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August 7, 2025

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



Company name: Denka Co., Ltd.  
 Listing: Tokyo Stock Exchange  
 Securities code: 4061  
 URL: <https://www.denka.co.jp/eng>  
 Representative: Ikuo Ishida, Representative Director, President  
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 Scheduled date to commence dividend payments: -  
 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 three months of the fiscal year ending March 31, 2026 (from April 1, 2025 to June 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	
Three months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
June 30, 2025	94,067	(1.2)	2,302	(51.2)	1,671	(53.7)	5,001	122.2
June 30, 2024	95,227	8.4	4,717	68.7	3,612	51.4	2,250	(2.0)

Note: Comprehensive income For the three months ended June 30, 2025: ¥804 million [(90.4)%]  
 For the three months ended June 30, 2024: ¥8,423 million [18.4%]

	Basic earnings per share	Diluted earnings per share
Three months ended	Yen	Yen
June 30, 2025	58.04	—
June 30, 2024	26.12	—

#### (2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of	Millions of yen	Millions of yen	%
June 30, 2025	650,892	311,167	45.1
March 31, 2025	655,524	308,296	45.2

Reference: Equity  
 As of June 30, 2025: ¥293,440 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	—				
Fiscal year ending March 31, 2026 (Forecast)		50.00	—	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
First half	195,000	(2.0)	7,000	(25.4)	4,500	(19.3)	2,500	(25.9)	29.01
Full fiscal year	410,000	2.4	25,000	73.4	19,000	149.2	15,000	—	174.06

Note: Revisions to the most recently announced earnings forecast: None

**\* 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 quarterly 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 June 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 June 30, 2025	2,379,694 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)

Three months ended June 30, 2025	86,176,092 shares
Three months ended June 30, 2024	86,177,090 shares

\* Review of the Japanese-language originals of the attached quarterly consolidated financial statements by certified public accountants or an audit firm: Yes (voluntary)

\* 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.

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

### (1) Operating Results

During the three months ended June 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, uncertainties are increasing 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 three months ended June 30, 2025, net sales were ¥94,067 million, down ¥1,159 million, or 1.2%, year on year, mainly due to sales price reviews in response to falling raw material and fuel prices and lower proceeds from stronger yen, although sales volume of electronics and innovative products increased. In terms of earnings, operating income was ¥2,302 million (down ¥2,415 million, or 51.2%, year on year), and ordinary income was ¥1,671 million (down ¥1,940 million, or 53.7%, year on year). Net income attributable to owners of parent was ¥5,001 million (up ¥2,750 million, or 122.2%, year on year), due to the recording of the gain on transfer of factory land at the Ofuna Plant as an extraordinary income.

#### [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 ¥1,729 million, or 7.9%, year on year to ¥23,611 million, and operating income increased ¥209 million, or 9.3%, year on year to ¥2,467 million.

#### [Life Innovation Division]

Regarding POCT test reagents, sales volumes of the rapid antigen test kits for COVID-19 virus and the dual COVID-19 and influenza virus test kits declined year on year due to a decrease in the number of infected persons. In addition, sales of other test reagents resulted in a year-on-year decrease due partly to some slump in sales for overseas.

As a result, division net sales decreased ¥1,217 million, or 15.6%, year on year to ¥6,585 million, and operating income decreased ¥1,501 million, or 87.1%, year on year to ¥221 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 ¥3,395 million, or 11.6%, year on year to ¥25,803 million, and operating loss was ¥1,395 million (operating loss in the corresponding period of the previous fiscal year was ¥171 million).

#### [Polymer Solutions Division]

Sales of MS resins of Denka Singapore Pte. Ltd. remained roughly on par with the previous fiscal year's level. Also, sales of sheets for food wrapping materials and their processed products, as well as TOYOKALON®, a synthetic fiber for wigs, remained at the same level as in the previous fiscal year due to delayed recovery in demand.

