

October 28, 2008

Mitsui Chemicals, Inc.

The Mitsui Chemical Group to Expand Production Capacity of Solar Cell Encapsulant

Mitsui Chemicals Inc. (“MCI”) announces that its 100% subsidiary Mitsui Chemicals Fabro, Inc., (“MFI”) will expand its production capacity for a solar cell encapsulant, SOLAR EVA™. MFI is a manufacture and supplier of SOLAR EVA™.

<Overview of Enhancement>

1. Product: Solar cell encapsulant (SOLAR EVA™)

(A sheet made from ethylene-vinyl acetate copolymer (EVA) which is used as encapsulant to attach a cell and a glass or a backsheet. Please refer to the appendix)

2. Site: MFI Nagoya factory (Nagoya City, Aichi Prefecture)

3. Production Capacity: 9,000t/y ⇒20,000t/y

By the middle of 2009, up 4,000t/y

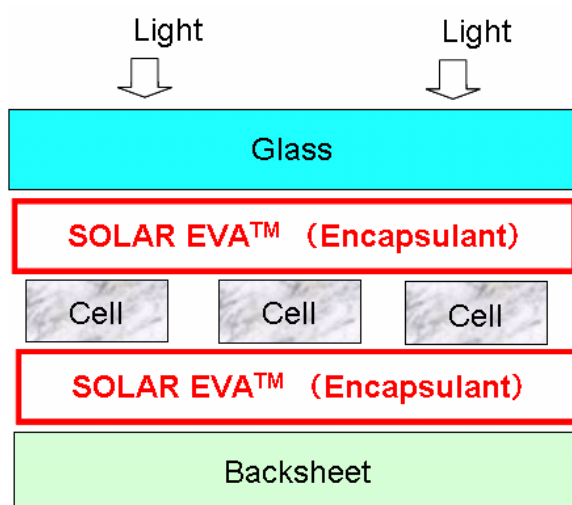
By the end of 2009, up 7,000t/y

Environmental conservation is one of the most urgent issues which the world is facing. In line with growing awareness for environmental protection, the demand for solar cells has been rapidly expanding especially in Germany, Spain and Italy, where the national governments have initiated support programs for solar cells. Under this situation, solar cell producers in Japan, Europe, the U.S. and Asia are planning production capacity expansion one after another, resulting in great increase in demand for SOLAR EVA™. MCI and MFI have decided significant expansion of their production capacity to solidify their global leading positions by satisfying global customers’ demand. The two companies are planning further expansion of the capacity in 2010.

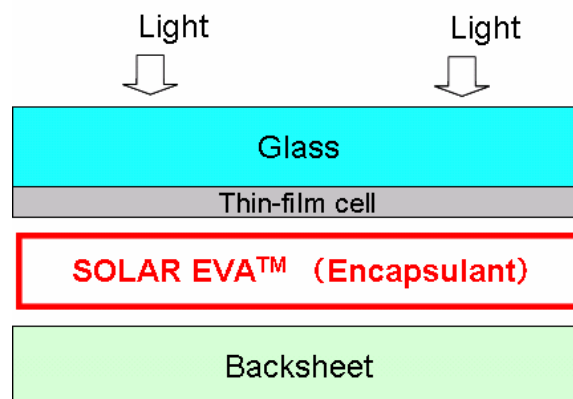
MCI has launched its new four-year Med-term Business Plan (the 08MTP), commencing in fiscal 2008, which is based on a three dimensional strategy focusing on Economy, Environment and Society and “The Challenge to Create Innovative Values” through new technologies. MCI’s Performance Materials Business Sector, under which MFI belong to, upholds the mission to establish high-profitability as a growth driver, especially in expanding sectors such as Automotive and Industrial materials, Information Technology materials and Energy materials. MCI will seek further growth in the energy market, as its priority business area, by boosting its solar cell encapsulant business which is expanding rapidly.

Structure of Solar Cell

Crystalline solar cell



Thin-film solar cell (example)



SOLAR EVA™.: Solar cell encapsulant used to attach a cell to a glass or backsheet. High adhesiveness, transparency and flexibility to prevent a cell from cracking are needed.

Mitsui Chemicals Fabro, Inc.

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| ①Name | Mitsui Chemicals Fabro, Inc. |
| ②Line of Business | Manufacture, sales and R&D of functional fabricated products |
| ③Address | 4-2-6, Kudan-kita, Chiyoda-ku, Tokyo, Japan |
| ④Business Sites | Factory: Nagoya, Katsuta, Anjo
Branch: Osaka, Nagoya, Fukuoka |
| ⑤Established | April 1, 2005 Hi-sheet Industries, Inc. and MCI Pratec, Inc. were merged. |
| ⑥Capital | ¥ 400 million |
| ⑦Investment | Mitsui Chemicals, Inc. 100% |
| ⑧President | Manabu Furukawa |
| ⑨Employees | 254 |
| ⑩Sales | ¥ 24 billion (FY2007) |