

January 31, 2012

NIPPON SHOKUBAI announces NISSHOKU CHEMICAL INDUSTRY
(ZHANGJIAGANG) Co., Ltd., a subsidiary in China (“NSC”),
invests for doubling the production capacity of SAP.

NIPPON SHOKUBAI CO., LTD. [Tokyo Stock Exchange – TOKSE:4114.T] (“NIPPON SHOKUBAI”) hereby announces that NIPPON SHOKUBAI has decided to give NSC an approval to invest for the expansion of superabsorbent polymers (“SAP”) plant at NSC’s plant site. The plan is to build a new SAP plant with the capacity of 30,000 metric tons per year (“MT/Y”) in addition to the current capacity 30,000MT/Y.

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. To satisfy the demand in the emerging market which shows remarkable growth, NIPPON SHOKUBAI decided that PT.NIPPON SHOKUBAI INDONESIA, a subsidiary in Indonesia (“NSI”) would newly build a 90,000MT/Y SAP plant with a 80,000MT/Y of acrylic acid, a main raw material for SAP, plant both scheduled to start up in August 2013.

Under the current unstable economic condition NIPPON SHOKUBAI, however, expects that the stronger demand of SAP will exceed its production capacity after the above mentioned project at NSI. Therefore NIPPON SHOKUBAI has studied further expansion of SAP, and as a result of it, NIPPON SHOKUBAI has decided to expand SAP at NSC located in China, where SAP demand is growing notably.

With this new plant at NSC, NIPPON SHOKUBAI group’s global SAP production capacity will be 590,000 MT/Y (Japan 320,000MT/Y and overseas 270,000MT/Y) and NIPPON SHOKUBAI will enhance its position as one of the world top suppliers of SAP.

2. Feature of investment

Production capacity : SAP 30,000 MT/Y
(current capacity 30,000 MT/Y,
totally 60,000 MT/Y after completion)

Schedule: Mechanical completion – March 2014.

Commercial operation – July 2014.

Location : Existing plant site of NSC

Investment amount: Approx. 56 million US dollars (including ancillary facilities)

3. Corporate outline of NSC

Company name : NISSHOKU CHEMICAL INDUSTRY (ZHANGJIAGANG) Co., Ltd.

Location : Zhangjiagang, China (headquarters and plant)

President : Katsunori KAJII (President)

Established : April 2003

Capital : 48.2 million US dollars – paid in capital
100% owned by NIPPON SHOKUBAI

Business : Production and sales of SAP and polymers for concrete
admixture

Number of employees: 100 as of December 31, 2011

4. Influence on the business results

This project makes no influence on the business results of the current fiscal year ending on March 31, 2012. As for the business results in future, from the fiscal year ending on March 31, 2015, NIPPON SHOKUBAI will maintain and improve profitability by utilizing the above mentioned new SAP plant effectively.

Contacts

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