

Nippon Shokubai to halt investment in blast-hit plant

RELEASED ON 25/06/13 (DD/MM/YY)

Nippon Shokubai Co. will freeze new investment in its Himeji plant, the site of an explosion last September, to disperse more output to other factories, President Masanori Ikeda told The Nikkei on Monday.

Before the accident, the Hyogo Prefecture plant was responsible for about 70% of the firm's total production of superabsorbent polymer, a key material for disposable diapers, and acrylic acid, a raw material used to make SAP. The explosion put a dent in supplies. Nippon Shokubai plans to eventually bring the ratio down to less than 50%.

"After the new equipment comes onstream next April, we will no longer make acrylic acid investments in Himeji," Ikeda said.

Instead, Nippon Shokubai will consider beefing up capacity at the Kawasaki plant in Kanagawa Prefecture and production sites abroad.

SOURCE Nikkei Report