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Denka Co., Ltd.
(Securities Code: 4061)

**NOTICE OF CONVOCATION OF
THE 167TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

Date and Time: Friday, June 19, 2026 at 10:00 a.m.

Place: Nihonbashi Mitsui Hall, COREDO Muromachi 1 (reception desk on the 4th floor)
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

Proposals to Be Resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors (Excluding Directors who are Audit Committee Members)

Please exercise your voting rights in writing or via the Internet by
5:00 p.m. on Thursday, June 18, 2026.

This year, the Company will not distribute souvenirs at the General Meeting of Shareholders. We appreciate your understanding.

Message from the Management To Our Shareholders

In Phase 2 of the “Mission 2030” management plan, we will focus on “rebuilding earning capacity” and “strengthening the foundation for a new growth stage,” aiming to achieve record-high operating income and 8% ROE during this period.

Enclosed please find the Notice of Convocation of the 167th Ordinary General Meeting of Shareholders. We would like to take this opportunity to express our gratitude to you for your continued support of Denka and make some observations concerning the Company’s results and current initiatives.

May 2026

Toshio Imai
Chairman and Representative Director

Ikuo Ishida
Representative Director
President and Chief Executive Officer

In FY2025, 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 is uncertain due to factors such as developments in U.S. trade policy and escalating tensions in the Middle East.

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 fiscal year under review, sales volume of electronics and innovative products increased. However, net sales were ¥384.2 billion, down ¥16.0 billion 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 ¥26.2 billion (up ¥11.8 million year on year), and ordinary income was ¥19.3 billion (up ¥11.7 billion year on year). Profit attributable to owners of parent was ¥15.7 billion (compared with a loss of ¥12.3 billion in the previous fiscal year), due to the recording of the gain on transfer of factory land at the Ofuna Plant and gain on sale of strategic cross-shareholdings as an extraordinary income, despite also recording an extraordinary loss related to Denka Performance Elastomer LLC (DPE), a U.S.-based subsidiary that has elected not to restart production at its chloroprene rubber manufacturing facilities for an indefinite period.

The Group’s earning power has declined due to rapid changes in the business environment and other factors since the establishment of the “Mission 2030” management plan, making it imperative that business performance be rebuilt. In fiscal 2025, the Group prioritized “acceleration of portfolio transformation” and “recovery of earning capacity” while carefully selecting investments and controlling financial discipline in order to overcome revenue issues and return to a growth trajectory.

In terms of drastic measures for the U.S. chloroprene rubber business, the top priority for portfolio transformation, DPE has temporarily shut down its chloroprene rubber manufacturing facilities for an undetermined period of time. DPE is in the final stages of removing and disposing of raw materials, intermediate products, and other materials in order to safely deactivate its manufacturing facilities. A certain amount of extraordinary losses on a consolidated basis is expected in the future as well; in addition to considering compensation for these losses through asset sales and other means, we are steadily promoting discussions with stakeholders, including the relevant authorities, in order to minimize the burden of these losses. In addition, as part of its liquidation of unprofitable businesses, the Company stopped cement

production, withdrew from the CARALYAN film and tape business, and consolidated its synthetic fiber wig yarn business into a Singapore subsidiary. Furthermore, as part of business restructuring, we have decided to consider spinning off the styrene-related business, aiming for April 2027. The spin-off will enhance the independence and profitability of the business, enhance the ability to promote structural reforms, and establish a structure that allows for a variety of strategic options, including collaboration with external partners and capital alliances. We then made Kainos, a manufacturer of clinical diagnostic reagents, a subsidiary through joint investment with the Development Bank of Japan in order to maximize synergies, including overseas expansion.

In fiscal 2025, operating income was 26.2 billion yen, exceeding the must-achieve target of 25.0 billion yen. This was due in part to the forceful company-wide push for cost reduction and other measures, an innovative approach fully utilizing outside expertise, in addition to the acceleration of portfolio transformation mentioned above.

We have recently reviewed the “Mission 2030” management plan. We have positioned the period from FY2023 to FY2025, when we liquidated unprofitable businesses, implemented business restructuring, and invested upfront in growth areas, as Phase 1, and the three-year period from FY2026 to FY2028 as Phase 2, in which we will focus on “rebuilding earning capacity” and “strengthening the foundation for a new growth stage” to achieve further growth. During this period, we aim to achieve record-high operating income and 8% ROE.

Initiatives in Phase 2 will be based on a balance of growth strategies, structural reforms, and financial discipline, with a clear directionality in which the business domains serve respectively as growth driver, stable growth source, and cash cow. In each area, the Company will classify its operations into three categories: “strategic expansion,” “reaping the benefits of prior investments,” and “improving capital efficiency and transforming business models,” and will execute them in balance based on business strategies for each domain.

In addition, in order to create new businesses, which are indispensable for further growth, with a view to fiscal 2030 and to realizing rapid business creation, we will develop initiatives focusing on the “trickle-out strategy” to uncover apparent needs around existing businesses based on our technological expertise in organics, inorganics, and biotechnology, among our strengths.

In Phase 2 of the “Mission 2030” management plan, which began this fiscal year, we will rebuild our earning capacity and strengthen the foundation for a new stage of growth by implementing these measures with determination to achieve solid results.

From Phase 3 onward, we will achieve sustainable growth unique to DENKA and help resolve social issues through an optimal mix of growth trends balanced from different angles, including vigorous growth areas in “ICT & Energy” that capture market expansion and stable and steady growth areas in “Healthcare,” in addition to carefully selecting businesses with the strength to survive in “Sustainable Living.”

We request our shareholders to grant us ongoing understanding and support.

(Securities Code: 4061)

May 29, 2026

To Our Shareholders:

Ikuo Ishida
President
Denka Co., Ltd.
1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

**NOTICE OF CONVOCATION OF
THE 167TH ORDINARY GENERAL MEETING OF SHAREHOLDERS**

The 167th Ordinary General Meeting of Shareholders of Denka Co., Ltd. (the “Company”) will be held as described below.

In convening this General Meeting of Shareholders, the Company provides electronically the Reference Documents of the General Meeting of Shareholders and other information (matters subject to the electronic provision measures) as the “Notice of the Convocation of the 167th Ordinary General Meeting of Shareholders” and “Matters Subject to the Electronic Provision Measures (Matters for which Document Delivery is Omitted)” on the Company website. Please access the following website to check the information.

The Company website
https://www.denka.co.jp/ir/fact_04/ (available in Japanese)

The matters subject to the electronic provision are posted also on the website of the Tokyo Stock Exchange (TSE) as well as the above website. Please access the following TSE website (Listed Company Information Service) and enter the Company’s name Denka or securities code “4061” to search, and select “Basic Information” and “Documents for Public Inspection/PR Information” in order, and check the information.

The Tokyo Stock Exchange (TSE) website (Listed Company Information Service)
<https://www2.jpx.co.jp/tseHpFront/JJK020010Action.do?Show=Show>

If you are unable to attend the meeting, you may exercise your voting rights in writing by mail (Voting Rights Exercise Form) or via the internet, etc., as described in the “Guide for Exercise of Voting Rights” (page 6). Please review the Reference Documents for the General Meeting and exercise your voting rights by 5:00 p.m. on Thursday, June 18, 2026.

- 1. Date and Time:** Friday, June 19, 2026 at 10:00 a.m.
- 2. Place:** **Nihonbashi Mitsui Hall, COREDO Muromachi 1
(reception desk on the 4th floor)**
2-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo

Please also consider viewing the live-streaming of the General Meeting of Shareholders on the day of the meeting. Please refer to the enclosed “Guide for Live-streaming” for details.

3. Meeting Agenda:

- Matters to be reported:**
1. Business Report, Consolidated Financial Statements for the Company's 167th Term (from April 1, 2025 to March 31, 2026), and results of audits by the Accounting Auditor and the Audit Committee of the Consolidated Financial Statements
 2. Non-consolidated Financial Statements for the Company's 167th Term (from April 1, 2025 to March 31, 2026)

Proposals to be resolved:

Proposal No. 1: Appropriation of Surplus

Proposal No. 2: Election of Five (5) Directors (Excluding Directors who are Audit Committee Members)

- Among the matters subject to the electronic provision measures, the following matters are not stated in documents to be delivered to shareholders who make request for the delivery of hard copies, in accordance with the relevant laws and regulations and the provisions of the Article of Incorporation of the Company. In addition, the Audit Committee and the Accounting Auditor have audited documents including the following.
 - Company's Systems and Policies (Systems to Ensure the Appropriateness of Operations, Operational Status of Systems to Ensure the Appropriateness of Operations, and Basic Policies regarding the Control of the Company) in the Business Report
 - Consolidated Statement of Changes in Net Assets and Notes to Consolidated Financial Statements
 - Non-consolidated Statement of Changes in Net Assets and Notes to Non-consolidated Financial Statements
- In the event of any modification to the matters subject to the electronic provision measures, the Company will post the modification on the Company's website and the TSE's website.

<Guide for Exercise of Voting Rights>

The following three methods are available for exercising voting rights pertaining to the Company's General Meeting of Shareholders.

Exercise of Voting Rights in Writing by Mail (Voting Rights Exercise Form)

Please indicate your vote for or against the proposals on the enclosed Voting Rights Exercise Form and send the completed form to us so that it is received by 5:00 p.m. on Thursday, June 18, 2026. If no indication of approval or disapproval is made on the Voting Rights Exercise Form, it will be treated as an indication of approval of the Company's proposal.

Exercise of Voting Rights via the Internet etc.

Please access the website for exercising voting rights designated by the Company (<https://www.web54.net>), use the "Voting Rights Exercise Code" and the "Password" indicated on the enclosed Voting Rights Exercise Form, and follow the on-screen guidance. Please vote for or against the proposals by 5:00 p.m. on Thursday, June 18, 2026.

(Inquiry about Exercise of Voting Rights via the Internet etc.)
Sumitomo Mitsui Trust Bank Stock Transfer Web Support Dial
Tel: 0120-652-031
(office hours: 9:00 a.m.–9:00 p.m.)

● Exercise of Voting Rights by Attending the Meeting

Please bring the enclosed Voting Rights Exercise Form with you to the meeting and submit it to the receptionist at the meeting venue.

* In the case of exercising voting rights by attending the meeting as a proxy, please submit a document evidencing the authority of proxy to the receptionist at the meeting venue together with the Voting Rights Exercise Form. Please note that such proxy must be one shareholder of the Company with voting rights in accordance with Article 18 of the Company's Articles of Incorporation.

Furthermore, the Company will not distribute souvenirs at the General Meeting of Shareholders. We appreciate your understanding.

***Handling of duplicated exercise of voting rights**

If you exercise your voting rights both by the method of exercising voting rights in writing by mail (Voting Rights Exercise Form) and by the method of exercising voting rights via the Internet etc., the exercise of voting rights by the method of exercising voting rights via the Internet etc. shall prevail regardless of the time of arrival of the votes.

In addition, if you exercise your voting rights multiple times via the Internet, etc., the vote made last shall prevail.

Reference Documents for the General Meeting of Shareholders

Proposal No. 1: Appropriation of Surplus

It is proposed that the surplus be appropriated as follows:

Matters concerning year-end dividends

Under its “Mission 2030,” an eight-year management plan covering the period through fiscal 2030, the Company is working to enhance its corporate value by focusing on both financial and non-financial aspects, with the three growth strategies of “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation.”

While we pursue strategic investments and engage in research and development to actualize these objectives, we aim to attain a total payout ratio of 50% throughout the eight-year cumulative span of the management plan. Based thereupon, our policy is distribution of profits to shareholders by either maintaining or increasing the dividend per share.

Shareholder returns under Management Plan “Mission 2030”	Aim to maintain or increase the dividend per share based on a target total payout ratio* of 50% (cumulative total for the eight years of the management plan) * Total payout ratio = (Dividends paid + treasury stock purchased) / consolidated net income
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With respect to the year-end dividend for the 167th term, based on the above, the Company proposes a year-end dividend of ¥50 per share, as follows. Combined with the interim dividend, the annual dividends will be ¥100 per share.

- (1) Type of dividend property
Cash
- (2) Allocation of dividend property and total amount thereof
¥50 per share of common stock of the Company
Total amount of dividends: ¥4,313,400,700
- (3) Effective date of dividends from surplus
June 22, 2026

Proposal No. 2: Election of Five (5) Directors (Excluding Directors Who Are Audit Committee Members)

The terms of office of five (5) Directors (excluding Directors who are Audit Committee Members; hereinafter, the same applies in this proposal) will expire at the conclusion of this Ordinary General Meeting of Shareholders. Accordingly, the election of five (5) Directors is proposed.

The candidates for Directors are as follows.

