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Mitsui Chemicals, Inc.

## Kumho Mitsui Chemicals to Increase MDI Production Capacity Recycling facilities also to be installed

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced plans to bolster the methylene diphenyl diisocyanate (MDI) production capacity of affiliate Kumho Mitsui Chemicals Inc. (Seoul, South Korea; CEO: Chan Koo Park).



Kumho Mitsui Chemicals' Yeosu Plant

### ■ Overview of the capacity increase

1. Product	Methylene diphenyl diisocyanate (MDI)
2. Location	Yeosu, Jeonnam, South Korea
3. Capacity increase	200,000 tons/year (410,000 tons/year → 610,000 tons/year)
4. Investment	40 billion yen
5. Schedule (tentative)	Start of construction in April 2021 End of construction in September 2023 Start of operations in January 2024

MDI is a key raw material for polyurethane, a signature material used in numerous fields such as auto parts, seating for cars and furniture, insulation foam for homes and fridges, elastic fibers, various adhesives. Demand for MDI is projected to grow at an annual rate of 6 percent going forward on account of policy measures around the globe to improve residential insulation as a means of global warming suppression, as well as due to the heightened demand accompanying economic growth.

Kumho Mitsui Chemicals manufactures and sells high-performance monomeric MDI used for making elastic fibers and synthetic leather, as well as commodity polymeric MDI used for making insulation materials. The upcoming capacity increase is intended to accommodate an expanded growth in demand for high-performance MDI – employed primarily in electric vehicles for the

purposes of noise, vibration and harshness (NVH) mitigation, as well as the growing demand for insulation materials.

In addition to expanding its production facilities, Kumho Mitsui Chemicals will install recycling facilities that can reuse the by-products created during the manufacturing process as raw materials. This will improve self-sufficiency for raw materials, and reduce wastewater emissions from the plant and greenhouse gas emissions from the overall supply chain.

Kumho Mitsui Chemicals is aiming to become a global leader for MDI. Mitsui Chemicals will pursue expansion of the MDI business, which is projected for continued growth moving forward, and improving the performance of MDI products.

### ■ Overview of Kumho Mitsui Chemicals

1. Establishment	March 1989
2. Capital	35 billion won
3. Ownership	Mitsui Chemicals & SKC Polyurethanes Inc. (MCNS): 50% Kumho Petrochemical Co., Ltd.: 50%
4. HQ & plant location	Headquarters: Seoul, South Korea Plant: Yeosu, Jeonnam, South Korea
5. Business	Production and sale of MDI