



Denka

Possibility
of
chemistry

Results Presentation of FY2025

(Fiscal Year Ending March 2026)

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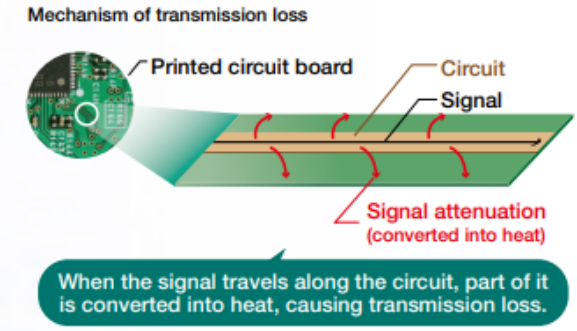
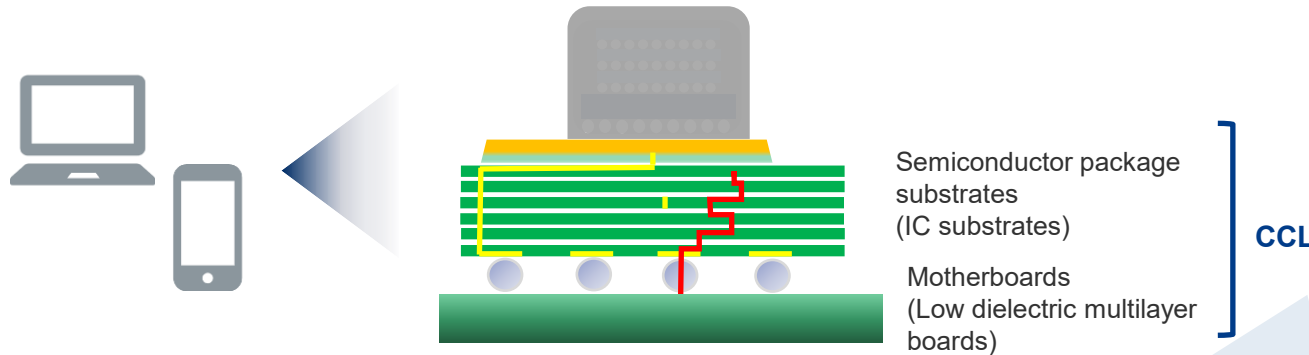
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Denka Co., Ltd

May 13, 2026

■ **SNECTON*: Certified by various CCL manufacturers. Dedicated facility to be completed soon**

*SNECTON: Low dielectric organic insulation resin. The only material that achieves both **excellent low Df (Dielectric Dissipation Factor)** that significantly reduces transmission loss and **processability**



Component Materials of CCL



Soft-type SNECTON

Construction of dedicated plant to be completed (Mid-May)

Already certified by various CCL manufacturers



Hard-type SNECTON

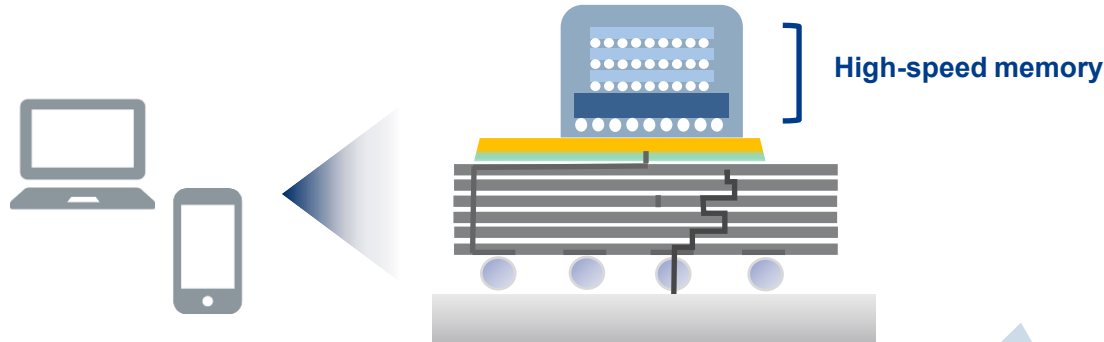
Developed products are being evaluated by various companies for sales launch during FY2026

Under final review for capacity expansion of hard-type products

Low dielectric loss tangent spherical silica

Sales volume is increasing due to expanding needs for low dielectric properties

■ **Spherical Alumina for Thermal Conductive Molding Compound Application: Demand for GDDR7 remains firm. Adoption for multilayer packages has also been decided.**



Strengths of Our Products

- **Product Lineup** with various particle sizes
- By optimally combining products, **formulation proposals that achieve high heat dissipation** are possible
- To respond to semiconductor miniaturization, **fine powder** production is possible (direct production rather than sorting for target particle sizes)

Thermal Conductive Molding Compound for High-Speed Memory

Spherical Alumina for Thermal Conductive Molding Compound

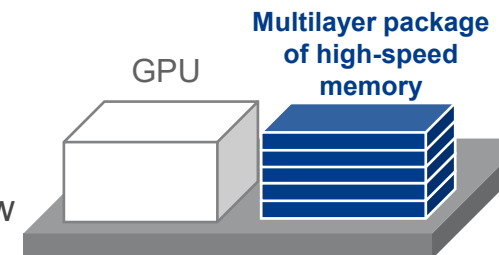
For GDDR (High-speed data transfer)

Demand for GDDR7 remains firm. User evaluations of grades for next-generation GDDR are also progressing smoothly.



For multilayer packages of high-speed memory (HBM, etc.)

Adoption for new projects decided. For next-generation Packages, Development of new grades is also underway



- **Operating income:** The impact of fundamental measures was +8.8 billion yen in FY2025, and expected to be +15.0 billion yen in FY2026 (vs. FY2024), both in line with the plan
- **Extraordinary gains / losses:** Certain amount of extraordinary losses are expected in FY2026 as well; however, we plan to off-set these losses by recording extraordinary gains, etc.
- **Develop a plan until anticipated closure early in the Mission 2030 Phase 2 period (FY2026–FY2028)**

Latest Status	Equipment	To safely shut down the manufacturing facilities, DPE is in the final stages of the removal and disposal of materials, including raw materials and intermediates.
	Number of Employees	As the shut-down progresses, DPE is working to optimize its workforce. (Number of employees: approx. 250 at the end of March 2025 → approx. 140 at the end of December 2025 → approx. 80 at the end of April 2026)
	Stakeholders	To minimize future costs, DPE is continuing discussions with relevant stakeholders.

(¥ billions)		FY2024	FY2025	FY2026
Operating income	Impact of fundamental measures (vs. FY2024)		+8.8	+15.0
Extraordinary gains and losses	DPE-related losses	-17.9 (Impairment loss -16.1, etc.)	-18.4 (Write-down of raw materials and intermediate products, and costs associated with material removal costs, etc.,including labor costs)	<div style="border: 1px solid black; padding: 5px;"> Certain costs are also expected to be incurred as extraordinary losses in FY2026 </div>
	Gain on sale of land for Ofuna Plant		+8.2	
	Gain on sale of strategically held shares		+12.6	<div style="border: 1px solid black; padding: 5px; text-align: center;"> Consider </div>
	Recognition of deferred tax assets			

Compensate

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FY2025
Actual
(P6-P15)

■ **Operating income: 26.2 billion yen (+11.8 billion yen YoY)**

Electronics & Innovative Products volume +6.7: Expanding demand for semiconductors (AI-related) and power infrastructure, and moderate demand recovery for semiconductors (general-purpose)

DPE production suspension: +8.8

■ **Net income: 15.7 billion yen (+28.0 billion yen YoY) → ROE 5.2%**

Extraordinary gains: Gain on sale of strategic cross-shareholdings

FY2024 +0.4 → FY2025 +12.6

Extraordinary gains: Gain on sale of land for Ofuna Plant

FY2024 None → FY2025 +8.2

Extraordinary losses: Loss on liquidation of business, etc. (DPE-related, etc.)

FY2024 -25.1 → -21.1

20.8
← Compensate

FY2026
Forecast
(P16-P29)

Incorporated a impact of the situation in the Middle East (-5.0 billion yen) into the Mission 2030 Management Plan Phase 2 targets

■ **Operating income: 30.0 billion yen (-5.0 billion yen vs. Phase 2 plan, +3.8 billion yen YoY)**

■ **Net income: 16.0 billion yen (-2.0 billion yen vs. Phase 2 plan, +0.3 billion yen YoY)**

(Status of each segment excluding the impact of the situation in the Middle East [vs. Phase 2 plan])

Electronics & Innovative Products: Upward revision due to expanding demand for AI-related products (SNECTON, spherical fused silica, spherical alumina, etc.)

