



TOSOH CORPORATION

TOSOH

NEWS RELEASE

October 15, 2009

Tosoh Announces Substantial Capacity Increase for CSM Investment Assures Position as Number One Manufacturer Worldwide

Tokyo—Tosoh Corporation, a leading manufacturer of chemical products, is pleased to announce its decision to increase production capacity for its specialty-grade synthetic rubber Tosoh-CSM[®] (chlorosulphonated polyethylene). The increase entails an investment in a new CSM production line at the Nanyo Complex, the company's main manufacturing facility, located in Yamaguchi Prefecture, Japan. Construction is expected to begin in October 2009 and is slated for completion in August 2010. The ¥3 billion investment will raise the company's yearly CSM capacity to 8,500 metric tons and will make Tosoh the world's top manufacturer of CSM.

Tosoh-CSM synthetic rubber can easily be pigmented to produce brilliant colors and is resistant to ozone, weather, oil, and chemicals. It is used in automobile and industrial hoses, in adhesives and coatings, in escalator railings, in linings for electrical and mechanical products, and in such consumer products as raincoats and boats.

Tosoh was compelled to decide on the largest-possible capacity increase for Tosoh-CSM in an attempt to stabilize the global supply structure in a market thrown into turmoil when the only other major manufacturer of CSM announced their withdrawal from the business earlier in 2009. The company's new production line is expected to fill the gap left by that withdrawal. But in addition to stabilizing the worldwide supply of CSM, Tosoh's investment in raising its production of CSM represents a powerful step forward in the company's efforts to strengthen and expand its overall polymer operations and thereby enhance the reliability of those operations for customers.

Tosoh continues to transform its operations from commodity to higher-value functional polymers. Based on decades of expertise, Tosoh is creating new products for optical, automotive, energy, and medical applications. A long-term strategy in polymers provides for aggressively promoting the company's core products ethylene vinyl acetate and low-density polyethylene, where Tosoh holds a competitive edge. Tosoh is continuously refining its polymerization and catalyst technology to generate increasingly higher-value-added grades of polyethylene. In functional polymers specifically, Tosoh is focusing on developing new applications and on expanding capacities for chloroprene rubber, chlorosulphonated polyethylene, polyphenylene sulfide resins, polyvinyl chloride paste, and hydrocarbon resins.



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WHO WE ARE

Tosoh Corporation is a Japanese chemical company established in 1935 and listed on the First Section of the Tokyo Stock Exchange. It is the parent of the Tosoh Group, which comprises 135 companies worldwide and a multiethnic workforce of over 11,000 people.

WHAT WE DO

Tosoh is one of the largest chlor-alkali manufacturers in Asia. The Company supplies the plastic resins and an array of the basic chemicals that support modern life. Tosoh's petrochemical operations supply ethylene, polymers, and polyethylene, while its electronic materials business serves the global semiconductor and flat-panel display industries. Tosoh has also pioneered sophisticated bioscience systems that are used for the rapid diagnosis of life-threatening diseases, such as diabetes and certain cancers, and to prevent epidemics by identifying pathogenic microbes. In addition, Tosoh develops products and provides services to purify water and to monitor the environment as part of a commitment to a sustainable future.

Stock Exchange Ticker Symbol: JP: 4042

For more information:

Michael Hoover
International Corporate Development
Tosoh Corporation
michael.hoover@tosoh.com
Tel: +81-3-5427-5118
Fax: +81-3-5427-5198

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