strongly demanding an investigation into all the facts and the cause of the improprieties from an objective standpoint independent of the Company, and by actively and constructively proposing recurrence prevention measures such as more robust group governance and further reform of organizational climate and systems.

5. Accounting Auditor

(1) Accounting Auditor's Name

Ernst & Young ShinNihon LLC

(2) Accounting Auditor's Remuneration, etc. for the Fiscal Year Ended March 31, 2024

	Amount paid (thousands of yen)
Remuneration, etc. for the Accounting Auditor for the fiscal year ended March 31, 2024	102,000
Monetary or property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	136,804

- Notes:
1. Under the audit agreement between the Company and its Accounting Auditor, remuneration for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Act are not strictly distinguished and they cannot be substantially distinguished. Consequently, the sum of the amounts of these remunerations is stated as the amount of remuneration, etc. for the Accounting Auditor for the fiscal year ended March 31, 2024.
 2. The Audit Committee of the Company, in observance of the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, has confirmed the time taken to audit each audit item compared to audit plans for previous fiscal years and comparisons with amounts for other companies as disclosed for the fiscal year ended March 31, 2023, and agrees to the fees, etc., of the Accounting Auditor under Article 399, Item 1 of the Companies Act.
 3. Financial statements (including corresponding statements) of some of the Company's significant subsidiaries are audited (subject to regulations of the Companies Act and the Financial Instruments and Exchange Act; including corresponding laws and regulations overseas) by Certified Public Accountants or Audit Corporations (including persons with qualifications that correspond to these qualifications overseas) other than the Company's Accounting Auditor.

(3) Non-audit Services

The Company pays fees to Ernst & Young ShinNihon LLC mainly for confirmation provided in relation to applications for reduction or exemption under the Japanese renewable energy feed-in-tariff (FIT) scheme.

(4) Policy for Determination of Dismissal or Non-reappointment of the Accounting Auditor

If the Audit Committee considers that it has become difficult for the Accounting Auditor to perform its duties appropriately or otherwise considers it necessary, the Audit Committee will make a resolution for dismissal or non-reappointment of the Accounting Auditor, and will submit a proposal to the General Meeting of Shareholders.

If it is deemed appropriate to dismiss the Accounting Auditor is deemed, because it falls under any item of Article 340, Paragraph 1 of the Companies Act, the Audit Committee will dismiss the Accounting Auditor upon consent of all the Audit Committee Members.

(5) Disposition of Suspension of Business of the Accounting Auditor during the Past Two Years

Not applicable.

(6) Outline of the Limited Liability Contracts

Not applicable.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Account item	(Reference) 164th term	165th term	Account item	(Reference) 164th term	165th term
(Assets)	592,158	616,244	(Liabilities)	291,807	299,329
Current assets	251,793	265,447	Current liabilities	164,457	171,557
Cash and deposits	20,199	35,386	Notes and accounts payable-trade	47,969	54,193
Notes and accounts receivable-trade, and contract assets	98,081	96,431	Short-term loans payable	44,754	46,368
Merchandise and finished goods	81,461	81,235	Commercial paper	6,000	6,000
Work in process	5,477	5,816	Current portion of long-term loans payable	11,975	5,000
Raw materials and supplies	34,183	34,565	Current portion of bonds payable	–	7,000
Other	12,607	12,262	Accounts payable-other	22,018	19,238
Allowance for doubtful accounts	(216)	(249)	Income taxes payable	4,228	4,479
Noncurrent assets	340,365	350,796	Accrued consumption taxes	231	946
Property, plant and equipment	262,711	281,880	Accrued expenses	13,068	14,673
Buildings	50,642	50,557	Provision for bonuses	3,022	2,968
Structures	30,318	30,043	Other	11,187	10,689
Machinery and equipment	92,592	92,404	Noncurrent liabilities	127,349	127,771
Vehicles	693	708	Bonds payable	37,000	30,000
Tools, furniture and fixtures	4,360	4,565	Long-term loans payable	70,000	80,000
Land	63,180	63,740	Deferred tax liabilities	1,369	3,043
Lease assets	2,824	3,451	Deferred tax liabilities for land revaluation	8,367	8,367
Construction in progress	18,097	36,409	Net defined benefit liability	5,366	657
Intangible assets	11,001	5,001	Provision for stock benefits	81	110
Software	1,279	1,429	Other	5,165	5,593
Goodwill	5,992	44	(Net assets)	300,351	316,915
Right of using patent	3,729	3,527	Shareholders' equity	262,145	266,192
Investments and other assets	66,652	63,914	Capital stock	36,998	36,998
Investment securities	58,072	52,511	Capital surplus	49,406	49,405
Long-term loans receivable	117	101	Retained earnings	183,391	187,574
Long-term prepaid expenses	3,052	2,579	Treasury stock	(7,650)	(7,785)
Deferred tax assets	2,995	6,371	Accumulated other comprehensive income	34,334	41,344
Other	2,486	2,423	Valuation difference on available-for-sale securities	16,350	14,257
Allowance for doubtful accounts	(72)	(72)	Deferred gains or losses on hedges	(246)	(34)
			Revaluation reserve for land	10,407	10,407
			Foreign currency translation adjustment	11,101	16,680
			Remeasurements of defined benefit plans	(3,277)	33
			Non-controlling interests	3,871	9,377
Total	592,158	616,244	Total	592,158	616,244

