

May 15, 2008

Mitsui Chemicals to Start Commercial Production at No.3 EPDM Plant

Mitsui Chemicals, Inc. ("MCI") announces the start of commercial production at No.3 EPDM Plant of its Ichihara Works, following confirmation of operational stability and product quality. MCI manufactures and sells EPDM (Ethylene-propylene-diene terpolymer, trade name: Mitsui EPT™), which is used in automotive parts, electric wire sheathings and cables and other industrial parts. MCI has successfully completed construction of a state-of-the-art plant to manufacture EPDM using metallocene catalyst technology. The start of the new facility was stimulated by expanding global demand for EPDM.

<Overview of the New Facility>

1. Product: Ethylene-propylene-diene terpolymer (EPDM)
2. Trade name: Mitsui EPT™
3. Site: MCI Ichihara Works
4. Production Capacity: 75,000t/y
(Total production capacity of Mitsui EPT™ to be 120,000t/y, after adding to current capacity)
5. Technology: Proprietary (metallocene catalyst technology)
6. Schedule: Start of construction: August 2006
Completion: October 2007
Start of commercial production: April 1, 2008

EPDM boasts a number of outstanding properties. Not only is it resistant to weather and ozone as well as heat and cold, but it also possesses outstanding electrical characteristics and chemical resistance. Widely used in applications ranging from automotive parts to electric wire sheathings and cables and other industrial parts, EPDM is expected to experience rapid expansion in demand driven by growth exceeding 10% per year in automobile output, in particular, in the Asian region. At the same time, thermoplastic vulcanizates (TPV), which contains EPDM as a main raw material, is seeing demand growth globally as applications for this eco-friendly material expand to mainly automobile interior materials, construction materials and electronic appliances. EPDM's light-weight and recyclable features contributes a lot to its eco-friendliness.

MCI has formulated its new Mid-term Business Plan (the 08MTP), in which the company is aiming to complete a three dimensional strategy consisting of Economy, Environment and Society along with the concept of “The Challenge to Create Innovative Values” through creation of innovative new technologies. Fiscal 2008 is the first year of the 08MTP and MCI will commit itself to realizing the goal of this MTP for the next 4 years. Automotive and Industrial Materials business including Mitsui EPT™ is one of the core businesses of the Performance Materials Business Sector which has the mission to establish high-profitability as a growth driver. MCI, as the world top class supplier of the product, aspires to catch up with the expansion of market demand, and continue to stably supply high-quality EPDM with the state-of-the-art and world-class plant. MCI intends to further expand and accelerate growth of the Mitsui EPT™ business, satisfying customers’ needs through competitive technology and marketing competencies the company has established so far.

<Reference>

EPT Plant with production capacity increased.

