



**TEIJIN**

August 6, 2010

Mitsui Chemicals, Inc.

Teijin Limited

### **Mitsui Chemicals and Teijin to Integrate Domestic PET Resin for Bottles Operations**

Mitsui Chemicals, Inc. (hereinafter called "MCI") and Teijin Limited (hereinafter called "Teijin") announced today a basic agreement to form a joint-venture company that will integrate their domestic PET (polyethylene-terephthalate) resin for bottles operations. The new company will optimize the synergistic effects of integrating their PET resin operations from supply chains to production, reinforce operational competitiveness, improve quality and cost competitiveness and enable innovative solutions to better meet customer needs and maximize overall corporate value.

#### **Background and Objective**

The domestic PET resin market has become increasingly competitive due to decreased demand for bottled beverages and growing imports of PET resin for bottles from other Asian countries. To respond to these tightening conditions, MCI and Teijin have been studying the potential advantages of integrating their PET resin operations and capitalizing on synergistic effects ranging from research and development to production and sales.

MCI has various PET-related operations, including the production of purified terephthalic acid (PTA), while Teijin produces paraxylene (PX), a raw material used in the production of PTA, as well as produces PET resin for bottles for distribution by Teijin Chemicals Ltd.

Under the newly announced agreement, the joint-venture company will integrate production, marketing and sales, and production technology. In particular, it will reinforce the total supply chain for PX and PTA production.

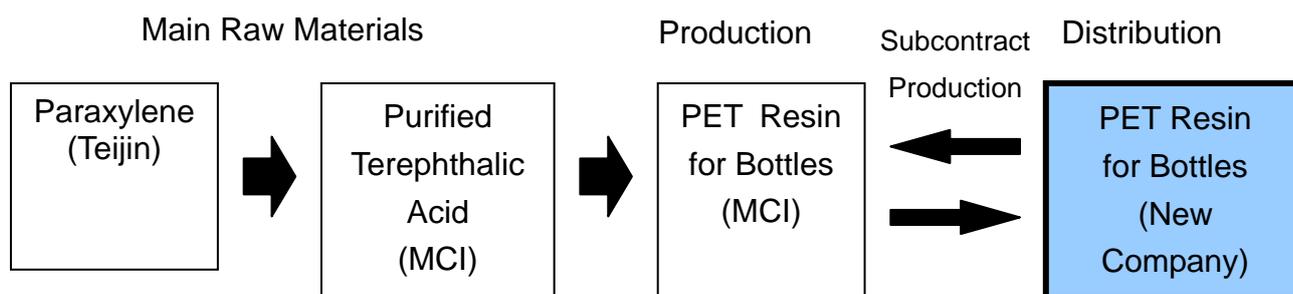
The merger will provide MCI with stable, competitively priced supplies of PX and create a stable domestic purchaser for Teijin's PX.

The two companies will continue to pursue opportunities to maximize the synergistic effects of their collaboration and strengthen the cost advantages of their PET resin for bottles for enhanced corporate value and business sustainability.

## Outline of Joint Venture Company

Category	Details
Company Name	Not determined
Business	Domestic R&D, production and sales of PET resin for bottles
Address	Shiodome City Center, 1-5-2 Higashi Shinbashi, Minato-ku, Tokyo (within MCI Head Office)
Capital	490 million yen
Investment Ratio	MCI 80% and Teijin 20%
Production Capacity	145,000 tons per year (subcontracted to MCI Iwakuni-Ohtake Works)
Sales	Approximately 25 billion yen (total figure for FY2009)
Executives	Provided by MCI and Teijin commensurate with investment ratio
Commercial Operation	April 1, 2011 (tentative), or earlier, pending approval by the Fair Trade Commission of Japan

## Supply Chain for PET Resin for Bottles



Upon establishment of the new company, Teijin will terminate manufacture of PET resin for bottles at its Tokuyama Factory.