

February 8, 2006

TOAGOSEI Co., Ltd.  
Mitsui Chemicals, Inc.  
Mitsui Chemicals AquaPolymer, Inc.

### Basic Agreement to Integrate Polymer Flocculant

TOAGOSEI Co., Ltd. (TOAGOSEI), Mitsui Chemicals, Inc. (MCI) and Mitsui Chemicals AquaPolymer, Inc. (MAP) have reached the basic agreement on proceeding talks to integrate polymer flocculant businesses of TOAGOSEI and MAP.

TOAGOSEI, MCI and MAP intend to operate production, sales and R&D comprehensively and to transform the business to cope with anticipated severe competition with competitors and expanding markets worldwide.

Key points in the basic agreement:

- Business integration method is TOAGOSEI will spin off its polymer flocculant business and have MAP take over the business. As a result, MAP will be a joint venture between TOAGOSEI and MCI. However, details of the new company name and others are not yet determined.
- Establishing date is scheduled in October 1, 2006.

<Reference: summary of integrating companies>

	TOAGOSEI	MAP
Business	Manufacturing and sales of Chemicals	Manufacturing and Sales of polymer flocculant
Company Location	[Head office] Minato-Ku, Tokyo [Factory] Nagoya City, Tokushima City, Takaoka City in Toyama Pref., Sakaide City in Kagawa Pref.	[Head office] Chuo-Ku, Tokyo [Factory] Mobara City in Chiba Pref.
Paid-in Capital	¥20,886 million	¥460 million
President	Akihiko Yamadera	Yoshio Hosoya
Major Stockholders	The Master Trust Bank of Japan, Ltd. 5.71%	Mitsui Chemicals, Inc. 100%
% of shares held	Japan Trustee Services Bank, Ltd. 5.05% Sumitomo Mitsui Banking Corp. 4.40% UFJ Bank Ltd. 4.27% Employee Shareholders' Committee 2.25%	