

December 17, 2025

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Notice Concerning the Decision to Expand Silica Gel Manufacturing Facilities

OSAKA SODA Co., Ltd. (the "Company") hereby announces that, at a meeting of the Board of Directors held on December 17, 2025, it resolved to expand the silica gel production facilities at both the Amagasaki and Matsuyama plants to meet the growing demand for silica gel used in pharmaceutical purification. This expansion is projected to increase the production capacity to approximately twice the current level by February 2028.

The Company's silica gel, which holds approximately 70% of the global market share in this field, is widely used in the analysis and purification processes of pharmaceuticals. Demand has been expanding rapidly in recent years, driven by the growing need for diabetes medications and the development of new markets for obesity medications. In response, the Company invested over ¥5 billion to construct an additional production building at the Matsuyama plant and to accelerate the second phase of expansion at the Amagasaki plant by one year from the original schedule. As a result, the Company has completed the expansion of its production capacity to approximately double that of FY2023 by FY2025.

Furthermore, in light of large-scale capital investments by leading pharmaceutical companies in obesity medications, along with the rapid progress of late-stage entrants and biosimilar development in emerging markets such as China and India, the Company has revised its demand forecast for silica gel from FY2025 through FY2030 to reflect an average annual growth rate of approximately 20%. Based on this outlook, the Company anticipates that demand for silica gel will exceed current capacity around FY2028. Consequently, the Company has decided to implement a strategic investment totaling over ¥10 billion to expand silica gel production capacity to approximately twice the current level.

Through this series of expansion investments, the Company will strive to secure a stable supply system and strengthen its competitiveness in the global market, respond to the growing demand, particularly in the diabetes and obesity medication markets, and seek to contribute to the realization of a society that promotes health and longevity through its products.

【Outline of Facility Expansion】

Applicable Plants	Amagasaki Plant (11 Otakasu-cho, Amagasaki, Hyogo) Matsuyama Plant (77 Kitayoshida-cho, Matsuyama, Ehime)
Production Capacity	Approximately twice the current level
Investment Amount	Over ¥10 billion
Scheduled Completion	Amagasaki Plant : November 2027 (planned) Matsuyama Plant : February 2028 (planned)