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**DENKA to expand its overseas business network
for the special cement additive business**

DENKI KAGAKU KOGYO KABUSHIKI KAISHA
(DENKA)

Since 1968, DENKA (president: Shinsuke Yoshitaka) has been producing and selling a variety of cement additives—which comprise expansive additives, quick-setting and quick-hardening agents, injection materials, nonshrink grouting materials and high-strength materials—with the goal of providing solutions capable of countering any and all shortcomings of cement and concrete. Moreover, we have built an arsenal of technological strengths through longstanding R&D efforts, based on which we have developed new businesses and expanded our business operations. Some of our recent initiatives include designing new products incorporating organic materials as well as innovative solutions for concrete structure maintenance aimed at addressing future needs.

In Japan, an increasing number of aging concrete structures are in need of repair, and it has been decided to go ahead with the development of a maglev linear bullet train line. In addition to these factors, the holding of the 2020 Summer Olympics in Tokyo is expected to spur demand for infrastructure development solutions, a field in which DENKA has a longstanding commitment backed by technological strength and high-quality products.

Overseas, DENKA has progressively increased the number and capacity of its overseas offices as it expands the cement additive business globally. We have thereby ensured stable product supplies in overseas markets through exports from our domestic production sites coupled with partial production outsourcing.

However, in anticipation of a major rise in overall demand for infrastructure development and heightening quality requirements in countries abroad, DENKA has decided to reinforce its R&D, production and marketing network overseas. This will enable us to provide solutions better tailored to local market needs and conditions in countries worldwide, thereby contributing to the development of social infrastructure. We hereby announce the details of such reinforcement measures, focusing mainly on steps to be taken in China and Southeast Asia.

1. Chinese Market

- Establish Denka Infrastructure Technologies Shanghai Co., Ltd.* to serve as a regional headquarters and support business expansion in China (scheduled for January 2014; the company's official name in Chinese now waiting for government approval)
* *tentative name*
- Establish Denka Inorganic Materials Tianjin Co., Ltd. in September 2013 to serve as a production base and kick off the operation of special cement additive production facility in February 2014
- Accelerate R&D efforts, employing a research base established at Denka Chemicals Development Suzhou Co., Ltd. in June 2013

2. Southeast Asian Markets

- Establish Denka Infrastructure Technologies Private Limited* (Singapore) to serve as a regional headquarters and support business expansion in the region (scheduled for January 2014)
- Expand supply capacity by outsourcing production even further

3. Special Cement Additives' Overseas Sales Target

¥15 billion in fiscal 2017

(total domestic and overseas sales: ¥30 billion)

As we approach the centennial of our founding in 2015, we are promoting the DENKA100 management plan (for details, please visit our website* to see the press release as of April 10, 2013), rallying our strengths Companywide. This plan sets forth new growth strategies including "Create the most optimal production system" and "Focus management resources on new growth drivers and develop next-generation products." Our special cement additive business plays a key role in the field of infrastructure, which constitutes one growth driver. Taking the above into consideration, we will step up the optimization of production systems, employing our overseas production bases as well as production outsourcing.

*<http://www.denka.co.jp/eng/news/>

For information on DENKA's special cement additives, please also visit the following website:
<http://www.denka.co.jp/eng/konwazai/index.html>

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