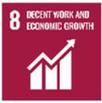


## Denka Concludes Mizuho Positive Impact Finance Agreement with Mizuho Bank, Ltd.

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter “Denka”) concluded a Mizuho Positive Impact Finance Agreement (\*1) with Mizuho Bank, Ltd. on March 22.

Mizuho Positive Impact Finance is a form of sustainable finance in which the impacts on the environment, society and the economy (both positive and negative) of corporate activities are holistically analyzed and assessed based on the Principles for Positive Impact Finance (\*2). When the assessment confirms that an initiative is producing positive impacts, Mizuho Bank provides financing to support the initiative on an ongoing basis.

In concluding the agreement, Denka’s activities on the following themes, which mainly focus on positive impacts for the achievement of SDGs, were qualitatively and quantitatively analyzed. In addition, Denka obtained third-party opinions (\*3) from the Japan Credit Rating Agency, Ltd. (JCR) regarding the conformity of the subject assessment to the Principles for Positive Impact Finance and conformity to the basic concept on impact finance compiled by the Positive Impact Finance Taskforce set up in accordance with the guidelines for the establishment of the ESG Finance High Level Panel of the Ministry of Environment.

Impact	KPI	Goals and policies	SDGs
Employment	Effort to prevent serious accidents and industrial accidents	Continuation of relevant actions	
Waste Resource efficiency and safety	Emission rate at domestic production sites (Denka Group)	Maintain zero emissions.	
Climate	Greenhouse gas emissions (Scope 1 and 2, Denka Group)	FY2030: Reduction of 50% (compared to FY2013) FY 2050: Net zero emissions	 
	Initiatives for expanding renewable generation capacity	Continuation of initiatives for expanding renewable energy power generation capacity	

	Specific efforts to achieve carbon neutrality	Continuation of initiatives for achieving carbon neutrality, including environmentally friendly products, implementation of CO2 recovery technologies, and chemical recycling technologies for recycling plastic	
Inclusive and Sound Economy	Percentage of female managers	FY2024: Twice the percentage of April 2020 (3%)	

With the mission of “Taking on the challenge of expanding the possibilities of chemistry to create new value and contribute to sound social development,” Denka has worked, since its founding in 1915, to contribute to social development and win the trust of society through manufacturing operations centered on chemical engineering. Under this mission, Denka has selected the Group’s priority management materiality issues consisting of 13 items, clarified how its pursuit of these issues relate to the United Nations Sustainable Development Goals (SDGs) (\*4) and disclosed progress toward achieving the goals and accomplishments in Denka Integrated Report and ESG information site (\*5).

Denka will aim to be an irreplaceable company for society, which creates a better world for all through work it can perform better than anybody, using the SDGs as a compass.

<Overview of agreement>

Arranger	Mizuho Bank, Ltd.
Participating financial institutions	11 Domestic Financial Institutions
Date of agreement	March 22, 2022
Date of financing	March 24, 2022

(\*1) Mizuho Positive Impact Finance

For more details, please refer to press release of Mizuho Bank. (Japanese Only)

<https://www.mizuho-ir.co.jp/company/release/2021/pif0625.html>

(\*2) Principles for Positive Impact Finance

The Principles for Positive Impact Finance are a common financial framework for achieving the SDGs, released in 2017 by the Positive Impact Working Group, a banking and investment member of the United Nations Environment Programme Finance Initiative (a partnership between the United Nations Environment Programme and the global financial sector established to promote sustainable finance following the 1992 Earth Summit). This comprehensive framework assesses impacts on the three aspects of sustainable development (environment, society, and the economy) in both positive and negative terms. As a tool for impact identification, it presents an impact radar consisting of 22 categories, including climate, water, energy, biodiversity & ecosystems, and culture & heritage.

(\*3) Webpage of the Japan Credit Rating Agency, Ltd. (JCR) <https://www.jcr.co.jp/greenfinance/>

(\*4) Denka's 13 Materiality Issues Aimed at Realizing SDGs

Category	13 materiality issues	Relevant SDGs	
		Fulfill manufacturers' responsibilities	Provide solutions
Prioritization of safety	Reinforce security and disaster prevention measures Maintain occupational safety and health while creating a vibrant and comfortable workplace environment		
Products and technologies	Create new products and technologies that contribute to sound social development Ensure product safety		
Solid corporate governance / Corporate conduct deserving of stakeholder trust	Ensure that our corporate philosophy is embraced by every employee and transform our corporate culture Improve corporate governance Maintain strict compliance with laws, regulations and corporate ethics		
Employee happiness	Nurture human resources and pass down our technological heritage to future generations Embrace diversity and offer equal opportunities Help employees strike a work-life balance and promote employee health		
Environmental preservation	Prevent air, water, soil and other environmental pollution Promote climate change countermeasures (curb global warming, reduce GHG emissions and adapt to climate changes)		
Dialogue with society / Partnership	Maintain appropriate and timely disclosure of corporate information and establish bidirectional communications		

(\*5) ESG information website <https://denka.disclosure.site/ja>

This website is designed to communicate comprehensive information about the Denka Group's ESG management (environmental, social and governance) to our stakeholders.

[For reference: Previous Press Release Related to the Subject Matter (Denka's Official Website)]

- September 30, 2021

Denka Concludes ESG/SDG-Linked Syndicated Loan with Sumitomo Mitsui Banking Corporation

[https://www.denka.co.jp/storage/news/pdf/931/20210930\\_denka\\_esgfinance.pdf](https://www.denka.co.jp/storage/news/pdf/931/20210930_denka_esgfinance.pdf)

- March 26, 2021

Denka Acquires AA Rating, the Highest Environmental Financing Assessment Rating, and Signs Agreement for Mizuho Eco Finance

[https://www.denka.co.jp/storage/news/pdf/835/20210326\\_denka\\_ecofinance.pdf](https://www.denka.co.jp/storage/news/pdf/835/20210326_denka_ecofinance.pdf)

- January 29, 2021

Transmission of Power from the New Omigawa Power Plant Commences

Expanding Use of Clean Energy towards the Achievement of Carbon Neutrality by 2050

[https://www.denka.co.jp/storage/news/pdf/813/20210129\\_denka\\_shinomi.pdf](https://www.denka.co.jp/storage/news/pdf/813/20210129_denka_shinomi.pdf)

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