

FOR IMMEDIATE RELEASE

## AGC to Further Enhance Production Capacity of Vinyl Chloride Monomer in Indonesia

**Tokyo, May 12, 2016**—AGC Asahi Glass (AGC), a world-leading manufacturer of glass, chemicals and high-tech materials, announces that it has decided to further increase the production capacity of vinyl chloride monomer (VCM) at P.T. Asahimas Chemical (ASC), one of its consolidated subsidiaries in Indonesia. ASC has recently completed facility enhancement, which includes the capacity increase of VCM production to 800,000 tons from 400,000 tons, and the new production facilities started operations in the first quarter of 2016. As an additional capacity enhancement measure, ASC will increase its VCM production capacity to 900,000 tons in 2018 through the debottlenecking and productivity improvement in existing facilities.



VCM is used mainly as a raw material for the production of polyvinyl chloride (PVC). The PVC market in Southeast Asia continues to demonstrate an annual growth rate of around 5%, and remains favorable particularly in businesses related to infrastructure development. Under such circumstances, the demand for VCM exceeds the supply in the region. Following the facility enhancement completed recently, AGC has decided to further increase the production capacity of VCM to 900,000 tons in an effort to respond to the brisk demand in the Southeast Asia. The volume increase from the two-phased capacity enhancement will be allocated for the exports to Phu My Plastic and Chemicals Co., Ltd., which is AGC's consolidated subsidiary in Vietnam, and other customers in Southeast Asian countries, as well as for the domestic PVC production at ASC.

Under the management policy *AGC plus*, the AGC Group has set a priority on its Chlor-Alkali and PVC business in Southeast Asia. In order to enhance its competitiveness in the region and increase the market share in Southeast Asia, the AGC Group will proactively take measures for capacity increase that comes in line with the supply and demand situation in the region.

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### Media Contact

Junichi Kobayashi, General Manager, Corporate Communications & Investor Relations

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

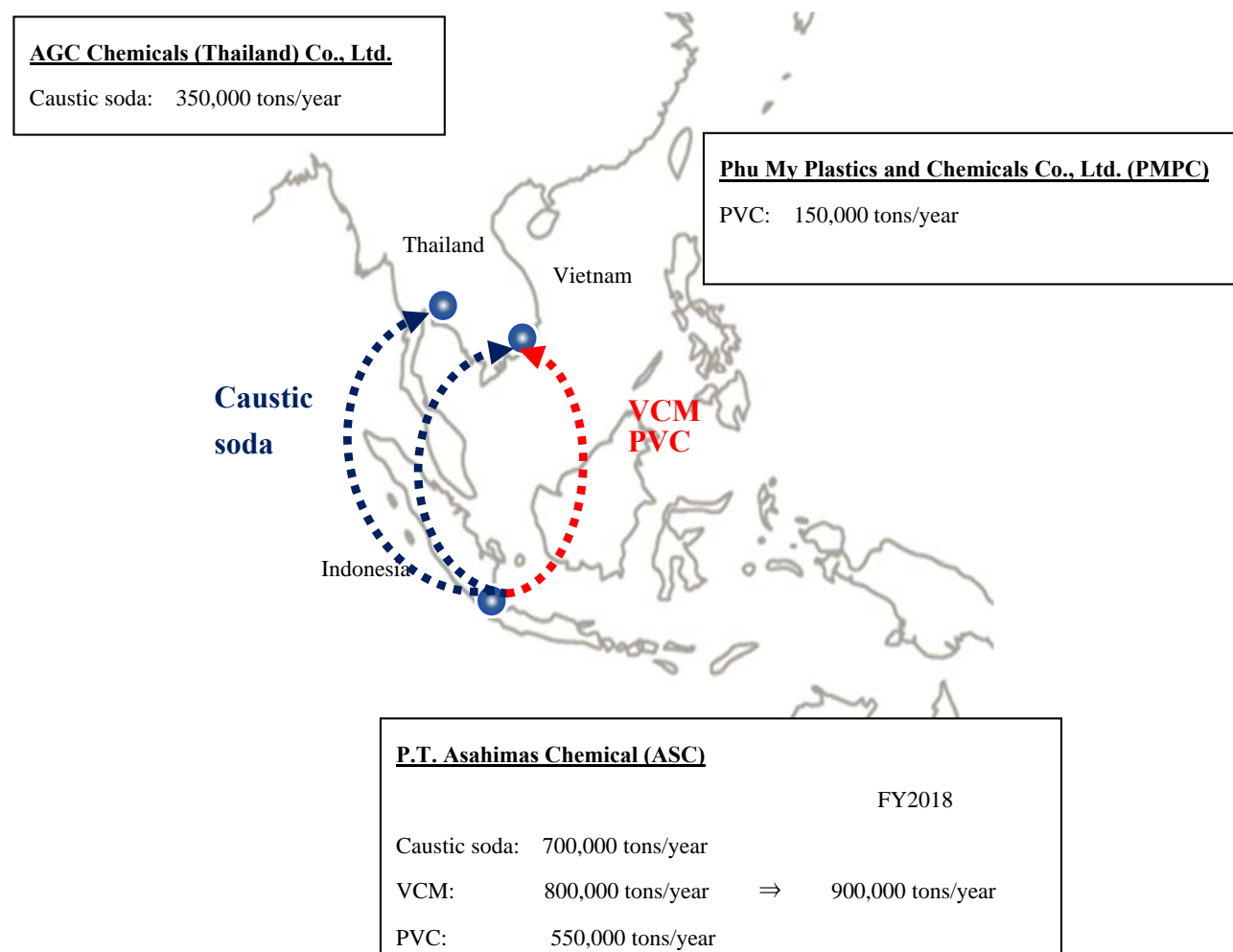
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■ Profile of P.T. Asahimas Chemical

- (1) Company: P.T. Asahimas Chemical
- (2) Representative: Katsuya Kinoshita
- (3) Location : (Head Office) Jakarta, Indonesia (Plant) Cilegon, Banten, Indonesia
- (4) Capital: 84 million USD
- (5) Shareholders: AGC 52.5%; Mitsubishi Corporation 11.5%, Rodamas 18%, Ableman Finance 18%
- (6) Established: 1986
- (7) Business description: Production and sale of chemicals such as caustic soda, EDC, VCM, and PVC

■ Business development and principal measures of the chlor-alkali business in Southeast Asia



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