Management Plan "Mission 2030"

"Mission 2030" is our new management plan that aims to help us achieve Denka's vision by 2030. With Business Value Creation, Human Resources Value Creation, and Management Value Creation as the three growth strategies, we set targets and KPIs based on the important management issues (materiality) ▶P 31-33 and are working to improve the corporation's value. Yet due to changes in prerequisites such as the global economy and demand environment since the formulation of the management plan, as well as the recent deterioration in performance, we are currently reviewing the management plan (scheduled to be announced in FY2025).

MISSION

By 2030, we will increase the value of our human resources and management, and we will focus on creating business value that combines the three elements of specialty, megatrends, and sustainability.

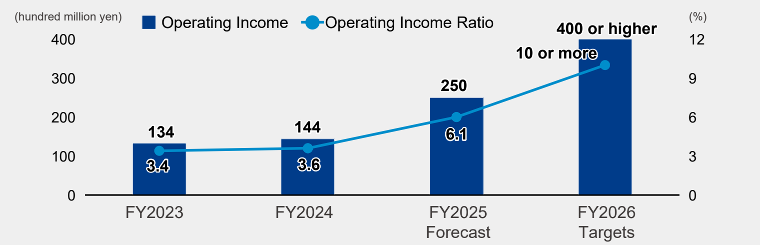
Three Growth Strategies

- Business Value Creation
- Human Resources Value Creation
- Management Value Creation

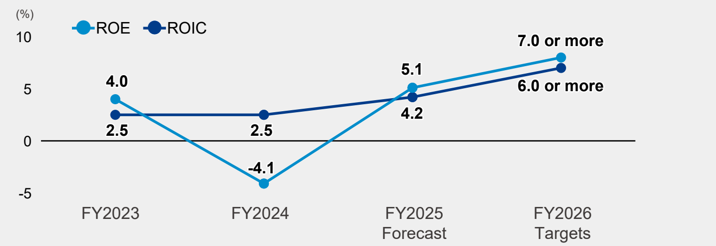
Three Elements

Achievements through FY2024 and Targets for 2030

Operating Income (operating income ratio)



ROE/ROIC



Capital Investment Amount

FY2030 Target: FY2023–2030 (8 years) ¥540 billion

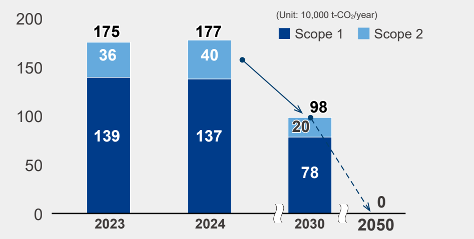
Cumulative total for FY2023-2024: ¥139.9 billion

Total shareholder return ratio

Policy to maintain and increase dividends per share, aiming for a total return ratio of 50% (cumulative over 8 years of the management plan)

CO_2 emission

FY2030 target: 60% reduction compared to FY2013 (1 million tons)

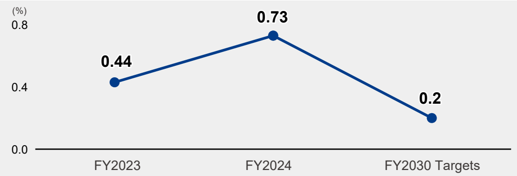


Maximizing renewable energy generation

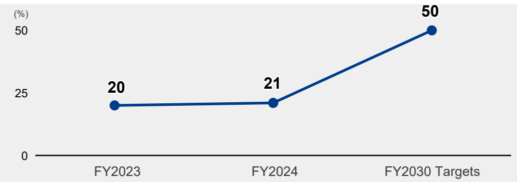
FY2030 Target: 150 MW

FY2024: 147 MW

Occupational accident frequency rate (Number of casualties ÷ Total working hours x 1 million)



