



**FOR IMMEDIATE RELEASE**

**AGC to Significantly Boost Output of Caustic Soda and Vinyl Chloride in Indonesia  
— Further Plant Expansion Decided in Response to Strong Demand in Southeast Asia —**

**Tokyo, August 6, 2013**—AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Kazuhiko Ishimura) announces that it will invest approximately 40 billion yen to significantly increase the production capacity of its Indonesian subsidiary P.T. Asahimas Chemical (ASC) to meet growing demand for chlor-alkali products, such as caustic soda and vinyl chloride, in the Southeast Asia region.

In March 2013, ASC expanded its annual production capacity for caustic soda to nearly 500,000 tons. Now, ASC is going to further enhance its production facilities for caustic soda and vinyl chloride, aiming to start operation of the extended facilities by the end of 2015. After the expansion, output of caustic soda at ASC will increase 40% to about 700,000 tons a year, and production of polyvinyl chloride (PVC) will nearly double to about 550,000 tons a year.

Caustic soda is used in the production of alumina, pulp and paper, and rayon as well as various water-treatment processes. Demand for caustic soda is increasing with the progress of industrialization. On the other hand, demand for PVC, one of the major commodity resins, tends to increase along with economic growth as PVC applications, such as pipes, are commonly used in infrastructure and housing construction.

Demand for the chlor-alkali products is expected to rise by about 5% annually in the Southeast Asia region, where economies are projected to continue developing. In 2020, the market scale for the products in the region is forecast to expand by about 50% from the present level. In particular, the caustic soda and vinyl chloride markets in Indonesia, both already the largest markets in the region, are expected to grow much faster than the average growth rates in the region.

ASC, an Indonesian subsidiary of AGC, is one of the largest manufacturers of chlor-alkali products in Southeast Asia, conducting integrated production from caustic soda and chlorine to vinyl chloride. The subsidiary currently accounts for more than 50% of Indonesia's caustic soda market and about 50% of the country's PVC market. By significantly expanding its production capacity, ASC is responding to robust demand for the products in the Southeast Asia region, centered on Indonesia.

With its production bases located in Indonesia and Thailand, the AGC Group will strive to enhance its chlor-alkali business throughout the Southeast Asia region, where high market growth is expected, and establish an optimal supply system that fully meets market needs.

*Media Contact*

Toshihiro Ueda, General Manager, Corporate Communications & Investor Relations

**AGC** Asahi Glass Co., Ltd.

(Contact: Yasuo Sugiyama; Tel: +81-3-3218-5603; E-mail: [info-pr@agc.com](mailto:info-pr@agc.com))

< Reference >

■ Profile of P.T. Asahimas Chemical

- (1) Company: P.T. Asahimas Chemical
- (2) Representative: Jun Miyazaki
- (3) Location of head office: Jakarta, Indonesia
- (4) Location of plant: Cilegon, Banten, Indonesia
- (5) Capital: 42 million USD
- (6) Shareholders: AGC 52.5%; Mitsubishi Corporation 11.5%  
Local partners (Rodamas 18%, Ableman Finance 18%)
- (7) Established: 1986
- (8) Business description: Production and sale of chemicals such as caustic soda, EDC, VCM, and PVC
- (9) Capacities to be added\*: (tons): caustic soda 200,000; VCM 400,000; PVC 250,000  
\*Additional production is slated to be launched by the end of 2015.

[A view of P.T. Asahimas Chemical]

