

Denso announces strategic minority investment in Silicon Carbide LLC

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Coherent and Denso expand partnership to meet growing demand for SiC in power electronics, driven by EV market growth

According to a press release on October 10, Denso has invested \$500 million in Silicon Carbide LLC, a subsidiary of Coherent Corp. focused on Silicon Carbide (SiC) wafer manufacturing. This investment will ensure a long-term stable procurement of high-quality SiC wafers to enhance the competitiveness of Denso's electrification components, particularly inverter devices used in battery-electric vehicles (BEVs). With this equity investment, Denso will hold a 12.5% stake in Silicon Carbide LLC.



Source: Getty Images

Coherent's Vincent D. Mattera Jr., chair and CEO, stated that the company is excited to expand its strategic partnership with Denso to capitalize on the growing demand for SiC. After evaluating various strategic options, Coherent determined that creating a separate subsidiary and investments from Denso were the best way to maximize shareholder value and position the business for long-term growth. The investments will be used to accelerate capacity expansion plans and ensure a robust and scalable supply for the rapidly growing market for SiC-based power electronics, primarily driven by the rapid growth of the global electric vehicle market.

Denso aims to contribute to the realization of a carbon-neutral society by promoting the widespread adoption of electrified products globally. This investment aligns with the company's strategy to enhance its competitiveness in the electrification market through the use of advanced materials such as SiC.

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