

Denka Increases Capacity to Produce TOYODRAIN Polyethylene Drainpipes through Strategic Investment of Approximately 2.3 Billion Yen



<TOYODRAIN polyethylene drainpipes>

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter, “Denka”) has decided to strategically invest approximately 2.3 billion yen in the acquisition of a new site in the city of Tamana in Kumamoto Prefecture to relocate manufacturing facilities and to introduce new equipment for increasing the supply capacity of TOYODRAIN polyethylene drainpipes currently manufactured at Kyushu Plastic Industry Co., Ltd. a subsidiary located in the aforesaid city.

Applications of polyethylene drainpipes are increasing each year for the purpose of collecting and draining groundwater from infrastructure construction projects. These products serve to develop social assets, for instance by improving the productivity of rice paddies through paddy enlargement*1 and multiple cropping*2, by implementing emergency flood control measures for rivers, and by aiding post-disaster recovery and disaster control through construction that builds national resilience, including expansion into four-lane expressways. As such, demand is expected to grow.

Since its release in 1967, the TOYODRAIN has long been adopted in many different domains and has a leading market share of at least 30% in Japan. It is manufactured at a total of three locations, specifically Kyushu Plastic Industry and Denka's Chiba Plant (Ichihara-shi, Chiba) and Bibai Plant (Bibai-shi, Hokkaido). By moving the manufacturing facilities of TOYODRAIN to a new site of Kyushu Plastic Industry and introducing new equipment, its production capacity will be about 60% larger than the current level and its stock capacity will be double or more. Its supply will thus be further stabilized.

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.

*1 Paddy enlargement: Integrating several rice paddies into a single larger-sized paddy, which paves the way for introducing large machines and increasing work efficiency

*2 Multiple-cropping (in paddies): Improving rice paddies in order to grow dry-field crops

◇ Examples of construction with the TOYODRAIN



<Farm field development>



<Land formation>

1. Outline of the investment

- Invested base : Kyushu Plastic Industry Co., Ltd. (Tamana-shi, Kumamoto)
- Purposes of the investment : Acquisition of a site, construction of a building, relocation of TOYODRAIN manufacturing facilities and introduction of new equipment
- New location : Tamana-shi Mitsukawa Industrial Park, Mitsukawa, Tamana-shi, Kumamoto
- Investment : Approx. 2.3 billion yen (estimate)
- Commencement of operation : First half of FY2025 (schedule)

* This matter has no impact on consolidated financial results for FY2022.

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

- Address : 209-1 Daiko, Naka, Tamana-shi, Kumamoto Prefecture
- Number of Employees : Approx. 120
- Representative Director and President : Fushii Yasuhito
- Capital : 20 million yen
- Business overview : Manufacturing of polyethylene drainpipes, rain gutters, thermally conductive sheets and other synthetic resin products

[For Inquiries about This Press Release from Media]

Corporate Communications Dept.

Tel: +81-3-5290-5511

[Contact for Inquiries from customers]

Environmental Materials Department, Elastomers & Infrastructure Solutions

Tel: +81-3-5290-5545