

"Chemistry, Innovation, Dreams"



Mitsui Chemicals



CSR Report 2009

About CSR Report 2009

Editorial Policy

We report the CSR activities of the Mitsui Chemicals Group, taking advantage of the features of print and web media.

The purpose of this report is to maintain a dialog with our stakeholders. This report showcases the main CSR initiatives of the Mitsui Chemicals Group from three perspectives (economy, environment, and society), with a focus on environmental and social initiatives (see our Annual Report for information from the economic perspective).

We took advantage of the features of print and web media to publish this report in two editions: a digest edition, which reports on our main initiatives in booklet form, and a companion web edition, which reports more detailed information, data, and related information comprehensively on our website. Please see our website in conjunction with this document.



CSR website <http://www.mitsuichem.com/csr/index.htm>

Scope of the Report

Period

In this report, FY (XX) indicates the fiscal year starting from April 1 of (XX-1) and ending at March 31 of (XX). For example, FY 2008 indicates the fiscal year from April 1, 2007 to March 31, 2008. Some data includes activities subsequent to April 2009.

Data

The data in this report is generally for Mitsui Chemicals, Inc. When data pertains to affiliates or subsidiaries, it is noted in the body of the text.

Guidelines Referred to in Preparing the Report

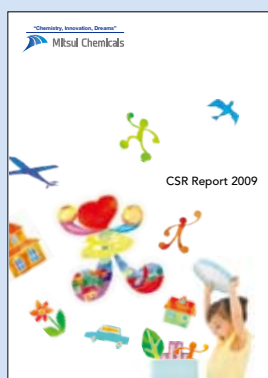
Global Reporting Initiative (GRI)
Sustainability Reporting Guidelines 2006
Environmental Reporting Guideline 2007 of Japan's Ministry of the Environment
Environmental Accounting Guideline 2005 of Japan's Ministry of the Environment



CSR Report >> GRI Guidelines cross-reference list

Date of Issue

September 2009 (next issue scheduled to be released in September 2010)



About the Cover

The cover art depicts a "Chemistry Box" packed with dreams. Open it, and the world of Mitsui Chemicals will come flying out. This is a gentle expression of how Mitsui Chemicals supports people's lives; the ever-expanding world of chemistry; and a future filled with dreams.



About the Booklet Edition

This booklet is a digest of our group's main CSR activities. The report consists of three sections: Relationship with Society, Relationship with the Environment, and the Systems Supporting our CSR Initiatives. It also contains special features on our approaches to chemistry, innovation, and dreams, showcasing our initiatives in these areas in a reader-friendly format.

Achievement scores determined through self-evaluation for the Fiscal 2009 Results and Assessments stated in Pages 20-32 are as follows:

Achievement scores A: 95% or more B: 70% or more, less than 95%
C: less than 70%

About the Website

The companion website reports more broadly on our group's CSR activities, and also includes information and data related to the booklet content, with an emphasis on completeness. See the CSR Index on the website for a list of content, including related content from the booklet.

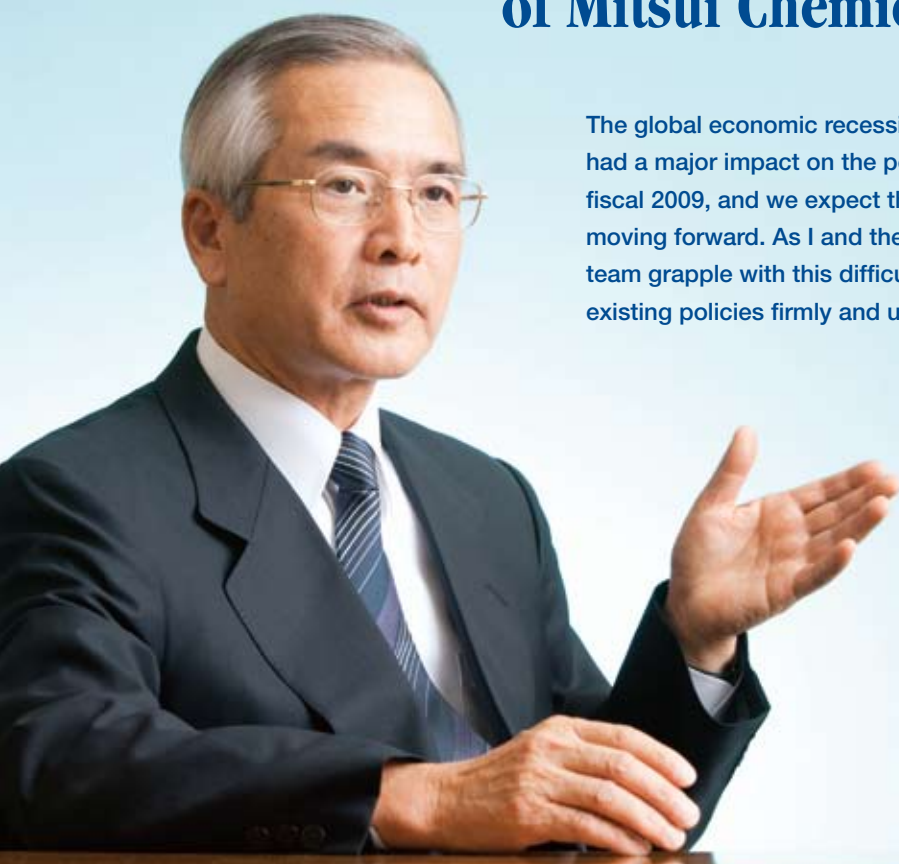


CSR Report >> CSR Index
<http://www.mitsuichem.com/csr/index.htm>

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Our goal is to contribute actively, taking the viewpoint of society and our customers, and taking advantage of Mitsui Chemicals' unique qualities.



The global economic recession that started in the autumn of 2008 has had a major impact on the performance of the Mitsui Chemicals Group in fiscal 2009, and we expect the business climate to remain difficult moving forward. As I and the other new members of the management team grapple with this difficult situation, we will work to maintain our existing policies firmly and unshakably, and carry out realistic activities.

T. Tanaka

Toshikazu Tanaka

President & CEO
Mitsui Chemicals, Inc.

Fiscal 2009 Results for Three-axis Management

In fiscal 2009, our group added targets for the environmental and social axes to our economic-axis targets such as financial goals, in order to achieve sustainable growth balancing social and corporate needs. Our aim since has been to manage our group balancing these three axes.

Our environmental-axis goals were to reduce greenhouse gases (GHG) and reduce industrial waste. We achieved almost all our fiscal 2009 goals by steadily revising our production processes.

Meanwhile, our goal on the social axis was to achieve

the world's highest occupational safety level with regard to the occupational injury frequency rate. Despite our efforts to eliminate occupational injuries, however, we were unfortunately not able to achieve this goal. Safety is fundamental premise of companies that make things. We remain committed to achieving this goal, and we will thoroughly make revisions to both the human and equipment aspects of our initiatives.

Amidst severe changes in the environment, it is vital to carry out continuous initiatives with a long-term perspective with regard to our goals on the environmental and social axes. We remain firmly committed to the Long-term Management Targets we set in 2007. As an example in April 2009 we created the

Corporate Social Responsibility Center in order to plan and promote these activities centrally, and provide more functional support to activities in each division.

Society and Customers Are the Foundation of Corporate Activities

From the perspective of CSR, rebuilding on the economic axis is a major challenge in order to fulfill one of our fundamental responsibilities to society stably, such as ensuring employment.

It is precisely in this kind of situation, however, where we must return to our foundation, and demonstrate the humility to ask what society and our customers need. We must take the viewpoints of society and our customers, and continually strive to raise the level of all of our activities. We believe that this will enable us to achieve the goal for CSR, the sustainable development of society and companies.

Active Contributions That Leverage the Unique Qualities of Mitsui Chemicals

We believe that the best way for us to continue to contribute to the sustainable growth of society is by leveraging our characteristics and strengths as a chemical company—our technologies, people, and organization—in our area of core competency. We are committed to improving our sensitivity to change in society in order to anticipate future societal needs, never taking a passive stance. We will continue to offer new

value to society that leverages the unique qualities of Mitsui Chemicals. Through these commitments, our corporate group is working to earn the trust of society.

We are leveraging our vast store of technologies to resolve societal challenges. In particular, we are focusing our full strength on technical innovations that can lead to fundamental resolutions to environmental issues, such as using catalytic technologies to synthesize chemical products by fixing carbon dioxide (see P14, Special Feature: Innovation), and expanding the use of inedible raw materials using bio-synthesis technologies.

Two-way Communication

We cannot earn the trust of society unless we acknowledge its expectations. In order to communicate with society, each of our employees must value contact with society, interact closely with society and our customers, and think and act together with them in a positive manner. As an employee of Mitsui Chemicals, I am fully committed to standing on the front lines and listening directly to society and our customers.

Our CSR Report 2009 has been greatly reorganized to achieve a dialog with a larger segment of society. We are working to enhance this report's function as a tool for two-way communication with society. To this end, we have changed the layout of the print version to make it more readable, and we added more information by enhancing the links to our website.

It is my sincere hope that you can find this report of use, and I look forward to your comments.

We Support the UN Global Compact

In January 2008, we signed the UN Global Compact. We joined the Compact because we support its mission of overcoming global challenges as a responsible corporate citizen. Moving forward, we will strengthen our commitment to maintain the 10 principles of the Global Compact, and our consideration for the environment and human rights.



The 10 principles of the UN Global Compact

- | | |
|--------------------|---|
| (Human Rights) | Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and
Principle 2: make sure that they are not complicit in human rights abuses. |
| (Labour Standards) | Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
Principle 4: the elimination of all forms of forced and compulsory labour;
Principle 5: the effective abolition of child labour; and
Principle 6: the elimination of discrimination in respect of employment and occupation. |
| (Environment) | Principle 7: Businesses should support a precautionary approach to environmental challenges;
Principle 8: undertake initiatives to promote greater environmental responsibility; and
Principle 9: encourage the development and diffusion of environmentally friendly technologies. |
| (Anti-Corruption) | Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery. |

Products and materials offered by the Mitsui Chemicals Group



Personal computers

- ★ **ARLEN™**
(heat-resistant resin suitable for use with lead-free solder)
- Nitrogen trifluoride
(cleaning agent for semiconductor and liquid crystal production equipment)

Flat panel displays

- NOTIO™
(protection films)
- PRIME POLYPRO™
(condenser films)

- ★ **Monosilane**
(raw material for silicon membranes)
- Bisphenol A
(raw material for polycarbonate resin of high impact resistance and weather resistance)

Liquid crystal displays

- LC STRUCTBOND™
(sealants)

Digital cameras

- PLAPACST™
(plastic packages for image sensors)

Mobile phones

- NEOFLEX™
(flexible printed-circuit board materials)
- PLAPACST™
(materials for flexible printed circuit boards with excellent humidity resistance and dimensional precision)
- APEL™
(materials for compact and vivid camera lenses)
- OPULENT™
(release film for printed circuit board)

Electrolyte for lithium cells

- MiReT™
(used in mobile phones, personal computers and digital cameras)

Printers

- MITSUI EPT
(used in printer paper feeder/discharger rolls)
- Takenate™
(cast urethane resin for rolls and brakes)
- Hipren™
(cast urethane resin for rolls and brakes)
- Hi-WAX
(toner additive)
- FTR™
(toner additive)

- ★ **ALMATEX™**
(toner binder resin)
- ★ **AURUM™**
(bearings)

Newspaper and corrugated cardboard

- Acrylamide
(raw material for paper strengthening agent)
- HOPELON™
(paper reinforcing agent)
- BONRON™
(paper processing resin)

Insulator for refrigerators

- Cosmonate™
- Actcol™

Sneakers

- ★ **TAFMER™**
(midsoles)

Tea bags

- SWP™
(heat-seal type tea bags)

Clothes

- Purified terephthalic acid
- Ethylene glycol
(polyester fiber feedstock)

Detergent containers and food packages

- HI-ZEX™
- ULTZEX™
- ★ **EVOLUE™**
- ★ **PRIME POLYPRO™**
- MIRASON™

Seats

- Cosmonate™
- Actcol™
- TAFNEL™
- ★ **ACTFLEX™**

Battery separators

- HI-ZEX MILLION™
(used for its high chemical resistance and strength)

Pipes and fittings for cold/hot water

- ELMEX™

Gas pipes

- MITSUI PE gas pipe system (pipes and fittings)

Gear oil

- ★ **LUCANT™**

Resonator intake ducts

- MITSUI EPT
- ★ **PRIME POLYPRO™**

Antifreeze

- Ethylene glycol

Bumpers

- ★ **PRIME POLYPRO™**
- ★ **TAFMER™**

UNISTOLE™

- (primer for resin coatings)

HDD suspensions

- NEOFLEX™
(flexible substrate)

DVD drives

- APEL™
(resin used in pickup lenses)

Termicides and insecticides

- ★ **Mikeblock™**
- Vermitol™
- Lenatop™

Disposable diapers

- SYNTEx™
- ESPOIR™

Food packaging films

- TPX™
(heat-resistant wrapping films)
- Hi-wrap™

PET bottles

- MITSUI PET
- ★ **PRIME POLYPRO™**

Pharmaceuticals

- Taurine

Food packages

- ★ **ADMER™**
(adhesive for resins of different properties)
- Takenate™
(urethane adhesive for resins of different properties)
- ★ **Takelac™**
(urethane adhesive for resins of different properties)
- ★ **CHEMPEARL™**
(adhesive for sheets of different materials)

Performance material

Advanced chemical

Basic chemical

Products that contribute to environmental preservation



2009
Website

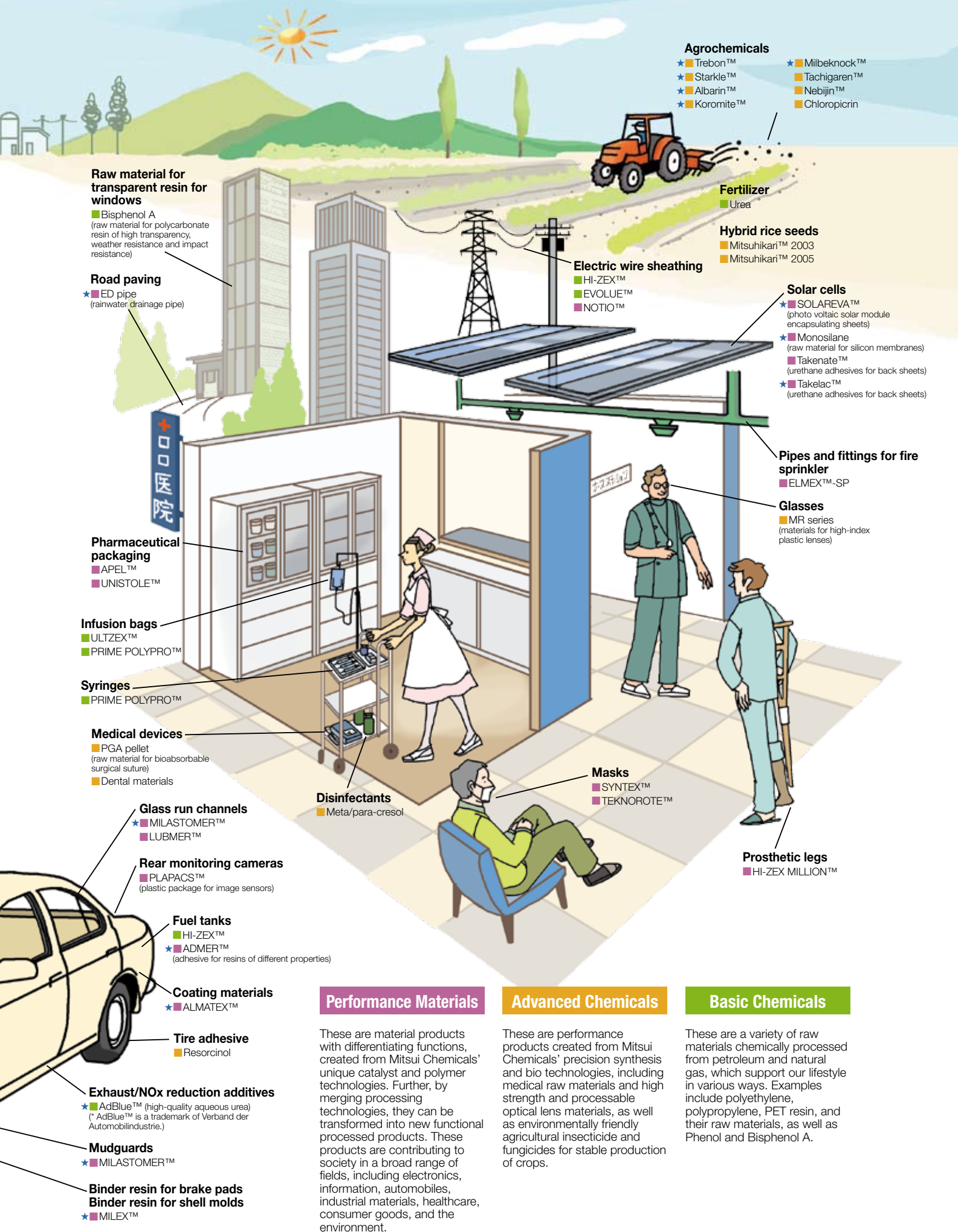
CSR Report ▶ Relationship with the Environment ▶ Business Activities and Environmental Impact

Related information

>> Environmentally Friendly Products

Resin for headlamp lenses

- Bisphenol A
(raw material for polycarbonate resin of high transparency)



Commitment to Growth

October 2007 marked the 10th anniversary of the founding of Mitsui Chemicals.

