

February 21, 2017  
 Mitsui Chemicals, Inc.

### **MCNS Establishes System House in India**

Accelerating global competitiveness and strengthening of Polyurethane system businesses

Mitsui Chemicals & SKC Polyurethanes Co., Ltd. (Co-CEO: Ki Don Won, Shingo Shibata; a 50:50 joint venture of Mitsui Chemicals, Inc. and SKC Co., Ltd.; “MCNS”) has decided to establish a manufacturing and sales company of polyurethane system products (System house\*) in Andhra Pradesh in Southern India to meet an anticipated increase in polyurethane demand.

#### <Outline of New Company>

1.Name	MCNS Polyurethanes India, Pvt. Ltd.
2.Establishment	February 2017
3.Capital	US\$ 7.3 million (800 million JPY)
4.Equity ratio	Mitsui Chemicals & SKC Polyurethanes Co., Ltd. 100%
5.Location	Sri City: NH-5, Tada P.O., Nellore Dist., Andhra Pradesh 524 401. India
6.Business	Manufacturing and sales of polyurethane system products
7.Capacity	13,000 tons/year
8. Schedule	Construction Start: March, 2017 Construction Completion: December, 2017 Commercial Operations: January, 2018

\* System house: Manufacturing and sales bases that provide premium services, such as the adjustment of polyurethane foam material formulations including those derived from polyol, to cater to individual customer needs.



Expected completion image of new company.

With a population estimated at 1.3 billion people, India is the world’s seventh largest economic power in GDP terms, with annual economic growth of 7% or higher expected. India produces 4 million cars and 9 million refrigerators annually, and demand for polyurethane is also expected to increase. Many Japanese and Korean auto and home appliance manufacturers have developed a presence in the country, especially in Southern India, and MCNS will expand its business by reliably supplying high-quality polyurethane system products with the system house.

MCNS is a 50:50 joint venture company between Mitsui Chemicals and SKC established by integrating their polyurethane businesses in July 2015. It supplies polyurethane system products from system houses in 10 locations around the world, including the United States, Mexico, China and Poland, based on a production capacity of 280,000 tons of polyol, 250,000 tons of MDI and 120,000 tons of TDI. With the establishment of the system house this time, MCNS will develop its business in India and accelerate the strengthening of its global competitiveness by expanding system house businesses, mainly in areas other than India where high growth is expected.

## MCNS Global Post

