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MITSUI CHEMICALS, INC.



Mitsui Chemicals Tohcello, Inc.

April 2, 2012

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## Establishment of Joint Venture Company and Production Facilities in Thailand for Highly Functional Sealant Film

Mitsui Chemicals Tohcello, Inc. (MCTI) with its Head Office in Tokyo, Japan (Yukio Hara, President & CEO), a 100% subsidiary of Mitsui Chemicals, Inc. (MCI) and SCG Chemicals Co.,Ltd. (SCG-C) with its Head Office in Bangkok, Thailand (Cholanat Yanaranop, President) agreed to establish a joint venture company and construct new production facilities for highly functional linear low density polyethylene (LLDPE) sealant film (T.U.X.™).

### 1. Outline of Joint Venture Company

- a. Company Name: Siam Tohcello Co., Ltd.
- b. Business Area: Manufacture and sales of LLDPE Film (T.U.X.™)
- c. Date of Establishment: April 2012
- d. Capital: 592 million Bahts ( 1,450 million yen) (MCTI 55%, SCG-C 45%)
- e. Location: Eastern Seaboard Industrial Estate (Rayong), Thailand
- f. Production (Commercial Operation): Early 2014
- g. Production Capacity: 15,000 tons/year

### 2. Background

Asian demand for packaging films has grown significantly bolstered by population increases and economic growth.

T.U.X.™, a highly functional LLDPE sealant film with main uses such as food packaging, is made from EVOLUE™, a polyethylene manufactured and distributed by Prime Polymer Co., Ltd., a MCI Group company.

T.U.X.™ is a high-strength cast film, resistant to tear and leakage, with outstanding gloss and good sealing properties. The film greatly improves manufacturing efficiency and transparency with consistent high precision thickness and low fisheye (gel) formation.



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The product is expected to greatly contribute to safe and hygienic food preservation, satisfying demands of significantly growing Asian consumer and distribution sectors.

As a fundamental strategy in its 2011 Mid-term Business Plan (2011-2013), MCI targets strengthening its functional films/sheet business. Establishment of “ Siam Tohcello ” is one of the specific measures of this strategy.

SCG-C is a core company of Siam Cement PLC with sales networks throughout Asia. The MCI Group and SCG-C currently operate successful joint venture companies and have fostered a long and good business relationship. The new joint venture company is expected to smoothly commence operations at an early stage.

The new production facility will bring MCTI's annual production capacity of highly functional LLDPE sealant film to 65,000 tons, with a possibility of further facility expansion, and thereby strengthening its market position as the global leader in highly functional sealant films. MCTI will continue efforts to meet demands of an expanding market by strategically intensifying and expanding operations.

#### Outline of SCG Chemicals

- a. Company Name: SCG Chemicals Co.,Ltd.
- b. Location: Bangkok, Thailand
- c. Business Area: Siam Cement Group's petrochemicals company
- d. Capital: 7,100 million Bahts ( 17,300 million yen)
- e. Sales: 193 billion Bahts ( 471 billion yen ,FY2011)
- f. Establishment : 1913