

July 31, 2014

NIPPON SHOKUBAI announces Cancellation of the investment for superabsorbent polymers (“SAP”) at NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) Co., Ltd., a subsidiary in China (“NSC”)

NIPPON SHOKUBAI CO., LTD. [Headquarters: Chuo-ku, Osaka; President: Masanori Ikeda, TSE:4114] (“NIPPON SHOKUBAI”) has announced the cancellation of the capacity expansion plan of “SAP” at the NSC’s plant site that was announced on 31st January 2012.

1. Background

“SAP”, one of NIPPON SHOKUBAI’s core businesses, shows steady growth of demand as a key material of disposable diapers. In China, expected as one of the largest market in future, NIPPON SHOKUBAI produces and supplies SAP through NSC and had decided expansion of the capacity by 30,000MT/Y in 2012. The expansion was however suspended, due to the accident occurred at NIPPON SHOKUBAI Himeji Plant on 29 September 2012, in order to dedicate necessary internal resources to the recovery from the accident at Himeji plant.

This time, NIPPON SHOKUBAI reviewed the project feasibility and recognized the change of SAP market environment in China and has decided to give priority to an expansion in other regions over the expansion in China.

2. The content of Original plan which announced on 31, January 2012.

Production capacity : SAP 30,000 MT/Y

(current capacity 30,000 MT/Y,
totally 60,000 MT/Y after completion)

Schedule: Mechanical completion – March 2014.

Commercial operation – July 2014.

Location : Existing plant site of NSC

Investment amount: Approx. 56 million US dollars (including ancillary facilities)

3. Corporate outline of NSC

Company name : NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) Co., Ltd.
Location : Zhangjiagang, China (headquarters and plant)
President : Katsunori KAJII (President)
Established : April 2003
Capital : 52.8 million US dollars – paid in capital
100% owned by NIPPON SHOKUBAI
Business : Production and sales of SAP and polymers for concrete admixture
Number of employees: 88 as of June 30,2014

4. Influence on the business results

The effect of this change on profit or loss is not material.

Contacts

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