**SCGC and Denka Join Forces to Drive Production of Acetylene Black for EV Battery Value Chain, an Emerging Megatrend, to Meet Global Market Demand**



**18 October 2022 – SCG Chemicals Public Company Limited or SCGC has inked a joint venture agreement with Denka Company Limited or Denka, Japan. The joint venture was established to operate an acetylene black manufacturing business in the province of Rayong. The production capacity will be approximately 11,000 tonnes annually and is expected to commence by early 2025. Denka's acetylene black is a unique type of carbon black with high purity and electrical conductivity. It is primarily used as a component in the production of lithium-ion rechargeable batteries for electric vehicles (EVs), in addition to being employed in applications for high-voltage transmission cables to generate electricity from offshore wind power, for which market demand is rising. This joint venture will help propel SCGC's business strategy, which is centered on creating High Value-Added Products & Services (HVA) in response to future megatrends and customer needs.** **The joint venture agreement was signed by Tanawong Areeratchakul, CEO and President of SCG Chemicals or SCGC, and Toshio Imai, President and CEO of Denka Company Limited. The signing ceremony was witnessed by Roongrote Rangsiyopash, President and CEO of SCG. Through this joint venture, SCGC will hold 40% of the shares while Denka will hold the remaining 60%.**

SCGC aims to become a leading integrated chemical player, with its main business being producing plastic resins or polymers that can be molded into consumer goods. In addition, it enters into other related businesses, including clean energy solutions and industrial innovations, with a business strategy aimed at upgrading the High Value-Added Products & Services (HVA) alongside offering products that meet megatrends, which is anticipated to expand with consumer usage in five key industries: infrastructure, consumable packaging, health and well-being, energy solutions, and automotive.



**Tanawong Areeratchakul, CEO and President of SCG Chemicals or SCGC,**said, "Both SCGC and Denka lay a focus on doing business alongside environmental stewardship. Establishing this joint venture is a stabilizing factor in SCGC's continued growth. The joint venture with Denka underlines SCGC's corporate objectives, which include responding to megatrends and promoting the use of electric vehicles that are more environmentally friendly. It also exhibits the ability to be a successful strategic partner and receives constant recognition from global partners."



**Toshio Imai, President and CEO of Denka Company Limited**, said,"Denka placed a significant emphasis on operating healthcare business, energy and environmental businesses, particularly in the areas of EV and 5G, which are among the company's primary strategies, while SCGC operates chemical business in Thailand with the aim of becoming a leading integrated chemical player in ASEAN.This joint venture combines the excellent raw material sourcing and petrochemical plant management capabilities of SCGC with those of Denka, a leading global manufacturer of acetylene black with unique technology, extensive distribution channels, and a strong network.Importantly, this joint venture will help expand the electric vehicle battery production industry, which is expected to increase in the future."



Denka is a company with over 100 years of history in Japan. Denka currently manufactures acetylene black at three plants in Japan and abroad. The advantage of Denka's acetylene black is that it is a carbon black produced through the continuous thermal decomposition of acetylene gas. The carbon black produced by Denka's proprietary degradation and thermal synthesis technology is highly pure and has excellent electrical conductivity. It can be utilized in lithium-ion batteries, electric vehicles, and high-voltage transmission cables.

Following the formation of a joint venture, the production facilities of Denka and SCGC will be launched concurrently. It has initially set an annual output target of around 11,000 tonnes, with production anticipated to begin in early 2025. Details of this investment is expected in early 2023, once the final investment decision (FID) has been made.

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**About SCGC**

SCG Chemicals or SCGC is a leading integrated chemical player in ASEAN with strategic bases in Vietnam, Indonesia, and Thailand, offering a full range of petrochemical products ranging from upstream production of olefins to downstream production of 3 main plastics resins: polyethylene, polypropylene, and polyvinyl chloride.

SCGC focuses on inventing "Innovation That's Real" to drive the ASEAN economy and elevate the quality of life in accordance with ESG and circular economy. SCGC develops technology and innovation toward HVAs in infrastructure, consumable packaging, automotive, health and well-being, and energy solutions.

**For more information:** [www.scgchemicals.com](http://www.scgchemicals.com)

**About Denka**

Denka is Japan's leading chemical company, and it has developed technologies that can be used to create a range of products that meet the needs of consumers. In addition, it provides innovations necessary for the modern world, such as innovations for 5G communications, electric vehicles, renewable energy, semiconductors, additives for lithium-ion batteries, etc. Denka is also promoting ESG management and carbon neutrality with the SDGs as our compass.

Denka was founded on 1915, with headquarters in Japan, and has plants in Singapore, China, Vietnam, Malaysia, and the United States, promoting the structure of the global production and supply system. It employs over 6,000 people at present.

**For more information:**<https://www.denka.co.jp/eng/>