

October 31, 2014

**Shin Dai-ichi Vinyl Corporation
Tokuyama Corporation**

Notice Concerning Efforts to Promote Structural Reform in the Vinyl Chloride Business

—Shutdown of Production at Shin Dai-ichi Vinyl Corporation’s Chiba Factory;
Consolidation of Vinyl Chloride Production at the Company’s Tokuyama Factory—

Tokuyama Corporation (hereafter referred to as “Tokuyama” or “the Company”) today announced details of the decision by Group company Shin Dai-ichi Vinyl Corporation to undertake a drastic reform of its vinyl chloride business profit structure. As a part of this decision, steps will be taken to shutdown Shin Dai-ichi Vinyl’s Chiba factory, which manufactures vinyl chloride, around the end of September 2015. At the same time, Shin Dai-ichi Vinyl will endeavor to rebuild a production and shipment structure that entails the consolidation of production at the more competitive Tokuyama factory.

As a result of the shutdown of production at the Chiba factory, Shin Dai-ichi Vinyl will maintain a production structure that entails production of vinyl chloride at its Tokuyama factory, and the production of paste vinyl chloride at the company’s Ehime factory. By establishing an optimal production structure centered on these two bases, energies will be channeled toward strengthening the vinyl chloride business platform.

(Reference)

Shin Dai-ichi Vinyl Corporation

Capital:	¥2.0 billion	
Net sales:	¥22.2 billion (Fiscal 2013)	
Shareholders and percentage of holdings:	Tokuyama Corporation	71%
	ZEON Corporation	14.5%
	Sumitomo Chemical Co., Ltd.	14.5%
Annual production capacity:	Tokuyama factory 145,000 tonnes (vinyl chloride)	
	Chiba factory 80,000 tonnes (vinyl chloride)	
	Ehime factory 30,000 tonnes (paste vinyl chloride)	

Contact concerning this issue:

Corporate Communications & Investor Relations Dept.,
Tokuyama Corporation
Phone: +81-3-6205-4832