

1

ABOUT DKK

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89



Vision and Business Characteristics

4



VISION

“Growing with Rare Elements – Becoming a 100 Year Company”

DAIICHI KIGENSO KAGAKU KOGYO CO., LTD. (DKK) is a materials manufacturer involved in the development, production, and sale of functional materials such as zirconium compounds. At the time DKK was founded in 1956, zirconium was not a well understood element and had limited applications. Our young founders saw the potential of zirconium and took on the task of bringing out its possibilities. Under the motto “Because no one has done it, we will do it,” they founded DKK with a spirit of undertaking challenges. Since then, DKK has been steadily moving forward by dedicating ourselves to our customers’ needs and requests while discovering new properties and uncovering the mysteries of that once poorly understood element.

Zirconium is an element which exhibits many unique properties. As a leading manufacturer of zirconium, DKK will draw out the infinite possibilities of this extraordinary element and continue to make DKK vital for the world.



Corporate Introduction Video
Play time: 7 minutes 47 seconds

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Vision and Business Characteristics

5

About zirconium

A rare element with diverse properties

Zirconium is a rare element that exhibits different properties depending on the manufacturing process, the substance to which it is bound, and its crystalline structure. We produce and sell materials with properties customized in numerous ways to meet the requirements of our customers, and our products are used in various forms throughout society, from the industrial sector to household products. Zirconium is now an indispensable part of society's development and a driving force behind the creation of technologies and materials for a new era.

Zirconium is used throughout society

- PCs/smartphones
- Electronic components
- Electric vehicles
- Fuel cells/
Water electrolysis cells
- Biomaterials
- Automotive catalysts

Atomic number
40
Zr

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Vision and Business Characteristics

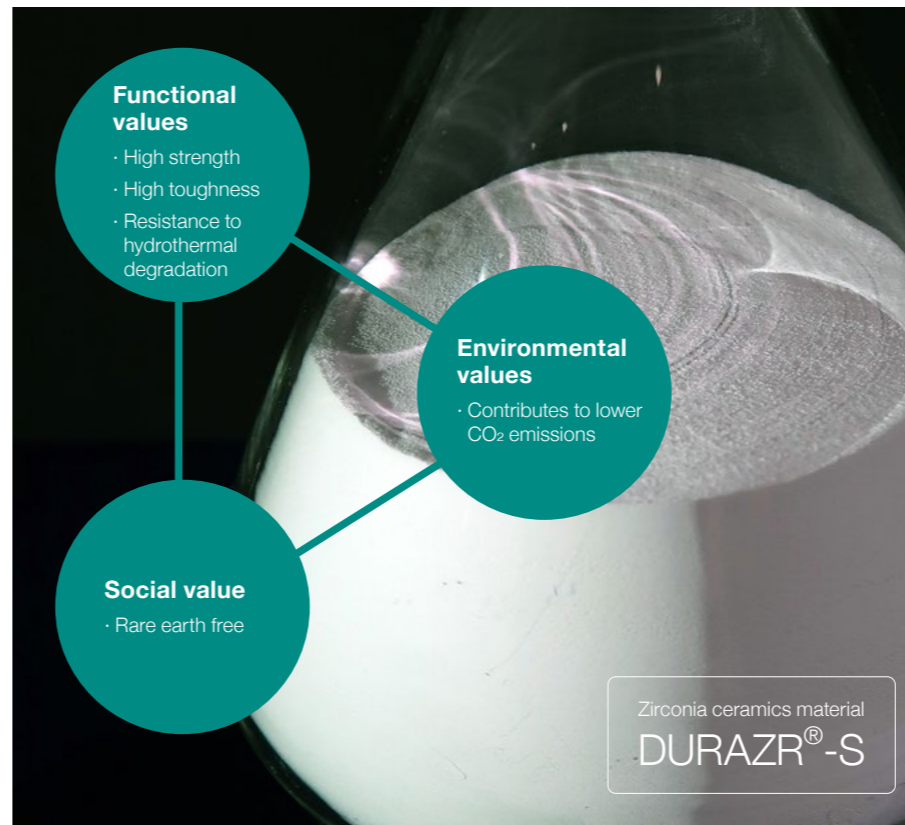
The technical prowess to create ‘Valuable Products’

The DKK Group contributes to a sustainable society through the supply of ‘Valuable Products.’ The “value” of ‘Valuable Products’ is not limited to their functionality. DKK’s zirconia-based ceramic materials have a variety of functional values, such as resistance to hydrothermal degradation, high toughness, aesthetics, and antimicrobial functions. However, they also have environmental value, as they can be sintered at low temperatures, leading to energy savings and reduced CO₂ emissions for customers, and social value, as they do not contain rare earth elements, whose production is limited to a few countries, making them a true wonder material.

