

Denka

Possibility
of
chemistry

Results Presentation of FY2022 (Fiscal year ended March 2023)

Securities code: 4061

Denka Co., Ltd

May 11, 2023

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FY2022 Results

- Lower profit year on year (in line with February forecast): Extraordinary losses of 17.7 billion yen due to withdrawal from cement business; 5.0 billion yen gain on sale of strategic cross-shareholdings

(¥ billions)	FY2021 Actual	FY2022 Actual	(Year on Year)	FY2022 Forecast as of February	vs Forecast as of February
Sales	384.8	407.6	+ 22.7	410.0	- 2.4
Operating Income	40.1	32.3	- 7.8	33.0	- 0.7
Operating Margin	10.4%	7.9%	- 2.5%	8.0%	- 0.1%
Ordinary Income	36.5	28.0	- 8.4	29.0	- 1.0
Net Income Attributable to Owners of Parent	26.0	12.8*	- 13.2	12.0	+ 0.8
Forex (¥/\$)	112.1 1H: 109.9 2H: 114.2	135.1 1H: 131.6 2H: 138.6		134.8	
Japan Naphtha (¥/KI)	56,800 1H: 50,800 2H: 63,050	76,500 1H: 82,850 2H: 69,400		75,900	

*Extraordinary Losses of -17.7 billion yen due to withdrawal from cement business

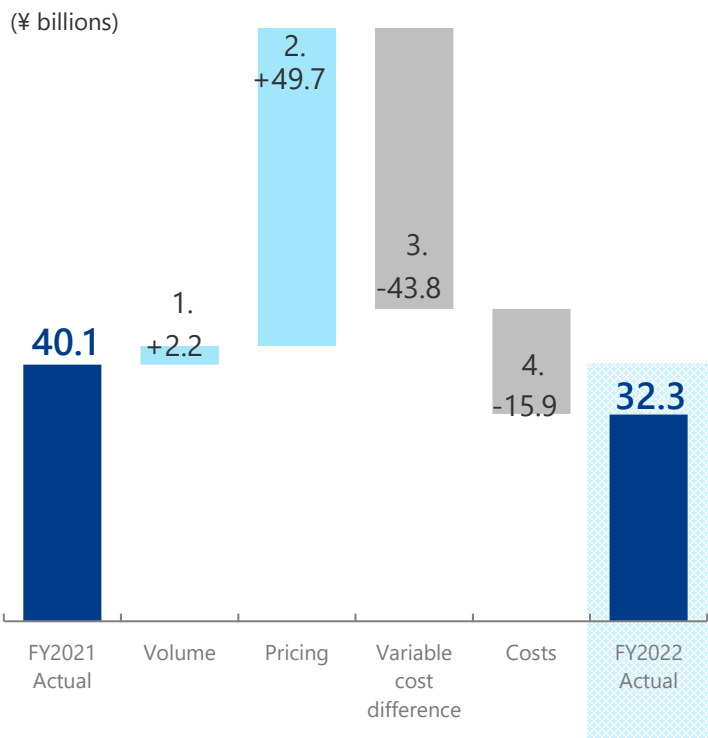
*Gain on sale of strategic cross-shareholdings: +5.0 billion yen(ratio of strategic cross-shareholdings to net assets decreased to 9.97% with the sale)

- Lower profit due to significant negative cost differences, despite positive volume differences and impact of price increases in response to higher raw materials prices.

Operating Income

32.3 billion yen Year on Year -7.8 billion yen

Operating Income Variance Analysis (Year on Year)



1. Volume:

(Plus)

COVID-19 antigen test kits: Increased demand with the 7th and 8th wave of infections

Influenza vaccine: Impact of increased production in connection with the new undiluted liquid plant building

(Minus)

Semiconductor-related, functional resins: Deceleration of market activity in China for consumer electronics (smartphones, TVs, PCs, home appliances)

Chloroprene rubber: Lower demand for applications in industry, adhesives, automobiles, etc.

2. Pricing: (Includes effect of currency fluctuations +29.1)

(Plus)

Acetylene black: Significant price revision in line with product value

Chloroprene rubber, styrene-related products, etc.: Price revisions in response to higher raw materials and fuel prices

(Minus)

COVID-19 antigen test kits: Price declines due to reduction in insurance points

3. Variable cost difference: (Includes effect of currency fluctuations -20.7)

Price increase for raw materials, fuel prices, etc.

4. Cost variances:

Increased costs for buildings a system to increase production and for strengthening sales systems; styrene monomer plant routine repairs (last performed in FY2018), increase in sales logistics costs, etc.

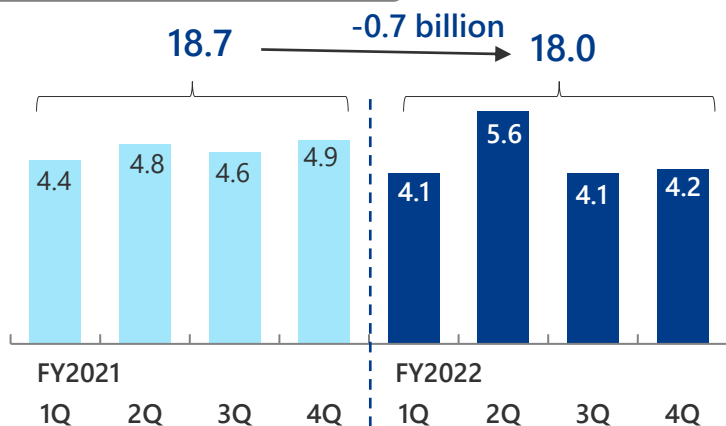
■ Sharp decline in profit for Polymer Solutions

Sales (¥ billions)	FY2021 Actual	FY2022 Actual	Incr. Decr.	Volume	Pricing	
	Electronics & Innovative Products	90.2	93.5	+ 3.4	- 12.4	+ 15.8
Life Innovation	46.1	47.5	+ 1.4	+ 17.8	- 16.3	
Elastomers & Infrastructure Solutions	106.9	123.8	+16.9	- 10.6	+ 27.5	
Polymer Solutions	126.6	127.6	+ 1.0	- 21.7	+ 22.7	
Others	15.1	15.1	- 0.0	- 0.0	-	
Total	384.8	407.6	+22.7	- 27.0	+ 49.7	

