

May 12, 2008

Mitsui Chemicals to Establish a Subsidiary in India

Mitsui Chemicals Inc. (MCI) notifies it has established a subsidiary in India, along with an accelerated growth of the Indian market, which is expected to offer the MCI Group significant increase in sales opportunities. In November 2006, MCI opened a liaison office in the country which conducts market research, market development support and on-site study nationwide. Establishment of the new subsidiary is being taken to ensure MCI responds to the Indian market's promising high growth rate.

<Overview of the Subsidiary>

1. Company Name: Mitsui Chemicals India PVT LTD
2. Line of Business: Sale, market development and market research in India for the MCI Group's products.
3. Established: April 2008
4. Capital: Rs 134 million (¥3.0/Rs Approx. ¥400 million)
5. Equity Interest: MCI 99%, Mitsui Chemicals Asia Pacific 1%
6. President: Manabu Fujise
7. Location: Saket, New Delhi, India (the same address with the liaison office)
8. Employees: Approx. 10 employees.

India is a promising market where annual growth rate is always expected to reach 7-9%. These days, buying power by the ballooned middle income group is nothing short of eye-opening, which is bringing about increasing business opportunities to the automobile industry, etc.

MCI opened a liaison office in the country in November 2006, and thereby has supported market development for products of the MCI Group, etc. As a result, market has been gradually developed especially for elastomers, which is mainly used for automotive and industrial materials, and therefore significant sales growth is highly expected now. Based on such an expectation, MCI has decided to establish the subsidiary which is legally eligible to sell the MCI Group's products in India as early as possible.

Furthermore, the MCI Group set up another subsidiary in Neemrana, Rajasthan, India (Mitsui Prime Advanced Composite India) in September 2007 in order to meet expanding demand for Polypropylene (PP) automotive materials. This subsidiary has a production facility under construction, which will start commercial operation in April 2009 with production capacity of 15,000 t/y.

The Group is forecasting to post a sale of 15 billion yen in the Indian market in FY2011, including that of Mitsui Prime Advanced Composite India.

Capitalizing on the newly established subsidiary, the MCI Group aspires to aggressively develop burgeoning Indian market, thereby strengthen and expand its businesses as a whole.