

March 31, 2011

**NIPPON SHOKUBAI announces PT. Nippon Shokubai Indonesia,
a subsidiary in Indonesia (“NSI”), enlarges its SAP investment plan.**

NIPPON SHOKUBAI CO., LTD. [Tokyo Stock Exchange – TOKSE:4114.T] (“NIPPON SHOKUBAI”) hereby announces that NIPPON SHOKUBAI has resolved, at its board meeting held on March 31, 2011, to give NSI an approval to change the original plan, which has been resolved at its board meeting and announced on July 30 2010, to build a new superabsorbent polymers (“SAP”) plant at NSI’s plant site. The plan is that to build SAP plant with 90,000 metric tons per year (“MT/Y”) revised from 30,000 MT/Y, and to build the Acrylic Acid (“AA”) plant newly with 80,000 MT/Y, as follows.

1. Background and investment purpose

SAP, one of NIPPON SHOKUBAI’s core businesses, shows steady growth of demand as a key material of disposable diapers. The growth of its demand is remarkable especially in the emerging market, and the new SAP plant at Himeji Plant of NIPPON SHOKUBAI, completed last autumn with a capacity of 60,000 MT/Y, has been fully utilized. Therefore NIPPON SHOKUBAI has decided in July 2010 that NSI would newly build 30,000MT/Y SAP plant, scheduled to start up in March 2013.

Nippon Shokubai, however, expects that the stronger demand of SAP will exceed its production capacity. Therefore NIPPON SHOKUBAI has studied further expansion of the SAP, together with AA, main raw material of SAP, somewhere in the world including the current subsidiary.

As a result of the study, NIPPON SHOKUBAI has decided to enlarge original investment plan to SAP 90,000 MT/Y plant with additional AA 80,000 MT/Y plant at NSI.

With this new plant at NSI, NIPPON SHOKUBAI group’s global SAP production capacity will be 560,000 MT/Y (Japan 320,000MT/Y and overseas 240,000MT/Y) and NIPPON SHOKUBAI will enhance its position as one of the world top suppliers of SAP.

(ref.) AA production capacity after completion of the said expansion
: 700,000MT/Y (Japan 460,000MT/Y and overseas 240,000MT/Y)

2. Feature of investment

Production capacity : SAP 90,000 MT/Y
(including the original plan 30,000 MT/Y)
AA 80,000 MT/Y
(current capacity 60,000 MT/Y,
totally 140,000 MT/Y after completion)

Schedule: Mechanical completion – February 2013.

Commercial operation – August 2013.

Location: Existing plant site of NSI

Investment amount: Approx. 300 million US dollars (including original plan)

3. Corporate outline of NSI

Company name : PT. Nippon Shokubai Indonesia

Location : Cilegon, Indonesia (headquarters and plant)

President : Masakazu TANAKA (President Director)

Established : August 1996

Capital : 120 million US dollars – paid in capital
93.7% owned by NIPPON SHOKUBAI

Business : Production and sales of acrylic acid (“AA”) and acrylates (“AES”)
AA Capacity : 60,000 MT/Y

Number of employees: 268 as of December 31,2010

4. Influence on the business results

This project makes no influence on the business results of the current fiscal year ending on March 31, 2011. As for the business results in future, from the fiscal year ending on March 31, 2014, NIPPON SHOKUBAI will maintain and improve profitability by utilizing the above mentioned new plants effectively and optimizing the balance of SAP and existing AA/AES business.

Contacts

NIPPON SHOKUBAI CO.,LTD.

Teruhisa Wada, General Manager of General Affairs Dept.

TEL: +81-6-6223-9111