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Koei Chemical to Expand Production Capacity of Multi-Purpose Facilities in Chiba

Koei Chemical Company, Limited, has decided to expand a production capacity of the multi-purpose facilities (CM lines) by adding a new production line (CM IV) at its Chiba Plant in Chiba, Japan.

Over the years, Koei Chemical has been growing the custom synthesis business, primarily for such fields as pharmaceutical intermediates, metallocene catalysts and electronic materials, and has been building up its capacity through the construction of the multi-purpose production lines CM I, II and III. The existing CM production lines are in full operation and are expected to shortly run out of capacity with a continued demand growth. Furthermore, novel materials for polyurethane, positioned as the next generation products, which are also being developed with Koei Chemical's own technology, are now close to commercialization. CM IV, due to start an operation in September 2022 with an investment amount of 8.6 billion Japanese yen, is expected to supplement the existing CM lines and to fill the gap with an increased overall demand for custom synthesis as well as other new products, leading to a substantial future growth to Koei Chemical.

Koei Chemical's expertise and know-hows fostered through more than 20 years' experience in running the existing CM production lines will be fully incorporated into CM IV, together with the latest technologies relating to operations management and quality control. Such distinctive technical features of Koei Chemical include the handling of moisture/air sensitive compounds, which is used for the reactions involving organometallic compounds like the Grignard reaction, and also required for manufacturing metallocene catalysts. Most suitable for a production size from a few metric tons to around 100 metric tons, CM IV will provide for a productivity enhancement for those products that will require multiple and highly complex synthetic processes, and will bring about significant operational synergies through better production planning and efficiency management in combination with other CM lines.

Koei Chemical endeavors to expand the business further with high-value added products and services brought through the introduction of CM IV.

Key features of the existing and new production lines:

| | Existing CM lines | | | New line |
|--|---|--|---|--|
| | CM I | CM II | CM III | CM IV |
| Total floor area Height | 1,900m ² 6-story building | 3,100m ² 4 to 6-story buildings | 2,800m ² 6-story building | 4,700m ² 7-story building |
| # of reactors | 11 (1-5m ³) | 15 (7-10m ³) | 8 (3-10m ³) | 10 (10m ³ 、20m ³ *1) |
| # of filters (incl. filter driers) | 6 | 6 | 6 | 4 |
| Suitable production size | 10kg~ a few metric tons | A few metric tons - around 100 metric tons | 100kg - around 100 metric tons | A few metric tons - around 100 metric tons |

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