Operating Income (¥ billions)	FY2021 Actual	FY2022 Actual	Incr. Decr.	Volume	Pricing	Cost& Others
	Electronics & Innovative Products	18.7	18.0	- 0.7	- 6.6	+ 15.8
Life Innovation	15.5	14.4	- 1.1	+ 15.9	- 16.3	- 0.7
Elastomers & Infrastructure Solutions	- 3.5	- 1.1	+ 2.4	- 4.6	+ 27.5	- 20.6
Polymer Solutions	7.9	-1.2	- 9.1	- 3.8	+ 22.7	- 28.1
Others	1.5	2.3	+ 0.8	+ 1.2	-	- 0.5
Total	40.1	32.3	- 7.8	+ 2.2	+ 49.7	- 59.7

■ Despite the impact of acetylene black price revisions, demand for consumer electronics (smartphones, PCs, home appliances) weakened further in 3Q and continued in 4Q, leading to lower performance year on year

Operating Income by Quarter



Operating Income Variance Analysis (Year on Year)

(¥ billions)



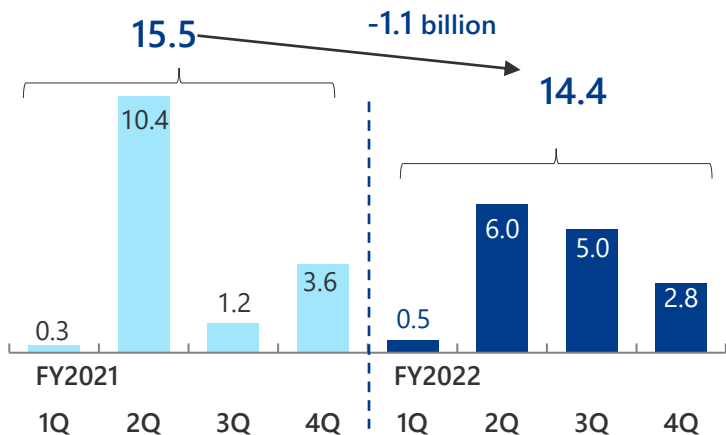
Sales Trends and Costs by Product

- Spherical alumina**
 - Demand for xEVs weakened in 1Q and began to recover in 2Q; however, demand for consumer electronics (smartphones, PCs, home appliances) weakened further in 3Q and continued to weaken in 4Q, with shipments falling below the previous year
- Fused silica**
 - Weakness in consumer electronics (smartphones, PCs, home appliances) in the first half was offset by a recovery in automotive applications; however, demand for consumer electronics weakened further in 3Q and continued to weaken in 4Q, with shipments falling below the previous year
- High-performance film**
 - Strong shipments for high voltage cables continued from the previous year
 - Shipments for xEV-related products weakened in 1Q and began to recover in 2Q, generally level year on year
 - Sales prices rose sharply due to price revisions in line with product value
- Acetylene black**
 - Demand from electric railways remained sluggish as in the previous fiscal year
 - Shipments of xEV-related products weakened in 1Q and began to recover in 2Q, generally level year on year
- Ceramic substrates (silicon nitride, aluminum nitride)**
 - Increased costs due to rising raw materials and fuel prices (corresponding to product prices), increase in costs for systems to increase production, cost to strengthen sales systems
- Cost**
 - Increased costs due to rising raw materials and fuel prices (corresponding to product prices), increase in costs for systems to increase production, cost to strengthen sales systems

d) Life Innovation (Year on Year)

■ Despite increased profit for influenza vaccines, overall profit was lower year on year due to decrease in profit for COVID-19 antigen test kits (impact of price decline > impact of volume increase)

Operating Income by Quarter



Operating Income Variance Analysis (Year on Year)

(¥ billions)



Sales Trends and Costs by Product

Influenza vaccine

- Shipment increased year on year due to increased production in connection with the new undiluted liquid plant building, despite a significant decrease in consumption rates for supply volume in the market compared to the previous year

COVID-19 rapid antigen test kit

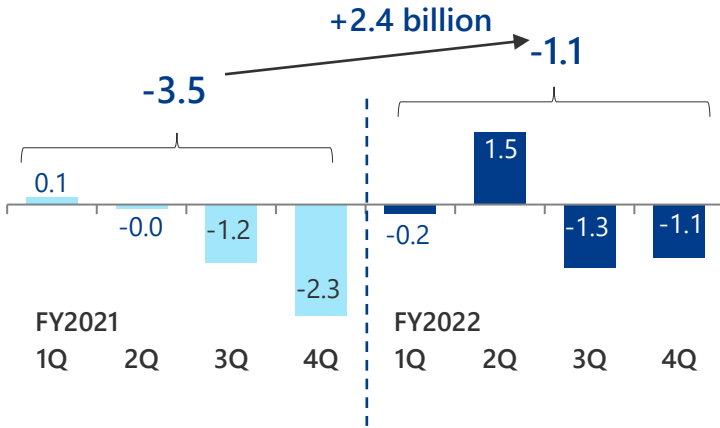
- Even in the absence of supply to the Japanese government in this year which there was in the previous year, shipments were significantly higher year on year for test kits in Japan due to the 7th and 8th wave of infections
- Selling prices fell sharply due to the reduction of insurance points on December 31, 2021

IVD reagents (Inflammation markers, etc.)

- Despite the trend of increasing demand for testing, shipments were lower year on year due to a decrease in demand for hospital testing as a result of the activity restrictions during China's Zero-COVID policy last year, as well as self-restraint after the government's easing of measures

■ Despite a large increase in cement costs due to a sharp rise in coal prices, overall profit improved due to higher profits related to chloroprene rubber (impact of price hikes > impact of demand decline)

Operating Income by Quarter



Operating Income Variance Analysis (Year on Year)

(¥ billions)



Sales Trends and Costs by Product

Chloroprene rubber

- Shipments were lower year on year due to inventory reductions among users in response to weakening demand beginning in 3Q and continuing in 4Q for industrial, adhesive, automotive, and other applications
- Spread improved due to price hikes in response to rising raw materials costs

