

Message from CHRO

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Our ability to rebuild our earning power and achieve the Management Plan "Mission 2030" depends on the transformation of our human resources. Maintaining a competitive advantage ultimately depends on whether, in addition to having strong technologies and facilities, we have the people and organization capable of translating "Initiative," "Integrity," and "Empathy" into results. The reality, however, is that we have reached a point where we can no longer prevail in competition by continuing with conventional approaches. What is required of us now is a clear shift toward a "strong organization."

Unless we evolve into an organization with the sales capabilities to fully create customer value, the ability to formulate our own questions and derive solutions, and the ability to carry transformation through without being constrained by existing frameworks, we will not be able to rebuild our earning power. Going forward, a human resources strategy focused solely on "development" will not be sufficient. If individuals are unable to reach the required level, we must be prepared to review our systems, including assignments, evaluations, and promotions, and renew our human resources portfolio so that it is suited to a strong organization.

At the same time, we will ensure that systems are firmly in place to reward people who take initiative and deliver results, while accelerating the recruitment and development of core talent capable of leading transformation. We will continue to seek individuals who are unafraid to take initiative and individuals who can embrace diverse values and translate them into value creation. More importantly, we must build a "strong organization" that enables those individuals to fully demonstrate their capabilities. This is my most important responsibility as CHRO. We will review every aspect of our organization, systems, and culture and decisively implement the necessary reforms. There can be no enhancement of corporate value without the transformation of our human resources. By simultaneously promoting individual growth and organizational competitiveness, we will evolve into a company capable of sustainably generating earning power.

Roadmap to the Management Plan
"Mission 2030"

Mission

By 2030, we will increase the value of our human resources and management, and we will focus on creating business value that combines the three elements of specialty, megatrends, and sustainability.

Strategy for
"Mission 2030"
Phase 2

Rebuilding
earning power

"Initiative"
×
"Execution"

"Mission 2030"
Phase 3 and beyond

Target state

A strong organization
where self-directed
employees who take
on challenges and
execute them,
can fully demonstrate
their capabilities

Foundational Elements for Strategy
Execution and Human Resources Themes

Business continuity and the driving force
behind growth businesses

Development of next-generation
leadership candidates

Competitiveness of ICT & Energy and Healthcare
**Strengthen the human resources
foundation supporting business growth**

Diversity in decision-making and organizational
transformation capabilities

Ratio of female managers/appointment
of diverse human resources

Execution capabilities and a virtuous cycle for
individuals and the organization

Engagement score

Productivity and sustainable creation of results

Health-related indicators

Policies and Strategies

Policy

Strategy

1.
Strengthening of
Human
Resources
Development
System

Build the human resources foundation that supports the competitiveness of growth businesses by strengthening the human resources development system, including the development of future executive candidates, the establishment of a company-wide integrated education framework, and fostering a self-directed learning culture.

2.
Promotion of
Diversity, Equity
& Inclusion

By creating workplaces, systems, and a culture where people with diverse perspectives can thrive, we will incorporate diverse viewpoints into decision-making and strengthen the organization's ability to adapt to rapidly changing market conditions.

3.
Health and
Productivity
Management
and Work Style
Reform

Promote institutional reforms to create a "workplace employees want to return to tomorrow" and build an environment where employees can fully demonstrate their abilities, thereby improving execution capabilities and productivity.

Initiatives and KPIs toward the Target State

In the creation of human resources value under the "Mission 2030" management plan, we have identified "strengthening of human resources development system", "promotion of diversity, equity and inclusion", and "health and productivity management and work style reform" as key policies (materialities), and set medium- to long-term KPIs linked to each of our policies.

