



April 2, 2020

Denka Company Limited

Notice Concerning the Supply of Raw Materials for “Avigan”

— Denka produces diethyl malonate to prevent the spread of the COVID-19 coronavirus infections —

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Manabu Yamamoto; hereinafter “Denka”) is pleased to announce that in response to a request by the Japanese government, it has decided to supply diethyl malonate, a raw material used to produce the anti-flu medicine Avigan® Tablet (generic name: Favipiravir; “Avigan,” hereafter) that is administered to patients infected with the COVID-19 coronavirus (“COVID-19,” hereafter). Production is scheduled to start from May this year at Denka’s Omi Plant (Itoigawa, Niigata Prefecture).

Denka regards measures to combat coronavirus infections as part of its social responsibility and is working to swiftly build its production systems to ensure reliable supply.

1. Background

Avigan is an anti-flu medicine developed by FUJIFILM Toyama Chemical Co., Ltd. that shows promise as an effective treatment for COVID-19. COVID-19 is a disease for which there is currently no established treatment, and in response to its rapid spread around the world, it was declared a pandemic by the World Health Organization (WHO) on March 11, 2020. Accordingly, there is an urgent need for the early discovery and development of effective treatments.

The Japanese government is proceeding with domestic pharmaceutical approval of Avigan. On this occasion, the government expressed its wish to use raw materials made in Japan to establish a consistent domestic supply structure, and in response to the request, Denka made the decision to supply diethyl malonate.

2. About Diethyl Malonate

Diethyl malonate is used as a raw material in products such as synthetic perfumes, pesticides and pharmaceuticals. It is also a raw material used to make Avigan. Denka is the only manufacturer of diethyl malonate in Japan, and Denka's affiliate Denak Co., Ltd. is the only domestic producer of chloroacetic acid, which is needed to make diethyl malonate. The Denka Group had been producing diethyl malonate through its integrated production system from raw materials to end products until April 2017.

3. Future Outlook

In connection with the production of diethyl malonate, personnel from the production lines of other products will be reassigned to resume operation of the equipment used until April 2017. Due to these changes, a temporary impact is expected, including the reduced production of some products. While specific information is not available at this time, Denka will promptly announce any matters that require disclosure as it carefully monitors the situation moving forward.

* Avigan is a registered trademark of FUJIFILM Toyama Chemical Co., Ltd.

About Denka:

Denka is a chemical manufacturer headquartered in Chuo-ku, Tokyo. The company specializes in developing business activities on a global scale across a wide range of fields, from inorganic and organic chemicals, to electronic materials and pharmaceuticals. Founded in 1915, Denka has steadily continued to develop and manufacture products that contribute to the development of society by fully utilizing its unique concepts and technological capabilities. Upholding its corporate slogan, "Possibility of Chemistry," the company and its president, Manabu Yamamoto, are committed to contributing to the sound development of society while sincerely tackling the challenges that society is now confronting.

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