

August 21, 2015

Sanyo Chemical Industries, Ltd

Sanyo Chemical start the joint study on potential development of Polyols with PTT Global Chemical (Thailand) and Toyota Tsusho

Sanyo Chemical Industries, Ltd. (Head office: Higashiyama-ku, Kyoto City; President: Takao Ando) signed a Head of Agreement (HoA) to jointly perform Front End Engineering Design (FEED) for potential development of manufacturing and sales of Polyether Polyols (Polyols) in Thailand with PTT Global Chemical Public Company, Ltd. (PTTGC) and Toyota Tsusho Corporation (TTC) on August 17th, 2015.

After the successful completion of a prelim joint feasibility study for potential development of Polyols in Thailand on a memorandum of understanding signed by Sanyo Chemical, PTTGC and TTC in January 2015, three partners decided to move forward the project to the early phase of engineering study to perform FEED by signing HoA. The Final Investment Decision will be made the latter half of 2016.

The F/S will be targeted to start operation of 130KTA Polyols in Hemaraj Eastern Industrial Estate (HEIE), Rayong in Thailand in 2019. Propylene Oxide as a key raw material for Polyols will be supplied by piping from another project which is being under potential study by PTTGC in the neighbor site.

Polymer Polyols and Polyurethane Systems are also included in the joint study. Sanyo Chemical will pursue the opportunity to supply competitive High-value Polyurethane materials in Asian region to contribute to customers' needs, by combining three parties' strength; competitive feedstock and utility from PTTGC, advanced technical know-how of Sanyo, and global logistics network of Toyota Tsusho.

Equity proportion and or other details are being under consideration and nothing has been determined at this stage.