

March 19th, 2019

To whom it may concern,

TAYCA CORPORATION

Regarding the Facility Expansion for Functional Fine Particle Products

We, TAYCA CORPORATION, have expanded our GMP compliant Okayama Factory (1072 Nishikozai, Higashi-ku, Okayama City, Japan), for the production of functional fine particle products for cosmetic raw materials and API for OTC Sunscreen.

The following is the expansion outline;

Factory Expansion Outline

1. Type of Products

Functional Fine Particle Products (Micro Titanium Dioxide, Micro Zinc Oxide)

2. Capacity Increase

1,600MT/y

Production capacity after the completion of the new facility is 5,200MT/y.

3. New Facility Address

1072 Nishikozai, Higashi-ku, Okayama City (within our Okayama Factory)

4. Completion Period

Production is expected to begin in the end of 2020.

5. Capital Investment Value

Estimated 3~4 billion yen

6. Purpose and Progress for Facility Expansion

Among our functional fine particle products, micro titanium dioxide and micro zinc oxide are manufactured at the Okayama Factory. As we have steadily expanded sales, mainly in the cosmetic applications, we are proceeding to set up new facility at the Kumayama Factory (50-1 Osegi, Akaiwa City) for capacity expansion this spring. The new Kumayama Factory is also GMP compliant factory.

Furthermore, the most recent external environments support the increase in demand for cosmetic applications. As it is believed that further growth in this application can be expected, we have expanded our facilities to produce functional fine particle products within our Okayama factory, in order to provide our users with a stable supply.

7. Forecast of Sales Increase due to Facility Expansion

It is dependent on the business environment, however our aim is to increase sales by 3.5~4.5 billion yen by 2023.

End of notice