



Mitsui Chemicals, Inc.  
August 26, 2011

## New Company for Production and Sales of Spunbonded Nonwovens in China

Mitsui Chemicals, Inc. (hereinafter called "MCI") with its head office in Tokyo, Japan (Toshikazu Tanaka, President & CEO) announced plans to form a new company for production and sales of spunbonded nonwovens in response to growing needs of the disposable diapers market in China.

### Outline of New Company

1. Company Name	Tianjin Mitsui Chemicals Nonwovens Co.,Ltd. (tentative)
2. Business	Production and sales of spunbonded nonwovens (Note 1)
3. Location	Tianjin, China
4. Capital	2 billion yen (100% Mitsui Chemicals)
5. Production capacity	15,000 tons/year
6. Investment	Approximately 5 billion yen
7. Schedule	Company establishment December 2011 Commercial operation September 2013 (tentative)

Note 1 Spunbonded nonwovens have superior smoothness, durability and tensile strength and are widely used in hygienic (diaper, sanitary napkin), industrial (architectural, construction, agricultural), and other materials.

As a fundamental strategy in its 2011 Mid-term Business Plan (2011-2013), Mitsui Chemicals targets strengthening of businesses resilient to changing economic conditions and positions hygienic spunbonded nonwovens as a growth driver.

Mitsui Chemicals has continued to develop its hygienic spunbonded nonwoven operations in East and Southeast Asia to respond to stepped up demands of manufacturers in these areas. Domestically, the Company's wholly owned subsidiary, Sunrex Industry Co., Ltd. (Yokkaichi, Mie Prefecture) operates Japan's largest spunbonded nonwoven production facility while overseas, the Company has equally state-of-the-art facilities at its wholly owned Mitsui Hygiene Materials Thailand Co., Ltd. (Thailand). Currently, both facilities are operating at full capacity.

The disposal diapers market led by Chinese demand has seen significant growth in East and Southeast Asia. Expansion of the market for added value, high quality products is forecasted to continue. The new company's cutting edge is based on Mitsui Chemicals' across the board technology in resins and materials development and nonwoven manufacturing processes and targets to strengthen the Company's presence by meeting the demands of the high quality market in China.

The production base for spunbonded nonwovens in China will complete the Company's network covering three strategic market areas in Asia and reinforce Mitsui Chemicals' position as the top provider of spunbonded nonwovens in Asia.

Reference: Mitsui Chemicals Spunbonded Nonwovens Production Capacity

	Aug 2011	Forecast for 2013
Sunrex Industry (Yokkaichi, Mie Prefecture)	34,000 tons/year	49,000 tons/year (Note 2)
Mitsui Hygiene Materials Thailand (Eastern Seaboard Industrial Area, Rayong Province)	30,000 tons/year	30,000 tons/year
Tianjin Mitsui Chemicals Nonwovens (tentative) (Tianjin, China)	—	15,000 tons/year
Total	64,000 tons/year	79,000 tons/year

Note 2 Sunrex Industry is expanding production facility capacity by 15,000 tons/year. Commercial operation is tentatively scheduled for April 2012.