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November 10, 2025

Consolidated Financial Results for the First Six Months of the Fiscal Year Ending March 31, 2026 (Under Japanese GAAP)



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 Listing: Tokyo Stock Exchange
 Securities code: 4061
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 Scheduled date to file semi-annual securities report: November 10, 2025
 Scheduled date to commence dividend payments: December 2, 2025
 Preparation of supplementary material on financial results: Yes
 Holding of financial results briefing: Yes (for equity analysts and institutional investors)

(Yen amounts are rounded down to millions, unless otherwise noted.)

1. Consolidated financial results for the first six months of the fiscal year ending March 31, 2026 (from April 1, 2025 to September 30, 2025)

(1) Consolidated operating results (cumulative)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent	
Six months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
September 30, 2025	196,699	(1.2)	9,740	3.8	6,791	21.8	3,902	15.7
September 30, 2024	199,054	4.0	9,385	(10.9)	5,574	(31.1)	3,372	(48.6)

Note: Comprehensive income For the six months ended September 30, 2025: ¥(1,336) million [–%]
 For the six months ended September 30, 2024: ¥13,579 million [(28.5)%]

	Basic earnings per share	Diluted earnings per share
Six months ended	Yen	Yen
September 30, 2025	45.28	–
September 30, 2024	39.14	–

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
September 30, 2025	636,208	310,403	46.1
March 31, 2025	655,524	308,296	45.2

Reference: Equity
 As of September 30, 2025: ¥293,063 million
 As of March 31, 2025: ¥296,181 million

2. Cash dividends

	Annual dividends per share				
	First quarter-end	Second quarter-end	Third quarter-end	Fiscal year-end	Total
	Yen	Yen	Yen	Yen	Yen
Fiscal year ended March 31, 2025	—	50.00	—	50.00	100.00
Fiscal year ending March 31, 2026	—	50.00			
Fiscal year ending March 31, 2026 (Forecast)			—	50.00	100.00

Note: Revisions to the forecast of cash dividends most recently announced: None

3. Forecasts for consolidated financial results for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026)

(Percentages indicate year-on-year changes.)

	Net sales		Operating income		Ordinary income		Net income attributable to owners of parent		Basic earnings per share
	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%	Yen
Full fiscal year	400,000	(0.1)	25,000	73.4	19,000	149.2	15,000	—	174.06

Note: Revisions to the most recently announced earnings forecast: Yes

*** Notes**

(1) Significant changes in the scope of consolidation during the period: None

Newly included: 0 companies (Company name)

Excluded: 0 companies (Company name)

(2) Adoption of accounting treatment specific to the preparation of semi-annual consolidated financial statements: None

(3) Changes in accounting policies, changes in accounting estimates, and restatement

(i) Changes in accounting policies due to revisions to accounting standards and other regulations: None

(ii) Changes in accounting policies due to other reasons: None

(iii) Changes in accounting estimates: None

(iv) Restatement: None

(4) Number of issued shares (common shares)

(i) Total number of issued shares at the end of the period (including treasury shares)

As of September 30, 2025	88,555,840 shares
As of March 31, 2025	88,555,840 shares

(ii) Number of treasury shares at the end of the period

As of September 30, 2025	2,354,800 shares
As of March 31, 2025	2,380,123 shares

(iii) Average number of shares outstanding during the period
(cumulative from the beginning of the fiscal year)

Six months ended September 30, 2025	86,185,629 shares
Six months ended September 30, 2024	86,176,974 shares

* Semi-annual financial results reports are exempt from review conducted by certified public accountants or an audit firm.

* Proper use of earnings forecasts, and other special matters

(Notes on statements about the future)

Earnings forecasts and other forward-looking statements in this report are based on information presently available to management and assumptions that management deems reasonable. Actual earnings and other forecasts may differ significantly from those in this report in accordance with numerous factors.

