

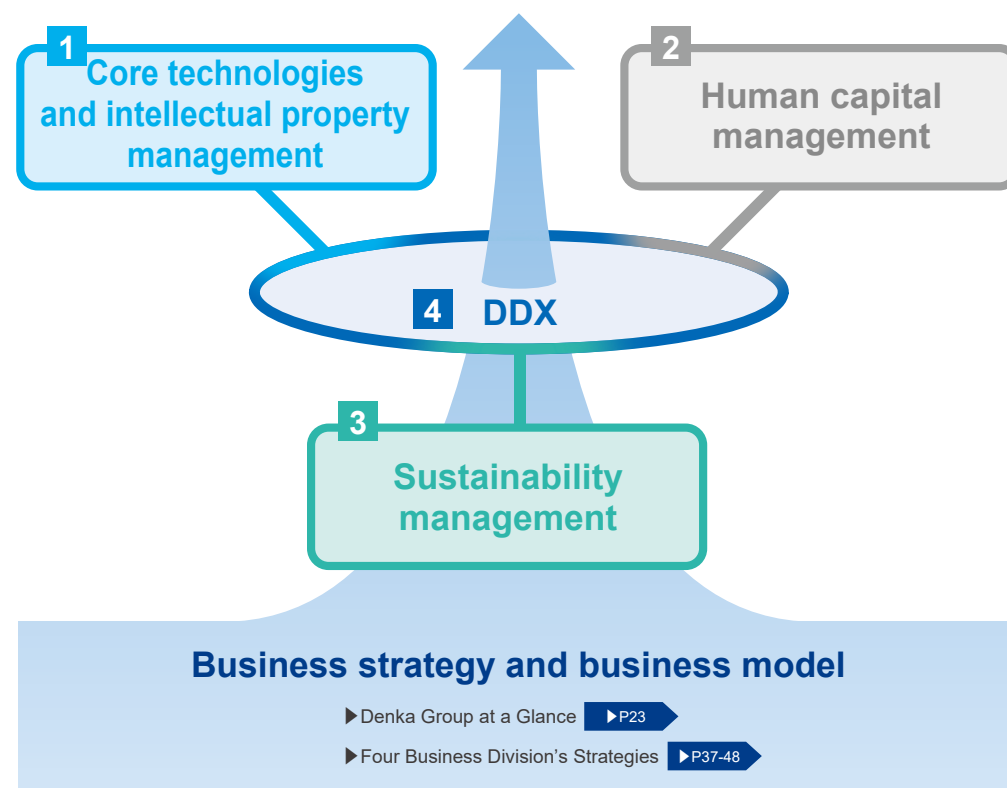
Strengthening of Intangible Assets as the Driving Force of Growth

Denka operates a wide range of businesses and possesses a wealth of intangible assets that are the source of its corporate value.

These intangible assets have been built over many years by our predecessors as they worked to solve social issues, and have served as the driving force behind business growth and portfolio transformation.

Going forward, we will re-evaluate the value of intangible assets themselves and place them at the core of our business model to achieve sustainable business growth.

Accelerating Sustainable Growth to Enhance Denka's Competitiveness



1 Promoting the Development of Core Technologies through Research & Development and Intellectual Property Management

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Denka's core technologies span semiconductors, pharmaceuticals, infrastructure, and resins. These form the foundation for renewable energy, high-speed communication technology, carbon neutrality, and improved QOL for people—essential for the coming era—and contribute to building a sustainable society.

To realize this, we have created a new business roadmap and are strengthening our R&D structure to systematically acquire key technologies and promote the creation of new businesses in “spillover areas” of existing businesses. In addition, we are utilizing methods such as idea pitches to create new businesses unconstrained by existing operations.

Furthermore, in advancing these new business creation initiatives, the management and utilization of intellectual property such as patents we hold is extremely important.

We have established a management system including an Intellectual Property Strategy Council that is reviewed by the Board of Directors, and have assigned IP personnel to business and research divisions to promote more business-oriented use of intellectual property.

2 Enhancing and Maximizing Employee Capabilities through Human Capital Management

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With the aim of creating a company where each individual can feel their own growth, we are actively pursuing system reforms, regularly conducting employee awareness surveys, identifying issues, and formulating and implementing improvement measures

3 Strengthening Business Competitiveness through Sustainability Management

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As our business partners accelerate efforts toward carbon neutrality, initiatives to reduce environmental impact in manufacturing processes and promote human rights are also crucial for maintaining and enhancing the competitiveness of our products. For over 110 years, we have pursued production methods with low environmental impact, such as using electricity generated by our own hydroelectric facilities.

In addition, we will further strengthen management of various aspects of sustainability and enhance external information dissemination, ensuring that our strengths in sustainability directly contribute to improving our competitiveness and value.

4 Accelerating Business Model Transformation through DDX

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We position DX as an effective means to realize our management plan “Mission 2030,” and are building and operating a robust IT infrastructure and developing and utilizing digital talent (Digital Pilots) to advance Denka Digital Transformation (DDX).