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Mitsui Chemicals, Inc.  
Mitsubishi Chemical Corporation

Mitsui Chemicals and Mitsubishi Chemical Launch Joint Study into Stable Supply of Phenol-Related Products

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) and Mitsubishi Chemical Corporation (Chiyoda, Tokyo; Representative Directors: SHIMODAIRA Yasuo and FUKUDA Nobuo) today announced that they have launched a joint study into the stable supply of phenol-related products.

Phenol-related products include phenol, acetone,  $\alpha$ -methylstyrene, bisphenol A and methyl isobutyl ketone. These products are in turn used in wide-ranging fields as raw materials for polycarbonate resin, phenolic resin, methyl methacrylate, epoxy resin, paints and more, making them important to Japan's economic security.

Since 2022, however, the launch of multiple new production facilities throughout Asia – especially in China – has led to a major oversupply and subsequent market slump for these products, on top of which domestic demand has fallen. These and other factors have combined to create a difficult business environment for phenol-related products.

Mitsui Chemicals therefore decided at its own discretion in April 2024 to close the 190,000-ton capacity phenol plant at its Ichihara Works (Ichihara, Chiba) by fiscal 2026 with the possibility of closure, having determined that it had become difficult to secure the profits necessary for continued production. Going forward, the company intends to maintain stable product supply by creating a highly capital-efficient, reliably profitable phenol chain centered around the 200,000-ton capacity phenol plant at its Osaka Works (Takaishi, Osaka).

Meanwhile, Mitsubishi Chemical operates a phenol plant with a 280,000-ton capacity at its Ibaraki Plant (Kamisu, Ibaraki), and offers derivatives such as bisphenol A. The company is currently striving to make its operations more competitive via various rationalization measures, including the March 2024 closure of the 120,000-ton capacity bisphenol A plant at its Kyushu Plant (Kitakyushu, Fukuoka) at its own decision.

Under these circumstances, Mitsui Chemicals and Mitsubishi Chemical have reached a mutual understanding about the importance of reaching across company lines to implement various measures for improving the stable supply of phenol-related products and to contribute to the reduction of GHG emissions so that they may continue helping customers to generate value. Specifically, the companies will jointly consider approaches for maintaining product supply during regular major maintenance or facility issues, as well as for the efficient operation of both companies' tanks and reduction of GHG emissions through the rationalization of logistics.

This joint study will proceed while, where necessary, obtaining approval from competition regulators and other such related bodies. Mitsui Chemicals and Mitsubishi Chemical will endeavor to respond flexibly to changes in the external environment and ensure stable supply for phenol-related products.

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