



**FOR IMMEDIATE RELEASE**

**AGC to Construct Power Plant in Indonesia**  
**— Aimed at Enhancing Competitiveness in Southeast Asia and Accelerating Growth**  
**Strategies of Chemicals Segment —**

**Tokyo, April 8, 2015**—AGC (Asahi Glass Co., Ltd.; Head Office: Tokyo; President & CEO: Takuya Shimamura) announces that it will invest approximately 400 million dollars to construct a power plant at its Indonesian subsidiary P.T. Asahimas Chemical (ASC). AGC will enhance the competitiveness of its chlor-alkali business in Southeast Asia by significantly reducing power rates, a major cost item of that business. The power plant is scheduled to commence operation within 2017.

The Caustic soda and polyvinyl chloride (PVC) market in Southeast Asia is projected to grow at over 5% per year. Of demand in the market, Indonesia, Thailand and Vietnam, where AGC has bases for the chlor-alkali business, account for 70%.

In order to steadily take in increasing demand in these growth markets, AGC has been working to grow business, by looking at Southeast Asia as a whole and leveraging synergies in the Group in the region, through measures including the enhancement of production capacity at ASC, which is scheduled to be completed at the end of 2015, the purchase of a Vietnamese PVC manufacturing company and the increase of its production capacity.

This investment will realize cost reduction of electricity, one of the main materials, and will help AGC to build dominant competitiveness not only in Indonesia but also in the entire Southeast Asia. AGC will ensure its position as the No. 1 regional manufacturer in the chlor-alkali business and accelerate business development by the Group as a whole.

To cope with increasing demand for electric power, Indonesia plans to reinforce thermal power stations fueled by coal that is produced in the country. To that plan, Japan proposes high efficiency power generation using circulation fluidized bed boilers (CFB method) or ultra-supercritical power plant, etc., aimed at reducing CO2 emissions. The power plant to be constructed by AGC will be a coal-fired power plant (power generation capacity: approximately 250MW) that uses low-grade coal of Indonesia, whose reserve is large and which can be obtained easily. It will adopt the high efficient, environmentally-friendly CFB method, which is capable of co-generation and mixed fuel burning of biomass fuel.

Under its management policy *AGC plus*, AGC positions the overseas chlor-alkali business as one of growth businesses. Through a series of measures, including this investment, AGC will steadily take in expanding demand and aim to raise the operating profit margin of the Group's Chemicals segment to 10% or more in 2017.

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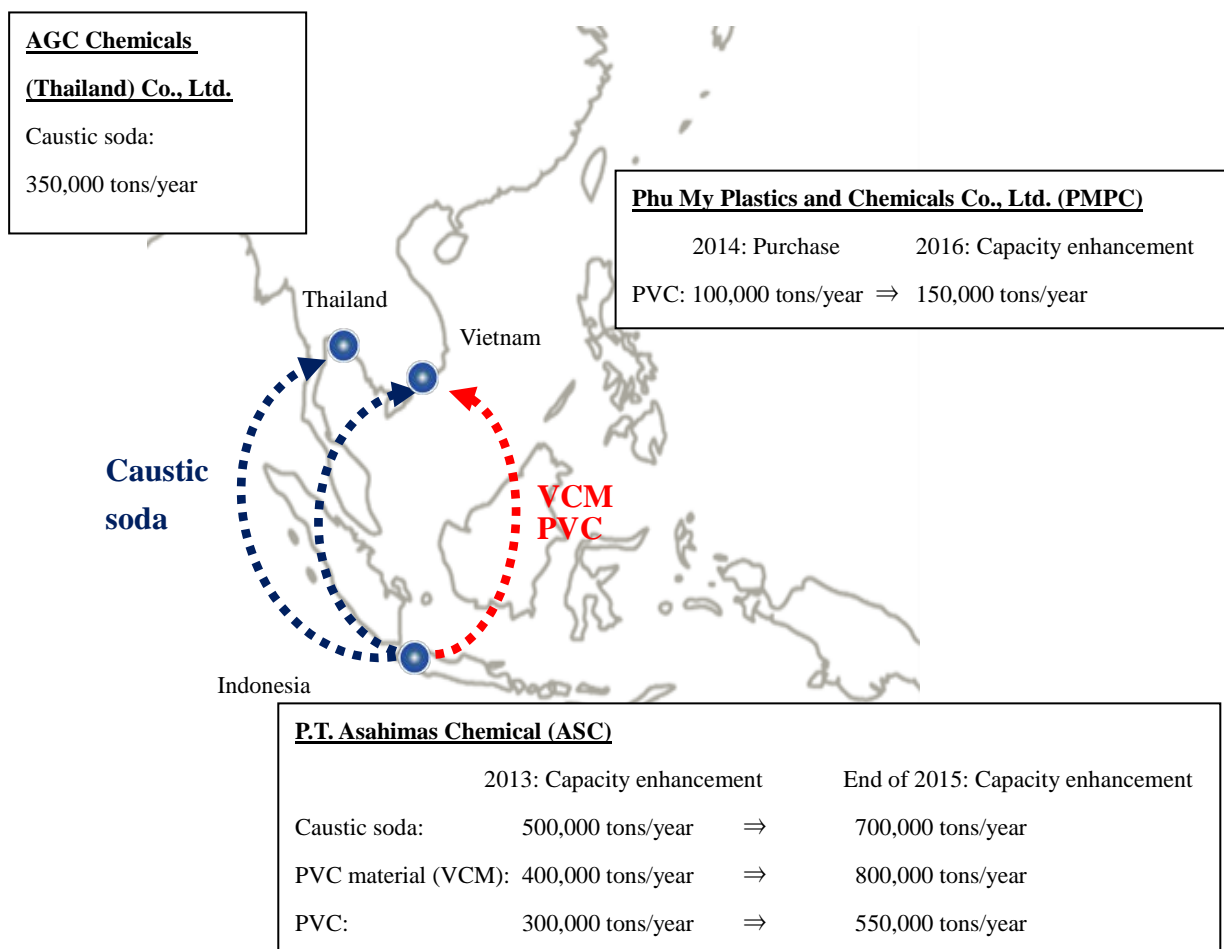


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■ Profile of P.T. Asahimas Chemical

- (1) Company: P.T. Asahimas Chemical
- (2) Representative: Jun Miyazaki
- (3) Location : (Head Office) Jakarta, Indonesia (Plant) Cilegon, Banten, Indonesia
- (4) Capital: 84 million USD
- (5) Shareholders: AGC 52.5%; Mitsubishi Corporation 11.5%  
Local partners (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



(In order of time when operation commences)

Time of announcement	Measures	Annual production capacity of AGC Group in Southeast Asia		
		Caustic soda	VCM	PVC
	Before the following measures are taken	740,000 tons	400,000 tons	300,000 tons
<a href="#">2011/5/31</a>	Capacity enhancement of ASC (Operation commenced in March 2013.)	850,000 tons	400,000 tons	300,000 tons
<a href="#">2013/11/6</a>	Purchase of PMPC, a Vietnamese PVC company	850,000 tons	400,000 tons	400,000 tons
<a href="#">2013/8/6</a>	Capacity enhancement of ASC (scheduled to be completed at the end of 2015)	1,050,000 tons	800,000 tons	650,000 tons
<a href="#">2015/3/25</a>	Capacity enhancement of PMPC (Operation is scheduled to commence at the beginning of 2016)	1,050,000 tons	800,000 tons	700,000 tons

\*Click the date, and you will be linked to the relevant press release.

#### ■A view of P.T. Asahimas Chemical

