

News Release

May 17, 2007

TNSC and SKC sign investment agreement with Ulsan

Taiyo Nippon Sanso Corporation and SKC Co., Ltd., a leading South Korean chemical company, having previously agreed to form a joint venture to produce industrial gases in Ulsan Metropolitan City, today signed an agreement with officials of Ulsan Metropolitan City. CEO Park Jang Seok signed for SKC, TNSC Executive Vice President Keiji Futamatsu for TNSC, and Ulsan Mayor Park Maeng-Woo for the city.

Details

- 1. Background:** Officials from SKC and TNSC visited Ulsan Metropolitan City last year in early October, where they met with the local government officials. Since then, the companies have been inquiring into the incentives offered to foreign investors, progress on the development of the infrastructure at Ulsan Industrial Park, and market trends for industrial gases. They have maintained close ties with Ulsan Metropolitan City, which has worked actively to encourage investment by both companies by providing the information needed to make the decision to invest locally, particularly materials concerning the local investment climate.
- 2. Agreement Signed:** May 17, 2007
- 3. Total Investments:** 70 billion won (Approx. ¥9 billion)
- 4. Stakes:** SKC (80%), TNSC (20%); (These stakes are subject to change)

- 5. Plant Construction Site:** Gosa-dong, Nam-gu, Ulsan, South Korea

- 6. Future Plans:** The 60,000 Nm³/h air separation plant, to be constructed by the end of 2008, will produce oxygen, nitrogen and argon. The plant will provide industrial gases to customers not only in Ulsan, but in the whole southern part of South Korea, primarily Busan Metropolitan City and the adjoining Kyongnam Province. TNSC will provide the technological know-how and support for the operation of the air separation plant.