

July 23, 2008

Mitsui Chemicals, Inc.

Mitsui Chemicals to Hold Groundbreaking Ceremony for a New Plant of TAFMER™ (MELS No.2 Line/5TF)

Mitsui Elastomers Singapore Pte. Ltd. ("MELS"), 100% owned by Mitsui Chemicals, Inc. ("MCI"), successfully conducted today the groundbreaking ceremony for a new production plant for TAFMER™ (Alpha-Olefin Copolymer), attended by Mr. Julian Ho, Executive Director for Energy, Chemicals and Engineering Services, Singapore Economic Development Board, and other dignitaries. Overview of the new plant is as follows:

<Overview of New Plant>

1. Products : Alpha-Olefin Copolymer
2. Trademark : TAFMER™
3. Site : Merbau, Jurong Island, Singapore
4. Production Capacity : 100 kt/y
(Total production capacity of MELS to be 200 kt/y, after adding to existing production capacity of 100 kt/y)
5. Schedule : Completion of plant: December 2009
Start of commercial production: March 2010
6. Total Investment : Approximately ¥19 billion

TAFMER™, a flexible and light resin modifier, dramatically improves impact resistance for molding materials such as automobile bumpers and sealability for packaging materials, when blended with thermoplastic resin such as polyethylene or polypropylene. TAFMER™ is expected to cover wide range of applications such as automotive, industrial and packaging materials, in which dramatic market growth is expected. Completing the new plant, the MCI Group will boast of its TAFMER™ production capacity at 250 kt/y with the addition of the plants in Ichihara, Japan.

We claim MELS No.2 TAFMER™ plant as innovative since Mitsui Chemicals' state-of-art polymer design, catalyst and production process technology are incorporated. Therefore, we expect that our customers in the world, especially in Asia, will be satisfied with our TAFMER™ supplied from this new plant. Then we are confident to say that we can continue to contribute through the project to the growth of chemical industries in Singapore.

"This Mitsui elastomers project marks another milestone in the strong and comprehensive partnership between Mitsui Chemicals and Singapore", said Mr. Julian Ho, Executive Director. "This project is very much in line with our aim to further grow and diversify Singapore's chemicals industry by focusing on the development of high-value advanced materials sector."

MCI has formulated its new Mid-term Business Plan (the 08MTP), in which the company is aiming to complete the three dimensional strategy consisting of Economy, Environment and Society along with the concept of "The Challenge to Create Innovative Values" through creation of innovative new technologies. Fiscal 2008 is the first year of the 08MTP and MCI will commit itself to realizing the goal of this MTP for the next 4 years. Automotive and Industrial Materials business including TAFMER™ is one of the core businesses of the Performance Materials Business Sector which has the mission to establish high-profitability as a growth driver. MCI intends to bolster its position as a leading chemical manufacturer, satisfying customers' demand, which has been dramatically growing in Asian regions, capitalizing on expansion of the state-of-the-art and world-class production facility for TAFMER™.

<Overview of MELS>

1. Company Name : MITSUI ELASTOMERS SINGAPORE PTE. LTD.
2. Established : February 7. 2001
3. Capital : US\$96 million (100% owned by MCI)
4. Managing Director : Yasushi Nakashima
5. Line of Business : Manufacture and sale of elastomers