As a result, division net sales increased ¥1,217 million, or 3.7%, year on year to ¥33,795 million, and operating income increased ¥149 million, or 59.6%, year on year to ¥400 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 ¥505 million, or 13.4%, year on year to ¥4,271 million, and operating income decreased ¥11 million, or 1.8%, year on year to ¥590 million.

(2) Financial Position

Total assets at the end of the three months ended June 30, 2025 decreased by ¥4,632 million from the end of the previous fiscal year to ¥650,892 million. Current assets increased by ¥568 million from the end of the previous fiscal year to ¥271,023 million. Non-current assets decreased by ¥5,201 million from the end of the previous fiscal year to ¥379,868 million, mainly due to a decrease in property, plant and equipment.

Liabilities decreased by ¥7,503 million from the end of the previous fiscal year to ¥339,724 million, mainly due to a decrease in accounts payable for construction contracts.

Net assets, including non-controlling interests, increased by ¥2,871 million from the end of the previous fiscal year to ¥311,167 million.

As a result, the equity ratio decreased from 45.2% at the end of the previous fiscal year to 45.1%.

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

The consolidated financial results forecasts for the first half and the full year of the fiscal year ending March 31, 2026 remain unchanged as announced on May 13, 2025.

## 2. Quarterly Consolidated Financial Statements and Principal Notes

### (1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Assets</b>		
Current assets		
Cash and deposits	37,002	42,553
Notes and accounts receivable - trade, and contract assets	88,035	85,943
Merchandise and finished goods	89,988	84,916
Work in process	6,565	9,342
Raw materials and supplies	33,951	32,430
Other	15,175	16,090
Allowance for doubtful accounts	(262)	(251)
Total current assets	270,455	271,023
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,794	84,432
Machinery, equipment and vehicles, net	99,494	98,510
Tools, furniture and fixtures, net	5,239	5,194
Land	63,674	60,525
Leased assets, net	3,823	3,532
Construction in progress	54,942	54,596
Total property, plant and equipment	312,969	306,792
Intangible assets		
Goodwill	10	—
Patent right	396	362
Software	1,828	1,768
Other	861	782
Total intangible assets	3,097	2,913
Investments and other assets		
Investment securities	48,702	50,901
Long-term loans receivable	87	91
Retirement benefit asset	4,316	3,856
Deferred tax assets	9,988	9,123
Other	5,985	6,268
Allowance for doubtful accounts	(77)	(77)
Total investments and other assets	69,002	70,162
Total non-current assets	385,069	379,868
<b>Total assets</b>	<b>655,524</b>	<b>650,892</b>

(Millions of yen)

	As of March 31, 2025	As of June 30, 2025
<b>Liabilities</b>		
Current liabilities		
Notes and accounts payable - trade	48,023	43,411
Short-term borrowings	74,679	81,277
Commercial papers	33,000	43,000
Current portion of bonds payable	15,000	–
Income taxes payable	2,321	3,808
Accrued consumption taxes	262	167
Provision for bonuses	2,909	5,353
Other	54,304	42,893
Total current liabilities	230,501	219,911
Non-current liabilities		
Bonds payable	15,000	15,000
Long-term borrowings	80,000	83,364
Deferred tax liabilities	3,777	3,749
Deferred tax liabilities for land revaluation	8,613	8,613
Retirement benefit liability	2,506	2,514
Provision for share awards	145	154
Other	6,684	6,417
Total non-current liabilities	116,727	119,813
Total liabilities	347,228	339,724
<b>Net assets</b>		
Shareholders' equity		
Share capital	36,998	36,998
Capital surplus	49,412	49,412
Retained earnings	167,074	167,762
Treasury shares	(7,786)	(7,785)
Total shareholders' equity	245,698	246,388
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,062	13,161
Deferred gains or losses on hedges	(56)	87
Revaluation reserve for land	10,161	10,161
Foreign currency translation adjustment	26,104	21,430
Remeasurements of defined benefit plans	2,210	2,212
Total accumulated other comprehensive income	50,483	47,052
Non-controlling interests	12,114	17,726
Total net assets	308,296	311,167
Total liabilities and net assets	655,524	650,892