Life Innovation: Downward revision of sales volume for rapid antigen test kits in response to the current trends in infectious disease outbreaks

Shareholder Returns
(P30)

■ **Maintain dividend at 100 yen per share, the same as the previous year (54% total return ratio)**

■ **Future dividend policy: Aiming to maintain or increase dividend per share based on a total return ratio of 50% (cumulative total for the eight years of the management plan)**

FY2025 (Fiscal Year Ended March 2026) Results

- Operating income achieved a V-shaped recovery due to the growing demand for semiconductors (AI-related) and power infrastructure together with the effects of fundamental measures for chloroprene rubber
- Net income increased significantly as DPE-related losses were compensated by gain on sale of strategic cross-shareholdings and gain on sale of land for Ofuna Plant

(¥ billions)	FY2024 Actual	FY2025 Actual	(Year on Year)	FY2025 February Forecast	(vs. February Forecast)
Sales	400.3	384.2	-16.0	390	-5.8
Operating income	14.4	26.2	+11.8	25.0	+1.2
Operating Margin	3.6%	6.8%	+3.2%	6.4%	+0.4%
Ordinary Income	7.6	19.3	+11.7	19.0	+0.3
Extraordinary gains: Gain on sale of strategic cross-shareholdings	0.4	12.6			
Extraordinary gains: Gain on sale of land for Ofuna Plant	-	8.2			
Extraordinary losses: Loss on liquidation of business, etc. (DPE-related, etc.)	-25.1	-21.1			
Extraordinary gains and losses: Others (Gain on negative goodwill, etc.)	-	2.4			
Net Income Attributable to Owners of Parent	-12.3	15.7	+28.0	15.0	+0.7
Forex (Yen/\$)	152.8	150.2		150.4	
Japan Naphtha (Yen/KI)	75,700	65,800		65,000	

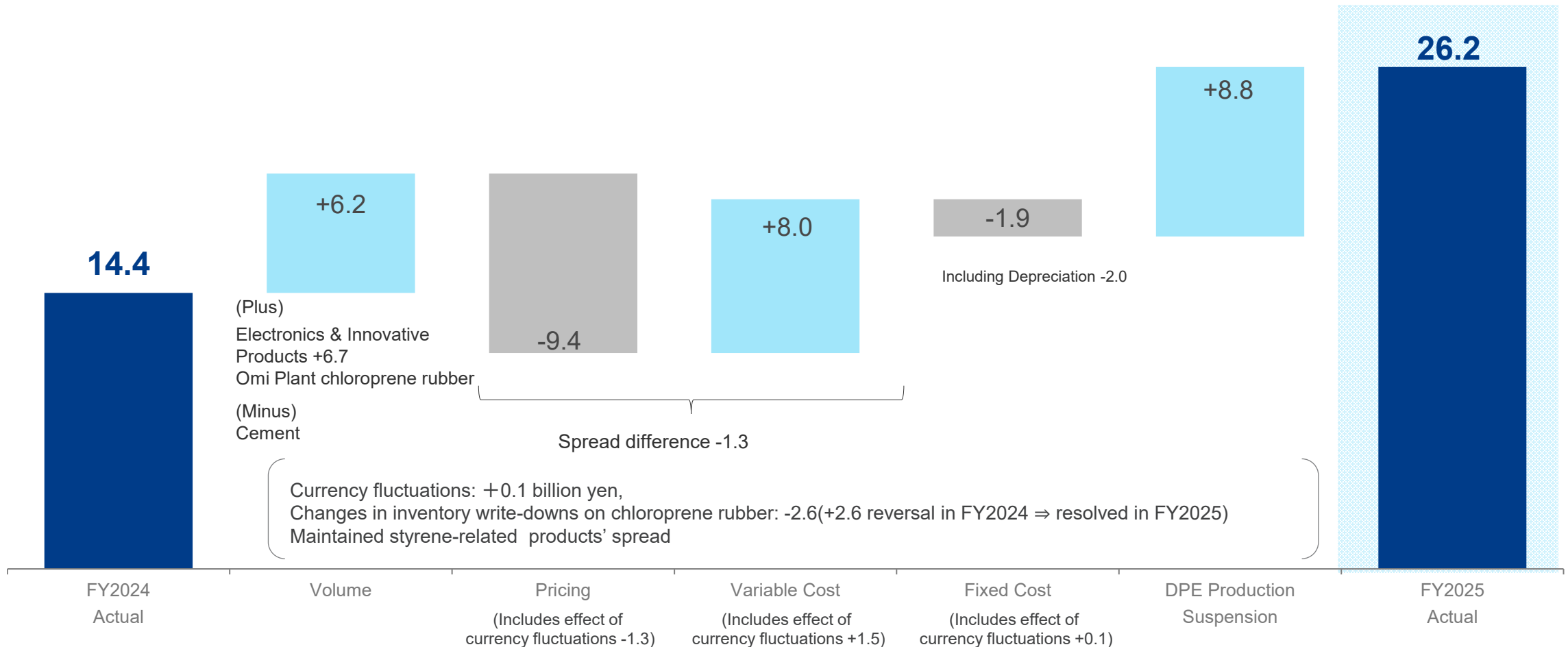
(1H 153.9 / 2H 151.6) (1H 146.2 / 2H 154.3)
 (1H 77,700 / 2H 73,700) (1H 65,000 / 2H 66,600)

208
 Compensate

- Increased demand for semiconductors (AI-related) and power infrastructure drove positive volume growth and, together with the impact of the DPE production suspension, led to significant profit growth

Operating Income Variance Analysis
(Year on Year)

(¥ billions)



■ Significant profit increase in Electronics & Innovative Products and Elastomers & Infrastructure Solutions

Sales	FY2024	FY2025	Incr. Decr.	DPE			(¥ billions)
				Volume	Pricing	Production Suspension	
Electronics & Innovative Products	92.2	104.4	+12.2	+11.7	+0.5		
Life Innovation	43.3	40.5	-2.7	-3.0	+0.3		
Elastomers & Infrastructure Solutions	111.7	97.6	-14.1	-5.0	+2.2	-11.3	
Polymer Solutions	135.4	124.2	-11.2	+1.1	-12.3		
Others	17.7	17.6	-0.2	-0.2	-		
Total	400.3	384.2	-16.0	+4.7	-9.4	-11.3	

Operating income	FY2024	FY2025	Incr. Decr.	DPE			DPE Production Suspension
				Volume	Pricing	Cost and Others	
Electronics & Innovative Products	9.2	13.9	+4.7	+6.7	+0.5	-2.4	
Life Innovation	9.6	6.2	-3.4	-1.9	+0.3	-1.7	
Elastomers & Infrastructure Solutions	-8.0	0.1	+8.0	+1.6	+2.2	-4.6	+8.8
Polymer Solutions	1.2	3.6	+2.4	-0.1	-12.3	+14.8	
Others	2.5	2.4	-0.0	-0.0	-	-	
Total	14.4	26.2	+11.8	+6.2	-9.4	+6.1	+8.8

■ While profit decreased for Life Innovation, overall profit was in line with the previous quarter as other segments increased profit

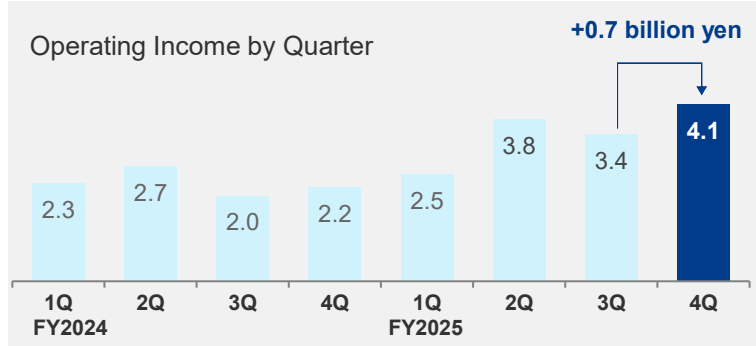
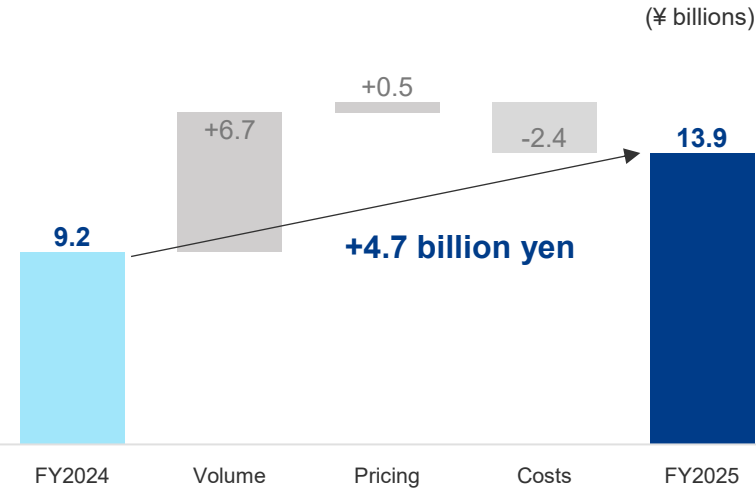
(¥ billions)

Sales	FY2023				FY2024				FY2025				vs. 3Q (Incr. Decr.)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Electronics & Innovative Products	19.2	22.5	21.7	24.5	21.9	23.2	22.5	24.7	23.6	26.5	25.8	28.5	+2.7
Life Innovation	7.2	15.0	15.8	9.0	7.8	14.6	12.7	8.2	6.6	14.8	13.5	5.6	-7.9
Elastomers & Infrastructure Solutions	28.0	29.2	28.6	25.6	29.2	27.2	28.0	27.2	25.8	24.1	22.9	24.8	+1.9
Polymer Solutions	29.8	31.7	30.9	31.9	32.6	34.9	34.9	33.0	33.8	31.6	27.8	30.9	+3.1
Others	3.7	5.1	4.5	5.4	3.8	4.0	4.4	5.6	4.3	5.6	4.0	3.7	-0.3
Total	87.8	103.5	101.5	96.4	95.2	103.8	102.5	98.7	94.1	102.6	94.1	93.5	-0.6

Operating income	FY2023				FY2024				FY2025				vs. 3Q (Incr. Decr.)
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	
Electronics & Innovative Products	2.1	2.8	1.8	2.4	2.3	2.7	2.0	2.2	2.5	3.8	3.4	4.1	+0.7
Life Innovation	0.9	5.7	3.1	2.0	1.7	4.0	1.9	2.0	0.2	3.6	2.8	-0.4	-3.1
Elastomers & Infrastructure Solutions	-0.7	-0.9	-3.9	-3.7	-0.2	-2.9	-2.6	-2.3	-1.4	-2.0	1.1	2.4	+1.2
Polymer Solutions	0.0	-0.2	0.6	-0.4	0.3	0.4	0.4	0.1	0.4	1.1	0.5	1.6	+1.1
Others	0.5	0.5	0.4	0.6	0.7	0.5	0.7	0.5	0.6	0.9	0.6	0.3	-0.4
Total	2.8	7.7	2.0	0.8	4.7	4.7	2.4	2.6	2.3	7.4	8.5	8.0	-0.4