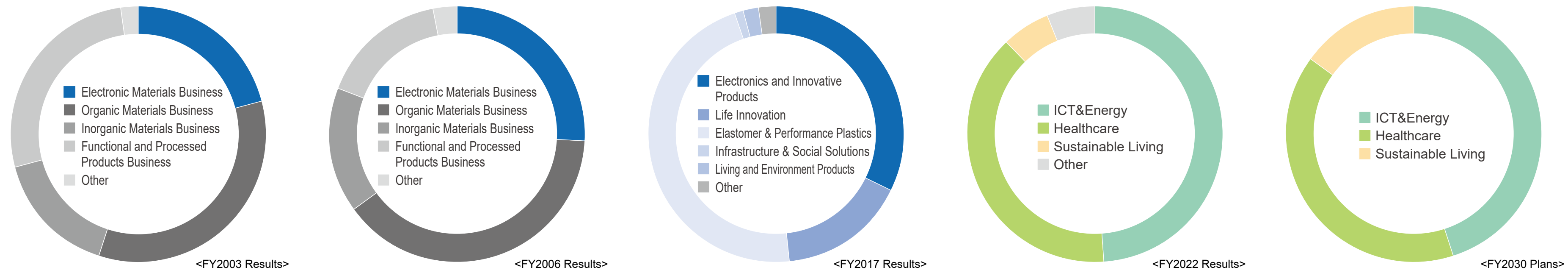
Ratio of women/ foreign nationals/ mid-career hires in managerial positions

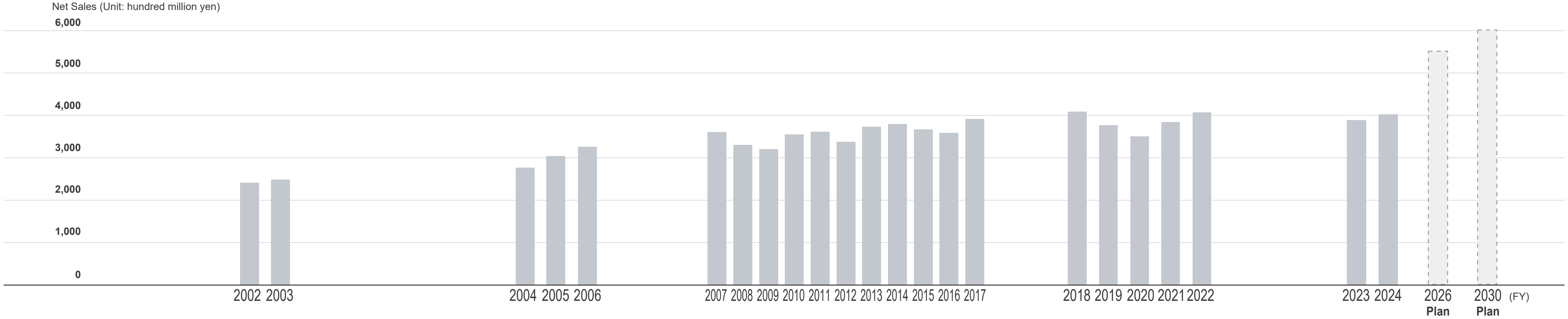


Business Value Creation Trajectory of Our Business Portfolio Shift

Management Plans	Innovation 22 Movement	NS06 (DENKA "New Stage 2006")	DENKA100	Denka Value-Up	Mission 2030
Coverage	FY2002–2003	FY2004–2006	FY2007–2017	FY2018–2022	FY2023–2030

