

September 13, 2017

DIC Corporation

DIC Announces Plans to Expand Production Capacity for PPS Compounds

—Move is aimed at responding to increasing demand and solidifying

the Company's position as the global market leader—

Tokyo, Japan—DIC Corporation announced that it has resolved to expand the production capacity for polyphenylene sulfide (PPS) compounds—of which it is the leading global supplier—at its Komaki Plant, in Aichi Prefecture. The Company will invest approximately ¥800 million to expand the plant's annual PPS compound production capacity to 3,500 metric tonnes. New equipment is scheduled to begin operating in September 2018.



PPS production site, Komaki Plant

Valued for their excellent heat and chemical resistance and dimensional stability, PPS compounds are super-engineering plastics used widely as an alternative to metal materials in automotive components, as well as in types of housing equipment such as hot water heaters. In the automotive industry, in particular, a variety of factors continue to fuel a steady increase in the volume of PPS compounds used per vehicle. These include the adoption for an increasing variety of components, a shift from other plastics arising from the need for specific performance features, and the expansion of use in electronic components.

Global demand for PPS compounds is currently growing at 6%–8% annually. The situation in Japan, the principal market for these compounds, is similar. The decision to expand the Komaki Plant's PPS compound production capacity for was taken in recognition that doing so would be necessary for the DIC Group to respond effectively to robust demand growth and further grow this business.

Under its current medium-term management plan, DIC108, DIC has positioned PPS compounds as a business that it expects to drive growth in the years ahead. Accordingly, the Company has leveraged its integrated production configuration, which encompasses everything from the polymer to compounds, to steadily enhance its performance. Going forward, DIC will capitalize on its global production capabilities, which it has reinforced in recent years, and network of technical service centers, with the aim of raising its share of the global market for PPS compounds to 30%, from 27% at present, by fiscal year 2018.

— Ends —

The DIC Group's Global Annual Production Capacity PPS Compounds and PPS Polymer
(Effective from September 2018)

	Region	Production Capacity
PPS compounds (Brand name: DIC.PPS)	Japan (Komaki Plant)	26,500 metric tonnes (current: 23,000 + new expansion: 3,500)
	Austria	6,000 metric tonnes
	Malaysia	4,500 metric tonnes
	PRC	6,000 metric tonnes
Total		43,000 metric tonnes
PPS polymer	Japan (Kashima Plant, Sodegaura Plant)	23,000 metric tonnes
	Total	23,000 metric tonnes