

September 29, 2006

Mitsui Chemicals, Inc.

Mitsui Chemicals to Acquire Shares in an Agrochemical Company from the Daiichi Sankyo Group

Mitsui Chemicals, Inc. ("MCI") has decided to acquire all the shares of Sankyo Agro Co. Ltd. ("Sankyo Agro", wholly owned by Sankyo Co. Ltd. "Sankyo"), which is doing agrochemical business under the Daiichi Sankyo group, and entered into a share transfer agreement with Sankyo today. The shares will be transferred to MCI on March 30, 2007. Prior to the transfer, Sankyo Agro will take over the Ameni-care business (repellent for ants, pesticides for public health) from Sankyo Lifetech Co., Ltd. ("Sankyo Lifetech"), a 100% subsidiary of Sankyo.

1. Objective of Acquisition

Under its medium-term business plan, MCI is aiming for expansion and growth in the Performance Materials Sector, which consists of functional polymers, electronics & information materials and healthcare materials businesses. Agrochemical business is positioned as a core business of healthcare materials field, and MCI is seeking to strengthen this business with a central focus on mainstay products, "TrebonTM", "StarkleTM" (insecticides) and "NebijinTM" (fungicide).

This acquisition is expected to further grow and expand MCI's agrochemical business by bringing about the following effects:

- 1) To broaden the product lineup by adding Sankyo Agro's products,
- 2) To reinforce sales competency by taking advantage of sales network Sankyo Agro has fostered,
- 3) To facilitate R&D efforts and enrich pipelines

2. Outline of Sankyo Agro

- 1) Name: Sankyo Agro Co., Ltd.
- 2) Date of Foundation: April 1, 2003
- 3) Paid-in Capital: ¥350 million
- 4) Shareholder: Sankyo Co., Ltd. (100%)
- 5) Representative: Ryuichi Kubota (President)

- 6) Head Office: 4-23-14, Hongo, Bunkyo-ku, Tokyo
- 7) Business Sites: Branches: Tokyo, Osaka, Sendai, Fukuoka
R&D Center: Shiga
- 8) Business Activities: Research, development, manufacture, sales, export and import of agrochemicals
- 9) No. of Employees: 215
- 10) Net Sales: ¥21.148 billion (as of March, 2006)

<Reference>

- 1) Business to Acquire The Ameni-care business of Sankyo Lifetech: Hygienic Pesticide and Wood Preservative business
- 2) Business Activities: Development and sales of wood preservative and pesticides for public health, Household pest management services
- 3) No. of Employees: Approx. 30
- 4) Business Sites: Tokyo, Osaka, Fukuoka

3. Schedule

September 29, 2006: MCI and Sankyo to enter into a share transfer agreement

March 30, 2006: MCI to acquire the shares of Sankyo Agro

4. Treatment for Sankyo Employees

Employees assigned by Sankyo to Sankyo Agro and the Ameni-care Business will be transferred to MCI on and after the date of share transfer, upon the consent of each employee.

<Reference> MCI's Agrochemical Business

- 1) Net Sales (projection): Approx. ¥20 billion (for March, 2007)
- 2) Business Sites:
 - Branches: Sapporo, northern Japan, Tokyo, Nagoya, Osaka, Fukuoka
 - R&D Centers: Mobara, Omuta
 - Plant: Omuta Works
- 3) Subsidiary: Mitsui Chemicals Crop Life, Inc
(established on July 1, 2005)
- 4) Main Products:
 - Insecticides: TrebonTM, StarkleTM, AlbarinTM
 - Fungicide: NebijinTM