Operating income composition





	Innovation 22 Movement	NS06 (DENKA "New Stage 2006")	DENKA100	Denka Value-Up	Mission 2030
Growth policies	• Merger with Toyo Kagaku Co., Ltd. (2003) • Establishment of Denka Azumin Co., Ltd. (2003)	• Expansion of CLEAREN and MS resin production facilities in Singapore (2006) • Expansion of spherical silica filler production facilities in Singapore (2006)	• New DAS food packaging production facility (2006) • DENKA SEIKEN Co., Ltd. becomes a wholly owned subsidiary (2007) • Construction of new Toyokalon factory in Singapore (2011) • New ultra-high purity AB production facility at Chiba Plant (2014) • Acquisition of DPE (2014–2015) • Acquisition of Icon (2017) • Establishment of DKGX (2017)	• Construction of new influenza vaccine production facility at DENKA SEIKEN Co., Ltd. (2018) • Capital participation in Plex Bio Co., Ltd. (2019) • Merger with DENKA SEIKEN Co., Ltd. (2020) • Expansion of high-performance spherical filler production facility at Omuta Plant (2021) • Increased production capacity of diagnostic reagent product (2022)	• Establishment of Denka SCGC and construction of AB production plant (2023) • Acquisition of 50% shares of Frontier Carbon Corporation (2024) • Investment in CARBON FLY, Inc. through CVC fund (2024) • Decision to expand Alsink production facility (2025)
Structural reforms	• Sale of shares in Denka Pharmaceutical Co., Ltd. (2002)	—	• Withdrew from the vinyl acetate monomer business (2013) • Decision to cease calcium carbide production at Omuta Plant (2017)	• Withdrawal from DAS food packaging business (2019) • Withdrew from the EVA emulsion and polyvinyl acetate resin business (2019) • Withdrawal from cement business (2022) • End of commissioned manufacturing of macromolecular sodium hyaluronate (2022) • Dissolution of DXGX (2022)	• Discontinuation of norovirus vaccine development at Icon (2023) • Consolidation of Toyokalon production bases, withdrawal from Y Film/Caralyan business (2024) • Temporary suspension of DPE production facility (2024)

Human Resources Value Creation

We will implement human resources investments and undertake system reforms with the aim of being a company that allows each employee to be aware of their own growth.

Policy	Strategy	Major initiatives for FY2024
Strengthening of human resources development system	Cultivation of Future Executive Manager Candidates, Building of Company-Wide, Integrated Education Framework, and Fostering of a Self-Directed Learning Culture	• **Introduced system to support self-improvement** • **Centralized management of training records through the introduction of a new learning management system**
Promotion of Diversity, Equity & Inclusion	Fostering of Workplace Environments, Systems, and Culture that Empowers Individuals with Diverse Ways of Thinking to Demonstrate Their Capabilities	• **Established company-wide policy for promoting DE&I** • **Acquired Kurumin certification (2nd time)**
Health and Productivity Management and work style reform	Promotion of system reforms to create workplaces that employees will "want to come to work again tomorrow"	• **Recognized as a Certified Health & Productivity Management Organization 2024 and part of the White 500, for the second consecutive year** • **Expanded and strengthened support to quit smoking**

Management Value Creation

From the perspective of sustainability management, we will work to strengthen the management foundations that are imperative for Denka's corporate survival

Policy	Strategy	Previous main initiatives
DX strategy/ process innovation	Transformation of business model and organization, productivity improvements, and development of in-house digital workforce	• **DX strategy** P56 • **Process Reforms Initiatives** P60
Respect for human rights	Establishment of human rights policy and thorough respect for human rights based on the United Nations Guiding Principles on Business and Human Rights and the Global Compact	• **Our View on the Human Rights** P91
Place the Utmost Priority on Safety	Group-wide efforts toward essential safety, establishment of rules, and promotion of safe workplace environments	• **Place the Utmost Priority on Safety** P83
Supply chain management	Sustained improvement of added value across entire supply chain	• **Dialogue with Stakeholders** P95
Improving product safety and quality	Contribution to sustained growth of society and the environment through the provision of trusted products and services	• **Quality Assurance Management** P85
Enhancement of corporate governance	Building of highly sophisticated and effective corporate governance structure that ensures transparency and fairness based on high ethical standards	• **Governance** P71 • **Risk management** P87 • **Internal control** P90 • **Compliance** P93