Receipt of The Ceramic Society of Japan’s award for industrial ceramic technology

DKK received The Ceramic Society of Japan’s award for achievements in industrial ceramic technology in FY2023 for its development of the DURAZR®-S Series of zirconia ceramics. These awards are presented in recognition of contributions to the progress and growth of the ceramics industry, science, and technology, and of an exceptional record in academic research and technology. DKK was acknowledged for developing a product that maintains the same strength as conventional zirconia ceramics while increasing the value of ceramics.

Award	The Ceramic Society of Japan’s FY2023 award for achievements in industrial ceramic technology
Achievement area	Development of zirconia ceramics with ultra-high toughness and resistance to low-temperature degradation
Award recipient	DAIICHI KIGENSO KAGAKU KOGYO CO., LTD. Masayuki Takai, Research & Development Division, R&D Unit



Related Information

· December 22, 2023
 Notice that DKK’s employee has been awarded The Ceramic Society of Japan’s FY2023 award for achievements in industrial ceramic technology
https://www.ceramic.or.jp/en/act_e/kyoukaisho_list-en.html



· January 23, 2023
 Achieved approximately three times the toughness of conventional zirconia ceramics
 Notice of the development of new zirconia ceramics materials
https://ssl4.eir-parts.net/doc/4082/ir_material3/199761/00.pdf



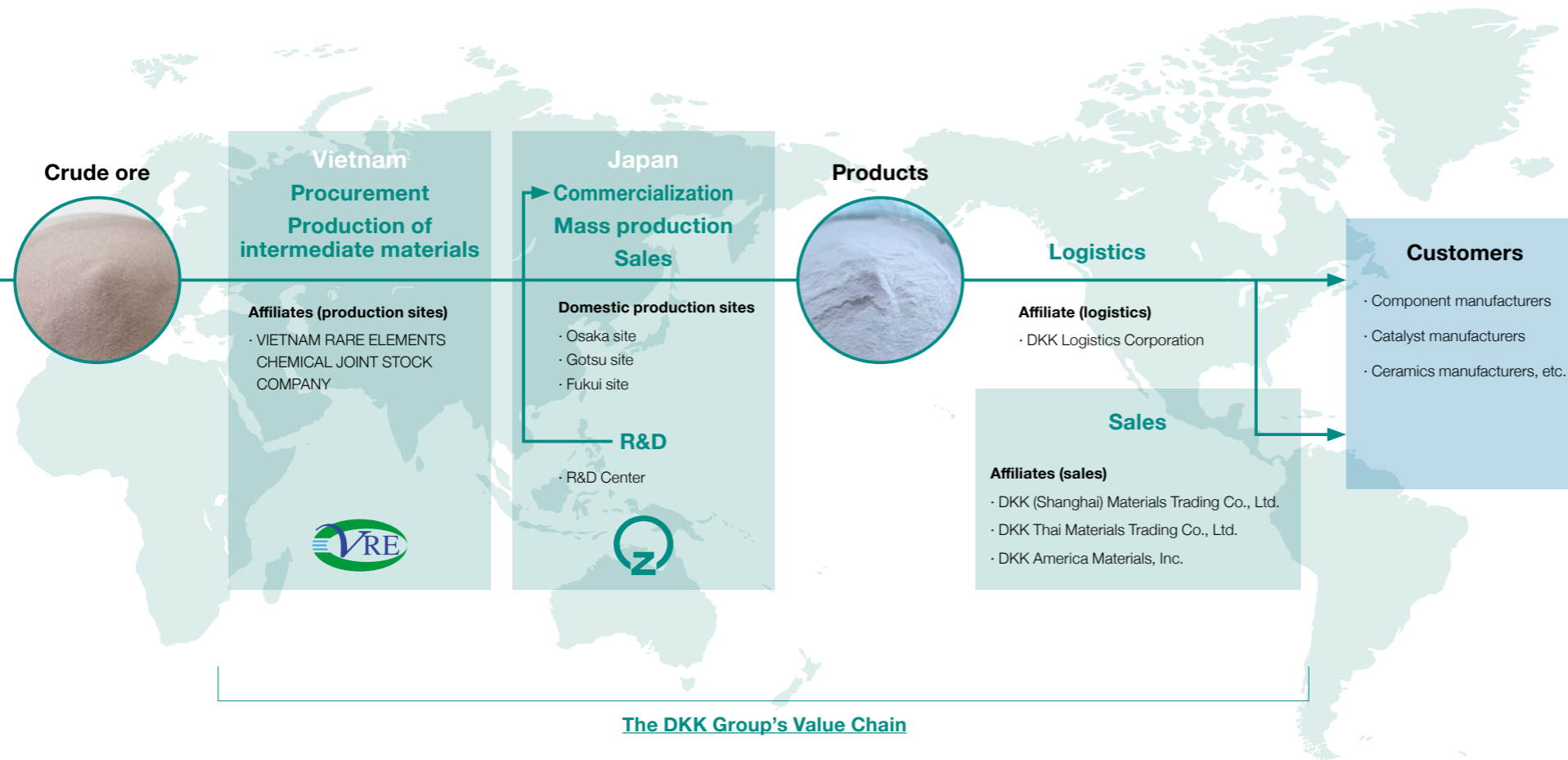
Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Vision and Business Characteristics