No.		Name	Positions and responsibilities at the Company	Attendance at Board of Directors meetings
1	Reappointed	Toshio Imai	Chairman and Representative Director	18/18 (100%)
2	Reappointed	Ikuo Ishida	Representative Director, President and Chief Executive Officer	18/18 (100%)
3	Reappointed	Rimiru Hayashida	Director and Senior Managing Executive Officer Chief Financial Officer (CFO) Chief Supply Chain Officer (CSCO) In charge of Accounting Dept., Finance Dept., Corporate Communications Dept., Purchasing Dept., Logistics Dept.	14/14 (100%) (Since taking office in June 2025)
4	Reappointed	Masanobu Kosaka	Director and Managing Executive Officer Chief Technical Officer (CTO) In charge of Production Engineering, New Business Development, Production & Process Technology Dept., Sustainability Promotion Dept., Digital Strategy & Innovation Dept.	14/14 (100%) (Since taking office in June 2025)
5	Reappointed Outside Independent Director	Rumiko Nakata	Director	18/18 (100%)

Reappointed: Candidate for reappointment as Director

Outside: Candidate for Outside Director

Independent Director: Independent Director as notified to the Tokyo Stock Exchange

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
1	<p>Reappointed</p> <p>Toshio Imai (January 25, 1959) Age: 67</p> <p>[June 2019] [7 years at the conclusion of this Ordinary General Meeting of Shareholders]</p>	<p>April 1982 Joined the Company</p> <p>October 2006 General Manager, Styrene Div. of the Company</p> <p>June 2011 General Manager, Corporate Planning Dept. of the Company</p> <p>April 2013 Executive Officer, Assistant to General Manager, Elastomers & Performance Plastics of the Company</p> <p>April 2015 General Manager, Elastomers & Performance Plastics of the Company</p> <p>April 2017 Managing Executive Officer of the Company</p> <p>April 2019 General Manager, Denka Value-Up Promotion Dept. of the Company</p> <p>June 2019 Director and Managing Executive Officer of the Company</p> <p>April 2020 Director and Senior Managing Executive Officer of the Company</p> <p>April 2021 Representative Director, President and Chief Executive Officer of the Company</p> <p>April 2025 Chairman and Representative Director of the Company (present)</p>	<p>35,089 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 15,889)</p>
	<p>Attendance at Board of Directors meetings 100% (18/18)</p>	<p>[Reasons for selection as a candidate for Director] Mr. Toshio Imai possesses an international perspective and adequate operational experience, including work experience at overseas subsidiaries, and taking responsibility for the styrene and elastomer businesses over many years. After he supervised business strategies across the entire Denka Group including overseas businesses as the executive responsible for management strategy and investor relations and corporate communications divisions, he formulated and promoted the management plan, "Mission 2030," as Representative Director, President. As Chairman and Representative Director, he currently serves in the position of the Chairman of the Board of Directors, based on his deep knowledge and understanding of the Group. The Company has judged that he can appropriately fulfill the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] I will strive to further increase the efficacy of the Board of Directors while working to achieve the goals of Mission 2030 with constant attention to the perspective of our stakeholders in my role as Chairman.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
2	<p>Reappointed</p> <p>Ikuo Ishida (March 7, 1962) Age: 64</p> <p>[June 2023] [3 years at the conclusion of this Ordinary General Meeting of Shareholders]</p>	<p>April 1985 Joined the Company</p> <p>April 2009 General Manager, Functional Films Dept., Electronics Materials Div. of Electronics Materials Business Group of the Company</p> <p>October 2011 General Manager, Advanced Fillers Dept., Electronics Materials Business Group of the Company</p> <p>October 2013 General Manager, Advanced Specialty Materials Dept., Electronics & Innovative Products of the Company</p> <p>April 2017 Assistant General Manager, Electronics & Innovative Products of the Company</p> <p>April 2019 Executive Officer and General Manager, Electronics & Innovative Products of the Company</p> <p>April 2023 Managing Executive Officer of the Company</p> <p>June 2023 Director and Managing Executive Officer of the Company</p> <p>April 2025 Representative Director, President and Chief Executive Officer of the Company (present)</p>	<p>13,242 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 6,142)</p>
	<p>Attendance at Board of Directors meetings 100% (18/18)</p>	<p>[Reasons for selection as a candidate for Director] Mr. Ikuo Ishida possesses an international perspective and adequate operational experience, including work experience at overseas subsidiaries and taking responsibility for the electronic materials business division for many years. After taking charge of business strategy for the Denka Group as a whole, including overseas businesses, as the executive responsible for management strategy, human resources strategy, compliance, and investor relations and corporate communications divisions, he currently serves as Representative Director, President. Based on his rich experience and impressive track record in Company administration, it is hence judged by the Company that he can appropriately fulfill the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] I intend to make good on our words as we work rapidly and thoroughly to implement the achievement of the targets laid out in Phase 2 (fiscal 2026–2028) of the “Mission 2030” management plan.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.		Number of shares of the Company held
3	Reappointed Rimiru Hayashida (July 14, 1961) Age: 64 [June 2025] [1 year at the conclusion of this Ordinary General Meeting of Shareholders]	April 1985 April 2009 April 2017 April 2021 April 2023 June 2024 April 2025 June 2025	Joined the Company General Manager, Accounting Dept. of the Company Executive Officer, General Manager, Accounting Dept. of the Company Executive Officer of the Company Managing Executive Officer of the Company Managing Executive Officer, Chief Financial Officer (CFO) of the Company Senior Managing Executive Officer of the Company Director and Senior Managing Executive Officer of the Company (present)	11,116 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 1,316)
	Attendance at Board of Directors meetings 100% (14/14) (Since taking office in June 2025)	<p>[Reasons for selection as a candidate for Director] Since joining the Company, Mr. Rimiru Hayashida has consistently been involved in the Accounting Dept. and possesses adequate operational experience in accounting and finance. Then, he served as CFO and led initiatives to improve capital efficiency. He currently takes charge of supervising the Denka Group as a whole, as the executive responsible for accounting, financial strategy, investor relations and corporate communications divisions, and the supply chain. It is hence judged by the Company that he can appropriately fulfill the role of determining important business execution and supervising the business execution of Directors and Executive Officers, and his election as Director is requested.</p> <p>[Message to shareholders] In Phase 2 of "Mission 2030," beginning in fiscal 2026, we develop a firm basis for our new growth stage and at the same time proceed with fiscal rebuilding. Based on capital efficiency and risk management, my role will be to pursue the optimal balance between offense and defense.</p>		

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Director since] [Director's term of office]	Career summary and significant concurrent positions, etc.		Number of shares of the Company held
4	Reappointed Masanobu Kosaka (January 2, 1963) Age: 63 [June 2025] [1 year at the conclusion of this Ordinary General Meeting of Shareholders]	April 1985 April 2015 November 2015 June 2019 April 2021 April 2023 April 2025 June 2025	Joined the Company Deputy General Manager, Omi Plant of the Company Vice President of Denka Performance Elastomer LLC Vice General Manager, Omi Plant of the Company Executive Officer, General Manager, Omi Plant of the Company Executive Officer of the Company Managing Executive Officer of the Company Director and Managing Executive Officer of the Company (present)	2,216 (of the shares above, number of shares to be delivered pursuant to stock delivery trust system 1,316)
	Attendance at Board of Directors meetings 100% (14/14) (Since taking office in June 2025)	<p>[Reasons for selection as a candidate for Director] Mr. Masanobu Kosaka possesses adequate operational experience, including work experience in plant manufacturing and overseas subsidiaries. After supervising promotion of environmental measures, he currently manages the entire technical department, including new business development, as chief technical officer (CTO), as well as being responsible for digital strategy of the Denka Group as a whole. It is hence judged by the Company that he can appropriately fulfill the role of determining important execution and supervising the business execution of Directors and Executive Officers, and requests his election as Director.</p> <p>[Message to shareholders] Aiming to create and improve corporate value, I intend to contribute to research and production technology, DX, GX, etc. from a comprehensive perspective.</p>		

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then he will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

No.	Name (Date of birth) [Outside Director since] [Outside Director's term of office]	Career summary and significant concurrent positions, etc.	Number of shares of the Company held
5	<p>Reappointed Outside Independent Director</p> <p>Rumiko Nakata (April 6, 1956) Age: 70</p> <p>[June 2024] [2 years at the conclusion of this Ordinary General Meeting of Shareholders]</p>	<p>April 1979 Joined Esso Sekiyu K.K.</p> <p>April 1996 Center for Socio-Economic Research K.K.</p> <p>June 2000 Joined Pfizer K.K.</p> <p>February 2007 Manager, Pharmaceutical Development and Human Resources (Public Relations) Dept., Pfizer K.K.</p> <p>May 2010 General Manager, Human Resources Group, Business Partners, Pfizer K.K.</p> <p>December 2011 Head of HR and Global Operations, Pfizer K.K.</p> <p>January 2014 Director of the Board, Corporate Officer, Pfizer K.K.</p> <p>March 2018 Executive Officer, in charge of Diversity & Inclusion promotion, Mitsubishi Chemical Corporation</p> <p>April 2019 Managing Executive Officer, Supervising – Human Resources Dept., Mitsubishi Chemical Corporation</p> <p>April 2020 Director of the Board, Managing Executive Officer, Supervising – Administration Dept., Public Relations Dept., Human Resources Dept., Mitsubishi Chemical Corporation</p> <p>April 2021 Director of the Board, Managing Executive Officer, Supervising – Resources, Mitsubishi Chemical Corporation</p> <p>April 2022 Director of the Board, Mitsubishi Chemical Corporation</p> <p>March 2023 Outside Director of the Board, Kyowa Kirin Co., Ltd. (present)</p> <p>June 2024 Outside Director of the Company (present)</p>	–
	<p>Attendance at Board of Directors meetings 100% (18/18)</p>	<p>[Reasons for selection as a candidate for Outside Director, and summary of expected roles] Having consistently held positions in charge of human resources departments for many years, Ms. Rumiko Nakata has rich management experience in human capital strategies, such as human resources system reform and promotion of diversity and inclusion. In addition, she has a deep knowledge of human capital management, including having served as a member of study groups on human capital organized by the Ministry of Economy, Trade and Industry and the Ministry of Health, Labour and Welfare. In order to receive recommendations and supervision of the Company's management based on her deep insight, as well as advice from the perspective of diversity, her election as Outside Director is requested.</p> <p>[Message to shareholders] As an Outside Director, I will support the Company by thorough management monitoring from the perspective of corporate governance, in order to enhance its corporate value.</p>	

- Notes: 1. No material relationship of interest exists between the Company and the above candidate.
2. Based on Article 427, Paragraph 1 of the Companies Act, the Company currently has a liability limitation contract with the candidate that limits her liability for damages of Article 423, Paragraph 1 of said Act to a predefined amount of ¥5 million or more or the amount stipulated by laws and regulations, whichever is higher. If the election of Ms. Nakata is approved, the Company plans to continue the same contract.

3. The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act to cover legal damages, litigation expenses, and others in the event that a claim for damages is made against the insured persons, including Directors of the Company. If the appointment of the candidate above is approved, then she will become an insured person under the contract. The Company intends to renew this insurance contract with the same contents at the time of the renewal.

(Reference)

1. The Company's views regarding the election of Directors

Under Denka's vision, in order to achieve the eight-year management plan "Mission 2030" through to fiscal 2030, the Company aims to strengthen the management structure with Directors and Executive Officers, while enriching the governance structure and supervisory function.

In electing Directors, internal Directors are chosen from persons who possess a wealth of experience and achievements in various divisions within the Company, while also possessing insights and adequate specialized knowledge as Director, and Outside Directors are chosen from persons who possess specialization required for continuous growth and improvement in corporate value of the Company and wide insights based on a wealth of business experience and management experience at other companies. The Company believes that it is important for the Board of Directors as a whole to elect a good balance of personnel with a variety of knowledge, experience, and abilities, and ensure that the composition of the Board of Directors is diverse in terms of gender, international background, work history, and other factors.

Additionally, the Company believes that Independent Outside Directors should compose at least one-third of Directors. The present ratio is approximately 44%.

2. Skills matrix of the Company's Board of Directors

* If Proposal 2 is approved as proposed

			Attributes				Skills											
							Corporate Management/ Corporate Planning	Human Resources Value Creation	Global Business	Financial Strategy/ Accounting	Legal/ Compliance	Sustainability/ESG			Business Value Creation and Marketing	Research/ Intellectual property	Technology/ Manufacturing	DX
			Independent Outside	Age	Years of service	Gender						E (Environment)	S (Society)	G (Governance)				
Toshio Imai	Chairman and Representative Director			67	7	Male	○	○	○			○		○				
Ikuo Ishida	President and Chief Executive Officer	Representative Director, President		64	3	Male	○	○	○		○			○				
Rimiru Hayashida	Director	Senior Managing Executive Officer		64	1	Male	○			○				○				
Masanobu Kosaka	Director	Managing Executive Officer		63	1	Male			○			○	○			○	○	○
Rumiko Nakata	Director		○	70	2	Female		○					○	○				
Mizuhiro Uchida	Director	Full-time Audit Committee Member		64	3	Male				○	○		○	○				○
Toshio Kinoshita	Director	Audit Committee Member	○	77	11	Male			○	○				○				
Akio Yamamoto	Director	Audit Committee Member	○	74	11	Male	○	○	○						○			
Miyuki Matoba	Director	Audit Committee Member	○	52	5	Female					○		○	○		○		

* The matrix above shows the skills that the Board of Directors expects from them among knowledge and experience they possess.

* Age and years of service are shown as of June 19, 2026

(Reference)

Skill matrix of the Executive Officers who are not Directors

		Age	Gender	Corporate Management/ Corporate Planning	Human Resources Value Creation	Global Business	Financial Strategy/ Accounting	Legal/ Compliance	E (Environment)	S (Society)	G (Governance)	Business Value Creation and Marketing	Research/ Intellectual property	Technology/ Manufacturing	DX
Kei Hara	Managing Executive Officer	60	Male	○	○	○		○		○		○			
Hiroto Horiuchi	Managing Executive Officer	59	Male	○		○						○	○		
Michio Kawamura	Managing Executive Officer	61	Male	○		○			○	○			○	○	

3. Necessary skills for the Company’s Directors and the reason they were selected

The skills considered necessary for the Company’s Board of Directors to make important decisions and supervise management under Denka’s vision to reach the goals of the Company’s eight-year management plan “Mission 2030” through fiscal 2030, and to promote ESG management through the priority management (materiality) issues are as follows.

Skills		Reason for the selection of the skills
Corporate Management and Corporate Planning		Directors are needed who have extensive management experience and achievements to establish and review management plans aimed at realizing the Denka’s Vision and supervise the execution of duties to achieve these plans.
Human Resources Value Creation		Directors are needed who have extensive knowledge and experience related to human resources value creation in order to realize human resource investment and system reforms, aiming to become a company where each and every employee can gain experience self-realization and personal growth.
Global Business		Directors are needed who have extensive experience in global business to fulfill our Purpose to “making the world a better place as specialists in chemistry” with an awareness of global megatrends.
Financial Strategy/Accounting		Directors are needed who have extensive knowledge and experience in the financial strategy and the accounting field not only to ensure the accurate disclosure of financial information, but also to drive selection and concentration of businesses, pursue optimal capital structure, and improve profitability and efficiency.
Legal/Compliance		Directors are needed who have robust knowledge and experience in the legal and compliance fields to ensure fair and trustworthy corporate activities appropriately responding to increasingly complex legal systems and regulations in Japan and abroad.
Sustainability/ ESG	E (Environment)	Directors with extensive knowledge and experience in E (Environment) are needed to fulfill corporate social responsibility working on the precondition for continuation of business, “Achievement of carbon neutrality,” “Sustainable cities and fulfilling daily lives,” and “Environmental conservation and minimization of environmental footprint.”
	S (Society)	Directors with solid knowledge and experience in S (Society) are needed to fulfill corporate social responsibility through the provision of safe and high-quality products, respect for human rights, and participation in the effort to build a better community.
	G (Governance)	Directors with solid knowledge and experience in G (Governance) are needed to fulfill corporate social responsibility building a more advanced and effective corporate governance system that ensures transparency and fairness based on high ethical standards.
Business Value Creation and Marketing		Directors are needed who have market insight based on a broad perspective, as well as extensive business experience to ensure that all the three business areas, ICT & Energy, Healthcare, and Sustainable Living, will be fully made up of “three-star businesses” that incorporate the three elements of specialty, megatrends, and sustainability, while promoting the transformation of business portfolio, considering also selling or exiting a business that is difficult to convert to a “three-star business.”

