



MITSUBISHI GAS CHEMICAL COMPANY, INC.

October 6, 2005

## **Methanol Derivative Operations in Nanjing, China**

Mitsubishi Gas Chemical Company, Inc. (Head Office: Chiyoda-ku, Tokyo, President: Hideki Odaka) plans the establishment of methanol derivatives operations in the Nanjing Chemical Industrial Park on the outskirts of Nanjing, China.

The first stage of the plan is to set up a joint venture company with Itochu Corporation (Head Office: Minato-ku, Tokyo; President: Eizo Kobayashi) and Itochu Chemical Frontier Corporation (Head Office: Minato-ku, Tokyo; President: Jun Sato), secure about 200,000 m<sup>2</sup> of land within Nanjing Chemical Industrial Park and set up facilities for the production of dimethylamine, dimethylformamide and dimethylacetamide. We are scheduled to start operations at the end of 2007.

Furthermore, as the second stage of the plan, we are looking into the production of trimethylolpropane and subsequently plan to continue to expand our range of methanol derivatives.

We chose Nanjing Chemical Industrial Park as the starting point for the expansion of our methanol derivative operations, having taken into account its situation as one of the numerous chemical industrial parks that is located on the outskirts of Nanjing City, which will enable the transportation of methanol by the large vessels that travel the Yangzi River, as well as ensure good supply of such raw materials as ammonia and CO from the nearby large-scale petrochemical plants.

Our company is further planning the expansion/new construction of our methanol plants in Saudi Arabia, Venezuela, Brunei and Chongqing, China, having established our methanol operations as our core business. Furthermore, by developing our methanol-derivatives business in China, a large-scale consumer of chemical products, we are working to further reinforce and enlarge our methanol operations.

An overview of the joint venture company is given on a separate sheet.

<Inquiries>

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Separate Sheet

(Overview of JVC)

1. Company name: (To be determined)
2. Address: 2B-7-3 Nanjing Chemical Industrial Park, Liuhe District, Nanjing City, Jiangsu Province, PRC
3. Capital: US \$19,010,000
4. Investment ratio:

Mitsubishi Gas Chemical Company, Inc	85.1%
Itochu Chemical Frontier Corporation	10.0%
Itochu Corporation	4.9%
5. Operations: Production and sales of dimethylamine, dimethylformamide and dimethylacetamide.