



** English translation of the local press release to be sent in Japan on April 1st, 2019*

Further strengthening of global TPU business

DIC Covestro Polymer joint venture starts new journey

- Covestro raised stake from 50% to 80% as of April 1st, 2019
- Partnership with DIC Corporation continues
- Acquisition as part of Covestro's global growth strategy

Covestro has raised its stake of DIC Covestro Polymer joint venture to 80% as of April 1st, 2019, and DIC's holding became 20%. Accordingly, DIC Covestro Polymer will be consolidated into Covestro's financial statements.

DIC will continue to support the success of DCP with its industry network, strong brand name, and as a reliable local partner. Production and R&D by DCP will continue at Sakai plant located in the DIC facility in Sakai, Osaka Prefecture, getting support from DIC such as supplying feedstocks and providing services on site. The acquisition complements Covestro's recent organic global capacity expansions of TPU sites in New Martinsville (USA) and Changhua (Taiwan), which raises the respective annual TPU production capacities by approximately 25% each.

"DCP's unique local capabilities together with Covestro's global network form a powerful combination going forward. The differentiated product portfolio fits well into our pursuit to grow in more resilient, profitable businesses," says Kimiyasu Yonemaru, President of Covestro Japan. "It shows a clear commitment from Covestro to the Japanese market."

About DIC Covestro Polymer Ltd. (DCP):

DCP was established in June 2000, as a joint venture between Dainippon Ink & Chemicals Inc. (today DIC) and Bayer Ltd. (the shares in DCP were later transferred to Bayer MaterialScience Ltd., today Covestro Japan Ltd.). DCP is a leading TPU supplier in Japan offering a unique and wide range of TPU specialty products and TPU brands such as PANDEX®, Desmopan® and Texin®. With its variety and outstanding versatility, TPU is preferred in a wide range of applications such as automotive, electric appliance, IT, health care and sports.