(Note) Amounts are rounded down to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	(Reference) 164th term		165th term	
Net sales		407,559		389,263
Cost of sales		305,217		306,762
Gross profit		102,342		82,501
Selling, general, and administrative expenses		70,017		69,124
Operating income		32,324		13,376
Non-operating income				
Interest and dividend income	2,234		1,663	
Equity in earnings of affiliates	2,328		1,731	
Other	704	5,268	1,770	5,165
Non-operating expenses				
Interest expenses	1,157		1,683	
Other	8,409	9,567	11,384	13,067
Ordinary income		28,025		5,474
Extraordinary income				
Gains on shares of sale of subsidiaries and associates	425		–	
Loss on sales of investment securities	4,970	5,396	17,442	17,442
Extraordinary loss				
Loss on liquidation of business	18,830		7,573	
Loss due to disaster	–	18,830	859	8,433
Income before income taxes		14,590		14,483
Income taxes-current	7,327		5,147	
Income taxes-deferred	(5,773)	1,553	(2,680)	2,466
Profit		13,037		12,017
Profit attributable to non-controlling interests		268		69
Profit attributable to owners of parent		12,768		11,947

(Note) Amounts are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2024)

(Millions of yen)

Account item	(Reference) 164th term	165th term	Account item	(Reference) 164th term	165th term
(Assets)	482,552	485,629	(Liabilities)	261,646	267,232
Current assets	196,219	199,992	Current liabilities	144,092	146,669
Cash and deposits	5,901	14,060	Accounts payable-trade	35,979	37,605
Notes receivable-trade	5,399	5,986	Short-term loans payable	27,675	27,675
Accounts receivable-trade	70,604	67,951	Commercial paper	6,000	6,000
Merchandise and finished goods	69,393	66,875	Current portion of long-term loans payable	11,975	5,000
Work in progress	5,082	5,435	Current portion of bonds payable	–	7,000
Raw materials and supplies	26,328	27,072	Accounts payable-other	21,281	17,073
Prepaid expenses	2,154	2,096	Income taxes payable	2,489	2,975
Short-term loans receivable	230	308	Accrued consumption taxes	–	626
Other	11,134	10,214	Accrued expenses	10,404	11,253
Allowance for doubtful accounts	(11)	(10)	Deposits received	22,300	24,808
Noncurrent assets	286,333	285,636	Provision for bonuses	2,399	2,340
Property, plant and equipment	214,192	222,658	Other	3,589	4,311
Buildings	42,467	41,980	Noncurrent liabilities	117,553	120,562
Structures	24,166	23,565	Bonds payable	37,000	30,000
Machinery and equipment	67,569	66,081	Long-term loans payable	70,000	80,000
Vehicles	598	635	Deferred tax liabilities for land revaluation	8,367	8,367
Tools, furniture and fixtures	3,525	3,614	Provision for stock benefits	81	110
Land	61,466	61,980	Asset retirement obligations	1,823	1,825
Leased assets	172	167	Other	281	258
Construction in progress	14,226	24,633	(Net assets)	220,906	218,397
Intangible assets	1,348	1,464	Shareholders' equity	196,455	195,926
Software	972	1,141	Capital stock	36,998	36,998
Right of using patent	376	322	Capital surplus	49,284	49,284
Investments and other assets	70,793	61,513	Legal capital surplus	49,284	49,284
Investment securities	30,075	22,966	Other capital surplus	0	0
Stocks of subsidiaries and affiliates	34,241	28,487	Retained earnings	117,823	117,429
Long-term loans receivable	117	101	Other retained earnings	117,823	117,429
Long-term prepaid expenses	2,586	2,097	Reserve for advanced depreciation of noncurrent assets	3,602	3,589
Prepaid pension cost	1,542	1,391	Retained earnings brought forward	114,220	113,840
Deferred tax assets	690	4,956	Treasury stock	(7,650)	(7,785)
Other investments	1,540	1,515	Valuation and translation adjustments	24,450	22,470
Allowance for doubtful accounts	(1)	(2)	Valuation difference on available-for-sale securities	14,043	12,062
			Revaluation reserve for land	10,407	10,407
Total	482,552	485,629	Total	482,552	485,629

