

## **Exploratory Research for the Construction of a New Hydroelectric Power Plant Commences**

DENKA hereby announces that today Kurobegawa Electric Power Company (hereafter “Kurobegawa Electric Power”), a joint venture established in tandem with Hokuriku Electric Power Company, has initiated exploratory research in preparation for the construction of the “New Himekawa Power Plant No. 6,” a hydroelectric power plant that is expected to boast a maximum output of approximately 27,500kW. The research will entail the assessment, prediction and evaluation of the possible environmental impact of this facility.

Since its founding, DENKA has been involved in the calcium carbide business. This business has helped lay the foundation for DENKA’s present lime and calcium carbide-related businesses, which constitute its key operations and encompass the production of such important materials as calcium cyanamide and chloroprene rubber. Along with mining rights to limestone mines that promise abundant potential output, our in-house power generation systems, consisting mainly of a network of hydroelectric power generation facilities, are a driving force behind our competitiveness.

Specifically, DENKA draws on a total of 15 hydroelectric power plants, five of which are operated by Kurobegawa Electric Power, employing natural inflow type hydropower generation systems that provide a stable source of clean energy with an average facility lifespan of more than 100 years. DENKA is entitled to approximately 110,000kW of the combined output of the 15 facilities sited at locations throughout the area around the Omi Plant (Itoigawa City, Niigata Prefecture).

As we aim to secure a stronger operating base to support the future growth of lime and calcium carbide-related businesses, the revised DENKA100 management plan growth strategies, announced on April 10, 2013, set forth a policy of actively boosting our hydroelectric power generation capacity as an initiative for the next 100 years. In line with this policy, the construction of the “New Omigawa Power Plant” (maximum output: approximately 8,000kW) is now under way, with operational kickoff scheduled for April 2018. We will likewise provide Kurobegawa Electric Power with comprehensive support during the construction of the New Himekawa Power Plant No. 6. In such ways, DENKA promotes the effective utilization of resources and environment-friendly corporate activities, thereby contributing to society.

In addition, detailed methods for the assessment, prediction and evaluation of the possible environmental impact of the new hydroelectric power plant are presented on the Kurobegawa Electric Power website.\*

\* <http://www.kurobegawa-denryoku.com/>(Japanese only)

### **Outline of New Himekawa Power Plant No. 6**

- (1) Location: Itoigawa City, Niigata Prefecture
- (2) Maximum output: Approximately 27,500kW
- (3) Operational kickoff: April 2022 (scheduled)

### **Outline of Kurobegawa Electric Power Company**

- (1) Tokyo Headquarters: 8-1, Toranomon 2-chome, Minato-ku, Tokyo
- (2) Establishment: October 20, 1923
- (3) Capital: ¥3 billion  
(Hokuriku Electric Power Company: 50%; DENKA: 50%)
- (4) Facilities: Five
- (5) Combined maximum output: 66,900kW  
(Utilized by parent companies in accordance with equity ratio)