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Mitsui Chemicals, Inc.

Mitsui Chemicals to Transfer Shareholding in Mitsui Phenols Singapore Pte. Ltd. to INEOS Holdings Limited

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced that it has agreed to transfer its entire shareholding in consolidated subsidiary Mitsui Phenols Singapore Pte. Ltd. (MPS) to INEOS Holdings Limited (United Kingdom; Group General Counsel: Jonny Ginns) in March 2023.

1. Background and objectives of the share transfer

MPS has run Singaporean phenol operations since its establishment in 1999, spanning phenol, acetone, bisphenol A and alpha-methylstyrene.

Mitsui Chemicals, meanwhile, has positioned the phenols business as one of a number of restructuring targets under its Basic & Green Materials Business Sector. This comes as part of Mitsui Chemicals' VISION 2030 Long-Term Business Plan, and is aimed at reducing earnings volatility through measures such as going asset-light.

Against this backdrop, numerous options were explored for the future management of MPS, including collaboration with other companies. The decision from this process then was that the optimal course of action would be to transfer Mitsui Chemicals' entire shareholding in MPS to INEOS, the world's largest player in the phenols business.

2. Overview of MPS

Company name	Full name: Mitsui Phenols Singapore Pte. Ltd. Abbreviation: MPS
Business	Production and sale of phenol and its derivatives (i.e. phenol, acetone, bisphenol A and alpha-methylstyrene)
Head office	3 HarbourFront Place, #10-01, HarbourFront Tower 2
Managing Director	Masayoshi KUWAJIMA
Ownership	Mitsui Chemicals, Inc.: 95% Mitsui & Co., LTD.: 5%
Capital	119,965,111.6 USD
History	1997: Mitsui Bisphenol Singapore Pte. Ltd. (MBS) established 1999: Mitsui Phenol Singapore Pte. Ltd. (MPHS) established 2006: MPHS merges with MBS and changes name to Mitsui Phenols Singapore Pte. Ltd. (MPS)

3. Transfer value and Schedule for the share transfer

Transfer value	330,000,000 USD (Final value to be determined after post-closing adjustments)	
Schedule for the share transfer	End of August 2022	Conclusion of share transfer agreement
	End of February 2023	Transfer of Mitsui & Co.'s 5% shareholding in MPS to Mitsui Chemicals
	March 1, 2023	Transfer of Mitsui Chemicals' entire shareholding in MPS to INEOS

4. The future of Mitsui Chemicals' phenols business

After transferring its shareholding in MPS to INEOS, Mitsui Chemicals will continue to ensure a stable supply of products via the operation of its other sites producing phenols, namely the Osaka Works and Ichihara Works in Japan and Shanghai Sinopec Mitsui Chemicals, Co., Ltd. in Shanghai, China.

Aiming to achieve carbon neutrality by 2050, Mitsui Chemicals has been stepping up its efforts to adapt to a circular economy, which has included the company's establishment of the Green Sustainable Chemicals Division in April 2022. Mitsui Chemicals also plans to enhance the environmentally friendly product offerings of its phenols business by expanding its lineup of ISCC-certified products made with bio-based hydrocarbons – a lineup that currently encompasses phenols, acetone, bisphenol A and α -methylstyrene.

5. Future prospects

Mitsui Chemicals intends to exclude MPS from its scope of consolidation upon the transfer of its shareholding.

Mitsui Chemicals is currently examining the impact of the transfer on its consolidated financial statements for the fiscal year ending March 2023 and will make any necessary disclosures without delay.