R&D/Intellectual Property	Directors are needed who have a track record of promotion of innovation, as well as deep knowledge in science and technology and a wealth of experience in proprietary technologies and intellectual property, in order to create business value in the three business areas of ICT & Energy, Healthcare, and Sustainable Living.
Technology/Manufacturing	Directors are needed who are deeply familiar with technology, and who have extensive practical experience and robust insight into manufacturing in order to create management values through process innovation to improve productivity, ensure trustworthiness in manufacturing, and establish a safe work environment.
DX	Directors are needed with profound knowledge and extensive experience related to digital technologies and data utilization, as well as the ability to understand and analyze the nature of the Group's business, and use this insight to transform it, in order to promote transformation of business model and organization through process innovation.

4. Standards of Independence for Denka Outside Directors

The Company selects candidates for Outside Directors based mainly on practical considerations, such as whether we can expect the candidate to contribute to an increase in the corporate value of the Company as an independent officer. Specifically, the Company has defined the following standards, in accordance with the requirements for independence stipulated in the Companies Act, in addition to the standards for independence defined by the Tokyo Stock Exchange and other factors.

Standards of Independence for Outside Directors

The standard of independence for an Outside Director of the Company shall be persons that do not fall under any of the categories defined in items (1) through (5) below.

- (1) An executor of business (*4) at a main customer (*1), main supplier (*2), or main lender (*3) that is a main trading partner of the Company;
- (2) A consultant, accountant, lawyer, or other such person that has received money or other property exceeding ¥10 million in value per year from the Company, excluding officer compensation, in the most recent fiscal year;
- (3) A person belonging to a group for whom the amount paid by the Company makes up 2% or more of the group's revenues or total income in the most recent fiscal year, in cases where the entity receiving property under item (2) above is a group;
- (4) A person that has fallen under any of the above categories (1) through (3) within the past year;
- (5) A spouse or relation within the second degree of a person falling under any of the categories below (excluding an insignificant person):
 - i. A person that falls under any of the above categories (1) through (4);
 - ii. A person that is or was an executor of business at the Company or a subsidiary of the Company now or within the past year.

(*1) Main customer: A customer from whom the amount paid has made up 2% or more of the Company's revenues in the most recent fiscal year

(*2) Main supplier: A supplier to whom the amount paid from the Company has made up 2% or more of the supplier's revenues in the most recent fiscal year

(*3) Main lender: A lender that was essential for the Company's funding, and that the Company relied on to the extent the lender was irreplaceable, as of the end of the most recent fiscal year

(*4) Executor of business: An executive director, executive, executive officer, or other employee, etc.

(Reference)

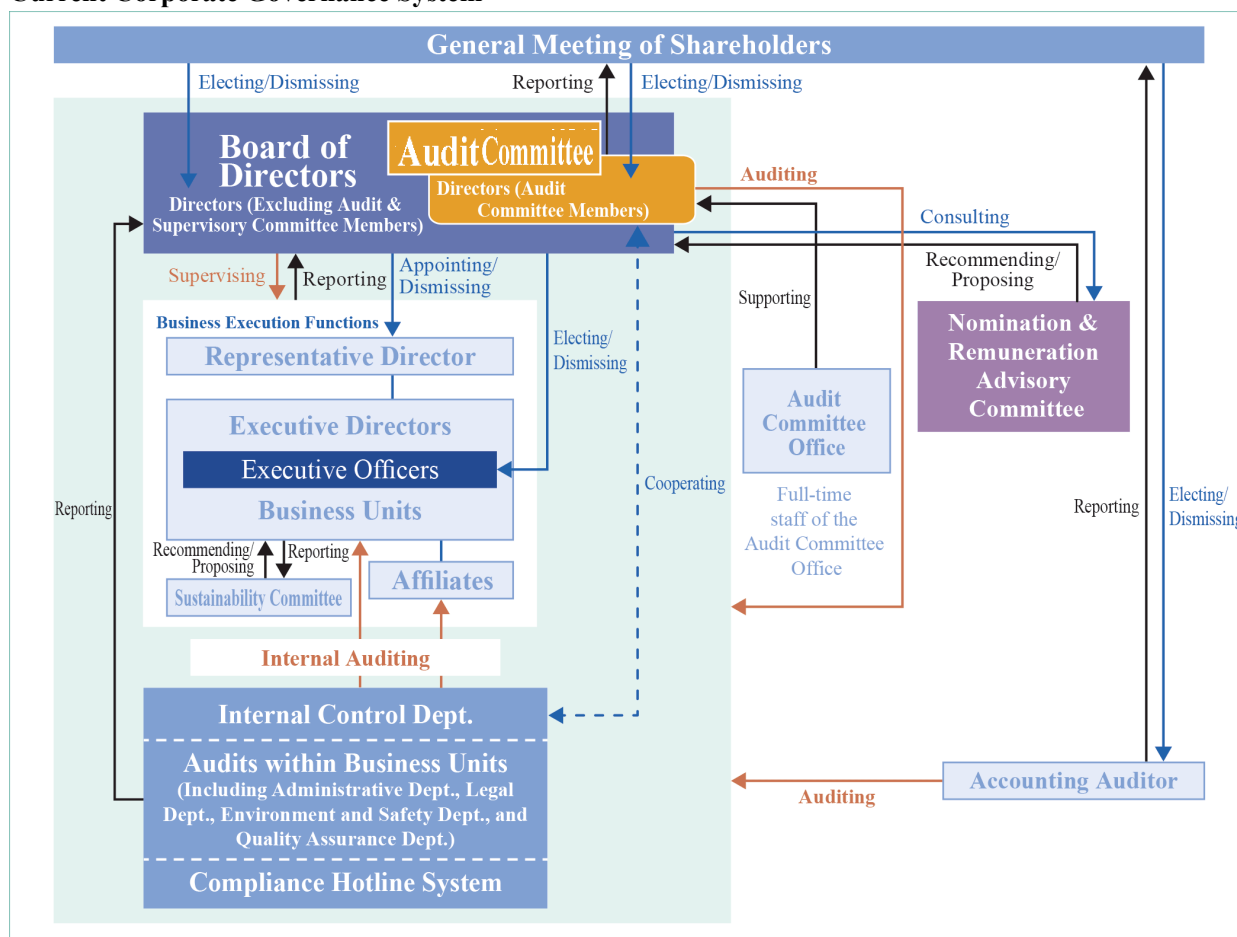
Denka's Corporate Governance Initiatives

Basic Approach to Corporate Governance

In order to fulfill the expectations and trust of its many stakeholders, including shareholders, customers, local society, and employees, based on the Denka's Vision (a vision of the future) comprising the Core Value that is the Company's DNA to serve as the foundation to support the tiers above, Purpose that serves as the North Star to guide the Company, and the Mission that the Company aspires to accomplish by 2030, the Company strives to strengthen its business foundation by improving its earnings power and expanding the scope of operations, while also working to improve corporate value by making every effort to continue being a company that can win the trust and sympathy of society.

The Company considers corporate governance as the foundation for the above, and so we have striven to strengthen governance, in order to fulfill the responsibilities, we owe to all our stakeholders, and ensure the transparency and soundness of our management.

Current Corporate Governance System



Board of Directors and optional committees

■ **Board of Directors (Met 18 times in fiscal 2025)**

To accomplish the Company's Mission in the Vision, the Board of Directors monitors and supervises major operational decision-making and execution of business duties by executive officers, based on strategic and management planning. The Board of Directors as a whole appoints candidates to be Directors in line with the standards for the appointment of both internal and Outside Directors, based on the belief that it is important to appoint a good balance of people with a variety of expertise, experiences, and skills. (Please see pages 15-16 for details of the Company's views regarding the election of Directors.)

In addition, in principle, the Company has discontinued the use of executive titles (such as Senior Managing Director, Managing Director) for Directors, such that all Directors may focus on monitoring and supervising the execution of business duties from an equal standpoint. Also, the Company has set the length of Directors' (excluding Audit Committee Members) terms to one year, in order to facilitate flexible checks on them at the General Meeting of Shareholders.

Additionally, the Nomination & Remuneration Advisory Committee has been established as an advisory organ of the Board of Directors, to strengthen the roles of the Board of Directors and foster higher standards of objectivity and transparency. It also organizes the D&A Round Table, aimed at enriching deliberations on major matters of particular management concern.

■ Nomination & Remuneration Advisory Committee (Met 11 times in fiscal 2025)

For major management matters such as nomination, remuneration, and other elements of governance, the Board of Directors has set up the Nomination & Remuneration Advisory Committee, comprising all four Outside Directors, the Chairman and the President, chaired by an Outside Director, to foster transparency and objectivity in management decision-making, informed by a wide range of opinion and advice from Outside Directors.

In the previous fiscal year, this Committee received inquiries from the Board of Directors regarding the executive structure and succession planning (including Outside Directors), and made recommendations and proposals regarding the results of these inquiries after repeated deliberations at the Committee with the CHRO present.

■ D&A Round Table (Met 13 times in fiscal 2025)

In order to facilitate in-depth discussions regarding management matters that are of particular importance, the D&A Round Table is organized as a forum for free, open-minded, constructive discussions, exchange of opinions and information, and strengthening of cooperation between internal and Outside Directors.

■ Sustainability Committee (Met 5 times in fiscal 2025)

The Sustainability Committee was established to make recommendations and proposals on the content of activities relating to the promotion of initiatives on issues related to sustainability (medium- to long-term sustainability) in order to achieve non-financial targets. (Chairperson: President; Committee members: Chairman, Executive in charge of the Management Department; Observers: Outside Directors and Full-time Audit and Supervisory Committee Members).

This Committee deliberates on the activities of each division and reports to the Board of Directors, taking into consideration the risks and profit opportunities of business activities and their consistency with the value creation strategies related to business, human resources, and management.

The main matters of discussion in the previous fiscal year included enhancing non-financial KPI efficacy for the "Mission 2030" management plan, in addition to reviewing human resources measures such as training, increasing the proportion of women in management, and labor-saving, along with adding KPI to indicate the environmental and social impact of contributions from each business division.

In addition, the Committee discussed a companywide response system focused on 10 major risks toward enhancing integrated risk management, based on the uncertainty of international affairs.

■ Evaluation of the Effectiveness of the Board of Directors

At Denka, the effectiveness of the Board of Directors is analyzed and evaluated annually. As a result of measures taken in fiscal 2025, we reaffirmed that the frequency and duration of meetings of the Board of Directors and the Board size and composition (in terms of achieving the right balance of expertise, experience, ability, and diversity) are appropriate and that monitoring and supervision of the management were being appropriately implemented by the Board of Directors, 44% of the members of which are independent Outside Directors.

Regarding the issue from the year before last of reinforcing monitoring and follow-up of management issues such as long-term business strategies and major investment projects, while improvements were

observed in follow-up to some major investment projects, in accordance with the revision of the “Mission 2030” management plan based on the major changes in the business environment, it was agreed upon that more specific and higher-density discussion was required, with regard to long-term business strategies and the careful selection of investment, et cetera.

In addition, regarding the further scrutiny of agenda items and the streamlining of reporting, improvements have proceeded, leading to views that it has been possible to focus on handling immediate priority issues.

Regarding the thorough monitoring of the status of the quality assurance and safety and security management systems, in addition to the progress of anti-recurrence measures, while appropriate measures and reports have been put in place, opinions included the importance of the continuity of recurrence prevention and of an approach from management as a whole. Also, there was agreement on the need for monitoring and discussion by the Board of Directors on human capital cultivation and organizational culture reforms.

Further, the need for reinforcement of the Nomination & Remuneration Advisory Committee management system was confirmed, in order to enhance discussion on the skillsets and skill matrix required of the Board of Directors as well as cultivation of management-level officers, toward fulfilling the “Mission 2030” management plan.

Looking ahead, in light of these constructive opinions, we will take steps to further improve the effectiveness of the Board of Directors, aiming to improve medium- to long-term corporate value, and respond to the expectations and trust placed in us by our shareholders and numerous other stakeholders.

Audit Committee (Met 14 times in fiscal 2025)

In accordance with their fiduciary responsibilities to shareholders, Audit Committee Members and the Audit Committee, with the support of the full-time staff of the Audit Committee Dept., whose independence from management is ensured, conduct audits of the legality and appropriateness of the execution of duties by the Directors, while paying attention to efficiency through close cooperation with the Internal Control Department and other relevant departments. Additionally, the Committee visits the Company’s divisions, departments, branches, business sites, and subsidiaries and engages in activities such as confirmation by hearing and the exchange of opinions on the status of business execution. They also work on enhancing the effectiveness of the audit by reporting their opinions to the Board of Directors after the necessary discussions concerning the results of these activities at the Audit Committee.

In addition, the Audit Committee forms views on matters related to the election and compensation of Directors (excluding Directors who are Audit Committee Members), as well as the election, dismissal, or non-reappointment of accounting auditors, in accordance with the Companies Act.

Furthermore, the Company appoints candidates for Directors who are Audit Committee Members based on its judgment that, in order for the Audit Committee to fulfill its roles and responsibilities, Audit Committee Members should possess appropriate experience and ability as required for their duties, and that in particular, there should be at least one person with expertise in finance and accounting.

Messages to shareholders from Audit Committee members who are Directors

Director and Full-time Audit Committee Member Mizuhiro Uchida

I intend to contribute to sustainable growth and enhanced corporate value through active proposals made in order to support sound challenges through suitable action, discovering risks and issues through honest discussion with the executive divisions, offices, and subsidiaries.

Director and Audit Committee Member (Outside) Toshio Kinoshita

From the perspective of a finance and accounting professional as a certified accountant, I evaluate the Company’s and Group’s business and fiscal risks, propose suitable measures, and support the Group’s sound management and sustainable growth.

Director and Audit Committee Member (Outside) Akio Yamamoto

As an Outside Director, I intend to maintain a sense of the times in the medium- to long-term and a fair and equitable stance, contributing to the maximization of corporate value through sound corporate management and further growth on the part of the Company.

Director and Audit Committee Member (Outside) Miyuki Matoba

In an environment of uncertainty, I will monitor management objectively from a fair and honest perspective, maintaining appropriate governance while making use of my knowledge as a lawyer in engagement with the business and thus contributing to the Company's sustainable growth and enhanced corporate value.

Outside Directors

Regarding Outside Directors, the Company selects candidates based mainly on practical considerations, such as whether we can expect the candidate to contribute to an increase in the corporate value of the Company as an independent officer, and has also defined its own standards of independence (please see page 18), in accordance with the requirements for independence stipulated in the Companies Act, in addition to the standards for independence defined by the Tokyo Stock Exchange and other factors.

In addition, by enhancing their understanding of the Company, the Company strives to create an environment that allows those appointed as Outside Directors to perform their roles for the sake of the sustainable growth of the Company and the increase of its corporate value.

