

President's New Year's address (excerpt from New Year's speech)

Happy New Year everyone. I am happy to welcome in the new year with you all. I would like to express my heartfelt gratitude to all the people of our corporate group, starting with those who were working at the plant throughout the New Year holidays.

Looking back on last year

Last year, despite geopolitical risks in Ukraine and the Middle East, foreign exchange risks, and the anticipated downside risks to economic activity due to tariffs, the global economy seems to have maintained firm growth on the whole, bolstered by responses to the U.S. tariff policy in various countries and by the expansion of demand for AI. In terms of AI demand, our company released its new product SNECTON in the ICT & Energy domain and decided to expand efforts for ALSINK. We also laid the groundwork for steady growth in other domains: in the Healthcare domain, new facilities for rapid antigen test kits and clinical reagents started their operations, and in the Sustainable Living domain, a new plant for ToyoDrain started operations.

Key policies for this year

This year, we hope to work under our three watchwords of "Initiative", "Integrity", and "Empathy", which are in our DNA and make up our company's core values.

1. "Initiative" this year is to rebuild our earning power.

Hoping for your early action, I would like you to continue working with alertness for the remaining three months of fiscal 2025 to achieve an operating income of 25 billion yen during this fiscal year. Let us use fiscal 2025 as a launch pad to gear up towards further growth in fiscal 2026.

2. "Integrity" concerns our commitment to safety, quality and the environment.

Ensuring safety, quality, and environmental considerations is a value that cannot be replaced by achieving any financial targets and is an absolute requirement for continuing corporate activities. Let us once again take these policies to heart and act accordingly.

3. "Empathy," we aim to strengthen our organizational capabilities.

In order to survive in the global market, we must be a change-resilient organization that brings together diverse strengths. Manufacturing, research, sales, and management divisions will work together to resolve issues with speed and flexibility and achieve further growth.

I want to make 2026 a year full of smiles. Finally, I would like to extend my New Year's greetings to all of our offices and affiliated companies, wishing you all good health and safety. Go Anzen Ni! (Be Safe!)

January 1, 2026

Ikuo Ishida

Denka Company Limited

Representative Director, President