

Denka Decides to Invest Approximately ¥3.7 billion Yen
with an Eye toward the Achievement of Greenhouse Gas Emission Targets
~ Reduction of at least 12,000 tons of CO₂ Emissions Annually through the Introduction of
a High-Efficiency Gas Turbine Power Generator ~

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Manabu Yamamoto; hereinafter “Denka”) announces that as part of its initiatives to reduce greenhouse gas emissions based on its ESG management policy, it has decided to invest approximately ¥3.7 billion in the installation of high-efficiency gas turbine power generation facilities for private power generation at its Chiba Plant (Ichihara-shi, Chiba), its core petrochemical production plant. Through the introduction of facilities such as these, Denka will facilitate the reduction of greenhouse gas (CO₂) emissions by at least 12,000 tons annually and accelerate its efforts to realize a sustainable society.

The Paris Agreement,¹ which was adopted as an initiative establishing an international framework, set out the target of keeping the average global temperature rise to 2 °C or less over pre-Industrial Revolution levels. As a result, the implementation of measures to reduce greenhouse gas emissions became an issue the world needed to address as soon as possible. Denka, taking the Paris Agreement into consideration, established medium- to long-term targets² for the reduction of greenhouse gas emissions in an effort to ensure its responsibilities as a chemical product manufacturer are fulfilled. The introduction of the high-efficiency gas turbine power generator is expected to not only achieve a reduction equal to approximately 2% of Denka’s total reductions and approximately 5% of the energy-origin emission reductions set forth in the medium-term targets but also improve the intensity of useable energy, thereby contributing to the boosting of the Chiba Plant’s cost competitiveness.

In addition, with the high-efficiency gas turbine power generator expected to achieve a sufficient reduction of emissions and also save energy, the project has been chosen by the Ministry of Economy, Trade and Industry (METI) as being eligible for subsidies, based on METI’s program aimed at supporting entities facilitating the rationalization of energy use, following the energy saving project with the introduction of gas turbine power generator promoted by Ome Plant which was also chosen in 2018.

Denka will increase the amount of clean energy it uses to reduce greenhouse gas emissions on a long-term basis. With this in mind, it is in the process of constructing additional hydroelectric power stations in two locations, in addition to the Denka-owned hydroelectric power stations operating in 15 locations (including five locations owned by Kurobegawa Electric Power Company, a joint venture established with Hokuriku Electric Power Company). When the power stations Denka hopes to establish in two locations begin operations, Denka expects that it will additionally reduce CO₂ emissions by approximately 35,000 tons every year.

In line with its SDGs compass, Denka will continue to implement a range of initiatives preserving and protecting the environment going forward, and contribute to the creation of a sustainable society by promoting environmentally-conscious corporate activities globally.

1. Outline of the Gas Turbine Power Generators to be Introduced

- Maximum output: Approx. 7,500kW × 2 units
- Total efficiency: Approx. 85%
- Beginning of operations: June 2022 (scheduled)
- Greenhouse gas emission reductions: At least 12,000 tons of CO₂ per year
- Energy reduction: At least 6,000 kL per year (crude oil equivalent)
- Total amount of investment: Approx. ¥3.7 billion

2. Impact on Consolidated Financial Results for FY2020

The investment has no impact on Denka's consolidated financial results for the fiscal year ending March 31, 2021.

3. Outline of Chiba Plant

- Location: 6 Goiminamikaigan, Ichihara-shi, Chiba
- Main products: Styrene-based resins, Acrylic-based special synthetic rubbers, Ultra high purity acetylene blacks, electric insulation tapes, harness tapes for automotive use, pipes for agricultural/civil engineering drainage systems
- Number of employees: Approx. 500

¹ Paris Agreement

A new international framework adopted at the 21st United Nations Framework Convention on Climate Change (COP21) held in Paris, France in December 2015, mainly to reduce greenhouse gas emissions in 2020 and beyond

² Denka's greenhouse gas emission reduction targets

- Mid-term target:
Reduce GHG emissions 26% in fiscal 2030 from the fiscal 2013 level (Reduction volume: 610,000t-CO₂)
Reduce emissions from energy sources 20% (11% of overall emissions) (reduction volume: 260,000t-CO₂)
- Long-term target:
Reduce net GHG emissions* 85% by the end of fiscal 2050 (reduction volume: 2,000,000t-CO₂)
*Net GHG emissions: Volume of GHG emissions less the volume of GHG absorption

References:

- "Notice regarding the Construction of a New Hydroelectric Power Plant to Be Operated by Kurobegawa Electric Power", November 15, 2017
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- "Denka to Streamline the Chiba Plant's Utilities to Boost Competitiveness", February 5, 2016
https://www.denka.co.jp/eng/storage/news/pdf/122/20160205_chiba_en.pdf
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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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