

September 30, 2005

Mitsui Chemicals to Ramp Up Production Capacity of EPDM (Mitsui EPT™)

Mitsui Chemicals, Inc. (MCI) today announced that it has decided to construct a large, state-of-the-art plant to manufacture ethylene-propylene-diene terpolymer (EPDM) using metallocene catalyst technology. MCI manufactures and sells EPDM (trade name: Mitsui EPT™), which is used in automotive parts, electric wires and cables and other industrial parts. The decision to establish a new facility was prompted by expanding worldwide demand for EPDM and thermoplastic olefinic elastomer (trade name: MILASTOMER™), of which main raw material is EPDM.

<Overview of the Planned New Facility>

1. Product: Ethylene-propylene-diene terpolymer (EPDM)
2. Trade name: Mitsui EPT™
3. Production facility: Ichihara Works, MCI (Chiba Prefecture)
4. Production capacity: 75,000 metric tons/year
5. Technology: Proprietary (metallocene catalyst technology)
6. Total investment: Approx. ¥20 billion
7. Schedule: Start of construction: August 2006
Completion: October 2007

EPDM boasts a number of outstanding properties. Not only is it resistant to weather and ozone as well as heat and cold, but it also possesses outstanding electrical characteristics and chemical resistance. Widely used in applications ranging from automotive parts to electric wire and cables and other industrial parts, EPDM is expected rapid expansion in demand driven by growth exceeding 10% per year in automobile output, in particular, in the Asian region. At the same time, thermoplastic olefinic elastomer, which contains EPDM as a main material, is seeing demand growth worldwide as applications for this eco-conscious material expand to mainly automobile interior materials and construction materials.

Supporting this increased demand are its lightweight, recyclable features as well as the performance it offers EPDM.

Currently, there are two production trains at MCI's EPDM plant at its Ichihara Works, each of which is capable of producing 20,000 to 25,000 metric tons of EPDM per year. However, the planned new facility, which will utilize a new process based on proprietary metallocene catalyst technology, will be able to produce 75,000 metric tons of EPDM per year, the highest capacity in the world for a single train. After the launch of the new production train, MCI will provide a stable supply of high-quality EPDM as the largest supplier in Asia.

In its current Medium-term Business Plan, MCI aims to expand and grow in the Performance Materials Sector, comprising Functional Polymers, Information and Electronics Materials, and Healthcare Materials. Functional Polymers have a central role to play in this drive. For this reason, MCI is working to expand and grow this business as well as develop new products. Likewise, MCI is determined to expand and grow Mitsui EPT™, one of the functional polymers products, by continuing to deliver new value and responding to customers' diverse needs. This will be achieved by leveraging its wealth of technologies and marketing capabilities in combination with the construction of the new Mitsui EPT™ manufacturing facility.

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