

**DIC Acquires Chinese Coating Resins Manufacturer Guangdong TOD New Materials Co., Ltd.
Enhancing High-Volume China Business Amid High Coating Resin Growth in Asia**

Tokyo, Japan—DIC Corporation announced today that on July 1st, its wholly owned subsidiary DIC (China) Co., Ltd., (hereafter, DIC) wholly acquired Chinese coating resins manufacturer Guangdong TOD New Materials Co., Ltd. (also known as, Guangdong Frontier New Materials Co., Ltd.) headquartered in Guangdong Province, China (hereafter, TODNM). The price of the acquisition is undisclosed.



TODNM Headquarter/Plant



Heshan Corporate, Sales and R&D Center

This acquisition supports ongoing DIC Corporation efforts to expand its Asian market coating resins capacity, focused particularly on China—the world's largest coating resins market. In China, DIC operates two coating resins manufacturing centers—in Zhongshan and Zhangjiagang—to meet local market demand. However, both DIC manufacturing centers are operating near full production capacity with little room for greater expansion.

Thus, DIC decided to explore acquiring a local producer with a customer base in China as the most effective means to quickly expand its business in China. After screening several candidates, DIC reached out to TODNM as the most strategically aligned candidate for DIC polymer business, signing a share transfer agreement.

TODNM is widely trusted in the Chinese paint industry with the TOD/Tong de brand which has a wide range of sales network to Chinese customers. The company also has the capability to produce water-based resins and other products in order to respond strict Chinese environmental regulations, as well as applied technology and large-scale production facilities. Other than these elements, the company has high reputation from many customers and thanks to these elements, has been realized sustainable growth for many years.

Prior to the acquisition, DIC deployed a business leader responsible for the coating resins business in China

News Release



since January 2021, to create an organization and introduce sales management tools in order to expand its business both in the Asian and China market quickly. Going forward, DIC and TODNM will promptly integrate its corporate cultures and leverage its respective strengths to achieve the following goals.

- Expand TODNM's production capacity to 2 times compared with current capacity by the end of 2023
- Provide excellent customer solution by combining TODNM's production capacity, sales network, and applied technology with DIC's resin synthesis technology
- Integrate TODNM's water-based resin products that quickly responded to environmental regulations in China into DIC's product portfolio and expand these products globally in Japan, China, ASEAN, India, Europe and the United States, where DIC operates

In the medium to long term plan, DIC will aim to establish dominant position of coatings resins in the Asian region by broadly supplying resin products that are capable to reduce environmental impact with additional functionality, also leveraging the expansion of production facilities at Ideal Chemi Plast of India announced in May 2022. By 2030, DIC will target to capture 5% share of the overall regional market.

【Outline of TODNM】

Company name;	Guangdong TOD New Materials Co., Ltd.(Chinese company name 「广东彤德新材料有限公司」)
Location;	HQ / Factory: Wengyuan District, Shaoguan City, Hongdong Province Heshan Branch: (Corporate, Sales and R&D Center) Heshan City, Jiangmen City, Guangdong Province
Business content;	Manufacture and sale of coating resins
Resin production item;	Acrylic, alkyd, polyester, urethane, epoxy, etc. (solvent-based and water-based)
Main application;	For industrial paints (paint for automobile repair, metal machinery, industrial anticorrosion (Infrastructure and ships)
Employees;	343 (as of March 31, 2022)

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【Related Releases】

New plant for coating resins to be constructed at Ideal (India) (Released May 17, 2022)

<https://www.dic-global.com/ja/news/2022/products/20220516140032.html>

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