

## **DENKA to Establish a Local Subsidiary and VINI-TAPE Production Facilities in Vietnam**

DENKI KAGAKU KOGYO KABUSHIKI KAISHA  
(DENKA)

DENKA hereby announces its decision to establish a local subsidiary and production facilities in Vietnam to manufacture the vinyl chloride-based adhesive tape VINI-TAPE, one of the main products of its Life Science & Environment Products business.

The principal customers for VINI-TAPE are in the automotive industry and its applications include use in the assembly of wire harnesses installed in electronic components, where it is used to bundle wiring and cords and to ensure their electrical insulation. DENKA's VINI-TAPE production facilities at its Chiba Plant (Ichihara, Chiba) are now operating at full capacity to accommodate robust domestic demand as well as that from steadily expanding markets in regions overseas, such as Southeast Asia and the Middle East. Backed by growing economies, markets in these regions are expected to expand by 5% to 6% or more per year going forward.

In response, we have decided to establish a local subsidiary and VINI-TAPE production facilities in Vietnam, thereby reinforcing our production capacity. The Southeast Asia location of the new subsidiary will provide it with distribution and cost advantages as it supplies growing regional markets with competitive products.

In addition, the new subsidiary will operate under DENKA Chemicals Holdings Asia Pacific Pte. Ltd. (hereafter "DCHA"), which serves as our regional headquarters in Southeast Asia and possesses production bases in Singapore. The addition of a new production base in Vietnam will equip DCHA with a stronger production network in two Southeast Asian countries, enabling the company to proactively expand its business in the region.

DENKA is promoting the DENKA100 management plan (for details, please visit our website to see the April 10, 2013 news release\*), which sets forth "Create most optimal production system" as one of its growth strategies to strengthen the competitiveness of existing products. In line with this, we are promoting a shift to local production for products aimed at overseas markets. With the establishment of the Vietnamese subsidiary and VINI-TAPE production facilities, we seek to optimize our production system even further.

\*[http://www.denka.co.jp/eng/news/pdf/20130410\\_DENKA100\\_E.pdf](http://www.denka.co.jp/eng/news/pdf/20130410_DENKA100_E.pdf)

### **Outline of New Subsidiary and Production Facilities:**

1. The company name: DENKA ADVANCED MATERIALS VIETNAM CO.,LTD. (tentative name)
2. Location: Greater Hanoi City, Vietnam  
(Thang Long Industrial Park II, Hung Yen Province)
3. Main product: VINI-TAPE
4. Production capacity: Approximately 6,000 tons per year
5. Launch of operations: The first half of 2015 (scheduled)
6. Investment: Approximately ¥2.3 billion

**For inquiries:** Business Promoting Dept., Life Science & Environment Products Division  
TEL: +81-3-5290-5548