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Denka



February 27, 2026

To whom it may concern:

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(Securities Code: 4061: Prime Market)
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Notice of Commencement of Consideration of Spin-off of Styrene-Related Businesses

Denka Company Limited (Head Office: Chuo-ku, Tokyo; President and CEO: Ikuo Ishida) hereby announces that its Board of Directors has resolved at a meeting held on February 27, 2026 to commence a review of the styrene-related businesses of its Polymer Solutions Division (the “Target Business”), for a possible spin-off targeting April 2027, as follows.

Please note that this matter is currently in the initial stages of consideration. The decisions concerning its method, timing, scope, and other conditions are subject to change based on future deliberations and necessary procedures. We will promptly announce any matters to be disclosed in connection with this matter as soon as they are determined.

1. Background and purpose to the commencement of consideration

As part of the portfolio transformation outlined in the Management Plan “Mission 2030,” the Company is focusing on curating businesses with competitive advantages, taking into account the rapid changes in the external environment. This review is not intended to simply downsize or withdraw from the business. Rather, it is being initiated as a proactive decision to enhance business value, based on the awareness that sustainable growth is difficult under the current structure.

The environment surrounding the Target Business is subject to significant market fluctuations due to the expansion of global production facilities and shifts in the supply-demand balance. Its pricing power has also weakened under international competition. In addition, increased costs associated with carbon emissions are anticipated over the medium to long term. Given the high fixed-cost structure inherent in this capital-intensive business, a decline in operating rates directly lead to reduced profitability and cash generation capacity.

Furthermore, many companies across the entire industry related to the Target Business are facing similar challenges, and since individual companies have limited capacity for improvement on their own, a flexible business management framework that also considers industry collaboration and strategic partnerships is required. Spinning off the Target Business to enhance its independence and profitability will not only strengthen the momentum for structural reforms beyond improvements within Denka itself, but also establish a framework enabling diverse strategic options such as collaboration with external partners and capital alliances.

As a key entity supplying essential materials, we are advancing considerations toward spinning off the Target Business targeting April 2027. This initiative aims to enhance business profitability, establish an agile decision-making structure, and enable future growth investments.

2. Details of the consideration

(1) Target Business

The Target Business refers to a series of operations encompassing the manufacture and sale of styrene monomer, performance plastics, and sheet products belonging to the styrene-related business as well as other functions incidental to such operations. The Target Business includes both domestic and overseas sites. The specific scope (including businesses, assets, subsidiaries, etc.) will be determined following future deliberations and necessary procedures.

(2) Ideal form

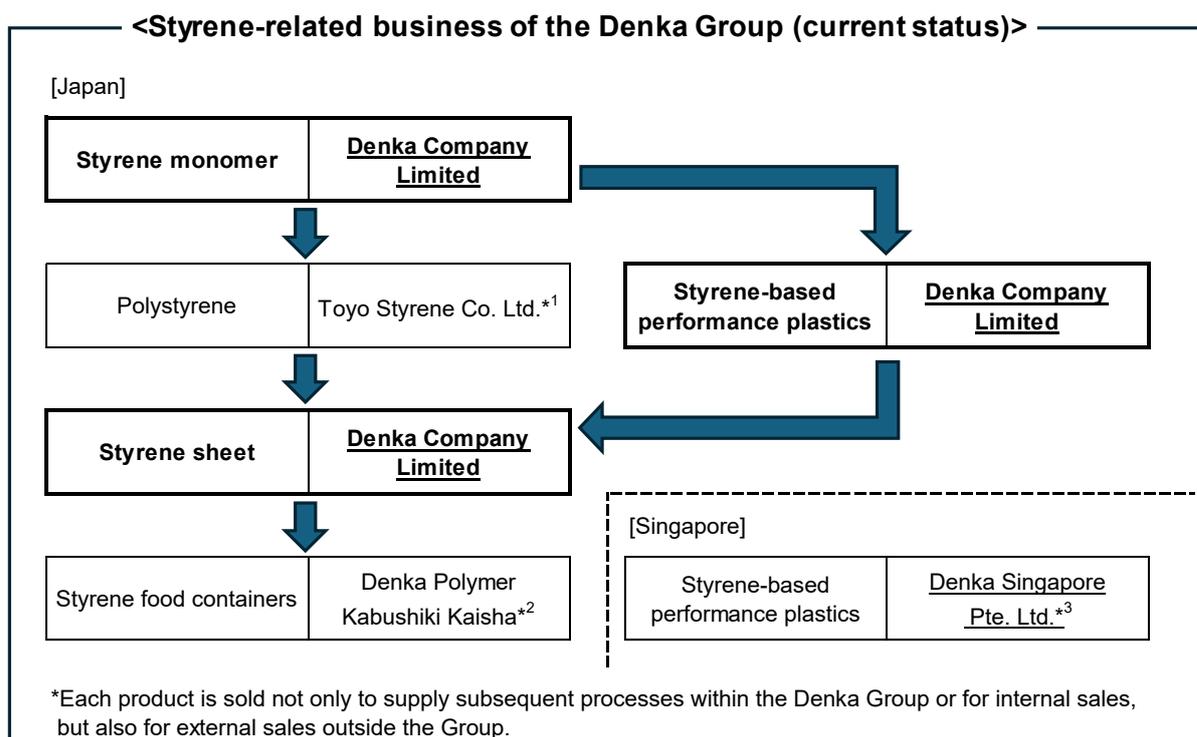
The Company aims to enhance the value of the Target Business and secure sustainable competitiveness by exploring spin-off options to achieve the following ideal form.

- Consideration of value enhancement through external collaboration
- Improvement in the agility of business operations
- Strengthening of the earnings structure
- Strengthening of environmental initiatives

3. Outlook

The Company will proceed with the consideration of this matter with the target date of April 2027, while also advancing the necessary procedures and reviews based on relevant laws, regulations, and licenses. We will promptly make an announcement should any matters requiring disclosure arise.

4. Reference



*1 Toyo Styrene Co. Ltd.: Equity-method affiliate of Denka Company Limited (50%)

*2 Denka Polymer Kabushiki Kaisha: Subsidiary of Denka Company Limited(100%)

*3 Denka Singapore Pte. Ltd.: Subsidiary of Denka Company Limited (100% indirect)