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### Construction of a New Toyokalon<sup>®</sup> Plant in Singapore

Denki Kagaku Kogyo Kabushiki Kaisha (DENKA) is proud to announce that it has decided to construct a new factory in Singapore that will produce Toyokalon<sup>®</sup>, a synthetic fiber used for wigs and hairpieces, which is part of the company's functional materials and processed products business.

The production facilities at the company's Ofuna Plant, located in Kamakura-shi, Kanagawa, are already operating at full capacity on account of growth in the market for hair products in Africa, the main market for the company's products. It is expected that as the economies of African countries expand, purchasing power will increase and demand for hair products will grow, and the African market for hair products is projected to grow at least 10% annually in the future. Therefore, the company has decided to gradually work to double production capacity by constructing a new plant.

Constructing the plant in Singapore will be advantageous on various fronts such as logistics and taxes, which the company will use to provide even more competitive products. In addition, the planned location of the new plant is near the fused silica factory of Denka Advantech Private Limited (DAPL), one of the company's subsidiaries. By integrating the administration of the two plants, DENKA will position the Singapore facilities as strategic bases and more aggressively expand overseas.

1. Product: Toyokalon<sup>®</sup> (PVC fiber)
2. Production capacity: 10,000 tons/year
3. Location: Singapore
4. Launch of operations: gradually starting in 2013 (projected)
5. Initial investment: around 3.0 billion yen

Inquiries regarding this matter should be directed to  
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## Reference material

Toyokalon®

DENKA successfully pioneered the industrial production of PVC fiber in 1952, and since then, the fiber has been sold throughout the world for use in wigs and hairpieces.

Toyokalon® is a brand that the market recognizes for its quality.

The product has various unique characteristics such as a soft, silk-like feel, unique luster, and superior non-combustibility (safety). Using a special production method, it is possible to provide the product with a near-natural texture with some parts having high luster and other parts low luster. Furthermore, heat treating the product gives it fine crimps producing a feeling of volume and superior texture.