We commemorated this anniversary by creating Grand Design, our basic management framework for continued growth over the next 10 to 15 years. In order to achieve the long-term management goals of our Grand Design, we created a four-year Mid-term Business Plan, which started in fiscal 2009.

Grand Design

Grand Design is the basic framework for the management of the Mitsui Chemicals Group and consists of our Corporate Vision, Business Plan, and Action Guidelines. Based on our Grand Design we strive to achieve sustainable growth through management that balances the three axes of economy, environment, and society.

Our Long-term Management Targets to be achieved over an 8 to 10-year period (by around 2015) consists of three types of goals: financial goals (economic axis), environmental goals (environmental axis), and social goals (social axis).

Our financial goals are to reach an operating income of at least 150 billion yen, and ROA (return on assets) of at least 10%.

Our environmental goals are to reduce our greenhouse gas (GHG*) Intensity Index, minimize industrial waste, and develop technologies to utilize non-fossil resources.

The GHG Intensity is the amount of GHG (in tons) generated per ton of products manufactured. We use the GHG Intensity Index as a measure of how much we

have reduced our GHG Intensity since fiscal 1991 (the base year).

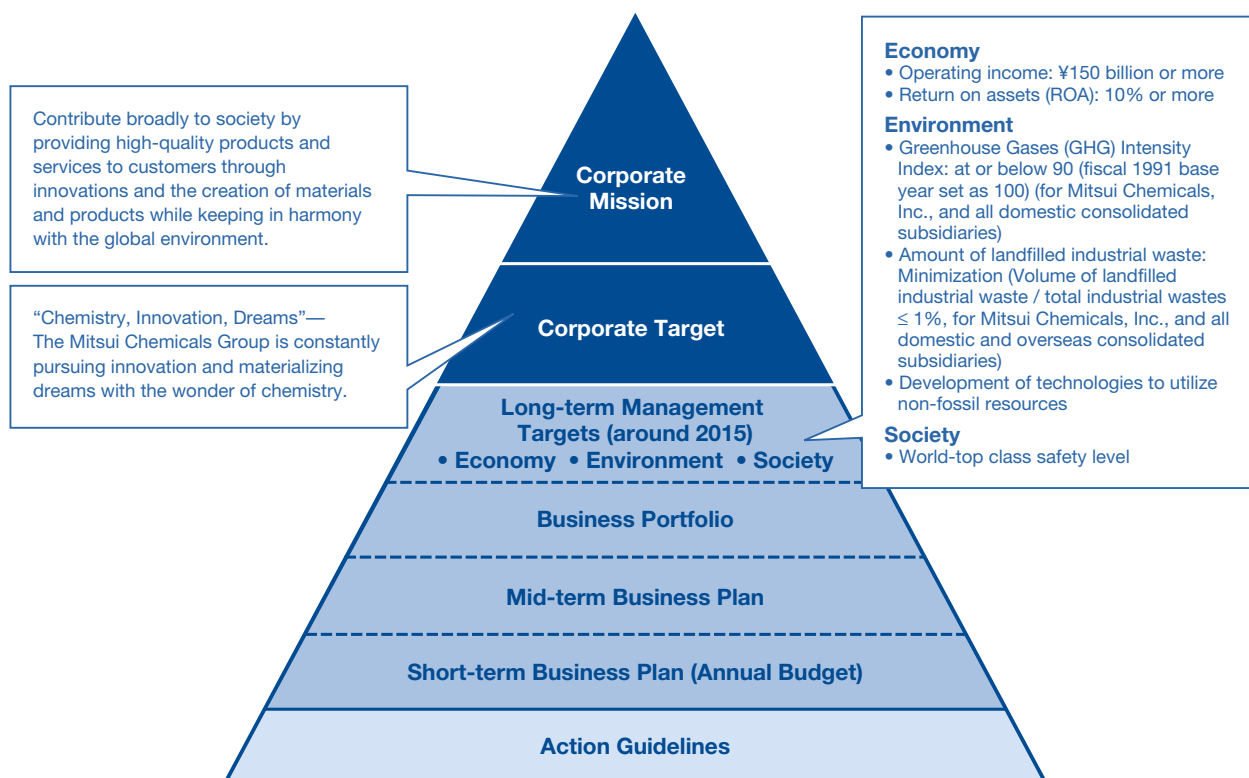
$$\text{GHG Intensity Index} = \frac{\text{Current GHG Intensity} \times 100}{\text{GHG Intensity for Fiscal 1991}}$$

Our goal for industrial waste minimization is to reduce the amount of industrial waste that is landfilled (sent to final disposal) to no more than 1% at our home plants and domestic and overseas consolidated subsidiaries (production sites). We also added a new long-term management target: the development of technologies to utilize non-fossil resources to make chemical products from plant and other resources in place of petroleum.

Our social goal is to achieve the world's highest level of occupational safety.

* GHG: Greenhouse Gas (gases which produce a greenhouse effect whereby the heat from the sun is trapped within the atmosphere, thereby warming the earth's surface). The Kyoto Protocol defines greenhouse gases as CO₂, CH₄, N₂O, HFC, PFC, and SF₆.

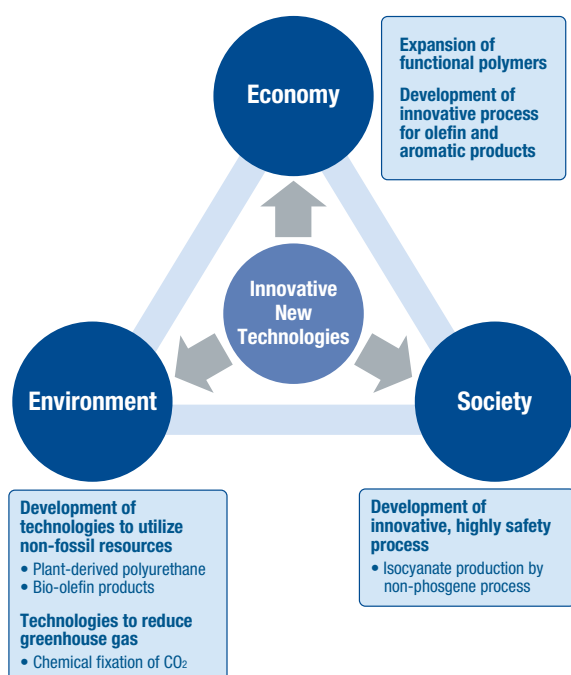
Grand Design of the Mitsui Chemicals Group (Basic management framework)



The 2008 Mid-term Business Plan (FY 2009-2012)

Under the 2008 Mid-term Business Plan, we will work to establish the three axes of economy, environment, and society, as well as create new value through innovative new technologies.

Direction of creation of innovative new technologies in the 2008 Mid-term Business Plan



Three-axis Management

In the second half of 2008, the economy faltered due to the global financial crisis. Trends in the Japanese economy, such as a strong yen and fluctuations in other financial trends, coupled with a large decline in demand, have rapidly caused an economic recession, and it is no longer feasible to sustain an economy dependent on exports. Our mid-term business plan includes a policy of management on the three axes of economy, environment, and society, and we will focus our full strength on the following key challenges in fiscal 2010, in order to break out of the present severe business climate and recover our revenues.

Key Challenges for Fiscal 2010

Economic axis

- Emerge victorious in Japan, and expand businesses overseas (especially in Asia)
- Narrow focus on and expand selected performance material fields
- Strengthen and expand businesses that are not highly susceptible to fluctuations in the economy

Environmental axis

- Achieve our plan for reducing greenhouse gases (GHG), and create a new plan for further reductions

Social axis

- Work at the group level to eliminate occupational injuries
- Eliminate legal and regulatory violations throughout the group by ensuring thorough awareness of compliance

Progress on Three-axis Management

	Fiscal 2009 Results	Fiscal 2010 Plan	Fiscal 2012 Goals
Economic axis (financial goals)	<ul style="list-style-type: none"> • Operating income: – ¥45.5 billion 	<ul style="list-style-type: none"> • Return to profitability by the second half of fiscal 2010 (reduce losses and quickly return to profitability) 	<ul style="list-style-type: none"> • Operating income: ¥130.0 billion • ROA: 7.5%
Environmental axis (environmental goals)	<ul style="list-style-type: none"> • Improve GHG Intensity Index <ol style="list-style-type: none"> 1. Reduce GHG emissions by 49,000 tons via energy-saving measures 2. GHG Intensity Index: 95 	<ul style="list-style-type: none"> • Improve GHG Intensity Index <ol style="list-style-type: none"> 1. GHG emissions over 220,000 tons through energy-saving measures 2. GHG Intensity Index ≤ 84 	<ul style="list-style-type: none"> • GHG Intensity Index: no more than 85 (Energy Intensity Index: no more than 80) • Amount of landfilled industrial waste: No more than 1% at all domestic production sites (minimization) No more than 5% at production sites of overseas consolidated subsidiaries • Other: develop technologies to utilize non-fossil resources
Social axis (social goals)	<ul style="list-style-type: none"> • Occupational injury frequency rate*: 0.19 (DAFWC) 2.0 (DAFWC + RWTC + MTC) 	<ul style="list-style-type: none"> • Occupational injury frequency rate: No more than 0.15 (DAFWC) No more than 1.8 (DAFWC + RWTC + MTC) • Compliance with laws and regulations: zero violations 	<ul style="list-style-type: none"> • Occupational injury frequency rate: No more than 0.15 (DAFWC) No more than 1.8 (DAFWC + RWTC + MTC)

* Occupational injury frequency rate: Number of occupational injuries x 1 million hours / total hours worked by all employees



2009
Website

CSR Report ▶ Commitment to Growth

Related information >> Progress on Three-axis Management

About Us

Related information >> Management Plan ("Grand Design") >> Mid-term Business Plan

CSR at the Mitsui Chemicals Group

The Mitsui Chemicals Group's goal for CSR is to be a "Good and Trustworthy Company" through our commitment to CSR, by earning the trust of society, and being a company that our employees can take pride in and find fulfillment in.

Aims of CSR

Every day, the Mitsui Chemicals Group works to win a reputation as a Good and Trustworthy Company through our commitment to CSR, earning the trust of society and being a company that our employees can take pride in.

In 2007, we created Grand Design as our basic framework for management to create a Good and Trustworthy Company. Grand Design sets targets for the economic, environmental, and social axes to be achieved on or around 2015, and we have managed our group balancing these three axes, and taking the perspectives of each of our stakeholders.

In addition to these measures by management, each of our divisions has continued to hold "Two-way Communication Discussion" sessions independently since 2007, as two-way communication activities to build a Good and Trustworthy Company.

By thus advancing CSR initiatives at the corporate and division levels, we are working to earn a reputation as a Good and Trustworthy Company both through corporate actions and actions by the individual employees in actual contact with society.

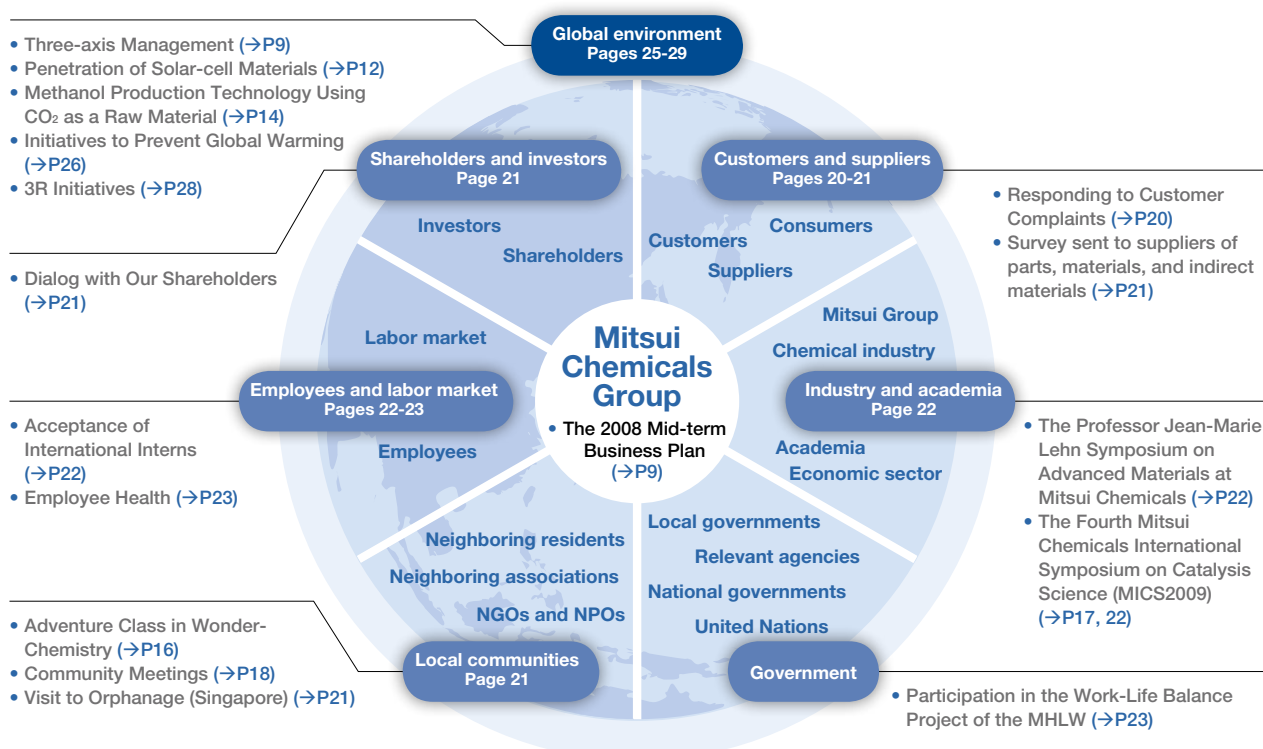
CSR Promotion System for Creating a Good and Trustworthy Company

Our CSR Committee, which is chaired by the company president, discusses and creates policies and plans relating to the promotion of CSR by our group. We have also created three separate committees under the CSR Committee, each chaired by the executive director in charge of that area: the Responsible Care Committee, Risk & Compliance Committee, and Social Activities Committee. These committees act on the policies and plans created by the CSR Committee, supplementing and optimizing from a company-wide perspective the activities that each line organization proposes and executes.

