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February 6, 2026

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



Company name: Denka Co., Ltd.
 Listing: Tokyo Stock Exchange
 Securities code: 4061
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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 nine months of the fiscal year ending March 31, 2026 (from April 1, 2025 to December 31, 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	
Nine months ended	Millions of yen	%	Millions of yen	%	Millions of yen	%	Millions of yen	%
December 31, 2025	290,774	(3.6)	18,198	54.0	13,702	216.4	5,535	114.7
December 31, 2024	301,598	3.0	11,816	(5.9)	4,330	(48.8)	2,577	(28.0)

Note: Comprehensive income For the nine months ended December 31, 2025: ¥5,143 million [22.4%]
 For the nine months ended December 31, 2024: ¥4,203 million [(77.2)%]

	Basic earnings per share	Diluted earnings per share
Nine months ended	Yen	Yen
December 31, 2025	64.23	-
December 31, 2024	29.92	-

(2) Consolidated financial position

	Total assets	Net assets	Equity ratio
As of			%
December 31, 2025	Millions of yen 655,195	Millions of yen 312,568	45.2
March 31, 2025	655,524	308,296	45.2

Reference: Equity

As of December 31, 2025: ¥296,253 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
Fiscal year ended March 31, 2025	Yen –	Yen 50.00	Yen –	Yen 50.00	Yen 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	390,000	(2.6)	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 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 December 31, 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 December 31, 2025	2,355,229 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)	
Nine months ended December 31, 2025	86,190,675 shares
Nine months ended December 31, 2024	86,176,701 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 nine months ended December 31, 2025, the Japanese economy moved toward a moderate recovery as personal consumption and capital investment showed signs of improvement. 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 nine months ended December 31, 2025, sales volume of electronics and innovative products increased. However, net sales were ¥290,774 million, down ¥10,824 million, or 3.6%, year on year. This was mainly due to lower proceeds from sales price reviews in response to falling raw material and fuel prices. In terms of earnings, operating income was ¥18,198 million (up ¥6,382 million, or 54.0%, year on year), and ordinary income was ¥13,702 million (up ¥9,371 million, or 216.4%, year on year). Net income attributable to owners of parent was ¥5,535 million (up ¥2,957 million, or 114.7%, 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 and spherical alumina remained strong with the expansion of demand for semiconductors for generative AI applications. Sales of high-performance film also increased, supported by a gradual recovery in demand for electronic component applications. 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 ¥8,378 million, or 12.4%, year on year to ¥75,904 million, and operating income increased ¥2,817 million, or 40.7%, year on year to ¥9,741 million.

[Life Innovation Division]

Sales of POCT test reagents increased slightly year on year due to the early onset of influenza season. 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 ¥147 million, or 0.4%, year on year to ¥34,947 million, and operating income decreased ¥995 million, or 13.1%, year on year to ¥6,606 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 increased, 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 ¥11,652 million, or 13.8%, year on year to ¥72,803 million, and operating loss was ¥2,291 million (operating loss in the corresponding period of the previous fiscal year was ¥5,670 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 ¥9,125 million, or 8.9%, year on year to ¥93,250 million, and operating income increased ¥911 million, or 86.3%, year on year to ¥1,967 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 ¥1,723 million, or 14.2%, year on year to ¥13,868 million, and operating income increased ¥252 million, or 13.9%, year on year to ¥2,072 million.

(2) Financial Position

Total assets at the end of the nine months ended December 31, 2025 decreased by ¥329 million from the end of the previous fiscal year to ¥655,195 million. Current assets decreased by ¥17,658 million from the end of the previous fiscal year to ¥252,796 million, mainly due to a decrease in inventories. Non-current assets increased by ¥17,329 million from the end of the previous fiscal year to ¥402,398 million, mainly due to an increase in property, plant and equipment.

Liabilities decreased by ¥4,601 million from the end of the previous fiscal year to ¥342,626 million, mainly due to a decrease in accounts payable for construction contracts.

Net assets, including non-controlling interests, increased by ¥4,272 million from the end of the previous fiscal year to ¥312,568 million.

