

Sustainability Committee

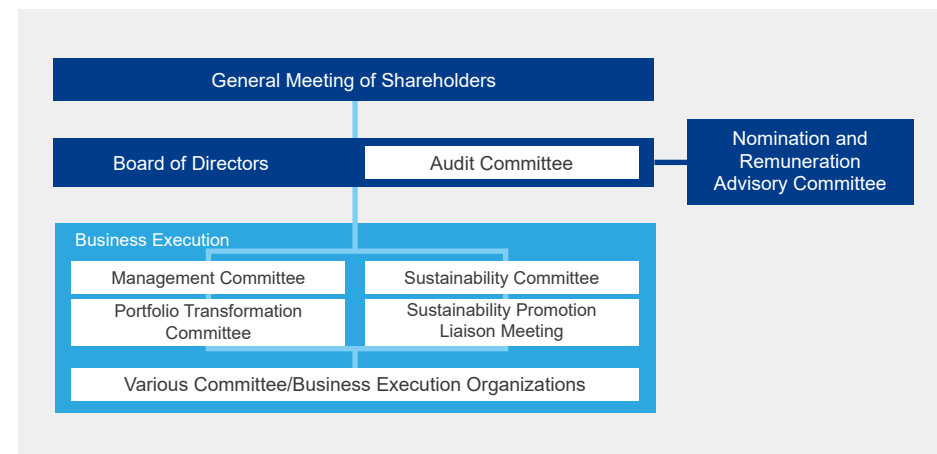
In 2026, we substantially revised the operating structure of the Sustainability Committee that was established in 2023, to enhance its effectiveness. We will develop a structure that allows sufficient discussion of high-priority issues.

1 Sustainability Committee Operating Structure

We established the Sustainability Committee in line with the launch of the Management Plan "Mission 2030" in FY2023 to address sustainability issues and monitor progress. The Committee is positioned within the executive organization, and receives reports from the relevant divisions on the status of activities aimed at achieving the KPIs established for each materiality issue. Based on these reports, the Committee conducts deliberations and makes recommendations. The results of these deliberations are reported to the Board of Directors and regularly communicated to stakeholders as part of our progress updates on the Management Plan.

In July 2026, we established the Sustainability Promotion Liaison Meeting to strengthen the effectiveness of our sustainability management, including a review of materiality.