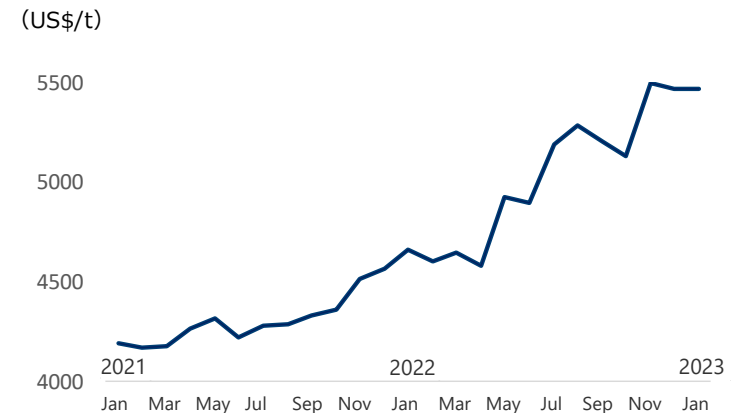
Special cement additives

- Largely unchanged from last year

Cement

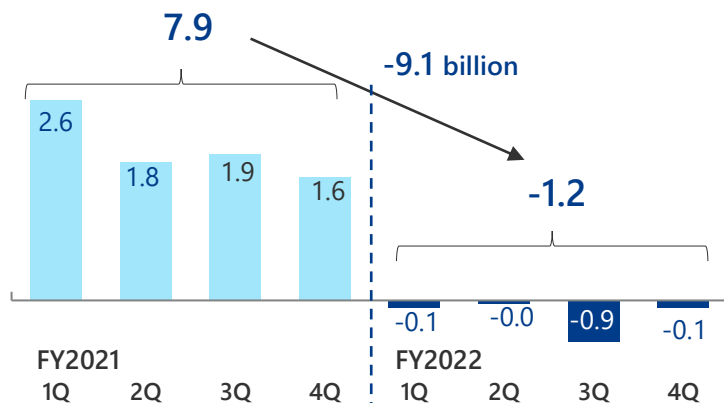
- The 2,300 yen/ton price increase is almost complete (as of September 30)
Progress in the 3000 yen/ton price increase has been delayed
- Coal prices soared (FY2021: \$181/t ⇒ FY2022: \$356/t)

[Customs Statistics] Chloroprene rubber (dry + latex) export unit price



Price revisions in response to rising raw materials prices implemented to maintain the spread; however, profit declined significantly due to lower demand caused by economic downturn, as well as an increase in routine repair costs (approximately 1.5 billion yen) and logistics costs

Operating Income by Quarter



Operating Income Variance Analysis (Year on Year)

(¥ billions)



Sales Trends and Costs by Product

- MS resin**
 - In the first half, weak demand for LGP applications for TVs and PC monitors due to the economic slowdown in the Chinese market was offset by increasing capacity in Singapore to capture replacement demand from competing materials. In the second half, rebounded from a long point in 3Q, recovering in 4Q; however, the 3Q decline was significant, and shipments for the full year fell below the previous year.
- AS, ABS, transparent resins, etc.**
 - Global economic slowdowns (e.g., home appliances, etc.) led to increased efforts to reduce inventories at users, resulting in lower shipments year on year.
- Food wrapping sheets and containers**
 - Shipment volume was lower than the previous year.
- Toyokalon**
 - Shipments were lower year on year stemming from continuing weakness in purchasing power in Africa and the U.S. due to inflation.
- Cost**
 - Raw materials cost increases (maintained spread due to flexible price revisions)
 - Styrene monomer plant routine repairs (last performed in FY2018) during the first half amounted to approximately 1.5 billion yen, increasing sales logistics costs.

- 4Q demand recovery in Polymer Solutions was less than projected, but overall demand was generally in line with our February forecast

Sales (¥ billions)	FY2022 Forecast as of February	FY2022 Actual	Incr. Decr.	Volume	Pricing
Electronics & Innovative Products	95.0	93.5	- 1.5	- 1.5	+ 0.0
Life Innovation	50.0	47.5	- 2.5	- 2.8	+ 0.3
Elastomers & Infrastructure Solutions	125.0	123.8	- 1.2	- 1.9	+ 0.7
Polymer Solutions	125.0	127.6	+ 2.6	+ 2.5	+ 0.0
Others	15.0	15.1	+ 0.1	+ 0.1	-
Total	410.0	407.6	- 2.4	- 3.5	+ 1.1

Operating Income (¥ billions)	FY2022 Forecast as of February	FY2022 Actual	Incr. Decr.	Volume	Pricing	Cost& Others
Electronics & Innovative Products	17.5	18.0	+ 0.5	+ 0.5	+ 0.0	- 0.1
Life Innovation	14.0	14.4	+ 0.4	- 0.7	+ 0.3	+ 0.7
Elastomers & Infrastructure Solutions	-1.5	- 1.1	+ 0.4	- 0.4	+ 0.7	+ 0.1
Polymer Solutions	1.0	-1.2	- 2.2	- 1.0	+ 0.0	- 1.3
Others	2.0	2.3	+ 0.3	+ 0.2	-	+ 0.1
Total	33.0	32.3	- 0.7	- 1.3	+ 1.1	- 0.4

FY2023 Earnings Forecast

- We expect the first half of the fiscal year to remain weak trend from the previous year; however, we project a recovery in the second half and operating income on par with the previous year

(¥ billions)	FY2022 Actual	FY2023 Forecast	Incr. Decr.	FY2023 1H Forecast (Apr-Sep)	FY2023 2H Forecast (Oct-Mar)
Sales	407.6	430.0	+ 22.4	205.0	225.0
Operating Income	32.3	33.0	+ 0.7	12.5	20.5
Operating Margin	7.9%	7.7%	- 0.2%	6.1%	9.1%
Ordinary Income	28.0	29.0	+ 1.0	11.0	18.0
Net Income Attributable to Owners of Parent	12.8	22.0	+ 9.2	8.5	13.5
Forex (¥/\$)	135.1 1H:131.6 2H:138.6	130.0		130.0	130.0
Japan Naphtha (¥/kl)	76,500 1H:82,850 2H:69,400	64,200		64,200	64,200

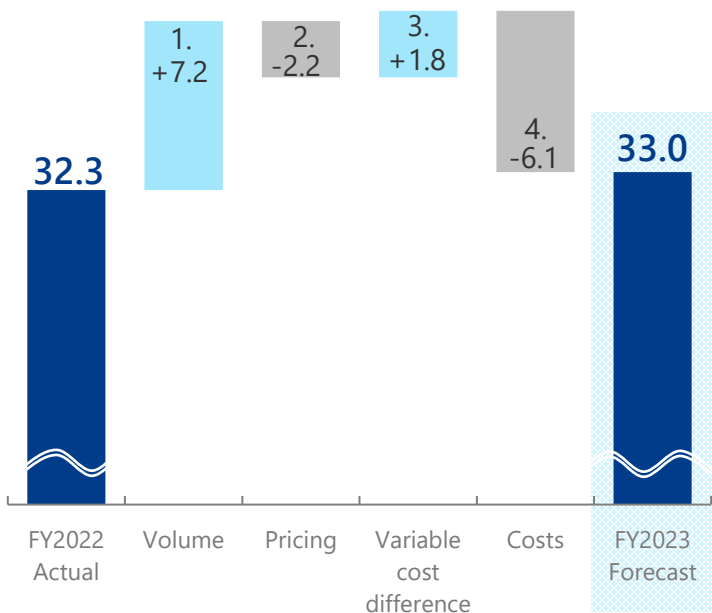
b) Operating Income Change Factors (Year on Year)

