

Notice Regarding Establishment of Joint Venture Company to Manufacture and Sell Acetylene Black and Investment in Construction of Production Plant

Denka Company Limited (headquarters: Chuo-ku, Tokyo; president: Toshio Imai; hereinafter, “Denka”) hereby announces that Denka has decided today to establish a joint venture company to operate a business manufacturing and selling acetylene black jointly with SCG Chemicals Public Company Limited (headquarters: Bangkok, Thailand; president: Tanawong Areeratchakul; hereinafter, “SCGC”), a wholly owned subsidiary of The Siam Cement Public Company Limited, listed company in Thailand and to construct a plant for the production of acetylene black in Map Ta Phut, Rayong Province, Thailand, as follows. Decision-making by SCGC’s governing body is a condition precedent to the above decision and the decision-making by SCGC is planned to take place within 2023.

The joint venture company will be established for the purpose of improving production and sales systems for Denka’s acetylene black (DENKA BLACK[®] and DENKA BLACK Li; hereafter, DENKA BLACK[®]/Li), a type of carbon black. In addition to its superior conductivity, DENKA BLACK[®]/Li has very low amounts of metal, sulfur and other impurities due to Denka’s proprietary thermal decomposition and synthesis technology. It is used in the lithium-ion batteries of xEVs and the high-voltage power transmission cables of offshore wind farms, and it is anticipated that the demand related to these applications is expected to expand further in the future. In our “Mission 2030” management plan, Denka also positions DENKA BLACK[®]/Li as a key product in the “ICT & Energy” focus area.

Denka’s acetylene black is currently manufactured in three locations in and outside Japan. By establishing a new manufacturing base and constructing a plant with an annual production capacity of approximately 11,000 tons in Thailand, Denka will increase the stability of the supply of DENKA BLACK[®]/Li.

Denka continues to contribute to people's lives and the society through the chemistry we can be proud of to the world for the purpose of “Make the world a better place as specialists in chemistry.”

1. Outline of the Joint Venture

(1) Company name	Denka SCGC Advanced Materials Co., Ltd
(2) Address	RIL Industrial Estate, 88 Rayong Highway 3191, Map Ta Phut, Muang District, Rayong Province
(3) Representative	Hiroto Horiuchi
(4) Business description	Manufacturing and sale of acetylene black
(5) Capital	200 million U.S. dollars
(6) Shareholders	Denka Company Limited 25% Denka Chemicals Holdings Asia Pacific Pte. Ltd. 35% SCG Chemicals Public Company Limited 40% *Denka Chemicals Holdings Asia Pacific Pte. Ltd. is a wholly owned subsidiary of Denka.
(7) Date of Foundation	Within 2023 (planned)

2. Outline of the Investment

(1) Investment details	Denka SCGC Advanced Materials Co., Ltd will establish a company that manufactures and sells acetylene black, and a plant for the extraction and purification of acetylene and the production of acetylene black will be constructed in Rayong Province, Thailand.
(2) Address	Map Ta Phut, Rayong Province, Thailand
(3) Amount invested	400 million U.S. dollars
(4) Completion	First half of 2026 (planned)
(5) Date operations will commence	Second half of 2026 (planned)

3. Schedule

(1) Date of resolution by SCGC's Board of Directors	Within 2023 (planned)
(2) Date of establishment of joint venture	Within 2023 (planned)

Reference: Previous press release related to the announcement (on Denka's website)

- October 20, 2022 "Denka Enters into Agreement with SCG Chemicals to Establish a Joint Venture for Acetylene Black Manufacturing and Sales Business"

https://www.denka.co.jp/eng/storage/news/pdf/420/20221020_denka_abjva_en.pdf

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