

March 26, 2021

## **Termination of Synthetic Ethanol Production & Sales and Contract to Handle the Distillation of Fermented Ethanol**

Mitsubishi Chemical Corporation

Mitsubishi Chemical Corporation (MCC; Head office: Chiyoda-ku, Tokyo; President: Masayuki Waga) hereby announces that it is planning to shut down its synthetic ethanol production facilities at the Mie Plant (Yokkaichi, Mie Prefecture) and terminate the production and sales of synthetic ethanol by February 2022. In addition, we have received a contract from Japan Alcohol Trading Co., Ltd. (Head office: Chuo-ku, Tokyo; President: Jiro Amagai) to carry out the distillation of fermented ethanol on its behalf from April 2022.

The business environment surrounding MCC's synthetic ethanol business remains harsh, in part due to rising repair costs of aging production facilities. In light of this environment, we have endeavored to maintain our competitiveness, mainly through streamlining to trim costs. However, we have arrived at the decision that it will be difficult to continue production using these facilities. Owing to the shutdown of these facilities, we will terminate production and sales of synthetic ethanol and exit the commercial ethanol business. Meanwhile, given the strong demand for commercial ethanol used for disinfectants, which are utilized as a measure to stop the spread of infections, and other purposes, we plan to use the existing distillation facilities at the Mie Plant to undertake distilling operations for Japan Alcohol Trading, which sells fermented ethanol.

MCC is tackling the fortification of portfolio management in accordance with the medium-term management plan of the Mitsubishi Chemical Holdings Corporation Group. Consequently, we aim to push forward with further optimization of our overall productivity, viewing the exit from the synthetic ethanol business as a step in this direction. Also, as a comprehensive chemical manufacturer, we plan to contribute to society through the supply of products related to fighting the spread of infectious disease.

### [Summary of facilities shutdown]

Location	: Yokkaichi, Mie Prefecture (on the premises of the Mie Plant site)
Start of operations	: 1972
Product produced	: Synthetic ethanol
Main use of product	: Raw material in solvents, detergents, cosmetics, pharmaceuticals, etc.
Production capacity	: 55,000kl/year
Shutdown date (tentative)	: February 2022

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