As a result, the equity ratio remained at 45.2%, the same level as the end of the previous fiscal year.

(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 November 10, 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
Previous forecast (A)	Millions of yen 400,000	Millions of yen 25,000	Millions of yen 19,000	Millions of yen 15,000	Yen 174.06
Revised forecast (B)	390,000	25,000	19,000	15,000	174.06
Amount of change (B-A)	(10,000)	–	–	–	
Change (%)	(2.5)%	–	–	–	
(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 from the previous forecast announced on November 10, 2025, taking into account recent performance trends.

As for operating income forecast, the total amount on a consolidated basis will remain unchanged from the previous forecast announced on May 13, 2025, 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	12,500	13,000	500
Life Innovation	Net sales	45,000	40,000	(5,000)
	Operating income	7,500	7,000	(500)
Elastomers & Infrastructure Solutions	Net sales	105,000	100,000	(5,000)
	Operating income	500	0	(500)
Polymer Solutions	Net sales	125,000	125,000	—
	Operating income	2,500	3,000	500
Others	Net sales	20,000	20,000	—
	Operating income	2,000	2,000	—
Total	Net sales	400,000	390,000	(10,000)
	Operating income	25,000	25,000	—

2. Quarterly Consolidated Financial Statements and Principal Notes

(1) Quarterly Consolidated Balance Sheet

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Assets		
Current assets		
Cash and deposits	37,002	30,395
Notes and accounts receivable - trade, and contract assets	88,035	91,992
Merchandise and finished goods	89,988	78,734
Work in process	6,565	4,657
Raw materials and supplies	33,951	33,944
Other	15,175	13,516
Allowance for doubtful accounts	(262)	(443)
Total current assets	<u>270,455</u>	<u>252,796</u>
Non-current assets		
Property, plant and equipment		
Buildings and structures, net	85,794	85,969
Machinery, equipment and vehicles, net	99,494	100,560
Tools, furniture and fixtures, net	5,239	5,086
Land	63,674	60,063
Leased assets, net	3,823	3,323
Construction in progress	54,942	67,760
Total property, plant and equipment	<u>312,969</u>	<u>322,765</u>
Intangible assets		
Goodwill	10	–
Patent right	396	265
Software	1,828	1,643
Other	861	698
Total intangible assets	<u>3,097</u>	<u>2,607</u>
Investments and other assets		
Investment securities	48,702	59,475
Long-term loans receivable	87	1,051
Retirement benefit asset	4,316	3,966
Deferred tax assets	9,988	5,383
Other	5,985	7,227
Allowance for doubtful accounts	(77)	(78)
Total investments and other assets	<u>69,002</u>	<u>77,025</u>
Total non-current assets	<u>385,069</u>	<u>402,398</u>
Total assets	<u>655,524</u>	<u>655,195</u>

(Millions of yen)

	As of March 31, 2025	As of December 31, 2025
Liabilities		
Current liabilities		
Notes and accounts payable - trade	48,023	49,180
Short-term borrowings	74,679	51,040
Commercial papers	33,000	29,000
Current portion of bonds payable	15,000	15,000
Income taxes payable	2,321	3,831
Accrued consumption taxes	262	480
Provision for bonuses	2,909	1,536
Other	54,304	44,415
Total current liabilities	230,501	194,485
Non-current liabilities		
Bonds payable	15,000	10,000
Long-term borrowings	80,000	117,047
Deferred tax liabilities	3,777	3,980
Deferred tax liabilities for land revaluation	8,613	8,613
Retirement benefit liability	2,506	2,469
Provision for share awards	145	98
Other	6,684	5,933
Total non-current liabilities	116,727	148,141
Total liabilities	347,228	342,626
Net assets		
Shareholders' equity		
Share capital	36,998	36,998
Capital surplus	49,412	49,412
Retained earnings	167,074	163,982
Treasury shares	(7,786)	(7,713)
Total shareholders' equity	245,698	242,681
Accumulated other comprehensive income		
Valuation difference on available-for-sale securities	12,062	18,460
Deferred gains or losses on hedges	(56)	553
Revaluation reserve for land	10,161	10,161
Foreign currency translation adjustment	26,104	22,103
Remeasurements of defined benefit plans	2,210	2,292
Total accumulated other comprehensive income	50,483	53,572
Non-controlling interests	12,114	16,314
Total net assets	308,296	312,568
Total liabilities and net assets	655,524	655,195