Profit increased, driven by rising demand for Semiconductors (AI-Related) and power infrastructure, together with a gradual recovery in Semiconductor (General-Purpose) demand

Operating Income Variance Analysis (Year on Year)



4Q Non-Consolidated (vs. 3Q):
 - While demand generally remained steady, some shipments were moved forward due to the situation in the Middle East

Reason for Variance (Year on Year)	Volume	By Application			Pricing	Cost and Others
		AI-Related Application and Power Infrastructure	Semiconductor and Electronic Components (non-AI)	Others		
SNECTON	↗	For Resin substrate Full-scale sales started	-	-	-	
Spherical fused silica	↗	For Resin substrate Strong sales for AI applications continued For Optical ferrule Demand surged	For Semiconductor sealants Gradual recovery in demand continued	-	→	Level year on year
Spherical alumina	↗	For Thermal conductive molding compound Strong sales for AI applications continue	For TIM* Gradual recovery in demand continued	For xEV Sluggish sales in Europe	→	
High-performance film	↗	-	Gradual recovery	-	→	Level year on year
Acetylene Black	↗	For power infrastructure Strong demand for high-voltage cables, surge in demand for ESS	-	For xEV Sluggish sales in Europe	↘	Currency fluctuations: Negative
ALSINK	↗	For power infrastructure Continued strong performance	-	For electric railway Continued steady performance	↗	Sales composition differences
Silicon nitride (powder)	→	-	-	For heat dissipation substrates and bearing balls : level year on year due to replacement demand despite sluggish EV market	→	Level year on year
Ceramic Substrates (Silicon nitride and aluminum nitride)	→	-	-	For xEV Sluggish sales in Europe For electric railway Continued steady performance	↗	Progress in increasing prices as planned



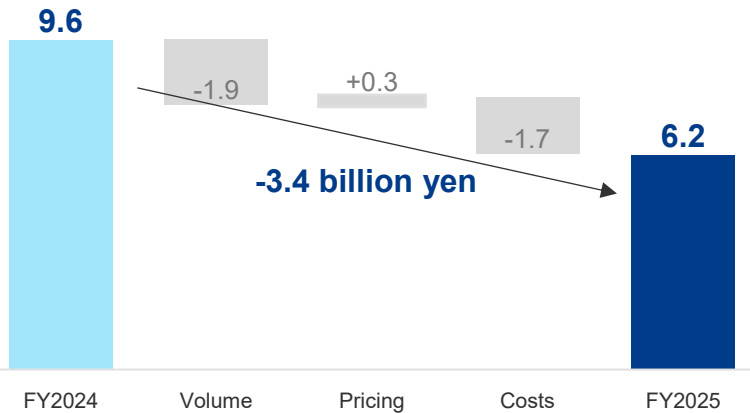
Increase in depreciation expenses -1.6
 Inventory impact (Effects of high unit cost beginning inventory), etc.

* TIM (Thermal Interface Materials)

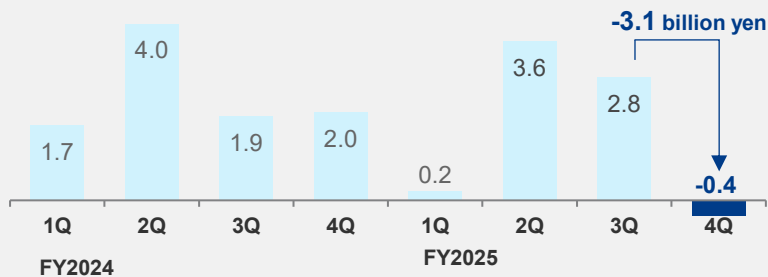
Profit decreased since shipments of COVID-19 test kits decreased due to lower testing demand, as COVID-19 was less prevalent than in the previous year

Operating Income Variance Analysis (Year on Year)

(¥ billions)



Operating Income by Quarter



Reason for Variance (Year on Year)

*Combo kits: Test kits that detect both COVID-19 and influenza simultaneously

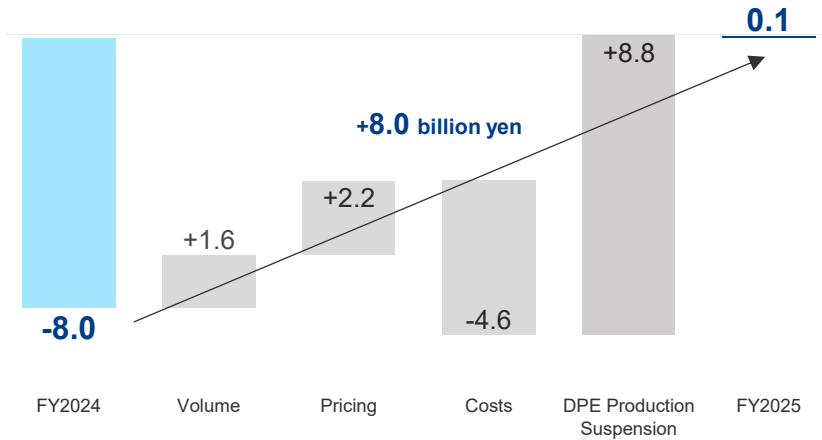
	Volume	Pricing	Cost and Others
Influenza Vaccines	→ Level year on year	→ Level year on year	
Rapid antigen test kits	↘ • Decrease in shipments of COVID-19 test kits due to lower demand for testing caused by lower outbreak of the disease compared with the previous year • Shipments of combo kits exceeded the previous year	→ Same as above	↘ Increase in fixed costs (Depreciation -0.7, etc.)
IVD reagents (inflammation markers, etc.)	↘ Sales decreased due to weak demand in some overseas markets	↗ Sales composition difference	

4Q Non-Consolidated (vs. 3Q):

- Rapid antigen test kits: Sales decreased significantly as the outbreak of infectious diseases subsided

Losses eliminated due to impacts from the suspension of DPE production

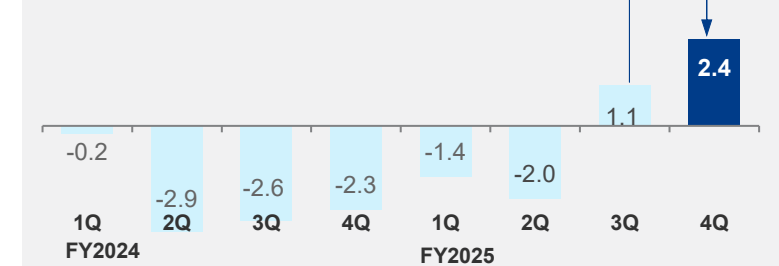
Operating Income Variance Analysis (Year on Year) (¥ billions)



Reason for Variance (Year on Year)

Category	Volume	Pricing	Cost and Others
Chloroprene rubber	<p>↗</p> <p>Demand was level year on year, while shipments of products from the Omi Plant increased due to substitution for DPE products</p>	<p>↗</p> <p>Currency fluctuation: Plus Impact excluding currency fluctuation: Plus</p> <p>[Customs Statistics] Export unit prices (dry + latex) (yen/kg)</p>	<p>↓</p> <p>Chloroprene rubber: - Changes in inventory write-downs -2.6 (FY2024 total reversal +2.6 → FY2025 resolved 0)</p>
Special cement additives	<p>↘</p> <p>Lower demand than in the previous year due to construction delay</p>	<p>↗</p> <p>Price increase</p>	<p>- Inventory impact, etc.</p>
Cement	<p>↓</p> <p>Production ended in June 2025</p>	<p>→</p> <p>Level year on year</p>	

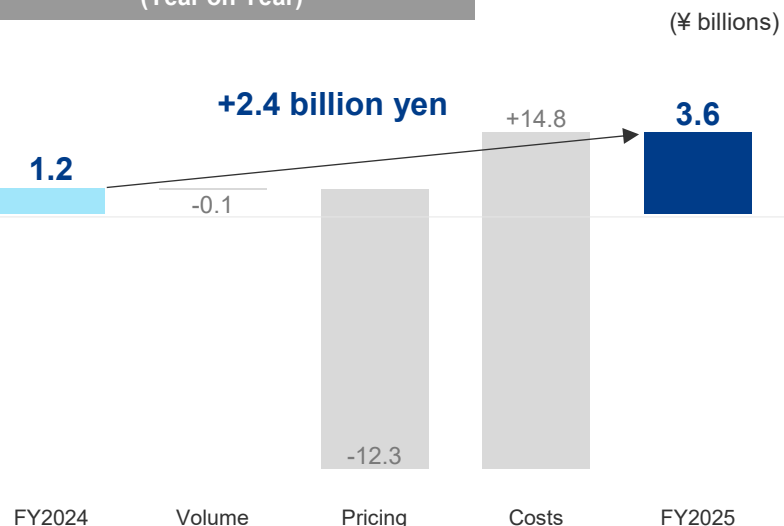
Operating Income by Quarter (+1.2 billion yen)



4Q Non-Consolidated (vs. 3Q):
Chloroprene rubber: Periodic maintenance in 3Q

Profit increased, supported by revisions to appropriate prices for food wrapping sheets and containers, together with the production consolidation of Toyokalon

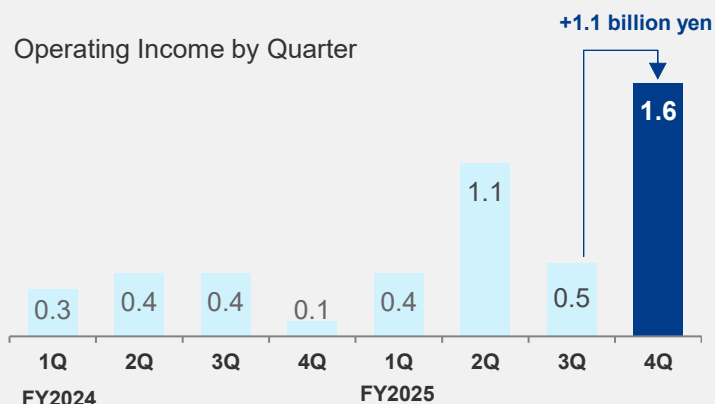
Operating Income Variance Analysis (Year on Year)



