

October 12, 2016

DIC Corporation

Sun Chemical to Expand Production Capacity for Aluminum Powders and Pastes Manufactured and Sold for Use in AAC

Tokyo, Japan—DIC announced that it has resolved to expand wholly owned subsidiary Sun Chemical Corporation's production capacity for aluminum powders and pastes used as foaming agents in autoclaved aerated concrete (AAC). Aluminum materials are among a wide range of special effect pigments manufactured and sold by Sun Chemical under the Benda-Lutz® brand name.

Sun Chemical currently manufactures aluminum powders and pastes, particularly for use in AAC, at two plants, located in Poland and Russia, and will increase capacity at both to accommodate rising global demand. The company will invest a total of approximately ¥1.5 billion, with work to be carried out incrementally beginning in 2017, and aims to boost the combined capacity of these facilities to 1.7 times the current level by 2019.

AAC is a highly porous concrete building material produced by mixing alkaline components such as cement and calcium hydroxide, with an aluminum material. Hydrogen gas resulting from the chemical reaction that takes place between the alkaline components and the aluminum causes air bubbles to form throughout. AAC's excellent fire resistance, thermal and acoustic insulating properties, workability and lightness makes it suitable for a broad range of construction applications, including houses, high-rise buildings, electric power plants, retaining walls for transportation infrastructure, roofing and floor panels. Because it is recyclable and its manufacture emits no volatile organic compounds (VOCs), AAC is also the ideal green building material. The global market for AAC, led by Europe, the Middle East and Asia, continues to see annual growth in the area of 7%–8%, a trend that is expected to persist for the foreseeable future.

Since acquiring Benda-Lutz Werke GmbH, a leading manufacturer of aluminum powders and pastes, in 2012, Sun Chemical has significantly increased its sales of functional pigments for use in AAC, as well as in coatings and printing inks. The DIC Group's current medium-term management plan, DIC108, positions effect pigments as a business that will drive growth. Accordingly, the Group will work to transform effect pigments into a key pillar of its overall pigments business along with pigments for cosmetics and for color filters.

Looking ahead, the DIC Group will continue working to extend its share of the global market for aluminum powders and pastes for use in AAC, as well as enhance its presence in the markets for such products for coatings, printing inks and other high-end applications. The Group will also capitalize on its collective strengths to develop new products and cultivate new applications with the aim of doubling its annual sales of effect pigments by 2020.



Plant for aluminum powders and pastes used in AAC (Poland)

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