

The Mitsui Chemicals Group "CSR Report 2016"

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▶ Message from the President

Aiming for Sustainable Growth through Innovation



▶ Special Feature

▶ Lecture on the Creation of Long-Term Corporate Value by Mr. Eiichiro Adachi

▶ Human Resources Management

▶ Dialogue: Steady efforts to cultivate a safety culture



▶ CSR in the Mitsui Chemicals Group



▶ CSR TOPICS 2015



▶ Renewable Energy-Related Business



▶ Safety Initiatives



▶ Mitsui Chemicals' Plant Operation Technology Training Center



▶ Main Products that Contribute to the Sustainable Development of Environment and Society



▶ 日本語

CSR News

▶ Archives

- 2016.8.22 IPEEC Selects Energy Conservation Project Using LNG Cold Energy For International Top Ten Best Practices
- 2016.6.10 Kumho Mitsui Chemicals Receives 2016 Korea Environmental Award
- 2016.5.27 Mitsui Chemicals Receives 2016 Japan Chemical Industry Association RC Outstanding Award

▶ CSR Site Map

For quick access to needed information

Safety Summary Sheet

Corporate Governance

The Mitsui Chemicals Group has positioned efforts to upgrade and expand corporate governance as one of management's most important priorities.

Key Issues (Materiality)

The Mitsui Chemicals Group has identified key issues (materiality) in a bid to secure sustainable growth and development with society.

CSR in the Mitsui Chemicals Group

- ▶ CSR in the Mitsui Chemicals Group
- ▶ CSR Management
- ▶ Creating a Better Future with Blue Value™
- ▶ Commitment to ISO 26000

Corporate Governance

- ▶ News Release
- ▶ Business & Products
- ▶ IR Information

Risk and Compliance

The Mitsui Chemicals Group is reinforcing risk management, compliance, and overall management framework in order to provide stronger foundations for its corporate activities.

Responsible Care

- ▶ Responsible Care Policy and Management
- ▶ Process Safety and Disaster Prevention
- ▶ Occupational Health and Safety
- ▶ Environmental Protection
- ▶ Chemicals Management
- ▶ Quality
- ▶ Logistics

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
- ▶ Social Contribution Activities
- ▶ Public Recognition

Browse (list view)

▶ CSR Site Map

For quick access to needed information.

▶ Guideline Cross-Reference Tables

This section features cross-reference tables for economic, environment, and social requirements set out under international Global Reporting Initiative (GRI) guidelines and ISO 26000.

▶ Survey Index

ESG performance data and the SRI indices that the Mitsui Chemicals Group is listed as a constituent company are shown here.

Expanding and improving activities

▶ CSR Report 2016 Editorial Policy

The Mitsui Chemicals Group has posted details of its CSR Report 2016 Editorial Policy

▶ Download CSR Reports

Readers can access and download copies of the Mitsui Chemicals Group's online PDF version of its CSR Report as well as previous issues of its CSR Communication, CSR, and Responsible Care reports.

CSR Report 2016 Survey

We welcome your comments and feedback on our CSR Report 2016 in e-mail format.

Message from the President

Aiming for Sustainable Growth through Innovation

Tsutomu Tannowa
President & CEO, Mitsui Chemicals, Inc.



The year 2015 was one in which the international community unanimously agreed to address sustainability-related issues, including poverty, famine, natural resources and energy, climate change, and the environment. Adopted at the United Nations Sustainable Development Summit in September 2015, the Transforming our World: the 2030 Sustainable Development Agenda called for the participation of all the international community's stakeholders in working toward the achievement of 17 Sustainable Development Goals (SDGs). Advanced and emerging countries alike also earnestly agreed to address the implementation of those SDGs under the Paris Agreement adopted at the 21st Conference of the Parties (COP21) of the United Nations Framework Convention on Climate Change held in December 2015. It was an epoch-making year for a number of global stakeholders who are aiming to build a sustainable society. In the meantime, having reached the stage at which increased dialogue with stakeholders and enhancements to corporate governance were being demanded, the Stewardship Code was followed by the introduction of the Corporate Governance Code in Japan.