Reason for Variance (Year on Year)

	Volume	Pricing	Cost and Others
MS resins	(LGP applications for PC monitors) Sales decreased due to competition with Chinese products	Styrene-based resins: Price revision in conjunction with falling raw materials and fuel prices (spread maintained)	Variable costs: Improved due to lower raw material and fuel prices
AS, ABS, transparent resins, etc.	Level year on year		
Food wrapping sheets and containers	Level year on year	Revision to appropriate prices	Cost reductions through production consolidation
Toyokalon	Gradual recovery in demand	Level year on year	

Operating Income by Quarter



4Q Non-Consolidated (vs. 3Q):
 Certain products incorporating a formula for unit sales prices experienced a timing variance in sales price adjustments

Overall results exceeded the forecast, driven by the strong performance of Electronics & Innovative Products

Sales	FY2025 February Forecast	FY2025 Actual	Incr. Decr.	DPE			(¥ billions)
				Volume	Pricing	Production Suspension	
Electronics & Innovative Products	105.0	104.4	-0.6	-0.3	-0.3		
Life Innovation	40.0	40.5	+0.5	+0.5	-0.0		
Elastomers & Infrastructure Solutions	100.0	97.6	-2.4	-2.4	-0.1	+0.0	
Polymer Solutions	125.0	124.2	-0.8	-1.5	+0.7		
Others	20.0	17.6	-2.4	-2.4	-		
Total	390.0	384.2	-5.8	-6.1	+0.4	+0.0	

Operating income	FY2025 February Forecast	FY2025 Actual	Incr. Decr.	DPE			DPE Suspension Effect
				Volume	Pricing	Cost and Others	
Electronics & Innovative Products	13.0	13.9	+0.9	+0.4	-0.3	+0.7	
Life Innovation	7.0	6.2	-0.8	-0.9	-0.0	+0.2	
Elastomers & Infrastructure Solutions	0.0	0.1	+0.1	-0.8	-0.1	+0.7	+0.3
Polymer Solutions	3.0	3.6	+0.6	+0.4	+0.7	-0.5	
Others	2.0	2.4	+0.4	+0.4	-	-	
Total	25.0	26.2	+1.2	-0.5	+0.4	+1.1	+0.3

FY2026 (Fiscal Year Ending March 2027) Earnings Forecast

■ Incorporated a -5.0 billion yen impact from the situation in the Middle East to Management Plan Mission 2030 Phase 2

(billion yen)	FY2025 Actual	FY2026 Plan	FY2026 Forecast	(Year on Year)	FY2026 1H Forecast	FY2026 2H Forecast
Sales	384.2	410.0	450.0	+65.8	210.0	240.0
Operating income	26.2	35.0	30.0	+3.8	12.0	18.0
Operating Margin	6.8%	8.5%	6.7%	-0.2%	5.7%	7.5%
Ordinary Income	19.3		20.0	+0.7	7.0	13.0
Extraordinary gains: Gain on sale of strategic cross-shareholdings	12.6					
Extraordinary gains: Gain on sale of land for Ofuna Plant	8.2					
Extraordinary losses: Loss on liquidation of business, etc. (DPE-related, etc.)	-21.1					
Extraordinary gains and losses: Others (Negative goodwill, etc.)	2.4					
Net Income Attributable to Owners of Parent	15.7	18.0	16.0	+0.3	0.0	16.0
Forex (Yen/\$)	150.2	148.0	158.0		158.0	158.0
Japan Naphtha (Yen/KL)	65,800	58,400	123,250		121,100	125,400

Profit

Profit

Compensate

Compensate

Loss

Loss

Main Forecast Assumptions
Effect on material procurement

- Disrupted during 1H
- Recover to normal conditions from October
- Prices remain at a high level throughout the fiscal year

Currency sensitivity

1 yen/USD decrease → Operating income +0.3 billion yen

- Incorporating a decrease in production of acetylene black and other products due to raw materials supply restrictions, and a decrease in sales volume of rapid antigen test kits, assuming the spread of infectious diseases on a par with the previous year

(¥ billions)

Operating income	Mission2030 Phase 2 Plan	FY2026 Forecast			Vs. Mission 2030 Phase 2 Plan	Main Differences
		Latest Estimate	Middle East Impact	Total		
Electronics & Innovative Products	15.0	16.5	-3.5	13.0	-2.0	Demand for AI-related applications and power infrastructure expanded beyond the Phase 2 plan, but production of Acetylene Black, etc. decreased due to raw materials procurement restrictions caused by the Middle East situation.
Life Innovation	8.5	6.0	0.0	6.0	-2.5	Revised sales volume of rapid antigen test kits from the Phase 2 plan, assuming the spread of infectious diseases on a par with the previous year
Elastomers & Infrastructure Solutions	6.5	7.0	0.0	7.0	+0.5	Pass on cost impact of the Middle East situation to prices
Polymer Solutions	3.0	3.5	-1.5	2.0	-1.0	Production decrease due to raw materials procurement restrictions caused by the Middle East situation
Others	2.0	2.0	0.0	2.0	+0.0	
Total	35.0	35.0	-5.0	30.0	-5.0	

■ Ongoing steady growth for AI-Related applications and power infrastructure

Weather Symbols

(Good) (Bad)

FY2026 Forecast

(Market Trends)

FY2025 Actual

FY2026 Forecast

Electronics & Innovative Products

Semiconductor and Electronic Components		AI-Related: Ongoing steady growth		Other Than AI: Continued Slow recovery	▶		AI-Related: Ongoing steady growth		Other Than AI: Continued Slow recovery
Power infrastructure (High-voltage cables, ESS, etc.)		High-voltage cables: Ongoing steady growth		ESS: Increasing demand	▶		High-voltage cables: Ongoing steady growth		ESS: Increasing demand
xEV		Low demand		Low demand	▶		Level year on year		Level year on year

Life Innovation

Infectious Disease Testing (COVID-19, influenza, etc.)		Compared to FY2024, no major outbreaks of infectious diseases were observed		Assuming levels of outbreaks similar to FY2025
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Elastomers & Infrastructure Solutions

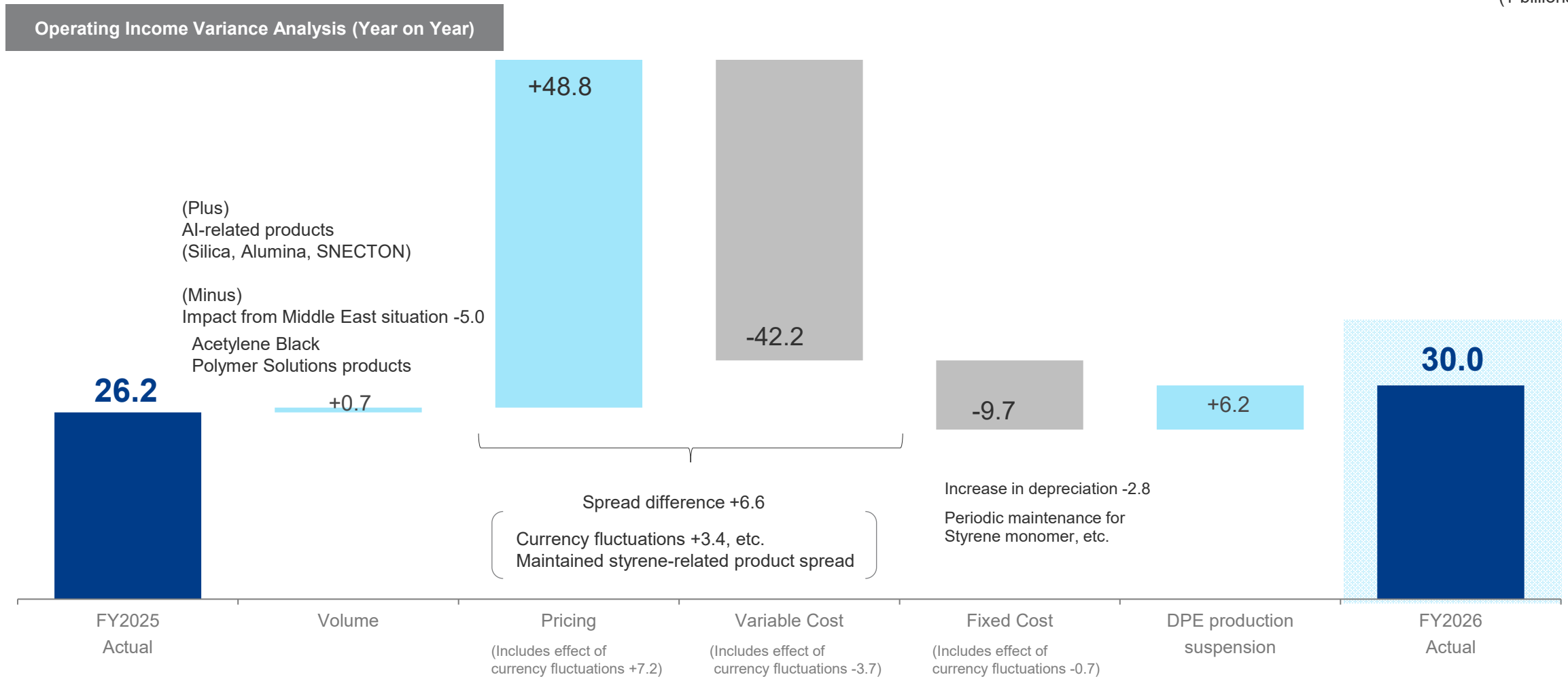
Chloroprene rubber		Global demand for chloroprene rubber was 230,000 tons; downward trend continued		Demand remains sluggish; global demand of 230,000 tons
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Polymer Solutions

