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To whom it concerns

Sakai Chemical Industry Co., Ltd.

**Startup operation of Vietnam plastic additives plant and
Acquisition of Patent License for
Synthetic Hydrotalcite and Stabilizers Blending It**

Sakai Chemical Industry Co., Ltd. has recently entered into a patent license agreement with Kyowa Chemical Industry Co., Ltd. (Headquarters: Takamatsu City, Kagawa Prefecture; President: Keizo MATSUSHIMA) for the manufacture and sale of synthetic hydrotalcite and PVC stabilizers blending it.

Through this agreement, the company has acquired the right to manufacture and sell hydrotalcite, as well as calcium/zinc-based PVC stabilizers blending it as a primary ingredient, in countries where Kyowa Chemical has registered patents. The company has also acquired sublicensing rights for its subsidiary Sakai Chemical (Vietnam) Co., Ltd. (SCVN), completed in December, 2009.

1. Objectives

Up to now, Sakai Chemical has proactively expanded the manufacture and overseas sales of hydrotalcite and calcium/zinc-based PVC stabilizers blending it as a primary ingredient. The company's first independent overseas plant (SCVN) was completed in Vietnam in December of last year, with the goal of accelerating sales expansion.

The company acquired the license from the patentee Kyowa Chemical Industry Co., Ltd. with the aim of achieving even more active and smooth business expansion in the company's most important markets of Europe, America and China, where increased demand is forecasted.

2. Benefits

The agreement is expected to result in the following benefits.

- (1) Enabling even more active business expansion worldwide, in order to sell hydrotalcite and calcium/zinc-based PVC stabilizers without the restrictions of the patents
- (2) Deepening the cooperative partnership with Kyowa Chemical Industry Co., Ltd., and enabling further expansion and activation of hydrotalcite and calcium/zinc-based PVC stabilizer markets

3. Future Expansion

Sakai Chemical began operation of SCVN as a base for overseas manufacturing of hydrotalcite and calcium/zinc-based PVC stabilizers blending it as a primary ingredient. In so doing, the company is able to stably provide products of the same quality as those produced in Japan at more competitive prices, and will expand its worldwide sales.

The current production capacity, main products, applications and expanding markets of SCVN are shown below.

Product	Production capacity (annually)	Main applications	Major targeting territories
Hydrotalcite	5,000 tons	Polyolefin neutralizers Heat insulation for agricultural film Compounding agents for PVC stabilizers	Europe, Middle East, Russia, America, Asia
Calcium/zinc-based stabilizers	10,000 tons	Electrical wire Window frames Pipes and fittings	Europe, Middle East, Russia, Asia

4. For Inquiries About This Matter

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