The only integrated value chain in the world

The DKK Group is the only organization in the world capable of integrated production of zirconium from crude zirconium ore to finished products within the Group. With its head office and R&D Center in Japan, and manufacturing sites in Japan and Vietnam, the Group has secured its own raw material procurement routes, thereby diversifying its supply chain and ensuring a stable supply of products.



Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Management Philosophy

経営理念
 世に価値あるものを供給
 し続けるには価値ある人生を
 送るもの手によらねばならぬ
 価値ある人生を送るためには
 その大半を過ごす職場を
 価値あるものに創り上げて
 いかねばならず、

Management Philosophy

To pursue a continuous supply of ‘Valuable Products’ for society, we need to utilize the hands of individuals who live a ‘Fulfilling Life.’ In order to live a ‘Fulfilling Life,’ we need to create a ‘Rewarding Workplace’ – a place where we spend a significant part of our lives.

- ‘Valuable Products’** Original and high value-added products that contribute to solving a range of social problems
- ‘Fulfilling Life’** A satisfying way of life in both public and private spaces that encourages the realization of one’s own dreams and ideals
- ‘Rewarding Workplace’** A workplace where we can pride ourselves at being a top zirconium producer

 A place where we and our colleagues can embody the company’s ideals of Kigenso-like

Kigenso-like refers to a corporate culture that welcomes a challenge, supports staff who are undertaking these challenges while also respecting diverse work styles and values.

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Corporate History

DKK was founded in 1956

At that time, zirconium was not a well understood element and had limited applications. Our young founders saw the potential of zirconium and took on the task of bringing out its possibilities. "Because no one has done it, we will do it." They founded DKK with a spirit of undertaking challenges.



Establishment – 1970s

- 1956** DAIICHI KIGENSO KAGAKU KOGYO CO., LTD. established
- 1959** Opened the Osaka Sales Office in Higashi-ku, Osaka
- 1960** Opened the Yodogawa Plant No. 1 in Higashiyodogawa-ku, Osaka
- 1961** Started sale of optical zirconia
- 1966** Opened the Yodogawa Plant No. 2
- 1967** Opened the Itami Plant in Itami, Hyogo
- 1968** Started the sale of zirconia for electronic materials and flame retardants for resins
- 1969** Opened the Tokyo Office (now Tokyo Sales Office) in Kita-ku, Tokyo
Started the full-scale sale of zirconia for refractories
- 1972** Started the sale of zirconia for brakes
- 1976** Started the sale of cesium nitrate for optical lenses
Started the sale of zirconia for oxygen sensors
- 1979** Established a new site on the premises of the Head Office (now R&D Center) in Suminoe, Osaka and integrated the three existing plants into it

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Corporate History

10

1980 – 1990s

- 1980** Started the full-scale sale of electromelting zirconia for continuous casting of steel
- 1981** Started the sale of zirconia for fine ceramics
- 1983** Relocated the Tokyo Sales Office to Minato-ku, Tokyo
- 1984** Established affiliated company, NewTechs Co., Ltd.
- 1990** Started the sale of ceria-zirconia composite oxides for automotive catalyst applications
- 1993** Established I.D.U. Co., Ltd. (now a non-equity method affiliate) in Kochi
- 1996** Obtained ISO-9001 certification
Established the Gotsu Site in Gotsu, Shimane

