

NIPPON SHOKUBAI announces N A Industries, Inc.,  
a subsidiary in the USA, moves its SAP plant location

NIPPON SHOKUBAI CO., LTD. [Tokyo Stock Exchange - TOKSE:4114.T] (“NIPPON SHOKUBAI”) hereby announces that NIPPON SHOKUBAI determined NA Industries, Inc.(“NAII”), a subsidiary in the USA, moves its superabsorbent polymers (“SAP”) plant location from current Chattanooga in Tennessee State (“Chattanooga”) to Houston in Texas State (“Houston”) at the board directors meeting of NIPPON SHOKUBAI held on August 31, 2009.

1. Corporate outline of NAII

Location: Chattanooga Tennessee State, the USA

President: Hidetaka Yatagai, a board director of NIPPON SHOKUBAI

Business: Production and sales of SAP, polymers for concrete admixture, acrylic polymers, acrylic emulsions and so on

Capital: 35,500 thousand US dollars - paid in capital, 100% owned by NIPPON SHOKUBAI

Number of employees: 107 as of July 31, 2009

2. The plant moving project - aim and detail

NAII's current SAP plant in Chattanooga, a capacity of 60,000 metric tons per year, is very old and cannot be used for production of newly developed high quality SAP. Therefore NAII cannot meet the requirement of SAP customers and faces the high cost low profitability problems.

To overcome the current situation, NAII will build a SAP plant with the latest technology next to the plant of American Acryl, which is an affiliated company of NIPPON SHOKUBAI located in Houston. With this project, NAII achieves an integrated production from AA to SAP and aims an improvement of its profitability from the cost reduction of AA transportation and utilities.

Production capacity: 60,000 metric tons per year - same as the current one, the latest technology applied, build & scrap

Start-up: Commercial operation of the new plant starts in June 2012.

Investment amount: around 100million US dollars

Construction schedule:

Environmental assessment: To be accomplished in October 2010

Mechanical completion: End March 2012, trial operation from April 2012

Commercial operation: June 2012

NAII continues to operate the current SAP plant in Chattanooga until the start of commercial operation of the new plant in Houston.

After the completion of the project, NAII keeps the production of polymers for concrete admixture (15,000 metric tons per year), acrylic polymers (30,000 metric tons per year), acrylic emulsions (7,000 metric tons per year).

As a result of the project, NAII will have two plant sites in Chattanooga and Houston.

3. Influence on the business results

This project makes no influence on the business result of this fiscal year, ending on 31 March, 2010.

As for the business result in future, from the fiscal year ending on 31 March 2013, profitability will be improved from production cost reduction, higher productivity, AA transportation cost reduction and plant utilities cost reduction brought by the operation of the new SAP plant.

<Reference>

SAP capacity of NIPPON SHOKUBAI group:

Including the planned 60,000 metric tons per year plant in Himeji, Japan, mechanical completion scheduled in autumn 2010, total SAP production capacity of NIPPON SHOKUBAI group in the world is 470,000 metric tons per year.

Himeji, Japan	320,000 metric tons per year
The USA	60,000
Belgium	60,000
China	30,000

-----  
Total                      470,000 metric tons per year

Contacts

General Affairs, NIPPON SHOKUBAI CO., LTD.

TEL: +81-6-6223-9111    E-mail: [shokubai@n.shokubai.co.jp](mailto:shokubai@n.shokubai.co.jp)