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Mitsui Chemicals, Inc.

Mitsui Chemicals to Shut Down Japanese PTA Production

Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: HASHIMOTO Osamu) today announced plans to shut down purified terephthalic acid (PTA) plant operations at its Iwakuni-Ohtake Works in August 2023.

Mitsui Chemicals began manufacturing terephthalic acid with proprietary technology on an industrial scale at its Iwakuni-Ohtake Works in 1958. The addition of refining processes and capacity increases over the years that followed enabled the plant to produce 750,000 tons per year at its peak, some of which was exported to other countries. A sharp rise in PTA manufacturing facilities – primarily in China – from the mid-2000s caused a slowdown in the market condition, which was coupled with a fall in Japanese domestic demand. Despite reductions in PTA production capacity and a number of rationalization measures, Mitsui Chemicals has determined that securing sufficient earnings to maintain PTA production in Japan will be unfeasible.

While Mitsui Chemicals Group will no longer manufacture PTA in Japan, it will maintain its existing sales structure for the domestic market by selling PTA imported from GC-M PTA Co., Ltd., a Thai joint venture in which Mitsui Chemicals has a 26 percent stake, with PTT Global Chemical Group holding the remaining 74 percent.

In the new VISION 2030 Long-Term Business Plan, Mitsui Chemicals positioned PTA as one of the businesses in the Basic & Green Materials Business Sector subject to restructuring. The Basic & Green Materials Business Sector will lead the Group's circular economy revolution and, through an accelerated reduction in earnings volatility by way of greater engagement in high-performance products and the restructuring of existing businesses, lay the business foundations for generating stable earnings with improving capital investment efficiency.

■ Overview of the PTA plant to be shut down

- Manufacturing facility: Located at Mitsui Chemicals Iwakuni-Ohtake Works
- Production capacity: 400,000 tons/year
- Planned timing of shutdown: August 2023