



Mitsubishi Gas Chemical Company, Inc.

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## **Expansion of Polyacetal-Producing Joint Venture in South Korea**

Mitsubishi Gas Chemical Company, Inc. (MGC; Head Office: Chiyoda-ku, Tokyo; President: Kazuo Sakai) has decided to expand polyacetal (POM) production facility at Korea Engineering Plastics Co., Ltd. (KEP), an MGC affiliate based in South Korea, to increase its annual production by 35,000 tons.

In 1988, KEP began production of POM using MGC technology at its plant in Ulsan. Annual production has now reached over 100,000 tons. The additional 35,000-ton capacity made possible with MGC technology will be combined with the current capacity to bring KEP's total POM production capacity to 140,000 tons. The construction of the new facility will start in the first quarter of 2012 and will be completed in the fourth quarter of 2013. Commercial operation is scheduled to begin in the first quarter of 2014.

With its outstanding mechanical strength, fatigue characteristics, and chemical resistance, POM finds use in products such as mechanical components for automobiles and electric/electronic equipment. POM is expected to achieve an annual growth in demand of 5 to 6% in the future, causing a tight demand-supply balance for years to come.

Annual capacity of 140,000 tons will position KEP as a supplier having one of the world's largest single POM production sites. This will combine with the ongoing expansion at another MGC production subsidiary, Thai Polyacetal Co., Ltd., (increased to 100,000 tons) to even further strengthen MGC's position in the global POM market.

[Korea Engineering Plastics Co., Ltd. (KEP)]

KEP was established in 1987 as a polyacetal producer and distributor. Currently 50% of its outstanding shares are owned by Celanese, while 40% by MGC and 10 % by Mitsubishi Corporation. KEP is an equity method company for MGC.

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