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News Release

TOYO Awarded Synthetic Rubber Plant Project in Indonesia

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Toyo Engineering Corporation

Toyo Engineering Corporation (TOYO, President and CEO Kiyoshi Nakao) and PT. Inti Karya Persada Teknik (IKPT, President and CEO Eiji Hosoi), have been awarded a contract for Synthetic Rubber Plant Project with production capacity of 120,000 tons per annum in Cilegon on the western tip of Java, Indonesia from PT. Synthetic Rubber Indonesia (SRI), Joint Venture company of Compagnie Financiere Du Groupe Michelin (Michelin) and PT Chandra Asri Petrochemical Tbk (CAP).

This Synthetic Rubber plant will produce Solution Styrene Butadiene Rubber (SSBR) and Polybutadiene Rubber with Neodymium Catalyst (PBR) licensed by Michelin, which will be used to produce tires. The plant will utilize Butadiene feedstock produced by PT Petrokimia Butadiene Indonesia, a subsidiary of CAP. TOYO entered into offshore supply contract and IKPT entered into detail engineering, procurement and construction contract with SRI separately. The target for completion is in 2018.

TOYO was awarded Butadiene Plant Project in 2011 and Ethylene Plant Expansion Project in 2013 from CAP. These experiences and TOYO/IKPT's proposal to the project execution have been highly evaluated by SRI, which led to this award.

The Indonesian market, with a population of approximately 240 million and rapid economic growth, offers expanding demand for tires along with increasing of automotive and motorcycles. TOYO will strive to actively expand its business in collaboration with IKPT.

Contract Summary

- Client: PT. Synthetic Rubber Indonesia (Portion of ownership: 55% by Michelin, 45% by PT Styrimdo Mono Indonesia, a subsidiary of CAP)
- Contractor: Toyo Engineering Corporation and PT Inti Karya Persada Teknik
- Site: Cilegon on the western tip of Java, Indonesia
- Facilities: Synthetic Rubber Plant with production capacity of 120,000 tons per annum (Solution Styrene Butadiene Rubber (SSBR) and Polybutadiene Rubber with Neodymium Catalyst (PBR))
- Licensor: Michelin
- Scope: TOYO: Offshore supply contract
IKPT: Turnkey contract for detailed engineering, procurement of equipment and materials, and construction
- Completion: 2018 (scheduled)

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