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For Immediate Release

Mitsui Chemicals to Begin European Production of PDP Optical Filters

Mitsui Chemicals, Inc. (MCI) has decided to begin local production of its "FILTOP" optical filters for plasma display panels (PDP optical filters) in Europe starting July 2004, the leading Japanese chemical company announced today.

Local fabrication of "FILTOP" to be conducted in the form of toll production by a partner company at its works in Stuttgart, Germany, will be aimed at assuring an adequate supply capacity and bolstering customer service in response to the fast-growing demand of the European plasma display TV market.

Marketing and sales of "FILTOP" to be produced at a rate of 300,000 pieces per year in the latest setup will be conducted by MCI's 100%-owned European subsidiary Mitsui Chemicals Europe GmbH.

In the background of the move by MCI this time is the expanding demand for PDP TV sets in the European region. Production volume of PDP TV sets by local European as well Japanese manufacturers, including planned capacities, is rapidly ballooning at a rate of more than 100% per year.

The latest arrangement would allow MCI to establish a bipolar production setup of the PDP optical filters in Japan as well as Europe reaching an aggregate production capacity of 1.5 million pieces per year.

Because production of large-scale flat panel TVs represented mainly by the plasma display types is spreading in the major economies of the world, MCI as a largest-scale manufacturer of PDP optical filters intends to continue with its drive to establish new production sites in order to meet the market's vigorous demand.

MCI is strengthening and expanding its display materials business as one of the core businesses. PDP optical filter being one of the central products of that business, MCI intends to continue providing highly customer-satisfying products and services in response to the diversifying needs of the market. Through such business development efforts, MCI expects its display materials business unit to achieve annual sales of 40 billion yen, which is 2.5 times the current level, by Year 2007.

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