(Note) Amounts are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(From April 1, 2023 to March 31, 2024)

(Millions of yen)

Account item	(Reference) 164th term		165th term	
Net sales		327,019	303,694	
Cost of sales		252,966	249,393	
Gross profit		74,053	54,300	
Selling, general, and administrative expenses		51,954	49,834	
Operating income		22,098	4,466	
Non-operating income				
Interest and dividend income	3,984		6,537	
Other	1,618	5,602	1,518	8,055
Non-operating expenses				
Interest expenses	1,001		1,640	
Other	5,730	6,732	8,542	10,182
Ordinary income		20,969	2,339	
Extraordinary income				
Gains on shares of sale of subsidiaries and associates	1,093		-	
Gain on sales of investment securities	4,961	6,055	15,373	15,373
Extraordinary loss				
Loss on liquidation of business	18,750		788	
Loss on valuation of shares of subsidiaries and associates	-		9,177	
Loss due to disaster	-	18,750	804	10,770
Income before income taxes		8,274	6,942	
Income taxes-current	5,408		3,303	
Income taxes-deferred	(5,786)	(377)	(3,732)	(428)
Profit		8,652	7,370	

(Note) Amounts are rounded down to the nearest million yen.

Independent Auditors’ Report
(English Translation)

May 8, 2024

To the Board of Directors
Denka Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office

Takao Maruyama
Certified Public Accountant
Designated and Engagement Partner
Yasuyuki Kitamura
Certified Public Accountant
Designated and Engagement Partner
Yuki Nakano
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Denka Co., Ltd. (the “Company”) for the fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Denka Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Consolidated Financial Statements.” We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit Committee are responsible for monitoring the execution of Directors’ duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and

content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries in order to express an opinion on the consolidated financial statements. The auditor is responsible for instructing, supervising, and implementing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor shall report to the Audit Committee that the auditor has complied with the rules on professional ethics in Japan regarding independence. They shall also report matters that could reasonably affect their independence. Furthermore, if any measures have been taken to remove disincentive or to implement safeguards to reduce the disincentive to an acceptable level, the auditor shall provide a detailed report on those measures.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditors’ Report
(English Translation)

May 8, 2024

To the Board of Directors
Denka Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office

Takao Maruyama
Certified Public Accountant
Designated and Engagement Partner
Yasuyuki Kitamura
Certified Public Accountant
Designated and Engagement Partner
Yuki Nakano
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Denka Co., Ltd. (the “Company”) for the 165th fiscal year from April 1, 2023 through March 31, 2024.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2024, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in “Auditor’s Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules.” We are independent of the Company in accordance with the provisions related to professional ethics in Japan, and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and accompanying supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit Committee are responsible for monitoring the execution of Directors’ duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the financial statements and accompanying supplementary schedules, and we express no opinion on it.