Resin		PCs, Home Appliances General Merch. Food Containers	Low demand	▶		PCs, Home Appliances General Merch. Food Containers	Low demand
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- Expecting operating income increase; reflecting continued demand growth for AI-related products (SNECTON, spherical fused silica, spherical alumina, etc.) and the positive impact of the DPE shutdown, while incorporating the impact of the Middle East situation

(¥ billions)



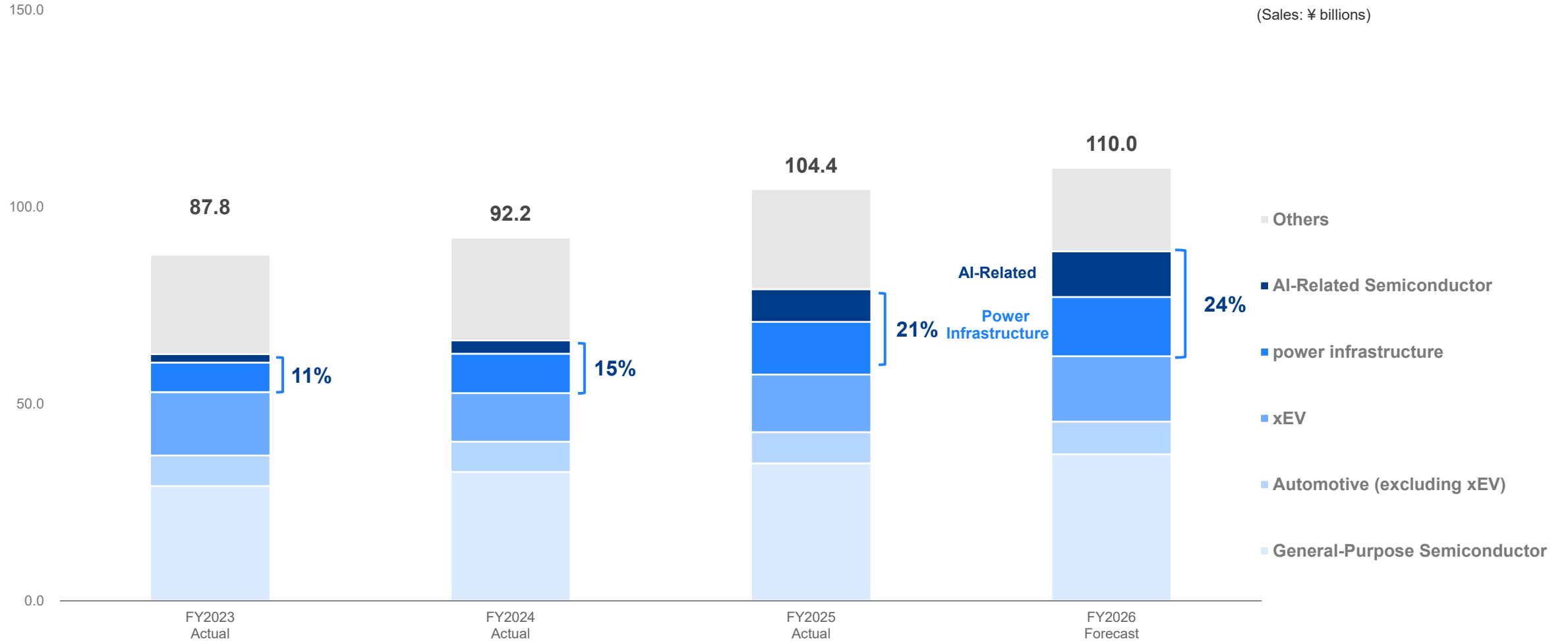
■ **Despite the negative impact of the situation in the Middle East, overall profit increased due to higher profits in Elastomers & Infrastructure Solutions**

Sales	FY2025 Actual	FY2026 Forecast	Incr. Decr.	DPE Production Suspension			(¥ billions)
				Volume	Pricing		
Electronics & Innovative Products	104.4	110.0	+5.6	-3.6	+9.1		
Life Innovation	40.5	45.0	+4.5	+5.1	-0.6		
Elastomers & Infrastructure Solutions	97.6	105.0	+7.4	+7.6	+6.1	-6.2	
Polymer Solutions	124.2	170.0	+45.8	+11.7	+34.1		
Others	17.6	20.0	+2.4	+2.4	-		
Total	384.2	450.0	+65.8	+23.2	+48.8	-6.2	

Operating income	FY2025 Actual	FY2026 Forecast	Incr. Decr.	DPE Production Suspension			
				Volume	Pricing	Cost and Others	
Electronics & Innovative Products	13.9	13.0	-0.9	-0.3	+9.1	-9.7	
Life Innovation	6.2	6.0	-0.2	+1.8	-0.6	-1.5	
Elastomers & Infrastructure Solutions	0.1	7.0	+6.9	+2.2	+6.1	-7.5	+6.2
Polymer Solutions	3.6	2.0	-1.6	-2.5	+34.1	-33.2	
Others	2.4	2.0	-0.4	-0.5	-	+0.0	
Total	26.2	30.0	+3.8	+0.7	+48.8	-51.9	+6.2

■ Demand expansion for Semiconductors (AI-Related) and power infrastructure continues

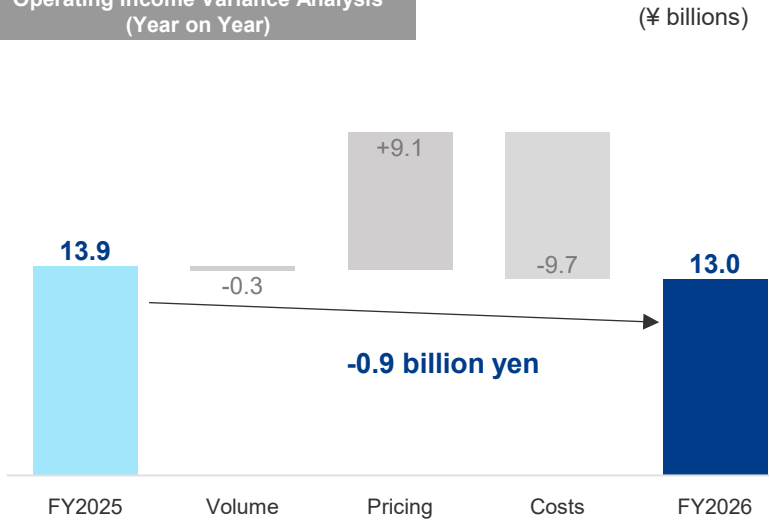
Sales Composition by Application



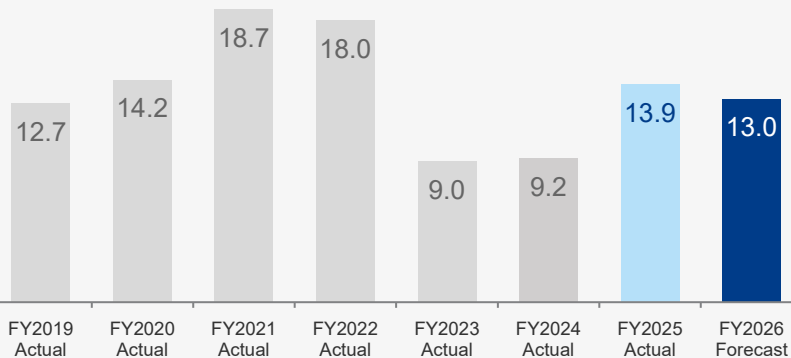
FY2026 Earnings Forecast (5) Electronics & Innovative Products (Year on Year)

Profit decreased due to the situation in the Middle East, despite growing demand for AI and power infrastructure and a recovery trend in semiconductor and electronic components-related demand

Operating Income Variance Analysis (Year on Year)



