

## Denka Decides to Invest in Production Capacity Reinforcement of G47Δ, Oncolytic Herpes Simplex Virus Type 1 Product - A Strategic Investment of Approx. 12 Billion Yen to Meet Expected Growth in Demand -

Denka Company Limited (headquarters: Chuo-ku, Tokyo; President: Toshio Imai; hereinafter “Denka”) has decided to make a strategic investment of approximately 12 billion yen to strengthen the foundations of the G47Δ oncolytic herpes simplex virus type 1 business, which Denka considers as one of its key businesses.

G47Δ oncolytic herpes simplex virus type 1 product, which Denka manufactures, obtained a conditional and time-limited approval for manufacturing and marketing in June 2021, as a regenerative medicine product with malignant glioma (\*) as its indication, from the Ministry of Health, Labor and Welfare.

Since this product uses live viruses, its commercial production requires various state-of-the-art technologies and know-how, such as cultivating virus in large-scale, conducting adequate testing and so forth, which Denka has gained over the years through development and production of viral disease vaccines and reagents.

This investment is to add a new manufacturing facility in Gosen Site, Denka’s home of healthcare business (Gosen-shi, Niigata). Based on experience and achievement through process development of this product, Denka also intends, using this new facility together with the existing one, to actively increase its presence as a CDMO in the market, particularly in various pharmaceutical fields.

Under Mission 2030, Denka’s new 8-year business strategy starting this year, the company plans to strategically invest as much as 70 billion yen in the healthcare segment, and this 12 billion will be one of the cores.

Denka will continue to contribute to people’s lives and society by its world-class expertise in chemistry, aiming to achieve its Purpose: Make the world a better place as specialists in chemistry.

### Overview of the investment

- Invested Site: Gosen Site Niigata Plant (Gosen-shi, Niigata)
- Invested Amount: Approx. 12 billion yen (estimate)
- Main Missions: Reinforcement of production facilities and renovation of existing production buildings
- Scheduled Completion: Phase 1: End of FY2025, Phase 2: Second half of FY2027

\*The impact of this project on Denka’s FY2023 consolidated financial results will be minor.

### Reference: Overview of Gosen Site (Kagamida Plant and Niigata Plant)

- Kagamida Plant : 1359-1, Kagamida, Kigoshi, Gosen-shi, Niigata
- Niigata Plant : 1-2-2, Minami-hon-cho, Gosen-shi, Niigata

- Manufactured items: Antigen test kits (COVID-19, influenza viruses, RS virus, etc.)

Reagents for immunoserological tests, reagents for clinical chemical tests, bacterial test reagents, virus test reagents, etc.

Influenza vaccines, tetanus toxoid, oncolytic virus

- Number of employees: Approx. 850 (total employees at Gosen Site)

\* Malignant glioma

Malignant glioma refers to highly malignant grade III and IV gliomas among primary brain tumors that occur in glial cells, which support the function of nerve cells. The annual number of new cases in Japan is estimated to be around 2,800.

[For Inquiries about This Press Release from Media]

Corporate Communications Dept.      Tel: +81-3-5290-5511

[For Inquiries about This Press Release from Medical Institutions]

Viral Pharmaceutical Dept., Life Innovation Tel: +81-3-5290-5523