



Mitsui Chemicals Group

CSR Communication 2015



About the CSR Communication 2015 Report

In producing the CSR Communication 2015 Report, our goal is to maintain a dialog with our stakeholders as we work toward the sustainable growth and development of society. The report shines a light on the Group's three-axis management (economy, environment and society), with a focus on environmental and social initiatives. Please see our Annual Report for a more in-depth look into the Group's economic-axis management.

In addition to its existing activities, the Mitsui Chemicals Group is looking to create new customer value through innovation and to help resolve social challenges through its business activities under its Mid-Term Business Plan, which began in fiscal 2014. In this report, we present details of various initiatives taken to provide Group-wide cross-sectional solutions with a view to also expanding into new business fields.



Website

<http://jp.mitsuichem.com/csr>

We will be posting the full version of the MCI Group's CSR Report on our website, to provide comprehensive and detailed content. We have also edited our report with the aim of making it more varied, readable, and accessible. We encourage readers to access not only the hard copy report, but also the website to learn more about our extensive CSR activities.

1 CSR Management

CSR at the MCI Group, Management Framework

2 Responsible Care (RC)

MCI's Responsible Care Policy, RC Promotion System, Process Safety and Disaster Prevention, Occupational Health and Safety, Environmental Protection, Chemical Management, Quality, and Logistics

3 Communication with Society

Respect for Human Rights, Working with our Customers, Working with our Suppliers, Working with our Shareholders and Investors, Working with our Employees, Working with Industry, Government and Academia, Working with Local Communities, and Social Contribution Activities

4 Feedback from Inside and Outside the Company

Results of the CSR Report 2014 Survey, Third-Party Comments Regarding the CSR Communication 2015 Report



Printed version

Rather than an abridged version of our online report, the printed version focuses on aspects of the MCI Group's activities that people particularly want to read about.

In fiscal 2015, we highlighted the Group's Mobility business and the goal of realizing a cohesive society that is in harmony with the environment from the perspective of securing the sustainable growth of society and the MCI Group. At the same time, we introduce details of safety activities conducted at the Plant Operation Technology Training Center in Mobara City, which reflects the importance of realizing industrial platforms that are in harmony with local communities.

- Please refer to the outside back cover for information regarding the design of the front cover artwork.

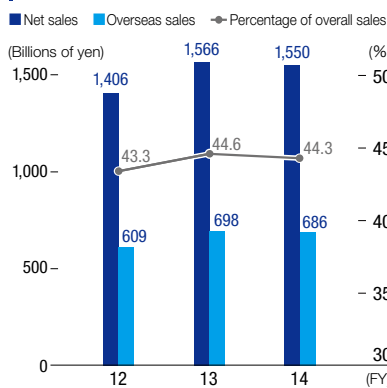


Outline of the Mitsui Chemicals Group

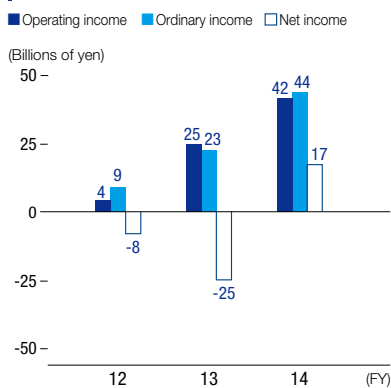
Corporate Name:	Mitsui Chemicals, Inc.
Head Office:	Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7122
President & CEO:	Tsutomu Tannowa
Paid-in Capital:	¥125 billion
Employees:	14,363 (consolidated)
Domestic Manufacturing Sites:	Kashima Works, Ichihara Works (including Mobara Branch Factory), Nagoya Works, Osaka Works, Iwakuni-Ohtake Works (including Tokuyama Branch Factory), Omuta Works
R&D Laboratory:	Sodegaura Center
Domestic Sales Offices:	Head Office and three branches (Nagoya, Osaka, and Fukuoka)
Overseas regional offices:	U.S.A., Germany, Singapore, China
Subsidiaries and Affiliates:	Consolidated (domestic: 29, overseas: 71) Non-consolidated (domestic: 19, overseas: 18)

(As of March 31, 2015)

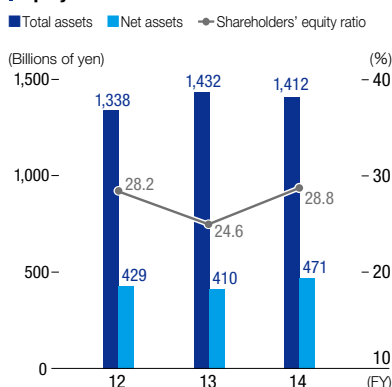
Net sales, Overseas sales and Percentage of overall sales



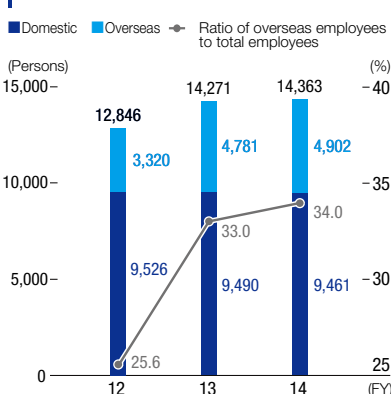
Operating income, ordinary income and net income



Total assets, Net assets and Shareholders' equity ratio



Number of employees



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A stylized, handwritten signature of Tsutomu Tannowa in black ink.

Tsutomu Tannowa
President & CEO, Mitsui Chemicals, Inc.

The chemical industry has the responsibility and potential to find creative and innovative solutions to the many social issues that we are facing, for a prosperous and sustainable future. With the new century comes a new and shared awareness that human activities are responsible for disruption of natural cycles which are causing environmental problems such as climate change, depletion of natural resources, and losses in biodiversity. These common problems can only be solved through common efforts of peoples around the world.

The Mitsui Chemicals Group, in its role as a solution provider to global social challenges and based on its management philosophy of keeping in harmony with the global environment, announced its new Mid-Term Business Plan with a focus on “Creating New Customer Value through Innovation” in fiscal 2014. With an eye towards 2020, the Plan outlines three targeted business domains—Mobility, Healthcare, and Food & Packaging—which offer growth potential rooted in social needs that the Group is making a concentrated effort to resolve as a good corporate citizen.

For the Mobility domain, our Group is strengthening

its ability to provide customers with comprehensive solutions, craftsmanship, and value creation by mobilizing our Groupwide problem-solving abilities with a focus on the development of environment-friendly, lighter-weight, and next-generation automotive materials. For the Healthcare business, we launched the new brand Whole You™ in the United States. This new healthcare brand is one of our many efforts to contribute to healthy and active lifestyles by providing creative solutions through open innovation underpinned by our material development capabilities. In the Food & Packaging domain, we continue to expand our product lines and technologies which will contribute to globally shared value chains for increased food production and hygiene.