Specifically, in addition to tours of offices, plants, and other facilities, the Company has been implementing the following initiatives:

- Outside Officer Liaison Committee (Met 4 times in fiscal 2025)

Outside officers frankly discuss the nature of agenda and operation of the Board of Directors, as well as the Company's medium- to long-term issues and their solutions, from an independent standpoint and share the results of the discussions with internal Directors, so as to contribute to management.

- Attendance at important internal meetings

In addition to the aforementioned Sustainability Committee, Outside Directors also attend meetings to review and confirm the progress of the budget based on the mid- to long-term business strategy.

Strategic shareholdings

- Policy on strategic shareholdings

As a general rule, Denka does not hold strategic shareholdings, based on the improvement of capital efficiency. However, Denka will hold such shareholdings if it judges that it will contribute to building a stable business relationship and maintaining and strengthening business alliances under its growth strategy, thereby enhancing the Company's corporate value over the medium- to long-term.

- Verification at the Board of Directors meetings concerning strategic shareholdings

In accordance with the above policy, the Board of Directors conducts a comprehensive annual review of such shares from various perspectives, including the financial condition of the issuing company, the volume of transactions with the Company and the economic rationality of such transactions, and a comparison with the Company's cost of capital. The purpose of shareholding of such shares is stated in the Annual Securities Report.

In fiscal 2025, we re-examined the purpose of holding such shares, including from the viewpoint of capital efficiency, and further promoted the reduction of such shares. As a result, the number of issues of strategic shareholdings as of March 31, 2026 decreased by 12 from the end of the previous fiscal year to 33, and the ratio to consolidated net assets decreased by 0.09 percentage points to 6.33% compared to the end of the previous fiscal year.

- Voting rights exercise standards on strategic shareholdings

Regarding the exercise of voting rights on strategic shareholdings, the Company will ultimately make a decision on approval or disapproval by individually examining proposals from the perspective of whether they contribute to the enhancement of the shareholder value, after each responsible department managing the shares considers the issuing company's business conditions, etc., respecting the issuing company's management policies and strategies in principle.

Particularly in the following cases, a decision on approval or disapproval will be made carefully after engaging in dialogue with the issuing company if necessary.

- (1) If a significant decline in business performance continues for a certain period
- (2) If a major misconduct occurs
- (3) In other cases, if proposals may undermine shareholder value

(Reference)**Initiatives to Corporate Governance Thus Far**

	Purpose	Measures
2007	To speed up decision-making	Cut the number of directors by half and introduce an executive officer system
2008	Ensure that Directors monitor and supervise the execution of business on an equal footing	Abolition of executive titles (such as Senior Managing Director, Managing Director)
	Clear separation of monitoring and supervisory functions from the execution of business	Reassigning the authority of business execution and executive titles from directors to executive officers
	Flexibly perform checks on directors	Shortening the length of directors' appointments to one year
	Step up checks on management from an external perspective	By appointing two Outside Directors, the number of appointments of outside officers rises to four, including two Outside Audit & Supervisory Board Members (per statutory requirements)
	Create system enabling appropriate advice-giving even outside of meetings of the Board of Directors, by arranging ample exchange of opinions	Implement regular opportunities for outside officers to exchange opinions with top management
	Speed up decision-making by deepening discussions of important management matters	Establishment of a Management Committee comprising Directors, Audit & Supervisory Board Members (internal), and some executive officers
2015	Improve the governance framework and raise standards of transparency and soundness of management	Increasing the number of Outside Directors (from two to three) and reducing the number of members of the Board of Directors (by two)
	Create venues for free, vigorous, and constructive deliberations, exchange of opinions and information, and alliance-strengthening for internal and Outside Directors and Audit & Supervisory Board Members	To step up round-table meetings of Outside Directors and Audit & Supervisory Board Members formerly held twice per year, hold a round-table conference of Directors and Audit & Supervisory Board Members (current D&A Round Table)
	Achieve optimum standards of corporate governance to ensure sustainable growth and improve medium- to long-term corporate value	Compilation of the Denka Corporate Governance Guidelines
	Deepen understanding of the Company's business, and stimulate debate at meetings of the Board of Directors	Enhance the provision of advance explanation for outside officers regarding specific agenda items that require adequate explanation
	From a standpoint independent of the Company, outside officers freely discuss the agendas and administration of Board meeting, medium- to long-term issues facing the Company, and their solutions, and share their views with Inside Directors	Holding "Outside Officer Liaison Committee" four times per year

	Purpose	Measures
2016	Promote understanding of the Company's medium- to long-term and short-term business and research objectives	Holding business and research objective briefings for outside officers twice a year (Currently, they attend internal meetings such as the Budget Overview Meeting and Budget Review Meeting.)
	Ensure adequate auditing and supervision of business execution by executive officers	Clarification of the details of agenda and report materials at the Board of Directors meetings
	Step up the effectiveness of the Board of Directors	Arrangement for all Directors and all Audit & Supervisory Board Members to annually analyze and evaluate the effectiveness of the Board of Directors, and disclose the results in the Corporate Governance Report
2017	Foster greater transparency and objectivity in business decision-making, with the Board of Directors accepting diverse opinions and advice from the outside officers with regard to major business topics including appointments, remuneration and other governance matters	Establishment of the Management Advisory Committee comprising all Outside Directors, all Outside Audit & Supervisory Board Members, the Chairman and the President (current Nomination & Remuneration Advisory Committee)

	Purpose	Measures
2019	Further strengthen corporate governance and improve corporate value by further strengthening the supervisory role of the Board of Directors, by enabling more rapid decision-making and vesting directors who are members of the Audit Committee with voting rights at the Board of Directors meeting	Shift from the “Company with Audit & Supervisory Board” model to that of a “Company with Audit Committee”
2021	Review of regulations regarding the appointment of retirees from the office of Chairman and President as Counselors and Advisors.	Abolish the office of Counselor
	Clarify the roles of the Board of Directors and the executive structure, further enhance the effectiveness of discussions at Board of Directors meetings, and further expedite its decision-making process	Reduce the number of Directors from 12 to 9, and raise the proportion of Outside Directors on the Board of Directors to over 44%
2023	Effective committee administration through greater independence and objectivity	Appoint an Outside Director as chair of the Nomination & Remuneration Advisory Committee
	Strengthening of incentives	Revise the officer remuneration system <ul style="list-style-type: none"> - Revision of remuneration composition ratio and strengthening of short-term incentives - Introduction of an individual performance evaluation system - Introduction of stock-based compensation for Executive Officers
	Sustainability-related activities, progress with achievement of non-financial targets and KPIs, and responses to risks and earning opportunities	Established the Sustainability Committee, with Outside Directors and full-time Audit Committee Members as observers

Business Report

(From April 1, 2025 to March 31, 2026)

1. Matters concerning the Group's Current Situation

(1) Business Progress and Results

During the fiscal year under review, 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 is uncertain due to factors such as developments in U.S. trade policy and escalating tensions in the Middle East.

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 fiscal year under review, sales volume of electronics and innovative products increased. However, net sales were ¥384,247 million, down ¥16,003 million, or 4.0%, 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 ¥26,225 million (up ¥11,811 million, or 82.0%, year on year), and ordinary income was ¥19,295 million (up ¥11,671 million, or 153.1%, year on year). Profit attributable to owners of parent was ¥15,695 million (compared with a loss of ¥12,300 million in the previous fiscal year), due to the recording of the gain on transfer of factory land at the Ofuna Plant and gain on sale of strategic cross-shareholdings 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.

(Reference)

Net sales	¥ 384.2 billion (YoY -4.0%)
Operating income	¥ 26.2 billion (YoY +82.0%)
Ordinary income	¥ 19.3 billion (YoY +153.1%)
Net income attributable to owners of parent	¥ 15.7 billion (YoY -%) (*Net loss of ¥12.3 billion in the previous fiscal year)

Proportions of net sales by division

Total net sales

3,842.47 billion JPY

Electronics & Innovative Products	27.2%
Life Innovation	10.5%
Elastomers & Infrastructure Solutions	25.4%
Polymer Solutions	32.3%
Others	4.6%

Results of operations by division are described below.

Electronics & Innovative Products Division

(Sales: ¥ 104,430 million; Operating Income: ¥ 13,886 million)

Principal products: Electronic packaging materials, fine ceramics, fused silica, acetylene black, electronic circuit substrates, industrial tapes, etc.

Demand for products in this division increased for AI-related applications and power infrastructure. Sales of spherical silica and spherical alumina remained strong with the expansion of demand for semiconductors for 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, and sales of the new product SNECTON, a low-dielectric organic insulating resin, also grew steadily.

As a result, division net sales increased ¥12,227 million, or 13.3%, year on year to ¥104,430 million, and operating income increased ¥4,717 million, or 51.5%, year on year to ¥13,886 million.

Life Innovation Division

(Sales: ¥ 40,520 million; Operating Income: ¥ 6,247 million)

Principal products: Vaccines, diagnostic reagents, oncolytic virus agents, etc.

Overall sales volume of POCT test reagents declined year on year, as infectious diseases such as influenza and COVID-19 spread to a certain extent, but subsided rapidly after the start of the year, resulting in a decline in the number of tests conducted. 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 ¥2,742 million, or 6.3%, year on year to ¥40,520 million, and operating income decreased ¥3,354 million, or 34.9%, year on year to ¥6,247 million.

Elastomers & Infrastructure Solutions Division

(Sales: ¥ 97,583 million; Operating Income: ¥ 68 million)

Principal products: Chloroprene rubber, special cement additives, fertilizers, calcium carbide, fire resistant materials, environmental materials, etc.

Demand for chloroprene rubber continued to remain sluggish. However, profitability improved as high-cost manufacturing facilities at a U.S.-based subsidiary remained suspended. 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 ¥14,090 million, or 12.6%, year on year to ¥97,583 million, and operating income was ¥68 million, an increase of ¥8,030 million year on year (operating loss in the previous fiscal year was ¥7,962 million).

Polymer Solutions Division

(Sales: ¥ 124,161 million; Operating Income: ¥ 3,574 million)

Principal products: Styrene monomer, polystyrene resin, ABS resin, CLEAREN, heat-resistant resin, transparent resin, POVAL, synthetic fiber for wigs, food packaging materials, etc.

In response to lower raw material and fuel costs, the division revised the selling price of each product. 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 fell below the previous fiscal year's level due to the delayed recovery in demand.

As a result, division net sales decreased ¥11,204 million, or 8.3%, year on year to ¥124,161 million, and operating income increased ¥2,420 million, or 209.8%, year on year to ¥3,574 million.

Others Division

(Sales: ¥ 17,552 million; Operating Income: ¥ 2,427 million)

Principal business: Plant engineering, etc.

Transaction volumes of Akros Trading Co., Ltd. and other trading companies remained roughly unchanged year on year.

As a result, division net sales decreased ¥194 million, or 1.1%, year on year to ¥17,552 million, and operating income increased ¥31 million, or 1.3%, year on year to ¥2,427 million.

(2) Capital Investment

Under the “Mission 2030” management plan launched in fiscal 2023, the Company is working to enhance its corporate value by focusing on the three growth strategies of “Business Value Creation,” “Human Resources Value Creation,” and “Management Value Creation.” For capital investment, the Group has planned cumulative capital investment to reach ¥540.0 billion, including 360.0 billion yen in strategic investments in the eight-year term. However, in response to changing assumptions in the management plan, the Group is focusing management resources on carefully selected investment projects in strategic expansion areas with a target of reducing 100.0 billion yen. In the fiscal year, capital investments of ¥56,101 million were made, including capital investments decided in previous years.

In the Electronics & Innovative Products Division, in response to the medium- to long-term megatrend of xEVs and the expanding demand for AI-related semiconductors and electrical infrastructure, capital investments of ¥37,947 million were made for construction projects including manufacturing plant construction work for the low-dielectric organic insulating material SNECTON at the Company’s Chiba Plant, production capacity enhancement of the high-reliability heat dissipation plate ALSINK at the Company’s Omuta Plant, and production plant construction work for acetylene black at Denka SCGC Advanced Materials Co., Ltd., a consolidated subsidiary in Thailand.

In the Life Innovation Division, capital investments of ¥2,050 million were made at the Company’s Gosen Site as an investment in the “Healthcare” area.

In the Elastomers & Infrastructure Solutions Division, capital investments of ¥11,125 million were made in the Company’s Omi Plant and others.

In the Polymer Solutions Division, capital investments including construction aggregating the Toyokalon business at Denka Advantech Pte. Ltd., a consolidated subsidiary in Singapore, amounted to ¥5,019 million.

Completed major facility construction in the fiscal year under review included production facilities for next-generation high-functioning spherical fillers at the Company’s Omuta Plant for the Electronics & Innovative Products Division and production capacity reinforcement for rapid antigen diagnostic kits and test reagents at the Company’s Gosen Site for the Life Innovation Division.

In addition, as strategic investment toward further growth strategies, we made a TOB for Kainos Laboratories, Inc. and rendered it a subsidiary, in order to enhance competitiveness through stronger alliances in the field of in vitro diagnostic agents in the Life Innovation Division.

(3) Financing

In fund procurement, the Company issued a regular corporate bond of 10.0 billion yen in December 2025, to be placed against the repayment of existing corporate bonds.

(4) Issues to Be Addressed

Toward the realization of sustainably improved corporate value, the Group has been moving forward since fiscal 2023 with its “Mission 2030” management plan; as our earning power has declined due to rapid changes in the business environment since the establishment of the plan, in addition to the drag on Group profit caused by the chloroprene rubber business in the United States, it is imperative that business performance be rebuilt. In fiscal 2025, faced with the sagging chloroprene rubber business in the US, delayed returns on upfront investment in the Electronics & Innovative Products division, sluggish results in the Polymer Solutions division, and increased company-wide costs, the Group prioritized “acceleration of portfolio transformation” and “recovery of earning capacity” while carefully selecting investments and controlling financial discipline in order to overcome the four revenue issues above and return to a growth trajectory.

