

Sept. 29, 2015

Sanyo Chemical Industries, Ltd.

SDP Global Establishes New Production Base of Superabsorbent Polymers in Malaysia

SDP Global Co., Ltd. (head office: Chuo-ku, Tokyo; president: Hiroyuki Shimominami), a joint venture company created between Sanyo Chemical Industries, Ltd. (head office: Higashiyama-ku, Kyoto City; president: Takao Ando) and Toyota Tsusho Corporation (headquarters: Nakamura-ku, Nagoya City; president: Jun Karube) and a consolidated subsidiary of Sanyo Chemical, today announced that it will establish a new company and a production base in Malaysia following the ones in Japan and China, to meet the expected further global expansion of demand for superabsorbent polymers (SAP).

SDP Global plans to establish the new company in October 2015, start construction in May 2016 and begin operation in the second quarter of 2018.

Its initial production capacity is planned 80,000 tons per year. This provides for our group's total annual capacity of SAP to 440,000 tons from 360,000 tons, which is combined total output of 130,000 tons in Japan and 230,000 tons in China.

The investment amount is expected about ¥11 billion.

[Background to the Establishment]

SAP is raw material for disposable diapers. Demand for SAP has been growing in the world accompanying the growth for disposable diaper. And it is forecasted to rise by more than 10% annually, especially in the ASEAN region due to rising the penetration rate of disposable diapers for children with improvement in living standards. Amid robust market conditions, Sanyo Chemical Group has designated SAP one of basic businesses and determined to newly establish the production base in Malaysia in addition to existing Japanese and Chinese ones to meet customers' various needs globally.

SANWET SG: the products planned production in the new base, provide accommodate products to diversifying needs by globalization, because they can control water absorption speed. SANWET SG products are garnering high prize from customers by this performance and they are expected to be used more widely.

[Overview of the New Company]

1	Company name	SDP Global (MALAYSIA) SDN.BHD.
2	Location	Johor, Malaysia
3	Representative	Undecided at this time
4	Business description	Manufacture and sales of superabsorbent polymers
5	Capital	Approx. ¥7.0 billion
6	Establishment	October 2015 (plan)
7	Major Shareholders and investment ratio	SDP Global (a consolidated subsidiary of Sanyo Chemical) 100% (The New company will be a second-tier subsidiary of Sanyo Chemical)

[Future plans]

SAP is forecasted demand expansion into the future in the world. SDP Global will combine its existing strength: R&D capabilities and manufacturing systems with the strength of our partner: Toyota Tsusho's sales and logistics networks, raw material procurement and funding capabilities. Hereby, SDP Global will ensure the continued stable supply of high quality products in the growing SAP market through aggressive investment.