

Notice of Discontinuation of Production and Sales of Certain Solvents at the Yokkaichi Plant

KH Neochem Co., Ltd. (TSE: 4189, President and CEO: Michio Takahashi, “KH Neochem”) decided to discontinue the production and sales of certain solvents manufactured at our Yokkaichi Plant by December 2025.

The solvents* subject to the discontinuation of production and sales are primarily used as raw materials for paints and inks. However, in addition to the slow recovery in demand, rising raw material prices and increasing fixed manufacturing costs have further intensified the challenges of the business environment. Although we have continuously implemented initiatives such as improving production efficiency, we have determined that securing profitability necessary to sustain this business over the medium to long term is no longer feasible.

Moving forward, we will continue to transform our business portfolio and promote Sustainable Management by contributing to a sustainable society through our distinctive materials that are indispensable to the world, while also ensuring the ongoing growth of our corporate value.

* Products Subject to Discontinuation of Production and Sales

Product Names	METHYL ISOBUTYL KETONE (MIBK) DIISOBUTYL KETONE (DIBK) DIACETONE ALCOHOL ETHYLENE GLYCOL MONOBUTYL ETHER ACETATE DIETHYLENE GLYCOL MONOBUTYL ETHER ACETATE
Production Site	Yokkaichi Plant
Planned Discontinuation Date	December 2025 (Planned)

About KH Neochem

Corporate Overview (as of December 31st, 2023)

Company name: KH Neochem Co., Ltd.
President & CEO: Michio Takahashi
Establishment: December 2010 (Our predecessor Kyowa Yuka, was established in November 1966)
Capital: 8.8bn JPY
Head office: 2-3-1, Nihonbashi-Muromachi, Chuo-ku, Tokyo 103-0022, Japan
Number of employees: 831 (Consolidated)
Business: Research, manufacture, and sale of petrochemical products
Main products: Performance materials (refrigeration lubricant raw materials, cosmetics ingredients)
Electronics materials (high-purity solvents for semiconductors and flat panel displays)



Basic chemicals (solvents for coatings and inks, raw materials for plasticizer)

Group Companies: Kurogane Kasei Co., Ltd. / Kurogane Fines Inc. / KH Neochem Americas, Inc. / Shanghai Seika Trading Co., Ltd.

Corporate History

- 1948 Kyowa Sangyo Co., Ltd., the forerunner of Kyowa Hakko Kogyo Co., Ltd., began Japan's first mass production of Acetone and Butyl alcohol from molasses using fermentation technology.
- 1949 Established Kyowa Hakko Kogyo Co., Ltd. (now Kyowa Kirin Co., Ltd.)
- 1966 Established Kyowa Yuka Co., Ltd. (A subsidiary chemical manufacturer of Kyowa Hakko Kogyo Co., Ltd.)
- 2004 Name changed to Kyowa Hakko Chemical Co., Ltd. through joint investment of the Chemical Department of Kyowa Hakko Co., Ltd. and Kyowa Yuka Co., Ltd.
- 2011 Spun off from Kyowa Hakko Kirin Group (now Kyowa Kirin Group) as an independent entity.
- 2012 Name changed to KH Neochem Co., Ltd.
- 2016 Listed on the First Section of the Tokyo Stock Exchange.
- 2022 Moved to the Prime Market following the restructuring of the Tokyo Stock Exchange's market segments.

For inquiries regarding this matter, please contact:

Corporate Communications and Investor Relations

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