Sustainability Management Promotion Structure

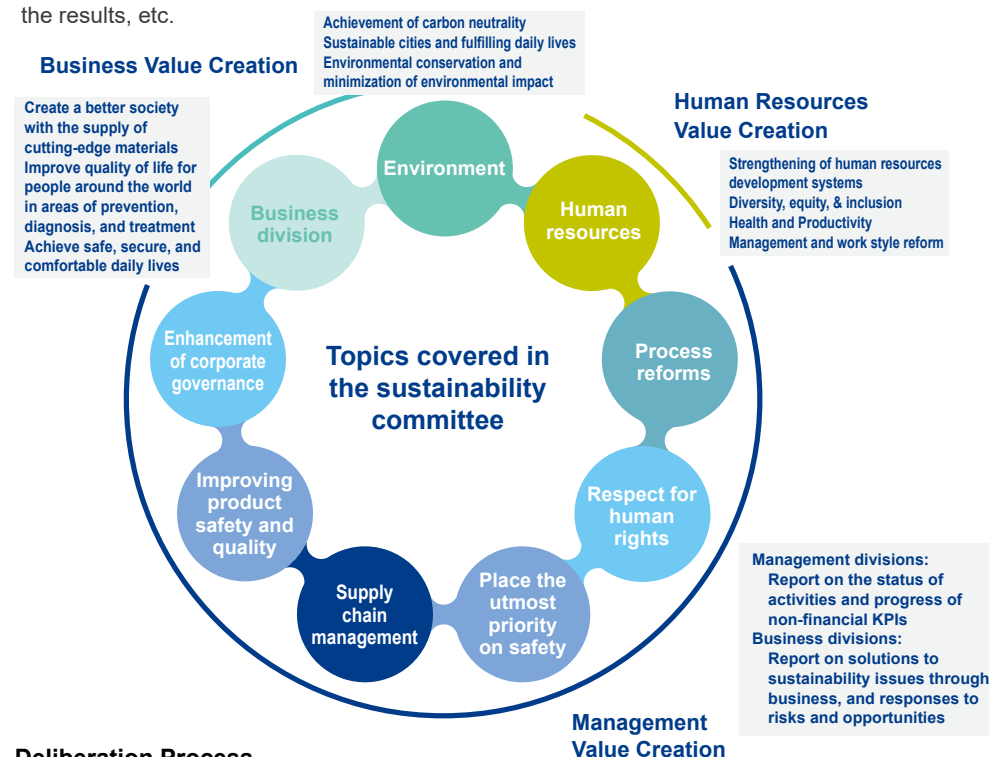


The Sustainability Committee Members

[Chairperson] President (CEO)	[Vice Chairperson] CTO (Chief Technical Officer)	[Members] CFO, CHRO, CCO (in charge of compliance), and the Corporate Planning Dept. senior officer	[Secretariat] Sustainability Promotion Dept.
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2 Discussion Themes

The Sustainability Committee deliberates on the Executive Division's initiatives in line with the following themes and reports and makes recommendations to the Board of Directors on the results, etc.



Deliberation Process



3 Positioning of Materiality (Important Management Issues) in the Management Plan "Mission 2030"

The "three growth strategies (Business Value Creation, Human Resources Value Creation, and Management Value Creation)" in "Mission 2030" are structured based on materiality. For each issue, we set specific measures and KPIs to achieve our goals.

Denka's materiality forms the foundation of its business activities as an essential element for addressing the risks and opportunities associated with sustainability issues affecting its management foundation from a medium- to long-term perspective and realizing its vision.

4 Materiality Review

We will review materiality and non-financial indicators (KPIs) as appropriate in response to changes in sustainability issues, social needs, and stakeholder expectations, to reflect our business activities and their mutual impact on the economy, environment, and society in our management.

In FY2026, we began reviewing our materiality in response to Sustainability Standards Board of Japan (SSBJ), the 2026 revision of the Corporate Governance Code, and other developments.

Materiality

Sustainable growth through the creation of new business
Increasing healthy life expectancy and correcting health disparity
Sustainable cities and fulfilling daily lives
Achievement of carbon neutrality
Environmental conservation and minimization of environmental footprint
Strengthening of Human Resources Development System
Promotion of Diversity, Equity & Inclusion
Health and Productivity Management and work style reform
Process reforms
Respect for human rights
Place the Utmost Priority on Safety
Supply chain management
Improving product safety and quality
Enhancement of corporate governance

"Mission 2030"

**Business
Value Creation**



**Human Resources
Value Creation**

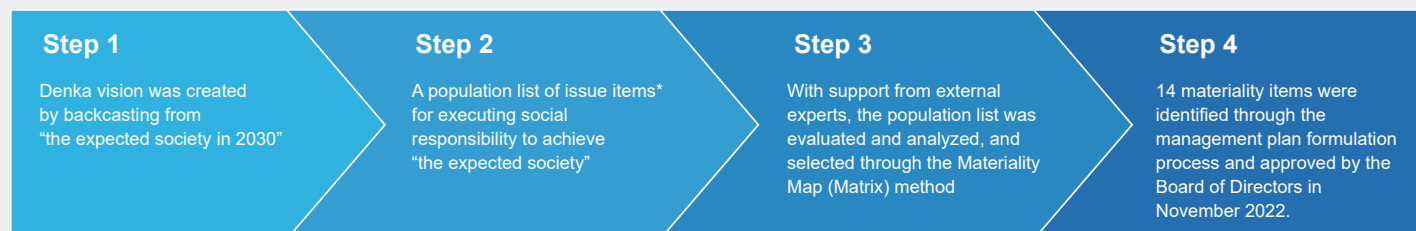


**Management
Value Creation**



Materiality Review Process for FY2022

In formulating "Mission 2030," the Denka Group analyzed and evaluated sustainability issues over the medium- to long-term leading up to 2030, and reviewed our materiality using the following process.



* Population of social issues: Survey items of ESG assessment organizations such as the World Economic Forum (WEF) Global Risk Report (2022 edition), Sustainable Development Goals (SDGs), the SASB Standard, and the CDP were analyzed and classified into 23 categories/333 items

Denka Group Materiality Analysis Map