Table of Contents – Attachments

1. Qualitative Information on Financial Results for the Period under Review.....	2
(1) Operating Results.....	2
(2) Financial Position	3
(3) Consolidated Financial Results Forecast and Other Forward-Looking Information.....	3
2. Semi-annual Consolidated Financial Statements and Principal Notes	6
(1) Semi-annual Consolidated Balance Sheet.....	6
(2) Semi-annual Consolidated Statements of Income and Comprehensive Income.....	8
Semi-annual Consolidated Statement of Income	
Six Months Ended September 30	8
Semi-annual Consolidated Statement of Comprehensive Income	
Six Months Ended September 30	9
(3) Semi-annual Consolidated Statement of Cash Flows	10
(4) Notes to Semi-annual Consolidated Financial Statements	11
<i>Notes on going concern assumption</i>	11
<i>Notes in case of significant changes in shareholders' equity</i>	11
<i>Segment information, etc.</i>	12

1. Qualitative Information on Financial Results for the Period under Review

(1) Operating Results

During the six months ended September 30, 2025, the Japanese economy remained sluggish due to weak personal consumption and capital investment. The global economy as a whole showed a rebound. However, the outlook remains uncertain due to factors such as the U.S. tariff increase.

Amid such circumstances, the Group focused on expanding business and securing profit by promoting initiatives based on the three growth strategies set forth in “Mission 2030,” the eight-year management plan launched in FY2023: Business Value Creation, Human Resources Value Creation, and Management Value Creation.

As a result, for the six months ended September 30, 2025, net sales were ¥196,699 million, down ¥2,354 million, or 1.2%, year on year. This was mainly due to sales price reviews in response to falling raw material and fuel prices, as well as lower proceeds from a stronger yen. However, sales volume of electronics and innovative products increased. In terms of earnings, operating income was ¥9,740 million (up ¥354 million, or 3.8%, year on year), and ordinary income was ¥6,791 million (up ¥1,217 million, or 21.8%, year on year). Net income attributable to owners of parent was ¥3,902 million (up ¥530 million, or 15.7%, year on year), due to the recording of the gain on transfer of factory land at the Ofuna Plant as an extraordinary income, despite also recording an extraordinary loss related to Denka Performance Elastomer LLC, a U.S.-based subsidiary that has elected not to restart production at its chloroprene rubber manufacturing facilities for an indefinite period.

[Electronics & Innovative Products Division]

Sales of spherical silica increased because demand for semiconductors for generative AI expanded. Sales of spherical alumina also remained strong. Regarding acetylene black, sales for xEV applications declined year on year, but sales for high-voltage cable applications increased year on year, resulting in overall sales growth. In addition, sales of ALSINK, a high-reliability heat dissipating plate, increased due to a recovery in demand for electric railway applications and growth in demand for direct current transmission applications.

As a result, division net sales increased ¥5,061 million, or 11.2%, year on year to ¥50,118 million, and operating income increased ¥1,378 million, or 28.0%, year on year to ¥6,306 million.

[Life Innovation Division]

Regarding POCT test reagents, sales volume declined year on year due to a decrease in the number of COVID-19 infections. In addition, sales of other test reagents resulted in a year-on-year decrease due partly to some slump in sales for overseas. Influenza vaccines were shipped as planned.

As a result, division net sales decreased ¥971 million, or 4.3%, year on year to ¥21,433 million, and operating income decreased ¥1,878 million, or 33.0%, year on year to ¥3,820 million.

[Elastomers & Infrastructure Solutions Division]

Demand for chloroprene rubber continued to remain sluggish. In addition, sales of corrugated pipes for agricultural and civil engineering applications remained at the previous fiscal year's level, but sales of special cement additives fell below the previous fiscal year's level due to construction delays and other factors.

As a result, division net sales decreased ¥6,553 million, or 11.6%, year on year to ¥49,879 million, and operating loss was ¥3,413 million (operating loss in the corresponding period of the previous fiscal year was ¥3,033 million).

[Polymer Solutions Division]

In response to lower raw material and fuel costs, the division revised product selling prices. Shipments of AS and ABS resins and styrene monomer exceeded the previous fiscal year's level, while sales of MS resins by Denka Singapore Pte. Ltd. fell below the previous fiscal year's level. Also, sales of sheets for food wrapping

materials and their processed products remained at the same level as in the previous fiscal year due to the delayed recovery in demand.

As a result, division net sales decreased ¥2,024 million, or 3.0%, year on year to ¥65,418 million, and operating income increased ¥888 million, or 145.1%, year on year to ¥1,500 million.

[Others Division]

Transaction volumes of Akros Trading Co., Ltd. and other trading companies remained roughly unchanged year on year.