2000 – present

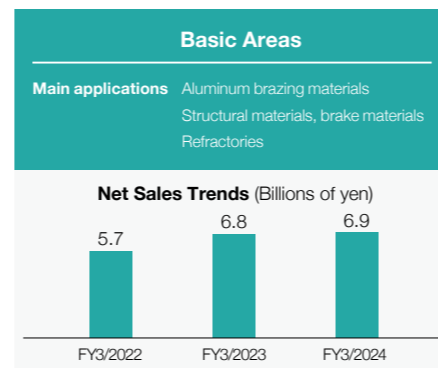
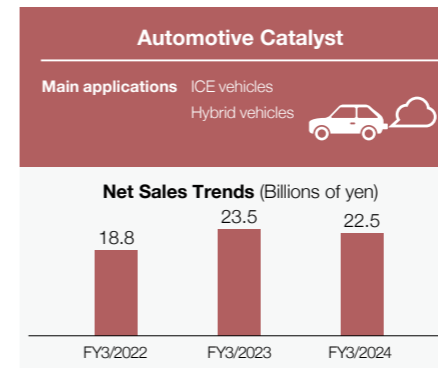
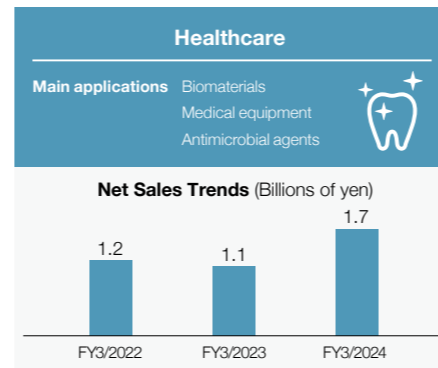
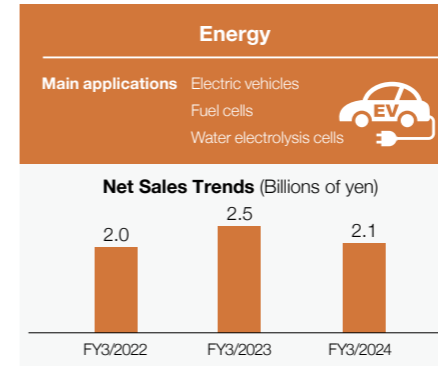
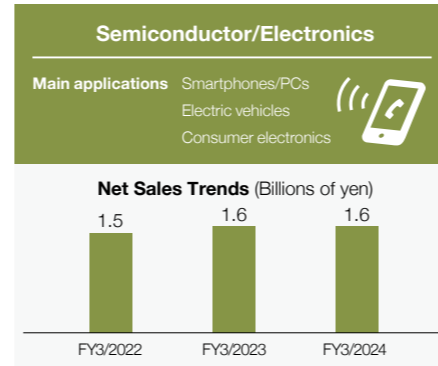
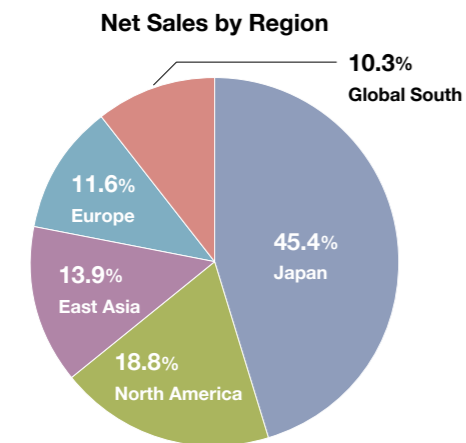
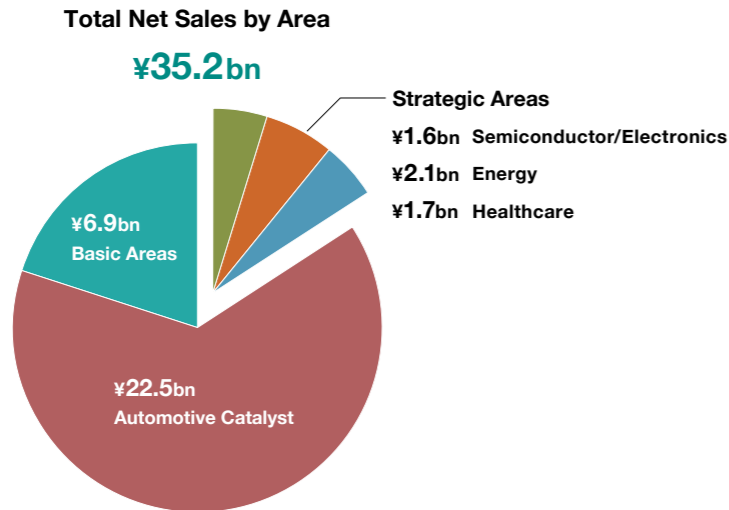
- 2001** Obtained ISO-14001 certification.
- 2002** Relocated the Osaka Sales Office to Chuo-ku, Osaka
Absorbed affiliate New Techs Co., Ltd.
- 2004** Listed on the Second Section of the Tokyo Stock Exchange
- 2006** Established the Fukui Site in Fukui
- 2012** Established VIETNAM RARE ELEMENTS CHEMICAL JOINT STOCK COMPANY (now a consolidated subsidiary) in Ba Ria Vung Tau Province, Socialist Republic of Vietnam

