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Mitsui Chemicals, Inc.

Mitsui Chemicals Decides to Withdraw from Keiyo Ethylene Co., Ltd.

Mitsui Chemicals, Inc. (Head Office: Tokyo, Japan; President & CEO: Toshikazu Tanaka) announced that it will withdraw from business operations of Keiyo Ethylene Co., Ltd. (“KEC”), a joint venture with Maruzen Petrochemical Co., Ltd. and Sumitomo Chemical Co., Ltd.

Mitsui Chemicals commenced equity participation (22.5%) in KEC in December 1995 as part of an effort to reinforce domestic olefin supply infrastructures through strengthening global competitiveness and operative scales. However, recent changes in the global ethylene market, such as improvement in supplies from new large-scale plants in the Middle East and China, and forecasted production increases from shale gas in the United States, has resulted in an urgent need to fundamentally restructure and reform domestic petrochemical business for industry sustainability.

Against this backdrop, ethylene production surplus is expected at facilities in the Ichihara (Chiba, Japan) area, where the country’s ethylene plants are concentrated, and domestic production is expected to fall below 6 million tons a year. Mitsui Chemicals undertook ongoing studies of operations including continued participation in KEC with the two partners and their possible participation in the Ichihara ethylene center of Chiba Chemicals Manufacturing LLP (Limited Liability Partnership), an operative by Mitsui Chemicals and Idemitsu Kosan Co., Ltd.

Based on these studies, the three companies ---- Mitsui Chemicals, Maruzen Petrochemical, and Sumitomo Chemical ---- reached an agreement in which Mitsui Chemicals will withdraw from KEC by the end of fiscal 2014. The three companies will continue to discuss practical aspects and details of the withdrawal.

Mitsui Chemicals will further strengthen participation in the Chiba Chemicals Manufacturing LLP, as one of the Company’s many efforts to restructure its petrochemical business, which includes products such as ethylene through to derivatives, and thereby sharpen its global competitive edge.