As a result, division net sales increased ¥2,132 million, or 27.6%, year on year to ¥9,849 million, and operating income increased ¥242 million, or 19.7%, year on year to ¥1,469 million.

(2) Financial Position

Total assets at the end of the six months ended September 30, 2025 decreased by ¥19,316 million from the end of the previous fiscal year to ¥636,208 million. Current assets decreased by ¥19,691 million from the end of the previous fiscal year to ¥250,763 million, mainly due to a decrease in inventories. Non-current assets increased by ¥375 million from the end of the previous fiscal year to ¥385,444 million, mainly due to an increase in investment securities in response to rising stock market.

Liabilities decreased by ¥21,423 million from the end of the previous fiscal year to ¥325,805 million, mainly due to a decrease in accounts payable for construction contracts.

Net assets, including non-controlling interests, increased by ¥2,107 million from the end of the previous fiscal year to ¥310,403 million.

As a result, the equity ratio increased from 45.2% at the end of the previous fiscal year to 46.1%.

(3) Consolidated Financial Results Forecast and Other Forward-Looking Information

We have revised the full-year consolidated financial results forecast for the fiscal year ending March 31, 2026 (from April 1, 2025 to March 31, 2026), which was previously announced on May 13, 2025, taking into account recent performance trends and other factors, as follows.

A. Forecasts for consolidated financial results for the fiscal year ending March 31, 2026

	Net sales	Operating income	Ordinary income	Net income attributable to owners of parent	Basic earnings per share
	Millions of yen	Millions of yen	Millions of yen	Millions of yen	Yen
Initial forecast (A)	410,000	25,000	19,000	15,000	174.06
Revised forecast (B)	400,000	25,000	19,000	15,000	174.06
Amount of change (B-A)	(10,000)	—	—	—	
Change (%)	(2.4)%	—	—	—	
(Reference) Previous fiscal year consolidated results (fiscal year ended March 31, 2025)	400,251	14,413	7,623	(12,300)	(142.73)

Note: The above forecasts are based on information currently available to the Company and certain assumptions deemed reasonable. Actual results may differ significantly due to various factors.

B. Reasons for revising the forecasts

In the full-year consolidated financial results forecast, the net sales have been revised downward from the previous announcement, due to the outlook that sales of products in the Polymer Solutions Division will fall below initial expectations, following the revision of product selling prices in response to lower raw material and fuel costs.

As for operating income forecast, in light of recent business performance, the total amount on a consolidated basis will remain unchanged from the previous forecast, while the breakdown by segment has been revised.

Supplementary information

Forecasts for financial results by segment for the fiscal year ending March 31, 2026

(Millions of yen)

		Initial forecast (A)	Revised forecast (B)	Change (B-A)
Electronics & Innovative Products	Net sales	105,000	105,000	—
	Operating income	10,000	12,500	2,500
Life Innovation	Net sales	45,000	45,000	—
	Operating income	10,000	7,500	(2,500)
Elastomers & Infrastructure Solutions	Net sales	105,000	105,000	—
	Operating income	1,000	500	(500)
Polymer Solutions	Net sales	135,000	125,000	(10,000)
	Operating income	2,000	2,500	500
Others	Net sales	20,000	20,000	—
	Operating income	2,000	2,000	—
Total	Net sales	410,000	400,000	(10,000)
	Operating income	25,000	25,000	—

2. Semi-annual Consolidated Financial Statements and Principal Notes

(1) Semi-annual Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Assets		
Current assets		
Cash and deposits	37,002	28,943
Notes and accounts receivable - trade, and contract assets	88,035	90,007
Merchandise and finished goods	89,988	80,500
Work in process	6,565	4,691
Raw materials and supplies	33,951	32,763
Other	15,175	14,153
Allowance for doubtful accounts	(262)	(296)
Total current assets	270,455	250,763
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,794	84,459
Machinery, equipment and vehicles, net	99,494	100,074
Tools, furniture and fixtures, net	5,239	5,281
Land	63,674	60,538
Leased assets, net	3,823	3,301
Construction in progress	54,942	54,463
Total property, plant and equipment	312,969	308,118
Intangible assets		
Goodwill	10	—
Patent right	396	334
Software	1,828	1,692
Other	861	730
Total intangible assets	3,097	2,758
Investments and other assets		
Investment securities	48,702	54,356
Long-term loans receivable	87	1,050
Retirement benefit asset	4,316	4,427
Deferred tax assets	9,988	7,823
Other	5,985	6,987
Allowance for doubtful accounts	(77)	(78)
Total investments and other assets	69,002	74,567
Total non-current assets	385,069	385,444
Total assets	655,524	636,208

