

Life Innovation

Message from the Division Head



Taro Inada

Executive Officer
Head of Life Innovation

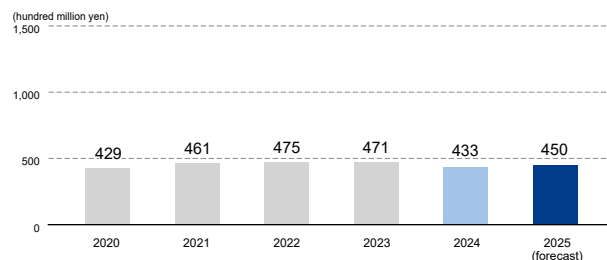
We feel that the environment surrounding the Life Innovation business has changed significantly since the COVID-19 pandemic. While awareness of pandemic risks has increased, some countries have implemented policies to curb medical expenses, further complicating the business environment. Our division will face the changing market in a sincere manner, strengthen our supply responsiveness to better address pandemics and other challenges, and firmly uphold the DNA inherited from our predecessors to deliver better QOL (Quality of Life) to people around the world.

Strategies for Achieving the Goals of the Management Plan “Mission 2030” (Strategies toward 100% “Three-Star Businesses”)

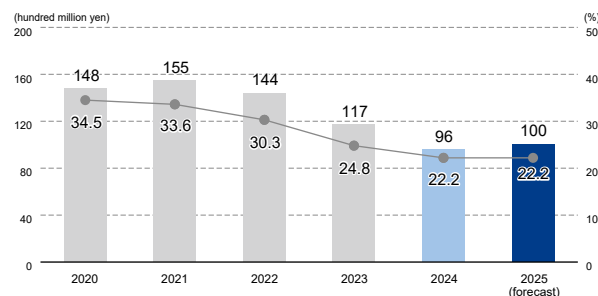
Strategic areas and markets	[Key products]	[2024 results]	[2026 plan]	[Division Goals for 2030]
Prevention	● Influenza vaccines	● Began operation of new facility for the manufacturing of undiluted influenza vaccines to enable early and stable supply of influenza vaccines in 2022 ● Although influenza outbreaks increased compared to the previous year, vaccination rates remained unchanged from the previous year ● Soaring prices of raw material for influenza vaccines	● Promote to enhance profitability through further improvements in safety and productivity, while aiming at expanding share and increased shipment of existing vaccines as one of our core businesses through early shipment and enhanced logistics strategies ● Enhance the fundamental technologies of vaccine production and promote new vaccine development	● In addition to the early stable supply of existing vaccines, continue to advance the development of new, safer and more effective vaccines
Diagnosis	● Rapid Antigen Test Kits ● Clinical diagnostic reagents	● The COVID-19/Influenza combo test kit continued at full operation in response to strong demand for testing, but sales volume decreased due to temporary suspension of operations for production capacity expansion and the end-of-year drop in outbreaks. ● Expansion work on reagent production facilities at the Gosen Plant to meet growing demand for Rapid Antigen Test Kits and clinical diagnostic reagents (completed in May 2025)	● In addition to expanding production capacity, we are working to strengthen production efficiency through the digitalization of business, production, and logistics processes ● Promote income increase by enhancing domestic and overseas marketing, establishing new sales channels, and expanding our product portfolio	● Provide a variety of diagnostic agents and systems that are quick, simple, inexpensive, responsive, and multi-diagnostic
Treatment	● Cancer Therapy Viral Preparations	● Review processes to stabilize production of viral preparations for cancer treatment	● Establish a system for stable production, supply, and expanded production of Cancer Therapy Viral Preparations	● Aim for CMOs and CDMOs based on Cancer Therapy Viral Preparations * CMO: Contract Manufacturing Organization CDMO: Contract Development and Manufacturing Organization

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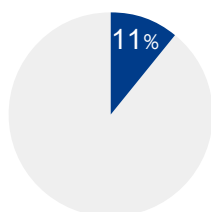
Net Sales Trends and Outlook



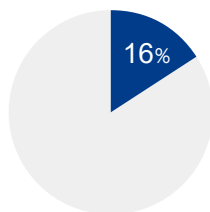
Trends and Outlook for Operating Income/
Operating Income Ratio



Percentage in Overall Net Sales
(FY2024)



Percentage in All Employees
(FY2024)



SWOT Analysis

- A lineup of various Rapid Antigen Test Kits and diagnostic reagents developed in-house employing Denka's proprietary technologies
- Superior technological capabilities and robust production capacities backed by cutting-edge diagnostic agents and vaccine manufacturing facilities
- A robust network of industry-academia-government collaboration with a diverse range of partners to enhance Denka's own R&D capabilities
- Innovation arising from the integration of know-how in the fields of chemistry and healthcare, two very different fields, and marketing capabilities derived from a combination of customer bases in both fields

Strengths **S**

- Growing need for solutions supporting the prevention and early diagnosis of disease in countries around the globe
- Establishment of demand for rapid antigen diagnostic testing due to the Novel Coronavirus pandemic
- Growing demand for medical services tailored to the needs of individual patients
- Widespread use of IoT and AI
- Possible emergence of novel types of business supported by government-led growth strategies (legal revisions and regulatory relaxation)

Opportunities **O**

- Susceptibility of many infectious disease-related products to demand fluctuations attributable to changes in the magnitude of epidemics and types of disease

