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# Denka



March 9, 2026

To whom it may concern:

Company name: Denka Company Limited  
Name of representative: Ikuo Ishida, Representative Director, President & CEO  
(Securities Code: 4061: Prime Market)  
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## Notice Concerning Change in Equity-Method Affiliate (Becoming a Consolidated Subsidiary)

Denka Company Limited (Head Office: Chuo-ku, Tokyo; President and CEO: Ikuo Ishida) hereby announces that at the meeting of the Board of Directors held today the Company has resolved to enter into a share transfer agreement (the “Share Transfer Agreement”) with Daicel Corporation (“Daicel”) for the acquisition of the shares of Toyo Styrene Co., Ltd. (“Toyo Styrene”) held by Daicel, as follows.

The completion of this share transfer is subject to the completion of the necessary approvals, permissions, or clearances from the relevant authorities in accordance with the Anti-Monopoly Act and other applicable laws and regulations.

Toyo Styrene is a joint venture company established through the integration of the polystyrene businesses of the Company, NIPPON STEEL Chemical & Material Co., Ltd. (“NIPPON STEEL Chemical & Material”), and Daicel. It is an equity-method affiliate of the Company. As a result of this transaction, Toyo Styrene is expected to become a consolidated subsidiary of the Company that qualifies as a specified subsidiary.

Daicel will cease to be a co-investor in Toyo Styrene, and Toyo Styrene’s Hirohata Plant will be shut down. For a certain period, however, Toyo Styrene will continue to outsource production to Daicel and maintain product sales.

### 1. Background and purpose

Toyo Styrene was established in 1998 as a joint venture company formed by integrating the polystyrene businesses of the Company, NIPPON STEEL Chemical & Material, and Daicel. The company was created to secure competitiveness and ensure the survival of the business amid a sharp decline in domestic polystyrene demand due to users relocating overseas in the late 1990s. The shareholder structure consists of the Company owning 50%, NIPPON STEEL Chemical & Material 35%, and Daicel 15%.

Since its establishment, Toyo Styrene has maintained stable business operations and achieved its original objectives. Yet in recent years, domestic demand for polystyrene has continued to decline. Additionally, competition with imported goods has intensified due to large-scale production capacity expansions overseas, particularly in China, necessitating that the Company further advance its business restructuring. Furthermore, in light of the global trend toward accelerating efforts to address marine plastic pollution and achieve carbon neutrality, there is a pressing need for technological transformation that reduces environmental impact and contributes to resource circulation.

In light of these circumstances, the Company has decided to acquire Daicel’s shares of Toyo Styrene in order to expedite Toyo Styrene’s management decision-making and establish a framework to reliably advance its future business restructuring. This will strengthen the integrated management of the Company’s styrene-based business

and Toyo Styrene, and we will proactively advance structural reforms, including a fundamental review of our production system.

Furthermore, we will integrate Toyo Styrene's polystyrene manufacturing and recycling technologies into the Denka Group, accelerating the enhancement of our competitiveness and the advancement of our environmental-related businesses.

This review of the operational structure will enable us to holistically optimize the entire value chain from raw material procurement to product manufacturing and recycling. In addition, by maximizing the benefits of integrated operations, including the joint management of the chemical recycling facility that began operation at our Chiba Plant in 2024, we will enhance the value of our resource circulation business and contribute to the realization of a sustainable society.

## 2. Outline of the equity-method affiliate to be transferred

(1) Name	Toyo Styrene Co., Ltd.		
(2) Address	2-7-4 Nishi-Shinbashi, Minato-ku, Tokyo		
(3) Title and name of representative	Kenjiro Ishizuka, President		
(4) Description of business	Manufacture, processing, and sales of polystyrene resin and styrene-based specialty resins		
(5) Capital	5,000 million yen		
(6) Date of establishment	December 25, 1998		
(7) Large shareholders and their shareholding percentages	Denka Company Limited	50.0%	
	NIPPON STEEL Chemical & Material Co., Ltd.	35.0%	
	Daicel Corporation	15.0%	
(8) Relationships between the listed company and the company concerned	Capital relationship	The Company directly owns 50.0% of the outstanding shares of the company concerned.	
	Personnel ties	Not applicable	
	Business relationship	The Company supplies its products as raw materials and purchases some of the concerned company's products.	
(9) Financial position and operating results for the past three years			
Fiscal years ended	March 31, 2023	March 31, 2024	March 31, 2025
Net assets (Millions of yen)	11,643	11,165	11,729
Total assets (Millions of yen)	25,814	31,582	27,692
Net assets per share (yen)	116,436	111,658	117,296
Net sales (Millions of yen)	49,327	46,149	48,394
Operating income (Millions of yen)	1,097	446	1,221
Ordinary income (Millions of yen)	1,110	373	1,066
Net income (Millions of yen)	768	243	788
Basic earnings per share (yen)	7,689	2,436	7,889
Dividends per share (yen)	6,991	2,214	7,172

## 3. Outline of the counterparty of the share acquisition

As of September 30, 2025

(1) Name	Daicel Corporation
(2) Address	3-1 Ofuka-cho, Kita-ku, Osaka, Japan
(3) Title and name of representative	Yasuhiro Sakaki, President and CEO
(4) Description of business	Manufacture and sale of cellulose, organic synthesis, synthetic resins, and pyrotechnic products

(5)	Capital	36,275 million yen	
(6)	Date of establishment	September 8, 1919	
(7)	Consolidated net assets	394,210 million yen	
(8)	Consolidated total assets	848,907 million yen	
(9)	Large shareholders and their shareholding percentages	The Master Trust Bank of Japan, Ltd. (Trust Account)	14.88%
		Custody Bank of Japan, Ltd. (Trust Account)	9.99%
		Nippon Life Insurance Company	6.55%
(10)	Relationship between the Company and the company concerned	Capital relationship	Not applicable
		Personnel ties	Not applicable
		Business relationship	Not applicable
		Related party status	Not applicable

4. Number of shares to acquired, acquisition price, and status of shares held before and after acquisition

(1)	Number of shares held before the transfer	Denka Company Limited	50,000 shares (50.0%)
		NIPPON STEEL Chemical & Material Co., Ltd.	35,000 shares (35.0%)
		Daicel Corporation	15,000 shares (15.0%)
(2)	Number of shares to be acquired	15,000 shares (15.0%)	
(3)	Acquisition price	The Company is refraining from disclosure, but the price was determined through deliberation and agreement between the Company and Daicel as a reasonable price calculated based on objective criteria.	
(4)	Number of shares held after the transfer	Denka Company Limited	65,000 shares (65.0%)
		NIPPON STEEL Chemical & Material Co., Ltd.	35,000 shares (35.0%)

5. Schedule

(1)	Date of resolution by the Board of Directors	March 9, 2026
(2)	Date of the Share Transfer Agreement	March 9, 2026
(3)	Date of share transfer execution (planned)	March 31, 2026

6. Outlook

The impact of this matter on our consolidated financial results and financial position is currently under careful review. We will promptly make an announcement should any matters requiring disclosure arise.

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