



Professor at Rikkyo University Graduate School of Business Administration

Kentaro Noda

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 Kigyō Ka Mind No Josei Ni Mukete” (University Education Press, 2004), “Jigyō Keizoku Management Wo Rikai Suru Hon” (Nikkan Kogyō Shinbun, 2006), “The Impact of BCP Disclosure on Cost of Equity Capital” (Contemporary Disclosure Research, 2012), “Jigyō Keizoku Keikaku Niyoru Kigyō Bunseki” (Chuo Keizai-sha Inc., 2013), “Senryaku Teki Risk Management De Kaisha Wo Tsuyoku Suru” (Chuo Keizai-sha Inc., 2017). Member of the Expert Panel on Government Service Continuity Evaluation of the Cabinet Office, etc.

reflected in the Conversation Between Executive Management and Outside Directors.

In regard to human resource management, the health and productivity management section includes a roadmap to 2030 that clarifies targets.

There is also content that will build confidence within stakeholders, such as details of specific training aimed at strengthening the business continuity plan (BCP) and the actual results of a supply chain management survey.

Overall, there are a variety of creative touches, such as the use of comments from employees to illuminate the value creation story, and the structure has a flow that will encourage readers to keep reading.

As for points I would like you to work on in the future, the first is the targets in the environmental management section that were not achieved in fiscal 2021. While I understand that business expansion means that it is not easy to solve every issue, I want these items raised as issues to be addressed in the future.

The second is about the building of an advanced management structure that includes supply chains. Amid tightening global regulation and growing discussion regarding economic security, you need to be proactive in explaining your efforts.

Finally, I can confirm that your human resources development program is making steady progress, so I would like you to organize initiatives in this area with an integrated perspective, so that rather than just advancing individual initiatives, we can expect efforts to lead to the achievement of the ambitious goal of building an advanced human capital portfolio.

As the importance of integrated reports continues to grow, Dexerials is making steady progress year on year, and I am already looking forward to seeing how you will continue to evolve going forward.

2022 was a year that tested the sincerity of companies' engagement with society as the impact of the COVID-19 pandemic continued and the situation in Ukraine had a huge effect on the global economy. Therefore, I think the interest and expectations of various stakeholders regarding integrated reports are higher than ever before.

Within this environment, your Integrated Report confirmed progress on the achievement of the Medium-term Management Plan while also showing real enthusiasm to advance to the next step of development through the new addition of sustainability management, which will link contribution to realizing a sustainable society to the company's growth and enhancement of corporate value.

The Message from Top Management reviews the 10 years since the Company's establishment and describes the response to its efforts to date, including achieving the targets for all KPIs in the updated Medium-term Management Plan two years ahead of schedule.

Following this, the part explaining the importance of aligning each employee's purpose with the company's

purpose for the future amid these uncertain times was extremely striking.

The next point of focus was the incorporation of optical semiconductor device manufacturer Kyoto Semiconductor Co., Ltd. into the Group. I can understand the intent behind this move. It will strengthen the Company's main products and create a stepping stone for the future, thereby making growth strategies more achievable.

I also feel that huge progress has been made since last year regarding the recommendations by the Task Force on Climate-related Financial Disclosures (TCFD). Information disclosure based on the recommendations has been enhanced, such as the description of the business impact assessment.

One year has passed since the Company transitioned into a company with an Audit and Supervisory Committee, which has strengthened its corporate governance structure, but it is still carrying out earnest discussions, including with outside directors, about how to make it even more effective. These efforts are fully



Response to the Third-party Opinion



Executive Officer and Corporate Strategy Division Head

Koichi Akeyama

We are grateful to Professor Noda for his valuable opinions and advice about our Integrated Report from a third-party perspective. We will utilize them the most to keep on making our Integrated Report even better.

Because one of our important goals of this year's report was to provide more people with a deeper understanding of the Company, we revised the overall structure, and enhanced it with content such as conversations and interviews.

In moving forward to our next Mid-term Management Plan, the members of the Board of Directors have been discussing what sustainability management unique to Dexerials should be. Through this discussion, it became a common understanding among board directors that strengthening technologies and developing human resources, which are fundamental elements of Dexerials' "Design-in" and "Spec-in" business model, will be the most important issues to

address for the sustainable growth of Dexerials and continuous contribution to the evolution of society.

This is the direction of Dexerials' sustainability which fully appreciates Professor Noda's advice given last year that ESG, DX, and BCP should be managed in a more integrated manner rather than treated individually.

Going forward, we will work to further improve our sustainability management which reflects Dexerials' uniqueness through tight communication with stakeholders

While the changes in the business environment around the Company continue to accelerate, we will work to maintain trust and fulfill the expectations placed in us by stakeholders by solving social issues and contributing to the realization of a sustainable society through evolution of digital technology.