Weaknesses **W**

- Acceleration of development of competitor technologies for vaccines and diagnostic reagents triggered by the global Novel Coronavirus pandemic
- Increasing complexity of the business environment, such as the implementation of medical cost containment policies in some countries

Threats **T**

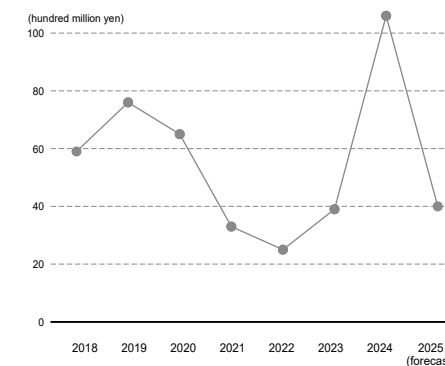
“Investment” for Further Growth

- While keeping an eye on changes in the external environment, appropriately reviewing our product development portfolio and promoting R&D capabilities to capture new testing demand.

“Cash Generation” through Strengthening of Existing
Business Operations

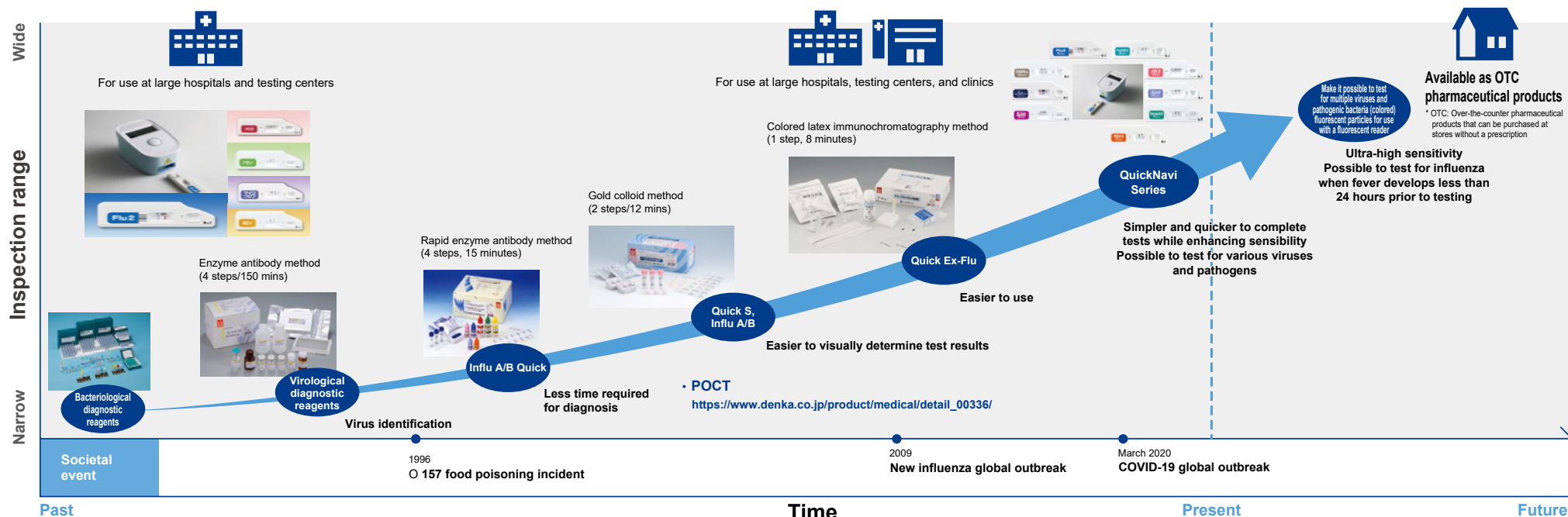
- Development of a product supply system for stable through increased manufacturing capacity of clinical diagnostic reagents and Rapid Antigen Test Kits, and enhancement of production efficiency through the digitalization of business, production, and logistics processes.

Investment Value Trends



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POCT (Point of Care Testing) Deployment



Contributing to Society through Business

● Influenza Vaccines

We will contribute to maintaining health of people and the entire society as well as improved well-being level and production capacity by preventing seasonal influenza that infects many people every year.

● Rapid Antigen Test Kits for Infectious Diseases

(Influenza, novel coronavirus, hemolytic streptococcus, norovirus, RS virus, etc.)

By diagnosing infectious disease infection, including influenza and novel coronavirus, we will enable early and appropriate treatment to shorten recovery time and prevent outbreak.

We will contribute to burden reduction of patients and medical staff, continuous economic activities, and public hygiene (we offer combo kits capable of simultaneous diagnosis for influenza and novel coronavirus).

The Rapid Ebola Diagnostic Kit developed by Denka and Hokkaido University received approval for use in the Democratic Republic of the Congo in FY2024.

It enables quick diagnosis even in remote areas and is expected to contribute to preventing the spread of infection.

● Clinical Diagnostic Reagents

(immune serum test reagents, clinical chemistry test reagents, bacteria/virus test reagents, etc.)

We provide various test reagents to the domestic and overseas markets, enabling early diagnosis of myocardial infarction and rheumatism, diagnosis of lifestyle related diseases such as arteriosclerosis and diabetes, and diagnosis of various infectious diseases.

By enabling quick and accurate diagnosis, we play an essential role in selecting appropriate treatment methods and disease management.

We contribute to improvement of public hygiene, early diagnosis and prevention of diseases, reduction of medical cost, as well as to maintaining healthy society.