We are quickly approaching our targets set out in the 2014 Mid-Term Business Plan. This achievement is faster than expected and gives us confidence that we will be able to move forward our plans for 2020. To ensure our success, we will continue to provide our stakeholders with the solutions they require while bolstering our growth and strengthening our competitiveness.

Message from the President

Solving Social Challenges as a Good Global Citizen

■ Efforts for a Sustainable Society

Following the establishment of a CSR framework in 2005, our Group has undertaken numerous ongoing initiatives to achieve sustainable development together with society. Signing the UN Global Compact in 2008, we have endeavored to meet the requirements of international guidelines such as ISO 26000. We are augmenting efforts to strengthen corporate governance, which is not only important in enhancing corporate value, but also in an increasingly global economy and a changing Japanese industrial structure.

While exercises in corporate social responsibility have changed with a changing society, our underlying approach has remained the same. To the Mitsui Chemicals Group “CSR is in itself management”. We will continue to stay true to this ideal and instill it to all our employees and in all our interactions with society.

■ Foundations for a Safe and Sustainable Society

Prioritizing safety in all business activities is the enduring management policy of the Mitsui Chemicals Group. We have made significant advances our safety initiatives in fiscal 2015 by opening the doors of our Plant Operation Technology Training Center to third parties to provide safety training to improve overall safety in the industry. The program, which initially was introduced in 2006 to improve frontline capabilities of our production workers and facilities, now serves society by helping to make manufacturing and business activities of the chemical industry safer. Mitsui Chemicals, by sharing its safety and risk management expertise cultivated as a chemicals manufacturer with not only its employees but also with third parties, greatly contributes to improving industry

standards. Integrating our business and production activities with local communities around the world, we believe such initiatives play useful roles in fostering a safe and resilient society.

■ Pursuing Growth and Enhancing Human Potential

The global society is in hot pursuit of solutions to its many problems. More than ever before, people around the world are looking to the chemical industry for new materials and technology to resolve issues. The Mitsui Chemicals Group will meet these challenges head on with rare and significant innovations which are developed by our highly specialized team. Our employee-friendly work environment and respect for diversity are the cornerstones of our human resource initiatives. Our people know that they will be rightly evaluated and compensated for their skills and dedication no matter where they work in our worldwide network.

■ In Conclusion

Today's stakeholder expects greater and more meaningful dialogue with companies. As part of our responsibility to society, we established the Corporate Communications Division as part of our organizational restructuring in fiscal 2015. Through this new division, we are proactively communicating with stakeholders to learn of their expectations for our Group. To fulfill our responsibilities as a good global citizen, the Mitsui Chemicals Group will continue to pursue solutions to the world's social issues for the sustainable development of society through our business activities.

Toward the Sustainable Development of Society

Since establishing a dedicated CSR department in 2005, the Mitsui Chemicals (MCI) Group has engaged in CSR activities based on the Group's concept of realizing its corporate mission through its main businesses. We are undertaking a diverse array of activities to be a company that is trusted and highly valued by all stakeholders and that employees can be proud of. In addition to signing the UN Global Compact in 2008, we have endeavored to meet the growing calls for international guidance. In the 2014 Mid-Term Business Plan, we again verified the MCI Group's CSR concept and direction based on various discussions. By identifying its

optimum business portfolio from those social challenges that the Group should help to resolve and based on its strong base, the MCI Group contributes to resolve social challenges through its business activities to more than ever enable the sustainable development of society and the Group. In addition, we are constantly implementing measures in the activity areas that underpin the assumptions and foundation of our corporate existence—

Significance of the Mitsui Chemicals Group's Corporate Vision and its Existence

Corporate Mission

Contribute broadly to society by providing high-quality products and services to customers through innovations and the creation of materials, while keeping in harmony with the global environment.

Corporate Target

Constantly pursuing innovation and growth to become a chemical group with an undisputed global presence

Action Guidelines

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

- 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"**



By helping to resolve social challenges that are packaged together by each of economic, environmental and social axes, the MCI Group will take positive steps toward promoting sustainable growth and development in partnership with society, which will allow us to become a corporate group with an undisputed global presence.

Social Challenges that the Mitsui Chemicals Group Should Help to Resolve

Realizing a cohesive society that is in harmony with the environment

➡ P10 Special Feature 1

- Measures to address climate change (reducing GHG emissions)
- Low environmental-footprint products and services
- The 3R principle (promotion of a recycling-oriented society), conservation of resources
- Ecosystems
- Product stewardship
- Development of renewable energy
- Shift to urbanization and smart cities

Realizing health and happiness in an ageing society

- Declining birthrates and ageing population
- Quality of life (QOL)
- Advancement of medical and pharmaceutical fields
- Food problem

Realizing industrial platforms that are in harmony with local communities

➡ P14 Special Feature 2

- Stable supply of industrial materials
- Optimization of domestic production

The MCI Group's Robust Platform

Technologies: polymer science, precision synthesis, and manufacturing process
Customer base, existing businesses, and global structure

Toward the Realization of CSR

CSR Management

Our CSR Committee, which is chaired by the president and includes the heads of all divisions within the Company (directors and business sector presidents), is responsible for discussing and finalizing PDCA procedures, which includes plans and policies relating to CSR activities within the MCI Group. In fiscal 2015, we will put in place a roadmap for identifying and solving key issues (Materiality).

Creating a Better Future with Blue Value™

What contribution can the chemicals industry make to create a sustainable society? We believe the answer lies in sharing value with our customers. With this in mind, we developed Blue Value™.

Product life cycles have various stages, beginning with developing and manufacturing materials, then processed into products that are transported, used and ultimately discarded. MCI's materials and products undergo various changes before being delivered to customers. We can reduce environmental load at each life cycle stage by visualizing what contribution MCI materials, products and technologies are able to make to the environment, and by promoting dialog with a wide array of stakeholders.

We established the Mitsui Sustainability Index (m-SI) in 2013 as a measure for assessing environmental impact based on LCA.* Through m-SI, we are able to assess the contribution made to reduce the environmental load within our product value chains. MCI products and technologies evaluated utilizing m-SI based on the three environmental contribution elements of CO₂ reduction (A Low-Carbon Society), resource protection (A Sound Material-Cycle Society), and co-existence with nature (A Society in Harmony

such as safety, legal compliance, responsible care, risk management, and social contribution—in order to earn society's trust. Positioned as a key issue from the perspective of improving corporate value, we will also redouble our efforts to enhance the Group's corporate governance.