Operating Income



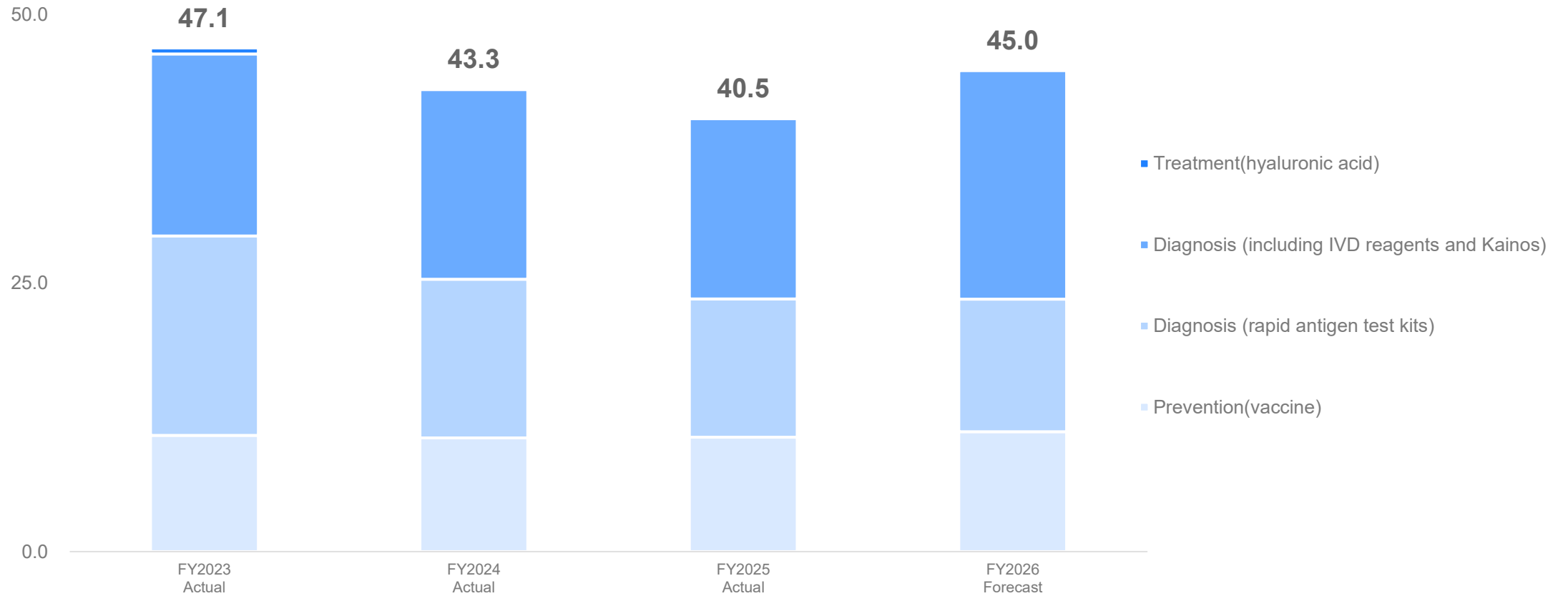
Reason for Variance (Year on Year)	Volume	By Application			Pricing	Cost and Others
		AI-Related Application and Power Infrastructure	Semiconductor and Electronic Components (non-AI)	Others		
SNECTON	↗	Resin substrate applications Sales for AI-related products to be in full swing from 2H	-	-	→	Level year on year
Spherical fused silica	↗	For resin substrate Strong sales for AI to continue For optical ferrule Expansion to continue	For Semiconductor sealants Ongoing gradual recovery in demand	-		
Spherical alumina	↗	For Thermal conductive molding compound Strong sales for AI to continue	TIM applications* Ongoing gradual recovery in demand	xEV applications Sluggish sales in Europe		Price increases due to worsening raw material and fuel prices
High-performance film	↗	-	Demand is recovering gradually	-	↗	Increase in depreciation -0.8
Acetylene Black	↘	For power infrastructure Sound demand in high-voltage cable application and rapid increase for ESS, however production decrease due to the situation in the Middle East	-	xEV applications Sluggish sales in Europe		Worsening raw material and fuel prices etc.
ALSINK	↗	For power infrastructure Continued strong performance	-	For electric railway Level year on year	↗	Sales composition differences
Silicon nitride (powder)	→	-	-	For heat dissipation substrates and bearing balls: level year on year due to replacement demand despite sluggish EV market	→	Level year on year
Ceramic Substrates (silicon nitride, aluminum nitride)	→	-	-	xEV applications Sluggish sales in Europe For electric railway Continued steady performance	↗	Price increase

* TIM (Thermal Interface Materials)

- Rapid antigen test kits assume infectious disease prevalence will be level year on year.
IVD reagents revenue to increase due to consolidation of Kainos.

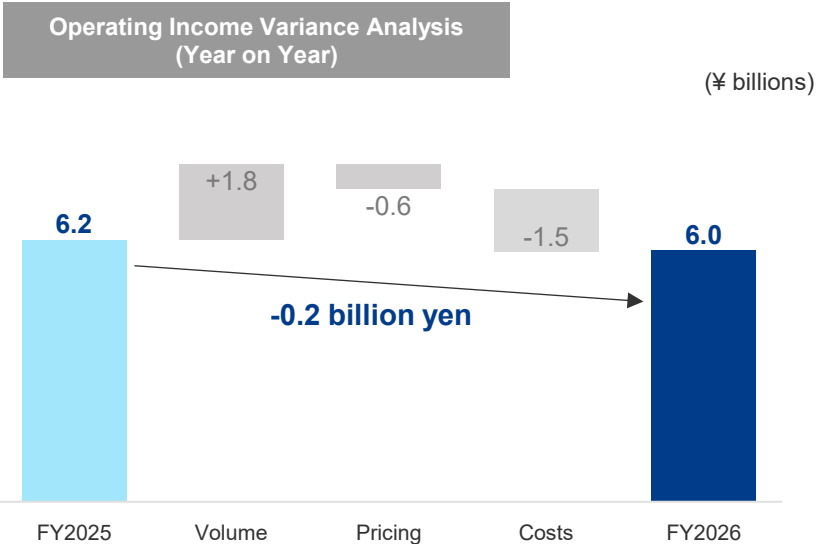
Sales Composition by Application

(Sales: ¥ billions)



* In January 2023, the termination of contract manufacturing for macromolecular sodium hyaluronate.

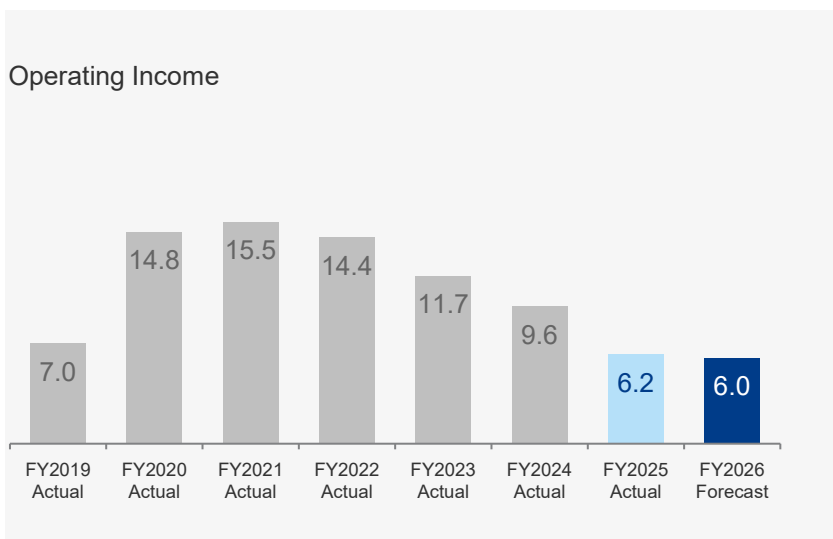
- Rapid antigen test kits: Assuming infectious disease outbreaks at levels similar to the previous year.**
- IVD reagents: Positive impact from the consolidation of Kainos**



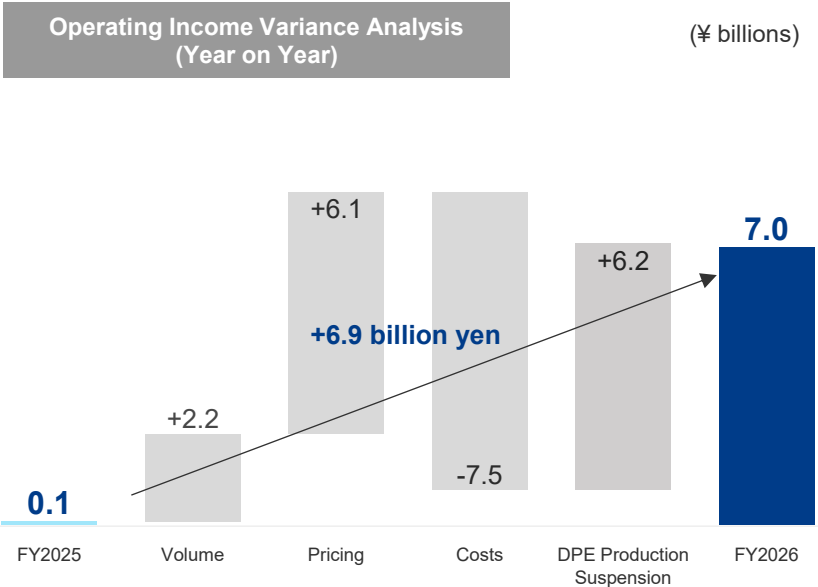
Reason for Variance (Year on Year)

