



July 3, 2015

DIC Announces Establishment of the Europe PPS Technical Center

New facility will facilitate prompt, responsive technical services in Europe

Tokyo, Japan—DIC Corporation announced today it will establish a new polyphenylene sulfide (PPS) product technical facility in Europe with the aim of reinforcing its ability to address the expanding and diverse technical requirements of its European customers. The European PPS Technical Center, total investment in which is estimated at approximately €2.7 million, will be located within the site occupied by Group company Sun Chemical's Eurolab, in Karlstein, Germany. Doors are scheduled to open in November 2015, although analysis-related operations, which will use existing resources, are expected to begin in September 2015.

PPS compounds are valued for their excellent heat, chemical and water resistance. With demand for use in automobiles, electrical and electronics equipment and household appliances rising, the global market for PPS compounds continues to grow by 6%–7% annually. In the automotive industry, a key market for PPS compounds, the need to reduce vehicle weight, particularly for hybrid and electric vehicles, has accelerated a shift toward materials other than metal and encouraged engine downsizing, underpinning a dramatic increase in demand for materials that deliver PPS type performance features. As a consequence, the volume of PPS compounds used per vehicle has risen dramatically. Having responded to these trends by investing decisively in recent years to bolster its production capabilities, the DIC Group is taking additional steps in the current fiscal year to further strengthen its supply configuration, including once again expanding the PPS polymer production capacity of its Kashima Plant, in Japan, and building a dedicated PPS compound production facility in the People's Republic of China (PRC).

Europe has a substantial market for PPS compounds, approximately 60% the size of the Japanese market, and is home to a number of major automobile and auto parts manufacturers. The rapidly increasing use of PPS compounds in the region continues to drive growth and underscore the market's outstanding potential. European manufacturers are also establishing operations in promising offshore markets, including in Asia, but the materials they use at overseas facilities must be qualified in Europe. For this and other reasons, DIC recognized the need to fortify its regional technical support configuration to gain the confidence of European manufacturers.

Close to both the central railway station and international airport of Frankfurt, one of Germany's main cities, Karlstein offers easy access to many of the DIC Group's main customers in Germany and is convenient for travel to nearby countries. Building the Europe PPS Technical Center on the site of Sun Chemical's Eurolab

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also offers key advantages, including use of the latter's advanced laboratory facilities and its highly skilled analysis equipment operators, which will facilitate the swift provision of highly precise technical information.

The DIC Group entered the European market for PPS products in 2003. Since then, the Group's market share has risen steadily. In 2011, the Group acquired the PPS compounds business of a leading European chemicals manufacturer, while in 2012 it built a production facility for PPS compounds in Vienna, Austria, to round out its regional supply configuration.

With establishment of the PPS Technical Center in Europe, the DIC Group now has a global supply and technical services network for PPS compounds encompassing facilities in Japan, Malaysia, the PRC and Europe. By thus establishing production and technical facilities in major high-demand areas, the Group has bolstered its ability respond in a timely manner to the increasingly diverse and complex requirements of its customers, positioning it to raise the profile its PPS compounds and further solidify its market dominance as No.1 PPS Supplier worldwide.

The DIC Group will continue to establish new and enhance existing R&D facilities in its various businesses, thus reinforcing its ability to customize products to local needs. Through these efforts, the Group will strive to further earn the trust and confidence of its customers around the world.

Profile of New Technical Center

Name of facility: Europe PPS Technical Center

Address: An den Hirtenäckern 15, D-63791 Karlstein am Main, Germany

Total investment: Approximately €2.7 million

Start of operations: November 2015 (Analysis-related operations are expected to start in September 2015)



Artist's conception of the completed Europe PPS Technical Center from the air
(square-roofed building in the center)