

Denka's Value Creation Story

Overall Framework Linking Strategies, KPIs, and Outcomes

Management Capital Supporting Value Creation (INPUT)

Human Capital ▶P61

- Diverse and specialized human resources
- Corporate culture that pursues Core Values (Initiative, Integrity, and Empathy)

Technological Capital ▶P54

- Create unique products based on composite technologies by combining three chemical technologies: inorganic chemistry, organic chemistry, and biotechnology

Manufacturing Capital ▶P56

- Global production bases
- Advanced production technologies and quality control

Intellectual Capital ▶P53

- Patents and intellectual property
- Know-how and brand strength

Financial Capital ▶P20

- Sound financial base
- Stable cash generation capability

Natural Capital ▶P73

- Own 17 hydroelectric power plants
- More than 111 years of history in energy generation and conservation

Global Network ▶P102

- Locations and sales networks around the world
- Global customer touchpoints

Co-Creation Partnerships ▶P55

- Co-creation with customers, universities, and research institutions
- Collaboration with CVCs and startups

Management Plan "Mission 2030" Phase 2

Business Value Creation × Human Resources Value Creation × Management Value Creation

We will focus on creating business value that combines the three elements of specialty, megatrends, and sustainable enhancement of corporate value on a sustainable basis.

Activities that Solve Social Issues (OUTPUT)

ICT & Energy
Supporting the Future of Cutting-Edge Technology and Energy ▶P38

Healthcare
Supporting People's Health and Contributing to Infectious Disease Control ▶P42

Sustainable Living
Contributing to Comfortable, Prosperous Lives and a Recycling-Oriented Society ▶P47

Contributing to the Global Environment

- Reduce CO₂ emissions by 60% by 2030 (compared to FY2013)
- Achieve carbon neutrality by 2050 ▶P70

Use of Renewable Energy

- Own and utilize hydroelectric power generation facilities
- Expand the adoption and use of renewable energy ▶P73

Promote Resource Circulation

- Chemical recycling of styrene resin
- Reduce waste and promote recycling ▶P50

Sustainability of People and Society

- Improve quality and ensure safety, with thorough occupational safety, process safety, and disaster prevention
- Promote DE&I and health and productivity management ▶P61 ▶P86

Strengthening Governance

- Transparent management
- Advance risk management ▶P77

Core Technologies

Inorganic Chemistry × Organic Chemistry × Biotechnology
Create Unique Composite-Technology Products

Sustainable Enhancement of Corporate Value (Sustainable Growth)

Creation of Economic Value (OUTCOME)

Strengthen Shareholder Returns ▶P23

Implementation of Growth Investments (New Businesses / Strategic Fields) ▶P28

Cash Flow Generation ▶P23

Enhancement of Earnings Power (Improve ROE) ▶P21

Value Provided to Society (OUTCOME)

Evolution of Digital and Energy Infrastructure ▶P38

Increasing Healthy Life Expectancy and Correcting Health Disparity ▶P42

Safe, Secure, and Sustainable Living ▶P47

Achieving Decarbonization and Resource Circulation ▶P69

SUSTAINABLE DEVELOPMENT GOALS

Business Models in Three Focus Areas that Solve Social Issues (OUTPUT)



ICT & Energy

Supporting the Future of Cutting-Edge Technology and Energy



- 1 **Significantly reduce transmission loss in high-speed communications (low dielectric loss tangent materials)**

• SNETON • Spherical silica



- 2 **Thermal solutions for increasingly high-heat electronic components**

• Spherical alumina
• Heat-dissipating circuit boards / materials



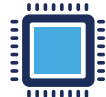
- 3 **Improve the efficiency of ultra-high-voltage cables and storage batteries**

• Acetylene Black

Main Applications / Markets



AI / Data centers



Semiconductors



5G communication



xEV / Batteries



Power infrastructure



Healthcare

Supporting People's Health and Contributing to Infectious Disease Prevention



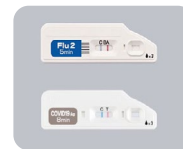
Application technology for antigen-antibody reactions developed over many years



A leading provider in testing and diagnostics



Influenza
HA Vaccine



POCT
(Rapid Antigen Test Kits)



Clinical diagnostic
reagents

Technological capabilities that enabled the early commercialization of COVID-19 diagnostic kits

Main Applications / Markets



Medical institutions / Clinics



Clinical testing centers



Public health / Government agencies



Sustainable Living

Contributing to Comfortable, Prosperous Lives and a Recycling-Oriented Society



- 1 **Automotive**

• Chloroprene rubber

• World's top market share
• Excellent durability and extensive formulation technologies



- 2 **Infrastructure / Construction**

• Special cement additives

• A leading company that addresses challenges in civil engineering and construction by overcoming the weaknesses of concrete



- 3 **Agriculture**

• Calcium Cyanamide
• Magnesium Humate
• Biostimulants

• Solutions that meet farmers' needs for better quality and yields, developed through 111 years of dialogue with farmers
• Businesses in harmony with nature



- 4 **Environment / Water Treatment**

• Toyo Drain

• Contribute to safety and security in water treatment, disaster prevention, and environmental infrastructure



- 5 **Packaging / Lifestyle Materials**

• CLEAREN • MS Resin
• Denka THERMOSHEET

• Outstanding product development capabilities based on the styrene chain (styrene monomer → polymerization → resin processing)

Main Applications / Markets



Automotive



Infrastructure / Construction



Agriculture



Environment / Water treatment



Packaging / Lifestyle materials