In April 2009, we created a new organization: the Corporate Social Responsibility Center. This division centrally manages divisions responsible for activities on the social and environmental axes, including the CSR and Communications Division (the secretariat of the Corporate Social Responsibility Center), as well as Safety & Environment, Quality Assurance, Corporate Administration, Legal, and Human Resources & Employee Relations divisions. This division is part of our goal of promoting CSR more functionally with a unified group commitment.

We have also set up the departments in charge of CSR at operating sites, branches, and affiliates, and work to promote CSR taking advantage of the unique characteristics of each site, while strengthening collaboration in the group.

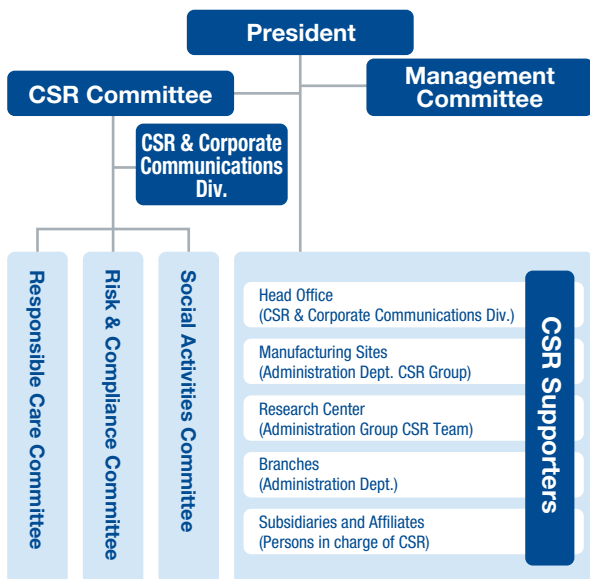
Stakeholders and main initiatives for FY 2009



System for CSR initiative to be a Good and Trustworthy Company



CSR Promotion System



CSR Supporters

“Two-way Communication Discussion” sessions form the foundation of our promotion of CSR. These sessions enable two-way communication both horizontally and vertically, between coworkers and between line managers and their subordinates. In order to facilitate this horizontal and vertical communication, we have selected over 400 CSR supporters, and supporters are assigned to each of our group’s work places.

CSR supporters are selected from the ranks of general employees. Communication within an organization tends to become one-way, consisting of passing on messages and giving instructions. The CSR supporters are communication leaders who make communication two-way, in order to make initiatives within each division dynamic and autonomous, based on empathy and buy-in.



CSR training

THE THREE PILLARS OF THE MITSUI CHEMICALS GROUP ACTION GUIDELINES

Every officer and employee of the Mitsui Chemicals Group will act in accordance with the action guidelines to enhance the sustainable development of society and the company by making contributions to each of our stakeholders. The three pillars of the action guidelines are described in the following:

We will always act in good faith.

We will have a high regard for people and society.

We will aim for the “Dream-Inspiring Innovation.”



2009
Website

CSR Report ▶ CSR at the Mitsui Chemicals Group

Related information >> Relationship with Stakeholders >> Two-way Communication Discussion >> The Mitsui Chemicals Group Action Guidelines

At Mitsui Chemicals, we have three major goals: Chemistry, Innovation, and Dreams. Our goal is to serve the world with the power of chemistry; create innovative new technologies; and make big dreams come true. What approach does Mitsui Chemicals take to achieve its goals of Chemistry, Innovation, and Dreams? Here, we showcase some of our initiatives.

Solar power is one of the most recognized types of clean energy. At the 2008 Hokkaido Toyako Summit, Japan's then-Prime Minister Yasuo Fukuda announced Japan's target of increasing the country's adoption of solar power 10-fold from current levels by 2020, and 40-fold by 2030. In the United States as well, President Barack Obama is strengthening the country's commitment to solar power as one part of his presidency's "Green New Deal."

Solar power generation requires solar cells. At Mitsui Chemicals, we are working to spread the adoption of clean energy through the development of a wide range of materials essential for solar cells.

We Have a Large Share of the Market for Materials Helping the Penetration of Solar Cells

Although the main raw materials of most solar cells are currently crystal silicon, manufacturers have recently begun focusing their efforts on improving the performance of thin-film-based solar cells, in order to reduce the cost of power generated by them.

We offer a wide range of materials for solar cells. For example, our subsidiary Mitsui Chemicals Fabro offers a photo voltaic solar module encapsulating sheet named SOLAREVA™. This material is sandwiched between the cells that convert sunlight into electrical energy, and the surface glass and back sheet. This material must be adhesive and transparent, and flexible in order to prevent cells from cracking.

We produce 9,000 tons of SOLAREVA™ per year. This makes us one of the top suppliers in the world, with a 30% share of the global market. In 2009, we have built the capability to respond to increased adoption of clean energy, while increasing our production volume to 20,000 tons and solidifying our position as a global leader in this field.

We have a unique presence in the production of such rare gases as monosilane gas, which is used in thin-film cell manufacturing processes, and NF₃ gas, which is used to clean equipment. Special gases are extremely effective at conserving resources. Vapor deposition, which forms a thin silicon film by applying monosilane gas to the substrate surface, uses about 1/100 the silicon as creating silicon substrates by slicing polysilicon.

In September 2008, in order to manufacture monosilane gas more efficiently Mitsui Chemicals entered an agreement with Tokuyama Corporation to jointly develop a new process for the manufacture of monosilane gas. Tokuyama Corporation has a wealth of technologies for the manufacture of silicon raw materials,

Special Feature

Chemistry

The Mitsui Chemicals Group is United in Its Commitment to Increase the Adoption of Solar-cell Materials

■ Market forecast for solar cells

(Output capacity/MW)

20,000

15,000

10,000

5,000

0

2006

2007

2008

2009

2010

2011

2012

(Year)

1,600

2,400

5,500

6,600

13,300

17,800

23,100

including polysilicon for semiconductors. We plan to begin joint production around 2012.

We offer other materials for solar cells as well: Mitsui Chemicals Polyurethanes offers the back-sheet adhesives Takelac™ and Takenate™ (approximately 80% share of the Japanese market), and Mitsui Chemicals offers such materials as MITSUI EPT and MILASTOMER™, which are gasket materials for preventing the infiltration of water into solar-cell panels.

Solar Cell & Battery Components Development Department is New “General HQ” for Solar Cells



Tomoya Terauchi
Manager
Solar Cell & Battery Components Development Dep.
Business Planning & Development Div.
Performance Materials Business Sector

Solar cells must be very durable, with a lifetime of 20 years. For this reason, the materials used in solar cells must maintain stable quality for long periods of time. Mitsui Chemicals' products have earned great trust from manufacturers and users because they carry the lineage of a long record of proven technologies. One example is our product SOLAREVA™, which has a 25-year track record in the market.

Traditionally, our various business divisions and subsidiaries have independently manufactured and

sold each of our materials. Although this aspect will remain unchanged, in August 2008 we created the Solar Cell & Battery Components Development

Department out of our belief that the

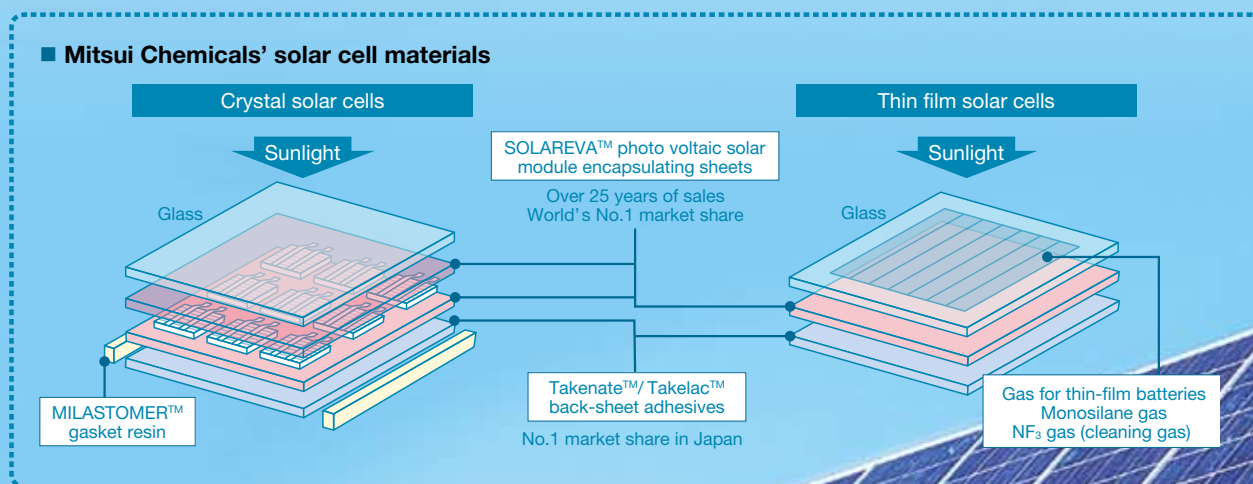
Mitsui Chemicals Group as a whole must advance the adoption of environmentally friendly products, especially solar cells. This new department could be called the “General HQ” for businesses relating to solar-cell materials in the Mitsui Chemicals Group. The department currently has a staff of about 20 people in total, including employees assigned there part-time.

Tomoya Terauchi is the Manager of the department who has been involved with the department since the preparatory stages. “Many of our competitors are coming out with solar cells, because they make a large contribution to the environment, and they are expected to be a growth field,” he says. “We are working urgently to create an overall strategy for the presence that the Mitsui Chemicals Group should harness,” he continues. For the current Mid-term Business Plan, our goal is to increase the Mitsui Chemicals Group's net sales from solar cells related business from 8 billion yen in 2008 to 20 billion yen in 2011.

“Developing materials for solar cells is an extremely motivating and fulfilling job, because it lets us leave a bright future for our children. We also want to expand our initiatives, collecting information about clean energy in general, such as wind power,” says Terauchi, revealing his passion for the field.

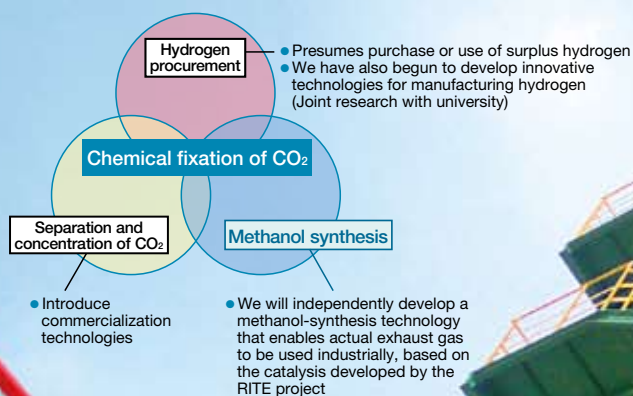


Members of the Solar Cell & Battery Components Development Dep.



Establishing an Innovative Technology to Synthesize Methanol from CO₂

On May 23, 2009, a pilot plant at the Mitsui Chemicals Osaka Works became the first site in the world to synthesize methanol from its carbon dioxide (CO₂) exhaust. Methanol is used as a raw material in many different chemical products. If we can synthesize methanol from CO₂ (fixation of CO₂), it will enable us to recycle environmentally destructive CO₂ without relying on fossil fuels, which is our ultimate target. Mitsui Chemicals is committed to creating new value through the generation of innovative new technologies, and our CO₂ fixation technology has shown us a new answer to the CO₂ dilemma.



Leading-edge Catalysis Technologies Are Making It Possible to Recycle CO₂



Kenji Fujiwara

Research Fellow
Catalysis Science Lab.
Research Center

Currently, about 40 million tons of methanol is produced per year worldwide, almost all of which is made from carbon monoxide (CO) and hydrogen. Until now, it has been considered to be unfeasible to synthesize methanol using CO₂ as a raw material, because CO₂ is more stable than CO, and is thus less chemically reactive.

Mitsui Chemicals, however, participated in the Project for Chemical CO₂ Fixation & Utilization carried out by RITE*¹ from 1990 to 1999, and has since continued to develop catalysis methods capable of synthesizing methanol from CO₂ and hydrogen. “A catalyst promotes a reaction that converts raw materials into chemical products, without itself changing,” says Kenji Fujiwara, research fellow at the Mitsui Chemicals Catalysis Science Laboratory. “In the RITE project, we created new catalysts by adding a variety of metals to a copper and zinc base, and succeeded at synthesizing methanol efficiently from CO₂ and hydrogen,” he explains.

At Mitsui Chemicals, we are advancing research into catalysis science because we foresee a shift from petroleum to other resources as raw materials for chemicals. We have also continued to improve new catalysts capable of synthesizing methanol from CO₂ and hydrogen. “Our pilot plant is now facing a major hurdle that is different from the RITE project,” says Toshihiro Takai, process unit leader at the Osaka Works Process Technology Center.

“Although the RITE project used pure CO₂,” he says, “the pilot plant uses actual exhaust gas from our plants as a raw material. This gas contains gases that greatly inhibit catalysis, such as nitrogen oxide (NO_x) and sulfur oxide (SO_x).”

The pilot plant has the capacity to synthesize approximately 100 tons of methanol per year. The pilot tests verify whether the catalyst can stand up to 4,500

hours of continuous operation, and collect design data necessary for a full-scale manufacturing plant. The Mitsui Chemicals Group as a whole produces 5.14 million tons of CO₂ per year. If all of the CO₂ can be fixed, this would not only completely eliminate our CO₂ emissions, but also produce 3.7 million tons of methanol per year.



Toshihiro Takai

Process Unit Leader
Process Technology Center,
Production & Technology Center
Osaka Works

We Are Also Creating Innovative New Technologies in Hydrogen Procurement

This is an attempt to create a new manufacturing process through innovative technologies, but there are still challenges remaining. The biggest challenge is the procurement of hydrogen. In the pilot program, we are using surplus hydrogen from our plants, but it would be meaningless to procure hydrogen from fossil resources.

Mitsui Chemicals is thus developing photo-catalysts for splitting water and solar cell's materials for electrolysis on water, as part of our research into extracting hydrogen. In this process, we use sunlight and other forms of natural energy. “Although we currently do not have a great deal of surplus hydrogen, we are committed to continuing to conserve energy, and using this precious hydrogen without waste, crossing regional and industry boundaries, until we can obtain hydrogen from natural energy,” says Takehiko Takagi, Manager of the Planning & Coordination Division, whose job is to coordinate the pilot project.

Methanol can be used to make the raw materials for plastics, including such olefins as ethylene and propylene. After these plastics have been used, if we can incinerate them, collect their heat energy and CO₂, and synthesize methanol from the CO₂, then we will have completed a recycling system using CO₂ as the raw material.

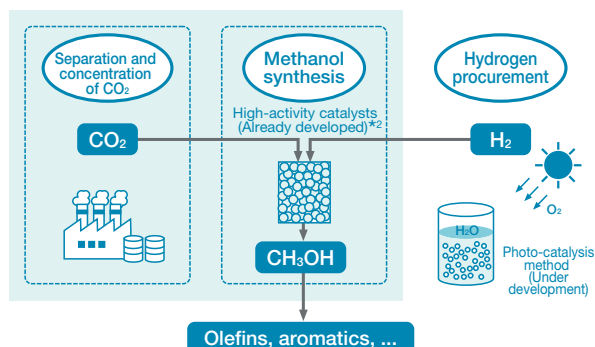
The period of the pilot program is one year. We will not be able to move into full-scale production overnight. But when we are able to meet the conditions for hydrogen procurement, and use CO₂ as a raw material at industrial scales, then we will be able to shift immediately to full-scale production, based on these experiments. We are preparing for the future, laying the groundwork so that we can begin production immediately.



