

Denka Introduces New Production Facility for Thermally Conductive Sheet for 5G/xEV to Shibukawa Plant and Doubles Production Capacity

Positioning as One of the Core Production Plants of Electronic Materials to Enhance Specialty Business



<Image of 5G/xEV>

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter, "Denka") has decided to introduce a new production facility for thermally conductive sheets (*) to Shibukawa Plant (Shibukawa City, Gunma Prefecture), positioning the plant as a core production base for electronic materials. At the same time, Denka will double the plant's current production capacity. Denka will not only respond to rising demand for thermally conductive sheets in the future in-vehicle/telecommunication markets, but will also further enhance its specialty business, which includes thermally conductive materials.

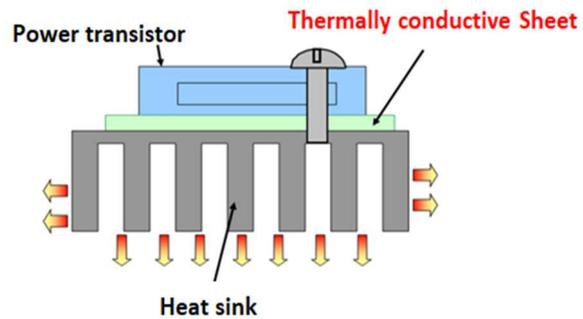
Denka's thermally conductive sheets have versatile applications, including in-vehicle products/telecommunication devices, as insulation/thermally conductive materials. Denka has decided to enhance its production capacity by transferring production from Denka's group company, Kyusyu Plastic Industry Co., Ltd. (Tamana City, Kumamoto Prefecture), to Shibukawa Plant and introducing the new facility to the plant, anticipating continued growth in demand for thermally conductive sheets for xEV and other vehicles' electric components as well as 5G and other communication base stations.

Shibukawa Plant marks the 70th anniversary of its opening this year. Ever since it began operation as a production base for vinyl chloride resin in 1951, the plant has continually adapted to meet changing needs, such as thermally conductive materials, including highly thermally conductive insulated metal substrate, and electronic materials including temporary adhesive tapes for semiconductor manufacturing process and acrylate-based adhesives.

Moving forward, by introducing automobile production processes and enhancing the research and development sector of the plant, Denka will develop next-generation specialty products with high thermal conduction, high thermal resistance, reduction of thermal contact resistance, high withstand voltage and other features required in the in-vehicle/telecommunication fields.

Denka will aim to be an irreplaceable company for society, which creates a better world for all through work it can perform better than anybody, using the SDGs as a compass.

(*) Thermally conductive sheet ("Denka Thermally Conductive Sheet")



<Denka Thermally Conductive Sheet>

<Image of Application (Semiconductor Device/Transistor)>

Sheet with excellent insulation and thermal conductivity functions owing to its highly filled functional filler in silicone resin. It is used in a wide range of electronic devices, such as in-vehicle products and communication base stations, for its performance.

1. Outline of the investment

- Facilities in which the investment was made: Shibukawa plant (Shibukawa City, Gunma Prefecture)
 - Purposes of the investment: Transfer of production of thermally conductive sheets and enhancement of the production capacity
 - Investment: Approx. 1.7 billion yen (estimate)
 - Commencement of operation: First half of FY2024 (schedule)
- * This matter has no impact on consolidated financial results for FY2021.

2. Profile of Shibukawa Plant

- Location:
1135 Nakamura, Shibukawa City, Gunma Prefecture
- Number of employees: Approx. 500
- Production Items:

Highly Thermally Conductive Insulated Metal Substrate (Denka HITTPATE)

Thermally Conductive Materials (Denka Thermally Conductive Spacer, Denka Thermally Conductive Grease)

Electron Beam Sources (Denka LaB6 Cathode, Denka TFE, Denka L-MION)

Temporary adhesive tapes for semiconductor manufacturing process (ELEGRIIP)

Acrylate-Based Structural Adhesive (HARDLOC SGA)

Acrylate-Based Adhesive for Repair/Reinforcement (HARDLOC II)

UV Curable Adhesive (HARDLOC OP/UV)



3. Profile of Kyushu Plastic Industry Co., Ltd.

- Location: 209-1 Daiko, Naka, Tamana City, Kumamoto Prefecture
- Number of employees: Approx. 120
- Business: Manufacturing of synthetic resin products such as thermally conductive sheets, gutters and polyethylene underdrain pipes

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