

Notice of Changes to Our Policy on the Development of Technology to Manufacture Low-Carbon Acetylene

Under a joint development agreement with the US-based startup company Transform Materials LLC (headquarters: Florida, USA), Denka Company Limited (headquarters: Chuo-ku, Tokyo; President: Ikuo Ishida; hereinafter, "Denka") has been developing a technology to mass produce low-carbon acetylene by introducing a process that uses microwave plasma to produce acetylene and hydrogen from methane (a hydrocarbon), thereby aiming to reduce carbon emissions during the production of acetylene, a raw material used in chloroprene rubber and acetylene black.

We must now inform you, however, that due to the dissolution of Transform Materials, we have decided to discontinue this development project.

We are engaged in ongoing efforts to achieve carbon neutrality by 2050, and reducing CO₂ emissions in the acetylene chain is an essential facet of our work to reach this goal. We will continue to move forward with efforts to develop new technologies for the production of low-carbon acetylene and will work to reduce CO₂ emissions in the future.

We must also inform you that although the development using Transform Materials' technology had been certified under METI's Plan to Secure and Stable Supply of Storage Batteries, this certification has now been revoked due to the reasons mentioned above.

Please note that the impact of these changes on the consolidated financial results for the fiscal years ending in March 2025 and March 2026 will be insignificant.

Denka Company Limited will continue contributing to people's daily lives and society by applying its world-class chemistry know-how based on the Purpose of Mission 2030: "Make the world a better place as specialists in chemistry."

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