Takehiko Takagi

Manager
Planning & Coordination Div.
Production & Technology Center

■ The concept of chemical fixation of CO₂



*2 Results from “Project for Chemical CO₂ Fixation & Utilization (1990-1999; supported by NEDO)”, with RITE.

*1 RITE: Research Institute of Innovative Technology for the Earth



Elementary Schools

Adventure Class in Wonder-Chemistry

Attracting People to the World of Chemistry to Link the Potential of Chemistry to the Next Generation

Chemistry can change molecular compositions to create completely new substances of benefit to society. The ability to transform one substance into another has long fascinated people, and it still does. Today, however, both children and society in general are losing interest in chemistry, in part due to reductions in the amount of time dedicated to science education. Mitsui Chemicals employees are independently operating projects to invite people into the world of chemistry, in order to show people how interesting and fun chemistry is, as well as to blaze a path to the future for leading-edge catalysis technologies.

Adventure Class in Wonder-Chemistry Lets Children Experience the Wonders of Chemistry First Hand

Mixing laundry starch with borax creates squishy slime—mixing two different things together creates another

completely different thing. This is what is fun and interesting about chemistry. Mitsui Chemicals is continually expanding its programs aimed at showing how interesting chemistry is. One of these programs is our Adventure Class in Wonder-Chemistry for elementary and junior high-school students. We created our CSR Division in 2005, at the same time this program was announced. Since 2006, employee volunteers at all 9 of our operating sites have answered our call, and become active in this program.

Some examples of activities we conduct are laboratory classes at local elementary schools and municipal buildings, tours of our research centers, and hands-on chemistry classes, such as enabling people to perform real-live “Foamy Urethane Experiments.” We held 10 such activities in 2006, increasing them to 18 times in 2007. In 2008, we expanded the program to the operating sites of our affiliates, and over 2,000 children participated.

All the employees serving as instructors are volunteers. “At my workplace we work in shifts. Our members somehow find the time to prepare the laboratory classes,” says Hisashi Chiba, leader at the Ichihara Works. “We always try hard to make the class fun for children, such as figuring out ways to make the material easy to understand. But we also have fun ourselves,” he continues.

We also hold laboratory classes linked to events at the location of our head office in Shiodome City Center, in Tokyo. Yukiko Musashi of the Mitsui Chemicals Agro Safety & Environment Quality Assurance Division volunteered to serve on the event steering committee, and participated in the laboratory class with her 4th and 6th-grade children. “Showing advanced chemistry technologies in an easy-to-understand way gets children interested in science. It also excites me to be able to demonstrate experiments using advanced technology from children’s perspective,” she says.

Adventure Class in Wonder-Chemistry helps me in my work



Masumi Sata
Engineering & License Group
Business Planning Development
& License Div.
Basic Chemicals Business Sector

When my son entered elementary school and became old enough to participate in the Adventure Class in Wonder-Chemistry, I volunteered for the steering committee because I thought I could take advantage of my perspective as a mother. This program has been great for me. Working with children energizes me, and I’ve made more friends at work. My nephew wants to become a chemist, and he gets excited watching fantastic chemical reactions. My son also loves experiments now. This has been a good opportunity for him to learn about his mother’s job.



University
Graduate
Undergraduate
Technical
College

Internships

MICS



Junior High
Schools

Adventure Class in
Wonder-Chemistry

Internships

MICS

High
Schools

Internships

MICS

Organizing International Symposia to Highlight the Importance of Catalysis Science

Mitsui Chemicals strives to “contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials and products, while keeping in harmony with the global environment.” We also believe that catalysis science is the key to achieving “Dream-Inspiring Innovation.” With the aim of furthering the development of catalysis science, Mitsui Chemicals has been organizing the “Mitsui Chemicals International Symposium on Catalysis Science (MICS)” every other year since 2003. World famous scientists, including Nobel Prize Laureates, have been invited to deliver lectures at all the symposia. “The Fourth Mitsui Chemicals International Symposium on Catalysis Science (MICS 2009)” was held in March 2009 with the theme, “Catalysis Science and Its Contribution to Future Human Development,” and was met with great acclaim.

Mitsui Chemicals’ goal for the symposium is to serve as a forum for an extensive as well as intensive interchange of opinions among researchers worldwide thus breaking formal boundaries that exist between nations, organizations and specialized fields. Admission to the symposium was free, and free shuttle buses were provided between Tokyo Station and the venue in Kisarazu City, Chiba Prefecture. About 1,600 people from Japan and overseas attended MICS 2009. At each symposium, a large number of young people attended. In particular, more than 300 students attended MICS 2009, including junior and senior high-school students. It is Mitsui Chemicals’ hope that the symposia will act as an international forum of debate where young scientists of the future can listen and learn as well as discuss their ideas with Nobel Laureates. To this end, we invited high-school students who were candidates for the International Chemistry Olympiad, as well as university students from Singapore, with whom we have strong relations in joint research and other projects. Between

lectures, students were able to get autographs from leading scientists from around the world.

Mizuki Mayuzumi from the CSR & Corporate Communications Division assisted the first-time International Chemistry Olympiad candidates at MICS 2009. “The candidates get to shake hands with a Nobel Prize Laureate,” says Mayuzumi. “I thought that this was a fantastic opportunity, just knowing how excited this will make them,” she says.

The symposium is run almost entirely by the employees themselves. “We begin preparing for the symposium about a year before the event,” says Yumi Misono, senior researcher in the Research Center, Planning & Coordination Division and a member of the symposium steering committee. “The many in-depth discussions we have over the program and other matters are a wonderful learning opportunity for me. As a Mitsui Chemicals employee, I am extremely proud that we not only have presentations by some of the world’s leading scientists, but also that we have a large number of attendees,” she says.

Mitsui Chemicals’ Dream for chemistry is to bring the wonder of chemistry to everyone, from children to leading scientists.

MICS made me decide to study chemistry



Hironori Hara
Department of Chemistry,
Graduate School of Science,
Nagoya University

Listening to the lecture by Professor Noyori at the first MICS in 2003 showed me the front lines of chemistry, and made me decide to study chemistry myself. I am confident that Mitsui Chemicals will continue to provide opportunities not only for further development of world-leading science and technology, but for inspiring young people to direct their energy toward chemistry and science as well.



Our Commitment to Opening Our Works to the Community

The Mitsui Chemicals Group strives to create open operating sites. Every year, we hold an opinion exchange meeting at each of our Works, as part of our active communication with local communities. In July 2008, we held a community meeting at our Ichihara Works in Chiba Prefecture.

Overview of the Community Meeting

Time:

10:00am to 1:00pm
Monday, July 7, 2008

Location:

Mitsui Chemicals Ichihara Works

Attending:

From Mitsui Chemicals:
Gen Takemoto (General Manager of the Works) and 7 others
Community participants:
The chairpersons of the 8 nearby town associations



Sadaji Matsumoto
(Aoyagidai)



Jun Ogura
(Kitaoyagi)



Shigetaka Yamashita
(Nishiaoyagi)



Kenji Furukawa
(Fujimi Dai-ichi)



Yasunori Nakamura
(Fujimi Dai-ni)



Haruo Hirose
(Fujimi Dai-san)



Yukio Nakajima
(Sankago)



Akio Uruma
(Shuku)

A Works' Management Policy That Gives Priority to Safety in Everything

In 2007, our Ichihara Works began holding a community meeting in order to showcase its businesses and safety and environmental initiatives to local residents, and enhance mutual understanding through frank discussions.

Eight local town-association chairpersons participated in our second community meeting, held in July 2008.

Before beginning the meeting, the Ichihara Works gave a presentation including a video overview of the Works and other materials, in order to explain its active commitment to ensuring safety and improving the environment, with the aim of being trusted by local residents, based on its management policy of giving priority to safety in everything.

In particular, we strive to raise the awareness of safety and disaster prevention of our employees as well as our contractors, including enhancing our KY (hazard prediction) activities, and providing hands-on instruction at our Plant Operation Technology Training Center. We also strive to prevent disasters in our equipment. For example, we have switched three 20,000-kiloliter naphtha tanks to tanks with immobilized dome roofs, and filled with nitrogen to render them non-combustible, in order to prevent fires due to lateral shaking in an earthquake.

Plant Tour

We described the status of computer-controlled measuring instruments, seismographs, gas detectors, and other equipment in the control room of the ethylene plant, which is the main plant at the Ichihara Works. We also showed our visitors the operational management of our smokestacks and other areas. Visitors also were given a tour of the product warehouse and other areas of our 3EPT plant, which is our newest synthetic-rubber manufacturing plant. The day of the tour was unfortunately rainy, and flotsam and jetsam washed in from the ocean and up against our coastal general wastewater outlet, but we explained that we periodically clean out any trash that is washed in from the sea, and showed the actual worksite, thus giving our visitors an understanding of the safety and environmental initiatives at the Ichihara Works.



Opinion Exchange Meeting

After the tour of the Works, we held a meaningful round-table discussion in which the participants made frank comments and questions.

► Products made at the Ichihara Works

Community representative: Although I live nearby, until now I didn't know products your company makes here are a close part of our lives. I remember hearing once that Mitsui Chemicals manufactures the raw materials for plastic bottles, but this tour showed me that Mitsui Chemicals' products are made into final products that we use every day.

Works representative: I guess it's hard for someone outside the company to know what we are making here without actually seeing the Works. Most products other than natural things, steel, and glass are chemical products. For example, the fibers in most of the shirts you are wearing are made by combining two raw materials. One of them, a liquid called ethylene glycol, is made here at the Ichihara Works. Our Iwakuni-Ohtake Works makes the other raw material. Our other plants make things like lenses for eyeglasses.



► CSR activities

Community representative: What does "CSR" mean?

Works representative: CSR stands for "corporate social responsibility." At Mitsui Chemicals, we advance CSR initiatives through our main business, but we also believe that it is vital to improve our communication with Mitsui Chemicals' stakeholders—people from the local community, our customers, and so on. Some of our CSR activities include the Adventure Class in Wonder-Chemistry, a hands-on chemistry workshop for children that we also give here at the Ichihara Works, and our Disaster Relief Team, which sends polyurethane mattresses and other needed supplies to areas hit by earthquakes and other disasters.



► Disaster prevention regime

Community representative: I understand that you have installed an emergency earthquake alarm PA system. I think that realistically, there is very little that you could do in the few seconds between the alarm and the earthquake...

Works representative: We believe that at the time of earthquake it is most important to give priority to safety and shut down our equipment. We also have our own disaster response regime at the Works, and we are prepared to respond to disasters 24 hours a day. Outside the Works as well, we train periodically with the disaster-preparedness organizations of the Ichihara Fire Department and Coast Guard Station, and we also have a mutual disaster-prevention organization with nearby places of business.

Community representative: Are the plant foundations, pilings, and other construction built into the bedrock?

Works representative: In general, yes. For example, the 3EPT plant that you toured has about 1,600 piles driven down to as deep as 40 meters. We therefore believe that the plant will have no problems with an earthquake of up to 300 gals. But we have not done this kind of foundation work on our roads and the like, so there is a possibility of liquefaction or other phenomena. This would not, however, damage our plants or tanks directly.

Response to comments

We held our second community meeting with local town association chairpersons at Ichihara Works, following our first meeting in 2007. Although there were many questions at the meeting about damage from accidents, earthquakes, and other disasters, some also told us that they understood that we are strongly committed to plant safety and environmental conservation, and that our products are made into many final products that are familiar parts of their lives. At the first community meeting, there were requests for a communication network to be set up with the town association heads in the case of accidents, and at this meeting those attending praised our responsiveness in setting up a regime that gives the community peace of mind. I hope that we can continue to deepen our mutual understanding through continued frank exchanges of views with members of the local community.



Kazuyoshi Kamada
General Manager
Safety & Environment Div.
Ichihara Works

Together with Our Stakeholders

At the Mitsui Chemicals Group, we aim at achieving the sustainable development of society and our company, and take our relationships with our stakeholders into consideration when conducting business activities.

Goals for Fiscal 2009

- No major violations of quality-related laws or regulations
- Conduct survey on the CSR procurement status of suppliers of parts, materials, and indirect materials
- Continue to exhibit products and panels at general meetings of shareholders, and have company directors provide supplementary information
- Hold "The Professor Jean-Marie Lehn Symposium on Advanced Materials at Mitsui Chemicals"
- Promote initiatives to harmonize work and private life, as a model company in the Work-Life Balance Project of the Ministry of Health, Labor, and Welfare

Fiscal 2009 Results and Assessments

- A: No major violations of quality-related laws or regulations
- A: Sent survey to 724 suppliers of parts, materials, and indirect materials
- A: Exhibited products and panels at general meetings of shareholders, and had company directors provide supplementary information
- A: October 15, 2008: Held "The Professor Jean-Marie Lehn Symposium on Advanced Materials at Mitsui Chemicals" (200 participants)
- A: Introduced a program for employees providing childcare/family care to request work transfer, introduced post-retirement return registration program, expanded acquisition conditions for childcare/family care leave program, introduced a telecommuting program for employees providing childcare/family care, and created a company childcare center

* Achievement scores determined through self-evaluation: see P2, About the Booklet Edition

Challenges for Fiscal 2010

- Enhance customer support relating to surveys on chemicals contained in products
- Provide feedback on results of responses to suppliers of parts, materials, and indirect materials
- Continue to exhibit products and panels at general meetings of shareholders, and have company directors provide supplementary information
- Send researchers to and promote joint research with research institutes in Japan and abroad
- Improve employees' understanding of system to support childcare and family care, and programs under this system

Together with Our Customers

Product Quality Assurance

We have established the Quality Assurance Division at our head office and quality assurance organizations at our Works, in order to improve customer satisfaction and enhance our internal control capabilities. The Quality Assurance Division and these organizations conduct quality-assurance activities independently of sales, development, and manufacturing divisions.

In fiscal 2008, we also created a new quality-education program incorporating legal compliance, and in fiscal 2009 we provided education to 25 group companies in Japan and overseas (32 operating sites) through this program.

Responding to Customer Complaints

The Quality Assurance Division plays a central role in preventing occurrence and recurrence of complaints by creating a system for collaboration between the relevant departments at the head office and plants, speeding up the process in handling complaints, ascertaining the cause, and deploying countermeasures laterally within the group.

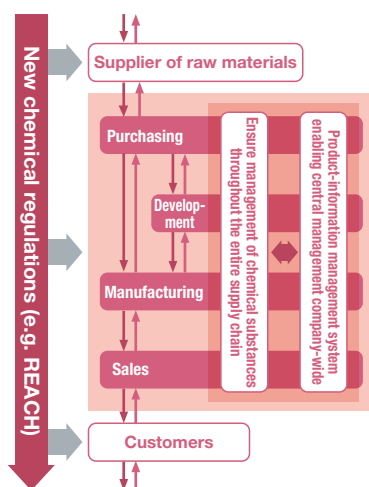
In fiscal 2009 we expanded our method for managing complaint rates to our affiliates. This will allow our affiliates to manage trends in complaints using the same method as Mitsui Chemicals starting in fiscal 2010, and we will use this to reduce quality issues.

Ensuring the Safety of Chemicals and Chemical Products

In fiscal 2009, in order to comply with the EU REACH* Regulation, we completed pre-registration of our products subject to the regulation. We are currently working cross-functionally inside and outside the company to prepare for full registration starting in fiscal 2011.