*Combo kits: Test kits that detect both COVID-19 and influenza simultaneously

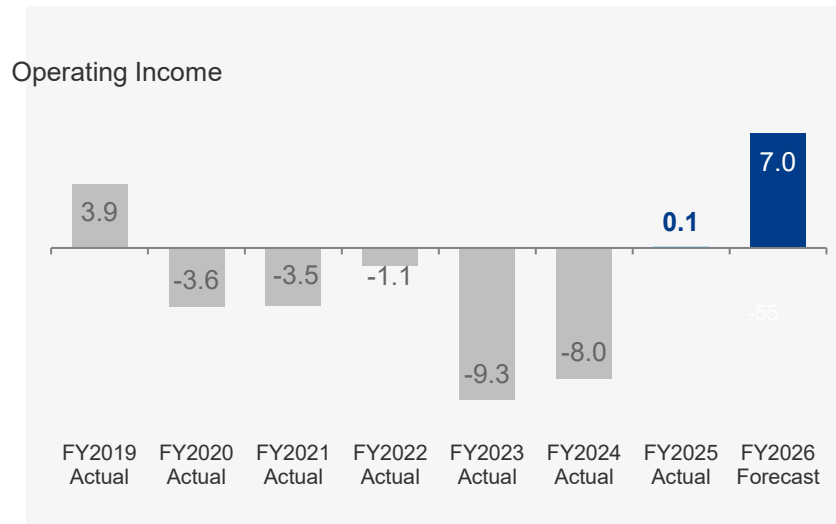
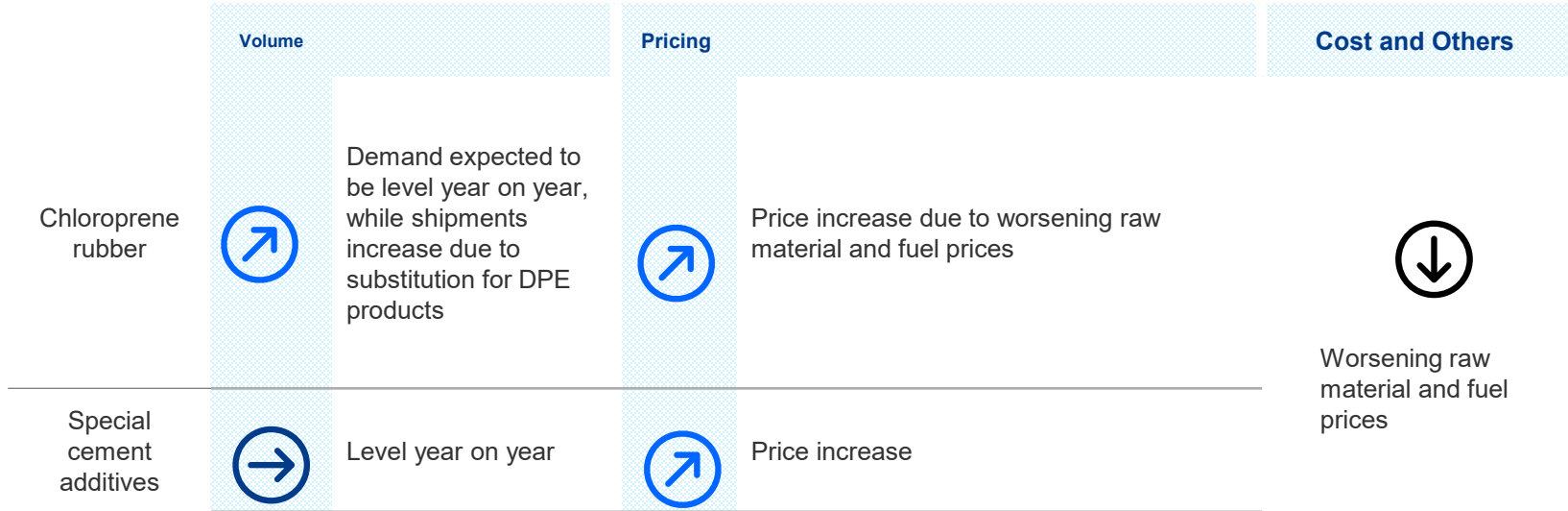
	Volume	Pricing	Cost and Others
Influenza Vaccines	→ Level year on year	→ Level year on year	
Rapid antigen test kits	→ Assuming outbreaks at levels similar to the previous year	↘ Sales composition difference	↘ Increase in variable costs (rising egg prices, etc.)
IVD reagents (inflammation markers, etc., including Kainos)	↗ Includes increase due to the consolidation of Kainos	→ Level year on year	



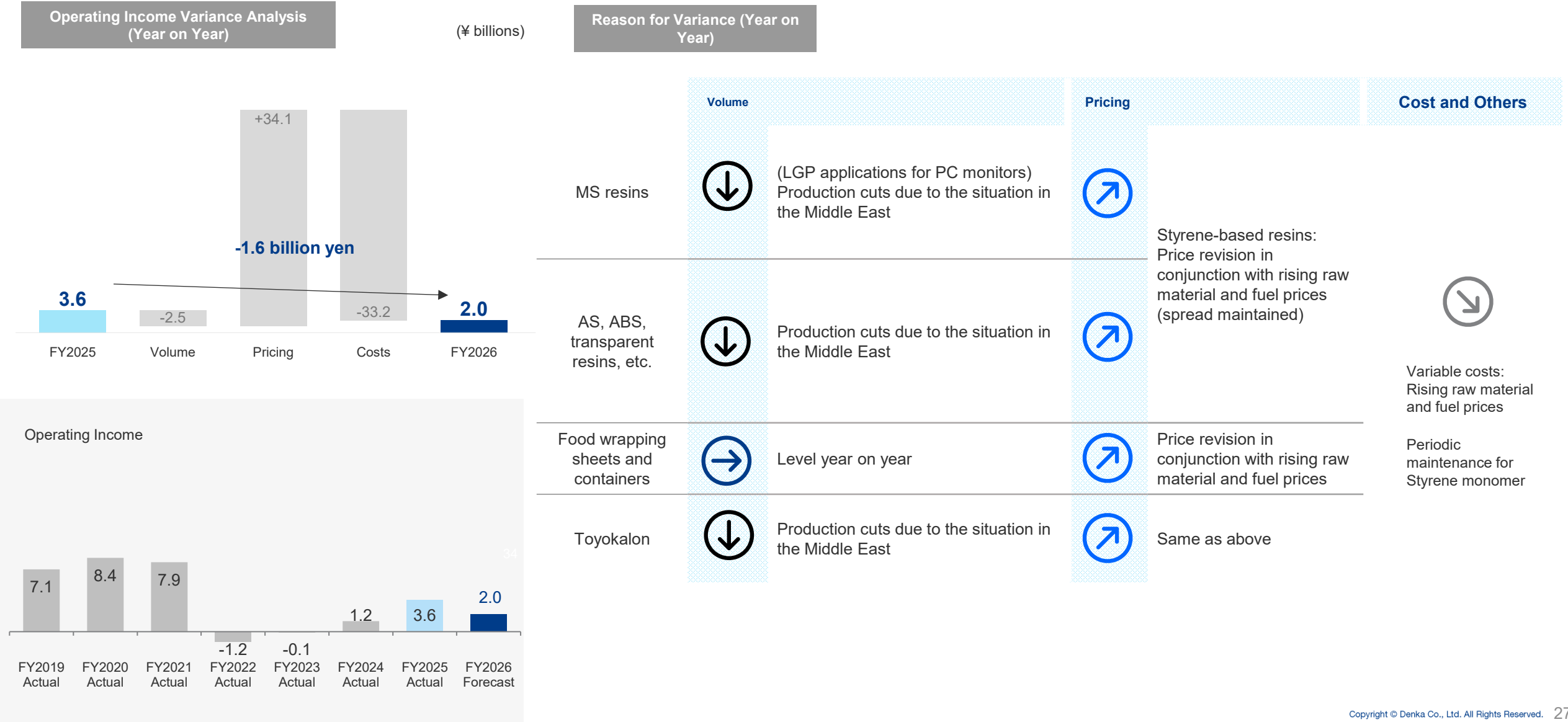
■ Significant increase due to impact of DPE production suspension



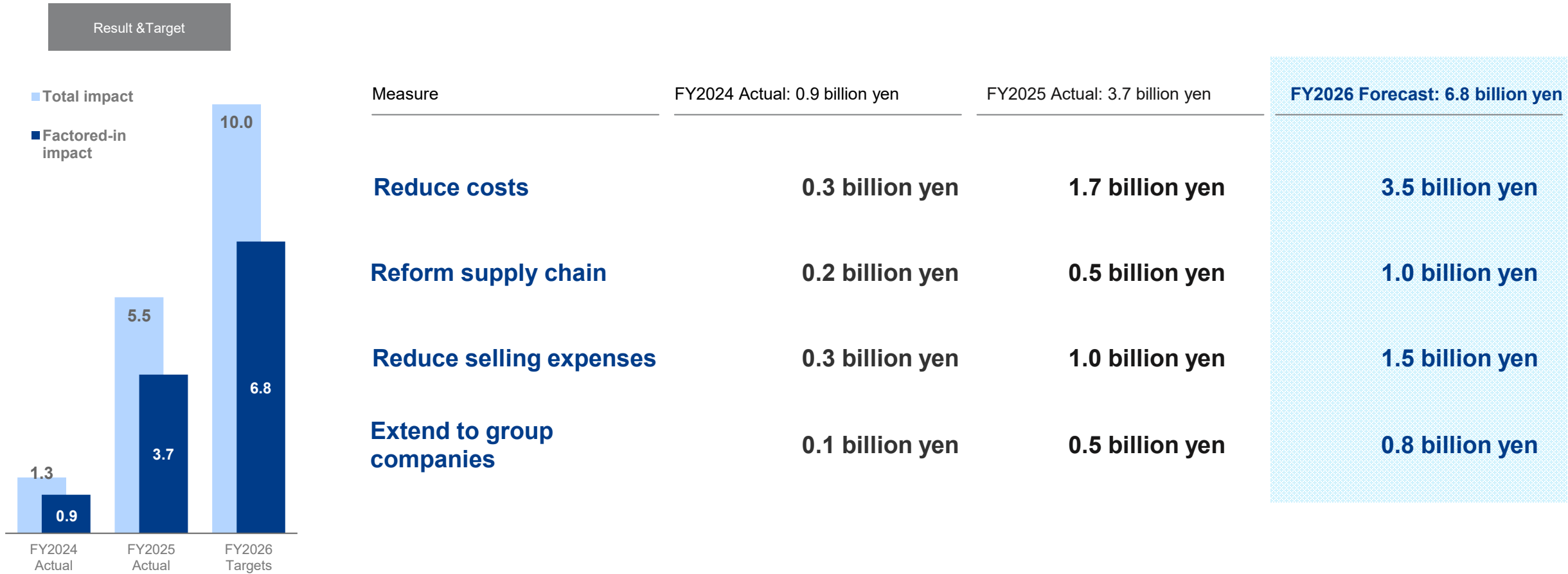
Reason for Variance (Year on Year)



■ Significant profit decrease due to styrene monomer regular repair costs and production cuts impacted by the Middle East



- The Best Practices Project is promoting various measures to achieve cost reductions
- In FY2025, cost reductions of 3.7 billion yen were achieved through measures such as reducing costs
- For FY2026, 6.8 billion yen has been factored into the revised forecast



■ Total impact: Total amount of impact calculated based on the measurement criteria defined under the project
 ■ Factored-in impact: Amount of direct impact on profit and loss, excluding reductions in man-hours (avoiding actual headcount increases), suppression of purchase price increases, and suppression of additional investment costs, etc.