Policy	Key Phase 1 Initiatives	Phase 2 Plans and Measures
1. Strengthening of Human Resources Development System	<ul style="list-style-type: none"> Launched strategic personnel changes Reviewed human resource development programs Established Career Planning Committee Introduced system to support self-improvement Introduced subscription-based e-learning (for managers only) 	Developing Autonomous Talent and Enhancing Our Learning Infrastructure <ul style="list-style-type: none"> Strengthening Human Resources Development <ul style="list-style-type: none"> Support for self-directed career development Integration with talent management Establishment of a unified company-wide training system New HR System (Investment in People) <ul style="list-style-type: none"> Professional career system Regionally restricted G category employees Next-generation Leadership Development <ul style="list-style-type: none"> Career Planning Committee
2. Promotion of Diversity, Equity & Inclusion	<ul style="list-style-type: none"> Expanded recruitment portfolio Held a panel discussion event with Outside Directors x female managers Held Women's Career Journey events (ongoing) Established company-wide policy for promoting DE&I Work and Caregiving Balance Promotion Month 	Promoting Diverse Talent and Supporting a Balance between Work and Major Life Events <ul style="list-style-type: none"> Strengthen frameworks for developing diverse leaders Build awareness and create opportunities to appoint diverse talent Support for balancing work with childcare and caregiving, and raising awareness of support programs <ul style="list-style-type: none"> Training for managers Communication on support programs and legislative changes Global Task Force <ul style="list-style-type: none"> Develop global talent Recruit global talent
3. Health and Productivity Management and work style reform	<ul style="list-style-type: none"> Started in-house recruiting system Held town hall meetings and lunch gatherings by management Recognized as a Certified Health & Productivity Management Organization (White 500) for three consecutive years beginning in 2023 Completed smoking ban during working hours Held labor and management jointly sponsored walking contest (held annually since 2022) 	Promoting Health and Productivity Management and Increasing Engagement <ul style="list-style-type: none"> Continue holding health seminars and similar events Investment in Facilities <ul style="list-style-type: none"> Expand communication spaces Office layouts that bring people together Strengthening Internal Communities <ul style="list-style-type: none"> Town Hall Meeting Cross-communication Roundtable discussions

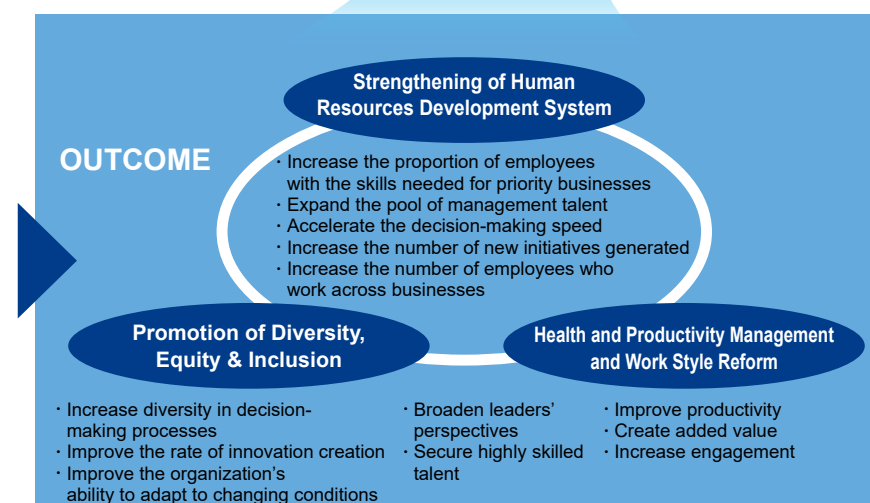
Contribute to
Higher ROE

Target state

A strong organization where
self-directed resources who take
on challenges and execute them,
can fully demonstrate their capabilities

Policy	KPI	FY2025 Results	FY2026 Targets	FY2030 Targets
1. Strengthening of Human Resources Development System	Provide training that employees find valuable	Conduct training satisfaction surveys and aim for a favorable rating. * Evaluated using NPS		
2. Promotion of Diversity, Equity & Inclusion	Ratio of women in managerial positions*1	6%	8%	15%
	Percentage of males taking parental leave	78%	80%	85%
3. Health and Productivity Management and Work Style Reform	Improve employee engagement	—	—	Visualization and ongoing improvement of engagement
	Reducing overtime hours	142 hours per employee per year	140 hours per employee per year	120 hours per employee per year
	Increasing the annual paid leave utilization rate	77%	80%	100%
	Employees maintaining an ideal body weight	63%	68%	80%
	Employees with high stress levels	13%	12%	10% or less
	Employees with good exercise habits	39%	40%	40%
	Reduction in the percentage of smokers	23%	21%	12% or less