**The Mitsui Chemicals Group's Optimum Business Portfolio
that Helps to Resolve Social Challenges**

**Targeted business domains that
offer growth potential**



Mobility



Healthcare

Food & Packaging



Basic Materials

**Commodity chemicals, mainly petrochemicals and basic chemicals
that will support society and industry**

**Sustainable
development of society
and the MCI Group**

with Nature), down from the six final evaluation criteria, are judged to exhibit Blue Value™.

Products in the Mobility domain help to "realize a cohesive society that is in harmony with the environment" promoted in the Mid-Term Business Plan have been deemed to exhibit Blue Value™. For example, switching from bumpers made from metal to MCI's proprietary PP compound helps reduce vehicle weight while also improving fuel efficiency. In addition, positive steps have been taken to eliminate the painting process at the fabrication stage thereby reducing GHG emissions by 13.3% through the development of paint-less exterior materials. The MCI Group is helping to resolve social issues by expanding the use of Blue Value™ products and technologies as well as reducing environmental impacts throughout the value chain.

*LCA (life cycle assessment): A method of quantitatively assessing the environmental impact of products at all stages, including development, manufacturing, transport, use, and disposal.

Blue Value™ evaluation criteria

The MCI Group's environmental contribution elements	Blue Value™ evaluation criteria
CO ₂ reduction (A Low-Carbon Society)	Saving energy, electricity, fuel Reduction of GHG emissions
Resource protection (A Sound Material-Cycle Society)	3R, easy sorting, natural resource conservation
Co-existence with nature (A Society in Harmony with Nature)	Ecosystem conservation (human health) Ecosystem conservation (environmental organisms) Prevention of environmental contamination

Main Products of the Mitsui Chemicals Group the Sustainable Development of Environment

We introduce our products which contribute to the Sustainable Development.

Mitsui Chemicals Business Segments

Healthcare

Developing, manufacturing, and marketing products that help to improve people's quality of life (QOL) as a part of efforts to realize health and happiness in an ageing society. (Lens materials for glasses, medical materials, dental materials, highly functional nonwoven fabric, etc.)

Functional Polymeric Materials

Developing, manufacturing, and marketing products that contribute to improved comfort, increased safety and an environmentally friendly society. (Products that make automobiles lighter, materials for lubricants as well as electric and electronic components, etc.)

Polyurethane

Developing, manufacturing, and marketing products that offer outstanding functionality based on unique technologies as a comprehensive polyurethane manufacturer. (Urethane and all kinds of paint materials derived from plant-based materials.)

Basic Chemicals

Manufacturing and marketing products that are used in every aspect of life. (Materials for fibers for clothing, PET bottles, and paints, etc.)

Petrochemicals

Developing, manufacturing, and marketing a variety of materials that play a key role in people's everyday lives for use in the automobile, food packaging, and related fields. (Petrochemical feedstock, polyethylene, and polypropylene.)

Food & Packaging

Developing, manufacturing, and marketing agrochemicals that contribute to stable food production as well as packing and industrial films that support a wide range of industries. (Agrochemicals, film and sheet products are used across a broad area including food, daily commodities, electronics, the environment, and energy, etc.)



Toward Realizing a Cohesive Society That is in Harmony with the Environment

Low Environmental Impact Lifestyles



● AdBlue™

Product that helps in the reduction of exhaust gases (nitrogen oxides) and a water and nitrogen detoxifying agent that is friendly to the atmosphere

● CHEMIPEARL™ (Electrode binder)

Materials for lithium-ion batteries

● MiReT™ (Electrolytes)

Materials for lithium-ion batteries

● Evolve™

Possessing superior sealant properties and exceptional strength, a raw material that contributes to lightweight, thin packaging and resource conservation



● NOTIO™SN

Material used for light synthetic leather with superior durability

● TPX™

Rice grain and grease-resistant polymer material leads to reduced water usage

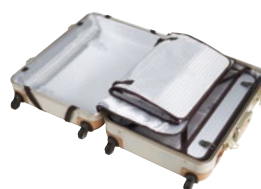


Toward Realizing Health and Happiness in an Ageing Society

Quality of Life (QOL) Improvements

● COPPERSTOPPER™

Copper alloy coating film as well as nonwoven and woven fabric with antibacterial properties and a deodorant function



● ESPOIR™

(Breathable film)

Raw materials used to make disposable diapers, thanks to their breathability

● SYNTAX™

(Nonwoven fabric)

Raw materials used to make thin, soft disposable diapers that offer outstanding mechanical properties



● Acrylamide

Raw material that helps to purify water. A pharmaceutical material that separates out from water substances in various states that are mixed into the water effectively and more quickly

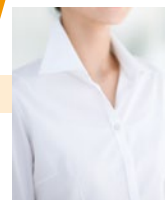


Toward Realizing Industrial Platforms that are in Harmony with Local Communities

Industrial Platforms

● Purified terephthalic acid (PTA)

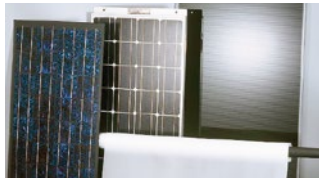
Raw material used to make polyester fibers



that Contribute to and Society

Renewable Energy

- **SOLAR EVA™** ● **SOLAR ASCE™**
Sheet that protects cells in solar power generation systems



3R (Recycling-Based Society)

- **ECONICOL™** (Biomass chemicals)
Polyurethane (biopolyol) made from castor oil plant-based materials (used for automobile and furniture seat cushions, bedding, etc.)



Ecosystem Protection

- **NONROT™**

Highly functional material that retains the fragrance and grain of wood while extending its life



- **TAFNEL™ Oil Blotter™**

Possessing excellent oil absorbency and strength, sheeting that enables rapid recovery of oil



Combating Climate Change (GHG Reduction)

➡ P10 Special Feature 1

- **ADMER™**

Adhesive polyolefins that help reduce the weight of automobiles by enabling complex configurations. Facilitates effective use in the interior of automobiles (gasoline tanks)



- **Polypropylene (PP) compounds**
● **TAFMER™**

Olefin copolymers that help improve the design of automobiles while also making them lighter (material used for bumpers, etc.)