- In FY2026, investment in the new production plant for acetylene black in Thailand will progress, and the capital investment amount will decrease

(¥ billions)

	Investment & Lending ^{*1}				Depreciation				R&D			
	FY2025		FY2026		FY2025		FY2026		FY2025		FY2026	
	1H Actual	Full-Year Actual	1H Forecast	Full-Year Forecast	1H Actual	Full-Year Actual	1H Forecast	Full-Year Forecast	1H Actual	Full-Year Actual	1H Forecast	Full-Year Forecast
Electronics & Innovative Products	11.7	37.9	15.0	25.0	5.5	11.2	6.0	12.0	2.9	5.8	3.5	7.0
Life Innovation	1.2	6.1	3.0	4.0	2.1	4.2	2.1	4.2	2.3	4.5	2.0	4.0
Elastomers & Infrastructure Solutions	3.8	11.1	5.0	10.0	4.2	8.3 ^{*2}	4.5	9.0	1.3	2.5	1.5	3.0
Polymer Solutions	2.3	5.2	4.0	7.0	2.5	5.2	3.2	6.4	1.0	1.9	1.0	2.0
Others	0.1	0.4	0.5	1.0	0.2	0.3	0.2	0.4				
Total	19.1	60.8	27.5	47.0	14.4	29.2	16.0	32.0	7.5	14.8	8.0	16.0

*1 "Others" includes CVC, etc.

*2 Includes decrease in DPE depreciation

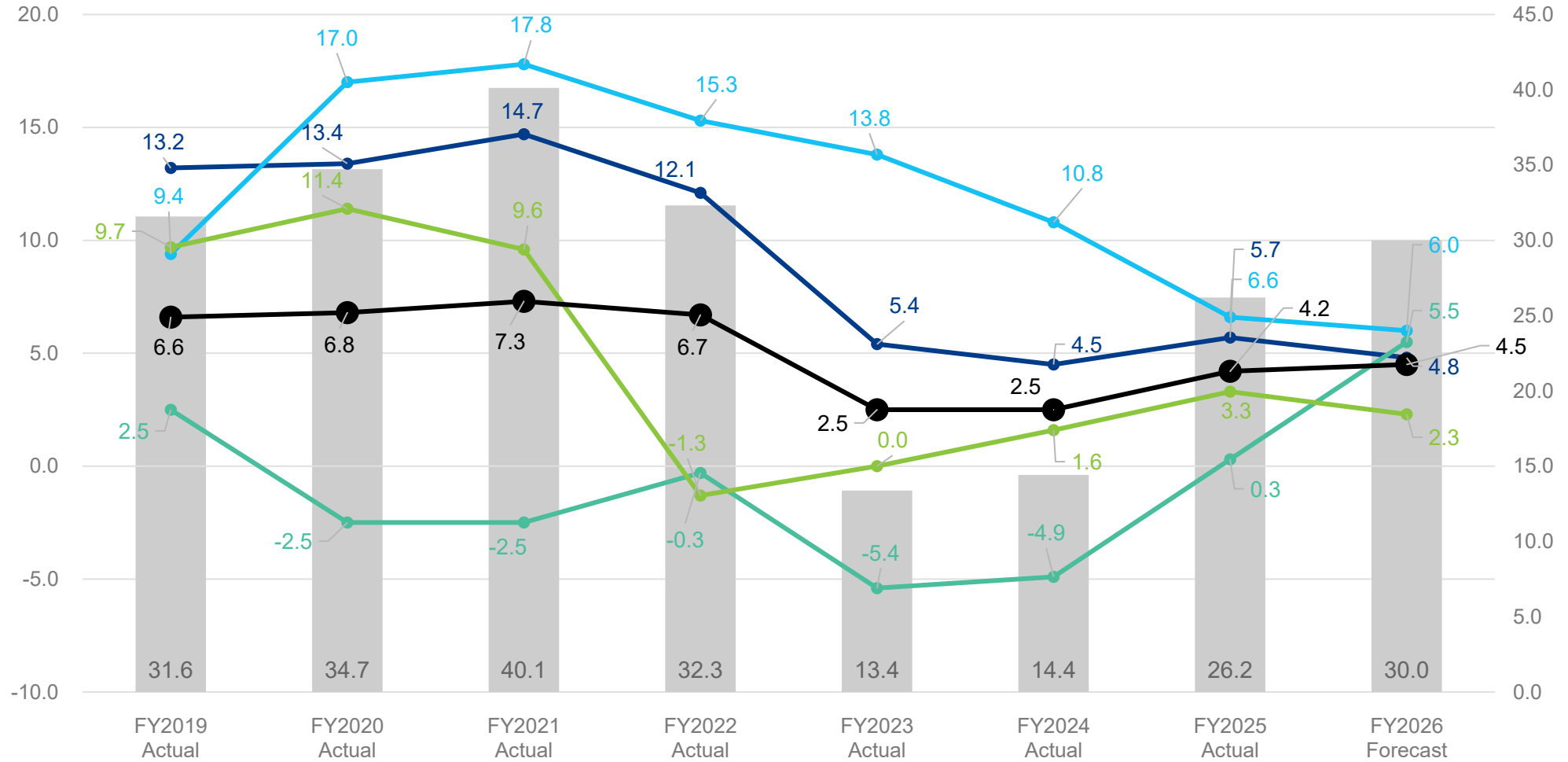
■ Unchanged from the previous year dividend of 100 yen per share in anticipation of improved cash flow

		FY2019	FY2020	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026
		Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast
Net Income	(¥ billions)	22.7	22.8	26.0	12.8	11.9	-12.3	15.7	16.0
Dividends per Share	(yen/share)	125.0	125.0	145.0	100.0	100.0	100.0	100.0	100.0
								Mid-term 50.0 End 50.0	Mid-term 50.0 End 50.0
Dividend	(¥ billions)	10.8	10.8	12.5	8.6	8.6	8.6	8.6	8.6
Shareholders Return		48%	47%	48%	68%	72%	-	55%	54%
Stock Purchase	(¥ billions)	-	-	-	-	-	-	-	-
Total Return	(¥ billions)	10.8	10.8	12.5	8.6	8.6	8.6	8.6	8.6
Total return ratio		48%	47%	48%	68%	72%	-	55%	54%
Depreciation	(¥ billions)	22.5	22.9	23.9	27.0	26.9	27.9	29.2	32.0
Investment & Lending	(¥ billions)	36.9	42.3	35.6	39.4	44.0	70.0	60.8	47.0
Interest Bearing Debt	(¥ billions)	134.3	138.2	137.0	169.7	174.4	217.7	221.7	245.0
Net D/E Ratio		0.42x	0.42x	0.40x	0.50x	0.45x	0.61x	0.60x	0.69x
ROIC		6.6%	6.8%	7.3%	6.7%	2.5%	2.5%	4.2%	4.5%
ROE		9.1%	8.8%	9.4%	4.4%	4.0%	△4.1%	5.2%	5.1%
DOE		4.3%	4.2%	4.5%	2.9%	2.9%	2.9%	2.8%	2.7%

(Reference) ROIC by Segment

(ROIC : %)

(Operating income : ¥ billions)



Operating income
Life Innovation
Polymer Solutions

Electronics & Innovative Products
Elastomers & Infrastructure Solutions
Consolidated total (including common and other assets)

(¥ billions)

Sales	FY2023				FY2024				FY2025				FY2026 Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1H	2H
Electronics & Innovative Products	19.2	22.5	21.7	24.5	21.9	23.2	22.5	24.7	23.6	26.5	25.8	28.5	50.0	60.0
Life Innovation	7.2	15.0	15.8	9.0	7.8	14.6	12.7	8.2	6.6	14.8	13.5	5.6	20.0	25.0
Elastomers & Infrastructure Solutions	28.0	29.2	28.6	25.6	29.2	27.2	28.0	27.2	25.8	24.1	22.9	24.8	50.0	55.0
Polymer Solutions	29.8	31.7	30.9	31.9	32.6	34.9	34.9	33.0	33.8	31.6	27.8	30.9	80.0	90.0
Others	3.7	5.1	4.5	5.4	3.8	4.0	4.4	5.6	4.3	5.6	4.0	3.7	10.0	10.0
Total	87.8	103.5	101.5	96.4	95.2	103.8	102.5	98.7	94.1	102.6	94.1	93.5	210.0	240.0

Operating income	FY2023				FY2024				FY2025				FY2026 Forecast	
	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1Q	2Q	3Q	4Q	1H	2H
Electronics & Innovative Products	2.1	2.8	1.8	2.4	2.3	2.7	2.0	2.2	2.5	3.8	3.4	4.1	4.0	9.0
Life Innovation	0.9	5.7	3.1	2.0	1.7	4.0	1.9	2.0	0.2	3.6	2.8	-0.4	3.0	3.0
Elastomers & Infrastructure Solutions	-0.7	-0.9	-3.9	-3.7	-0.2	-2.9	-2.6	-2.3	-1.4	-2.0	1.1	2.4	4.0	3.0
Polymer Solutions	0.0	-0.2	0.6	-0.4	0.3	0.4	0.4	0.1	0.4	1.1	0.5	1.6	0.0	2.0
Others	0.5	0.5	0.4	0.6	0.7	0.5	0.7	0.5	0.6	0.9	0.6	0.3	1.0	1.0
Total	2.8	7.7	2.0	0.8	4.7	4.7	2.4	2.6	2.3	7.4	8.5	8.0	12.0	18.0

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Target figures in this material are not forecasts of business results. In addition, any description relating to the future in this material is based on information available at the time of disclosure and on certain premises set by the Company, and they involve risks and uncertainties. Accordingly, actual results may differ from such forward-looking statements.

Such risks and uncertainties include adverse economic conditions, currency exchange rate fluctuations, adverse legislative and regulatory developments, delays in new product launch, pricing, and product initiatives of competitors, the inability of the Company to market existing and new products effectively, interruptions in production, infringements of the company's intellectual property rights and the adverse outcome of material litigation.

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