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Mitsui Chemicals, Inc.

Kumho Mitsui Chemicals Begins Operations at New MDI Production Facilities

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) announced that affiliate Kumho Mitsui Chemicals Inc. (Seoul, South Korea; CEO: PARK Chan-Koo) has commenced operations late September at additional production facilities for methylene diphenyl diisocyanate (MDI).



Kumho Mitsui Chemicals' Yeosu Plant

■ Overview

1. Product	Methylene diphenyl diisocyanate (MDI)
2. Location	Yeosu, Jeonnam, South Korea
3. Capacity increase	200,000 tons/year (410,000 tons/year → 610,000 tons/year)

MDI is a key raw material for polyurethane, a signature material used in numerous fields such as auto parts, bedding and furniture, insulation for homes and fridges, elastic fibers, and various adhesives. Demand for MDI is projected to grow at an annual rate of 6 percent going forward on account of policy measures around the globe to improve residential insulation as a means of global warming suppression, as well as due to the heightened demand accompanying economic growth.

Kumho Mitsui Chemicals manufactures and sells high-performance monomeric MDI and modified MDI used for making auto parts, elastic fibers and synthetic leather, as well as commodity polymeric MDI used for making insulation materials. The newly implemented capacity increase is intended to accommodate increased demand growth for high-performance MDI – employed primarily in electric vehicles for the purposes of noise, vibration and harshness (NVH) mitigation – as well as the existing demand growth for insulation materials.

In addition to expanding its production facilities, Kumho Mitsui Chemicals will install recycling facilities that can reuse the by-products created during the manufacturing process as raw materials. This will not only aid in significant cost rationalization by improving self-sufficiency for raw materials but will also reduce wastewater emissions from the plant and greenhouse gas emissions from the overall supply chain.

Kumho Mitsui Chemicals is aiming to become a global leader for MDI. With the capacity increase provided by these cutting-edge new facilities, Mitsui Chemicals will pursue both expansion of the MDI business – which is projected for continued growth moving forward – and further improvements to the performance of its MDI products.

■ Overview of Kumho Mitsui Chemicals

1. Establishment	March 1989
2. Capital	35 billion won
3. Ownership	Mitsui Chemicals, Inc.: 50% Kumho Petrochemical Co., Ltd.: 50%
4. HQ & plant location	Headquarters: Seoul, South Korea Plant: Yeosu, Jeonnam, South Korea
5. Business	Production and sale of MDI