

Denka's Views Concerning Some of the Claims about US Subsidiary

In the area near the venue of the Ordinary General Meeting of Shareholders of Denka Company Limited (the "Denka") held on June 22, 2021, a group of people made claims regarding Denka Performance Elastomer LLC (hereinafter "DPE"), a US subsidiary of Denka. The background of the subject matter and Denka's position are as follows.

As announced on February 14, 2020, DPE is the subject of multiple lawsuits in the US state of Louisiana. The lawsuits have been brought by multiple residents living near the DPE plant, who sought compensation for physical and psychological harm and property damage allegedly caused by chloroprene monomer emitted by the DPE chloroprene rubber plant. DPE has carefully examined the details of the lawsuits and responded appropriately.

In line with the Denka Group's environmental load reduction policy of striving to minimize emissions of air pollutants, effluents and industrial waste, DPE operates in compliance with legally mandated chloroprene monomer emission standards, and has achieved significant reductions in emissions of this substance as part of its efforts to be a good neighbor in the local community. Moreover, DPE plans to submit to the U.S. Environmental Protection Agency (EPA) an official Request for Correction (RfC) to review the toxicity assessment of chloroprene monomers. The RfC takes into consideration the PBPK model (physiologically based pharmacokinetic model), a leading-edge model used to study the impact of chloroprene monomers on health. As of this moment the lawsuits in question have had no particular impact on the operations of DPE.

Please also refer to the following press releases concerning the specific initiatives undertaken by DPE and the results of those efforts.

- "U.S. EPA's Review of the Toxicity Assessment of Chloroprene Monomers (Updated)" March 2, 2021
https://www.denka.co.jp/eng/storage/news/pdf/332/20210302_denka_dpe_en.pdf
- "Latest Epidemiological Study of Chloroprene Monomer Workers in the US" December 17, 2020
https://www.denka.co.jp/eng/storage/news/pdf/317/20201217_denka_dpe_en.pdf
- "U.S. EPA review of chloroprene model reaches next step" August 7, 2020
https://www.denka.co.jp/eng/storage/news/pdf/311/20200807_denka_dpe_en.pdf
- "LDEQ confirms 85% emissions reduction achieved, DPE's completion of voluntary program" June 8, 2020
https://www.denka.co.jp/eng/storage/news/pdf/314/20200608_denka_dpe_en.pdf
- "Review of Chloroprene Monomer Toxicity Assessment Performed by the U.S. Environmental Protection Agency" February 14, 2020
https://www.denka.co.jp/eng/storage/news/pdf/266/20200214_denka_statement_en.pdf

- “Notice Regarding Litigation Against US Subsidiary” February 14, 2020
https://www.denka.co.jp/eng/storage/news/pdf/265/20200214_denka_dpe_litigation_en.pdf
- “Statement regarding NATA’s Toxicity Assessments on the Areas Surrounding Denka’s U.S. Subsidiary and Initiatives Being Undertaken to Reduce Environmental Burden” June 19, 2019
https://www.denka.co.jp/eng/storage/news/pdf/238/20190619_statement_en.pdf

Denka will continue to support the initiatives being undertaken to DPE to preserve the environment in the areas in which it operates and prevent any negative impact on public health from occurring while helping to relieve the unnecessary anxiety of its stakeholders.

Under the corporate philosophy, “The Denka Value,” the Denka Group conducts its activities while respecting the human rights of all people, striving to protect the environment, and observing laws and regulations and culture in each region. The Denka Group will not tolerate discrimination or human rights violations based on any cause relating to ethnic group, race, gender, religion, nationality, age, sexual orientation or physical disabilities. The Denka Group will continue striving to boost human rights awareness, proactively taking part in social activities as a good corporate citizen and contributing to sound and sustainable social development.

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, Toshio Imai, are committed to contributing to the sound development of the society while sincerely tackling the challenges that the society is now confronting.

About Denka Performance Elastomer

Denka Performance Elastomer LLC acquired DuPont’s Neoprene manufacturing operations at the Pontchartrain Works site in LaPlace in November 2015. DPE employs around 240 manufacturing jobs associated with the Pontchartrain Works production site. DPE intends to make strategic investments in the Pontchartrain Works facility while adhering to a key DPE guideline to develop and supply products that are safe and environmentally friendly. DPE considers the safe production and handling of materials and products and the prevention of their unauthorized release into the environment as its most important mission as a chemical manufacturer.