

December 27, 2005

Singapore Phenol and Bisphenol A Subsidiaries to Merge

Mitsui Chemicals, Inc. (MCI) will combine two subsidiaries in Singapore on January 1, 2006 to form a new company MITSUI PHENOLS SINGAPORE PTE. LTD. This step reflects MCI's efforts to reinforce its phenol business by integrating operations. One subsidiary is MITSUI PHENOL SINGAPORE PTE. LTD. , a manufacturer and marketer of phenol and acetone that is 90% owned by MCI and 10% owned by Mitsui & Co., Ltd. The other company is wholly owned subsidiary MITSUI BISPHENOL SINGAPORE PTE LTD. , a manufacturer and marketer of bisphenol A.

Profile of the new company

1. Name : MITSUI PHENOLS SINGAPORE PTE. LTD.
2. Capital : US\$120 million (MCI 95%, Mitsui & Co., Ltd. 5%)
3. Head office : 1 Raffles Place, #36-00 OUB Centre, Singapore 048616
4. President Gen Takemoto
5. Activities Manufacture and sale of phenol, acetone and bisphenol A
6. Capacity
Phenol: 250,000 tons/year
Acetone: 150,000 tons/year
Bisphenol A: 230,000 tons/year
7. Net sales US\$500 million (2006)

MCI is currently implementing a medium-term business plan that aims to grow and expand operations involving performance materials and improve the profitability of operations involving petrochemicals and basic chemicals. This merger is intended to increase earnings in phenol chain, which is the core business of MCI's basic chemicals business.

Demand for phenol resin, polycarbonate resin, epoxy resin and solvent is growing in Asia, chiefly for use in the residential construction and electronic materials. As a result, annual growth of about 10% is expected to continue for phenol, acetone and bisphenol A, the raw materials used to make these resins and solvent. The integration of the two Singapore subsidiaries will give MCI a more efficient operating framework for its phenol chain, making its products even more cost competitive as demand continues to climb.

(supplementary information)

Profiles of Mitsui Phenol Singapore and Mitsui Bisphenol Singapore

Name	Mitsui Phenol Singapore Pte. Ltd.	Mitsui Bisphenol Singapore Pte. Ltd.
Activities	Manufacture and sale of phenol and acetone	Manufacture and sale of bisphenol A
Established	April 1999	June 1997
Capital	US\$ 54 million	SG\$ 114 million (Ca.US\$ 66 million)
Ownership	MCI 90%; Mitsui & Co. 10%	MCI 100%
Head office	Singapore	Singapore
President	Gen Takemoto	Gen Takemoto
Net sales	US\$ 420 million	US\$ 390 million