

November 2, 2009  
Mitsui Chemicals, Inc.

### Mitsui Chemicals to Expand High Added Value Product Business

Mitsui Chemicals, Inc. (Toshikazu Tanaka, President & CEO), has continued to implement emergency measures such as improving profit structure and restructuring business to cope with the volatile business environment continuing from last autumn, and has decided on growth strategies including “Expansion of its high-value added products business to support sustainable growth of the company.”

As a part of the strategy, the company announced that it has decided to expand production capacities and establish a new company for high value-added business in the Performance Materials Business Sector. (Please refer to the attachment for details.)

1. Expansion of Production Capacity of Ultra High Molecular Weight Polyethylene (HI-ZEX MILLION<sup>®</sup>) (Attachment 1)
2. Expansion of Production Capacity of Ethylene and  $\alpha$ -Olefin Co-Oligomer (LUCANT<sup>®</sup>) (Attachment 2)
3. Establishment of New Company for Polyurethane Operations in Guangzhou, China (Attachment 3)

Total investments are expected to be around 8 billion yen.

In addition to the abovementioned, the company's second TAFMER<sup>®</sup> plant in Singapore is currently shifting to the commissioning stage and scheduled to commence commercial operation next spring. This new plant will increase TAFMER<sup>®</sup> production to 200,000 tons a year and enable the company to respond to dramatically growing demand for the product.

Mitsui Chemicals will continue its group efforts to respond to rapidly changing market conditions by accelerating the expansion business having advantages in competition.

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Capacity expansion of Ultra High Molecular Weight Polyethylene by Mitsui Chemicals, Inc.  
(Product Name: HI-ZEX MILLION™)

Mitsui Chemicals, Inc. (Toshikazu Tanaka, President & CEO) announced its production capacity expansion for ultra high molecular weight polyethylene (Product name: HI-ZEX MILLION™) which has excellent abrasion-resistance, impact-strength by constructing a new plant at Iwakuni-Ohtake Works.

Outline

1. Product	Ultra High Molecular Weight Polyethylene
2. Product Name	HI-ZEX MILLION™
3. Location	Iwakuni-Ohtake Works, Mitsui Chemicals, Inc.
4. Capacity	Increase of 2500 tons/year (+50% over current production capacity)
5. Schedule	Construction: Start in February, 2010 End in June 2011 Commercial Production: Start in September, 2011

HI-ZEX MILLION™ is ultra high molecular weight polyethylene which has molecular weight up to maximum 6 million, and has very unique characteristics depending on Mitsui Chemicals' original catalyst and process technologies. HI-ZEX MILLION™ is used as industrial materials, for medical equipments, and in various other fields by its excellent mechanical properties. Especially, highly controlled distributions in particle size and molecular weight of HI-ZEX MILLION™ show superior quality advantage in high strength fibers which contribute to reduce weight of industrial materials and lithium ion battery separators to improve energy efficiency.

Since the markets for high strength fibers and lithium ion battery separators are expected to rapidly grow, Mitsui Chemicals decided to expand its production capacity for HI-ZEX MILLION™ to respond to increasing market demand. Mitsui Chemicals is confident to continue to strengthen and expand its HI-ZEX MILLION™ operations with its advanced technologies.

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Mitsui Chemicals to Expand Production Capacity of ethylene  
and  $\alpha$ -olefin co-oligomer (Brand Name: LUCANT™)

Mitsui Chemicals, Inc. (Toshikazu Tanaka, President & CEO) announced a plan to construct a third plant within its Iwakuni-Ohtake Works to expand its production capacity for ethylene and  $\alpha$ -olefin co-oligomer (Brand Name: LUCANT™) to meet growing global demand for the product. LUCANT™ is a differentiated and unique viscosity modifier with high stability and a high viscosity index for automotive and industrial gear oils and greases.

Outline

- |               |   |
|---------------|---|
| 1. Product    | Ethylene and $\alpha$ -olefin co-oligomer (colorless fluid) |
| 2. Brand Name | LUCANT™   |
| 3. Location   | Iwakuni-Ohtake Works, Mitsui Chemicals, Inc.                |
| 4. Schedule   | Commercial operation July 2011                              |

Mitsui Chemicals has continued to strategically develop and expand the market for the unique product LUCANT™ which contributes to fuel-efficiency for automobiles and fulfills long drain for industrial lubricants. Global demand for this environment-friendly product is expected to increase with the growth of wind turbines on the global market as LUCANT™ is used as its gear oil.

Mitsui Chemicals has decided to reinforce the production capacity for the product in order to secure a stable supply capability and propel growth of its business for LUCANT™.

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Mitsui Chemicals to Establish New Company for  
Polyurethane Operations in Guangzhou, China

Mitsui Chemicals, Inc. (Toshikazu Tanaka, President & CEO), as part of its plan to strengthen its polyurethane operations, announced its decision to establish a new company in Guangzhou, China.

**Outline of New Company**

Company Name	Foshan Mitsui Chemicals Polyurethanes Co.,Ltd.
Capital	US\$ 7.5 million (exchange 90 yen/US dollar)
Location	Foshan City, Guangdong Province, China
Business	Manufacture, sales, and technical support of urethane foam material
Production Capacity	10,000 tons/year
Schedule	Company Startup: December 2009 (tentative) Commercial Operation: Early 2011

China's market for automotive interior material is expected to continue to grow. MCI will establish a new company in the Guangzhou area to cater to growing needs of Japanese automotive manufacturers in this area.

In addition to continuing to provide clients with comprehensive technical support and stable product supply, the new company will also serve as a center to support technical development of the host country in this product area.

Mitsui Chemicals continues to provide technical service to its overseas clients based on knowledge of and feedback from the Japanese domestic market. However, as China has rapidly become one of the world's largest automobile markets, new product development catering to specific market needs will become necessary. The new company will utilize its fundamental technological know-how cultivated on the domestic Japanese market to accelerate development of revolutionary new materials matching unique client needs.

Mitsui Chemicals' polyurethane operations will intensify its logistic and developmental capacities to meet the requirements of Japanese automobile and part manufacturers in China in effort to further strengthen its operational network and assure long-term sustainability based on a healthy profit structure.