

Third-party Opinion



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Career Summary PhD (Commercial), Graduate School of Commerce, Hitotsubashi University. Prior to current post, worked at the Development Bank of Japan. Visiting scholar at the University of California, Berkeley in 2020–2021. Specialisms include financial accounting, business continuity plans (BCP), and corporate social responsibility (CSR). Publications and papers include “*Venture Ikusei Ron Nyumon Kigyo Ka Mind No Josei Ni Mukete*” (University Education Press, 2004); “*Jigyo Keizoku Management Wo Rikai Suru Hori*” (Nikkan Kogyo Shinbun, 2006); “*The Impact of BCP Disclosure on Cost of Equity Capital*” (Contemporary Disclosure Research, 2012); “*Jigyo Keizoku Keikaku Niyoru Kigyo Burseki*” (Chuo Keizai-sha Inc., 2013); and “*Senryaku Teki Risk Management De Kaisha Wo Tsuyoku Suru*” (Chuo Keizai-sha Inc., 2017). Served as a member of the Expert Panel on Government Service Continuity Evaluation of the Cabinet Office, etc.

As ESG evaluations progress toward global standardization and evaluation organization criteria becomes increasingly stringent, the importance and usefulness of integrated reports are also on the rise. Given these conditions, Dexerials has been making efforts to enhance its sustainable management structure, and this report provides a consistent explanation linking the value creation story, value

creation strategy, and value creation foundation. I made this point in 2023, but the 2024 report makes it even easier for readers to see the overall picture.

The most noteworthy aspect of this report is that, after lengthy discussions within the Company, Dexerials has formulated its purpose, “Empower Evolution. Connect People and Technology.” This purpose is linked to the Company’s business model, and also discussed in the Message from the President, in which the president outlines management goals for implementing the new Mid-Term Management Plan, including specific targets through fiscal 2028. In my estimation, this content provides more detail than the 2023 report.

Elements of the 2024 report that made the strongest impression on me were as follows.

First, the report has enhanced explanations of products and the business model. They accurately convey the source of Dexerials’ earning power and effectively meet investor expectations.

Second, in the Mid-Term Management Plan launched in fiscal 2024, the Company has set clear targets for fiscal 2028, outlined three basic policies to support the plan (Expanding businesses in the growth domains, Qualitative strengthening businesses in the existing domains, and Evolution of the management base), and identified materiality (“Technology” and “Human Capital”), all of which bring the plan into sharper focus.

Third, in identifying materiality, the Company clearly defined “Technology” and “Human Capital” as key issues for strengthening its business model, and by separating these from ESG Key Issues, Dexerials is able to more clearly express its unique characteristics.

At the same time, the Company has demonstrated ingenuity in setting KPIs from a multifaceted perspective, referring to various guidelines and benchmarks to identify ESG Key Issues.

Dexerials’ overall story has become more compelling, and the flow from purpose, to the new Mid-Term Management Plan, and then materiality is highly persuasive. The report includes detailed explanations of financial strategies and risk management, and the inclusion of employee feedback throughout the report makes a very favorable impression. The report volume has increased by about 10% compared to 2023, making for an improved publication.

The report also features a special interview with institutional investors, which is very timely given the growing importance of dialogues with investors.

At the same time, there are issues to be addressed, including the removal of a table indicating performance comparisons among ESG Key Issues. This omission makes it difficult to review fiscal 2023 results. Improvements are also needed for occupational safety issues for which targets have not been achieved.

Although steady progress is being made each year, the Company must further deepen the discussion to realize the purpose set out in the president’s message. While ongoing compliance with global disclosure standards is necessary, I believe that by steadily implementing and embedding objectives aligned with Dexerials’ purpose throughout the organization—rather than focusing solely on commonly used indicators — the Company’s social and business value will naturally increase. As an important tool for achieving this, I look forward to the ongoing and unique evolution of the Dexerials Integrated Report.

Response to Third-party Opinion

We are sincerely grateful to Professor Noda for providing valuable opinions from an objective perspective during the preparation of this Integrated Report.

We have embarked on a new voyage toward further growth, guided by the compass and chart toward the future we have been formulating since the previous Mid-term Plan. This includes our purpose, medium- to long-term vision of “what we want to be,” and new Mid-term Plan formulated by backcasting from that vision.

In this report, with the main theme of “Realizing Our Purpose, Advancing to the Next Stage,” we communicate our medium- to long-term direction and growth strategies with a focus on storytelling.

Further, based on the advice from Professor Noda last year to

present a vision of “what we want to be” and “what it will take to realize”, as well as valuable feedback from domestic and global investors on the 2023 report, we have made improvements from various perspectives.

Professor Noda’s positive evaluation of our efforts to enhance this report is tremendously encouraging. We hope this significantly revamped report will provide readers with a sense of Dexerials’ possibilities and growth potential.

I would also like to note that the results of our efforts to achieve fiscal 2023 CSR targets (KPIs) based on previously identified materiality, as mentioned by Professor Noda, will be disclosed on our website. At the same time, we will provide ongoing updates on the newly established ESG Key Issues in future integrated reports, enabling

readers to monitor our progress toward annual targets and review our business performance.

Going forward, we will continue engaging in dialogue with our stakeholders as we pursue the essence of sustainability unique to Dexerials, as outlined in our purpose and Sustainability Policy. Through these efforts, we aim to achieve further growth and enhance corporate value. We sincerely appreciate the ongoing support of all our stakeholders.



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Executive Officer
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