



June 7, 2005

Expanding Manufacturing Facilities for Photovoltaic Solar Module Encapsulating Sheet

Mitsui Chemicals Fabro, Inc. (MFI), a wholly-owned subsidiary of Japan's major chemical player Mitsui Chemicals, Inc. (MCI), has decided to expand the manufacturing facilities of photovoltaic solar module (PSM) encapsulating sheets at Nagoya Works of MFI in order to reinforce MCI Group's leading position in the PSM encapsulating materials business, MCI announced today.

A part of MCI's IT & Electronics Materials product line-up, the PSM encapsulating sheet SOLAR EVA™ is made of ethylene-vinyl acetate copolymer (EVA) and used as the encapsulating material in PSM for holding solar cell between back sheet and tempered glass as shown below. With its projected production capacity of 4,000 ton/yr (equivalent to 570MW of PSM), the expansion work of SOLAR EVA™ will begin in August this year, with completion slated for March, 2006, in order to launch commercial operation in April of the same year.

In its current Medium-term Business Plan for Fiscal 2004 through 2007, MCI is aiming for expansion and growth in the Performance Materials Sector consisting of Functional Polymers, IT & Electronics Materials and Healthcare Materials businesses. MCI's strategy for PSM encapsulating materials business, which constitutes one of the company's IT & Electronic Materials, is in further boosting the business by providing a manufacturing setup allowing the supply of high-quality PSM encapsulating materials, in step with the production expansion by PSM makers.

The growth of PSM market is projected to expand over 30% annually by 2010 worldwide. In Japan, the move toward expanding the use of PSM for housing is rapidly in progress, owing to the growing energy-saving and environmental consciousness triggered by the enforcement of the Kyoto Protocol. The PSM market in Europe lately hits the growth rate of some 60% because of the increased environmental consciousness, as with Japan, and the active dissemination of PSM by national governments. At the same time, the diffusion of PSM is also expected to grow in the U.S. as well as in East and Southeast Asia, which are still remaining in a state of low-level electrification.

Under such circumstances, MFI has decided on the expansion at its Nagoya

Works this time, in addition to its existing Katsuta Works (5,200 ton/yr PSM encapsulating sheet) in Hitachinaka City, Ibaraki Prefecture, with an eye to establishing cost-competitive production bases both in central/western Japan and eastern Japan, in order to respond to the increasing production of PSM by the top makers in Japan, which is the world's largest PSM supplier country.

MFI intends to aim at further expanding and growing its businesses by providing the set up to stably supply the market with high-quality products and to respond to the increasing production by Japanese PSM makers from now on.

>>>><<<<

Structure of Photovoltaic Solar Module

