

August 10, 2021

To whom it may concern

Restructuring of Chemicals Business by Terminating production of Melamine

Nissan Chemical Corporation (Head Office: Chuo-ku, Tokyo; President: YAGI Shinsuke), at the Board of Director's meeting held on July 29, 2021 has decided to terminate production of melamine*¹ in order to restructure the Chemicals business.

We will concentrate our management resources on high value-added products and high market share products with expansion of sales and reduction of costs, thereby increasing the profitability of our chemicals business.

1. Background

Our Chemicals Division has numbers of basic chemicals together with high value-added products.

We have established our original production method for melamine and have continued to produce it at our Toyama Plant (Sasakura 635, Fuchu-machi, Toyama City, Toyama Prefecture) since 1964.

In recent years, global production capacity of melamine has greatly exceeded the demand, and price competition with overseas manufacturers has intensified. Consequently, the profitability of this business has deteriorated significantly.

In addition, as the plant is in degradation over time and the costs for maintenance are increasing, we have decided to terminate production of melamine, considering the difficulty to ensure profits in the med-long term.

2. Scheduled termination time of melamine production

The production of melamine and melamine fine-grade*² is scheduled to be terminated in June 2022.

3. Melamine related business

The business of melamine derivatives, such as melamine cyanurate*³, SMF®/ ACCERETE®*⁴ and melamine resin, will be continued by purchasing melamine as raw materials.

4. Impact on business performance

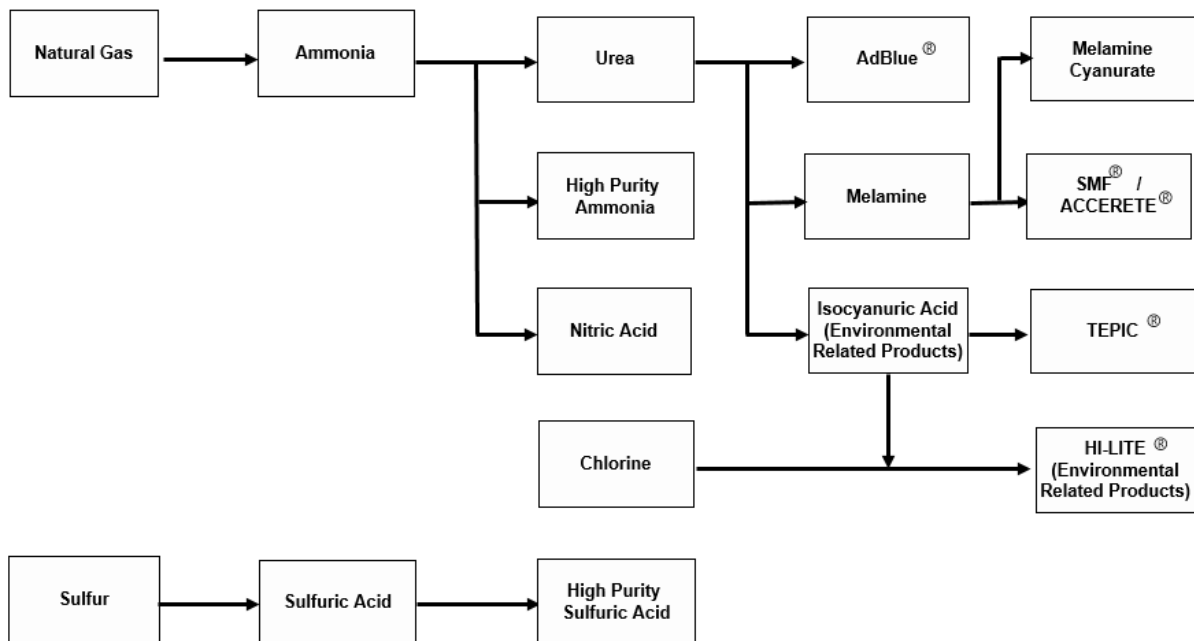
The impact on our consolidated performance for the current fiscal year will be minor, though related costs are being calculated in details. The outlook for the fiscal 2021 announced on May 14, 2021 does not include these factors.

5. GHG emissions

By terminating production of melamine, GHG emissions (CO₂ equivalent) is expected to be reduced by approximately 26,000 tons per year (equivalent to approximately 7% of the 363,000 tons per year in the fiscal 2018).

- ※1 melamine... raw material for melamine resins used in adhesives, decorative boards, paints, molding compounds, etc.
- ※2 melamine fine-grade... fine particles melamine
- ※3 melamine cyanurate... non-halogen flame retardant, lubricant
- ※4 SMF® / ACCERETE®... melamine-based superplasticizer for concrete

Reference Materials (Basic Chemicals and High Value-Added Product Manufacturing Flow)



Contact information for inquiries on the above
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