- **MILASTOMER™**

Thermoplastic elastomer that helps to improve the quality of interior spaces by raising the freedom of design through improved chromogenic properties and texture (materials for automobile interiors such as door trims, interior panels)



- **Polymetac™**

Helping to reduce weight by integration with metal during plastic molding processes



Medical/Pharmaceutical Sophistication



- **MR™ Series**

Raw materials for light yet strong, easy to design lenses for glasses

- **Super-Bond™**

Resin cements used in dental adhesives with high adhesive performance and biocompatibility



- **SYNTEX™**
(Nonwoven fabric)

Material for use in the manufacture of comfortable, water-resistant medical gowns



Food Problem

- **Spash™**

In addition to preserving fresh food to keep it fresh, this film can be used to prevent vegetables, fruit and flowers, etc. from wilting or losing their color



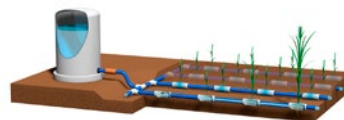
- **Mitsuhikari 2003, 2005**

High-yield hybrid rice that enables late harvesting
Helps to improve harvesting operations by avoiding periods of excessive concentration



- **ANIKI™** ● **FRUITSAVER™**

Environmentally friendly, highly safe pesticide and fungicide



- **iCAST™**

A system that reduces water and fertilizer usage to realize efficient agriculture

Declining Birthrate/Ageing Society

- **Plastic plates to guide the visually impaired**

Flexible, durable, high-visibility plates that comply with barrier-free access laws



- **Prime Polypro™**

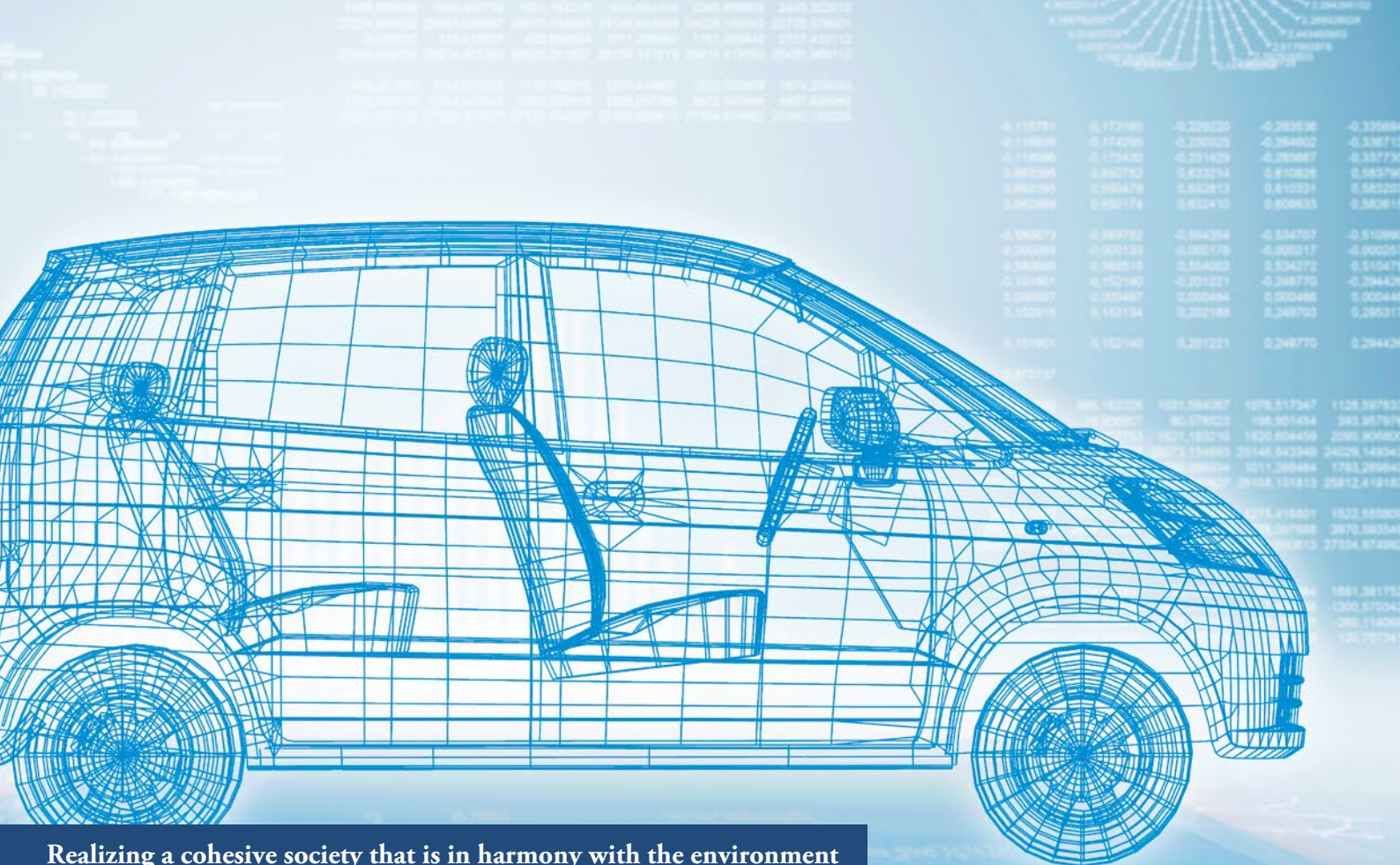
Raw material for food, detergent, cosmetics and pharmaceutical containers



- **Mitsui PET™**

Raw material for food, detergent, cosmetics and pharmaceutical containers





Realizing a cohesive society that is in harmony with the environment

Special Feature 1 Taking Up the Challenge of Mobility Innovation

The Mitsui Chemicals Group has identified the realization of a society that coexists in harmony with the environment as one of the social issues to contribute through business activities.

In the mobility domain, it is necessary to make vehicles lighter to improve their fuel efficiency, the source of CO₂ emissions, in order to realize a sustainable society that coexists with the environment and nature. The MCI Group has launched a framework that is able to propose comprehensive solutions, bringing together resources across the group to develop new lighter materials, increase efficiency in parts processing and manufacturing processes.

Here, we introduce our initiatives that help solve environmental problems, using the power of chemicals to create new value for customers.



A meeting of Groupwide employees about creating comprehensive solutions

Our research laboratories conduct tests on design and reliability.



Group Communications X Multi-Angled Proposals

Free from past ideas Developing new materials with fresh perspectives

The MCI Group defines mobility is every possible mode of human and commodity transportation, and considers the role that should be played by the chemicals industry to

Futoshi Hoshino

Executive Officer
Center Executive, R&D Center
General Manager, R&D Strategy Division



provide mobility in a safe way with minimal impact on the environment. This aim cannot be achieved using only traditional ideas.

