

**Construction of solution SBR plant in Singapore
– expansion of operations in synthetic rubber for fuel-efficient high-performance tires –**

Asahi Kasei Chemicals will construct a new plant to produce solution-polymerized styrene-butadiene rubber (S-SBR) in Singapore, with start-up scheduled for June 2013.

Background

With tightening environmental regulations and heightening environmental awareness, demand for high-performance tires which provide improved fuel efficiency is growing throughout the world. Demand for S-SBR which enables the production of tires that provide greater fuel efficiency while maintaining safety performance is therefore growing briskly. At the same time, the overall market for tire rubber in Asia is expanding as rapid motorization continues and tire production increasingly shifts to the region.

Asahi Kasei Chemicals has expanded synthetic rubber operations as a field of strategic global expansion with a key focus on S-SBR for fuel-efficient high-performance tires. With its new S-SBR plant in Singapore, Asahi Kasei Chemicals will study further supply expansions while developing higher-quality and higher-performance products to meet both growing demand and heightening customer requirements.

Outline of the new plant

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| Location: | Tembusu district, Jurong Island, Singapore |
| Capacity: | Phase 1 – 50,000 tons/year Phase 2 – 50,000 tons/ year (planned) |
| Production: | S-SBR for fuel-efficient high-performance tires |
| Process: | Solution polymerization |
| Scheduled start-up: | Phase 1 – June 2013 (Phase 2 – first half 2015) |

Synthetic rubber business of Asahi Kasei Chemicals

Major products:
S-SBR, butadiene rubber (BR), thermoplastic elastomer, transparent styrenic resin.

Capacity for S-SBR (flexible capacity including BR):
Kawasaki Works – 105,000 tons/year
Oita Plant* – 35,000 tons/year
Total – 140,000 tons/year

* Japan Elastomer Co., Ltd., 75% owned subsidiary of Asahi Kasei Chemicals (25% owned by Showa Denko K.K.)

About S-SBR

Styrene-butadiene rubber (SBR) is a synthetic copolymer consisting of styrene and butadiene, produced either by emulsion polymerization or solution polymerization. Depending on which production process is used, it is classified as either emulsion-polymerized styrene-butadiene rubber (E-SBR) or solution-polymerized styrene-butadiene rubber (S-SBR). Whereas E-SBR is used mainly for standard-grade tires, S-SBR has become the focus of increasing attention for its essential function of enhancing tire performance. S-SBR is now increasingly used for fuel-efficient high-performance tires.

Being an optimal material for improving the balance of performance characteristics—including abrasion resistance, safety, and fuel efficiency—the modified S-SBR produced by Asahi Kasei Chemicals using its continuous polymerization process is widely recognized among tire manufacturers around the world.