In terms of drastic measures for the US chloroprene rubber business, the top priority for portfolio transformation, our US subsidiary Denka Performance Elastomer (below, DPE) has temporarily shut down its chloroprene rubber manufacturing facilities for an undetermined period of time as of May 2025. DPE is in the final stages of removing and disposing of raw materials, intermediate products, and other

materials in order to safely deactivate its manufacturing facilities. In accordance with stopped operation there, a certain amount of extraordinary losses on a consolidated basis is expected in the future as well; in addition to considering compensation for these losses through asset sales and other means, we are steadily promoting discussions with stakeholders, including the relevant authorities, in order to minimize the burden of these losses. In addition, as part of its liquidation of unprofitable businesses, the Company stopped cement production in June 2025, closed the Ofuna Plant and withdrew from the CARALYAN film and tape business in March 2026, and consolidated its synthetic fiber wig yarn business into a Singapore subsidiary. Furthermore, as part of business restructuring, we decided in February 2026 to consider spinning off the styrene-related business, aiming for April 2027. The spin-off will enhance the independence and profitability of the business, enhance the ability to promote structural reforms, and establish a structure that allows for a variety of strategic options, including collaboration with external partners and capital alliances. In March 2026, we also made Kainos, a manufacturer of clinical diagnostic reagents, a subsidiary through joint investment with the Development Bank of Japan. Having already collaborated in part with this company, with which we are highly complementary in the field of clinical reagents in particular, we are aiming to maximize synergies, including overseas expansion.

In addition, we began a company-wide cost-reduction project in fiscal 2024, making full use of outside expertise to employ unconventional methods such as cost benchmarks and optimal cost reduction methods; although the first year produced results of only 900 million yen, thorough revenue contribution and a more serious approach in the second year, fiscal 2025, led to results of 3.7 billion yen.

Results for fiscal 2025, in addition to powerful promotion of measures including portfolio transformation and cost reduction as above, led to operating income of 26.2 billion yen surpassing the must-achieve target of 25.0 billion yen, through a focus on reaping the benefits of prior investments in the Electronics & Innovative Products division, making the most of expanding demand for AI- and electrical infrastructure-related products.

Based on the rapidly changing external environment, the Group has revised our current “Mission 2030” management plan. We have positioned the period from FY2023 to FY2025, when we liquidated unprofitable businesses, implemented business restructuring, and invested upfront in growth areas, as Phase 1, and the three-year period from FY2026 to FY2028 as Phase 2, in which we will focus on “rebuilding earning capacity” and “strengthening the foundation for a new growth stage” to achieve further growth. During this period, we aim to achieve record-high operating income and 8% ROE.

Initiatives in Phase 2 will be based on a balance of growth strategies, structural reforms, and financial discipline, from the perspectives of megatrends (growth) and specialties (profitability) with a clear directionality in which the business domains serve respectively as growth driver, stable growth source, and cash cow. In each business domain, the Company will classify its operations into three categories: “strategic expansion,” “reaping the benefits of prior investments,” and “improving capital efficiency and transforming business models,” and will execute them in balance based on the next business strategies for each domain.

“ICT & Energy,” which drives company growth, will supply key materials to the thermal management field, one of our specialties, maintaining the top share while becoming the de facto standard in cutting-edge fields such as AI and electrical infrastructure markets, in which further growth is expected. “Healthcare,” while pursuing stable growth in the existing diagnostic pharmaceuticals business, will create and expand markets, developing into a growth driver through taking a central role as a leader in industry alliance formation. “Sustainable Living” will become a cash cow in the carbide and styrene chains.

In addition, in order to create new businesses, which are indispensable to the achievement of the “Mission 2030” management plan targets, with a view to fiscal 2030 and to realizing rapid business creation, we will develop initiatives focusing on the “trickle-out strategy” to uncover apparent needs around existing businesses based on our technological expertise in organics, inorganics, and biotechnology, among our strengths. Specifically, we plan to combine SNECTON, a low-dielectric organic insulating resin for which demand is expected for use in printed wiring boards and next-generation semiconductors, with our other in-house materials such as silica and alumina in order to handle various applications, expanding the lineup and thus providing rapid solutions for more advanced demands.

In Phase 2 of the “Mission 2030” management plan, which began this fiscal year, we will rebuild our earning capacity and strengthen the foundation for a new stage of growth by implementing these measures with determination to achieve solid results.

From Phase 3 onward, we will achieve sustainable growth unique to DENKA and help resolve social issues through an optimal mix of growth trends balanced from different angles, including vigorous growth areas in “ICT & Energy” that capture market expansion and stable and steady growth areas in “Healthcare,” in addition to carefully selecting businesses with the strength to survive in “Sustainable Living.”

(5) Financial Position and Results of Operations

(Millions of yen, unless otherwise stated)

Item	164th term (from April 1, 2022 to March 31, 2023)	165th term (from April 1, 2023 to March 31, 2024)	166th term (from April 1, 2024 to March 31, 2025)	167th term (from April 1, 2025 to March 31, 2026)
Net sales	407,559	389,263	400,251	384,247
Operating income	32,324	13,376	14,413	26,225
Ordinary income	28,025	5,474	7,623	19,295
Net income (loss) attributable to owners of parent	12,768	11,947	(12,300)	15,695
Net income (loss) per share (yen)	148.8	138.61	(142.73)	182.10
Total assets	592,158	616,244	655,524	681,006
Total net assets	300,351	316,915	308,296	338,826
Net assets per share (yen)	3,438.28	3,568.69	3,436.95	3,604.53
Total shareholders' equity ratio (%)	50.1	49.9	45.2	45.6%
Return on equity (ROE) (%)	4.4	4.0	(4.1)	5.2%
Total dividends paid	8,627	8,627	8,627	8,626
Dividends per share (yen)	100.00	100.00	100.00	100.00

- Notes: 1. Net income per share is calculated using the average number of shares issued and outstanding excluding treasury shares. Net assets per share are calculated using the number of shares issued and outstanding at the end of the fiscal year excluding treasury shares.
2. For total dividends paid and dividends per share for the 167th term, the sum of the interim dividend paid in December 2025 and the dividend proposed for resolution at this Ordinary General Meeting of Shareholders is indicated.

(6) Significant Subsidiaries (as of March 31, 2026)

1) Significant subsidiaries

Company name	Capital	The Company's percentage of equity participation	Principal business
Denka Chemicals Holdings Asia Pacific Pte., Ltd.	USD 68,700 thousand	100.0	Regional headquarters for Southeast and South Asia
Denka Singapore Pte., Ltd.	SGD 69,410 thousand	100.0 (100.0)	Manufacturing and sales of acetylene black and functional resin products
Denka Advantech Pte., Ltd.	SGD 17,000 thousand	100.0 (100.0)	Manufacturing and sales of fused silica, spherical alumina, and synthetic fiber for wigs and hairpieces
Denal Silane Co., Ltd.	JPY 500 million	51.0	Manufacturing and sales of monosilane gas, etc.
Denka Advanced Materials (Suzhou) Co., Ltd.	CNY 55,440 thousand	100.0	Manufacturing, processing, and sales of electronic packaging materials
Denka Electronic Materials Dalian Co., Ltd.	JPY 1,000 million	100.0	Processing and sales of electronic materials
Denka Advanced Materials Vietnam Co., Ltd.	USD 12,000 thousand	100.0 (100.0)	Manufacturing and sales of electronic packaging materials and vinyl tapes
Denka SCGC Advanced Materials Co., Ltd.	THB 7,219,191 thousand	60.0 (35.0)	Manufacturing and sales of acetylene black
KAINOS Laboratories, Inc.	JPY 831 million	70.7 (70.7)	Manufacturing and sales of clinical testing reagents
Denka Performance Elastomer LLC	USD 361,000 thousand	70.0 (70.0)	Manufacturing and sales of synthetic rubbers
Hinode Kagaku Kogyo	JPY 300 million	100.0	Manufacturing and sales of fertilizers and chemical products
Denka Azumin Co., Ltd.	JPY 300 million	100.0	Manufacturing and sales of fertilizers and agricultural materials
Denka Inorganic Materials (Tianjin) Co., Ltd.	JPY 250 million	100.0	Manufacturing and sales of special cement additives
Denka Infrastructure Malaysia Sdn Bhd.	MYR 8,649 thousand	100.0 (100.0)	Manufacturing and sales of construction chemicals
Denka Construction Solutions Malaysia Sdn Bhd.	MYR 1,500 thousand	100.0 (100.0)	Manufacturing and sales of construction chemicals
PT. Hissan Trading Indonesia	IDR 10,001,376 thousand	100.0 (100.0)	Sales of special cement additives, etc. in Indonesia
DENKA Polymer Co., Ltd.	JPY 2,080 million	100.0	Manufacturing and sales of various packaging materials and plastic containers

Company name	Capital	The Company's percentage of equity participation	Principal business
Denka Astec Co., Ltd.	JPY 50 million	100.0	Manufacturing, processing, and sales of rain gutters
Toyo Styrene Co., Ltd.	JPY 5,000 million	65.0	Manufacturing, processing, and sales of polystyrene resin and styrene-based special resins
Denka Chemicals Shanghai Co., Ltd.	USD 2,000 thousand	100.0	Sales of various products and headquarters for Group companies in China
Denka Chemicals GmbH	EUR 256 thousand	100.0	Import, export, and sales of chemical and electronics products
Denka Consultant & Engineering Co., Ltd.	JPY 50 million	100.0	Design and engineering of various industrial facilities, transportation facilities, etc.
Akros Trading Co., Ltd.	JPY 1,200 million	77.5	Sales of inorganic industrial products, organic industrial products, civil engineering and construction materials, interior materials, etc.
Akros Trading China Co., Ltd.	USD 300 thousand	100.0 (100.0)	Sales of electronic packaging materials, etc.
Akros Trading Taiwan Co., Ltd.	TWD 29,000 thousand	100.0 (100.0)	Sales of resins and semiconductor-related materials, etc.

- Notes: 1. The Company's percentage of equity participation is calculated by dividing the number of shares held by the Company by the number of shares issued and outstanding. The figure within parentheses indicates the percentage of indirect ownership by subsidiaries.
2. The capital of Denka SCGC Advanced Materials Co., Ltd. represents the paid-in capital of THB 7,219,191 thousand out of the registered capital of THB 7,258,560 thousand.
3. Toyo Styrene Co., Ltd., previously an associate of the Company, became a subsidiary as of March 31, 2026, when its stocks were acquired from Daicel Corporation.
4. The Company acquired KAINOS Laboratories, Inc. stocks via a TOB and made it a subsidiary as of March 31, 2026.

2) Significant associates

Company name	Capital	The Company's percentage of equity participation	Principal business
Denak Co., Ltd.	JPY 600 million	50.0	Manufacturing and sales of monochloroacetic acid
Kurobegawa Power Plant	JPY 3,000 million	50.0	Operation of electric power business and other incidental business

(7) Principal Business Details (as of March 31, 2026)

The Company manufactures and sells the following products.

Business division	Main products
Electronics & Innovative Products Division	Electronic packaging materials, fine ceramics, fused silica, acetylene black, electronic circuit substrates, industrial tapes, etc.
Life Innovation Division	Vaccines, diagnostic reagents, oncolytic virus agents, etc.
Elastomers & Infrastructure Solutions Division	Chloroprene rubber, special cement additives, fertilizers, calcium carbide, fire resistant materials, environmental materials, etc.
Polymer Solutions Division	Styrene monomer, polystyrene resin, ABS resin, CLEAREN, heat-resistant resin, transparent resin, POVAL, synthetic fiber for wigs, food packaging materials, etc.
Others Division	Plant engineering, etc.

(8) Principal Offices and Factories (as of March 31, 2026)

Company name	Principal offices
Denka Co., Ltd.	Head Office: 1-1, Nihonbashi-Muromachi 2-chome, Chuo-ku, Tokyo Branches: Tokyo, Osaka, Nagoya, Fukuoka, Kanetsu (Saitama), Sapporo Plants: Omi (Itoigawa, Niigata Prefecture), Omuta, Chiba (Ichihara, Chiba Prefecture), Shibukawa, Ofuna (Kamakura, Kanagawa Prefecture), Isesaki, Gosen Research Institutes: Denka Innovation Center (Machida, Tokyo)
Denka Chemicals Holdings Asia Pacific Pte., Ltd.	Head Office: Singapore
Denka Singapore Pte., Ltd.	Head Office and Plants: Singapore
Denka Advantech Pte., Ltd.	Head Office and Plant: Singapore
Denal Silane Co., Ltd.	Head Office: Chuo-ku, Tokyo
Denka Advanced Materials (Suzhou) Co., Ltd.	Head Office and Plant: Suzhou, Jiangsu, China
Denka Electronic Materials Dalian Co., Ltd.	Head Office and Plant: Dalian, Liaoning, China
Denka Advanced Materials Vietnam Co., Ltd.	Head Office and Plant: Hung Yen, Vietnam
Denka SCGC Advanced Materials Co., Ltd.	Head Office and Plant: Rayong, Thailand
KAINOS Laboratories, Inc.	Head Office: Bunkyo-ku, Tokyo Plant: Kasama
Denka Performance Elastomer LLC	Head Office and Plant: Louisiana, United States
Hinode Kagaku Kogyo	Head Office and Plant: Maizuru, Kyoto Prefecture
Denka Azumin Co., Ltd.	Head Office and Plant: Hanamaki, Iwate Prefecture
Denka Inorganic Materials (Tianjin) Co., Ltd.	Head Office and Plant: Tianjin, China
Denka Infrastructure Malaysia Sdn Bhd.	Head Office and Plant: Selangor, Malaysia
Denka Construction Solutions Malaysia Sdn Bhd.	Head Office and Plant: Selangor, Malaysia

Company name	Principal offices
PT. Hissan Trading Indonesia	Head Office: Jakarta, Indonesia
DENKA Polymer Co., Ltd.	Head Office: Koto-ku, Tokyo Plants: Sakura, Katori (Tako-machi, Chiba Prefecture), Goi (Ichihara, Chiba Prefecture)
Denka Astec Co., Ltd.	Head Office: Minato-ku, Tokyo Plant: Kasai
Toyo Styrene Co., Ltd.	Head Office: Minato-ku, Tokyo Plants: Goi (Ichihara, Chiba Prefecture), Kimitsu (Kisarazu, Chiba Prefecture)
Denka Chemicals Shanghai Co., Ltd.	Head Office: Shanghai, China
Denka Chemicals GmbH	Head Office: Düsseldorf, Germany
Denka Consultant & Engineering Co., Ltd.	Head Office: Ichihara, Chiba Prefecture
Akros Trading Co., Ltd.	Head Office: Minato-ku, Tokyo
Akros Trading China Co., Ltd.	Head Office: Shanghai, China
Akros Trading Taiwan Co., Ltd.	Head Office: Hsin-Chu, Taiwan

- Notes: 1. The Company's Ofuna Plant was closed as of March 31, 2026.
2. Toyo Styrene Co., Ltd., previously an associate of the Company, became a subsidiary as of March 31, 2026, when its stocks were acquired from Daicel Corporation.
3. The Company acquired KAINOS Laboratories, Inc. stocks via a TOB and made it a subsidiary as of March 31, 2026.

