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Joint Venture to Produce, Research, Develop, and Sell Superabsorbent Polymers

Toyota Tsusho Invests in San-Dia Polymers

Sanyo Chemical Industries, Ltd.
Toyota Tsusho Corporation

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) agreed today with Mitsubishi Chemical Corporation to acquire its entire 40% stake in San-Dia Polymers, Ltd. (head office: Chuo-ku, Tokyo; president: Shigeaki Takeda), a consolidated subsidiary of Sanyo Chemical Industries which manufactures and sells superabsorbent polymers ("SAP"). Under the agreement, Toyota Tsusho is acquiring a 30% stake and Sanyo Chemical Industries a 10% stake in San-Dia Polymers, which will make the joint venture 70% owned by Sanyo Chemical Industries and 30% owned by Toyota Tsusho.

Sanyo Chemical Industries concluded a stock transfer agreement with Mitsubishi Chemical today and has completed its acquisition of the 10% stake. Toyota Tsusho plans to conclude its portion of the stock transfer as early as possible following procedures to address competition laws in and outside Japan.

Background to Agreement

SAP is a key raw material for disposable diapers. Demand for the material has been growing steadily in recent years and is forecasted to rise by more than 10% annually in emerging countries due to the increasing consumption of children's disposable diapers.

Amid robust market conditions, Sanyo Chemical Industries has designated SAP a strategic product with the aim of expanding sales worldwide.

Toyota Tsusho has acted as a sales representative for Sanyo Chemical Industries since the company began the world's first commercial production of SAP. Toyota Tsusho will continue to bolster its strategic partnership with Sanyo Chemical Industries while promoting its global growth strategy by strengthening and expanding its value chain for SAP, polyurethane, detergent ingredients and other products.

The new capital structure will enhance the competitiveness of San-Dia Polymers by combining its R&D capabilities and manufacturing systems with Toyota Tsusho's sales and logistics networks. Aggressive investment in the growing SAP market will accelerate global expansion and enable San-Dia Polymers to better respond to market and customer needs.

Overview of Companies

San-Dia Polymers, Ltd.

1. Location: 1-5-6 Nihonbashihoncho, Chuo-ku, Tokyo, Japan
2. Establishment: March 22, 2001
3. Representative: Shigeaki Takeda
4. Capital: ¥2,000 million (as of December 31, 2012)
5. Net sales: ¥33,678 million (fiscal year ended March 31, 2012)
6. Business description: Manufacture and sale of superabsorbent polymers
7. Number of employees: 177 (as of March 31, 2012)
8. Manufacturing sites: Tokai City, Aichi Prefecture, Japan; Ogaki City, Gifu Prefecture, Japan; Nantong City, Jiangsu Province, China
9. Manufacturing capacity: 270,000 tons/year

SANYO CHEMICAL INDUSTRIES, LTD.

1. Location: 11-1, Ikkyo Nomoto-cho, Higashiyama-ku, Kyoto, Japan
2. Establishment: November 1, 1949
3. Representative: Takao Ando
4. Capital: ¥13,051 million (as of December 31, 2012)
5. Net sales: ¥141,041 million (fiscal year ended March 31, 2012)
6. Business description: Manufacture and sale of various performance chemicals
7. Number of employees: 1,776 (as of March 31, 2012)

TOYOTA TSUSHO CORPORATION

1. Location: 9-8, Meieki 4-chome, Nakamura-ku, Nagoya, Japan
2. Establishment: July 1, 1948
3. Representative: Jun Karube
4. Capital: ¥64,936 million (as of December 31, 2012)
5. Net sales: ¥5,916,759 million (fiscal year ended March 31, 2012)
6. Business description: Domestic trading of various goods; import and export of goods; trading between overseas countries; subcontracting of construction projects; various insurance agency business, etc.
7. Number of employees: 33,845 (as of March 31, 2012)