Mr. Futoshi Hoshino, Executive officer, General Manager of the R&D Strategy Division, who oversees research in the mobility business domain, stresses that a completely new paradigm is needed that is different from existing technologies in the mobility domain over the next decade or two. He says that in the automotive field, the first priority is to create shared value with customers, a “market in” approach to delivering products to customers based on their needs and specifications, while developing innovative

technologies for using plastics as key materials in the skeletal frames, exterior touches, and electronics of an automobile.

Modern automobiles use around 140 kilograms of plastic in each vehicle, or 10-15% of its total weight. Plastic materials are widely used in bumpers and door trimmings, for example.

New materials that are strong and rigid enough for new applications are an important part of automakers’ strategies to clear tightening environmental regulations. Plastic is a material that can meet these needs, and they are indispensable to the creation of a new world of mobility.

CO₂ concentrations on the planet now exceed 400ppm, prompting countries around the world to tighten their regulations for CO₂ emissions. A new stage is coming in fiscal 2020.

Automobile fuel economy standards and regulations in major countries

	Regulation	Measurement mode	2015 regulations (converted to km/L)	2020 regulations (converted to km/L)
Japan	Fuel economy (km/L)	JC08	16.8	20.3
Europe	CO ₂ (g/km)	NEDC	17.9	24.4
U.S.	Fuel economy (mpg)	City + Hwy	15.4	19.1
China	Fuel economy (L/100km)	NEDC	14.5	20.0

* Source: Japanese Automobile Manufacturers Association (JAMA)

* A simple comparison should not be made due to the different measurement modes, car model mixes, and ratios of gasoline to diesel engine vehicles in each country and region.

Starting to create a framework for providing comprehensive solutions across the organization

As automobiles become lighter, customer needs have been diversifying while their level of expectation rises for comfort, design and safety improvements. To meet all of these needs, the MCI Group has begun to create a cross-sectional framework for providing comprehensive solutions.

Mr. Akio Hirahara, Senior Director and General Manager New Market Development (Automotive Materials) Division, says that

comprehensive solutions are the ability to make proposals from various angles that encompass improvements in manufacturing at the customer, from raw materials to finished parts and materials. The technologies and products of each business division of the MCI Group marshal around the concept of mobility, giving us a framework for evaluating products from all angles, including how materials are used and combined together.

In September 2014, Mitsui Chemicals acquired Kyowa Industrial Co., Ltd. and its expertise in mold planning, engineering and prototyping. We decided that making this acquisition would augment our ability to offer

comprehensive solutions. Kyowa Industrial has the parts know-how and understands the needs of automakers. Combining this with the plastic materials technologies of the MCI Group, we are in position to deliver new value to our customers.

Akio Hirahara

Senior Director General Manager,
New Market Development
(Automotive Materials) Division



Center for ideas that lead to making things

We are considering opening an idea center that fosters a transition from making objects to making things. Mr. Ryoji Mori, Director R&D Strategy Division, is passionate about this idea center, saying that the idea center will be a place where automakers, auto parts makers and new customers can bring their problems and pool their resources into finding solutions. We want to create value for customers that only Mitsui Chemicals can provide. The idea center will be a hub in an organically connected network of world knowledge, bringing together production and sales bases as well as external research

institutions form around the globe.

In October 2012, Mitsui Chemicals entered into a comprehensive technology licensing agreement with Taisei Plas Co., Ltd., which has monolithic molding technologies of international standard (ISO). Mitsui Chemicals is working to create international standards while advancing the development of new materials the world has never seen before. One of these new materials is Polymetac™, a metal resin integral molding technology. This material, which integrates PP and aluminum, is one third the weight of metallic parts with the same strength. The technology is compatible with injection integral molding, where metal is injected into heated plastic

under pressure and filled into molds. Lapped flat seams and welding are not necessary to create the parts, thereby lowering production costs.

Ryoji Mori

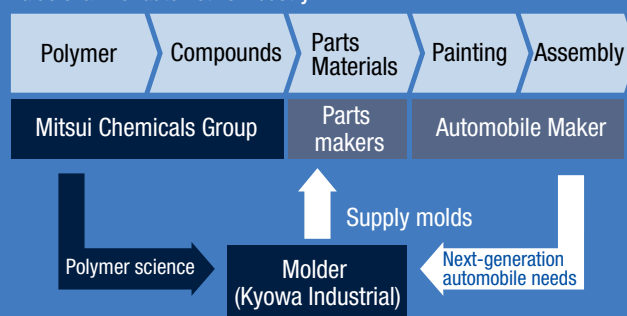
Director R&D Strategy Division,
R&D Center
Mobility Integration (and)
New Market Development
(Automotive Materials)
Division



Mold makers such as Kyowa Industrial are the links in the supply chain of the automobile industry, and are key to accelerating new developments.



Value chain for automotive industry



A strong partner in local production and local consumption

The MCI Group has developed business overseas in lockstep with the international

Tetsuya Kusaka

Board Director
General Manager,
Automotive Materials Division
Prime Polymer Co., Ltd.



ambitions of Japanese automakers and was one of the first groups to set up an overseas production base for PP compounds. The Group has put in place a structure across eight countries worldwide and is addressing the needs of global customers and has garnered the deep trust of automakers.

Mr. Tetsuya Kusaka, Board Director, and General Manager of the Automotive Materials Division at Prime Polymer Co., Ltd., our production and sales company for PP compounds, makes the following statements. "We have focused our efforts at overseas bases on creating the ability to make full proposals from various approaches, such as materials, process technologies, and

manufacturing technologies, to meet the requirements of the local production bases from the automakers. As a result, we have created a framework where our overseas bases can rapidly solve our customer problems and put in place a production base that is capable of realizing local production for local consumption."

High-quality products are made when manufacturing, sales and research work together

In North America, Advanced Composites, Inc. (ACP) supplies PP compounds to the second largest region of automobiles production

Global Communications X Reliable Supply

(more than 17.0 million units). ACP has experienced order expansion not only from Japanese automakers in North America, but also from the Big Three automakers in the U.S., (including General Motors, Ford, and Fiat-Chrysler) as well as European automakers. ACP's share of deliveries to the Big Three has risen to nearly 50% of total ACP sales. As to why, ACP President & CEO Seiji Oshima explains "Order receipts have increased because we rapidly respond to the needs of automakers with solutions integrating production, sales and research from our bases in Ohio, Tennessee and Mexico. We work closely with local automakers on the development of parts, and created materials that could be used in their key components,

thereby helping automakers reduce costs."

ACP has developed high-performance materials that meet the global specifications of the Big Three automakers in the U.S.,

Seiji Oshima

Senior Director
President & CEO
Advanced Composites, Inc.



contributing to the Mitsui Chemicals Group's concept of local production for local consumption with PP compound supplied from overseas bases.

