

Denka to Increase High Performance Spherical Filler Production Line at Omuta Plant -Expanding Products for 5G and xEV and Strengthening Specialty Business Through Investment of 5 Billion Yen-



Omuta Plant -developing and producing high performance filler

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter "Denka") has decided to expand the next-generation high-performance spherical filler production line at its Omuta Plant (Omuta City, Fukuoka Prefecture) through strategic investment of 5 billion yen, with a view to accelerating the growth of the specialty business. In anticipation of rising demand for highly reliable semiconductors and other products to support high-speed large capacity mobile networks (5G) and electric vehicles (xEV), Denka will build a new production line to expand its production capacity for high performance spherical silica, spherical alumina and spherical magnesia.

Since its foundation in 1915, Denka has been improving the technologies for the processing of inorganic materials such as high-temperature firing, nitriding reactions and particle-size controlling. Using these core technologies, Denka produces various types of functional ceramics such as fused spherical silica, boron nitride, silicon nitride, spherical alumina and phosphors. These products have become sought after for use in a broad range of applications(*). For example, fused spherical silica is used in applications such as semiconductor sealing material and semiconductor packaging material due to its the low coefficient of thermal expansion, whilst spherical alumina boasts superior high thermal conductivity and is used as a heat dissipation material in a wide variety of automotive and communications-related applications

Through this latest strategic investment, Denka aims to turn these core technologies into high performance technologies and meet demand for high- performance filler in the medium and long-term with products such as low dielectric constant silica to meet low-loss requirements for 5G, fused spherical silica for miniaturized advanced semiconductor devices, and spherical magnesia which, together with spherical alumina, will support the increasingly important thermal management of electronic devices. Through the integration of sophisticated filler control technology and the expansion of its production facilities, Denka aims to make its products the de

facto standard in the high-performance field. In addition, Denka plans to utilize these production facilities to quickly meet needs which arise from further evolution beyond 5G (6G) and xEV.

Denka has positioned the environment and energy field, specifically 5G and xEV, as a priority field under its Denka Value-Up management plan and aims to achieve an operating profit of ¥22 billion in fiscal 2022 in this field. With the SDGs as its compass, Denka aims to be an irreplaceable company for society, creating a better world for all through work Denka can perform better than anybody.

(*) Automotive lithium ion batteries, automotive sensors (ADAS/LiDAR), 5G, IoT, etc.

< Main products in the environment and energy field >



1. Overview of the investment

- Target of investment: Omuta Plant (1 Shingai-cho, Omuta City, Fukuoka Prefecture)
- Details of investment: Expansion and construction of next-generation advanced spherical filler production facilities
- Amount of investment: 5 billion yen (estimate)

Reference:

- “Denka Receives "Semiconductor of the Year 2021" Award for Development of Denka Spherical Magnesia” June 17, 2021
https://www.denka.co.jp/eng/storage/news/pdf/350/20210617_denka_mgo_en.pdf
- “Production Capacity increase of Silicon Nitride and Strengthens Functional Ceramics Business”

November 5, 2020

https://www.denka.co.jp/eng/storage/news/pdf/305/20201105_denka_5g_xev_en.pdf

- “Denka Releases Advanced Ceramics, "Denka Spherical Magnesia" for 5G and xEV
— New thermal solution for strengthening the environmental and energy sectors”— October 9, 2020
https://www.denka.co.jp/eng/storage/news/pdf/302/20201009_denka_5g_xev_en.pdf

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