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Mitsui Chemicals to Consolidate its Three Agrochemicals Subsidiaries

Japan's leading chemical player Mitsui Chemicals, Inc. (MCI) has decided to merge together its three agrochemicals subsidiaries, "Mitsui Toatsu Agricultural Chemicals, Inc." (MTN), "Sanchu Chemicals, Inc." (Sanchu) and "Santou Chemicals, Inc." (Santou) into a new stand-alone company called "Mitsui Chemicals Crop Life, Inc." (MCCL), effective July 1, 2005, in order to strengthen its agrochemical business, MCI announced today.

The outline of the New Company is as follows:

1. Name of New Company : Mitsui Chemicals Crop Life, Inc.
2. Head Office Location : 1-12-8 Nihombashi, Chuo-ku, Tokyo (Currently MTN's Head Office)
3. Business Launch Date : July 1, 2005
4. Nature of Business : Manufacture, sale and R&D of agricultural formulation products
5. Capital : ¥350 million
6. Sales Office/Works : Sales Office / Sapporo, Sendai, Tokyo, Nagoya, Osaka, Fukuoka
Works / Funaoka in Miyagi Prefecture, Shinshiro in Aichi Prefecture
7. Presidency : Yuji Enomoto (Currently President of MTN)
8. Employee Number : 134 (as of July 1, 2005)
9. Sales Revenue Scale : ¥13.7 billion for FY2005 (¥15 billion for FY2007)

Behind MCI's planned move this time is the company's Medium-term Business Plan covering 2004 through 2007, under which MCI has adopted expanding and growing the Performance Materials sector consisting of Functional Polymers, IT & Electronics Materials and Healthcare Materials businesses. Agrochemicals business is playing the major role in the area of Healthcare Materials and pushing ahead with expanding its profitability.

At present, MCI Group's agrochemical business is directed under the setup, which MCI and MTN engage in the sale of the formulation products, while MCI develops and manufactures the technical (active ingredients) to be formulated by Sanchu and Santou.

In order to strengthen MCI's agrochemical business this time, the company intends to specialize in the technical-related businesses, while consolidating all the formulation-related functions in manufacture, sale and R&D into MCCL. Also, MCI is aiming at simplifying its supply chain setup in the formulation product business by integrating MTN, Sanchu and Santo into an independent company.

With its goal "to contribute to the stable production of agricultural crops by challenging technical renovation as well as providing customers with the high-quality products and service, which respond to food safety, reliability and environmental safety," the New Company will proceed with efficiently deploying business by accurately capturing the significantly-changing needs in the agricultural chemicals market in accordance with the requests from agricultural producers as well as consumer wants.

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