We have also created a database of product-safety information, and plan to reexamine of all products for legal compliance. Through these initiatives, we are enhancing our organizational responsiveness in chemical safety management throughout the product lifecycle.

Scope of chemical safety management at Mitsui Chemicals



* REACH: Acronym for Registration, Evaluation, Authorization and Restriction of Chemicals.

Together with Our Suppliers

We recognize that all our suppliers are good partners of the Mitsui Chemicals Group. Based on this recognition, we created the Mitsui Chemicals Group Purchasing Policy in April 2006 in order to enable our suppliers to work with us in our purchasing activities, in line with our CSR initiatives.

In fiscal 2008, we sent a CSR Procurement Survey to our raw-materials suppliers (725 companies), and in fiscal 2009 we sent them feedback on the results. We also sent a survey to suppliers of parts, materials, and indirect materials (724 companies), and our Purchasing Division made the rounds of the surveyed firms. We provided feedback on the results of the survey in September 2009.

In October 2008, we also began company-wide green purchasing of office supplies and equipment.

Together with Our Shareholders

We see our general meetings of shareholders as opportunities for frank dialogs between our shareholders and management. We are thus committed to responding frankly and clearly to our shareholders' questions, in order to deepen understanding of Mitsui Chemicals.

At our general meeting of shareholders held on June 24, 2009, we assigned staff to the venue lobby, to exhibit and provide information about the products and CSR activities of our group. After the meeting ended, company directors joined the presentations in the lobby, holding a deeper dialog with our shareholders.



Product exhibits in the venue lobby of general meetings of shareholders

Together with Our Local Communities

In December 2008, 19 employees including CSR Supporters from our 3 group companies in Singapore region visited an orphanage there. After enjoying making slime with the children and enjoying yo-yo fishing and other games together, the employees gave out Christmas presents that had brought with them, and sang Christmas carols.



Slime-making experiment

Mitsui Chemicals Group Purchasing Policy

The purchasing sectors of the Mitsui Chemicals Group consider every supplier to be a good partner for the Mitsui Chemicals Group in conducting purchasing activities that contribute to increasing the corporate value of our member companies. We understand the importance of fair competition and we trade in good faith seeking mutual sustainable development of corporate activities. We conduct purchasing following the Purchasing Policy stipulated below.

1. Legal Compliance

We will strictly observe laws and social norms in conducting purchasing.

2. Equal Opportunity and Transparency

We will be open to suppliers, both domestic and abroad, and provide equal opportunities for fair trade in good faith.

3. Harmony with the Global Environment

We will endeavor to purchase goods and materials with less impact on the global environment.

4. Choosing Suppliers from the Viewpoint of CSR

Seeking to build better partnerships, we will preferentially choose those companies that satisfy the following requirements:

- (1) Strictly observe laws and social norms.
- (2) Respect human rights and emphasize considerations for the labor environment.
- (3) Be proactive in environmental preservation and safety assurance.
- (4) Practice sound management.
- (5) Provide appropriate quality, prices, delivery deadlines, etc. and strive to maintain and improve them.

Staff Comment

I am very pleased to have been able to visit the orphanage, and see the smiles on the faces of the children we met. We gave the children presents that had been donated by employees, and the children were very happy.

Serene Tan
(left)

Law Lee Chai
(right)

Mitsui
Chemicals
Asia Pacific, Ltd.



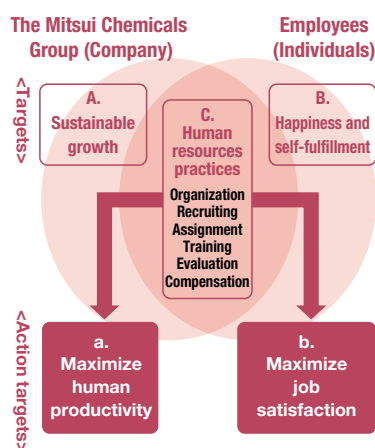
2009
Website

CSR Report ▶ Relationship with Society

Related information

» Together with Our Customers » Together with Our Suppliers » Together with Our Shareholders » Together with Our Local Communities

Perspective on human-resource management: relations between companies and individuals



Guest Comment

In October 2008, I participated in a two-month internship at the Automotive & Industrial Materials Division. The project to cultivate new markets for lubricating-oil additives was very hard work, but it was an extremely interesting experience. I was also very glad to have the opportunity to learn how business is actually conducted in Japan, and get to know a lot of people at the company. I have stayed in touch after returning to Singapore.

Heng Chong Hou Andre
Singapore Economic Development Board



Together with Industry and Academia

The Mitsui Chemicals Group provides venues for the creative collaboration and for the creation of new knowledge in scientific technology research by strengthening collaboration between the industrial and academic sectors and by building a "Global Science Network" that crosses organizational and national boundaries. We hold international symposiums as part of these efforts. We invite leading researchers to deliver lectures at these symposiums, providing a venue for exchange and discussion between researchers from around the world.

In October 2008, we held "The Professor Jean-Marie Lehn Symposium on Advanced Materials at Mitsui Chemicals," with invited guest Professor Jean-Marie Lehn, the 1987 Nobel Prize Laureate in Chemistry. Then in March 2009, we held "The Fourth Mitsui Chemicals International Symposium on Catalysis Science (MICS2009)," with the theme of "Catalysis Science and Its Contribution to Future Human Development." Professor Roald Hoffmann (the 1981 Nobel Prize Laureate in Chemistry) gave a plenary lecture, and the symposium was a venue for active research exchange, with 1,600 in attendance. (See P16-17, Special Feature: Dreams)



The Mitsui Chemicals International Symposium on Catalysis Science

Together with Our Employees

Human Resources Management

At every group company worldwide, our fundamental human-resources practice is to achieve two goals: the sustainable growth of the company, and the happiness and self-fulfillment of our employees. In particular, as we accelerate our global growth, fostering and promoting the staff at our overseas affiliates has become a key issue. Thus we are committed to ensuring our competitiveness throughout the entire group by providing training at the Mitsui Chemicals head office, supporting and building infrastructure for measures to foster human resources at each site, and focusing on hiring and training people capable of succeeding on the global stage.

We have a strong relationship with Singapore, and Mitsui Chemicals and Singapore Economic Development Board agreed to join the Human Resource Development Programme. Under this programme we are advancing a wide range of initiatives and contributing locally, including internships and scholarship programs. We also accept internships from China, Vietnam, France, and other countries. In fiscal 2009, 14 foreign students experienced work at the Mitsui Chemicals Group, greatly exceeding the number of interns in the previous fiscal year. We will continue to focus on fostering and hiring human resources from a global perspective, as we strengthen our ties with these regions.



Participants of the fiscal 2009 global managers training



2009
Website

CSR Report ▶ Relationship with Society ▶ Together with Industry and Academia

Related information

>> International Symposiums and the "Mitsui Chemicals Catalysis Science Award" >> Assistance for Intellectual Property Education

Building an Employee Friendly Working Environment

Mitsui Chemicals regards our employees as vital stakeholders for achieving our corporate mission. We are committed to realizing both the sustainable growth of our corporate group, and the happiness and self-fulfillment of our employees. Our aim is to create a relationship in which the company and employees stimulate each other as they work toward their respective goals.



We believe that our employees' work-life balance will become increasingly important. In order to achieve this new value, in fiscal 2009 we joined the Work-Life Balance Project of the Ministry of Health, Labor, and Welfare (MHLW) as a model enterprise, and have implemented such concrete measures as building a working environment that facilitates the balance of child and nursing care with work, and creating time to relax for our employees, and helping them take advantage of it.

Respect for Diversity and Originality

As part of our efforts to promote diversity, we operate programs to promote the advancement of female employees, promote the hiring of people with disabilities, and provide second careers to older people. In May 2006, we created a dedicated Promotion and Development of Women Team in order to promote the advancement of female employees. This team has focused on four key topics: (1) foment a corporate culture that actively leverages the diversity of employees; (2) support the career development of women; (3) support the creation of face-to-face networks (both internal and external); and (4) support a work-life balance. As part of our commitment to hiring people with disabilities, we have achieved the statutory hiring requirement (1.8% of workforce) for five straight years, since fiscal 2005. We will continue to promote the hiring of people with disabilities, while striving to build an accessible working environment. We introduced a program for providing second careers to older people in April 2006. This program supports a wide range of life plans, and provides opportunities for employees who have reached the mandatory retirement age to utilize their advanced skills and abilities.

Creating a Safe and Secure Workplace

Our priority target for fiscal 2009 was to promote group-wide activities to eliminate occupational injuries. To this end, we carried out campaigns for 3S (*seiri*: sort; *seiton*: organize; and *seiso*: clean) and KY (hazard prediction) activities together with our domestic and overseas affiliates and subcontractors, and promoted the improvement of inherent equipment safety.

Employee Health

We are committed to promoting the health of group employees, based on the fundamental principle that employee health is linked directly to corporate soundness. In fiscal 2009, we continued to prevent lifestyle-related illness, including measures against metabolic syndrome; make early diagnoses of cancer; prevent mental-health ailments; manage the health of employees working overseas; and reduce hygiene risks.

Key action items for fiscal 2009

- 1. Create a working environment that facilitates balance of childcare/family care with work**
Introduce a program for employees providing childcare/family care to request work transfer, introduce post-retirement return registration program, expand acquisition conditions for childcare/family care leave program, introduce telecommuting program for employees providing childcare/family care, and create a company childcare center
- 2. Support efforts to create time for relaxation**
Create rules to make meetings more efficient, roll out program to eliminate overtime and ensure annual leave is taken, and create new social-activity leave program

Key action items for fiscal 2010

- 1. Create a working environment that facilitates balance of childcare/family care with work**
Improve employees' understanding of system to support childcare and family care, and programs under this system
- 2. Support efforts to create time for relaxation**
Change awareness and promote reforms to operations to improve penetration of program to eliminate overtime and ensure annual leave is taken

Promoting diversity

	Fiscal 2007	Fiscal 2008	Fiscal 2009
Number of female managers	79	84	91
Employment rate of persons with disabilities	1.98%	1.92%	1.92%

Staff Comment

In April 2009, we opened the Mitsui Chemicals daycare center, Ichihara Dream Plaza, in Sodegaura, Ichihara City, and the center now echoes with the voices of happy children. The applicants for enrollment of their children were split nearly evenly between men and women. This marks yet another company policy that supports diverse work styles, based on our employees' diverse ways of thinking.

Mina Yabe
Personnel Affairs
Group
Administration Dep.
Ichihara Works



2009
Website

CSR Report ▶ Relationship with Society ▶ Together with Our Employees

Related information

» Personnel Advancement and Utilization » Building an Employee Friendly Working Environment » Respect for Diversity and Originality » Labor Relations Based on Frank Dialog and Mutual Understanding » Creating a Safe and Secure Workplace » Employee Health

Activities Contributing to Society

We carry out a number of activities planned and suggested by employees in accordance with our Social Activities Policy.

In particular, we conduct a wide range of activities using chemical technologies and products.

Goals for Fiscal 2009

- Enhance activities to contribute to society from the perspectives of our stakeholders
- Commitment to activities in accordance with our Social Activities Policy

Fiscal 2009 Results and Assessments

A: Created programs that can contribute to the global environment using our technologies

A: Carried out measures to foment a corporate culture that promotes employee participation in activities

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

- Promote desert greening activities
- Continue to carry out measures to foment corporate culture that promotes employee participation in activities

Mitsui Chemicals Group Social Activities Policy

The Mitsui Chemicals Group will make constant efforts to:

1. Contribute to society at large by using and innovating chemical technology;
2. Coexist with local communities through active communication with the public;
3. Conduct activities that help foster the next generation who are responsible for ensuring the wellbeing of the future of the earth;
4. Conduct activities for protecting the global environment;
5. Proactively act to promote international exchange and cooperation; and
6. Create a corporate environment that enables each employee to actively participate in social activities.

Adventure Class in Wonder-Chemistry in fiscal 2009

Dates	Location
27 Jun.	Omuta Works
4-5 Aug.	Sodegaura Center
7 Aug.	Iwakuni-Ohtake Works
11 Aug.	Omuta Works
22-24 Aug.	Iwakuni-Ohtake Works Kanto Region Iwakuni-Ohtake Works
27 Aug.	Ichihara Works
30 Aug.	Osaka Branch
31 Aug.	All Operating Sites
27 Sep.	Ichihara Works
12 Oct.	Iwakuni-Ohtake Works
19 Oct.	Osaka Works
25 Oct.	Nagoya Works
26 Oct.	Omuta Works
16 Nov.	Head Office
18 Nov.	Ichihara Works
25 Nov.	Iwakuni-Ohtake Works
10 Dec.	Mobara Branch Factory
12 Dec.	MC Industries, Ltd. Shimizu Factory & Japan Composite Co., Ltd.
14 Dec.	Osaka Branch
20 Dec.	Ichihara Works
22 Feb.	Iwakuni-Ohtake Works
24 Feb.	Omuta Works

Mitsui Chemicals Group Social Contribution Activities

Adventure Class in Wonder-Chemistry (See P16-17, Special Feature: Dreams)

We began the Adventure Class in Wonder-Chemistry from our desire to communicate the fun of chemistry to children. We have offered this class in many forms since 2006, including sending instructors from each of our operating sites to local schools, summer-vacation events and festivals, and providing tours and laboratory classes at our Works and research centers. In 2008, all 10 operating sites held classes a combined total of 24 times. The instructors included engineers and researchers, as well as plant operators, administrative staff from our head office, and others. We are also expanding this activity to our group companies. We are advancing initiatives, with everyone thinking of new items for experiments and stories we can make using Mitsui Chemicals products.

Desert Greening Experiment (See Desert Greening Activities in Inner Mongolia (China) on website)

We have been conducting desert greening experiments in Inner Mongolia using our technologies since 2007. Our experiments have now entered the second stage, and we are advancing a new experiment to return greenery to soil that has become alkaline due to drought and human-caused blight. We have prepared a new plot of land for the experiment, and have begun searching for plants suitable for planting, and to study potentials for soil improvement.



We made our own seed pots to be able to grow healthy seedlings

One-Coin Club Fund and Social-Activity Leave Program

In order to encourage our employees to get involved with activities to contribute to society, we created the One-Coin Club Fund in November 2007, and the social-activity leave program in August 2008. The One-Coin Club Fund is a fund that enables employees to donate money to groups active in contributing to society. There are about 740 employees in the club, and in 2008, donations were made through this fund to 15 organizations. Six organizations participated in a presentation held in February 2009, including the Guide Dog & Service Dogs Association of Japan, which gave demonstrations of a guide dog for the blind and a service dog. As of end-January 2009, 99 employees have utilized our social-activity leave program.



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CSR Report ▶ Relationship with Society ▶ Activities Contributing to Society

Related Information >> Nurturing the Next Generation >> Environmental Protection >> Disaster Recovery Support >> Support for Participation in Social Contribution Activities by Employees

Business Activities and Environmental Impact

In addition to publishing its environmental accounts, the Mitsui Chemicals Group uses eco-efficiency to evaluate the relationship between its economic activities and the environmental impact arising from corporate activities, striving for sustainable development.

Assessment of Environmental Impact

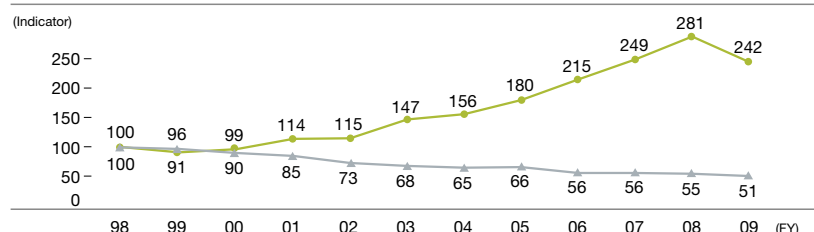
At the Earth Summit (1992), improvement of eco-efficiency was declared important from the standpoint of sustainable development. Eco-efficiency is an index for measuring how much of the environmental burden accompanies the provision of products or services.

