

**Mitsubishi Chemical and Ube Industries
Announce Tie-Up for Electrolyte Business in China**

TOKYO, October 13, 2016 — Mitsubishi Chemical Corporation and Ube Industries, Ltd. announced today that they have agreed to a tie-up for the lithium-ion battery electrolyte business in China. The details of the tie-up are as follows.

1. Background and Purpose

- (1) The market for lithium-ion batteries has grown, centering on their use for consumer portable devices including smartphones and tablet devices. Lately, major growth is being forecasted for lithium-ion batteries used in eco-vehicles including hybrid vehicles (HV), plug-in hybrid vehicles (PHV), and electric vehicles (EV). While the demand has taken longer to develop than industry projections, actual demand is growing at this time. Furthermore, lithium-ion batteries are projected to be increasingly used in applications such as energy storage systems and industrial applications.
- (2) The market for lithium-ion batteries used in automobiles is rapidly growing in China, driven by government subsidy policies. Demand for battery materials including electrolytes is also sharply increasing, amid an increasingly competitive market as new manufacturers emerge to the forefront.
- (3) Mitsubishi Chemical and Ube Industries have agreed to tie-up for their electrolyte businesses in China under a 50-50 joint venture, in order to supply highly competitive electrolyte to the market. It will enable the two companies to combine their production technologies and mutually use their technology resources including intellectual property, in order to enhance their technologies and cost competitiveness.

2. Future Plans

- (1) Mitsubishi Chemical and Ube Industries will apply for approval from government authorities in China and other relevant countries, to comply with competition laws. Upon securing the necessary approvals, the two companies will shift their electrolyte businesses in China to a joint operation in April 2017. They will discuss the details of the operating structure and announce them after reaching a decision.
- (2) Provided that the two companies are in compliance with competition laws for relevant countries, Mitsubishi Chemical and Ube Industries will consider the possibility of comprehensive business tie-ups including for development and production, in other countries and regions besides China.

Electrolyte Manufacturing Facilities of Ube Industries and Mitsubishi Chemical

Mitsubishi Chemical manufactures electrolyte at the Yokkaichi Plant located in Mie Prefecture, Japan, a plant located in Stockton-on-Tees, the UK, a plant located in Memphis, TN, USA, and a plant located in Changshu, Jiangsu, China. The annual production capacity is 13,500 tonnes in Japan and each 10,000 tonnes in the UK, USA, and China.

UBE Industries manufactures electrolyte at the Sakai Factory located in Osaka Prefecture, Japan, and at a plant located in Zhangjiagang, Jiangsu Province, China. The annual production capacity is 10,000 tonnes in Japan and 5,000 tonnes in China.

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