

October 30, 2013

SDP Global Boosts Production Capacity of Superabsorbent Polymers in China - Enhanced Manufacturing System to Meet Strong Demand in Emerging Countries

Sanyo Chemical Industries, Ltd
Toyota Tsusho Corporation

SDP Global Co., Ltd. (head office: Chuo-ku, Tokyo; president: Shigeaki Takeda; "SDP"), a consolidated subsidiary of Sanyo Chemical Industries, Ltd. (head office: Higashiyama-ku, Kyoto City; president: Takao Ando) and a joint venture company created between Sanyo Chemical Industries and Toyota Tsusho Corporation (headquarters: Nakamura-ku, Nagoya City; president: Jun Karube), today announced that it will increase production capacity of superabsorbent polymers ("SAP") at its Chinese subsidiary San-Dia Polymers (Nantong) Co., Ltd. (head office: Nantong City, Jiangsu Province, China; president: Shigeaki Takeda; "SDN"). The company plans to invest more than 5 billion yen in the expansion to increase output by 80,000 tons per year, with the new facilities to begin operation in July 2015. This will bring SDN's total manufacturing capacity to 230,000 tons per year, and the combined total output of SAP by SDP and SDN in Japan and China to 360,000 tons per year (fourth highest globally).

SDP is a specialist SAP manufacturer founded in September 2013 as a joint venture between Sanyo Chemical Industries (70% stake) and Toyota Tsusho (30%). The company has worked to meet demand for SAP in Japan and overseas through a total annual production output of 280,000 tons at its three plants in Nagoya (110,000 tons/year), Ogaki (20,000 tons/year), and SDN (150,000 tons/year).

In recent years, demand for SAP used in disposable diapers has grown rapidly in China and other emerging countries. Although SDN added an extra 70,000 tons/year of output capacity in July 2011 in the plant's third expansion, followed by a subsequent 10,000 tons in April 2013 through resolution of production bottlenecks, the decision to conduct a fourth expansion was made as the plant had once again reached the limit of its supply capabilities.

Furthermore, with robust demand forecast to continue the plant is expected to again reach its supply limits within several years of the expanded facilities commencing operation in 2015. The company is therefore investigating the possible construction of new facilities or expansion of existing plants around 2017, centered in the ASEAN region. SDP will combine existing R&D capabilities and manufacturing systems with Toyota Tsusho's sales and logistics networks, while enhancing raw material procurement and funding capabilities, in order to accelerate global expansion in the growing SAP market through aggressive investment and ensure the continued stable supply of high quality products.

Overview of San-Dia Polymers (Nantong) Co., Ltd.

1	Company name	San-Dia Polymers (Nantong) Co., Ltd.
2	Location	Nantong City, Jiangsu Province, China
3	Representative	Shigeaki Takeda
4	Establishment	2003
5	Investment ratio	SDP Global 100%
6	Capital	46.9M USD
7	Business description	Manufacture and sale of superabsorbent polymers
8	Manufacturing capacity	150,000 tons/year (as of September 30, 2013)
9	Overview of expansion	Fourth expansion Start of operation: July 2015 Size of expansion: 80,000 tons/year Investment: More than ¥5 billion

Overview of SDP Global Co., Ltd.

1	Company name	SDP Global Co., Ltd.
2	Location	5-6 Honcho 1-chome, Nihonbashi Chuo-ku, Tokyo, Japan
3	Representative	Shigeaki Takeda
4	Establishment	March 22, 2001
5	Investment ratio	Sanyo Chemical Industries 70%, Toyota Tsusho 30%
6	Capital	¥2.0 billion (as of September 30, 2013)
7	Net sales	¥38.443 billion (fiscal year ended March 31, 2013) (including SDN)
8	Business description	Manufacture and sale of superabsorbent polymers
9	Number of employees	189 (as of March 31, 2013) (including SDN)
10	Manufacturing Sites	Tokai City, Aichi Prefecture, Japan; Ogaki City, Gifu Prefecture, Japan; Nantong City, Jiangsu Province, China (SDN)
11	Manufacturing capacity	280,000 tons/year (Japan: 130,000 tons/year, China/SDN: 150,000 tons/year)