

February 28, 2017
 Mitsui Chemicals, Inc.

Startup Breathable Film Production Facilities in Thailand

~Strengthening and expanding hygienic materials business to respond to growing demand~

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: Tsutomu Tannowa) announced the successful February startup of manufacturing facilities for breathable films at its wholly owned Mitsui Hygiene Materials (Thailand) Co., Ltd. (President: Kazuya Kusano, “MHM”), a manufacturer and distributor of non-wovens and breathable films for use in premium diapers, to cope with growing demands throughout East and Southeast Asia.

< Outline of facility expansion >

Product	ESPOIR™ (breathable film for use in premium diapers)
Capacity expansion	4,200 tons / annual
Commercial operation	before expansion 6,700 tons /annual; total after augmentation 10,900 tons / annual

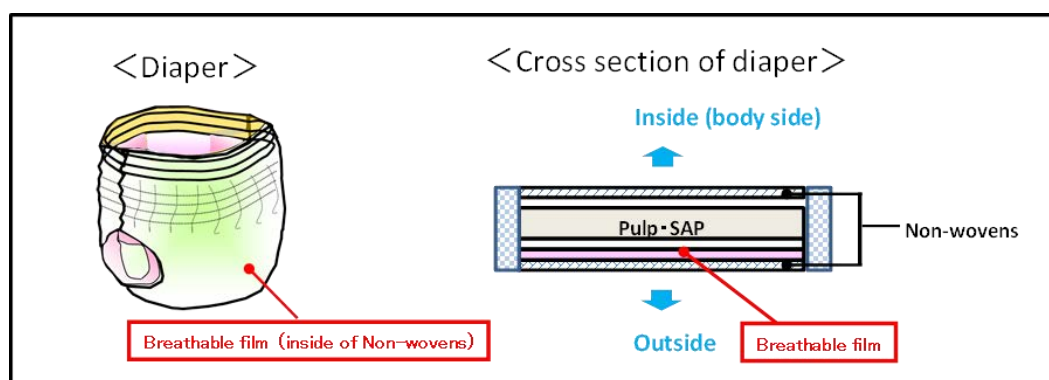
We position our healthcare business as a targeted business domain that drives growth, in addition to Mobility and the Food & Packaging domains. Our nonwoven business, which is part of the healthcare business sector, aims to further expand by supplying premium diaper manufacturers in the growing markets of Japan and the rest of Asia.

In the premium baby diapers market, demand for Japan-made premium baby diapers and spread of premium diapers in Southeast Asia have grown significantly and the market boom is expected to continue.

Our Group’s breathable film has been widely recognized by East and Southeastern manufacturers for its excellent performance and good printability, both important requirements for premium diapers, and as a result has shown healthy sales growth.

We will continue to respond to growing demands for our breathable films by bolstering our cost-competitive production system and consolidating our leading position in East and Southeast Asia while strengthening and expanding our business.

< Breathable film applications >



< Outline of MHM >

Company name	Mitsui Hygiene Materials (Thailand) Co., Ltd.
Location	Eastern Seaboard Industrial Area, Rayong Province, Thailand
Establishment	August 2001
Business	Manufacturing and sales of nonwovens and breathable films
Capital	1,310 million bahts (Mitsui Chemicals 100%)

