

February 22, 2019
Denka Company Limited

Denka to Make a Full-Scale Entry into the Biostimulant Market

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Manabu Yamamoto; hereinafter “Denka”) hereby announces its decision to enter the biostimulant business with the intention of launching full-scale marketing. This decision was made as part of initiatives aimed at accelerating the growth of specialty businesses under the Denka Value-Up management plan.

According to the Japan Biostimulant Association,¹ biostimulants are defined as “substances and microorganisms that positively affect the sound growth of plants and help enhance their quality in terms of such properties as resilience against stress and the volume of crop yields.” While biostimulants “enhance the intrinsic properties of targeted plants,” they are also designed to help plants better adapt to and thrive in the various “environments surrounding them.” The global biostimulant market was valued at approximately US\$2.2 billion in 2018 and is expected to be worth approximately US\$3.3 billion in 2022, with an annual average growth ratio estimated at 10.4%.²

While ongoing global population growth has long been feared as one of the principal factors that will lead to future devastating food-supply shortages, there are a growing number of instances in which farmers are seeing crops suffer serious damage due to natural disasters associated with global warming and other climate change-related phenomena. Against this backdrop, biostimulants are viewed as a much-anticipated solution offering the possibility of alleviating the impact of the aforementioned factors.

Targeting mainly Japanese farmers, Denka has been marketing AZUMIN fertilizer for more than a half century. This humic acid fertilizer, which falls into the definition of a biostimulant, has garnered praise from a wide range of farmers thanks to its outstanding ability to improve soil, invigorate the roots of plants and enhance overall crop growth. Furthermore, AZUMIN has proven effective even when used on dry or low-temperature farmland, which is typically unfavorable to the growth of agricultural crops.

Taking advantage of the technological assets we have accumulated via the manufacture and sale of AZUMIN, we are now determined to create humic acid fertilizers with functions that are even more outstanding while developing novel biostimulants through open innovation. At the same time, we will fully utilize the

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Denka Group's overseas network consisting of 32 business bases to cultivate alliances with biostimulant makers outside Japan.

Last year, we formulated the Denka Group CSR Basic Policies from the viewpoint of fulfilling our responsibility to address environmental, social and governance (ESG) issues. Through the establishment of these policies, we have also clarified the fundamental creeds guiding our pursuit of the Denka Value—a corporate philosophy serving as a cornerstone of all of our business activities. Under these policies, efforts are now under way at business units throughout the Group to help realize a sustainable society.

As part of these efforts, our full-scale entry into the biostimulant market is intended to better position us to help farmers around world raise the volume of their crop yields and contribute to the realization of United Nations Sustainable Development Goals (SDGs), which specify universal issues human society is now confronting. Looking ahead, the Denka Group will continue to deliver new products and technologies aimed at supporting social sustainability, thereby playing even greater roles in the pursuit of SDGs.

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1. Quoted text, originally written in Japanese, is excerpted from the website of the Japan Biostimulant Association, translated and lightly edited for clarity.
2. Source: *MarketsandMarkets* (2017)

Note: AZUMIN is a registered trademark of Denka Company Limited.