

March 28, 2023
Mitsui Chemicals, Inc.

Mitsui Chemicals to Optimize TDI Production Capacity

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced plans to optimize the production capacity of its Omuta Works' toluene diisocyanate (TDI) plant in July 2025. TDI is used as a raw material in the production of polyurethane.

I. Objectives and Background

Mitsui Chemicals currently manufactures and sells TDI (Production capacity 120,000 tons per annual) for use as a basic material in the isocyanate chain at the Omuta Works. However, given supply and demand trends in Japan and overseas, Mitsui Chemicals has decided that a reduced output of around 50,000 tons per year will be optimal going forward.

While maintaining a stable supply setup to meet domestic demand for TDI, the Omuta Works will contribute to expansion in growth domains as part of Mitsui Chemicals' business portfolio transformation by bolstering competitiveness as the company's principal center for the manufacture of high-performance products, including ophthalmic lens materials and agrochemical products.

Overview of the TDI plant

- Manufacturing facility: Mitsui Chemicals Omuta Works
(<https://jp.mitsuichemicals.com/en/corporate/ds/works.htm>)
- Production capacity: 120,000 tons/year (currently)
→ around 50,000 tons/year (following optimization)
- Timing: Planned for July 2025



The TDI plant in Omuta Works

2. Future of the Polyurethane Business

As part of its VISION 2030 Long-Term Business Plan, Mitsui Chemicals positioned polyurethane as one of several businesses in the Basic & Green Materials Business Sector that would be subject to restructuring.

In addition to the forthcoming optimization of TDI production capacity, the restructure will encompass the development of high value-added products, including high-performance methylene diphenyl diisocyanate and high-performance polyols such as polypropylene glycol. Pursuing these efforts will allow Mitsui Chemicals to reduce earnings volatility, improve capital investment efficiency and lay the business foundations for generating stable earnings.

Mitsui Chemicals also intends to bring about a circular economy transformation by setting up a chemical recycling scheme for polyurethane foam and considering the use of ISCC PLUS-certified bio-based toluene produced at the Osaka Works to manufacture greener TDI.