

Mitsubishi Rayon and Mitsui Sign a Memorandum of Understanding  
Regarding MMA Monomer Production in the United States

June 16, 2014

Mitsubishi Rayon Co., Ltd.  
Mitsui & Co., Ltd.

Mitsubishi Rayon Co., Ltd. ("MRC", Head Office: Tokyo, President and CEO: Hitoshi Ochi) and Mitsui & Co., Ltd. ("Mitsui", Head Office: Tokyo, President and CEO: Masami Iijima) have signed a memorandum of understanding to agree to commence detailed feasibility studies for the establishment of a joint venture in the United States to produce methyl methacrylate ("MMA") monomer with a newly built world-scale unit. MRC will be the majority shareholder of this joint venture.

MRC and Mitsui have also entered into a Non-Binding Material Terms of Agreement with The Dow Chemical Company ("Dow", Head Office: Midland, Michigan) concerning potential partial supply of feedstock from Dow to the joint venture through Mitsui for the production of MMA monomer and potential supply of MMA monomer from the joint venture to Dow.

MRC and Mitsui will move the project forward by applying the integrated strengths of both companies. MRC is the global leader in the design, development, and manufacture of acrylic-based products, and aims to further expand its activities in the methacrylates industry by applying the innovative ethylene-based production process "Alpha technology", developed and commercialized by Lucite International, a subsidiary of MRC, to the competitive feedstock benefited from the shale gas/oil revolution in the United States. Mitsui is multilaterally pursuing business that ranges from product sales, worldwide logistics and financing, through to the development of major international infrastructure and other projects by utilizing its global operating locations, network, and information resources. The joint venture intends to secure access to ethylene from Dow's U.S. Gulf Coast production network. The joint venture plans to supply a part of the 250,000-ton annual MMA output to Dow. Operations are targeted to start at the end of 2018.

MMA monomers are used in a variety of applications, for example, in automobile lamp covers, signboards, aquarium tanks, light-guiding plates for liquid crystal displays, coatings and building materials. The world annual demand for MMA monomer exceeds 3 million tons and further growth is expected in the future.

MMA Monomer Unit:

1. Production Capacity     250,000 tons/year (planned)
2. Location                     U.S. (The exact location has not yet been decided.)
3. Total Investment Amount     not decided

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