Mitsui Chemicals continues to use of eco-efficiency to evaluate the relationship between its overall corporate economic activities and environmental protection. To find the environmental load points (ELP) necessary to calculate eco-efficiency, we are using coefficients to assign appropriate weights to the chemical industry and Japan's environment, referring to the Panel Method developed by Professor Katsuya Nagata at Waseda University. The eco-efficiency of the business activities of Mitsui Chemicals as a whole is calculated by dividing non-consolidated net sales by the ELP.

In fiscal 2009, we faced a severe business climate, as net sales fell due to further skyrocketing of already-high prices for raw materials and an unprecedented economic crisis. Despite this challenge, however, we greatly improved our eco-efficiency indicator to 242, from the base year of fiscal 1998 (eco-efficiency indicator: 100) by continuing our efforts toward the reduction of environmental impact.

Changes in eco-efficiency indicator and ELP indicator (FY 1998 level = 100)

— Eco-efficiency indicator (non-consolidated net sales of Mitsui Chemicals) — ELP indicator



Environmental Accounting

At Mitsui Chemicals, we make necessary investments into responsible care (RC) initiatives, including environmental measures and occupational safety and health. We publish our environmental accounts, which are calculated in accordance with the Environmental Accounting Guideline 2005 of Japan's Ministry of the Environment.

In fiscal 2009, we invested approximately 2.8 billion yen in environmental protection and spent a further 22.5 billion yen to protect the environment. The investments were made for measures to save energy, reduce CO₂ emissions, prevent (water) pollution, and recycle industrial waste. Economic benefits accompanying environmental protection totaled about 3.4 billion yen, and included savings in resources and energy.

Investments concerning occupational health and safety, and disaster prevention amounted to approximately 3.1 billion yen, including 500 million yen for special measures for occupational safety implemented since fiscal 2008, specifically the enhancement of facilities related to prevention of fires, explosion and occupational injuries.

INPUT

Energy	
Total fuel heat (thousand GJ)	77,766
Purchased materials	
Raw materials (thousand tons)	4,939
Others (thousand tons)	24
Water resources	
Tap water (million m ³)	0.7
Underground water (million m ³)	0.7
Industrial water (million m ³)	91
Seawater (million m ³)	460

Mitsui Chemicals (non-consolidated)

Material processing
Chemical reaction/refinement

OUTPUT

Products, etc.	
Products shipped (thousand tons)	5,483
Atmospheric emissions	
CO ₂ (thousand tons)	4,726
Fluorocarbons* (tons)	8
NO _x (tons)	3,376
SO _x (tons)	965
Hazardous air pollutants (tons)	46
Non-methane VOCs (tons)	2,573
Soot and dust (tons)	180
Industrial waste	
Total amount (thousand tons)	133
External recycling (thousand tons)	76
External landfill (thousand tons)	24
Water discharged	
COD (tons)	975
Total nitrogen (tons)	1,418
Total phosphorus (tons)	30
Effluent (million m ³)	513

* Fluorocarbons: Subject to the Act on Recovery and Destruction of Fluorocarbons



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CSR Report ▶ Relationship with the Environment ▶ Business Activities and Environmental Impact

Related information

» How the Nagata Method works » Calculation method of eco-efficiency » Environmental costs and effects » Economic effects of environmental protection measures » Reference: Breakdown of investments in measures concerning occupational safety and disaster prevention in fiscal 2009 » Trends in environmental accounting » Investment in Health and Safety, and Disaster Prevention » Major Environmental Enhancement Plans » INPUT→OUTPUT Data » Environmentally Friendly Products

Commitment to Environmental Impact Reduction

The Mitsui Chemicals Group is working to protect the environment in two ways: reduction of the environmental impact of our business activities, and appropriate management of chemical substances.

Goals for Fiscal 2009

- Further improve GHG Intensity Index (invest in energy saving and develop innovative processes that contribute to major reductions to GHG)

Fiscal 2009 Results and Assessments

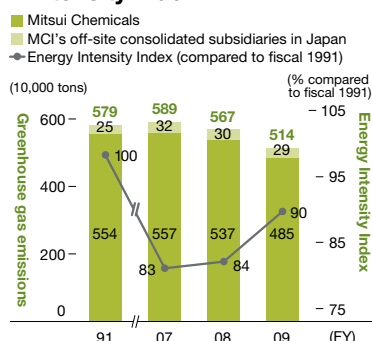
- A:** Invested in energy saving according to plan
- C:** GHG Intensity Index was 95 (7 points worse than previous fiscal year due to economic slowdown)

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

- Carry out energy-saving projects and find new ways to save energy

Changes in greenhouse gas emissions and Energy Intensity Index



Note: The number of domestic off-site consolidated subsidiaries was reduced by two in fiscal 2009, and our past data has been re-calculated accordingly.

***1 Target in our Mid-term Business Plan:**
To reduce GHG emissions per predefined production volume to 85 or less by fiscal 2012

***2 Target of chemical industry:** Energy Intensity Index of 80 or less on average over the period from fiscal 2009 to 2013

Commitment to Global Warming Prevention

Greenhouse Gas Emission Reduction

The Mitsui Chemicals Group is making efforts to reduce GHG emissions at the six Works of Mitsui Chemicals, Inc. and its domestic off-site consolidated subsidiaries with manufacturing facilities (18 companies). In fiscal 2009, our GHG emissions decreased substantially from the previous year, by 0.53 million tons, to 5.14 million tons. Meanwhile, however, our GHG Intensity Index^{*1}, a management target in our Mid-term Business Plan, was 95, which was 7 points worse than fiscal 2008. One major factor behind the worsened score was a fall in the operating rate of production facilities due to the severe business climate caused by an unprecedented economic crisis, while the intensity index was also influenced by the worsened CO₂ emission index of electric power companies. Even amidst these circumstances, however, we are carrying out energy saving measures according to schedule in fiscal 2009, including the integrated purification of hydrogen through cooperation within an industrial complex, and the introduction of a new distillation tower, so that we will achieve our goals when the business climate recovers. Nonetheless, it is also true that our Energy Intensity Index^{*2}, a target of the chemical industry, was 90. This index worsened by 6 points from fiscal 2008. Therefore, we will work to make further investments in energy efficiency, and develop innovative processes that will help us greatly reduce our levels of GHG emissions.

Staff Comment

The Ichihara Works is committed to controlling and reducing emissions of greenhouse gases. We are saving energy and resources by such means as installing the latest energy-efficient equipment, introducing new processes, and upgrading to equipment that uses energy more efficiently. We will continue our efforts for improvement, aiming to be a plant that is conscious of the global environment.

Akihiko Nakamura
Safety & Environment
Dep.
Ichihara Works



Energy Saving Measures for Logistics

In response to the measures in the revised Energy Saving Act pertaining to shipping companies, in fiscal 2009 Mitsui Chemicals logistics division advanced several measures to save energy, including reduction of the number of shipments by increasing shipping lot sizes; introduction of larger vehicles due to increased transportation lot sizes; a modal shift from trucks to trains or marine transport; and improvement of truck load efficiency.

We will continue to advance green logistics (in compliance with the Energy Saving Act).



Modal shift to marine transport

Reduction of Releases of Chemical Substances

Substances Subject to PRTR Act

In accordance with the Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management Thereof (PRTR^{*1} Act), Mitsui Chemicals reports to the Japanese government each year the amounts of the specific substances it produced or used which were released into the environment or transferred elsewhere. Releases of substances subject to the PRTR Act have been steadily reduced over the last seven years, with the total amount released in fiscal 2009 reduced by 61% from that released in fiscal 2002.

We track the risk that chemical substances will be released into the atmosphere due to our business activities, and manage these substances appropriately. Specifically, we take necessary measures to ensure that levels of chemical substances released into the atmosphere do not impact human health, based on the toxicity of the substances, and estimated concentrations at the boundaries of our Works.

We use MOS^{*2} as an indicator of the impact concentration of chemical substances, and since fiscal 2004 we have been taking measures against air pollutants with MOS of greater than 1.0. In fiscal 2009, MOS for nearly all substances was 1.0 or lower.

Prevention of Air Pollution

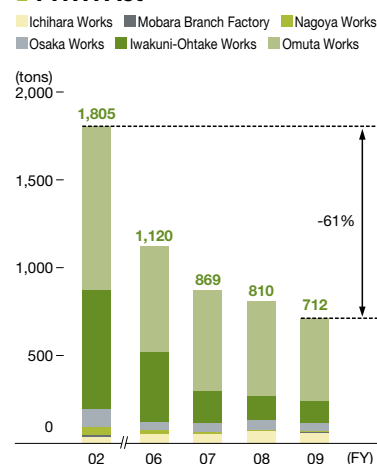
Mitsui Chemicals is currently making proactive attempts to reduce releases of hazardous air pollutants considered to pose a certain degree of health risk (priority substances) as specified under the Air Pollution Control Act, in accordance with our own voluntary guidelines. In fiscal 2009, our total company-wide releases of these substances were 46 tons.

Under the Air Pollution Control Act as amended in May 2004, release of volatile organic compounds (VOCs) is regulated. The government has set a goal of 30% reduction in amounts of VOCs released from non-mobile sources by fiscal 2011 in comparison with fiscal 2001. Having already achieved in fiscal 2008 our voluntary target of 3,000 tons by fiscal 2011, we continued our efforts to reduce our emissions in fiscal 2009, reaching a level of 2,617 tons. We remain united in our company-wide commitment to reduce the environmental impact of VOCs.

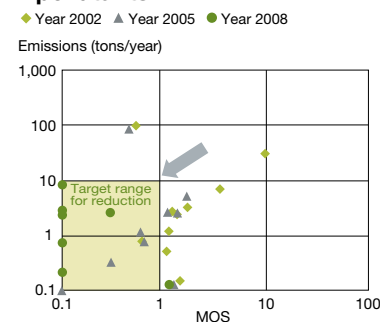
^{*1} PRTR: Acronym for Pollutant Release and Transfer Register

^{*2} MOS: Margin of safety value, which is obtained by dividing the estimated concentration of a chemical substance at the boundary of Works by the maximum allowable environmental concentration or voluntary control concentration of a substance

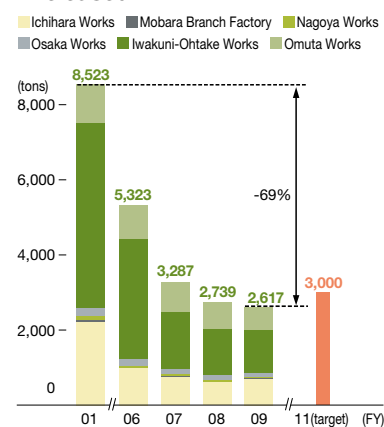
Changes in amounts released of substances subject to the PRTR Act



Reduction in MOS of air pollutants



Changes in amounts of VOCs released



2009
Website

CSR Report ▶ Relationship with the Environment ▶ Commitment to Environmental Impact Reduction

Related information

- » CO₂ Diet Campaign » Energy usage at head office and branch offices » PRTR Data by Works
- » Changes in amounts of hazardous air pollutants released » Atmospheric Pollutant Risk Control » Example of atmospheric dispersion calculations
- » Prioritizing countermeasures through risk assessment » Changes in environmental load on the atmosphere and water (8 substances)
- » Measures against Soil Pollution » Environment-related Complaints

Effective Utilization of Resources

The Mitsui Chemicals Group is advancing a plan to reduce the amount of landfilled industrial waste through the 3Rs, as part of its efforts to help build a sound sustainable society.

Goals for Fiscal 2009

- Ensure execution of plan to minimize industrial waste

Fiscal 2009 Results and Assessments

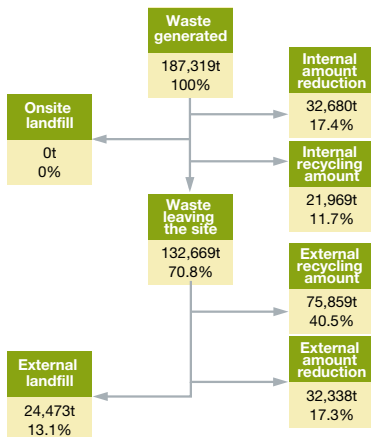
- A: Achieved industrial waste minimization at three of Mitsui Chemicals' Works
- A: Landfill rate of industrial waste for our worldwide subsidiaries: 1.0% in Japan, 6.1% outside Japan

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

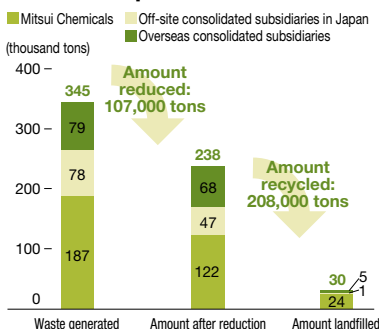
- Steadily execute plan to minimize industrial waste, and resolve technical challenges

Waste stream (Mitsui Chemicals)



- * Internal amount reduction: Amount reduced as a result of waste plastic incineration and waste acid neutralization
- * Internal and external recycling amount: Value including waste plastic recycling and the fuel use of waste oil
- * Waste generated: Sum of sludge, waste plastics, soot and dust, etc. (The figures for sludge are based on dry weight)
- * The percentages do not add up perfectly due to rounding

Steps in reducing industrial waste disposal



* The figures do not add up perfectly due to rounding.

*1 Minimization of industrial waste: Maintaining a landfill disposal rate of 1% or less of industrial waste generated

*2 Scope of worldwide subsidiaries for statistics: Production sites of consolidated subsidiaries and target companies of RC support (27 in Japan, 21 overseas)

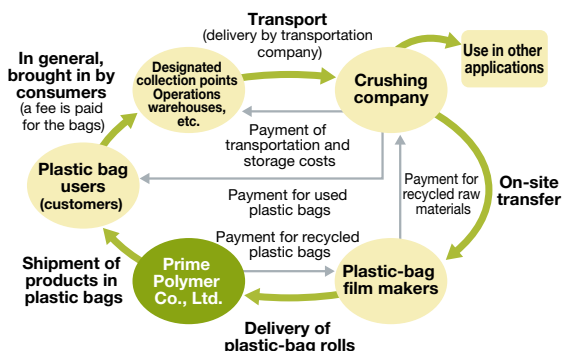
Industrial Waste Reduction

The Mitsui Chemicals Group is working to achieve the minimization of industrial waste*¹ by fiscal 2016 at all production sites of Mitsui Chemicals, as well as its domestic and overseas consolidated subsidiaries. In fiscal 2009, we achieved the minimization of industrial waste at three of Mitsui Chemicals' five Works (Ichihara Works, Nagoya Works, and Iwakuni-Ohtake Works). The average landfill rate of industrial waste for our worldwide subsidiaries*² was 1.0% in Japan, and 6.1% outside Japan. Half of the production sites of our worldwide subsidiaries (24 of 48 operating sites) have achieved the minimization of industrial waste.