*1 Calculated for regular employees only, excluding rehired employees and similar categories



Initiatives Toward the Target State

1. Strengthening of Human Resources Development System

Developing Autonomous Talent and Enhancing Our Learning Infrastructure

To achieve our human resources strategy, we are building a unified company-wide education and training framework. In Phase 1, we established mechanisms for learning. In Phase 2, we will build the organizational capabilities to translate learning into business results, developing autonomous talent and a strong organization.

Phase 1 initiatives (foundation development)

Development by Career Level

We have established a five-year development curriculum for younger employees to progressively acquire fundamental business skills required in any role, including critical thinking, engaging others, and logical communication. For managers, we provide training focused on role transitions to strengthen their ability to manage organizations and develop their team members.



Building Our Learning Infrastructure

We integrated our training platforms by introducing a learning management system (LMS). Centralized management of training records and learning hours ensures a data foundation that improves access to learning opportunities and supports the refinement and enhancement of our programs. The login rate in the first year reached 94.3%, helping establish use of the system throughout the Company.

94.3%

First-year LMS Login Rate

Promoting Self-directed Learning

We support self-directed learning through subscription-based e-learning for managers and our self-development support program. FY2025 was the first year of subscription-based e-learning, and learning hours exceeded twice the initial target. Going forward, we will focus on learning that directly supports day-to-day work. We will develop mechanisms that connect learning with solving operational challenges and delivering results, while encouraging use of the self-development support program to foster a culture where every employee continues to learn in proactive manner.

Results and effects

- Standardize and visualize the training infrastructure
- Improve younger employees' ability to perform their duties and solve problems
- Strengthen managers' ability to manage organizations and develop team members
- Foster a culture of self-directed learning

Phase 2 plans and measures (enhancement and expansion)

By using training data to improve development programs and making learning outcomes visible and shareable, we will extend the benefits of individual learning throughout the organization. Our aim is to develop self-directed resources capable of responding flexibly to a rapidly changing business environment and enhance corporate value in a sustainable manner.

Succession Planning (Career Planning Committee)

The Career Planning Committee systematically develops management talent capable of delivering business results and driving future growth. We will strengthen our business strategies by continuously developing and appointing people who are able to deliver business results, execute plans, and drive transformation. Through a system that fairly evaluates both challenges undertaken and results achieved, we will assign the right people in the right roles and optimize our talent portfolio, building a strong organization that can respond to changes in the business environment.

**Ability to Deliver
Business Results**

**Execution
Capabilities**

**Ability to Drive
Transformation**

Through these efforts, we will continuously nurture people who are able to deliver results today and grow our businesses in the future, achieving sustainable growth and enhancing corporate value.

Global Task Force

As business conditions and market structures change significantly, we are developing global talent capable of creating value across diverse environments, cultures, and markets. Through collaboration with overseas sites and different businesses and functions, we provide opportunities to solve problems while gaining an understanding of diverse values and business practices. This boosts employees' ability to adapt to change and drive business forward.

**Ability to Adapt
to Diversity**

**Global Management
Perspective**

**Ability to Respond
to the External
Environment**

By continuously developing these capabilities, we will cultivate people who are able to deliver results anywhere, strengthening the competitiveness of our growth businesses and enhancing corporate value in a sustainable manner.

Initiatives Toward the Target State

2. Promotion of Diversity, Equity & Inclusion

In Phase 1, we fostered an organizational culture and developed the foundations needed for diverse human resources to fully demonstrate their capabilities. In Phase 2, we will use diversity in decision-making and value creation to strengthen organizational transformation capabilities and competitiveness, thereby reinforcing the competitiveness of growth businesses.

