



MITSUBISHI GAS CHEMICAL COMPANY, INC.

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Construction of New Metaxylene Production Facility

Mitsubishi Gas Chemical Company, Inc. ("MGC") announced today its decision to boost the production capacity of metaxylene ("*m*-Xylene") at its Mizushima plant in Kurashiki City, Okayama Prefecture. The new production facility, which is being constructed in the plant's Xylene complex, will have an annual production capacity of 70,000 tons. It is scheduled to begin commercial operation in the fall of 2009.

MGC's Mizushima plant currently has an annual *m*-Xylene production capacity of 150,000 tons, making MGC the world's largest *m*-Xylene manufacturer. The planned expansion enables MGC to further reinforce the foundation of its *m*-Xylene based business.

MGC's Xylene business is being developed based on separating and isomerizing mixed Xylene. In relation to its lineup of four Xylene isomers, the Company has a policy of strengthening and expanding its distinctive *m*-Xylene and *m*-Xylene derivatives operation, including metaxylene diamine ("MXDA") and purified isophthalic acid ("PIA"), as one of its flagship businesses.

MXDA is used as a curing agent for epoxy resins and is also consumed internally by MGC in the production of Nylon MXD6, while PIA is used chiefly as a raw material for PET-bottle resin. Demand for both Nylon MXD6 and PIA has grown significantly in recent years. In addition to a new PIA production facility with an annual capacity of 100,000 tons currently under construction by MGC subsidiary AG International Chemicals, MGC has completed construction of a new production plant for MXDA at its Mizushima plant, and is preparing to begin commercial operation.

In order to meet the increasing demand for *m*-Xylene derivatives, MGC has increased its production capacity of *m*-Xylene from 120,000 tons to 150,000 tons by eliminating the bottleneck at its existing facilities. However, MGC has also decided to construct a new facility, since further growth in demand for *m*-Xylene derivatives is expected.

MGC already produces its *m*-Xylene derivative Nylon MXD6 in the U.S., and the Company is also considering overseas production of MXDA, PIA and additional *m*-Xylene as part of its focus on further global development of its *m*-Xylene based business.



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