■ We expect to incur increased costs associated with building production systems to raise output; however, the volume difference in connection with a recovery in the second half should lead to results level with the previous year

Operating Income **33.0 billion yen** Year on Year **+0.7 billion yen**

Operating Income Variance Analysis (Year on Year)

(¥ billions)



1. Volume: (Plus)

 - Consumer related products (electronic materials-related and functional resins): Recovery in demand for smartphones, TVs, PCs, and home appliances
 - Chloroprene rubber: Recovery in demand for applications in industry, adhesives, automobiles, etc.
 - Influenza vaccine: Shipment increase due to recovery in demand and the effect of the second year of operations in the new plant building
2. Pricing: (Includes effect of currency fluctuations -5.5) (Minus)

 - Styrene-related products: Price revision due to decline in raw materials and fuel prices
 - (Plus)
 - Chloroprene rubber: Benefits of price increases implemented in stages over the last fiscal year (policy to maintain prices this fiscal year)
3. Variable cost difference: (Includes effect of currency fluctuations +4.1)

 - Raw materials and fuel price decreases, etc.
4. Cost variances

 - Increase in costs for systems to increase production, cost to strengthen sales systems

■ We expect a profit decline in Electronics & Innovative Products and Life Innovation; however, Elastomers & Infrastructure Solutions and Polymer Solutions should improve significantly

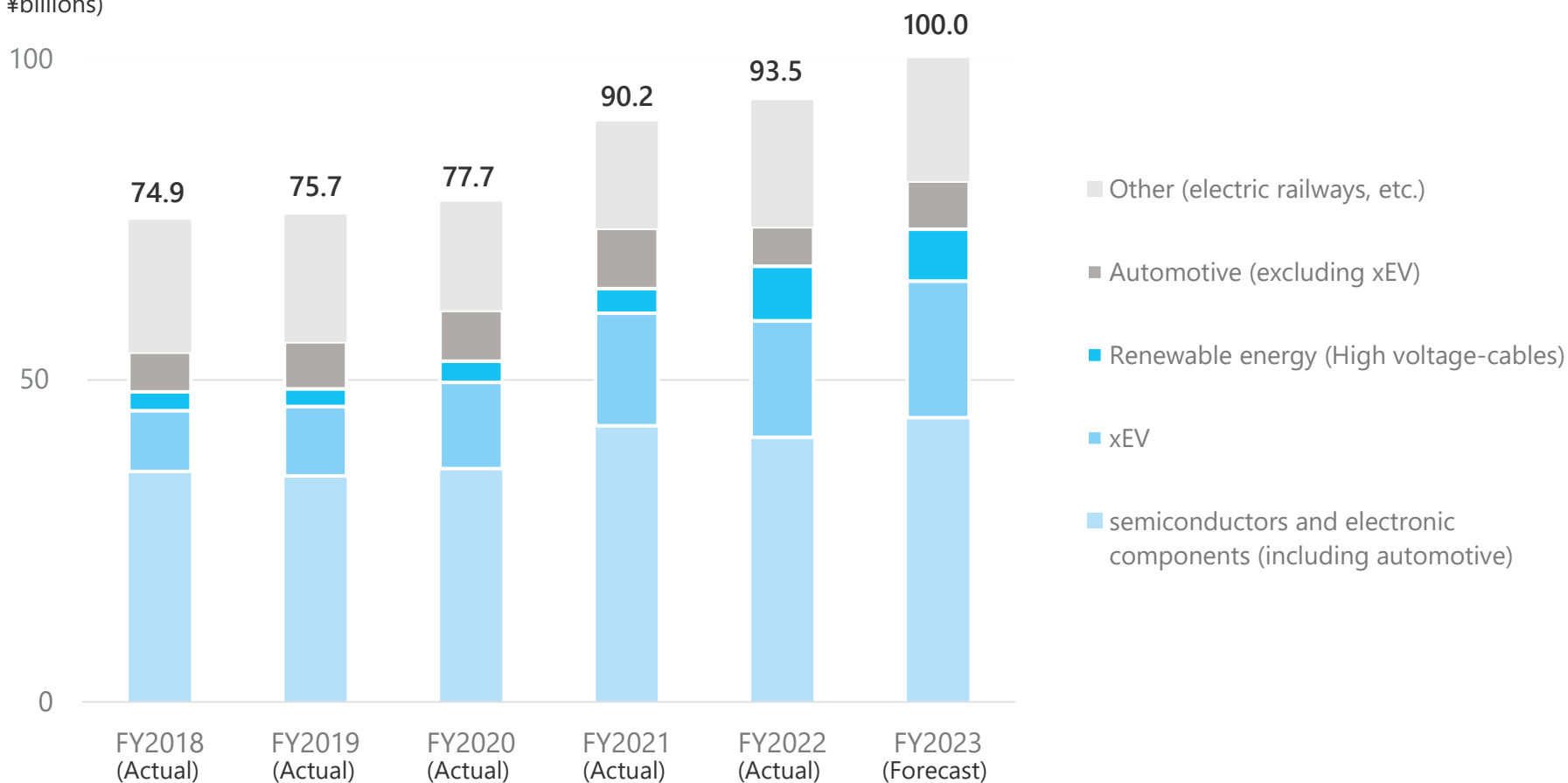
Sales (¥ billions)	FY2022 Actual	FY2023 Forecast	Incr. Decr.	Volume	Pricing
Electronics & Innovative Products	93.5	100.0	+ 6.5	+ 5.9	+ 0.6
Life Innovation	47.5	45.0	- 2.5	- 1.5	- 1.0
Elastomers & Infrastructure Solutions	123.8	130.0	+ 6.2	+ 1.1	+ 5.1
Polymer Solutions	127.6	140.0	+12.4	+ 19.3	- 6.9
Others	15.1	15.0	- 0.1	- 0.1	-
Total	407.6	430.0	+22.4	+ 24.7	- 2.2

Operating Income (¥ billions)	FY2022 Actual	FY2023 Forecast	Incr. Decr.	Volume	Pricing	Cost& Others
Electronics & Innovative Products	18.0	15.0	- 3.0	+ 3.6	+ 0.6	- 7.1
Life Innovation	14.4	9.5	- 4.9	- 0.8	- 1.0	- 3.0
Elastomers & Infrastructure Solutions	- 1.1	2.5	+ 3.6	+ 1.9	+ 5.1	- 3.4
Polymer Solutions	-1.2	4.5	+ 5.7	+ 3.4	- 6.9	+ 9.2
Others	2.3	1.5	- 0.8	- 0.8	-	-
Total	32.3	33.0	+ 0.7	+ 7.2	- 2.2	- 4.3

