



December 21, 2004

Mitsui Chemicals to Consolidate Plastics Processing Subsidiaries

Japan's Mitsui Chemicals, Inc. (MCI) has decided to merge together its two fully-owned industrial materials subsidiaries "Mitsui Kagaku Platech Co., Ltd." (MPL) and "Hi-Sheet Industries, Ltd." (HSI) into a subsidiary named "Mitsui Chemicals Fabro, Inc." (MFI), effective April 1, 2005, in order to strengthen its industrial materials business by integrating their operations, MCI announced today.

To be headquartered in Tokyo with branch/sales offices at several other strategic locations across the country, MFI will start operation on April 1 with a capital of 200 million yen and an initial headcount of 270. The new company will engage in the manufacture, sale and R&D of functional fabricated products. Designated to be MFI's new president is Mr. H. Sakamoto, currently MPL's president. MFI will expand its annual turnover to 240 million yen by 2007, from the 220 million yen targeted for 2005.

The new company will seek to strengthen its industrial materials business by pursuing synergy among R&D, sales and production technology deriving from the integration this time of the businesses -- industrial materials -- as well as the core processing technologies -- films and expanded sheets -- that are common to MPL and HSI. At the same time, MFI's goal is to ensure stable revenue and earnings by promoting management efficiency, while at the same time driving expanded sales by synergistically exploiting MPL and HSI's sales channels.

Furthermore, the new company will take on the mission of serving as the film and sheet processing center of MCI's Functional Chemicals and Engineered Materials Business Group, to provide support from the production technology side in the fields of information & electronics materials and functional fabricated products.

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