

May 10, 2006

Mitsui Chemicals to Launch the Operation of the full-scale production facility for a film-type PDP optical filters (FILFINE™)

Mitsui Chemicals, Inc. (MCI) is a top supplier of optical filters for plasma display panel (PDP), which demand shows a robust growth worldwide. Anticipating a surge in demand for film-type PDP optical filters (FILFINE™), MCI was building a new mass-production facility and now launches commercial operations.

<Overview of production facility>

1. Product: Film-type PDP optical filters
(Trade name: FILFINE™)
2. Production facility: at Nagoya Works site
3. Production capacity: 1.8 million sheets per year
(capacity increase from 840,000 to 1.8 million sheets per year)
4. Schedule: Start of construction: June 2005
Start of operation: April 2006

In its current Medium-term Business Plan, MCI aims to expand and grow the Performance Materials ranging from functional polymers, IT and electronics materials and healthcare materials. In its business strategy, MCI further expands and grows the PDP optical filter business, a core product in IT and electronics materials, by providing products and services to fulfill high client-satisfaction level from its customers' perspective.

PDP demand is expected to surge at an annual rate of over 30% by 2007. The glass-type optical filters (MCI's trade name: FILTOP™) have been mainly used in PDP, but film-type optical filters, which make PDP much thinner and lighter in addition to improving picture quality, begin to be adopted by the PDP manufacturers. Hence, the market share of film-type optical filters for PDP was only 4% in fiscal 2004, but is estimated to jump to 40% for fiscal 2007.

In these circumstances, MCI was building a full-scale mass production facility at its Nagoya Works and launches commercial operations from April 2006 in accordance with a rise in demand for film-type optical filters and to sustain its top market share.

MCI will strengthen and expand the business as an industry leader of optical-filters for PDP by developing new products with innovative technologies and establishing a timely production system in accordance with the expanding PDP market.

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