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## DENKA to Establish a New Production Facility for Ultra-Pure Acetylene Black

DENKI KAGAKU KOGYO KABUSHIKI KAISHA (DENKA)

DENKA (president: Shinsuke Yoshitaka) has been operating production facilities for DENKA BLACK (acetylene black), a type of electro-conductive carbon black that boasts high purity, at its Omuta Plant (Omuta City, Fukuoka Prefecture) and its Merbau Plant (Singapore). We hereby announce that we have decided to expand production and commenced the construction of a new acetylene black production facility at our Chiba Plant (Ichihara City, Chiba Prefecture).

DENKA BLACK is used in high-voltage power transmission cables and conductive silicone as well as in various conductive agents for batteries. It has been widely adopted as a cathode conductive agent for lithium ion batteries (LiBs).

The production of conductive agents for LiB applications requires eradicating impurities, especially metallic substances, to the greatest possible extent. The new plant will be dedicated to the production of ultra-pure DENKA BLACK for the next-generation LiBs and will boast considerably greater product quality than the existing two facilities. Looking ahead, we will strive to provide DENKA BLACK products that meet the highest global quality standards for conductive agents, thereby further contributing to such fields as car-mounted LiBs. Accordingly, we will continue to solidify our DENKA BLACK production network to ensure not only sufficient supply but also superior quality.

DENKA is promoting the DENKA100 management plan (for details, please see the press release dated April 10, 2013). With "Focus management resources on new growth drivers and develop next-generation products" as one of its growth strategies, this plan focuses on four priority fields, namely: the environment, energy, infrastructure and healthcare. Taking the above into consideration, DENKA has decided to establish a new production facility for ultra-pure DENKA BLACK at its Chiba Plant while withdrawing from the vinyl acetate monomer business with the aim of further improving its profit structure. In such ways, DENKA is concentrating its management resources in selected businesses.

In addition, DENKA has obtained approval for the Domestic Business Location Promotion Project Subsidy, given by Japan's Ministry of Economy, Trade and Industry, to raise funds for the construction of the new production facility. The facility outline is as follows.

Initial investment: More than ¥3 billion Production capacity: 5,500 to 6,000 tons/year

Launch of operations: The commencement of trial operations is scheduled

for April 2015

Others: Acetylene, a raw material for DENKA BLACK, will be supplied

by Maruzen Petrochemical Co., Ltd., which has production

facility at the vicinity of DENKA's Chiba Plant

For the detailed product information on DENKA BLACK, please visit our website:

http://www.denka.co.jp/eng/organic/product/organic/detail 002721.html

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