

Notice Regarding Termination of Joint Venture for Manufacturing Polyvinyl Alcohol Resins - Denka makes it into a wholly owned subsidiary to accelerate specialization -

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Manabu Yamamoto; hereinafter “Denka”) announces that it has reached an agreement with Sekisui Chemical Co., Ltd. (headquarters: Kita-ku, Osaka; president: Keita Kato; hereinafter “Sekisui Chemical”) to terminate the joint venture between the two companies through Denka’s acquisition of all of Sekisui Chemical’s 49% stake in DS Poval K.K., a manufacturer of polyvinyl alcohol (PVA) resins set up by a joint investment in which Denka holds the remaining 51% stake, on the final day of March.

Denka’s management plan, “Denka Value-Up,” defines specialization of its key operations as part of its growth strategy. With a wide variety of characteristics such as water solubility, gas barrier properties, emulsifying properties, biodegradability and biocompatibility, PVA resins have extensive applications. They have the potential to address social challenges, including the reduction of environmental impact.

Denka will focus on the development of dispersing agent for polyvinyl chloride, fluid loss reduction agent for oil well cement and other high value-added products based on the fundamental technologies that it has developed, including precise polymerization and synthesis technologies for polymeric resins to increase the specialty grade ratio in its product lineup to secure resilience to changes in external conditions.

[Overview of DS Poval]

- (1) Company name: DS Poval K.K.
- (2) Head office location: 2-1-1 Nihonbashi Muromachi, Chuo-ku, Tokyo, Japan
- (3) Plant location: 2209 Omi, Itoigawa-shi, Niigata Prefecture, Japan
- (4) Representative: Koki Tabuchi, representative director
- (5) Date of establishment: April 1, 2010
- (6) Capital: 1 billion yen
- (7) Ownership: Denka 100% (from April 1, 2020 onwards)
- (8) Business: Manufacturing of PVA resins

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