January 15, 2019

Notice Regarding Transition to Company with Audit & Supervisory Committee

Denka Company Limited (hereinafter "Denka") resolved at the meeting of its Board of Directors on January 15, 2019, on a policy to transition to a "Company with Audit & Supervisory Committee" from the current "Company with Audit & Supervisory Board," subject to approval at Denka's 160th Ordinary General Meeting of Shareholders scheduled to be held in June 2019.

1. Background and Purpose of Transition

Historically, under the recognition that the reinforcement of corporate governance is an important management issue, Denka has strived to establish a fair and highly transparent corporate foundation by strengthening the supervisory functions of the Board of Directors and auditing functions of the Audit & Supervisory Board Members through initiatives such as adopting an Executive Officer System in which business execution functions are separated from the supervisory and decision-making functions of management, as well as appointing three Outside Directors and two Outside Audit & Supervisory Board Members.

At this time, in order to further strengthen corporate governance and improve corporate value by realizing a swifter decision-making structure and an additional layer of strength in the supervisory functions of the Board of Directors through allowing Directors who are Audit & Supervisory Committee Members to have voting rights in the Board of Directors, Denka has decided to transition to a Company with Audit & Supervisory Committee.

2. Timing of Transition

Upon obtaining approval for necessary revisions to the Articles of Incorporation and other matters at Denka's 160th Ordinary General Meeting of Shareholders scheduled to be held in June 2019, Denka plans to transition to a Company with Audit & Supervisory Committee.

3. Other

The content of revisions to the Articles of Incorporation, the new structure including Directors after transition to a Company with Audit & Supervisory Committee, and other details will be announced as soon as these are determined.