SHINAGAWA REFRA

News Release
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For Immediate Release

SHINAGAWA REFRA: Strengthening Supply Capabilities by Expanding Capacity at Domestic Production Sites

SHINAGAWA REFRA (hereinafter the Company) has decided to make capital investments to expand production capacity at its domestic manufacturing sites, including those of its group companies, in order to meet growing demand in expanding markets, particularly in the semiconductor-related sector.

Through this investment, the Company will enhance its firing and precision machining capabilities for fine ceramic components used in semiconductor manufacturing equipment. Additionally, at its group company, Isolite Industries Co., Ltd. (hereinafter “Isolite Industries”), the Company will expand production capacity for high-performance thermal insulation materials, for which demand is growing in cutting-edge industrial sectors, including the semiconductor industry. Through these measures, the Company aims to capitalize the demand in these growing markets and further strengthen its supply system.

1. Background of Capital Expenditures

Driven in part by the widespread adoption of AI, demand for fine ceramics used in semiconductor manufacturing equipment is increasing. At the Company as well, demand for high-precision machined fine ceramic parts is growing, and we are proceeding with plans to expand our production capacity to meet this demand.

Furthermore, in cutting-edge industries, particularly those related to semiconductors, demand is growing for high-performance thermal insulation materials used in the high-temperature environments of production processes. To meet this growing

demand and ensure a stable supply of high-quality products, Isolite Industries will expand its production capacity for these products.

Our Group views these changes in the market environment as opportunities for growth and will continue to strengthen our production infrastructure.

2. Overview of Capital Expenditures

Sectors and Business Units	Investment Areas	Investment Details	Main Purpose	Amount
Advanced Device & Materials Sector, Fine Ceramics Business Div.	Bizen Plant	High-Temperature Kiln Expansion	Expansion of Firing Capacity for Ceramics Used in Semiconductor Manufacturing Equipment	Approx. 200 million yen
	Setouchi Plant	Installation of New High-Precision Machining Equipment	Expanding High-Precision Machining Capabilities for Ceramics Used in Semiconductor Manufacturing Equipment	Approx. 300 million yen
Insulation Sector	Isolite Industries	Expansion of PCW* Molding and Firing Facilities	Expansion of Production Capacity for High-Performance Insulation Materials	Approx. 350 million yen

*PCW (Polycrystalline Wool): A synthetic mineral fiber composed primarily of alumina that offers excellent heat resistance; it is used as insulation in industrial furnaces and other applications in high-temperature environments.

3. Details of Each Capital Investment

(1) Advanced Device & Materials Sector: Expansion of Production Capacity in the Fine Ceramics Business Division

In the Fine Ceramics Business Division of the Advanced Device & Material Sector, we will expand production capacity at the Bizen and Setouchi Plants to meet growing demand for fine ceramic components used in semiconductor manufacturing equipment.

i. Installation of an Additional High-Temperature Firing Shuttle Furnace at the Bizen Plant

At the Bizen Plant, we will install an additional high-temperature firing shuttle furnace to meet growing demand for fine ceramics, primarily for semiconductor manufacturing equipment. This will double our firing capacity and strengthen our stable supply system. The investment amounts to approximately 200 million yen, with operations scheduled to begin in July 2027.

ii. Installation of New High-Precision Machining Equipment at the Setouchi Plant

Anticipating increased demand for high-precision machined parts for semiconductor manufacturing equipment, we will install precision machining equipment at the Setouchi Plant. This will secure production and supply capacity while promoting in-house manufacturing to strengthen our technological and production infrastructure. The investment amounts to approximately 300 million yen, with operations scheduled to begin in April 2027.

(2) Thermal Insulation Materials Sector: Expansion of PCW Production Capacity at Isolite Industries

Isolite Industries will expand its molding and sintering facilities for PCW molded products to meet the growing demand for high-performance thermal insulation materials in cutting-edge industries, particularly in the semiconductor sector. This investment will significantly increase production capacity for PCW molded products, enabling the company to meet expanding demand and strengthen its stable supply system. The investment amount is approximately 350 million yen, with operations scheduled to begin in July 2027.

4. Future Outlook

Leveraging our strengths in materials, manufacturing, and processing technologies for ceramics (including refractories, thermal insulation materials, and fine ceramics), our Group is not only strengthening the competitiveness of our existing businesses but also expanding into growing markets, particularly in the semiconductor-related sector.

Moving forward, we will continue to closely monitor changes in the market environment and customer needs, and by investing in facilities in fields with high growth potential, we aim to strengthen our production base and establish a stable supply system, thereby driving sustainable growth.