

December 19, 2008

Mitsui Chemicals, Inc.

Mitsui Chemicals, Inc. to Merge with Kyodo Monomer Co., Ltd.

Mitsui Chemicals, Inc. ("MCI") decided at a Board of Directors Meeting held on December 19, 2008, to merge its wholly-owned subsidiary, Kyodo Monomer Co., Ltd. ("Kyodo") on April 1, 2009.

1. Purpose of Merger

Kyodo is a wholly-owned subsidiary of MCI, engaged in manufacture of methyl methacrylate for sales to MCI, which MCI sells to its clients.

MCI is hereby executing a merger with Kyodo in order to strengthen its competency by improving management efficiency and consolidating governance of quality control, safety management, and compliance.

2. Outline of Transaction

(1) Date of Merger

Board of Directors Meeting for Resolution of the Merger Agreement December 19, 2008

Execution of Merger Agreement December 19, 2008

General Shareholders Meeting to Approve Merger Agreement

Mitsui Chemicals, Inc.
(Surviving Company)

The merger will be executed without obtaining the approval of the General Shareholders Meeting in accordance with the provision of Article 796.3 of the Corporate Law of Japan.

Kyodo Monomer Co., Ltd.
(Absorbed Company)

The merger will be executed without obtaining the approval of General Shareholders Meeting in accordance with the provision of 784.1 of the Corporate Law of Japan.

Date of Merger Scheduled for April 1, 2009

(2) Method of Merger

MCI will be the surviving company. Kyodo will be the absorbed company.

(3) Kyodo's Share Option and Corporate Bond with Share Option

No share option or corporate bond with share option have been issued by Kyodo.

3. Outline of Parties to Merge (as of September 30, 2008)

(1) Company Name	Mitsui Chemicals, Inc. (Surviving Company)	Kyodo Monomer Co., Ltd. (Absorbed Company)
(2) Business	Manufacture, processing, sale of automotive & industrial materials, packaging & engineering materials, living & energy materials, information & electronics materials, fine chemicals, agrochemicals, feedstock, phenol and synthetic/PET resin and heavy chemical, including other related businesses.	Manufacture and sale of methyl methacrylate
(3) Date of Establishment	July 25, 1947	October 13, 1988
(4) Location of Head Office	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo
(5) Representative Officer	Kenji Fujiyoshi (President & CEO)	Ryoji Tahara (President)
(6) Paid-in Capital	103,226 million yen	400 million yen
(7) Total Outstanding Shares	792,020,076	8,000
(8) Net Assets	543,070 million yen (consolidated)	395 million yen (non-consolidated)
(9) Total Assets	1,477,783 million yen (consolidated)	2,946 million yen (non-consolidated)
(10) Settlement of Accounts	March 31	March 31
(11) Largest Shareholders and Holding Ratio	The Master Trust Bank of Japan, Ltd. (account in trust) 6.15%	MCI 100.00%
	Japan Trustee Service Bank, Ltd. (account in trust) 5.01%	
	Japan Trustee Service Bank, Ltd. (account trusted by Chuo Mitsui Asset Trust and Banking Company, Limited and account trusted by Toray Pension Trust) 4.72%	

4. After Completion of Merger

(1) Company Name	Mitsui Chemicals, Inc.
(2) Businesses	Manufacture, processing, sale of automotive & industrial materials, packaging & engineering materials, living & energy materials, information & electronics materials, polyurethane materials, fine chemicals, agrochemicals, feedstock, phenol and synthetic/PET resin and heavy chemical, including other related businesses.
(3) Location of Head Office	5-2, Higashi-Shimbashi 1-chome, Minato-ku, Tokyo
(4) Representative Officer	Kenji Fujiyoshi (President & CEO)
(5) Paid-in Capital	103,226 million yen
(6) Settlement of Accounts	March 31
(7) Impacts on Business Performance	This merger will have minimal impact on MCI's business performance as it is a merger with its wholly-owned subsidiary.