

Denka Enters into Agreement with SCG Chemicals to Establish a Joint Venture for Acetylene Black Manufacturing and Sales Business

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president and CEO: Toshio Imai; hereafter, "Denka") entered into an agreement on the establishment of a joint venture company to operate an acetylene black manufacturing and sales business with SCG Chemicals Public Company Limited (headquarters: Bangkok, Thailand; CEO and President: Tanawong Areeratchakul; hereinafter, "SCGC") on October 18, and held a signing ceremony on the same day.



Scene from the signing ceremony held in Thailand on October 18

Denka's acetylene black products (DENKA BLACK[®] and DENKA BLACK Li: hereafter, DENKA BLACK[®] / Li) are types of carbon black conductive material, and are manufactured through the thermal decomposition of acetylene gas. Through Denka's proprietary thermal decomposition and synthesis technologies, the carbon black that is produced is extremely low in sulfur, metals and other impurities, achieves high purity and excellent conductivity. DENKA BLACK[®] / Li is used in applications such as xEV lithium ion batteries and high-voltage power transmission cables for offshore wind power generation, and demand has expanded rapidly in recent years.

Denka currently manufactures acetylene black at a total of three sites in Japan and overseas, but has been planned to establish a new manufacturing site for some time as a measure to meet the sharp increase in demand. SCGC is a subsidiary of Siam Cement Public Company Limited, one of the major conglomerates in Asia, and a leading integrated chemical company in ASEAN. In establishing this joint venture that combines SCGC's extensive and stable raw materials supply capabilities with Denka's high-purity acetylene black manufacturing technologies and sales network, we will strive to further improve our production and sales capabilities.

The manufacturing facilities to be jointly launched by Denka and SCGC following the establishment of the joint venture are expected to have an annual production capacity of approximately 11,000 tons, when production expected to start at the beginning of 2025. Details about the new company will be announced once finalized after further consultation with SCGC.

Denka has positioned the environment and energy field, in particular xEVs and 5G, as one of the key fields in its business strategy. Denka will aim to be an irreplaceable company for society, which creates a better world for all through work it can perform better than anybody, using the SDGs as a compass.

1, Overview of SCG Chemicals (As of December, 2021)

Company name	: SCG Chemicals Public Company Limited
Headquarters	: 1 Siam Cement Road, Bang Sue, Bangkok, 10800 Thailand
Representative	: Tanawong Areeratchakul
Established	: November 1, 1983
Paid-up share capital	: 114,453 million Baht
Number of employees (consolidated)	: 8,325
Lines of Business	: 1) Olefins Chain in Thailand – Upstream and Downstream 2) Vinyl Chain – PVC resins, PVC compound and PVC finished products 3) Other businesses – Oversea Olefins chain, Recycling business, and Services and solution business
Website	: https://www.scgchemicals.com

2, Outline of the joint venture

Location	: Rayong Province, Thailand
Business	: Production and sales of acetylene black
Investment ratio	: Denka 60 percent, SCGC 40 percent

Note: Although Denka and SCGC have reached accord on the above, specifics such as the company name and president are to be determined through further discussion between the two companies.



Acetylene black: DENKA BLACK®

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