Creating new value in the mobility domain is an endless journey. Mr. Futoshi Hoshino says, "I want automakers to say 'Let's consult to MCI!'". This is one path forward for innovation in the mobility domain, creating a future for the chemicals industry while helping solve social issues."

Mitsui Chemicals Group PP Compound Bases



Advanced Composites, Inc. (ACP)

Integration of manufacturing, sales and research at the largest PP compound base in the ASEAN region

GSC is the largest PP compound production base in the ASEAN region in production capacity, customer numbers, and countries where its products are sold. We work tirelessly to quickly understand the needs of our customers through close-knit communications between the materials development division, marketing division, headquarters and research laboratories. We have created proprietary materials that satisfy the needs of local customers. We aim to be a company with an established presence through integrated production, sales and research, and have obtained ISO 17025, ISO 50001 and the TPM Special Award as evidence of our efforts to improve reliability and cost competitiveness.

Michitaka Suzuki Managing Director, Grand Siam Composites Co., Ltd. (GSC)



Message from a Stakeholder



Kiyoshiba Mase

General Manager,
Material Development Division
Toyota Motor Corporation

Expecting outstanding ideas

With a strong sense of urgency, we develop new automobiles to address environmental issues and the emergence of new automakers. We examine a variety of materials when developing new cars. Plastics are an excellent material, but I think further work is needed to increase their reliability as a material, such as improving their rigidity and safety, in order to use them in a wider range of applications.

Mitsui Chemicals is a key business partner that reliably delivers high-quality materials including PP compounds. However, I often get the

impression that a certain material is good for only certain applications, because Mitsui Chemicals knows so much about functional plastics. Ideas that break this mold are needed to advance automobiles to the next level.

For example, we would welcome propositions that only Mitsui Chemicals can make, such as taking a product with a track record in applications outside automobiles and trying to apply it to auto parts. I hope Mitsui Chemicals comes up with ideas that help us create next-generation automobiles.

Realizing industrial platforms that are in harmony with local communities

Special
Feature

2 Promoting a Culture of Safety in Society

The Mitsui Chemicals Group aims to realize industrial platforms that are in harmony with local communities as a social challenge that should be resolved through its operations. To be trusted by our stakeholders, we must conduct safe business activities with the cooperation of local communities around the world where our companies and bases operate along the value chain.

In advanced countries, however, awareness of safety has grown thin even while productivity and automation improve, and in emerging countries, safety technologies and awareness has not kept up with rapid industrialization. Based on our management policy of making safety a top priority, in 2006 we opened the Plant Operation Technology Training Center at the Mobara Branch Factory in Chiba Prefecture as a part of our efforts to improve production skills. Since then, we have provided safety education and technical training to Group employees.

In April 2015, we opened up training at our Center to people outside the Group. By spreading throughout society our knowledge of safety and stable operating skills built up as a chemicals maker, the MCI-Group aims to foster a culture of safety in cooperation with local communities by training human resources in the skills needed to create a safer and more secure world.



Training report for the
safety training course

Number of trainees	20
Length	One day

In May 2015, 20 people from outside the company participated in the safety training course. For one day, the trainees learned about risks and safety in five categories.



8:30

Reception

The orientation began with a loud greeting from the participants.



Safety is essential for a sustainable society

Toshihide Kihara

Manager, Plant Operation Technology Training Center
Safety & Environmental Technology Division,
Production & Technology Center



A society with broad knowledge of safety

As advances are made in the automation of manufacturing equipment as well as equipment and facilities related to safety, the Plant Operation Technology Training Center has played a greater role because operators have had fewer opportunities to gain experience solving problems and veteran operators from the baby boomer generation are entering retirement in large numbers, posing challenges in passing their technical skills onto the next generation. Even while prioritizing safety, it is impossible to completely eliminate risks. With this in mind, we must train our employees with

the skills to minimize accidents and problems should they arise and the ability to rapidly and precisely respond properly to risks. Mr. Toshihide Kihara, Manager of our Center, takes systematic steps to ensure specialized technical skills related to safety and manufacturing are passed down to the next generation, through both on-the-job training and off-the-job training on an individual works basis. However, he says that a place is needed for employees to learn the basics and principles of on-the-job training. The lessons learned at our Center have had measurable results for on-the-job training on production floors.

Since opening its doors, our Center has trained 5,000 employees of the MCI-Group. This includes 200 employees from China, Singapore and other overseas locations. Many of our customers who have visited the training center have said that they would like their own employees to train there as well.

Mr. Kihara says, "Manufacturing and safety go hand-in-hand at all levels of



9:10
10:00

Pinching and rolling

Trainees put their hands under a roller with safety shutoff to experience actual pain in their fingertips.



10:10
11:00

Oxygen deficiency and poisoning

Why is it forbidden to just go inside a storage tank? There are dangers that the eye cannot see.



11:10
12:00

Falling objects, falling down, falling over

Objects falling from heights that do not seem that high, and falling down from high places, can lead to a major accident.

management. Our safety management technologies are the outcome of many long years of accumulated experience, and some of this know-how is a corporate secret that involves process technologies. However, top management made the decision to open up our Center to people outside the Group, because we believe a culture of safety is the foundation of manufacturing and providing this to society is a valuable contribution that only we can make."

People able to identify, evaluate and solve problems are important to society

At our Center, we offer three courses: the

safety training course, the equipment and operation troubleshooting course, and the operation training course. These aim of these courses is for veteran operators to pass along their technical knowledge and skills, thereby improving employee awareness of risks and dangers, their understanding of basic principles, and giving them the ability to identify problems on their own and the confidence to solve any issues.

In the safety training course, where participants learn about the dangers that can arise on production floors, emphasis is placed on practical training for awareness of five kinds of dangers: (1) pinching and rolling, (2) oxygen deficiency and poisoning, (3) falling down, falling objects, and falling over, (4) exposure to

hazardous liquids, (5) fire, explosions and static electricity.

For example, in pinching and rolling training, participants place their hand under a roller with a safety shutoff, experiencing actual pain. For falling training, participants are strapped into a safety harness and dangled one meter off the ground. They also witness a training dummy falling to the ground to get a feeling of what heights are dangerous. The trainees come to understand the true meaning behind the saying "One meter height can cause one death."

By noticing where risks lie waiting, and knowing what steps to take for safety, employees become aware of even more risks. This is where a culture of safety begins.

Focusing on the “why” in training techniques

Since opening our Center, Mitsui Chemicals has worked to establish training techniques that deepen participants’ understanding of the presence of danger

and how to ensure safety.

