

December 3, 2007

Price Increase of DENKA Fused Silica Filler

Denki Kagaku Kogyo (DENKA) has decided to increase the price of DENKA fused silica filler (primarily used as fillers for semiconductor encapsulation) as detailed below. Negotiations with users will soon be started. The new price is intended to apply for delivery from January 2008 onwards.

Details of price change:

1. Time of the change: For delivery from January 1, 2008 onwards
2. Price increase: ¥40/kg
3. Reasons of the change:
 - (1) DENKA fused silica filler is manufactured by fusing high-purity silica quartz (SiO_2) at high temperatures. The price of LPG used as the fuel in the fusion process has recently been increasing rapidly in line with the crude oil price hike, which has led to a marked increase in the production costs of DENKA fused silica filler.
 - (2) The price of raw material, silica quartz, has significantly risen due to the increasing demand and increase in the personnel and logistic costs in the countries of origin.

While we have been making our utmost efforts to cut production costs and other expenses, various price increases described above has by far outweighed such efforts. Furthermore, we believe that DENKA, as the leading manufacturer of the fillers for semiconductor encapsulation, is responsible for meeting the ever-increasing demand for semiconductor encapsulation in quality and function, as well as for continuing stable supply of the products. For that purpose, we have decided to increase the price of DENKA fused silica filler in order to provide its stable supply, and to ensure the maintenance of our revenue that will enable reinvestment to assume our responsibilities.

For further enquiries, please contact:

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