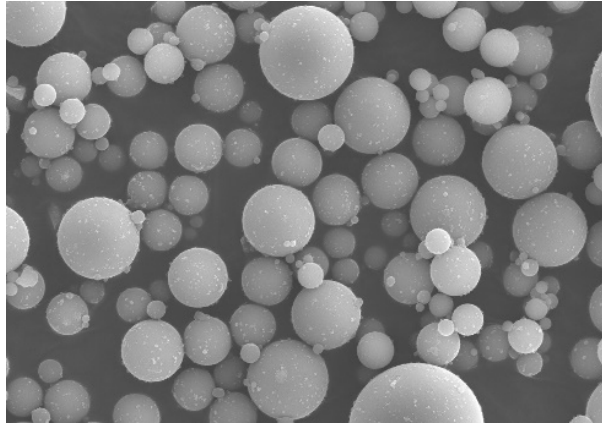


Denka Enhances Spherical Silica Production Line in Singapore Increasing production capacity by 30% for further growth in the environment and energy field



<Spherical Silica (enlarged view)>

Denka Company Limited (Headquarters: Chuo-ku, Tokyo; President: Toshio Imai; hereinafter, "Denka") has decided to undertake a strategic investment in spherical silica at Tuas Plant of Denka Advantech Pte. Ltd. (DAPL), Denka's consolidated subsidiary in Singapore, and increase the group's production capacity by approximately 30% for further growth in the environment and energy field.

With the advantages of high insulation property and low thermal expansion property, Denka's spherical silica is used as a semiconductor encapsulation material, semiconductor package substrate, and filling material for various resins. Demand for the silica has been increasing in recent years with the acceleration and increased capacity of data communication (5G) and automotive electrification (xEV).

Denka is a leading manufacturer of this spherical silica, with a global market share of approximately 30 percent, and has two production sites: Omuta Plant (Omuta city, Fukuoka) and Singapore. To respond to booming demand in the future, Denka will bolster the production line in Singapore and establish a system for stable supply over the medium to long term.

In October last year, Denka decided to expand the next-generation high performance spherical filler production line, including spherical silica, at Omuta Plant and will undertake strategic investments that will realize product lineups that are available in various advanced and highly reliable fields. Through this strategic investment in Singapore in addition to Omuta, Denka will further strengthen BCP in the dual-base production system and accelerate its business expansion to advanced and high-reliable fields.

Denka positions the environment and energy field, specifically xEV and 5G, as a priority field under its Denka Value-Up medium-term management plan.

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. Outline of the investment

- Invested base: Tuas Plant, Singapore

(Denka Advantech Pte. Ltd. Tuas Plant, 11A Tuas Avenue 20, Singapore 638823)

- Purposes of the investment: Expansion of a spherical silica production line
- Completion period: scheduled for 2024

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

2. Spherical silica

This high sphericity silica is developed by spheroidizing its materials using Denka's proprietary high temperature melting technologies and features superior electrical insulation and low thermal expansion properties. This product supports a variety of particle size distributions and is available for a broad range of applications, including semiconductor encapsulation materials, semiconductor package substrate, and filling materials for various resins.

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