

**Limited Liability Partnership (LLP) for Joint Operation of
Ethylene Complex in Chiba-Area**

Idemitsu Kosan Co., Ltd. (hereinafter "IKC") with its Head Office in Tokyo (President : Kazuhisa Nakano) and Mitsui Chemicals, Inc. (hereinafter "MCI") with its Head office in Tokyo (President & CEO: Toshikazu Tanaka) announced today the establishment of a Limited Liability Partnership (LLP) based on a May 11th 2009 agreement between the two companies to study joint operation and production optimization of their facilities in Chiba, Japan.

1. Outline of LLP

Item	Details
Name	Chiba Chemicals Manufacturing LLP
Operation Area	<ul style="list-style-type: none">▪ Joint operation of ethylene complex in Chiba▪ Manufacturing of ethylene, propylene, and by-products▪ Supply of products to IKC and MCI
Role & Operation	<ul style="list-style-type: none">▪ Efforts to minimize costs of ethylene, propylene, and other petrochemical materials▪ LLP will serve as a cost center for production
Head Office	Marunouchi 3-1-1 Chiyoda-ku, Tokyo (within IKC Head Office)
Capital Contribution	<ul style="list-style-type: none">▪ Capital : 200 million yen▪ Contribution : Equal investment joint venture
Ethylene Production Capacity	920,000 tons per annum (IKC: 370,000 tons / MCI 550,000 tons)
Responsible Corporate Officers	<ul style="list-style-type: none">▪ Akiro Nishiyori (Managing Director, IKC)▪ Shigeru Iwabuchi (Senior Managing Executive Officer, MCI)

2. Background

The petrochemical industry is seeing increased competition in Asia from the newly established large-scale petrochemical plants mainly in the Middle East and China and from improvement of local supply-demand balance in petrochemical products in countries with growing markets.

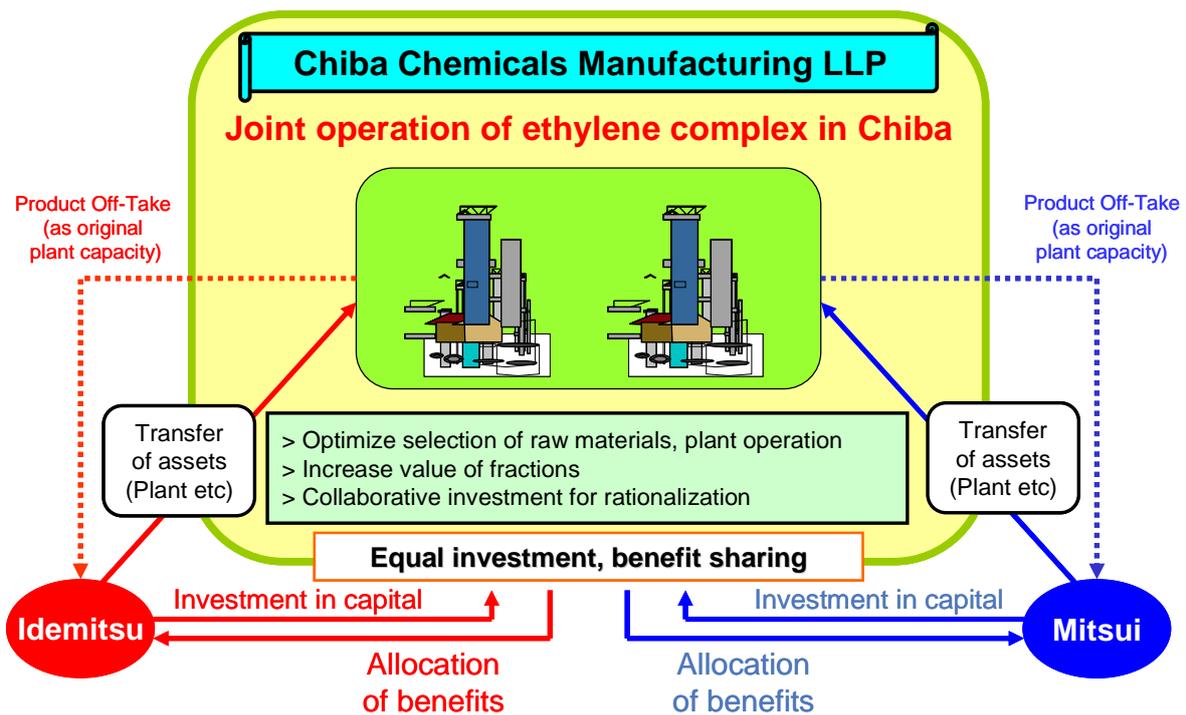
The strengthening of international competitiveness in a global market plagued by financial crisis, which has also impacted domestic demand, is a top priority for the Japanese petrochemical industry. To reinforce their competitive edge, IKC and MCI agreed to the transfer of their ethylene complexes to the LLP to combine operations and management.

The two companies will intensify collaboration to create synergistic effects of raw material options, production optimization, and added value components to form an ethylene center with top level of competitiveness in Japan.

3. Developments

IKC and MCI will continue to pursue collaboration possibilities beyond the current joint operation of ethylene facilities including production optimization of refineries and intensification of the rationalization effects.

【Reference on Limited Liability Partnerships (LLP)】



- LLP was introduced in 2005 to promote collaborative operations and joint ventures .
- Features of LLP versus stock company

Category	Stock company	LLP
Legal Status	Corporate status	Non-corporate status
Liability	Limited	Limited
Taxation	Corporate Tax	Pass-Through Taxation
Governance	Shareholders, Board of Directors	Subject to agreement of partners

※ The LLP (Chiba Chemicals Manufacturing LLP) formed by IKC and MCI today is the first case in Japan which involves the operation of a large scale production facility.

Outline of IKC and MCI refinery, plant, and works

(1) Idemitsu Kosan Co., Ltd. Chiba Refinery

Location: 2-1 Anesaki Kaigan, Ichihara-shi, Chiba

Refinery manager: Kiyotsugu Suita

Site area: About 2.7 million m²

Date of start-up: January 1963

Crude processing capacity: 220,000 BD

Major products: Petroleum products and lubricants

(2) Idemitsu Kosan Co., Ltd. Chiba Plant

Location: 1-1 Anesaki Kaigan, Ichihara-shi, Chiba

Plant manager: Ryuhei Masumoto

Site area: About 1.08 million m²

Date of start-up: February 1975

Ethylene production capacity: 374,000 t / Y

Major products: Petrochemical products and plastics

(3) Mitsui Chemicals, Inc. Ichihara Works

Location: 3 Chigusa Kaigan, Ichihara-shi, Chiba

Works manager: Syunji Ikeda

Site area: About 1.42 million m²

Date of start-up: March 1967

Ethylene production capacity: 553,000 t / Y

Major products: Petrochemical products and plastics

Location of Company Refineries and Production Facilities

