

September 19<sup>th</sup>, 2019

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## PT. NIPPON SHOKUBAI INDONESIA Obtains “Tax Holiday” for Investment in New Acrylic Acid Plant

NIPPON SHOKUBAI CO., LTD. (Headquarters: Chuo-ku, Osaka; President: Yujiro Goto, hereinafter “Nippon Shokubai”) announces that its subsidiary PT. NIPPON SHOKUBAI INDONESIA (hereinafter “NSI”) has been granted Tax Holiday (\*) from Ministry of Finance Indonesia for its Acrylic Acid (hereinafter “AA”) investment plan which was decided in October 2018.

AA, one of Nippon Shokubai’s core businesses, shows steady growth of demand as a key material for superabsorbent polymers (hereinafter “SAP”) and acrylates (hereinafter “AES”) etc. Nippon Shokubai concluded to expand the capacity of NSI in October 2018 and NSI held a groundbreaking ceremony in July 2019.

### (\*) Tax Holiday regulation

Tax Holiday is a corporate income tax incentive for investment which highly contributes to industrial cluster in Indonesia. Through Tax Holiday, the investment enables NSI to obtain exemption of corporate income tax for the first 7 years after the start of commercial production, followed by 50% reduction for the following 2 years.

### 1. Corporate outline of NSI

Established	: August 1996
Location	: Cilegon, Indonesia (headquarters and plant)
Representative	: Hisakazu FUJITA (Mr.), President Director
Business	: Production and sales of AA, AES and SAP
Capital	: 120 million US dollars – paid in capital
	99.9% owned by Nippon Shokubai
Number of employees	: 458 as of March 31, 2019

### 2. Feature of the investment

Production capacity	: AA 100,000 T/Y (current capacity 140,000 T/Y, totally 240,000 T/Y after the completion)
Schedule	: Mechanical completion – March 2021 Commercial operation – November 2021
Location	: Existing plant site of NSI
Investment amount	: Approx. 200 million US dollars

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About Nippon Shokubai Co., Ltd.:

Since 1941, Nippon Shokubai has grown up its business with unique catalyst technology. Nippon Shokubai has supplied, for example, ethylene oxide, acrylic acid, automobile catalysts, process catalysts and so on. Among all, our global market share of superabsorbent polymer is the largest in the world now. Nippon Shokubai is a global chemical company operating under its corporate mission "Providing affluence and comfort to people and society with our unique technology."  
<http://www.shokubai.co.jp/en/>

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