

**Announcement of the decision to invest in capital expenditure on the construction of a plant for the production of low-dielectric organic insulating material**  
**- Strategic investment of approximately 7 billion yen will contribute to the establishment of higher speed telecommunications technology.-**



< SNECTON >

Denka Company Limited (Headquarters: Chuo-ku, Tokyo; Representative Director and President: Toshio Imai) has decided to spend approx. 7 billion yen capital on the production of low-dielectric organic insulating material (Product name: SNECTON).

SNECTON, developed by Denka Company Limited, features the required electrical properties (low dielectric constant and low dielectric loss tangent) for raw materials to reduce the loss of electrical signals (transmission loss) with next-generation high-speed telecommunications (beyond 5G and 6G). It is already highly regarded by many customers in a wide variety of applications including Copper Clad Laminate (CCL) and interlayer insulation materials in various high-speed telecommunications equipment, and so it is expected to show a significant growth in demand in the future.

In contrast to the existing epoxy resin-based CCLs, which are inadequate in terms of transmission loss for the next-generation higher-speed telecommunication applications, SNECTON, developed by Denka Company Limited, realizes the essential requirement of lower transmission loss and also offers an excellent degree of crosslinking (heat resistance) despite being a soft resin, thus featuring state-of-the-art organic material. The material maintains softness even after it has been fully cured, so it can also be applied to Flexible Copper Clad Laminate (FCCL), and so it is expected to find wide application in PCs, smartphones, data centers, mobile phone base stations, wearable terminal devices, automobiles, etc.

We at Denka Company Limited have decided on Mission 2030, an eight (8)-year management plan spanning the period from FY2023 to FY2030 that includes strategic capital spending of 80 billion yen for the ICT & Energy business domain. The present investment will be positioned as one of the core components.

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.”

End of Press Release

[Investment summary]

- Investment location: Chiba Plant (Located in Ichihara-shi, Chiba)
- Investment: Approximately 7 billion yen (estimate)
- Primary investment objective: Construction of a production plant
- Completion date: FY2026 (Planned)

※ The effect of this capital expenditure on the FY2024 consolidated earnings of the company will be insignificant.

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