Hiroshi Tanaka, serving as instructor, points out, “Instructors do not give any answers. They always ask why.” This training technique allows participants to be surprised by their experiences, which reawakens their senses to the true nature of danger.

For training about exposure to hazardous liquids, for example, trainees are asked to put their bare hands into hot bathwater and again while wearing cotton work gloves. Even though the temperature of the bathwater is the same as usual, soaking their hands in the water with cotton work gloves on makes it

unbearably hot. “Why?” the instructor asks.

For falling object training, a tool is dropped from a height of six meters, shattering a ceramic flowerpot into pieces, but the same flowerpot with a helmet is protected without a scratch from the falling tool. The instructor continues their line of questioning. “What would happen to someone if they weren’t wearing a helmet?”

“There are many rules for your safety at worksites. Think about why these rules exist, and make yourselves more aware of the dangers around you.” (Tanaka)

Hiroshi Tanaka

Plant Operation Technology
Training Center
Safety & Environmental
Technology Division,
Production & Technology Center

Fostering people who ask “Why?”



13:10
13:50

Exposure to hazardous liquids

When opening and closing valves, one must be aware of danger, such as the condition of connecting hoses.



14:00
14:50

Fires, explosions, and static electricity

Trainees are surprised that the shoes they are wearing can cause fires.



15:00
15:50

Time for reflection

Trainees think about their own workplaces and how to improve safety.

Column

Independent safety initiatives taken by overseas affiliates and subsidiaries

For three companies in China that produce compounds (Mitsui Advanced Composites (Zhongshan) Co., Ltd., Zhang Jia Gang Free Trade Zone Mitsui Link-Up On Advanced Materials, Inc., and Mitsui Chemicals Functional Composites (Shanghai) Co., Ltd.), the China Compound Joint Training Seminar was held for the first time for three days in April 2014. Seven managers and heads of production departments participated as advisors, and the participants discussed safety, quality, and human resource development. Similar training has been available at the Technical Training Center in Mobara, but this marked the first time the training event was held locally.

At Siam Mitsui PTA Co., Ltd. (SMPC) in Thailand, which received the President Award for Production Section Awards in

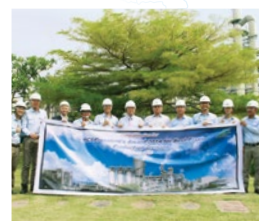
fiscal 2014, safety practices entail daily improvement in work habits centered on learning, inspection, sharing and improving throughout the workplace, as a part of ongoing Total Productive Maintenance (TPM) activities.

In addition to Ho-Ren-So (reporting, contacting, consulting), and KY (hazard prediction) activities, employees engage in a wide range of safety practices, through Process Safety Management (PSM), that SMPC started lately, such as sharing technical information, conducting Process Hazard Analysis (PHA), and strengthening Management of Change (MOC).

Our culture of safety has begun to spread across national borders.



Discussion at China Compound Joint Training Event



SMPC members in Thailand

Enhancing safety skills further through cultural exchange

Instructor Yamamoto says "Mutual understanding between different cultures has historically led to improvement in technical skills." For example, the important practice of pointing one's finger while confirming safety is considered rude in some countries. "Through experience, we understand there are common principles around the world for ensuring safety," explains Mr. Yamamoto.

With the understanding that safety is a common effort worldwide, some MCI-Group

companies overseas have launched their own safety initiatives. Siam Mitsui PTA Co., Ltd. (SMPC) in Thailand (see the column below) and Mitsui Phenols Singapore Pte. Ltd. (MPS) in Singapore are a few examples of this. Twice a year, there is a mutual exchange between MPS and our Center, as we continue to train leaders in safety.

The opening up of our training facilities to outsiders has made it a valuable learning center for small and medium-size companies that do not have resources to train their own employees. Mr. Kihara says he "aims to improve the quality of technical training by exchanging information

and wish-lists with our customers by opening the doors of the Technical Training Center to others." He believes "the center will play a vital role in fostering a culture of safety that crosses cultural boundaries in industrializing emerging countries and ensures a higher level of safety in advanced countries.

Kazumi Yamamoto

Plant Operation Technology
Training Center
Safety & Environmental Technology
Division, Production &
Technology Center



Safety is a common goal around the world

Feedback from participants

"Safety begins with your imagination."

"Let smaller companies use the training facilities, too!"



Employee of an equipment manufacturer (30s)

"My company does not offer many opportunities to learn about safety, so I am thankful for the instruction and training here. Personally, I strongly felt the importance of being aware of danger, especially when helping out in roles different from your main job."

Employee of a gas company (20s)

"I am used to my job now after working here for three years, but I learned that there are many risks around you that you may not have thought of yet. This is due to a lack of imagination about dangers and safety, underscoring how important imagination is for ensuring safety."

Employee at an equipment manufacturer (40s)

"This spring, I was appointed the chief of the personnel and welfare department. Responsible for occupational safety, I learned about this training opportunity and decided to participate. I was able to go through safety training at Mitsui Chemicals that would have been difficult to arrange at my company, and I believe this will lead to better safety at my workplace."

Message from the President of SCG Chemicals Co., Ltd., a joint venture in Thailand

For supporting sustainable business growth

Increasing safety awareness is hard, cultivating safety culture is even harder. It is all about building right safety mindset and behaviors in people. Safety that is driven only by rules and regulations is unsustainable because people break rules, unintentionally or intentionally. Therefore it is always an uphill task to ensure that workplace is safe and people work safely. SCG Chemicals pushes hard every day to get to where safety becomes ingrained in people.

Leaders are expected to play important role in building safety culture by taking on leadership role model. We are also in the process of building a stronger process safety management to protect our operation process in order to

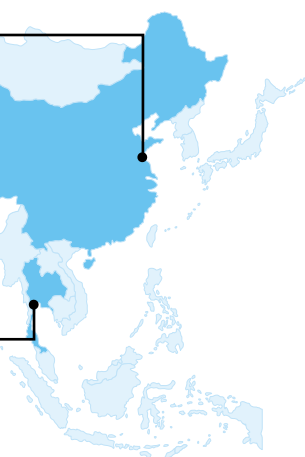
detect and avoid any major safety incidents.

With the collaboration with Mitsui Chemicals, SCG Chemicals Operation Excellence Training Center (OETC) has been set up with the objective of training the trainers and builds on knowledge and best practices from our skillful senior trainers. The knowledge will pass on to freshmen for effective and safe petrochemicals plant operations.

We believe that safety is the foundation to support sustainable business growth.