Phase 1 initiatives (foundation development)

Strengthening Management Commitment

We formulated our DE&I Basic Policy and communicated it company-wide together with a message from the President, while also providing e-learning for all employees on DE&I and unconscious bias. In dialogue with management, we repeatedly discussed issues in promoting women's advancement, measures to increase the ratio of female managers, and practical examples from each division.

Executive sessions
(FY2025)

**4 sessions
in total**

"DE&I is not an HR initiative;
it is a management priority."



Career Development and Work-life Support for Female Managers

To increase the ratio of female managers, we promoted career development support and assistance in balancing work with life events.

Seminar for employees
returning from childcare leave

23

Number of participants (FY2025)

We sought to encourage participants to take a long-term perspective and proactively shape their own careers.

Seminar for newly
appointed managers

48

Number of participants (FY2025)

We sought to raise awareness of creating workplaces where employees can work in ways suited to their individual lifestyles.

Women's Career Journey
Held twice in total

(FY2025)

By having successful female employees share their careers and future aspirations, we provided younger female employees with opportunities to think about their own careers in a proactive manner.

Results and effects

- Fostered a shared understanding that DE&I is a management priority
- Expanded active involvement in promoting women's advancement
- Deepened understanding of support for balancing work and life
- Created more inclusive workplaces where diverse human resources can thrive

Phase 2 plans and measures (enhancement and expansion)

Going forward, based on the organizational culture and awareness reforms achieved to date, we will improve and expand our institutional framework. We will create an environment that supports diverse ways of working, strengthen support for balancing work with life events such as childcare, caregiving, and medical treatment, improve managers' management capabilities, and promote broader use of relevant systems. Through these initiatives, we aim to create a company where every employee can develop their own unique expertise and strive to become the best version of themselves.

3. Health and Productivity Management and Work Style Reform

In Phase 1, we developed the foundation for employees to fully demonstrate their capabilities with confidence. In Phase 2, we will enhance execution capabilities and productivity by maximizing individual and organizational performance through Health and Productivity Management and improved engagement.

Phase 1 initiatives (foundation development)

Town Hall Meetings/Lunch Gatherings

An employee engagement survey revealed that employees felt a psychological distance from management, so management held town hall meetings and lunch gatherings with younger employees. By expanding opportunities for dialogue with management, we are deepening understanding of management policy, encouraging changes in managers' awareness and behavior, and fostering a corporate culture where employees can speak up and take on challenges more easily.

Participant comments/reviews (excerpts)



"Understanding the background behind top management decisions helped me better understand and accept them."



"The executives' views on human resources helped inform my approach to management."

(Excerpts from participant survey)

Denka Wellness Week

To deepen understanding of Health and Productivity Management and encourage proactive health-promoting behavior, we designated a health week called "Denka Health Week" and held daily health seminars throughout the week.

Approximately
1,200 people
Number of participants in the Denka
Walking Event (June 2025)



Preventing Falls

In response to the high incidence of fall-related accidents, we held a walking assessment event at the Chiba Plant and provided exercise guidance based on the assessment results.

Approximately
100 people

Participants in walking assessment
event (FY2025/Chiba Plant)



Results and effects

- Deeper understanding of management policy
- Changes in managers' awareness and behavior
- Improved health awareness
- Fostered a stronger sense of organizational unity
- Fostered a culture that encourages employees to take on challenges

Phase 2 plans and measures (enhancement and expansion)

We will continue our company-wide health initiatives through seminars, building on our existing initiatives, to create an environment where every employee can fully demonstrate their abilities and to promote the health and well-being of employees and their families. Based on our analysis of employee health issues, we have identified lifestyle diseases, cancer, and mental health as key employee health challenges. We will work with the health insurance society and medical professionals, while implementing the PDCA cycle, to further enhance Health and Productivity Management. Beginning in FY2026, we will also conduct an engagement survey every year and continuously monitor the effectiveness and improvement status of various initiatives, including work style reform.