(9) Employees (as of March 31, 2026)

1) The Group

Business segment	Number of employees	
Electronics & Innovative Products Division	1,818	[256]
Life Innovation Division	1,139	[235]
Elastomers & Infrastructure Solutions Division	1,395	[231]
Polymer Solutions Division	1,037	[137]
Others Division	654	[114]
Corporate (common)	411	[98]
Total	6,454	[1,071]

- Notes: 1. The number of employees indicated is the number of full-time employees and the annual average number of temporary employees is indicated in brackets.
2. The number of employees indicated for "Corporate (common)" is the number of employees who belong to administrative divisions that cannot be classified into a specific business.

2) The Company

Number of employees	Increase (Decrease) from the previous fiscal year-end	Average age	Average service years
4,234 [776]	-135 [-4]	40.8	16.4

- Note: The number of employees indicated is the number of full-time employees and the annual average number of temporary employees is indicated in brackets.

(10) Principal Lenders (as of March 31, 2026)

Lender	Outstanding borrowings (Millions of yen)
Syndicated loan	94,000
Mizuho Bank, Ltd.	23,599
Japan Bank for International Cooperation	14,793
The Norinchukin Bank	8,480
Sumitomo Mitsui Banking Corporation	8,214

Note: The syndicated loan is managed by Mizuho Bank, Ltd. and Sumitomo Mitsui Banking Corporation and is co-financed.

(11) Other Significant Matters concerning the Group's Current Situation

Not applicable.

2. Status of Shares (as of March 31, 2026)

(1) Total Number of Authorized Shares	290,000,000 shares
(2) Shares of Common Stock Issued	88,555,840 shares (including 2,287,826 shares of treasury shares)
(3) Number of Shareholders	55,933

(4) Major Shareholders

Shareholder name	Number of shares held (hundred shares)	Percentage of shares held (%)
The Master Trust Bank of Japan, Ltd. (Trust Account)	157,575	18.27
Custody Bank of Japan, Ltd. (Trust Account)	110,854	12.85
Mizuho Trust & Banking Co., Ltd. Retirement Benefit Trust Mizuho Bank Account Account re-entrusted by Custody Bank of Japan, Ltd.	32,158	3.73
STATE STREET BANK AND TRUST COMPANY 505001	26,740	3.10
TAIJU LIFE INSURANCE COMPANY LIMITED	23,816	2.76
The Nomura Trust and Banking Co., Ltd. (Trust Account)	21,780	2.52
Custody Bank of Japan, Ltd. (Trust Account 4)	19,624	2.27
STATE STREET BANK AND TRUST COMPANY 505223	15,859	1.84
Denka Employee Stockholding Association	15,828	1.83
J.P. Morgan Chase and Co.	12,673	1.47

Notes: 1. 2,287,826 shares of treasury shares have been excluded from the above list of major shareholders.
2. Treasury shares are excluded for calculation of the percentage of shares held.

(5) Other Significant Matters concerning Shares

Not applicable.

3. Matters concerning the Company's Stock Acquisition Rights (as of March 31, 2026)

Not applicable.

4. Company Officers

(1) Directors (as of March 31, 2026)

Name	Position	Responsibilities and significant concurrent positions
Toshio Imai	Chairman and Director	
Ikuo Ishida	Representative Director, President	President and Chief Executive Officer
Rimiru Hayashida	Director	Senior Managing Executive Officer Chief Financial Officer (CFO) Chief Supply Chain Officer (CSCO) In charge of Accounting Dept., Finance Dept., Corporate Communications Dept., Purchasing Dept., Logistics Dept.
Masanobu Kosaka	Director	Managing Executive Officer Chief Technical Officer (CTO) In charge of Production & Process Technology Dept., Digital Strategy Dept., Engineering Dept.
Rumiko Nakata	Director (Outside)	Outside Director of the Board, Kyowa Kirin Co., Ltd.
Mizuhiro Uchida	Director (Full-time Audit Committee Member)	
Toshio Kinoshita	Director (Outside) (Audit Committee Member)	Chairman and Director of Global Professional Partners Outside Director of TACHI-S CO., LTD.
Akio Yamamoto	Director (Outside) (Audit Committee Member)	
Miyuki Matoba	Director (Outside) (Audit Committee Member)	General Manager, Intellectual Property and Legal Div. of NITTO KOHKI CO., LTD. Vice-President, Tokyo Bar Association

- Notes:
1. Directors Ms. Rumiko Nakata, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba are outside directors as stipulated in Article 2, Item 15 of the Companies Act.
 2. Director who is an Audit Committee Member, Mr. Toshio Kinoshita is a certified public accountant, and has an adequate level of knowledge regarding finance and accounting.
 3. Ms. Miyuki Matoba, a Director who is an Audit Committee Member, resigned the position of Vice-President of the Tokyo Bar Association on March 31, 2026 and assumed the position of General Manager of the Administrative Headquarters of NITTO KOHKI CO., LTD. as of April 1, 2026.
 4. The Company has appointed Director Mr. Mizuhiro Uchida as a Full-time Audit Committee Member, in order to enhance the effectiveness of audits through better information gathering and sufficient coordination with the Internal Control Dept., etc., and thereby strengthen audit and supervisory functions.
 5. The Company designated Directors Ms. Rumiko Nakata, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba as independent officers as defined by Tokyo Stock Exchange, Inc. and notified it of the designation.

(Reference) Executive Officers (as of April 1, 2026)

Title	Name	Responsibility
President and Chief Executive Officer	Ikuo Ishida	
Senior Managing Executive Officer	Rimiru Hayashida	Chief Financial Officer (CFO) Chief Supply Chain Officer (CSCO) In charge of Accounting Dept., Finance Dept., Corporate Communications Dept., Purchasing Dept., and Logistics Dept.
Managing Executive Officers	Masanobu Kosaka	Chief Technical Officer (CTO) In charge of Production Engineering, New Business Development, Production & Process Technology Dept., Sustainability Promotion Dept., Digital Strategy & Innovation Dept.
	Kei Hara	Chief Human Resource Officer (CHRO) Chief Compliance Officer (CCO) In charge of Corporate Planning Dept., Best Practice Promoting Dept., HR Dept., Denka Corporation, Denka Chemicals GmbH, Chinese Business
	Hiroto Horiuchi	President and CEO, Akros Trading Co., Ltd.
	Michio Kawamura	General Manager, Omi Plant
Executive Officers	Masahiro Kawai	Managing Director, DCHA, DSPL, DAPL
	Takeshi Hagiwara	General Manager, Omuta Plant
	Masahiro Omata	General Manager, Polymer Solutions
	Tetsuo Noguchi	General Manager, Gosen Plant
	Koji Nishimura	General Manager, Production Engineering
	Taro Inada	General Manager, Life Innovation
	Akinori Adachi	In charge of Administrative Dept., Legal Dept., Secretary Dept., Internal Control Dept.
	Hiromichi Awada	General Manager, Chiba Plant
	Akira Kasahara	General Manager, Accounting Dept.
	Koya Takahashi	General Manager, Elastomers & Infrastructure Solutions
	Masahide Yamada	General Manager, New Business Development
	Tomoya Kowada	General Manager, Electronics & Innovative Products
	Jun Nakamoto	President, Denka Performance Elastomer LLC
	Osamu Kunitomo	General Manager, Shibukawa Plant

Notes: DCHA: Denka Chemicals Holdings Asia Pacific Pte., Ltd.

DSPL: Denka Singapore Pte., Ltd.

DAPL: Denka Advantech Pte., Ltd.

(2) Directors Who Retired during the Fiscal Year Under Review

Name	Date of retirement	Reason for retirement	Position, responsibilities, and significant concurrent positions at the time of retirement
Manabu Yamamoto	June 20, 2025	Expiration of term of office	Director, Special Consultant
Kazuo Takahashi	June 20, 2025	Expiration of term of office	Director, Executive Fellow

(3) Summary of Liability Limitation Agreements

Based on Article 427, Paragraph 1 of the Companies Act, the Company currently has liability limitation contracts with Outside Directors Ms. Rumiko Nakata, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba that limit their liability for damages provided for in Article 423, Paragraph 1 of said Act.

The limit of liability under the contract is set to a predefined amount of ¥5 million or more or the amount stipulated by laws and regulations, whichever is higher.

(4) Summary of Directors and Officers Liability Insurance

The Company has entered into a directors and officers liability insurance contract with an insurance company as stipulated in Article 430-3, Paragraph 1 of the Companies Act. The Company's Directors (including Directors who are Audit Committee Members), Executive Officers, and Directors, Audit & Supervisory Board Members, and Executive Officers of some of the Company's Group companies are insured parties under the contract. As a rule, the insured parties are not responsible for paying insurance premiums.

The Directors and officers' liability insurance covers legal damages and litigation expenses in the event that a claim for damages is made against the insured persons due to an act committed by an insured person in his/her capacity as such. However, measures have been implemented to ensure that proper execution of duties by officers, etc. is not impaired. These include an exclusion where the Company makes a claim for damages against the insured parties, as well as the establishment of a deductible amount.

(5) Remuneration and Other Payments to Directors

1) Policy on the determination of remuneration and other payments to individual Directors

The Board of Directors of the Company has decided on the following policy for determining remuneration and other payments to individual Directors (hereinafter referred to as the Decision Policy), after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee.

[Basic Policy]

Remuneration for individual Directors (excluding Directors who are Audit Committee Members; the same applies hereinafter) shall be in accordance with each Director's roles and responsibilities and performance, and shall be determined by the Board of Directors after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations, in order to enhance objectivity and transparency.

The structure of Directors' remuneration shall, in addition to a fixed monthly amount of basic remuneration, consist of performance-linked cash remuneration, designed to increase motivation to improve the Company-wide and individual performance for each fiscal year, and stock remuneration, designed to increase motivation to contribute to improving medium- and long-term performance and enhancing corporate value. These function as sound incentives to maintain growth. However, in view of the duties performed by Outside Directors and non-executive Directors, remuneration for these Directors shall consist solely of basic remuneration.

[Policy on the determination of remuneration and other payments to individual Directors]

- i) Policy on the determination of the amount and calculation method of basic cash remuneration
Basic remuneration shall be determined in accordance with each Director's roles and responsibilities, taking into consideration factors such as the level of employee pay. It shall be paid in a fixed amount every month.
- ii) Policy on the determination of the performance indicators, amount, and calculation method of performance-linked cash remuneration
Performance-linked remuneration shall consist of Company-wide performance-linked remuneration and individual performance-linked remuneration. However, the Chairman and President shall receive only Company-wide performance-linked remuneration, excluding the Chairman without representative rights (non-executive Director).

The total amount of Company-wide performance-linked remuneration shall be determined with reference to consolidated operating income, a key indicator under the Company's management plan. It shall then be allotted in accordance with each Director's roles and responsibilities, and paid promptly after the financial results are finalized. However, if consolidated operating income is below a certain level, or a massive extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment shall be made, or the payment amount shall be reduced.

Individual performance-linked remuneration shall be linked to each Director's individual evaluation of the achievement and others of financial and non-financial targets, and shall be paid promptly after the financial results are finalized in accordance with internal regulations determined by the Company in advance.

- iii) Policy on the determination of the details, amount, and calculation method of stock remuneration
The stock remuneration scheme shall utilize a trust structure. Points shall be granted to Directors each month in accordance with rank, based on stock delivery regulation established by the Company, and shares of the Company's stock shall be delivered to Directors through the trust on retirement, based on the number of points they have accumulated.
The maximum amount of money to be contributed by the Company to the trust for the purpose of delivering the Company's shares to Directors shall be ¥40 million per year.
- iv) Policy on the determination of the proportions of the total amount of remuneration paid as basic remuneration, performance-linked remuneration, and stock remuneration
No policy is established specifically to determine the proportion of Directors' remuneration to be paid as basic remuneration, performance-linked remuneration, and stock remuneration. However, if the operating income target under the management plan is achieved, and the evaluation of individual performance-linked compensation is standard, then the proportions will be approximately 60%, 30%, and 10% respectively.
- v) Method used to determine remuneration and other payments to individual Directors
The details of remuneration and other payments to individual Directors shall be determined by the Board of Directors, after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee, and set forth in internal regulations.
The individual performance-linked component of the remuneration for Directors shall be determined by the President, who has been delegated this authority, after individual evaluation in accordance with the internal regulations determined by the Board of Directors. In order to ensure that the President exercises this authority appropriately, the Board of Directors shall establish in advance the amount of remuneration linked to individual evaluations in the internal regulations and shall receive reports on the details of such remuneration.

2) Reason why the details of remuneration and other payments to individual Directors are judged by the Board of Directors to be in accordance with the Decision Policy

The Board of Directors establishes the details of remuneration in internal regulation, in accordance with the Decision Policy, after receiving recommendations and proposals from the Nomination & Remuneration Advisory Committee. Remuneration for individual Directors is determined based on these regulations. Therefore, the Board of Directors deems it to be in accordance with the Decision Policy.

The individual performance-linked component of the remuneration for Directors is evaluated individually in accordance with internal regulations by the President, who had been delegated this authority, and the Board of Directors receives reports on the details of such a component and confirms that it is in accordance with the determined guidelines.

3) Remuneration and other payments to Directors

Category	Number of persons	Amount of remuneration, etc. (Millions of yen)	Breakdown					
			Cash remuneration				Stock remuneration	
			Basic remuneration		Performance-linked remuneration			
			Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)	Number of persons	Total (Millions of yen)
Directors (excluding Directors who are Audit Committee Members) [of which Outside Directors]	7 [1]	274 [13]	7 [1]	184 [13]	4 [-]	63 [-]	6 [-]	26 [-]
Directors (Audit Committee Members) [of which Outside Directors]	4 [3]	78 [39]	4 [3]	78 [39]	- [-]	- [-]	- [-]	- [-]
Total [of which Outside Directors]	11 [4]	352 [52]	11 [4]	262 [52]	4 [-]	63 [-]	6 [-]	26 [-]

- Notes:
1. The maximum amount of cash compensation remuneration for Directors (excluding Directors who are Audit Committee Members) is ¥490 million per year (of which the maximum amount of remuneration for Outside Directors is ¥40 million, excluding the portions of their salaries as employees) as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 7 Directors (excluding Directors who are Audit Committee Members) as of the conclusion of the Ordinary General Meeting of Shareholders, including 2 Outside Directors.
 2. The maximum amount of remuneration for Directors who are Audit Committee Members is ¥166 million per year as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors who were Audit Committee Members as of the conclusion of the 160th Ordinary General Meeting of Shareholders.
 3. Regarding the amount of stock remuneration for Directors (excluding Directors who are Audit Committee Members or Outside Directors), the maximum amount of cash to be contributed by the Company is ¥40 million per year, and the maximum number of points to be awarded to Directors is 110,000 points per year, as resolved at the 160th Ordinary General Meeting of Shareholders held on June 20, 2019. There were 5 Directors (excluding Directors who were Audit Committee Members and Outside Directors) as of the conclusion of the Ordinary General Meeting of Shareholders.
 4. There were 9 Directors as of March 31, 2026. The difference between the total number of Directors shown in the table above and in (1) Directors is because the table above includes remuneration for 1 Director who retired at the conclusion of the 166th Ordinary General Meeting of Shareholders held on June 20, 2025, as stated in (2) Directors who Retired during the Fiscal Year Under Review.
 5. The total amount of stock remuneration is the amount of expenses recorded for the fiscal year under review for the stock remuneration plan that allots shares of the Company (a stock remuneration plan wherein a trust established by the Company makes acquisitions using funds contributed by the Company, and shares of the Company and cash equivalent to the disposal conversion amount of the Company's shares are allotted to Directors (excluding Directors who are Audit Committee Members and Outside Directors) through said trust).
 6. The amount of Company-wide performance-linked component of the performance-linked remuneration paid is determined with reference to the consolidated operating income for each

fiscal year. If consolidated operating income is below a certain level, or massive amount of extraordinary loss is recorded, or if a serious compliance breach has occurred, then no payment is made, or the payment amount is reduced. The reason why consolidated operating income has been selected as an index is because it is a key indicator in the Company's management plan. The trend in operating income for fiscal 2025 and other years is presented in 1. (5) Financial Position and Results of Operations.

