

For Immediate Release

29th October, 2018

NIPPON SHOKUBAI announces PT. NIPPON SHOKUBAI INDONESIA, a subsidiary in Indonesia (“NSI”), plans to expand its Acrylic Acid (“AA”) plant.

NIPPON SHOKUBAI CO., LTD. [Tokyo Stock Exchange – TOKSE:4114.T] (“NIPPON SHOKUBAI”) hereby announces that NIPPON SHOKUBAI has resolved, at its board meeting held on 29th October, 2018, to give approval to the investment plan at NSI. The plan is to build AA plant with 100,000 metric tons per year (“T/Y”), as follows.

1. Background of the investment

AA, one of NIPPON SHOKUBAI’s core businesses, shows steady growth of demand as a key material of superabsorbent polymer (“SAP”) and acrylate (“AES”) etc. In recent years, the demand and supply balance of AA is highly tight especially in Asia. To accommodate the demand and fulfill its duty to supply products, NIPPON SHOKUBAI has studied further expansion of AA.

As a result of the study, NIPPON SHOKUBAI has concluded to expand the capacity of NSI, taking into consideration NSI’s location in Asia and the expectation for synergistic effect with the existing plant.

With this new plant at NSI, NIPPON SHOKUBAI group’s global AA production capacity will be 980,000 T/Y (Japan 540,000 T/Y and overseas 440,000 T/Y) and NIPPON SHOKUBAI will ensure more stable supply.

2. Feature of investment

Production capacity : AA 100,000 T/Y
(current capacity 140,000 T/Y,
totally 240,000 T/Y after completion)
Schedule: Mechanical completion – March 2021
Commercial operation – November 2021
Location: Existing plant site of NSI
Investment amount: Approx. 200 million US dollars

3. Corporate outline of NSI

Company name : PT. NIPPON SHOKUBAI INDONESIA
Location : Cilegon, Indonesia (headquarters and plant)
President : Naoki HIJIKURO
Established : August 1996
Capital : 120 million US dollars – paid in capital
99.9% owned by NIPPON SHOKUBAI
Business : Production and sales of acrylic acid (“AA”), acrylates (“AES”) and
superabsorbent polymer (“SAP”).
Number of employees: 453 as of March 31,2018

4. Influence on the business results

This project makes no influence on the business results of the current fiscal year ending on March 31, 2019. As for the business results in future, after the operation on Y2021, NIPPON SHOKUBAI will maintain and improve profitability by utilizing the above mentioned new plant effectively.

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