

Notice Regarding Conclusion of Merger Agreement

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Manabu Yamamoto; hereinafter “Denka”) announces that at a meeting of the Board of Directors held today, it has passed a resolution regarding the conclusion of an agreement for an absorption merger with Denka Seiken Co., Ltd. (hereinafter “Denka Seiken”), a consolidated subsidiary of Denka, and executed the conclusion thereof.

Denka has taken this action following on to the disclosure material dated March 11, 2019 entitled “Denka to Execute Group Reorganization Aimed at Better Positioning Itself to Achieve Goals of Denka Value-Up” in which Denka announced the conclusion of a memorandum with Denka Seiken and commencement of necessary preparations, with an eye on Denka absorbing Denka Seiken via an absorption-type merger (hereinafter the “Merger”).

In addition, since the subsidiary being absorbed by Denka via merger is a wholly owned subsidiary, Denka has decided to omit certain disclosure items and content.

1. Summary of the Merger

(1) Schedule

Meeting of the Board of Directors to approve and conclude the Merger memorandum: March 11, 2019

Meeting of the Board of Directors to approve and conclude the Merger agreement: October 15, 2019

Merger date (effective date): April 2020 (planned)

* With the Merger classified as a simplified merger as defined in Article 796, paragraph 2 of the Companies Act for Denka and a short-form merger defined in Article 784, paragraph 1 for Denka Seiken, the two companies will conduct the Merger without receiving approval at the general meeting of shareholders.

(2) Method of the merger

- Denka will absorb Denka Seiken via merger and become the surviving company, while the latter is expected to dissolve after the merger.

(3) Reallocation associated with the merger

- Because Denka holds all outstanding Denka Seiken shares, there will be no reallocation of shares or other consideration issued as a result of this merger.

(4) Handling of subscription rights and corporate bonds with subscription rights issued by the company being dissolved

- Denka Seiken has not issued any subscription rights or corporate bonds with subscription rights .

2. Future Outlook

- Since the Merger is a merger with a wholly owned subsidiary, its impact on Denka's consolidated operating results is insignificant.

For objectives, overview, and other details of the Merger, please refer to the notice entitled "Denka to Execute Group Reorganization Aimed at Better Positioning Itself to Achieve Goals of Denka Value-Up" announced on March 11, 2019.

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