

MARSHALING SOME OF THE WORLD'S MOST SOPHISTICATED TECHNOLOGY, KANEKA CONTINUES TO STRENGTHEN ITS COMPETITIVE POSITION

Plans to increase production capacity to 130MW

Production capacity in thin-film silicon PV modules more than doubled to 130MW per year

- © Kaneka Corporation (Headquarters: Osaka; President: Masami Onishi), having increased production capacity as planned at Kaneka Solartech Co., Ltd. , a wholly owned subsidiary of Kaneka, to 55 megawatts (55MW) by spring 2007, is now aiming to raise the capacity to 70MW by fall 2008. Total capital investment in the project is ¥2 billion.

Moreover, in response to overwhelming demand, the Company is considering a plan to boost production capacity to 130MW by 2010. The capital investment required, including for incidental facilities, is estimated at ¥10 billion.

- © The world demand of photovoltaic-industry market exceeded the 1000MW mark in 2004, as PV is recognized as a valuable new energy source that is effective in carbon-dioxide reduction and other environmental measures. The global PV production has continue to grow 20–25% per year, and is expected to exceed 3000MW by 2010.

Especially in Europe, attractive feed-in tariff system has been adopted widespread in about 20 countries, including Germany, Spain and Italy. And the European market has grown to represent 50% of the global share. Also in Japan, PV system is applied to residential and industrial applications.

Examination of possible new processing facilities

- © As it expands its production facilities, Kaneka also increases capacity at its module-assembling factories. At its existing facility in the Czech Republic, the Company plans to increase production capacity to 30MW from the current 20MW in 2008.

To supply the expected increase in demand in North America and Southeast Asia, Kaneka is considering opening module-assembling factories in Vietnam and Mexico, among others.

- © PV makers the world over are striving to ramp up production as demand soars. Competition to obtain the poly-silicon materials required for crystalline PV modules is intensifying as a result. Under these conditions, Kaneka is leveraging its advantage in New Hybrid PV modules to apply this technology as widely as possible and drive the expansion of its market share, applying its products to free-land applications, roof applications and building-façade applications. In this way Kaneka bolsters its competitive position in thin-film silicon PV modules as the top manufacturer.