Creation Process

In response to the world we envision for the future, we will make use of six types of business capital nurtured across 110 years of history, creating business value and striving to realize a sustainable society.

Envisaged World of the Future

- Pursuing Sustainability
- Evolving technology
- Global Population Growth
- Confusion in Social Order

INPUT
(Six types of business capital)

Human Capital ▶P61-64

International and diverse human resources
- Number of employees (consolidated) 6,542
- FY2024 ratio of female managers 5%
- FY2024 ratio of non-Japanese employees 16%

Intellectual Capital ▶P50-55

Core technologies that captured megatrends
- Research sites 1 in Japan + 3 overseas
- FY2024 number of research staff 867
- R&D spending for FY2024 ¥14,887 million

Natural Capital ▶P66-70

Efficient use of resources
- FY2024 renewable energy ratio 34%
- FY2024 total wastewater 60,660 Megaliters
- Hydroelectric power plants 17 locations

Note: includes co-owned plants

Manufacturing Capital ▶P60

A production system that supports global competitiveness
- Manufacturing sites 13 in Japan + 9 overseas
- FY2024 capital investment ¥69,173 million

Social Capital ▶P95-97

Our partnerships with stakeholders
- Investor engagement status 346 domestic and overseas

Financial Capital ▶P17-26

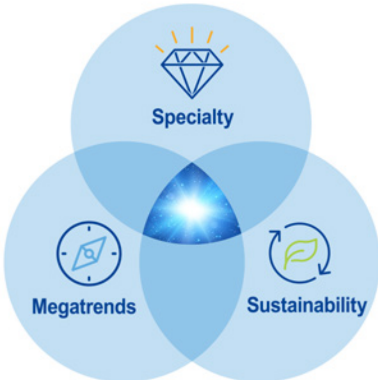
The financial base and investment for value creation
- Consolidated total assets ¥655,524 million
- Net DE ratio 0.76x

BUSINESS MODEL

Core Competence (Strengths of the Denka Group) ▶P23

Management Plan "Mission 2030"

Business Value Creation



Human Resources Value Creation

Management Value Creation

Strengthening Intangible Assets ▶P49

- New Business Development ▶P50-55
- Electronics & Innovative Products ▶P37-39
- Life Innovation ▶P40-42
- Elastomer & Infrastructure Solutions ▶P43-45
- Polymer Solutions ▶P46-48

Materiality ▶P31-P33

- Responsibility for and contributing to a sustainable society
- Strengthening of the business foundation

OUTPUT

Provision of products for infectious disease control and medical fields

▶P40-41

Contribution to a sustainable society

▶P65-70

Innovation and new business development in three key areas

▶P54-55

Human resource development / DE&I

▶P63

Collaboration activities with local communities and society

▶P95-97

OUTCOME

Increased Sustainability and Corporate Value

Operating income (FY2030)
¥100 billion or more
(15% or more operating income ratio)

ROE (FY2030)
15% or higher

ROIC (FY2030)
10% or higher

"Three-star businesses" incorporating the three elements of specialty, megatrends, and sustainability.
100%

Investment cash flow
Eight-year total **¥470 billion**

R&D spending
(including ¥50 billion for basic research)
Total of **180 billion yen** over 8 years

Creation of Social Value

Achievement of carbon neutrality

CO_2 emission	60% reduction compared to FY2013 (1 million tons) (FY2024: 25% reduction compared to FY2013 [1.84 million t-CO_2])
Maximizing renewable energy generation	150 MW (FY2024: 147 MW)

Strengthening of human resources development systems

Average training cost (per person)	Double amount compared to FY2021 (FY2024: ¥75.6 thousand/person/year)

DE&I

Ratio of female/foreign/experienced hires in management positions	50% (FY2024: 21%)

Place the Utmost Priority on Safety

Occupational accident frequency rate (Number of casualties/Total working hours x 1 million)	The Company and affiliates 0.2 or less (FY2024: 0.73)

Improving product safety and quality

Integration of quality control systems, raising of control standards	Number of significant compliance violations: 0 (FY2024: 0 cases)

PURPOSE

Make the world a better place as specialists in chemistry.