3R Initiatives

Mitsui Chemicals Works are advancing a plan to reduce sludge in accordance with the Act on the Promotion of Effective Utilization of Resources. Our Osaka Works used to produce close to 80 tons (dry weight) of excess sludge in wastewater treatment every year. In fiscal 2009, we brought the Excess Sludge Reduction System (CE-ESR SYSTEM; Cosmo Engineering CO., LTD.) into live operation. This system has reduced the amount of sludge produced to slightly over 30 tons (dry weight), which equals a reduction of about 60%. We are also encouraging the recycling of excess sludge generated into the raw materials for cement and the like, in order to minimize landfill disposal. Our affiliates are also actively promoting the 3R initiatives for their waste. In 2004, Prime Polymer Co., Ltd. introduced a plastic-bag material recycling system. This system collects used plastic bags from customers, grinds them into powder, and converts them back into pellets, which Prime Polymer then uses as a raw material to make plastic bags again. This is the first such initiative by a plastics manufacturer.

Plastic bag material recycling



powder, and converts them back into pellets, which Prime Polymer then uses as a raw material to make plastic bags again. This is the first such initiative by a plastics manufacturer.



2009
Website

CSR Report ▶ Relationship with the Environment ▶ Effective Utilization of Resources

Related information >> Changes in final disposal amount of industrial waste >> Reduce (Osaka) >> Reuse and Recycle (Prime Polymer)

Commitment to Accident and Disaster Prevention

The Mitsui Chemicals Group is making proactive efforts to eliminate accidents, placing its highest priority on ensuring safety. Putting accident prevention first, Mitsui Chemicals is constructing a system that does not allow accidents to happen.

Goals for Fiscal 2009

- Enhance technical safety and disaster-prevention capabilities

Fiscal 2009 Results and Assessments

- A:** Held three Process Safety & Disaster Prevention Conferences
- A:** Provided safety and disaster prevention education to Mitsui Chemicals group companies in Japan and overseas (45 times total)

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

- Improve technical safety and disaster-prevention capabilities
- Eliminate accidents due to purge defects

Prevention of Accidents and Disasters during Production

We are working to strengthen and enhance the level of safety technology and disaster-prevention capabilities of our group, both in Japan and internationally, through the following initiatives.

- Ensuring safety:** We have set up the Process Safety & Disaster Prevention Department in our Safety & Environment Division, which plays a leading role in supporting safety assessment and providing education on safety and disaster prevention.
- Process Safety & Disaster Prevention Conferences:** Held twice per year, with the aim of communicating safety technologies. Each plant decides a topic and holds discussions with engineers from other plants, in order to review and ensure awareness of existing and new technologies.
- Implementation of plans and drills for local safety and disaster prevention:** We hold disaster training for emergencies, including extinguishing fires, call-ups, and reporting accidents.
- Safety and disaster prevention education:** We provide education with curricula tailored to the needs of operators, production engineers, and researchers.
- Preventing accidents:** When an accident occurs, we quickly create countermeasures, and ensure thorough training to prevent it from occurring again.

Safe Logistics of Products

Safety Measures Using MSDS and Yellow Cards

Since we handle high-pressure gas, and many hazardous, toxic and deleterious substances designated by law, we practice great caution to ensure safety during product transportation.

In order to provide the logistics contractors with information about cautions they must take when handling and storing our products (e.g. danger or toxicity of products), we supply them with a material safety data sheet (MSDS). We also make it obligatory for the drivers or crewmen to carry a Yellow Card containing information on measures to take and information to be reported in the event of an accident when transporting our products.



Yellow Card

Evaluating safety at each stage (from research to installation and modification)

Details of safety assessment

Data collection, material risk assessments (collect data on toxicity, fire, explosion, and danger of chemical reactions), process safety assessments, equipment safety assessments, safety measure assessments, environmental impact, etc.

		Research environment safety conference	Product safety conference	Safety assessment meeting
Research	I			
	II			
	III			
	IV			
	V		●	
Installation/modification	Decision			● Stage 0
	Purchase order			● Stage 1
	Filing of forms			● Stage 2
	Work			

Staff Comment

In the past, most accidents and disasters were due to faulty equipment and operating procedures, but we have data showing that recently, an increasing number of accidents have been due to the operators themselves. Measures must be created to counter human instincts and customs, and these measures must be maintained and continued. I think that the key is to find measures that can be maintained and continued.

Toshiharu Tagami

Safety & Environment Sect.
Administration, Safety & Environment Dep.
Nagoya Works



2009
Website

CSR Report ▶ Relationship with the Environment ▶ Commitment to Accident and Disaster Prevention

Related information

- Ensuring Safety >> Plans and Drills for Local Safety and Disaster Prevention >> Safety and Disaster Prevention Education
- Process Safety & Disaster Prevention Conference Aimed at Communicating Safety Technologies >> Dialog with Logistics Contractors
- Efforts to Eliminate Logistics and Labor Accidents >> Minimizing Damage in the Event of an Accident >> MENET support bases

Corporate Governance

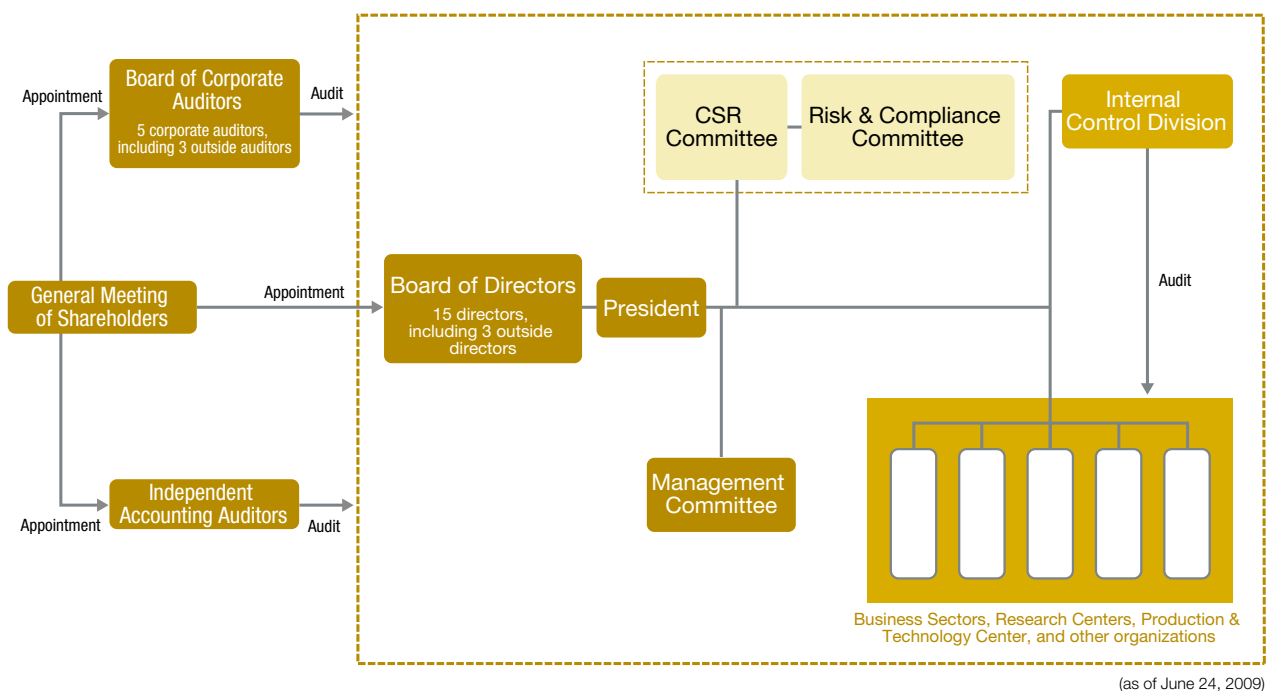
We believe that enhancing corporate governance is a key management challenge for earning the trust of our stakeholders, and for fulfilling our corporate responsibilities to society.

Our Approach to Corporate Governance

To earn the trust of society and fulfill our corporate responsibilities to society, we are committed to continually improving the transparency of management. We have established a system for broad discussions through conferences created in accordance with company regulations when making key decisions, while building an internal control system through the selection of outside directors and emphasizing on the roles of corporate auditors.

We are actively committed to external IR and public relations activities, and we ensure the validity of our corporate governance by disclosing information to our shareholders, the media, and others in an appropriate and timely manner.

Corporate governance and CSR



2009
Website

CSR Report ▶ The Systems Supporting Our CSR Initiatives ▶ Corporate Governance

Related information >> Status of Corporate Governance Measures >> Internal Control

Risk & Compliance Management

We are committed to thoroughly managing all risks that threaten our business activities, in order to earn the trust of our stakeholders, and fulfill our corporate responsibilities to society.

Goals for Fiscal 2009

- Strengthening of education on Antitrust Act and monitoring
- Continued implementation of compliance training

Fiscal 2009 Results and Assessments

- A: Provided training and conducted audits relating to Antitrust Act
- A: Provided education on compliance with laws and regulations (provided to approx. 29,000 people, including repeat participants)
- A: Provided compliance-awareness education (provided to approx. 500 people)

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

- Strengthening of education on Antitrust Act and monitoring
- Continued implementation of compliance training

Risk Management System

We have established a Risk & Compliance Committee headed by the board director in charge of risk management. The committee reviews our risk management policy and maintains and operates our risk management system, in accordance with our regulations for risk management.

Compliance Training

In order to promote compliance, it is necessary and essential that each and every employee be completely aware of the need for compliance and have full knowledge of the laws and regulations that must be observed. The Mitsui Chemicals Group thoroughly practices four different methods to promote this: awareness-raising training to increase awareness of compliance and to hold workplace discussions on case studies of legal and regulatory violations; training on observance of laws and regulations to advance knowledge of compliance; and a compliance guidebook, which employees can refer to at any time.

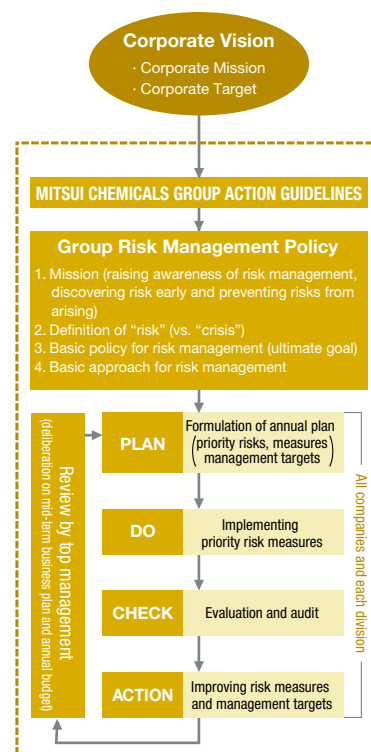
Workplace Discussions on Case Studies of Legal and Regulatory Violations

Since fiscal 2009, our group has held workplace discussions on case studies of legal and regulatory violations. Each workplace discusses case studies of compliance violations at our company and other companies, focusing on the causes, measures to prevent recurrence, and whether the same kind of violation could occur at their workplace.

Training on Observance of Laws and Regulations

We provide training on observance of laws and regulations. The training is divided into 15 subjects that cover key laws and regulations that our employees must know. The subjects that each employee must take are determined by his or her duties. We have also made it mandatory for employees to take each course again three years later, to ensure that they have the latest knowledge. In fiscal 2009, a cumulative total of about 29,000 people have undergone training.

Scheme of the Group Risk Management System


2009
Website

CSR Report ▶ The Systems Supporting Our CSR Initiatives ▶ Risk & Compliance Management

Related information

>> Group Risk Management System >> Risk Hotline >> Business Continuity Plan >> Workplace Discussions on Case Studies of Legal and Regulatory Violations
>> Compliance Manuals >> Awareness-raising Training >> Training and E-learning on Observance of Laws & Regulations

Responsible Care Management

The Mitsui Chemicals Group is committed to responsible care (RC) activities, with the goals of securing safety, protecting the environment, ensuring human health, and maintaining and improving quality throughout the life cycles of chemical substances and products.

Goals for Fiscal 2009

- Thorough compliance with environmental and safety laws (target: zero violations)

Fiscal 2009 Results and Assessments

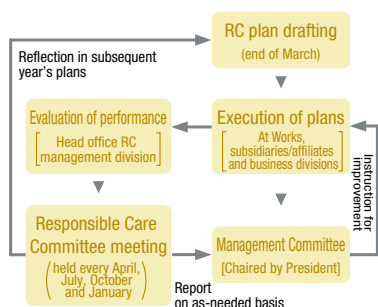
- A: Performed legal compliance audits related to safety and the environment; zero violations

* Achievement scores determined through self-evaluation: see P2; About the Booklet Edition

Challenges for Fiscal 2010

- Ensure thorough compliance with environmental and safety laws (target: zero violations)

Responsible care activities scheme



*1 **Responsible Care**: RC encompasses all those activities implemented by manufacturers of chemical substances, of their own accord and out of a sense of responsibility, in order to avoid pollution of the environment through the entire product life cycle with self-management and responsibility. These activities include improvements to methods and processes undertaken in order to protect the environment or the health of the general public, to protect employees' health, and to prevent damage to facilities. For further details, please visit the website of the Japan Responsible Care Council (JRCC).

http://www.nikkakyo.org/organizations/jrcc/top_e.html

*2 **PDCA cycle**: Plan, Do, Check, and Action cycle

RC Management System

The Mitsui Chemicals Group positions RC^{*1} as a pillar of our business management philosophy and is promoting it in all areas, from environmental protection, process safety and disaster prevention to occupational health and safety, product safety, quality, safe transport, and social communications. Specifically, we are working proactively to comply with legal regulations and to minimize potential risks, disclosing information in relation to these, and building a management system integrating an environmental management system (ISO 14001: 2004), a quality management system (ISO 9001: 2000) and the Occupational Health and Safety Assessment Series (OHSAS 18001).



RC Audits

We strive to improve our RC activities through the PDCA cycle^{*2}. Each year, we conduct environmental, safety, occupational health and quality audits in order to evaluate objectively whether RC activities are being carried out at each of our Works, research centers and worldwide subsidiaries and affiliates.

Dedicated staff and the managers of the Safety & Environment Division, Quality Assurance Division and Human Resources & Employee Relations Division audit the RC activities of our Works and research centers, with a focus on the degree of accomplishment of the respective annual goals. With regard to our worldwide subsidiaries and affiliates, the relevant divisions in charge of respective subsidiaries and affiliates work with the Safety & Environment Division and the Quality Assurance Division to investigate their RC activities through evaluation based on checklists and inspection of relevant documents and their sites, and provide guidance as necessary.

We also ensure thorough compliance with laws and regulations by each of our Works by auditing compliance with seven laws, including the High Pressure Gas Safety Act, Fire and Disaster Management Act, Water Pollution Control Act and Air Pollution Control Act.

In fiscal 2009, environmental and safety audits were conducted for 6 Works and 2 research centers of Mitsui Chemicals and for 34 worldwide subsidiaries and affiliates (44 operating sites) and quality audits for 6 Works, 2 research centers and 12 business divisions of Mitsui Chemicals and for 22 worldwide subsidiaries and affiliates (27 operating sites), and no violations of major laws or regulations were found.

Staff Comment

We obtained three ISO certifications at the same time: ISO 9001 for quality control, as well as ISO 14001 and 18001 for environment and safety & health. Before we were certified, it was a tough job to make everybody understand what ISO is. Our challenge now is to improve and establish these systems so that they remain effective.

Adi Mursanto

Manager
Production Planning
and Quality Control
P.T. Petnesia Resindo



2009
Website

CSR Report ▶ The Systems Supporting Our CSR Initiatives ▶ Responsible Care Management

Related information

- >> Basic Policy Regarding the Environment, Safety, Occupational Health, and Quality
- >> Relationship between Mitsui Chemicals' RC Management System and society
- >> RC Promotion System
- >> Legal Compliance Audits at Manufacturing Sites
- >> Status of International Certifications and RC Audit Results

Profile of the Mitsui Chemicals Group

In order to enrich people's lives, the Mitsui Chemicals Group is constantly pursuing innovation and materializing dreams with the wonder of chemistry.