(2) Quarterly Consolidated Statements of Income and Comprehensive Income  
Quarterly Consolidated Statement of Income  
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net sales	95,227	94,067
Cost of sales	73,033	73,912
Gross profit	22,193	20,155
Selling, general and administrative expenses	17,476	17,853
Operating income	4,717	2,302
Non-operating income		
Interest income	117	262
Dividend income	394	329
Share of profit of entities accounted for using equity method	699	858
Foreign exchange gains	384	—
Other	155	357
Total non-operating income	1,750	1,808
Non-operating expenses		
Interest expenses	465	614
Foreign exchange losses	—	167
Loss on disposal of non-current assets	940	492
Cost during the suspension of plant operation	521	567
Other	928	597
Total non-operating expenses	2,855	2,439
Ordinary income	3,612	1,671
Extraordinary income		
Gain on sale of investment securities	116	—
Gain on sale of non-current assets	—	8,188
Total extraordinary income	116	8,188
Extraordinary losses		
Loss on liquidation of business	47	2,201
Total extraordinary losses	47	2,201
Income before income taxes	3,681	7,658
Income taxes	1,338	2,943
Net income	2,342	4,714
Net income (loss) attributable to non-controlling interests	91	(287)
Net income attributable to owners of parent	2,250	5,001

Quarterly Consolidated Statement of Comprehensive Income  
Three Months Ended June 30

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Net income	2,342	4,714
Other comprehensive income		
Valuation difference on available-for-sale securities	403	1,269
Deferred gains or losses on hedges	—	245
Foreign currency translation adjustment	5,153	(5,292)
Remeasurements of defined benefit plans, net of tax	62	1
Share of other comprehensive income of entities accounted for using equity method	460	(133)
Total other comprehensive income	6,080	(3,909)
Comprehensive income	8,423	804
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	8,162	1,571
Comprehensive income attributable to non-controlling interests	261	(766)

(3) Notes to Quarterly 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. Three months ended June 30, 2024 (from April 1, 2024 to June 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 quarterly consolidated statement of income (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	21,882	7,802	29,199	32,577	91,461	3,765	95,227	–	95,227
Intersegment sales or transfers	–	–	3	12	16	1,156	1,172	(1,172)	–
Total	21,882	7,802	29,203	32,589	91,477	4,921	96,399	(1,172)	95,227
Segment income (loss)	2,258	1,723	(171)	250	4,060	601	4,662	54	4,717

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 ¥54 million were due to elimination of intersegment transactions.

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

2. Information on net sales by region

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	51,172	27,412	16,642	44,055	95,227
Percentage of consolidated net sales (%)	53.7	28.8	17.5	46.3	100.0

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

## II. Three months ended June 30, 2025 (from April 1, 2025 to June 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 quarterly consolidated statement of income (Note 3)
	Electronics & Innovative Products	Life Innovation	Elastomers & Infrastructure Solutions	Polymer Solutions	Total				
Net sales									
Sales to external customers	23,611	6,585	25,803	33,795	89,796	4,271	94,067	—	94,067
Intersegment sales or transfers	—	—	4	26	31	1,240	1,271	(1,271)	—
Total	23,611	6,585	25,808	33,821	89,827	5,511	95,338	(1,271)	94,067
Segment income (loss)	2,467	221	(1,395)	400	1,693	590	2,284	17	2,302

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 ¥17 million are due to elimination of intersegment transactions.

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

### 2. Information on net sales by region

(Millions of yen)

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	52,674	26,129	15,263	41,393	94,067
Percentage of consolidated net sales (%)	56.0	27.8	16.2	44.0	100.0

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

### Notes on statement of cash flows

We have not prepared quarterly consolidated statement of cash flows for the three months ended June 30, 2025.

Depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the three months ended June 30 are as follows:

(Millions of yen)

	For the three months ended June 30, 2024	For the three months ended June 30, 2025
Depreciation	6,796	7,177
Amortization of goodwill	8	9