Cholanat Yanaranop
President
SCG Chemicals Co., Ltd.



Mitsui Chemicals Group's CSR TOPICS 2014

Along with the seven core principles defined in ISO 26000, we introduce the initiatives we have taken under the 2014 Mid-term Business Plan, which was created, to address social challenges that the Mitsui Chemicals (MCI) Group should help resolve. The MCI Group aims to enhance engagement with all stakeholders through the implementation of these initiatives.

【 Explanation of icons 】

Initiatives related to ISO 26000

Initiatives based on seven core principles defined in ISO 26000



Organizational governance



Human rights



Labor practices



The environment



Fair operating practices



Consumer issues



Community involvement and development

Initiatives based on Mid-term Business Plan

Initiatives to address three social challenges identified in the 2014 Mid-term Business Plan that the MCI Group should help resolve



Realizing a cohesive society that is in harmony with the environment



Realizing health and happiness in an ageing society



Realizing industrial platforms that are in harmony with local communities

Creating **WholeYou™** so you can enjoy life on your own terms



Beyond simply treating illness, staying healthy is essential to enjoying life as we age. However, what it means to enjoy life differs from one person to the next. To satisfy this diverse array of opinions, the materials experts, Mitsui Chemicals, have launched the WholeYou™ brand in the United States. Through WholeYou™, MCI provides creative health solutions by leveraging its polymer science and related processing technologies to the maximum extent possible, as well as its open innovation-based networks.

In order to enjoy everything life has

to offer, WholeYou™ has begun providing support in vision (clear eyesight), oral (improving oral function), and physical mobility (maintaining and improving the ability to walk and exercise) areas as a brand that aims to find solutions for individual patients and consumers in the areas of the five senses (allowing us to take in delightful and pleasant experiences) and the whole body (freedom of movement).

WholeYou™ supports unlocking the possibilities of life so everyone can fully enjoy lives full of unlimited possibilities. We believe that the WholeYou™

brand's ability to elicit support and empathy from patients, medical professionals and consumers leads to new value creation in healthcare. Beginning with the United States—the world's largest healthcare market—WholeYou™ will contribute to improving quality of life for people around the globe.

WholeYou™

The headquarters of Whole You, Inc. is located in San Jose, California, U.S.A.

● Product Portfolio

Oral



Vision



Physical Mobility



2 Mitsui Chemicals Group donates NONROT™ benches made from Yakushima thinning cedar lumber to Yakushima



Japan's first registered World Natural Heritage site, Yakushima is an island located southwest of Kagoshima Prefecture in southern Kyushu. With over 300,000 tourists and mountain climbers visiting Yakushima annually, the lack of public benches on the island has become a problem.

MCI and the MCI Group company Mitsui Chemicals Industrial Products Ltd. donated to Yakushima Town 12 benches made by Yakusugi (ancient

Yakushima cedar), craftsmen from Yakushima thinning cedar lumber painted using NONROT™. The donation is the first in Mitsui Chemicals' "Protecting Our Natural Heritage Project."

NONROT™ helps protect Yakushima's breathtakingly beautiful and relaxing natural environment by protecting wood from the elements while allowing it to regulate humidity and retain its natural scent. The MCI

Group will continue to contribute to society with its innovative, performance-driven technology, products, and services.



A Yakushima bench with a plaque indicating that it has been treated with NONROT™ wood care paint

3 Research on organisms living in paddy fields



Insect pests that feed on rice plants are the greatest threat to rice production. With the idea of raising awareness of the numerous living things other than insect pests that inhabit rice fields, the MCI Group company, Mitsui Chemicals Agro, Inc. (MCAG), has been conducting "Research on Organisms Living in Paddy Fields" using MCAG products since 2012.

Involved in the manufacture and sales of agrochemicals and fertilizers, MCAG conducts "Research on Organisms Living in Paddy Fields" annually with the full support of customers, confirming that a wide

variety of organisms inhabit rice fields. MCAG surveys the effects of agrochemical use on organisms in rice paddies, which leads to the improvement and development of products that exert a low impact on the environment. Further, through the release of experts' written opinions that summarize the results of these wildlife surveys, we certify that rice was grown in rice paddies inhabited by a wide variety of organisms, which contributes to adding value to local rice.

Beginning from fiscal 2015, we conducted research on organisms as an event for farmers and neighboring

elementary school children to participate in, providing them the opportunity to observe a wide variety of organisms by going into the rice fields with them. In this way, we communicate the importance of maintaining biodiversity for the next generation and also contribute to local revitalization.



A rice field organisms survey being conducted in Miyagi Prefecture

4 Holding Workshops for working parents



The Career Advice Office provides advice for those concerned about working and raising children as well as offers consultations to alleviate the anxiety accompanying each new life stage, such as marriage and childbirth. In response to these needs, the Career Advice Office has held workshops for working parents.

The Career Advice Office offers personalized support to address concerns and anxiety over jobs performed by employees, balancing work with life and

individual development, as well as independent career development assistance.

On the day of the workshop for working parents, held jointly with the Career Advice Office and the Human Resources Division's Diversity Promotion Team, around 20 male and female employees discussed their daily concerns, doubts and opinions in the World Café.* The workshop proved to be a meaningful opportunity for participants to find

approaches to working that are suitable to their own lifestyles. Looking ahead, we will hold similar workshops on an ongoing basis on different themes and participants to help build career development networks.



A scene from the workshop

* The World Café: An innovative style that facilitates theme-focused dialog in a relaxed café-style atmosphere with rotating groups of four to five people.

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This publication has been printed on FSC® certified paper containing wood from appropriately managed forests.



The paper used for pages 3 to 18 of this publication will help to support forest thinning activities and promote the use of thinned wood, in the interests of healthy forests.



This publication has been printed using plant-based vegetable ink free from volatile organic compounds (VOC).



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About the Cover

We adopted the handicapped person's artwork for the cover of the CSR Communication 2015 Report. With a corporate mission that emphasizes harmony with the environment, we closely identified with this picture of the world's flora and fauna living in symbiotic cooperation.

Able Art Company

Able Art Company serves as a conduit between artists with disabilities and commercial end users interested in incorporating their art into designs and products.

http://www.ableartcom.jp/aboutusdb/about_eng.html

Born in the Jungle (Artist: Mikiko Hata)

Since her accident, Ms. Hata decided to take up painting and to live life to fullest doing as she pleased. Taking the time to do everything on her own right through to the mixing of paints, each painting takes between two to three months to complete.

Animals are unable to assert themselves in the same way that humans do, this painting expresses the wish that all living things show a deep respect and understanding of the right of all to live and share in this planet.

