

April 13, 2016
 Mitsui Chemicals, Inc.

Expansion of High Performance Nonwoven Facilities

~ Further strengthening hygienic material business to meet growing demand~

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: Tsutomu Tannowa) will grow high performance nonwoven facilities at their Nagoya works as follows, to meet the increasing need moving forward for premium diapers.

Overview of the New Facilities

Product target	High performance nonwoven fabrics (primarily for premium diapers)
Location	Mitsui Chemicals' Nagoya works
New Capacity	15,000 tons/year Total production capacity increasing from 94,000 (see note) tons/year to 109,000 tons/year
Schedule	Construction Start: April, 2016 Construction Completion: November, 2017 (tentative) Commercial Operations: March, 2018 (tentative)

Note: NOTE: Sunrex Industry Co., Ltd. (Yokkaichi City): 49,000 tons/year
 Mitsui Hygiene Materials (Thailand) Co., Ltd. (Thailand): 30,000 tons/year
 Mitsui Chemicals Nonwovens (Tianjin) Co., Ltd. (China): 15,000 tons/year

Within our Mid-Term Business Plan we are positioning our healthcare business as one of our targeted business domains that drive growth, in addition to Mobility, Food & Packaging domains. The nonwoven business, as part of the healthcare business sector, aims to further expand by supplying both Japan and the rest of Asia to support the growth of premium diaper manufacturers there.

The disposable diaper market in Asia is witnessing steady expansions in demand in part because of the increasing use of disposable diapers and the relaxing of China's one-child policy. In recent years there has also been a dramatic expansion of the high-quality, highly functional premium disposable diaper market, resulting in more efforts on the part of manufacturers to develop systems to increase production.

To foster a more stable supply of high performance nonwoven fabrics for premium diaper manufacturers, we recently decided to increase our high performance nonwoven facilities. By choosing to bring new facilities online at our Nagoya works, which serves as a hub for our functional materials production, we are anticipating that the utilization of technical skills developed at the Nagoya works will lead to further improvements in our high performance nonwoven process with its techniques and will strengthen our engineering system.

To meet the growing demand for high performance nonwoven fabrics in Asia moving forward, we focus on further increases to our manufacturing facilities that would offer both of better quality and cost-competitiveness. We believe that this will further solidify our position as a leader in the high performance nonwoven market.