- 2013** Established subsidiary Suihua Shanghai Trading Company Limited (now consolidated subsidiary DKK (Shanghai) Materials Trading Co., Ltd.) in Shanghai, China
- 2014** Established equity-method affiliates Shandong Guangyin DKK New Materials Co., Ltd. and Shandong Guangyin DKK Environment Technology Co., Ltd, in Shandong Province, China
- 2017** Established DKK Logistics Corporation (now a consolidated subsidiary)
- 2018** Established DKK Thai Materials Trading Co., Ltd. (now a consolidated subsidiary) in Bangkok, Thailand
Listed on the First Section of the Tokyo Stock Exchange
- 2019** Relocated the Head Office to Chuo-ku, Osaka
Established subsidiary, DKK America Materials, Inc. (now a consolidated subsidiary) in Michigan, USA
- 2021** Relocated the Tokyo Sales Office to Chiyoda-ku, Tokyo
- 2022** Transitioned to the Prime Market of the Tokyo Stock Exchange
Stated medium-term management plan 'DK-One Next'
- 2023** Established an R&D Center in Suminoe-ku, Osaka

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

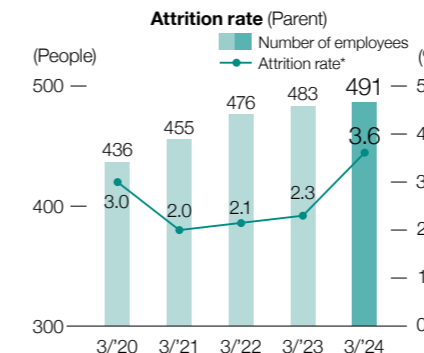
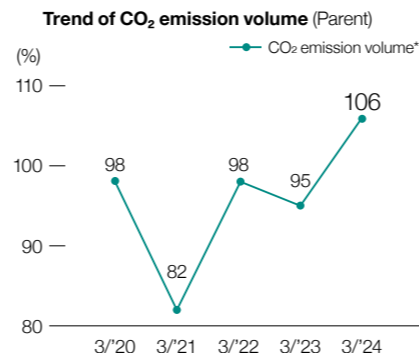