The individual performance-linked remuneration for the fiscal year under review was evaluated individually in accordance with internal regulations by Mr. Ikuo Ishida, who was the Representative Director, President at the end of the fiscal year and who was delegated this authority. The reason why the authority was delegated is that the Representative Director, President, who oversees the overall execution of the Company's operations, was deemed the most suitable person to evaluate the achievement of each Director's financial and non-financial targets. The Board of Directors received reports on the content and confirmed that it is in line with the determination policy.

(6) Outside Officers

1) Significant concurrent positions as business executors at other companies, etc. and the relationship between the Company and such companies, etc.

Director who is an Audit Committee Member Mr. Toshio Kinoshita is Chairman and Director of Global Professional Partners. There are no significant transactions between the Company and Global Professional Partners.

Director who is an Audit Committee Member Ms. Miyuki Matoba is General Manager of the Intellectual Property and Legal Div. of NITTO KOHKI CO., LTD. There are no significant transactions between the Company and NITTO KOHKI CO., LTD.

2) Significant concurrent positions as outside officers etc. at other companies, etc. and the relationship between the Company and such companies, etc.

Director, Ms. Rumiko Nakata is Outside Director of the Board, Kyowa Kirin Co., Ltd.

There are no significant transactions between the Company and Kyowa Kirin Co., Ltd.

Director who is an Audit Committee Member Mr. Toshio Kinoshita is Outside Director of TACHI-S CO., LTD.

There are no significant transactions between the Company and TACHI-S CO., LTD.

3) Relationship with specified related parties such as major customers

Not applicable.

4) Principal activities in the fiscal year ended March 31, 2026

[Board of Directors meetings]

The Board of Directors met 18 times in the fiscal year ended March 31, 2026. Director Ms. Rumiko Nakata, attended all 18 meetings (attendance rate: 100%). Directors who are Audit Committee Members, Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba attended all 18 meetings of the Board of Directors (attendance rate: 100%).

Ms. Rumiko Nakata, based on her rich management experience in human resources strategy and deep knowledge of human capital management, actively made necessary inquiries and recommendations at the Board of Directors.

In addition, as Directors who are Audit Committee Members, Mr. Toshio Kinoshita, based on his experience and rich accounting knowledge as a certified public accountant in Japan and the US, Mr. Akio Yamamoto, based on his rich experience and wide views as a corporate executive and rich international experience serving as a business manager at global companies, and Ms. Miyuki Matoba, based on her rich experience and expert knowledge as a lawyer, actively made necessary inquiries and recommendations.

[Audit Committee]

The Audit Committee met 14 times in the fiscal year ended March 31, 2026. Mr. Toshio Kinoshita, Mr. Akio Yamamoto, and Ms. Miyuki Matoba attended all 14 meetings of the Audit Committee (attendance rate: 100%.) Each member audited the legality and validity associated with the Directors' execution of duty while considering efficiency through close cooperation with the Internal Control Department and other departments. Additionally, the Committee visited the Company's divisions, departments, branches, business sites, and subsidiaries and engaged in activities such as confirmation of hearing and the exchange of opinions for the status of business execution. They also worked on enhancing effectiveness of audit by reporting their opinions to the Board of Directors after the necessary discussions concerning results of these activities at the Audit Committee.

	Board of Directors meetings		Audit Committee	
	Attendance	Attendance rate	Attendance	Attendance rate
Director Rumiko Nakata	18/18	100%	–	–
Director (Audit Committee Member) Toshio Kinoshita	18/18	100%	14/14	100%
Director (Audit Committee Member) Akio Yamamoto	18/18	100%	14/14	100%
Director (Audit Committee Member) Miyuki Matoba	18/18	100%	14/14	100%

5) Summary of duties fulfilled by Outside Directors related to their expected roles

	Expected roles	Summary of duties performed related to expected roles
Director Rumiko Nakata	Recommendations and supervision regarding the Company's management, based on her rich management experience in human resources strategy and deep knowledge of human capital management	Inquiries and recommendations to management based on experience in the pharmaceutical and chemical industries in addition to organizational culture transformation, human resources systems, and safety and hygiene
Director (Audit Committee Member) Toshio Kinoshita	Supervision and audit of the Company's management, based on his experience and rich accounting knowledge as a certified public accountant in Japan and the US	Inquiries and recommendations regarding business strategies and business portfolio transformation from a financial perspective
Director (Audit Committee Member) Akio Yamamoto	Recommendations and supervision regarding the Company's management, based on his rich experience in Japan and overseas and wide views as a corporate executive, and rich international experience serving as a business manager at global companies	Inquiries and recommendations regarding corporate management in fluctuating domestic and overseas competition and business environments and mid- to long-term business development strategies
Director (Audit Committee Member) Miyuki Matoba	Supervision and audit of the Company's management, based on her rich experience and expert knowledge as a lawyer	Inquiries and recommendations regarding risk management in business portfolio transformation and compliance

5. Accounting Auditor's Status

(1) Accounting Auditor's Name

Ernst & Young ShinNihon LLC

(2) Accounting Auditor's Remuneration, etc. for the Fiscal Year Ended March 31, 2026

	Amount paid (thousands of yen)
Remuneration, etc. for the Accounting Auditor for the fiscal year ended March 31, 2026	105,000
Monetary or property benefits to be paid by the Company and its subsidiaries to the Accounting Auditor	173,054

- Notes:
1. Under the audit agreement between the Company and its Accounting Auditor, remuneration for audits based on the Companies Act and that for audits based on the Financial Instruments and Exchange Act are not strictly distinguished and they cannot be substantially distinguished. Consequently, the sum of the amounts of these remunerations is stated as the amount of remuneration, etc. for the Accounting Auditor for the fiscal year ended March 31, 2025.
 2. The Audit Committee of the Company, in observance of the "Practical Guidelines for Cooperation with Accounting Auditors" published by the Japan Audit & Supervisory Board Members Association, has confirmed the time taken to audit each audit item compared to audit plans for previous fiscal years and comparisons with amounts for other companies as disclosed for the fiscal year ended March 31, 2025, and agrees to the fees, etc., of the Accounting Auditor under Article 399, Item 1 of the Companies Act.
 3. Financial statements (including corresponding statements) of some of the Company's significant subsidiaries are audited (subject to regulations of the Companies Act and the Financial Instruments and Exchange Act; including corresponding laws and regulations overseas) by Certified Public Accountants or Audit Corporations (including persons with qualifications that correspond to these qualifications overseas) other than the Company's Accounting Auditor.

(3) Non-audit Services

The Company pays fees to Ernst & Young ShinNihon LLC mainly for work in regard to comfort letters concerning corporate bond issues.

(4) Policy for Determination of Dismissal or Non-reappointment of the Accounting Auditor

If the Audit Committee considers that it has become difficult for the Accounting Auditor to perform its duties appropriately or otherwise considers it necessary, the Audit Committee will make a resolution for dismissal or non-reappointment of the Accounting Auditor, and will submit a proposal to the General Meeting of Shareholders.

If it is deemed appropriate to dismiss the Accounting Auditor, because it falls under any item of Article 340, Paragraph 1 of the Companies Act, the Audit Committee will dismiss the Accounting Auditor upon consent of all the Audit Committee Members.

(5) Disposition of Suspension of Business of the Accounting Auditor during the Past Two Years

Not applicable.

(6) Summary of Liability Limitation Agreements

Not applicable.

Consolidated Financial Statements

Consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Account item	(Reference) 166th term	167th term	Account item	(Reference) 166th term	167th term
(Assets)	655,524	681,006	(Liabilities)	347,228	342,180
Current assets	270,455	260,075	Current liabilities	230,501	185,096
Cash and deposits	37,002	35,270	Notes and accounts payable - trade	48,023	43,005
Notes and accounts receivable - trade, and contract assets	88,035	88,299	Short-term borrowings	74,679	51,797
Merchandise and finished goods	89,988	84,661	Commercial papers	33,000	20,000
Work in process	6,565	7,235	Current portion of long- term borrowings	–	150
Raw materials and supplies	33,951	35,500	Current portion of bonds payable	15,000	15,000
Other	15,175	9,367	Accounts payable - other	27,556	16,329
Allowance for doubtful accounts	(262)	(258)	Income taxes payable	2,321	7,520
			Accrued consumption taxes	262	491
			Accrued expenses	13,582	17,710
Noncurrent assets	385,069	420,930	Provision for bonuses	2,909	3,647
Property, plant and equipment	312,969	343,187	Other	13,166	9,443
Buildings	54,075	55,966	Noncurrent liabilities	116,727	157,083
Structures	31,719	31,337	Bonds payable	15,000	10,000
Machinery and equipment	98,854	106,198	Long-term borrowings	80,000	124,766
Vehicles	640	585	Deferred tax liabilities	3,777	5,341
Tools, furniture and fixtures	5,239	5,264	Deferred tax liabilities for land revaluation	8,613	8,524
Land	63,674	61,412	Retirement benefit liability	2,506	1,895
Leased assets	3,823	3,424	Provision for share awards	145	141
Construction in progress	54,942	78,997	Other	6,684	6,414
Intangible assets	3,097	5,053	(Net assets)	308,296	338,826
Software	1,828	1,701	Shareholders' equity	245,698	252,825
Goodwill	10	2,246	Share capital	36,998	36,998
Patent right	1,258	1,105	Capital surplus	49,412	49,415
Investments and other assets	69,002	72,690	Retained earnings	167,074	174,127
Investment securities	48,702	47,463	Treasury shares	(7,786)	(7,716)
Long-term loans receivable	87	980	Accumulated other comprehensive income	50,483	57,883
Long-term prepaid expenses	3,520	5,904	Valuation difference on available-for-sale securities	12,062	14,258
Retirement benefit asset	4,316	9,032	Deferred gains or losses on hedges	(56)	760
Deferred tax assets	9,988	6,822	Revaluation reserve for land	10,161	10,176
Other	2,465	2,765	Foreign currency translation adjustment	26,104	26,934
Allowance for doubtful accounts	(77)	(278)	Remeasurements of defined benefit plans	2,210	5,752
			Non-controlling interests	12,114	28,117
Total	655,524	681,006	Total	655,524	681,006

(Note) Amounts are rounded down to the nearest million yen.

Consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account item	(Reference) 166th term		167th term	
Net sales		400,251		384,247
Cost of sales		315,655		289,991
Gross profit		84,595		94,256
Selling, general and administrative expenses		70,182		68,030
Operating income		14,413		26,225
Non-operating income				
Interest and dividend income	1,362		1,640	
Share of profit of entities accounted for using equity method	1,983		1,700	
Other	880	4,226	1,216	4,557
Non-operating expenses				
Interest expenses	2,093		2,104	
Other	8,923	11,016	9,382	11,487
Ordinary income		7,623		19,295
Extraordinary income				
Gain on sale of investment securities	367		12,623	
Gain on sale of non-current assets	–		8,188	
Gain on bargain purchase	–		6,517	
Other	–	367	721	28,050
Extraordinary losses				
Impairment losses	16,111		–	
Loss on liquidation of business	7,852		21,112	
Loss on valuation of shares of subsidiaries and associates	1,110		–	
Loss on step acquisitions	–	25,074	4,875	25,987
Income (loss) before income taxes		(17,083)		21,357
Income taxes - current	2,995		8,048	
Income taxes - deferred	(3,022)	(26)	2,057	10,105
Net income (loss)		(17,056)		11,252
Net income (loss) attributable to non-controlling interests		(4,756)		(4,443)
Net income (loss) attributable to owners of parent		(12,300)		15,695

(Note) Amounts are rounded down to the nearest million yen.

Non-consolidated Financial Statements

Non-consolidated Balance Sheet

(As of March 31, 2026)

(Millions of yen)

Account item	(Reference) 166th term	167th term	Account item	(Reference) 166th term	167th term
(Assets)	502,602	493,116	(Liabilities)	305,496	299,250
Current assets	197,614	186,493	Current liabilities	191,014	179,392
Cash and deposits	9,382	6,313	Accounts payable - trade	35,294	28,292
Notes receivable - trade	5,719	4,716	Short-term borrowings	54,675	46,675
Accounts receivable - trade	58,788	63,667	Commercial papers	33,000	20,000
Merchandise and finished goods	75,164	63,297	Current portion of long-term borrowings	–	–
Work in process	6,235	6,552	Current portion of bonds payable	15,000	15,000
Raw materials and supplies	27,633	28,936	Accounts payable - other	13,883	12,609
Prepaid expenses	2,417	2,366	Income taxes payable	497	5,174
Short-term loans receivable	1,321	741	Accrued expenses	9,725	13,460
Other	11,014	10,000	Deposits received	22,255	34,655
Allowance for doubtful accounts	(64)	(99)	Provision for bonuses	2,227	2,179
Noncurrent assets	304,987	306,622	Other	4,455	1,345
Property, plant and equipment	239,888	237,195	Non-current liabilities	114,481	119,858
Buildings	47,319	48,257	Bonds payable	15,000	10,000
Structures	24,867	24,679	Long-term borrowings	80,000	100,000
Machinery and equipment	79,228	83,370	Deferred tax liabilities for land revaluation	8,613	8,524
Vehicles	603	558	Provision for share awards	145	108
Tools, furniture and fixtures	4,350	4,376	Provision for loss on business of subsidiaries and associates	8,677	–
Land	62,173	58,541	Asset retirement obligations	1,826	935
Leased assets	162	210	Other	218	289
Construction in progress	21,182	17,200	(Net assets)	197,105	193,865
Intangible assets	1,958	1,742	Shareholders' equity	177,051	172,030
Software	1,658	1,540	Share capital	36,998	36,998
Patent right	300	201	Capital surplus	49,284	49,284
Investments and other assets	63,140	67,684	Legal capital surplus	49,284	49,284
Investment securities	19,903	21,578	Other capital surplus	–	–
Shares of subsidiaries and associates	29,842	34,896	Retained earnings	98,554	93,463
Long-term loans receivable	87	980	Other retained earnings	98,554	93,463
Long-term prepaid expenses	1,958	1,803	Reserve for advanced depreciation of non-current assets	3,529	3,404
Prepaid pension cost	1,292	1,259	Retained earnings brought forward	95,025	90,058
Deferred tax assets	8,528	5,618	Treasury shares	(7,786)	(7,716)
Other investments	1,531	1,751	Valuation and translation adjustments	20,054	21,835
Allowance for doubtful accounts	(2)	(203)	Valuation difference on available-for-sale securities	9,893	11,658
			Revaluation reserve for land	10,161	10,176
Total	502,602	493,116	Total	502,602	493,116

(Note) Amounts are rounded down to the nearest million yen.