Corporate Profile (as of March 31, 2009)

Company Name

Mitsui Chemicals, Inc.

Head Office

Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo, Japan 105-7117

President & CEO

Toshikazu Tanaka (as of June 24, 2009)

Paid-in Capital

¥103,226 million

Employees

12,964 (Consolidated)

Domestic Manufacturing Sites

Ichihara Works (including Mobara Branch Factory), Nagoya Works, Osaka Works, Iwakuni-Ohtake Works, and Omuta Works

R&D Laboratory

Sodegaura Center

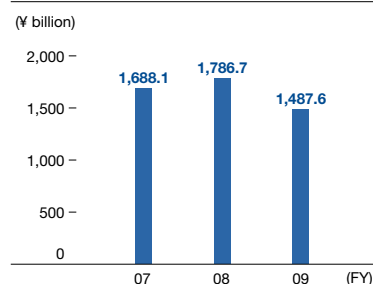
Domestic Sales Offices

Head Office and three branches (Nagoya, Osaka, and Fukuoka)

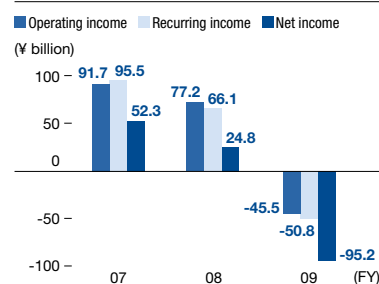
Overseas Office

Beijing Office

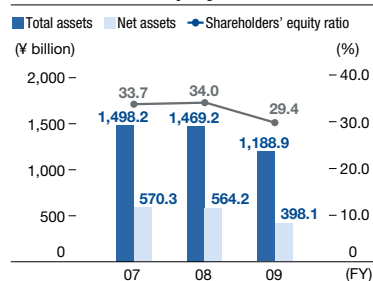
Net sales



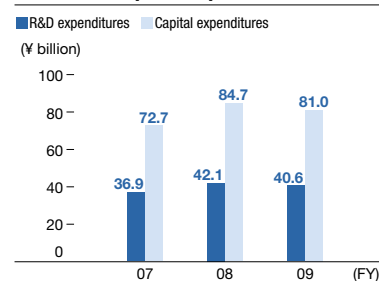
Operating income, recurring income, and net income



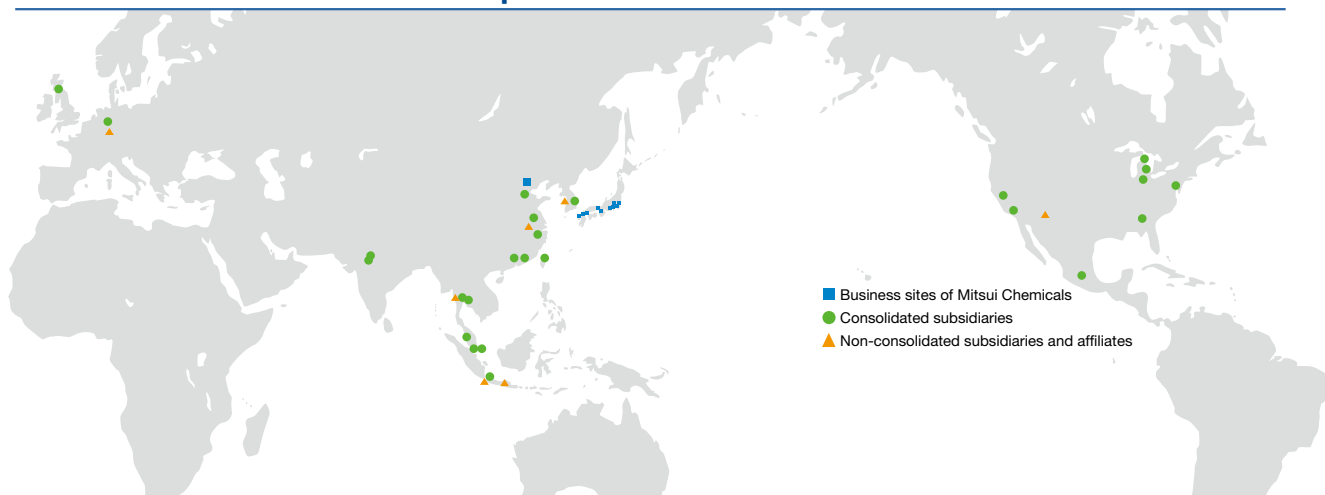
Total assets, net assets, and shareholders' equity ratio



R&D and capital expenditures



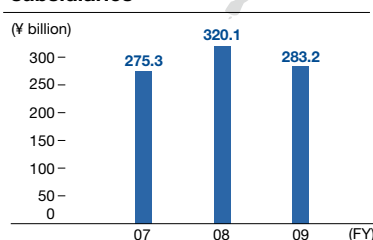
Globalization of Our Business Operations



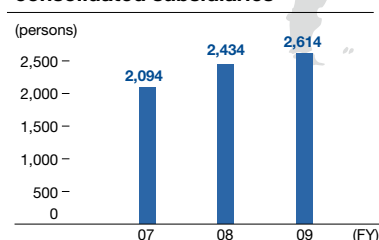
Number of subsidiaries and affiliates

	55 domestic companies	43 overseas companies
66 consolidated subsidiaries	32	34
32 non-consolidated subsidiaries and affiliates	23	9

Net sales of overseas consolidated subsidiaries



Number of employees of overseas consolidated subsidiaries



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About Us

Related information >> Corporate Overview >> Overseas subsidiaries & affiliates

Investor Relations

Related information >> Fact Book

Feedback from Inside and Outside the Company

The Mitsui Chemicals Group gathers feedback broadly from inside and outside the company through questionnaires, in order to reflect feedback in improvements to future CSR activities and reports. As of March 31, 2009, we have received 392 responses to our CSR Report 2008 survey (101 from outside the company and 291 from inside the company). We wish to thank everyone who took the time to send us their feedback. Please see our website for detailed survey results.

Feedback from Outside the Company

Feedback and Comments Received via Survey (Excerpt)

- This might be good as a report, but it's tiring to read because it's too long. (Customer)
- The message from the president was excellent. I especially liked the parts about evaluating performance along the three axes, and all employees promoting CSR. (Student)
- The special features were very informative and interesting. (Corporate CSR officer)
- I hope you will make further efforts to reduce your environmental impact, because your company has high levels of CO₂ emissions. (Customer)
- I think that desert greening is an important environmental issue, because it will result in less yellow sand being blown into Japan. (Customer)
- I hope that you will make an active commitment to the environment, using your company's unique characteristics (chemistry). (Customer)
- It was interesting to learn how connected the Mitsui Chemicals Group's products are to our day-to-day lives. (Customer)
- The employee-driven parts were extremely interesting: the CSR Supporters System and Discussions about the Action Guidelines. (Corporate CSR officer)

Third-party Comments on CSR Report 2008 (Summary)

Scott Davis

(Professor, Rikkyo University)

- I was able to see your seriousness about achieving your mission of contributing to society as a chemical manufacturer, based on your clear policy of management on the three axes of economy, environment, and society in your Grand Design.
- It is rare for Japanese companies to include negative information in their CSR reports, and I thus rate highly the fact that you performed objective self-assessments, including judging achievement of below 70% of your targets for social and environmental performance to be unsatisfactory.
- You advance CSR through employee participation, and the close contribution of employees and the importance of their role is evident in the CSR Supporters System.
- It is praiseworthy that your Human Resources Management Policy not only states the company's requirements of its employees, but also includes specific statements about human-resource management for the happiness and personal growth of employees.

Karl-Heinz Feuerherd

(Visiting Professor, Kobe Yamate University)

- Mitsui Chemicals' management compass is the Grand Design, which sets financial and environmental goals. This is easy for its stakeholders to understand.
- As an example, the design states two clear environmental goals: reducing the GHG Intensity Index and reducing amounts of landfilled industrial waste. It bears attention that the company decided to focus on the development of technologies to utilize non-fossil resources, and I am looking forward to future developments.
- The company is focused on creating an environment where each employee can get involved, and it is extremely noteworthy that the company has created a state where CSR supporters can form the core of activities.
- I had the opportunity to tour one of your Works, and was able to get the sense that the thinking of each person in charge is deeply in tune with the company.

Main Improvements Incorporated into CSR Report 2009

- ▶ We reduced the number of pages in booklet to 36 and improved layout in order to make information easier to understand.
- ▶ We moved detailed information about activities, data, and the like to our website, and made these resources more complete.
- ▶ We continued to publish information about our Supporters System, which is a cornerstone of our CSR activities.
- ▶ We showcased our initiatives in an easy-to-understand way, with special features on the themes of our corporate target: chemistry, innovation, and dreams.
- ▶ We have evaluated our goals and results as objectively as possible, in order to avoid complacency about our CSR initiatives.
- ▶ The top of the pages states our goals and results for fiscal 2009, and our challenges for fiscal 2010, for each category. We improved the layout so that major initiatives are described in the body of the article, and to enable our CSR activities to be understood via the PDCA cycle.



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CSR Report ▶ Feedback from Inside and Outside the Company

Related information

>> Results of CSR Report 2008 Survey >> Feedback from Outside the Company >> Main Improvements Incorporated into CSR Report 2009

Third-party Comments on CSR Report 2009



Karl-Heinz Feuerherd

Visiting Professor
Department of Environmental and
Cultural Studies, Faculty of
Humanities
Kobe Yamate University

CSR Report 2009 has been published as a digest edition this year, in order to meet the needs of the readers. In addition to a booklet edition with the company's major initiatives, more detailed information and data are reported on the website. The information is presented in a way that is easy for the reader to understand, taking advantage of links between both information sources.

I found interesting the information about balancing the "economic axis", which represents Mitsui Chemicals' management goal of profitability, with the environmental and social axes. In fiscal 2009, the company achieved two goals on the environmental axis: reducing greenhouse gases, and reducing industrial waste. However, the company was unable to achieve its goals on the social axis related to occupational injuries and occupational safety, despite its efforts to eliminate accidents. It is praiseworthy that the company stated the facts clearly, and reflected on the results seriously and sincerely.

As a result of consideration for the importance of the environmental and social axes, the company has created a Corporate Social Responsibility Center with the aim of supporting activities in each sector. I focused on the company's statement that it is creating concrete measures to rebuild the economic axis, in order to meet its social responsibility as a manufacturing company. The company also expresses its responsibility for ensuring employment, which has become a major issue affecting the Japanese economy as it is rocked by overseas influences. Amidst the worsening economic climate, however, the degree to which it can achieve its goals will be the key.

Grand Design incorporates the three axes of economy, environment, and society. The results for fiscal 2009, goals for fiscal 2010, and progress toward the goals for fiscal 2012 are presented so that they can be understood at a glance. I recognize that standing in the shoes of society and its customers, grasping their needs, and carrying out a wide range of activities to achieve the goal of sustainable development and growth of society and the corporation is an effective method for balancing these three axes.

The Mitsui Chemicals Group also strives to be a Good and Trustworthy Company. Its CSR promotion system emphasizes two-way communication, and it continues to hold "Two-way Communication Discussion" sessions as a foundation for exchanging opinions. The company has many initiatives in fiscal 2009 with its stakeholders, and it summarizes them by theme in an easy-to-understand way. The CSR Supporters System is an essential initiative for the success of the "Two-way Communication Discussion," and CSR supporters have shown results as communication leaders. I sense that a key challenge for the company will be to continue and enhance this system, as a means for increasing the level of trust in the company.



Eiichiro Adachi

Research Chief
Head of ESG Research Center
The Japan Research Institute,
Limited

Below is my opinion as a third party regarding the corporate social responsibility (CSR) activities of the Mitsui Chemicals Group as understood from this document, from the perspective of a person providing corporate information for social responsibility investment to financial institutions.

In fiscal 2009, the company set targets for the "environmental" and "social" axes, in addition to financial and other targets for the "economic" axis, and it has aimed to balance these three axes in its management. I respect these actions. Although we are currently in a severe economic climate, I hope that the company will hold firm to this attitude.

I read with great interest about such initiatives as synthesis of chemical products via fixation of carbon dioxide using catalysis technologies, and the expanded use of inedible raw materials through bio-synthesis technologies. Please make it possible to track the progress of long-term initiatives like these in the following and subsequent fiscal years.

Meanwhile, however, it concerns me that the company was unable to eliminate occupational injuries, as part of its goal of having the world's highest level of occupational safety, despite of its efforts. I request that the company describe the causes of these occupational injuries and countermeasures taken in more detail in its future reports.

Mitsui Chemicals' greenhouse gas emissions for fiscal 2008 calculated using a system to calculate, report, and publish levels of greenhouse gas emissions in accordance with the Act on Promotion of Global Warming Countermeasures showed that the company had the 16th highest level of greenhouse gas emissions in Japan, even on a non-consolidated basis (after allocation for electric power). Although the company reduced its greenhouse gas emissions in fiscal 2009 by nearly 10% from fiscal 1991 levels, this was mainly due to the operational status of its production facilities. I believe that the company requires a scenario to reduce its greenhouse gas emissions over the long term. I also deem that enhanced chemical safety management and use of non-fossil resources are responses to major risks. I hope that moving forward, the company will mention status forecasts and response strategies.

I also hope that the company will expand its disclosure relating to consolidated subsidiaries, such as agrochemical businesses which the company is aiming to expand in scale quickly and the overseas initiatives in India, Vietnam, China, and elsewhere.

These comments do not represent that this document provides all results which are accurately measured and calculated according to the generally accepted criteria for fair and appropriate environmental reporting, without any omission of material facts.

Thank You for Your Feedback Hiroshi Tokumaru, Senior Managing Director and Center Executive of Corporate Social Responsibility Center

Thank you for your valuable opinions and findings. On April 1, 2009, we established the Corporate Social Responsibility Center that will respond to our unachieved occupational safety target, the expectations for a more active commitment to reducing greenhouse gases, and other matters. We are committed to improving in these areas. Another feature of CSR promotion at our company is our commitment to being a

Good and Trustworthy Company, as typified by our "Two-way Communication Discussion" led by each division and employee group. We will emphasize this commitment even more than in the past, and further enhance and expand our initiatives. We will redouble our commitment to CSR based on your views, and we hope for your continued guidance.



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CSR Report ▶ Feedback from Inside and Outside the Company

Related information >> Third-party Comments on CSR Report 2009 >> Thank You for Your Feedback

For inquiries, please contact:

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CSR & Corporate Communications Division

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Fax: +81-3-6253-4245

<http://www.mitsuichem.com/index.htm>

Editor's Notes

As in 2008, we created a working group to expand and improve reported content, and make our reports more readable by taking advantage of the respective features of printed and web media, using the feedback from our stakeholders as a reference.

This report describes the main CSR activities of the Mitsui Chemicals Group. Please see our website for more detailed information.

We hope that this report can expand our dialog with our stakeholders.

URL: <http://www.mitsuichem.com/index.htm>

**Corporate Social Responsibility Center
CSR & Corporate Communications Division**

This report was prepared and printed in an environmentally friendly manner.



This report was printed on FSC certified paper containing wood produced in an appropriately managed forest.



Pages 3 to 34 of this report were printed on Morino Chonai-Kai (Forest Neighborhood Association) Forest Thinning Support Paper, created in collaboration with Office Chonai-Kai (an organization dedicated to recycling paper) and the town of Iwazumi, Iwate Prefecture (which is committed to forest restoration).



This report was printed with 100% soy ink, which does not contain any petroleum derived volatile organic compound (VOC) solvents.



This report was printed using waterless printing, which does not produce toxic waste fluids.