■ Business growth in megatrending semiconductors, xEVs, and renewable energy

Sales Composition by Application

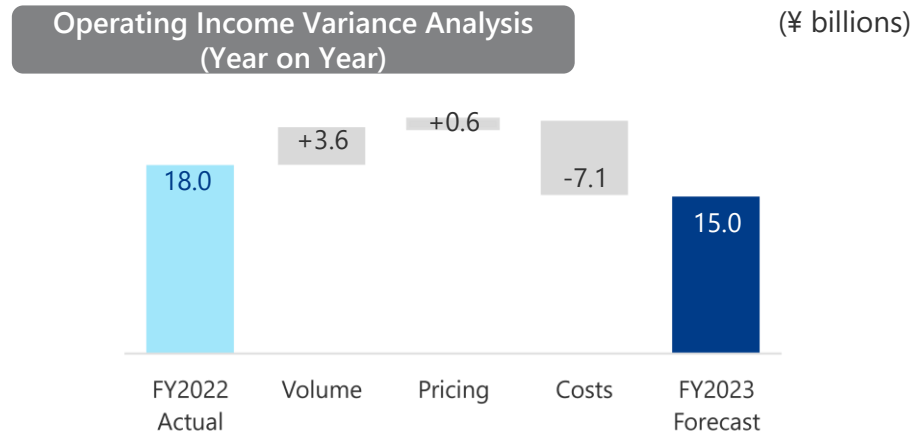
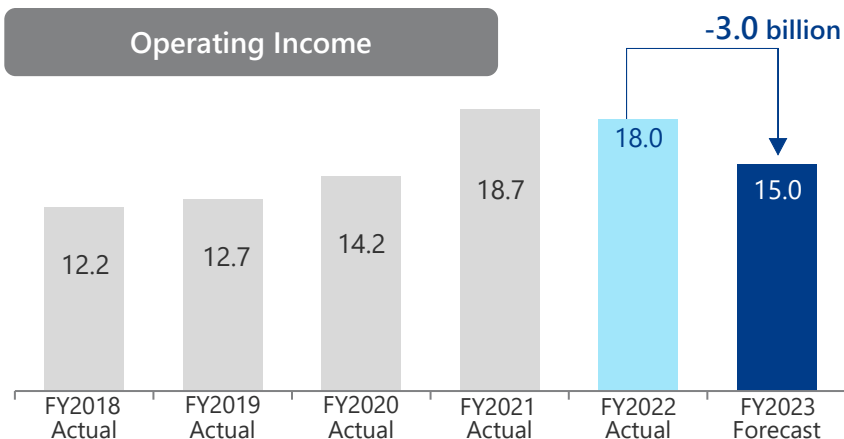
(Sales: ¥billions)



FY2023 Earnings Forecast

d) Electronics & Innovative Products (Year on Year)

■ We expect demand for consumer electronics and automotive applications to recover; however, profit will likely decrease due to cost increases in connection with upgraded production capacity



Market Outlook and Sales Trends

(Market)	FY2022 Actual	FY2023 Forecast
Semiconductors	Sluggish performance for automotive applications between April and June, gradual recovery in July onward	Gradual recovery in automotive-related demand toward the end of 2023
	Sluggish performance for consumer electronics-related applications in the first half; sharp decline in second half and beyond	Gradual recovery in consumer electronics-related application demand in 2Q and beyond
xEV	Gradual recovery beginning in July after sluggish performance between April and June	Accelerated market expansion despite negative effects of inflation and other factors
Renewable energy (High voltage-cables)	Continued strong demand throughout the year	Partial delay in large-scale projects in Europe

*Cost variances: Depreciation, labor cost and SG&A increased due to the establishment of production expansion system

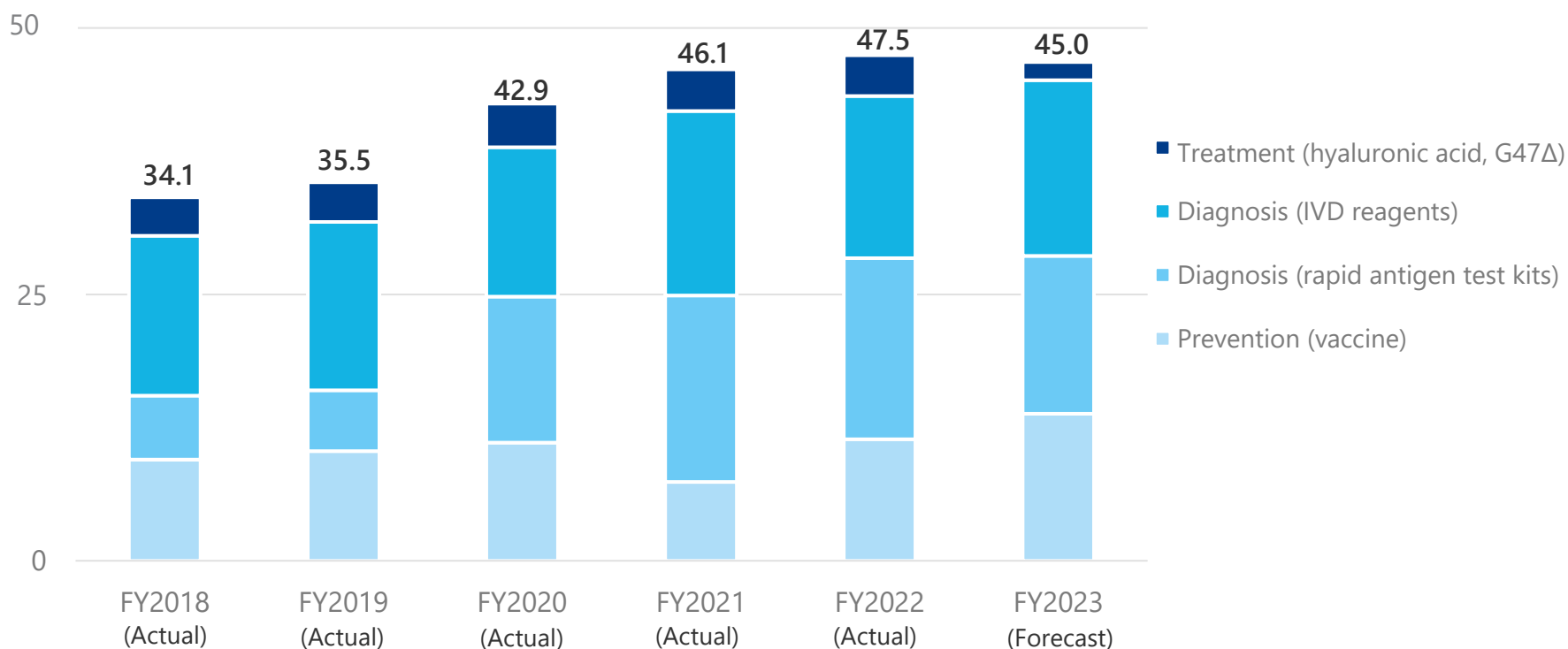
Sales Trends	
Fused silica	: We expect shipments to be in line with the previous year, as demand for automotive and consumer electronics-related applications recovers
High-performance film	: We expect shipments to exceed previous year due to recovery in demand and reduction of market inventories
Spherical alumina	: We expect shipments to exceed previous year due to growth in xEV demand and recovery in consumer electronics-related demand
Ceramic substrates (silicon nitride, aluminum nitride)	: We expect shipments to exceed previous year due to growth in xEV demand
Acetylene black	: Despite higher demand for xEV, we expect shipments to be generally flat year on year due to lower shipments related to high-voltage cables

