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PRESS RELEASE

Number 1

WACKER Expands Production Capacity for Specialty Silicones in Asia

Munich/Tsukuba/Jincheon, January 23, 2025 – Wacker Chemie AG this week started up two new production facilities for specialty silicones in Japan and South Korea. The expansion strengthens the company's activities in the Asian growth market. The new plants, located in Tsukuba, Japan and in Jincheon, South Korea, will serve the growing demand from the automotive and construction industries for these products. In total, WACKER has invested an amount in the double digit million Euro range in the capacity expansions.

"With the expansion of our production facilities in Japan and South Korea, we are strengthening our position as a market and technology leader for high-quality silicone solutions in the important Asian growth market," said Christian Kirsten, WACKER Executive Board member responsible for the Group's silicones business, at the opening. "The additional capacity will help us meet growing demand, especially from the local automotive and construction industries. By doing so we continue to drive our specialties strategy in the silicones sector."

Asia is already one of WACKER's most important sales regions. "We generate more than 40 percent of our sales in Asia. Our business activities in Japan and South Korea are major contributors", emphasizes WACKER's executive board member Angela Wörl, who is

January 23, 2025 Press Release No. 1 Page 2 of 7

responsible for the Asia region. "The new production lines in Tsukuba and in Jincheon support our strategy to locate our manufacturing capabilities close to our customers in the region."

Tsukuba: Focus on E-Mobility

The capacity expansion at WACKER's production site in Tsukuba is targeting customers from the automotive industry, especially in the field of electromobility. The newly built plant hosts a production line for manufacturing silicone-based thermal interface materials (TIM). These materials are basically silicone elastomers that have been modified with various additives and fillers during compounding to render them thermally conductive.

Aside from the automotive industry, silicone-based TIM also serve as so called gap fillers in the electronics industry, where they provide effective thermal management of electrical components. The batteries in electric cars, for example, are embedded in silicone encapsulants. This ensures controlled dissipation of the heat generated during operation and protects the traction battery from overheating.

As part of the global trend towards electromobility, demand for such specialty silicones is also expected to increase in Asia. Japanese automotive suppliers are currently investing heavily in this sector. "The industry is looking for opportunities to improve the design and performance of battery powered vehicles. Silicones are materials that enable new and innovative solutions, ranging from hybrid cable systems and efficient thermal management to effective potting of power electronics and enhanced battery safety. Our production line in

January 23, 2025 Press Release No. 1

Page 3 of 7

Japan will enable us to better support growing demand for these highend silicones in the region," says WACKER Executive Board member Christian Kirsten.

WACKER produces silicone specialties in Tsukuba as part of the Wacker Asahikasei Silicone (AWS) joint venture founded in 1999. Here, the group also operates a technical center and a training center for silicone applications.

Capacity Expansion in South Korea: Silicone Sealants for the Construction Industry

WACKER also expanded its production capacity at its South Korean site in Jincheon. Here, the company has been producing silicone sealants for the construction industry since 2010 and specialty silicones, liquid silicone rubbers and silicone elastomers for the automotive and electrical industries since 2012. The products are shipped to customers throughout Asia.

The silicone sealants production had already been expanded as part of the site's relocation in 2018. However, increasing demand for sealants put the plant to its limits. The new production line will increase production capacity in Jincheon significantly. "This investment will play a key role in ensuring that we can meet the growing demand in Asia in the long term," says WACKER Executive Board member Christian Kirsten. "With this step, we are further expanding our position as a market leader for high-quality silicone sealants in Asia. Jincheon now operates one of the largest, most modern and most efficient silicone sealant production sites in Asia."

January 23, 2025 Press Release No. 1

Page 4 of 7

About WACKER SILICONES

WACKER SILICONES is one of the largest silicone manufacturers worldwide with over 2,800 highly specialized and innovative products. The division's portfolio ranges from silicone fluids, emulsions, resins, elastomers and sealants to silanes, silane-terminated polymers and pyrogenic silica. These stand out due to their significant value-adding potential – enhancing both the benefits and performance of customers' end products. WACKER SILICONES' products find application in such sectors as automotive engineering, construction, chemicals, cosmetics, medical technology, energy and electronics, and paper and textiles.

Specialty silicones from WACKER are used in all kinds of applications. This is especially true for applications related to global megatrends such as e-mobility, digitalization and sustainable construction. They are especially needed where conventional materials fail to meet the high and ever-increasing requirements.

January 23, 2025 Press Release No. 1 Page 5 of 7



In Tsukuba, Japan, WACKER has started up a new production line for silicone-based thermal interface materials (TIM). Such products are used in electromobility as heat-dissipating gap fillers for cooling power electronics and traction batteries. (photo: WACKER)



WACKER has been manufacturing silicone sealants for the Asian market in Jincheon, Korea, since 2010. Now, another production line has gone into operation. (photo: WACKER)



Silicone-based thermal interface materials (TIM) from WACKER are used in the automotive and electronics industries as gap fillers for thermal management, among other applications. Now, the group also produces these silicone specialties in Japan. (photo: WACKER)

Photos available at: http://www.wacker.com/presseinformationen

January 23, 2025

Press Release No. 1

Page 7 of 7

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The Company in Brief:

WACKER is a global company with state-of-the-art specialty chemical products found in countless everyday items, ranging from tile adhesives to computer chips. The company has a global network of 27 production sites, 22 technical competence centers and 48 sales offices. With around 16,400 employees, WACKER generated annual sales of around €6.4 billion in fiscal 2023.

WACKER operates through four business divisions. The chemical divisions WACKER SILICONES and WACKER POLYMERS supply products (silicones, polymeric binders) for the automotive, construction, chemical, consumer goods and medical technology industries. WACKER BIOSOLUTIONS, the life sciences division, specializes in bioengineered products such as biopharmaceuticals and food additives. WACKER POLYSILICON produces hyperpure polysilicon for the semiconductor and photovoltaic industries.