(Millions of yen)

	As of March 31, 2025	As of September 30, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,023	41,032
Short-term borrowings	74,679	59,713
Commercial papers	33,000	36,000
Current portion of bonds payable	15,000	—
Income taxes payable	2,321	4,359
Accrued consumption taxes	262	384
Provision for bonuses	2,909	3,578
Other	54,304	40,811
Total current liabilities	230,501	185,880
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	80,000	103,548
Deferred tax liabilities	3,777	3,794
Deferred tax liabilities for land revaluation	8,613	8,613
Retirement benefit liability	2,506	2,488
Provision for share awards	145	87
Other	6,684	6,393
Total non-current liabilities	116,727	139,924
Total liabilities	347,228	325,805
Net assets		
Shareholders' equity		
Share capital	36,998	36,998
Capital surplus	49,412	49,412
Retained earnings	167,074	166,663
Treasury shares	(7,786)	(7,712)
Total shareholders' equity	245,698	245,362
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,062	15,328
Deferred gains or losses on hedges	(56)	352
Revaluation reserve for land	10,161	10,161
Foreign currency translation adjustment	26,104	19,604
Remeasurements of defined benefit plans	2,210	2,252
Total accumulated other comprehensive income	50,483	47,700
Non-controlling interests	12,114	17,339
Total net assets	308,296	310,403
Total liabilities and net assets	655,524	636,208

(2) Semi-annual Consolidated Statements of Income and Comprehensive Income
Semi-annual Consolidated Statement of Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net sales	199,054	196,699
Cost of sales	154,968	152,003
Gross profit	44,085	44,695
Selling, general and administrative expenses	34,700	34,955
Operating income	9,385	9,740
Non-operating income		
Interest income	262	169
Dividend income	487	414
Share of profit of entities accounted for using equity method	1,332	1,023
Other	343	468
Total non-operating income	2,425	2,076
Non-operating expenses		
Interest expenses	972	1,136
Loss on disposal of non-current assets	1,401	1,001
Cost during the suspension of plant operation	1,605	1,613
Foreign exchange losses	53	294
Other	2,203	978
Total non-operating expenses	6,236	5,025
Ordinary income	5,574	6,791
Extraordinary income		
Gain on sale of investment securities	328	—
Gain on sale of non-current assets	—	8,188
Other	—	540
Total extraordinary income	328	8,728
Extraordinary losses		
Loss on liquidation of business	636	9,415
Total extraordinary losses	636	9,415
Income before income taxes	5,265	6,105
Income taxes - current	1,793	4,253
Net income	3,472	1,851
Net income (loss) attributable to non-controlling interests	99	(2,051)
Net income attributable to owners of parent	3,372	3,902

Semi-annual Consolidated Statement of Comprehensive Income

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Net income	3,472	1,851
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,429)	3,375
Deferred gains or losses on hedges	—	440
Foreign currency translation adjustment	10,761	(7,166)
Remeasurements of defined benefit plans, net of tax	126	42
Share of other comprehensive income of entities accounted for using equity method	649	120
Total other comprehensive income	10,107	(3,187)
Comprehensive income	13,579	(1,336)
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	12,910	1,120
Comprehensive income attributable to non-controlling interests	668	(2,456)

(3) Semi-annual Consolidated Statement of Cash Flows

(Millions of yen)