d) Life Innovation (Composition by Application)

- We have significant expectations that demand will continue in FY2023 in the diagnosis field, while G47Δ preparations should grow in the future in the treatment field

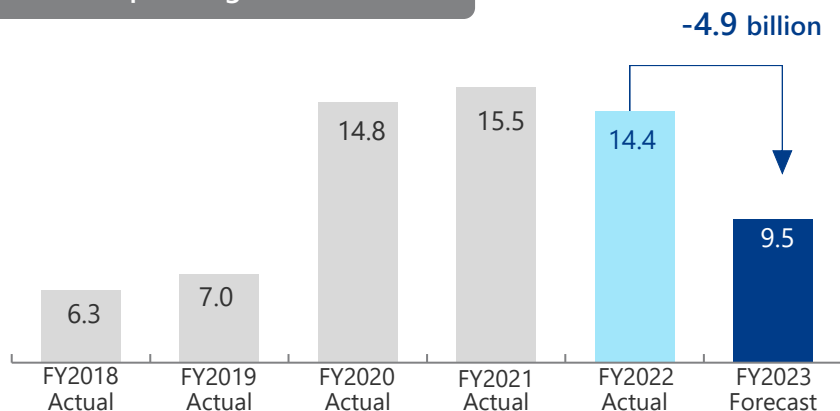
Sales Composition by Application

(Sales: ¥billions)



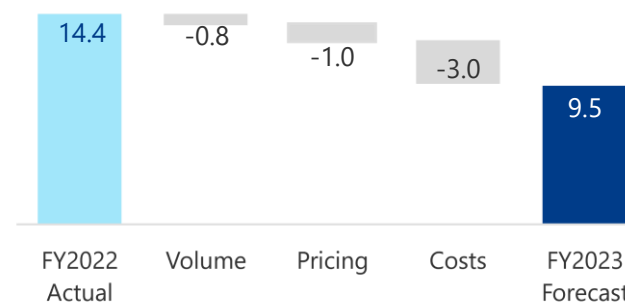
■ Despite increase in influenza vaccine sales, we expect a decrease in COVID-19 antigen test kit sales and increased research expenses to result in lower profit

Operating Income



Operating Income Variance Analysis (Year on Year)

(¥ billions)



*Cost variances: Increase in research expenses due to R&D for new businesses

Market Outlook and Sales Trends

(Market)	FY2022 Actual	FY2023 Forecast
Influenza	<ul style="list-style-type: none"> The number of vaccinations increased year on year, but was lower than usual due to overlap in timing with COVID-19 vaccinations 	<ul style="list-style-type: none"> The number of vaccinations was in line with the as usual due to epidemic trends and a revision of the number of COVID-19 vaccinations
COVID-19	<ul style="list-style-type: none"> Increase in domestic demand for testing due to 7th and 8th wave of the pandemic 	<ul style="list-style-type: none"> Projections for two or so epidemics Demand for in-hospital testing will continue, but municipal testing will decrease No revision for insurance points as of April 1
IVD reagents (Inflammation markers, etc.)	<ul style="list-style-type: none"> Demand for in-hospital testing declined due to China's Zero-COVID policy and other factors 	<ul style="list-style-type: none"> Recovery in demand in the Chinese market to the pre-COVID-19 levels of 2019

Sales Trends

Influenza vaccine	<ul style="list-style-type: none"> Productivity for manufactured strains in this year expected to be on par with the previous year In addition to the increase in the number of vaccinations, this year will be the second of operations in the new building, which will allow us to supply the market about one month earlier than the previous year; we plan to ship 11 million vaccines, exceeding previous-year results
COVID-19 rapid antigen test kits	<ul style="list-style-type: none"> Shipments likely to decrease slightly due to contraction in the municipal testing market We factored in the risk of market price decline due to intensified competition (Including simultaneous test kits for COVID 19 and influenza)
IVD reagents (Inflammation markers, etc.)	<ul style="list-style-type: none"> We expect shipments to exceed previous year due to recovery in demand in China and elsewhere

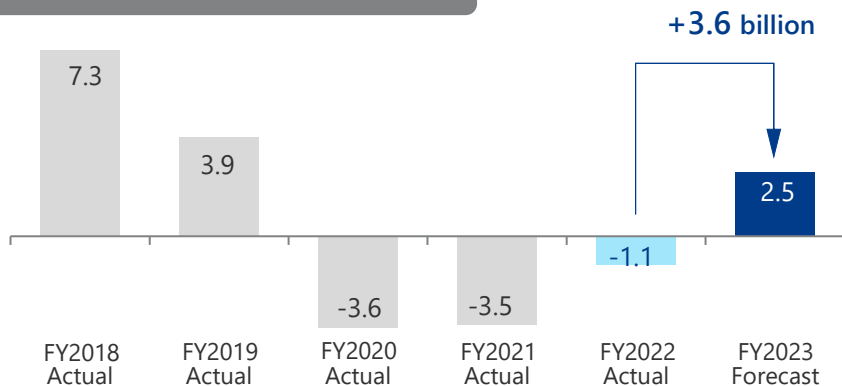
FY2023 Earnings Forecast

d) Elastomers & Infrastructure Solutions (Year on Year)

■ We expect profit to increase due to recovery in chloroprene rubber demand and improved cement profitability

(¥ billions)