Non-consolidated Statement of Income

(From April 1, 2025 to March 31, 2026)

(Millions of yen)

Account item	(Reference) 166th term		167th term	
Net sales		308,715		300,421
Cost of sales		255,074		236,293
Gross profit		53,640		64,127
Selling, general and administrative expenses		50,735		51,312
Operating income		2,904		12,814
Non-operating income				
Interest and dividend income	7,714		3,007	
Other	1,983	9,697	2,752	5,760
Non-operating expenses				
Interest expenses	1,712		2,360	
Other	7,159	8,871	7,158	9,518
Ordinary income		3,730		9,056
Extraordinary income				
Gain on sales of investment securities	239		11,067	
Gain on shares of sale of subsidiaries and associates	1,264		359	
Reversal of provision for loss on business of subsidiaries and associates	–		8,677	
Gain on sale of non-current assets	–	1,504	8,188	28,292
Extraordinary losses				
Loss on liquidation of business	6,403		2,876	
Loss on valuation of shares of subsidiaries and associates	3,449		24,079	
Provision for loss on business of subsidiaries and associates	8,677	18,530	–	26,956
Income (loss) before income taxes		(13,294)		10,393
Income taxes - current	616		4,834	
Income taxes - deferred	(2,801)	(2,184)	2,008	6,842
Net income (loss)		(11,110)		3,550

(Note) Amounts are rounded down to the nearest million yen.

Independent Auditors' Report
(English Translation)

May 8, 2026

To the Board of Directors
Denka Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office

Takao Maruyama
Certified Public Accountant
Designated and Engagement Partner
Takahiro Kawagishi
Certified Public Accountant
Designated and Engagement Partner
Yuki Nakano
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 444, Paragraph 4 of the Companies Act, we have audited the accompanying consolidated financial statements, which comprise the consolidated balance sheet, the consolidated statement of income, the consolidated statement of changes in net assets and the notes to the consolidated financial statements of Denka Co., Ltd. (the "Company") for the fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Denka Group, which consists of the Company and its consolidated subsidiaries, for the period covered by the consolidated financial statements in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Consolidated Financial Statements." We are independent of the Company and its consolidated subsidiaries in accordance with the provisions related to professional ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the consolidated financial statements, and we express no opinion on it.

Our responsibility with respect to the audit of the consolidated financial statements is to read through other information and, in this process, to consider whether any material differences exist between other information and the consolidated financial statements or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the presentation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing whether it is appropriate to prepare the consolidated financial statements in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our responsibility is to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the consolidated financial statements from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the consolidated financial statements.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the consolidated financial statements is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the consolidated financial statements on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the consolidated financial statements in the audit report, or if the notes to the consolidated financial statements pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the consolidated financial statements. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.
- Besides assessing whether the presentation of and notes to the consolidated financial statements are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and

content of the consolidated financial statements including related notes, and whether the consolidated financial statements fairly present the transactions and accounting events on which they are based.

- Plan and perform audit on consolidated financial statements in order to obtain sufficient and appropriate audit evidence regarding the financial information of the Company and its consolidated subsidiaries that constitutes a basis for an opinion on the consolidated financial statements. The auditor is responsible for directing, supervising, and reviewing the audit of the consolidated financial statements, and is solely responsible for the audit opinion.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor shall report to the Audit Committee that the auditor has complied with the rules on professional ethics in Japan regarding independence. They shall also report matters that could reasonably affect their independence. Furthermore, if any measures have been taken to remove disincentive or to implement safeguards to reduce the disincentive to an acceptable level, the auditor shall provide a detailed report on those measures.

Interest

Our firm and engagement partners have no interests in the Company or its consolidated subsidiaries requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Independent Auditors' Report
(English Translation)

May 8, 2026

To the Board of Directors
Denka Co., Ltd.

Ernst & Young ShinNihon LLC
Tokyo office

Takao Maruyama
Certified Public Accountant
Designated and Engagement Partner
Takahiro Kawagishi
Certified Public Accountant
Designated and Engagement Partner
Yuki Nakano
Certified Public Accountant
Designated and Engagement Partner

Opinion

Pursuant to Article 436, Paragraph 2, Item 1 of the Companies Act, we have audited the accompanying financial statements, which comprise the balance sheet, the statement of income, the statement of changes in net assets and the related notes, and the accompanying supplementary schedules of Denka Co., Ltd. (the "Company") for the 167th fiscal year from April 1, 2025 through March 31, 2026.

In our opinion, the financial statements and the accompanying supplementary schedules referred to above present fairly, in all material respects, the financial position of the Company as of March 31, 2026, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in Japan.

Basis for the Opinion

We conducted our audit in accordance with auditing standards generally accepted in Japan. Our responsibility under the auditing standards is stated in "Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules." We are independent of the Company in accordance with the provisions related to professional ethics in Japan (including provisions applicable to audits of financial statements of public interest entities), and are fulfilling other ethical responsibilities as an auditor. We believe that we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Other Information

Other information refers to the business report and accompanying supplementary schedules. Management is responsible for the preparation and disclosure of other information. The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the reporting process for other information.

Other information is not included in the scope of our opinion on the financial statements and accompanying supplementary schedules, and we express no opinion on it.

Our responsibility with respect to the audit of the financial statements and accompanying supplementary schedules is to read through other information and, in this process, to consider whether any material differences exist between other information and the financial statements and accompanying supplementary schedules, or knowledge we have gained through the auditing process; also, to remain alert for any other indications of material error in other information.

We are required to report any matter that we consider constitutes a material error in other information, based on the work we have undertaken.

We have nothing to report regarding other information.

Responsibilities of Management and the Audit Committee for the Financial Statements and the Accompanying Supplementary Schedules

Management is responsible for the preparation and fair presentation of the financial statements and the accompanying supplementary schedules in accordance with accounting principles generally accepted in Japan, and for designing and operating such internal control as management determines is necessary to enable the preparation and fair presentation of the financial statements and the accompanying supplementary schedules that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the accompanying supplementary schedules, management is responsible for assessing whether it is appropriate to prepare the financial statements and the accompanying supplementary schedules in accordance with the premise of a going concern, and for disclosing matters relating to going concern when it is required to do so in accordance with accounting principles generally accepted in Japan.

The Audit Committee are responsible for monitoring the execution of Directors' duties related to designing and operating the financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements and the Accompanying Supplementary Schedules

Our responsibility is to obtain reasonable assurance about whether the financial statements and the accompanying supplementary schedules as a whole are free from material misstatement, whether due to fraud or error, and to express an opinion on the financial statements and the accompanying supplementary schedules from an independent standpoint in an audit report, based on our audit. Misstatements can occur as a result of fraud or error, and are deemed material if they can be reasonably expected to, either individually or collectively, influence the decisions of users taken on the basis of the financial statements and the accompanying supplementary schedules.

We make professional judgment in the audit process in accordance with auditing standards generally accepted in Japan, and perform the following while maintaining professional skepticism.

- Identify and assess the risks of material misstatement, whether due to fraud or error. Design and implement audit procedures to address the risks of material misstatement. The audit procedures shall be selected and applied as determined by the auditor. In addition, sufficient and appropriate audit evidence shall be obtained to provide a basis for the audit opinion.
- In making those risk assessments, the auditor considers internal control relevant to the entity's audit in order to design audit procedures that are appropriate in the circumstances, although the purpose of the audit of the financial statements and the accompanying supplementary schedules is not to express an opinion on the effectiveness of the entity's internal control.
- Assess the appropriateness of accounting policies adopted by management and the method of their application, as well as the reasonableness of accounting estimates made by management and the adequacy of related notes.
- Determine whether it is appropriate for management to prepare the financial statements and the accompanying supplementary schedules on the premise of a going concern and, based on the audit evidence obtained, determine whether there is a significant uncertainty in regard to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If there is a significant uncertainty concerning the premise of a going concern, the auditor is required to call attention to the notes to the financial statements and the accompanying supplementary schedules in the audit report, or if the notes to the financial

statements and the accompanying supplementary schedules pertaining to the significant uncertainty are inappropriate, issue a modified opinion on the financial statements and the accompanying supplementary schedules. While the conclusions of the auditor are based on the audit evidence obtained up to the date of the audit report, depending on future events or conditions, an entity may be unable to continue as a going concern.

- Besides assessing whether the presentation of and notes to the financial statements and the accompanying supplementary schedules are in accordance with accounting principles generally accepted in Japan, assess the presentation, structure, and content of the financial statements and the accompanying supplementary schedules including related notes, and whether the financial statements and the accompanying supplementary schedules fairly present the transactions and accounting events on which they are based.

The auditor reports to the Audit Committee regarding the scope and timing of implementation of the planned audit, material audit findings including material weaknesses in internal control identified in the course of the audit, and other matters required under the auditing standards.

The auditor shall report to the Audit Committee that the auditor has complied with the rules on professional ethics in Japan regarding independence. They shall also report matters that could reasonably affect their independence. Furthermore, if any measures have been taken to remove disincentive or to implement safeguards to reduce the disincentive to an acceptable level, the auditor shall provide a detailed report on those measures.

Conflicts of Interest

Our firm and engagement partners have no interests in the Company requiring disclosure under the provisions of the Certified Public Accountants Act of Japan.

The above represents a translation, for convenience only, of the original report issued in the Japanese language.

Audit Report

(English Translation)

The Audit Committee has audited the Directors' performance of their duties during the 167th term from April 1, 2025 to March 31, 2026 and hereby reports the method and results thereof as follows:

1. Auditing Method and Details Thereof

The Audit Committee received regular reports from Directors, employees, etc. on the details of resolutions of the Board of Directors related to matters listed in Article 399-13, Paragraph 1, item (i), (b) and (c) of the Companies Act and the creation and operational status of systems developed pursuant to such resolutions (internal control systems), requested explanations as necessary, and expressed its views, in addition to conducting audits via the methods below.

- 1) Audit Committee Members conformed with the Audit Committee Audit Standards set forth by the Audit Committee and, in accordance with audit policies, the assignment of duties, etc., worked with the Internal Control Department and other internal control departments to attend meetings of important committees, receive reports on matters related to the execution of duties from Directors, employees, etc., requested explanations as necessary, reviewed important approval documents, etc., and investigated the status of operations and assets at head office and important business sites. In addition, with regard to subsidiaries, Audit Committee Members took steps to communicate and exchange information with the Directors, Audit & Supervisory Board Members, etc. of subsidiaries, and received business reports from subsidiaries as necessary.
- 2) With respect to the basic policy set forth in Article 118, Item 3 (i) of the Ordinance for Enforcement of the Companies Act and the measures set forth in Item 3 (ii) of the said article, which are described in the Business Report, the Audit Committee examined the content based on the status of deliberations at meetings of the Board of Directors and other meetings.
- 3) The Audit Committee monitored and verified whether the Accounting Auditor maintained its independence and implemented appropriate audits, received reports from the Accounting Auditor regarding the status of the performance of its duties, and requested explanations as necessary. In addition, the Audit Committee received notice from the Accounting Auditor that the "system for ensuring that duties are performed properly" (matters set forth in each item of Article 131 of the Ordinance for Corporate Accounting) had been prepared in accordance with the "Quality Control Standards Relating to Auditing" (issued by the Business Accounting Council) and other relevant standards, and requested explanations as necessary.

Based on the above method, the Audit Committee reviewed the non-consolidated financial statements (non-consolidated balance sheet, non-consolidated statement of income, non-consolidated statement of changes in net assets, and notes to non-consolidated financial statements) and the accompanying supplementary schedules, as well as the consolidated financial statements (consolidated balance sheet, consolidated statement of income, consolidated statement of changes in net assets, and notes to consolidated financial statements), and the business report and its accompanying supplementary schedules for the fiscal year in question.

2. Results of Audit

- (1) Results of Audit of Business Report, etc., and Other Relevant Documents
 - 1) In our opinion, the Business Report and the accompanying supplementary schedules present fairly the conditions of the Company in conformity with the applicable laws and regulations and the Articles of Incorporation of the Company.
 - 2) We have found no instances of misconduct or material violation of the applicable laws and regulations or the Articles of Incorporation with respect to performance of duties by the Directors.
 - 3) In our opinion, the contents of the resolutions of the Board of Directors related to the internal control systems are fair and reasonable. In addition, we have found no matters requiring special mention regarding the description in the Business Report and the performance of duties by the Directors related to such internal control systems.

- 4) We have found no matters requiring special mention with respect to the basic policies and initiatives regarding the determination of policies on control of the finances and business of the Company described in the Business Report.
- (2) Results of Audit of Non-consolidated Financial Statements and the Accompanying Supplementary Schedules
In our opinion, the method and the results of the audit performed by Ernst & Young ShinNihon LLC are fair and reasonable.
- (3) Results of Audit of Consolidated Financial Statements
In our opinion, the method and the results of the audit performed by Ernst & Young ShinNihon LLC are fair and reasonable.

May 8, 2026

Audit Committee, Denka Co., Ltd.

Audit Committee Member
Audit Committee Member
Audit Committee Member
Audit Committee Member

Mizuhiro Uchida
Toshio Kinoshita
Akio Yamamoto
Miyuki Matoba

(Note) Audit Committee Members Toshio Kinoshita, Akio Yamamoto, and Miyuki Matoba are Outside Directors as stipulated in Article 2, Item 15 and Article 331, Section 6 of the Companies Act.