	For the six months ended September 30, 2024	For the six months ended September 30, 2025
Cash flows from operating activities		
Income before income taxes	5,265	6,105
Depreciation	13,652	14,439
Amortization of goodwill	18	9
Increase (decrease) in provision for bonuses	311	703
Increase (decrease) in retirement benefit liability	138	(11)
Increase (decrease) in allowance for doubtful accounts	(0)	51
Interest and dividend income	(749)	(584)
Interest expenses	972	1,136
Share of loss (profit) of entities accounted for using equity method	(1,332)	(1,023)
Loss (gain) on valuation of investment securities	—	2
Loss (gain) on sale of investment securities	(328)	4
Loss (gain) on sale and retirement of non-current assets	282	(7,357)
Loss on liquidation of business	636	18
Decrease (increase) in trade receivables	2,252	(4,062)
Decrease (increase) in inventories	(8,150)	11,254
Increase (decrease) in trade payables	(9,610)	(5,729)
Other, net	794	(1,664)
Subtotal	4,152	13,291
Interest and dividends received	1,906	987
Interest paid	(976)	(1,130)
Income taxes paid	(3,546)	(1,618)
Net cash provided by (used in) operating activities	1,536	11,530
Cash flows from investing activities		
Purchase of property, plant and equipment	(30,712)	(31,010)
Proceeds from sale of property, plant and equipment	2	11,340
Purchase of intangible assets	(298)	(192)
Purchase of investment securities	(678)	(80)
Proceeds from sale of investment securities	1,204	91
Proceeds from sale of shares of subsidiaries	715	318
Other, net	(374)	484
Net cash provided by (used in) investing activities	(30,140)	(19,048)
Cash flows from financing activities		
Net increase (decrease) in short-term borrowings	39,313	(10,934)
Proceeds from long-term borrowings	—	23,640
Repayments of long-term borrowings	(5,000)	—
Redemption of bonds	(7,000)	(15,000)
Purchase of treasury shares	(3)	(2)
Dividends paid	(3,450)	(4,313)
Dividends paid to non-controlling interests	(67)	(100)
Proceeds from share issuance to non-controlling shareholders	6,384	7,781
Other, net	(417)	59
Net cash provided by (used in) financing activities	29,759	1,130
Effect of exchange rate change on cash and cash equivalents	1,925	(1,672)
Net increase (decrease) in cash and cash equivalents	3,080	(8,059)
Cash and cash equivalents at beginning of period	35,386	37,002
Cash and cash equivalents at end of period	38,466	28,943

(4) Notes to Semi-annual Consolidated Financial Statements

Notes on going concern assumption

Not applicable.

Notes in case of significant changes in shareholders' equity

Not applicable.

Segment information, etc.

[Segment information]

I. Six months ended September 30, 2024 (from April 1, 2024 to September 30, 2024)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment					Other businesses (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	45,057	22,404	56,432	67,422	191,337	7,716	199,054	—	199,054
Intersegment sales or transfers	—	—	7	61	69	2,090	2,159	(2,159)	—
Total	45,057	22,404	56,439	67,504	191,406	9,806	201,213	(2,159)	199,054
Segment income (loss)	4,927	5,699	(3,033)	612	8,205	1,227	9,432	(46)	9,385

Notes: 1. The other businesses category refers to business segments not included in the reportable segments, including plant engineering business and trading company business, etc.

2. Adjustments to segment income (loss) of ¥(46) million were due to elimination of intersegment transactions.

3. Segment income (loss) is adjusted with operating income in the semi-annual consolidated statement of income.

2. Information on net sales by region

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	109,220	56,855	32,978	89,834	199,054
Percentage of consolidated net sales (%)	54.9	28.6	16.6	45.1	100.0

Note: Net sales are classified by country or region based on the location of customers.

II. Six months ended September 30, 2025 (from April 1, 2025 to September 30, 2025)

1. Information on net sales and income or loss by reportable segment

(Millions of yen)

	Reportable segment					Other businesses (Note 1)	Total	Adjustments (Note 2)	Amount in semi-annual consolidated statement of income (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	50,118	21,433	49,879	65,418	186,850	9,849	196,699	—	196,699
Intersegment sales or transfers	—	—	133	51	184	2,013	2,198	(2,198)	—
Total	50,118	21,433	50,012	65,470	187,034	11,862	198,897	(2,198)	196,699
Segment income (loss)	6,306	3,820	(3,413)	1,500	8,214	1,469	9,683	56	9,740

Notes: 1. The other businesses category refers to business segments not included in the reportable segments, including plant engineering business and trading company business, etc.

2. Adjustments to segment income (loss) of ¥56 million are due to elimination of intersegment transactions.

3. Segment income (loss) is adjusted with operating income in the semi-annual consolidated statement of income.

2. Information on net sales by region

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	111,110	53,862	31,726	85,589	196,699
Percentage of consolidated net sales (%)	56.5	27.4	16.1	43.5	100.0

Note: Net sales are classified by country or region based on the location of customers.