Operating Income



Operating Income Variance Analysis (Year on Year)



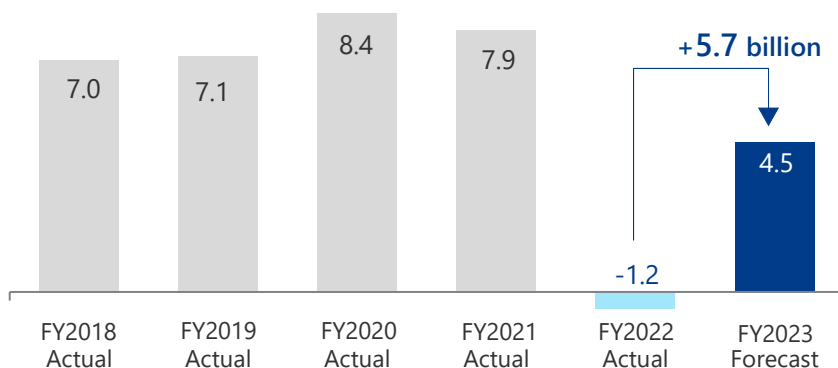
*Cost variances: Increase in SG&A and fixed costs, impact of inventories

Market Outlook and Sales Trends

(Market)	FY2022 Actual	FY2023 Forecast	Sales Trends
Chloroprene rubber	Global economic slowdown beginning in the second half will reduce demand across all applications	Gradual recovery in demand beginning in the first half Second half to recover to 90% of FY2022 first half levels	We expect shipments to exceed previous year due to recovery in demand and reducing to appropriate market inventory volume
Special cement additives	Decrease in demand due to domestic private investments and China's Zero-COVID policy	Increase in domestic investments (private and government) and demand recovery in China	We expect shipment volume to be higher than the previous year
Cement	Coal price: \$356/ton Progress toward an additional price increase of 3,000 yen/ton has been slow, but the path to a full settlement is becoming clearer	Coal price: \$209/ton projected Additional price increase of 3,000 yen/ton will make a gradual contribution over the first half	We expect a significant increase in profit year on year due to lower coal prices and the contribution of price hikes

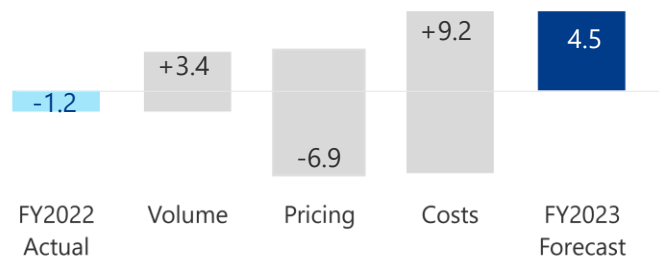
■ We forecast an increase based on a recovery in demand, cost reductions in connection with being a non-scheduled maintenance year for the styrene monomer plant, and other factors

Operating Income



Operating Income Variance Analysis (Year on Year)

(¥ billions)



Market Outlook and Sales Trends

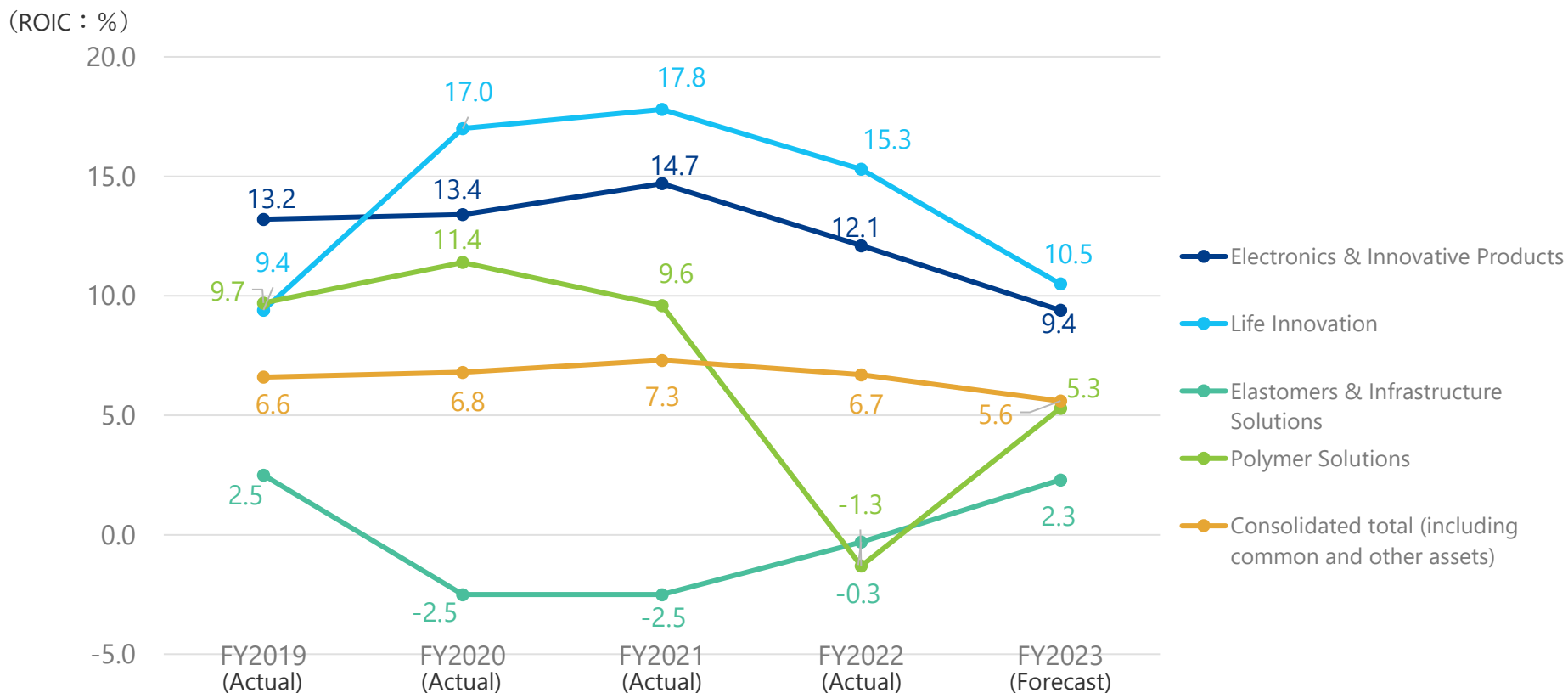
(Market)	FY2022 Actual	FY2023 Forecast
Consumer Electronics (TVs, PCs, home appliances, etc.)	Overall demand for consumer applications declined from the beginning of the period, particularly in China Demand for LGP applications recovered beginning in December	Demand for LGP applications will continue to be strong Demand for other applications also will recover beginning in 2Q
Cosmetics containers, General merchandise, etc.	Demand declined from the beginning of the period due to the economic slowdown in the Chinese market	Demand recovery beginning in 2Q
Food containers	Easing of restrictions on activities reduced demand in the ready-made meal market	Increase in demand in the ready-made meal market due to rising food prices
Toyokalon	Prolonged decrease in demand due to inflation in the African and U.S. markets	We expect a recovery in demand in the African and U.S. markets