(2) Quarterly Consolidated Statements of Income and Comprehensive Income

Quarterly Consolidated Statement of Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net sales	301,598	290,774
Cost of sales	236,619	221,029
Gross profit	64,979	69,744
Selling, general and administrative expenses	53,163	51,546
Operating income	11,816	18,198
Non-operating income		
Interest income	353	189
Dividend income	781	808
Share of profit of entities accounted for using equity method	1,477	1,352
Foreign exchange gains	—	39
Other	379	529
Total non-operating income	2,992	2,919
Non-operating expenses		
Interest expenses	1,511	1,570
Loss on disposal of non-current assets	2,141	1,545
Cost during the suspension of plant operation	2,350	2,267
Foreign exchange losses	1,198	—
Other	3,275	2,032
Total non-operating expenses	10,478	7,415
Ordinary income	4,330	13,702
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	812	14,203
Total extraordinary losses	812	14,203
Income before income taxes	3,846	8,227
Income taxes - current	1,523	6,167
Net income	2,322	2,059
Net loss attributable to non-controlling interests	(255)	(3,476)
Net income attributable to owners of parent	2,577	5,535

Quarterly Consolidated Statement of Comprehensive Income

Nine Months Ended December 31

(Millions of yen)

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Net income	2,322	2,059
Other comprehensive income		
Valuation difference on available-for-sale securities	(1,363)	6,184
Deferred gains or losses on hedges	—	436
Foreign currency translation adjustment	2,530	(4,315)
Remeasurements of defined benefit plans, net of tax	189	81
Share of other comprehensive income of entities accounted for using equity method	524	696
Total other comprehensive income	1,880	3,083
Comprehensive income	4,203	5,143
Comprehensive income attributable to		
Comprehensive income attributable to owners of parent	4,018	8,624
Comprehensive income attributable to non-controlling interests	184	(3,481)

(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. Nine months ended December 31, 2024 (from April 1, 2024 to December 31, 2024)

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

	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	67,526	35,094	84,456	102,376	289,453	12,145	301,598	–	301,598
Intersegment sales or transfers	–	–	12	39	51	2,904	2,956	(2,956)	–
Total	67,526	35,094	84,468	102,415	289,504	15,049	304,554	(2,956)	301,598
Segment income (loss)	6,923	7,601	(5,670)	1,055	9,910	1,820	11,730	85	11,816

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 ¥85 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

	Japan	Overseas			Total
		Asia	Others	Total	
Net sales	168,241	86,078	47,279	133,357	301,598
Percentage of consolidated net sales (%)	55.8	28.5	15.7	44.2	100.0

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

II. Nine months ended December 31, 2025 (from April 1, 2025 to December 31, 2025)

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

	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	75,904	34,947	72,803	93,250	276,906	13,868	290,774	–	290,774
Intersegment sales or transfers	–	–	206	63	270	2,831	3,101	(3,101)	–
Total	75,904	34,947	73,010	93,313	277,176	16,699	293,875	(3,101)	290,774
Segment income (loss)	9,741	6,606	(2,291)	1,967	16,022	2,072	18,095	103	18,198

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 ¥103 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

		Japan	Overseas			Total
			Asia	Others	Total	
Net sales		160,733	82,739	47,301	130,041	290,774
Percentage of consolidated net sales (%)		55.3	28.5	16.3	44.7	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 nine months ended December 31, 2025. Depreciation (including amortization of intangible assets except goodwill) and amortization of goodwill for the nine months ended December 31, 2025 are as follows:

	For the nine months ended December 31, 2024	For the nine months ended December 31, 2025
Depreciation	20,497	21,684
Amortization of goodwill	27	9