

Press Release

Reorganization of Kashima Chlorine & Alkali Co., Ltd. and Kashima Vinyl Chloride Monomer Co., Ltd. announced

Asahi Glass Co., Ltd. (Head Office: Tokyo; President and CEO Kazuhiko Ishimura, hereunder “Asahi Glass”); ADEKA Corporation (Head Office: Tokyo; President Kunihiko Sakurai, hereunder “ADEKA”); Kaneka Corporation (Head Office: Osaka; President Kimikazu Sugawara, hereunder “Kaneka”); Shin-Etsu Chemical Co., Ltd. (Head Office: Tokyo; President Shunzo Mori, hereunder “Shin-Etsu Chemical”); and Mitsubishi Chemical Corporation (Head Office: Tokyo; Representative Director, President and CEO Yoshimitsu Kobayashi, hereunder “Mitsubishi Chemical”) – hereunder referred to by the collective term of “five companies” – have made a basic agreement with the following contents regarding the operation of both Kashima Chlorine & Alkali Co., Ltd. (Head Office: Ibaraki; President Noboru Hasegawa, hereunder “Kashima Denkai;” (see the accompanying sheet for further information) and Kashima Vinyl Chloride Monomer Co., Ltd. (Head Office: Ibaraki; President Toshihide Shimizu, hereunder “Kashima PVC Monomer;” (see the accompanying sheet for further information,) – both of which are joint ventures of the above five companies.

- 1) Asahi Glass, ADEKA and Kaneka will withdraw their capital investment from both Kashima Denkai and Kashima PVC Monomer. Shin-Etsu Chemical and Mitsubishi Chemical will continue their capital investment in both joint-venture companies, and from now on both of these companies will be operated as a subsidiary company of Shin-Etsu Chemical.
- 2) Along with (1), with regard to the operation of the berth facilities (port facility for receiving and shipping of raw materials and products) which is presently performed by Kashima Denkai, a new joint-venture company will be set up and the operation will be transferred to that company.

Discussions will be continued regarding such matters as the concrete details and conditions of the basic agreement.

For inquiries concerning the matters reported in this press release, please contact the following companies:

Asahi Glass Co., Ltd., Corporate Communications & Investor Relations Tel: 03-3218-5603

ADEKA Corporation, Legal Affairs & Publicity Dept. Tel: 03-4455-2803

Kaneka Corporation, Public Relations Office Tel: 06-6226-5019

Shin-Etsu Chemical Co., Ltd., Public Relations Dept. Tel: 03-3246-5091

Mitsubishi Chemical Corporation, Public Relations Dept. Tel: 03-6414-3730

For your reference, the outline of the joint-venture companies is as follows:

Outline of Kashima Chlorine & Alkali Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office address: 3 Towada, Kamisu-city, Ibaraki Prefecture
3. President: Noboru Hasegawa
4. Capital: ¥3.5 billion
5. Ratio of Investment: Asahi Glass 25%, ADEKA 23%, Shin-Etsu Chemical 23%, Mitsubishi Chemical 21%, and Kaneka 8%
6. Business: Manufacturing and sales of caustic soda and chlorine
7. Production capacity: 400,000 tons/year of caustic soda

Outline of Kashima Vinyl Chloride Monomer Co., Ltd. (as at December 16, 2011)

1. Established in February 1968
2. Head Office: 2 Towada, Kamisu-city, Ibaraki Prefecture
3. President: Toshihide Shimizu
4. Capital: ¥1.5 billion
5. Ratio of Investment : Shin-Etsu Chemical 50%, Mitsubishi Chemical 25%, Asahi Glass 10%, Kaneka 10%, and ADEKA 5%
6. Business: Manufacturing and sales of vinyl chloride monomer
7. Production capacity: 600,000 tons/year of vinyl chloride monomer