

Capacity Expansion of “Soarnol” (High Gas Barrier resin)

We have decided to expand our production facilities for “Soarnol”, *EVOH copolymer with high gas barrier properties mainly used for food packaging.

* EVOH copolymer: Ethylene-vinyl alcohol copolymer

“Soarnol”, which has high gas barrier properties, is mainly used for food packaging so that the flavor and quality of the food will be maintained for a longer time. The sales of “Soarnol” are growing steadily in the U.S. and European markets. In addition, a further expansion in demand is expected in emerging markets, such as the South American markets as well as the Chinese and other Asian markets.

Currently, we have a worldwide production capacity of 51,000 tons “Soarnol” per year. However, we have determined that it is necessary to increase the production capacity in order to meet a growing demand expected in the future, and decided to expand production facilities with an annual output of 15,000 tons at NOLTEX L.L.C. (Texas, USA).

Our worldwide production capacity of “Soarnol” will be 66,000 tons worldwide annually after completion of the current expansion.

<Overview of additional facilities>

Place: NOLTEX L.L.C.
12220 Strang Road, La Porte, Texas 77571-9740, U.S.A.

Scheduled for completion: Fourth quarter of fiscal 2014

<Reference—Current production capacity of Soarnol>

Japan:	Mizushima Plant (Kurashiki, Okayama)	Production: 10,000 tons per year
United States:	NOLTEX L.L.C. (Texas)	Production: 23,000 tons per year
United Kingdom:	NIPPON GOHSEI UK Ltd. (Yorkshire and Humberside region)	Production: 18,000 tons per year