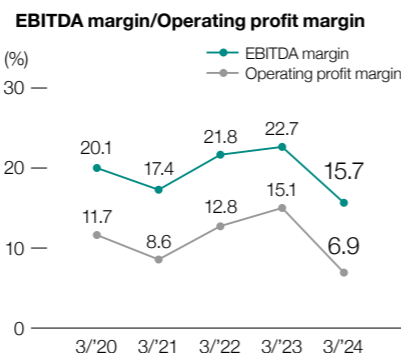
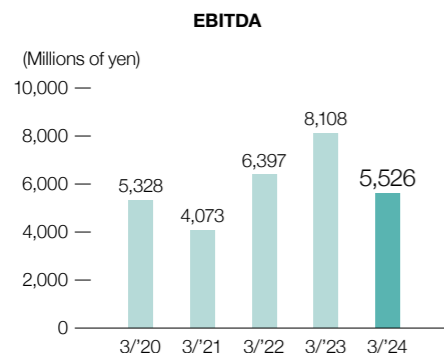
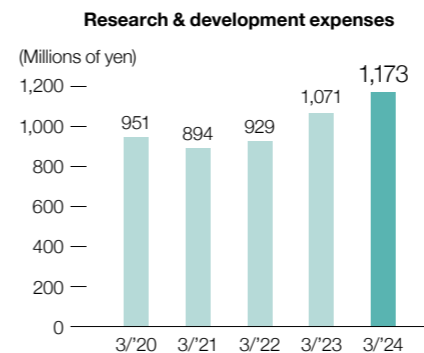
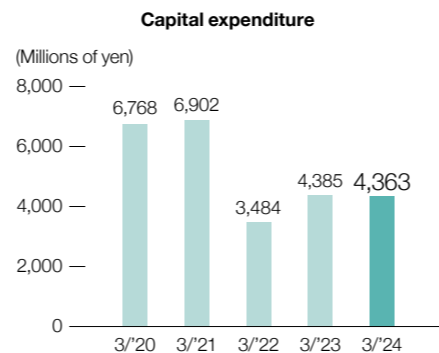
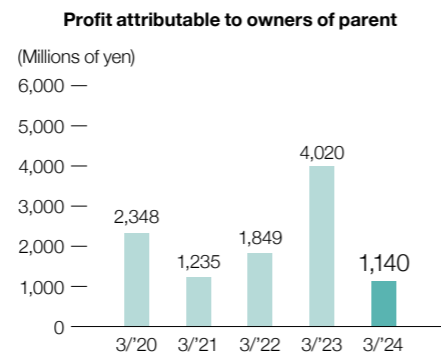
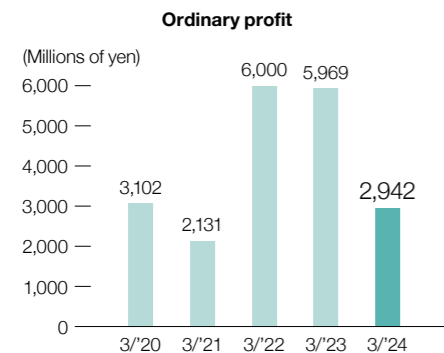
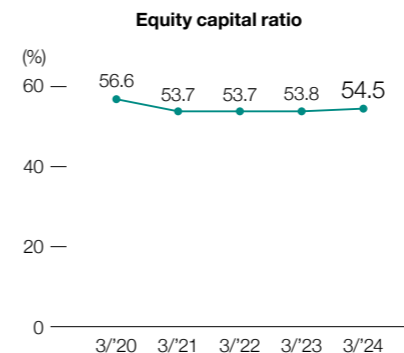
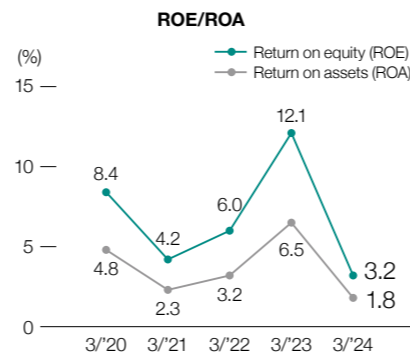
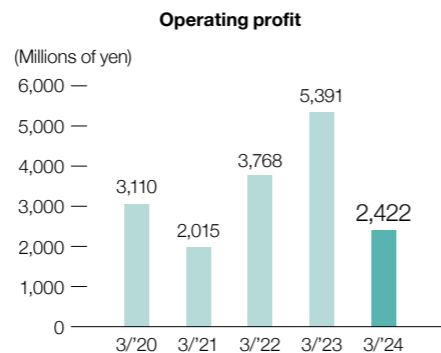
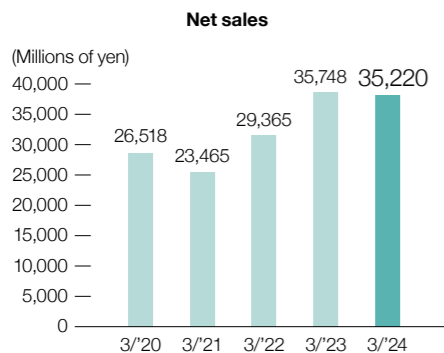
Earnings Breakdown



Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89

Financial and Non-financial Highlights



*EBITDA = Operating profit + Depreciation

*EBITDA margin = EBITDA ÷ Net sales

*Five-year trend presented as a percentage based on FY3/2018.

*Ratio of employees who resigned during the fiscal year out of employees at the beginning of the fiscal year

Index

ABOUT DKK	3
Vision and Business Characteristics	4
Management Philosophy	8
Corporate History	9
Earnings Breakdown	11
Financial and Non-financial Highlights	12
VALUE CREATION	13
BUSINESS STRATEGY	21
INTANGIBLE ASSETS	43
CORPORATE GOVERNANCE	65
FINANCIAL AND NON-FINANCIAL SUMMARY	86
COMPANY PROFILE AND STOCK INFORMATION	89