Sales Trends

MS resin	: We expect shipments to be significantly higher year on year due to a recovery in demand for light guide plate applications (MS resin manufacturing and sales company has a December fiscal year end)
AS, ABS, transparent resins, etc.	: We expect demand for consumer electronics, cosmetics containers, general merchandise, etc., to recover, and shipments to be significantly higher than the previous year
Food wrapping sheets and containers	: We expect shipment volume to be higher than the previous year
Toyokalon	: We expect shipment volume to be higher than the previous year

■ Aim for ROIC of 10% or more by 2030 through further growth in focus areas and further shift in portfolio

ROIC by Segment



■ Continue to concentrate management resources on focus areas

By Segment	Investment				Depreciation				R&D			
	FY2022		FY2023		FY2022		FY2023		FY2022		FY2023	
	1H Actual	FY2022 Actual	1H Forecast	FY2023 Forecast	1H Actual	FY2022 Actual	1H Forecast	FY2023 Forecast	1H Actual	FY2022 Actual	1H Forecast	FY2023 Forecast
(¥ billions)												
Electronics & Innovative Products	7.0	18.7	10.0	20.0	3.8	8.0	4.5	9.0	2.5	4.9	2.5	5.0
Life Innovation	0.5	2.5	3.0	7.0	2.0	4.1	1.8	4.0	2.0	3.8	3.0	6.0
Elastomers & Infrastructure Solutions	4.8	11.2	4.5	13.0	5.0	9.6	4.5	9.0	1.7	3.5	1.5	3.0
Polymer Solutions	4.7	7.0	2.5	7.0	2.3	4.8	2.5	5.0	1.3	2.7	1.0	2.0
Others	-	-	-	-	0.2	0.4	0.2	0.5	-	-	-	-
Total	17.0	39.4	20.0	47.0	13.4	27.0	13.5	27.5	7.5	14.9	8.0	16.0

By plan (investment)	Mission2030 8 Year Plan (investment CF)		
	FY2022	FY2023	Total
Strategic Investment	15.6	21.0	360.0
ICT & Energy	11.4	10.0	80.0
Healthcare	1.1	7.0	80.0
Sustainable Living	0.3	1.0	30.0
Environmental Investment	0.2	1.0	85.0
Process reforms	2.5	2.0	50.0
Other (M&A, etc.)	0.0	0.0	35.0
General Investment	23.8	26.0	210.0
Total (Strategic + General)	39.4	47.0	570.0

- We forecast dividends of 120 yen/share, an increase of 20 yen/share over the previous year, maintaining our policy standard of 50% total return ratio

		FY2018 Actual	FY2019 Actual	FY2020 Actual	FY2021 Actual	FY2022 Actual	FY2023 Forecast
Net Income	(¥ billions)	25.0	22.7	22.8	26.0	12.8	22.0
Dividends per Share*	(¥/share)	120.0	125.0	125.0	145.0	100.0	120.0
							Mid-term 60.0 End 60.0
Dividend	(¥ billions)	10.5	10.8	10.8	12.5	8.6	10.4
Shareholders Return		42%	48%	47%	48%	68%	47%
Stock Purchase	(¥ billions)	2.1	-	-	-	-	-
Total Return	(¥ billions)	12.6	10.8	10.8	12.5	8.6	10.4
Total Return Ratio		50%	48%	47%	48%	68%	47%
Depreciation	(¥ billions)	22.9	22.5	22.9	23.9	27.0	27.5
Investment & Lending	(¥ billions)	32.8	36.9	42.3	35.6	39.4	47.0
Interest Bearing Debt	(¥ billions)	112.1	134.3	138.2	137.0	169.7	177.0
Net D/E Ratio		0.40	0.42	0.42	0.40	0.50	(0.51)
ROIC		7.8%	6.6%	6.8%	7.3%	6.7%	(5.6%)
ROE		10.3%	9.1%	8.8%	9.4%	4.4%	(7.3%)

Sales (¥ billions)	FY2021				FY2022				FY2023 Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1H	2H
Electronics & Innovative Products	21.0	22.8	22.3	24.0	21.9	25.6	22.3	23.8	45.0	55.0
Life Innovation	6.0	19.3	10.9	9.9	6.4	15.5	16.9	8.8	20.0	25.0
Elastomers & Infrastructure Solutions	24.6	26.8	26.1	29.3	30.4	32.5	31.6	29.3	65.0	65.0
Polymer Solutions	31.8	31.5	29.5	33.9	31.6	32.0	30.3	33.7	67.5	72.5
Others	3.5	4.0	4.0	3.7	4.1	2.9	4.7	3.4	7.5	7.5
Total	86.7	104.4	92.8	100.9	94.4	108.6	105.8	98.8	205.0	225.0

Operating Income (¥ billions)	FY2021				FY2022				FY2023 Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1H	2H
Electronics & Innovative Products	4.4	4.8	4.6	4.9	4.1	5.6	4.1	4.2	6.0	9.0
Life Innovation	0.3	10.4	1.2	3.6	0.5	6.0	5.0	2.8	4.0	5.5
Elastomers & Infrastructure Solutions	0.1	-0.0	-1.2	-2.3	-0.2	1.5	-1.3	-1.1	0.5	2.0
Polymer Solutions	2.6	1.8	1.9	1.6	-0.1	-0.0	-0.9	-0.1	1.0	3.5
Others	0.4	0.5	0.4	0.2	0.6	0.4	0.9	0.4	1.0	0.5
Total	7.7	17.5	7.0	7.9	4.9	13.4	7.8	6.3	12.5	20.5

Cautionary statement regarding forward-looking information

Target figures in this material are not forecasts of business results.

In addition, any description relating to the future in this material is subject to known or unknown risks and uncertainties, although it is based on management's current assumptions and beliefs in light of the information currently available to it. Please be cautioned that a number of important factors could cause actual results to differ significantly from the description in the material.

Such risks and uncertainties include adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launch, pricing, and product initiatives of competitors, the inability of the Company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

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