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Japan Composite Co., Ltd.

Acquisition of DIC Kako's SMC and Molding Operations

Strengthening SMC business and fiber-reinforced composite materials

Japan Composite Co., Ltd. (Tokyo, Japan; President: KAMO Hideyuki; owned 65 percent by Mitsui Chemicals, Inc. and 35 percent by Nippon Shokubai Co., Ltd.) has agreed to acquire the sheet molding compound (SMC) and molding operations of DIC Kako Inc. (Chiba, Japan; President: KASAI Nobutoshi). The two companies signed the contract for the deal on August 3, 2020. The business acquired will be JC Kako Co., Ltd. and is due to begin operating on December 1, 2020.

■ Enhancing the SMC business to meet renovation demand and automotive needs

A compound of unsaturated polyester resin mixed with filler and glass fiber before being rolled into sheets, SMC offers strength and a resistance to hot and cold water means that give it use in a wide range of applications, including automobiles and household amenities such as kitchens, toilets and baths. The expansion in demand for housing renovation has given rise to a growing need for high-performance SMC offering a premium design finish. In the automotive sector, meanwhile, the shift to electric vehicles and the need to reduce vehicle weight is driving rising demand for structural parts and other exterior applications that take advantage of SMC's outstanding heat resistance, strength and dimensional stability.

■ Boosting SMC production capacity by 70 percent

The incorporation of DIC Kako's SMC business will make for a dual-plant setup between Shimizu and Narita, boosting Japan Composite's SMC production capacity by 70 percent to 33,000 tons for a more stable, robust supply structure.

In addition, with the resultant integrated supply chain spanning the unsaturated polyester resin used as a raw material through to the SMC and its molding process, this will further enhance Japan Composite's ability to offer solutions to customers.

■ Using fiber-reinforced composite materials to strengthen the mobility solutions strategy

In view of strengthening the Mitsui Chemicals Group's Mobility Solutions strategy, Japan Composite will seek to enhance the global expansion of mobility applications for the fiber-reinforced composite material that is SMC by tapping into the group's various materials, technologies, molds and prototype support functions.

Reference 1: Company Profiles

	Japan Composite Co., Ltd.	DIC Kako Inc.
Head office	Chuo-ku, Tokyo	Tomisato, Chiba Prefecture
Representative	KAMO Hideyuki	KASAI Nobutoshi
Established	April 2003	June 1971
Composition of shares	Mitsui Chemicals: 65% Nippon Shokubai: 35%	DIC 100%
Stated capital	1,005 million yen	450 million yen
Employees	Approx. 150	Approx. 90
Business	Manufacture and sale of unsaturated polyester resin and molding materials (SMC, TMC, BMC)	Manufacture and sale of SMC and molded products
Main manufacturing center	Shimizu, Shizuoka Prefecture	Narita, Chiba Prefecture

Reference 2: What is SMC?

SMC is a molding compound sheet consisting of a resin paste that, upon forming through the mixing of unsaturated polyester resin with fillers and additives, is impregnated with glass fibers before being rolled into a sheet a few millimeters thick. Press-molded items made of SMC are strong and highly resistant to hot water and chemicals while also offering superior electrical characteristics. They are used in a variety of applications, including household amenities, septic tanks, automobiles and electrical components. In recent years, Japan Composite has developed SMC impregnated with carbon fiber, enabling an even wider range of solutions to be offered.