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**FY2025 4Q Financial Results Presentation**  
**Summary of Q&A Session**  
**(May 13, 2026)**

**Overall**

Q1: In fiscal 2025, Denka recorded extraordinary losses totaling ¥18.4 billion in connection with DPE. What is your projection for extraordinary losses that could be recorded in fiscal 2026?

A1: We are in no position to clearly state an estimated total value for these losses as they could vary greatly depending on the results of negotiations with each stakeholder. With the aim of minimizing expenses to be incurred going forward, DPE is now engaged in ongoing stakeholder negotiations while optimizing its workforce in line with progress in its preparatory steps for the shut-down of its manufacturing facilities. In addition, we plan to offset DPE-related extraordinary losses to be posted in fiscal 2026 with extraordinary gains and other items as we did in fiscal 2025.

**Electronics & Innovative Products**

Q2: Due to the situation in the Middle East, the ability of Denka's acetylene black production facilities in Singapore to procure the full amount of raw materials they need is constrained. Is there a prospect of recovery? Also, is the Company able to ship necessary products from alternative facilities in Japan?

A2: At present, we have yet to confirm whether supplier factories are back in operation. Meanwhile, our acetylene black produced in Singapore is mainly for use in high-voltage cables and the Omuta Plant is able to provide a substitute supply. That being said, the production capacity of the Omuta Plant is limited. Accordingly, the negative impact of the resulting shortfalls in production volume has been included in our operating results forecasts.

Q3: Please share your outlook for sales of soft-type SNECTON for fiscal 2026.

A3: Certain users are now planning to launch next-generation grades by the end of fiscal 2026. Meanwhile, demand for low dielectric glass cloth, which is one of the component materials for copper clad laminates (CCL), currently exceeds supply. This situation is likely to be alleviated from the second half of fiscal 2026 as producers are expected to increase their production volumes. Taking these factors into account, we forecast that sales of soft-type SNECTON will grow considerably from the second half of fiscal 2026.

Q4: Please share your forecasts on sales ratios of soft-type and hard-type variations to overall SNECTON sales in fiscal 2026. In addition, please describe the status of discussions regarding the expansion of production facilities for hard-type ones.

A4: For fiscal 2026, we currently expect sales only for soft-type SNECTON. With regard to the expansion of production facilities for hard-type SNECTON, we intend to make final decisions after confirming the results of user evaluations as this product variation is currently undergoing the user certification process.

Q5: Please describe sales trends for spherical fused silica and spherical alumina.

A5: We have received a great number of inquiries regarding these products in connection with demand related to devices for use in AI and data centers. Reflecting this, sales volumes of

spherical fused silica and spherical alumina grew significantly in fiscal 2025. For fiscal 2026, we expect their sales to grow even larger by 10% to 15% year on year.

### **Elastomers & Infrastructure Solutions**

Q6: The sales price of Denka's chloroprene rubber (CR) has been increased by ¥25/kg. The size of this revision falls short of that of similar revisions undertaken by other CR producers. Why is that?

A6: The production volume of CR is limited as our CR production system is now supported solely by the Omi Plant due to the production suspension of DPE facilities. Under this constraint, taking into consideration the fact that Denka's production method differs from that of other CR producers, and in light of our portfolio strategy aimed at improving long-term profitability, the level of this price increase was determined accordingly.

### **Polymer Solutions**

Q7: Denka estimates a negative impact of ¥1.5 billion from reduced production volumes due to restrictions on raw material procurement caused by the situation in the Middle East. Will supply instability continue into the second half of fiscal 2026? Also, what are your plans for translating higher costs into sales prices to be paid by users?

A7: Even though we currently recognize no impact on product supply to users, we have included the impact of the situation in the Middle East in our forecasts, taking a conservative approach as the outlook remains quite uncertain. In addition, the positive financial impact of upward price revisions has not been materially included in our current forecasts. However, sales prices for resins and other products are now being revised at a fast pace to reflect costs.