Our responsibility with respect to the audit of the financial statements and accompanying supplementary schedules is to read through other information and, in this process, to consider whether any material differences exist between other information and the financial statements and accompanying supplementary schedules, or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the

notes to the financial statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based. The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.
- Obtain sufficient and appropriate audit evidence regarding the financial information of the components included in the financial statements and the accompanying supplementary schedules in order to express an opinion on the financial statements and the accompanying supplementary schedules. The auditor is responsible for instructing, supervising, and implementing the audit of the financial information of the components, and is solely responsible for the audit opinion.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards. The auditor shall report to the Audit Committee that the auditor has complied with the rules on professional ethics in Japan regarding independence. They shall also report matters that could reasonably affect their independence. Furthermore, if any measures have been taken to remove disincentive or to implement safeguards to reduce the disincentive to an acceptable level, the auditor shall provide a detailed report on those measures.

Conflicts of Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

(English Translation)

The Audit Committee has audited the Directors' performance of their duties during the 165th term from April 1, 2023 to March 31, 2024 and hereby reports the method and results thereof as follows:

1. Auditing Method and Details Thereof

The Audit Committee received regular reports from Directors, employees, etc. on the details of resolutions of the Board of Directors related to matters listed in Article 399-13, Paragraph 1, item (i), (b) and (c) of the Companies Act and the creation and operational status of systems developed pursuant to such resolutions (internal control systems), requested explanations as necessary, and expressed its views, in addition to conducting audits via the methods below.

- 1) Audit Committee Members conformed with the Audit Committee Audit Standards set forth by the Audit Committee and, in accordance with audit policies, the assignment of duties, etc., worked with the Internal Control Department and other internal control departments to attend meetings of important committees, receive reports on matters related to the execution of duties from Directors, employees, etc., requested explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at head office and important business sites. In addition, with regard to subsidiaries, Audit Committee Members took steps to communicate and exchange information with the Directors, Audit & Supervisory Board Members, etc. of subsidiaries, and received business reports from subsidiaries as necessary.
- 2) With respect to the basic policy set forth in Article 118, Item 3 (i) of the Ordinance for Enforcement of the Companies Act and the measures set forth in Item 3 (ii) of the said article, which are described in the Business Report, the Audit Committee examined the content based on the status of deliberations at meetings of the Board of Directors and other meetings.
- 3) The Audit Committee monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, received reports from the Accounting Auditor regarding the status of the performance of its duties, and requested explanations as necessary. In addition, the Audit Committee received notice from the Accounting Auditor that the "system for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the "Quality Control Standards Relating to Auditing" (issued by the Business Accounting Council) and other relevant standards, and requested explanations as necessary.

Based on the above method, the Audit Committee reviewed the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and the accompanying supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements), and the business report and its accompanying supplementary schedules for the fiscal year in question.

2. Results of Audit

- (1) Results of Audit of Business Report, etc., and Other Relevant Documents
 - 1) In our opinion, the Business Report and the accompanying supplementary schedules present fairly the conditions of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
 - 2) We have found no instances of misconduct or material violation of the applicable laws and regulations or the Articles of Incorporation with respect to performance of duties by the Directors.
 - 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters requiring special mention regarding the description in the Business Report and the performance of duties by the Directors related to such internal control systems.

As described in the Issues to be addressed, we have identified improprieties related to certain products of the Company and our group company, and on June 14 2023, a fatal accident occurred at the Omi Plant. The Audit Committee will persist in closely monitoring the consistent implementation of rigorous measures to prevent recurrence, emphasizing a management stance that prioritizes compliance and fosters a culture of safety.

- 4) We have found no matters requiring special mention with respect to the basic policies and initiatives regarding the determination of policies on control of the finances and business of the Company described in the Business Report.
- (2) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplementary Schedules
In our opinion, the method and the results of the audit performed by Ernst & Young ShinNihon LLC are fair and reasonable.
- (3) Results of Audit of Consolidated Financial Statements
In our opinion, the method and the results of the audit performed by Ernst & Young ShinNihon LLC are fair and reasonable.

May 8, 2024

Audit Committee, Denka Co., Ltd.

Audit Committee Member
Audit Committee Member
Audit Committee Member
Audit Committee Member

Mizuhiro Uchida
Toshio Kinoshita
Akio Yamamoto
Miyuki Matoba

(Note) Audit Committee Members Toshio Kinoshita, Akio Yamamoto, and Miyuki Matoba are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Section 6 of the Companies Act.