

Dissolution of Okayama Chemical Co., Ltd. as a joint venture

Daiso Co., Ltd., and Asahi Kasei Chemicals Corp. have agreed to dissolve their joint venture for the production and sale of chlorine and caustic soda, Okayama Chemical Co., Ltd., as of April 1, 2012. After its dissolution as a joint venture, Okayama Chemical will continue operating as a wholly owned subsidiary of Daiso.

Okayama Chemical was established in December 1968 as a 50/50 joint venture to supply chlorine and caustic soda to its parent companies Daiso and Asahi Kasei Chemicals, and production started in August 1970 within the Mizushima chemicals complex in Kurashiki, Okayama, Japan. Although the company operated as a joint venture for 41 years, recent changes in the operating climate led its two shareholders to the determination that the business would be best managed independently, with each party focusing exclusively on its own respective management strategy. Based on this understanding, an agreement was concluded whereby Asahi Kasei Chemicals will transfer its shares in Okayama Chemical to Daiso as of April 1, 2012.

Assuming full ownership of Okayama Chemical as a subsidiary beginning on April 1, 2012, Daiso will swiftly formulate the optimal structure to further strengthen the chlorine and caustic soda operation. Asahi Kasei Chemicals will independently reinforce its business configuration for basic chemical products.

Corporate profile of Okayama Chemical Co., Ltd.

Head office: Chiyoda, Tokyo, Japan

President: Masaaki Kadoma

Capital: ¥1 billion

Shareholders: Asahi Kasei Corp. (50%), Daiso Co., Ltd. (50%)

Business line: Production and sale of chlorine gas, caustic soda, and other chlor-alkali products

Plant location: Kurashiki, Okayama, Japan

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