

## Denka Completes Construction of High-Efficiency Gas Turbine Power Generator at Omi Plant

~ Reduction of at least 16,000 tons of CO<sub>2</sub> Emissions Annually  
through Investment of Approximately ¥4 Billion Yen ~



(The high-efficiency gas turbine power generator at the Omi Plant)

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 completed construction of high-efficiency gas turbine power generation facilities for private power generation at its Omi Plant (Itoigawa City, Niigata Prefecture), a manufacturing base for chloroprene rubber, cement, special cement additives, and more. Through replacing the thermal power generation facilities used at the Omi Plant until now with high-efficiency gas turbine power generators, the efficiency of power generation will be improved by about 25% compared to conventional power generation. This will reduce the amount of fuel used by over 8,000 kL per year (crude oil equivalent) and will reduce greenhouse gas (CO<sub>2</sub>) emissions by at least 16,000 tons annually.

Denka, taking the Paris Agreement (\*1) into consideration, established medium- to long-term targets for the reduction of greenhouse gas emissions (\*2) in an effort to ensure its responsibilities as a chemical product manufacturer are fulfilled. The reduction of at least 16,000 tons of greenhouse gas (CO<sub>2</sub>) emissions is expected to achieve a reduction equal to approximately 3% of Denka’s total reductions and approximately 6% of the energy-origin emission reductions set forth in the medium-term targets. As this is 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 approximately ¥500 million yen in subsidies, based on METI’s program aimed at supporting entities facilitating the rationalization of energy use.

Denka aims to reduce at least 12,000 tons of CO<sub>2</sub> annually through the introduction of high-efficiency gas turbine power generators at the Omi Plant and the Chiba Plant (Ichihara City, Chiba Prefecture) as part of its initiative to increase the amount of clean energy it uses to reduce greenhouse gas emissions on a medium- to long-term basis. In addition, when the power stations currently under construction in two locations (the Hime and Omi Rivers in Niigata Prefecture) begin operations, Denka will reduce CO<sub>2</sub> emissions by approximately 35,000 tons every year, reducing at least 63,000 tons of CO<sub>2</sub> annually when combined with the amount reduced at the Omi Plant.

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

### 1/ Overview of the Completed Gas Turbine Power Generators

- Maximum output: approx. 16,000 kW x 1 unit
- Total efficiency: approx. 85%
- Greenhouse gas emission reductions: at least 16,000 tons of CO<sub>2</sub> per year
- Energy reduction: at least 8,000 kL per year (crude oil equivalent)
- Total investment: approx. ¥4 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 on March 31, 2021

### 3/ Overview of Omi Plant

- Location: 2209 Omi, Itoigawa-shi, Niigata
- Main products: Chloroprene rubber, poval, carbide, calcium cyanamide (lime nitrogen), alumina fiber, cement, special cement additives, macromolecular sodium hyaluronate, ultra high purity monosilane gas
- Number of employees: approx. 1,000

#### (\*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 Targets for Reductions in Greenhouse Gas Emissions

- Mid-term target: a reduction of GHG emissions by 26% in fiscal 2030 compared to fiscal 2013  
(a reduction of 260,000 tons of CO<sub>2</sub> in energy-origin emissions from total reduction target of 610,000 tons of CO<sub>2</sub>)
  - Long-term target: a reduction of net GHG emissions\* by 85% by 2050 compared to fiscal 2013
- \*Net GHG emissions: volume of GHG emissions minus the volume of GHG absorption

#### References:

- "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 CO<sub>2</sub> Emissions Annually through the Introduction of a High-Efficiency Gas Turbine Power Generator ~"  
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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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