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August 18, 2026

Expansion of Production Capacity for Barium Titanate

Expanding Production Capacity for Barium Titanate to Meet Growing Demand for High-Performance MLCCs in the AI Era

Nippon Chemical Industrial Co., Ltd. has decided to expand production facilities for barium titanate at the Fukushima No.1 Factory (Koriyama City, Fukushima Prefecture).

Through this expansion, we will enhance our supply capacity for barium titanate and respond to growing demand in the high-performance MLCC market, particularly for AI data center applications.

◆ Background of the Expansion of Production Facilities for Barium Titanate

Barium titanate is used as a dielectric material for multilayer ceramic capacitors (MLCCs). In recent years, driven by the widespread adoption of generative AI and the expansion of the AI data center market, demand for high-performance MLCCs used in AI servers, high-speed networking equipment, and related electronic devices has been increasing worldwide. The MLCC market is expected to continue growing, with AI server-related applications anticipated to be a key driver of market expansion.

For many years, we have been engaged in research and development of barium titanate materials and have established proprietary technological capabilities, including fine-particle synthesis and particle size control technologies. In recent years, we have been developing products for high-performance MLCC applications, including those for AI servers, and adoption by customers in Japan and overseas has been expanding.

This capacity expansion is intended to respond to growing demand and further strengthen our stable supply system. In anticipation of market growth and the medium- to long-term expansion of customer demand, we are also advancing initiatives to expand production capacity, enhance manufacturing infrastructure, and strengthen the resilience of the overall supply chain.

As a result of this capacity expansion, our capability to meet demand for AI server-related

applications within our Electronic Ceramic Materials business is expected to increase by approximately 1.5 times compared with the current level. This estimate includes both barium titanate and high-purity barium carbonate, a raw material used in the production of barium titanate.

Barium titanate is one of our key strategic products based on the materials technologies that we have cultivated over many years. Through both innovation driven by research and development and continuous investment in our production foundation, we will fulfill our responsibility as a reliable supplier to the expanding AI server-related and electronic components markets, while aiming for sustainable growth and enhancement of corporate value over the medium and long term.

◆Overview of the Expansion

- (1) Factory location: Koriyama City, Fukushima Prefecture
(Fukushima No.1 Factory, Nippon Chemical Industrial Co., Ltd.)
- (2) Expansion of production facilities for barium titanate
- (3) Scheduled completion of expansion: Fiscal 2027
- (4) Scheduled start of operation: Fiscal 2027