

## **Expansion of modified PPE production material plant in Singapore**

Asahi Kasei Chemicals Corporation (“AKCC”) and Mitsubishi Gas Chemical Co., Inc. (“MGC”) have agreed to expand the plant capacity of Polyxylenol Singapore Pte. Ltd. (“PXS”) for the production of PPE powder, the key material for modified PPE resin production. PXS is a joint venture of MGC and Asahi Kasei Plastics Singapore Pte. Ltd. (“APS”), AKCC’s wholly-owned subsidiary for the production of modified PPE resin and related materials in Singapore.

The expansion of the PXS plant will raise its PPE powder production capacity by 9,000 tons/year to a total of 39,000 tons/year, and will be accompanied by a related expansion in APS’s production capacity. Commercial start-up of the expanded capacity is scheduled for July 2006.

### *Context and purpose of capacity expansion*

The demand for modified PPE resin, with its excellent thermal, mechanical, and flame-retardant properties, is rising worldwide and particularly in Asia for applications in electrical and electronic goods, business equipment, automotive components, and other growing fields. This creates an increasing need to ensure stable supply and close cooperation in applications development for local companies and Japanese subsidiaries throughout Asia, in concert with the overseas transfer of Japanese manufacturing operations in these fields.

PXS was originally established by AKCC and MGC in 2002, as a key part of operations in Singapore for the production of PPE powder and modified PPE resin to serve these needs, and the expansion will meet the continuing rise in market demand.

### *Essentials of expansion in PPE powder production capacity*

Size of expansion.....9,000 tons/year, resulting in 39,000 tons/year total capacity  
Plant site .....Jurong Island, Republic of Singapore  
Expanded-capacity start-up...July 2006

## Related information

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### *Profile on operations in Singapore*

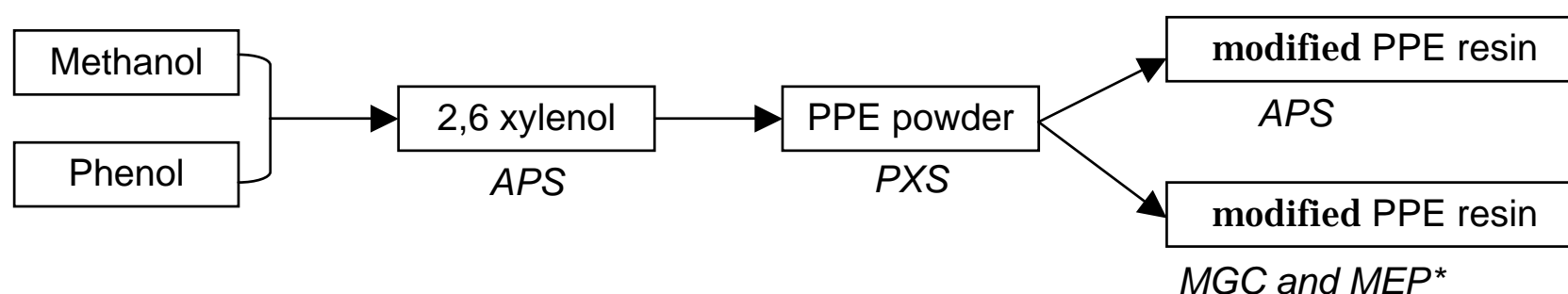
#### **Polyxylenol Singapore Pte. Ltd. ("PXS")**

Operations ..... Production of PPE powder  
Plant location ..... Jurong Island, Republic of Singapore  
Production capacity ..... 30,000 tons/year (as of November 2005)  
Shareholders ..... Asahi Kasei Plastics Singapore Pte. Ltd. ("APS"): 70%  
Mitsubishi Gas Chemical Co., Inc.: ("MGC"): 30%

#### **Asahi Kasei Plastics Singapore Pte. Ltd. ("APS")**

Operations ..... Production and sale of:  
2,6 xlylenol for PPE powder production; and  
Xyron™ modified PPE  
Plant location ..... Jurong Island, Republic of Singapore  
Production capacity ..... modified PPE: 48,000 tons/year (as of November 2005)  
Shareholder ..... Asahi Kasei Chemicals Corporation ("AKCC"): 100%

### *Overall mPPE production process and respective production companies*



\*MEP: Mitsubishi Engineering-Plastics Corporation

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