Toward Contributing to Resolve Social Issues

Chemistry has a prominent role to play with respect to social issues.

Based on its management philosophy of keeping in harmony with the global environment, the Mitsui Chemicals Group will identify a Future Vision that aims for sustainable development by working to resolve social issues in which economic, social, and environmental standpoints are connected. The Group will advance its 2014 Mid-Term Business Plan toward bringing that Future Vision to reality.

Having set the Mobility, Healthcare, Food & Packaging as its three growth target domains, the Group launched the overarching Plan under the theme "Creating Customer Value through Innovation." I consider the Group's ongoing important mission to be the supply of the basic materials that underpin society at large and industry.

In 2016, the Group implemented an organizational restructuring into a four-business sector structure consistent with its strategic direction to realize the synergies between them. While increasing speed and heightening accuracy in the implementation of its strategies, the Group will contribute to resolve social issues by the continuous creation of new products and businesses as well as by the stable supply of industrial materials.

Selecting Key Issues

As a member of society, the Group reorganized its management issues and selected key issues in 2015 to continue being trusted by its stakeholders and fulfill its corporate social responsibility.

The first key issue category, the impact of the Group's business on society, mentions minimizing any risk to society and issues deemed to present a strong challenge to the Group's management foundation. Of these, safe production operations are an absolute requirement of management and a basic premise of corporate survival. Under the management policy of "putting safety first in everything that we do," the Group is expanding and improving efforts to instill fundamental safety, hand down accumulated production technologies, and foster a culture of safety, while deploying the same efforts made in Japan to its overseas production bases. The Group will continue its steady efforts and keep in mind that there are no shortcuts on the road to ensuring safety.

Human resources provide the power to create innovation in response to the demands from society. We are promoting global human resources management to secure and develop human resources that have diverse backgrounds and to enhance our global management foundation.

In terms of corporate governance, these key issues are positioned as forming the basis of challenges for the entire Group, and we have redoubled our efforts. On the basis of the Corporate Governance Guidelines established in 2015, that same year we made revisions to have a flexible structure to enable increased transparency and speed in management and the performing of timely, strong-minded decision-making. We increased the ratio outside directors and strengthened the management oversight function of the Board of Directors. Operations are primarily conducted by executive officers.

In Conclusion

We are making progress with the 2014 Mid-Term Business Plan at a speed far in excess of that originally foreseen, and fiscal 2016 marks its final year. The global situation is full of turbulent uncertainties, but the Mitsui Chemicals Group will steadily proceed toward the next stage one step at a time. Bringing to fruition management that will strike a balance in its active responses to issues—not only from the economic standpoint but also from the environmental and social standpoints demanded by the supply chain and various stakeholders—we will aim for the sustainable growth of society and of the Mitsui Chemicals Group through business activities.

Corporate Governance

The Mitsui Chemicals Group has positioned efforts to upgrade and expand corporate governance as one of management's most important priorities. In carrying out this priority, the Group is better placed to earn the trust of stakeholders including shareholders, customers, and the local community, and to fulfill its corporate social responsibilities.

Our Approach to Corporate Governance

Basic Philosophy regarding Corporate Governance

The Mitsui Chemicals Group is constantly engaged in business activities to realize its Corporate Vision, which comprises a Corporate Mission and a Corporate Target. The Group recognizes that efforts to achieve effective corporate governance as part of that process that will allow it to:

- (1) Maintain and develop trusting relationships with our shareholders and all other diverse stakeholders of the Mitsui Chemicals Group, and
- (2) Create a framework that can execute transparent, fair, timely, and decisive decision making

through which the Mitsui Chemicals Group can achieve sustainable growth and increased corporate value over the medium to long term.

Accordingly, the Group holds the enhancement of its corporate governance to be one of its key management issues and will persevere in the efforts and measures laid down in these Guidelines.

Corporate Vision

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.

【Social Contribution】

- Promoting human well-being ■ Contributing to the value of shareholders' investments
- Increasing customer satisfaction ■ Contributing to local communities
- Promoting the happiness and fulfillment of employees

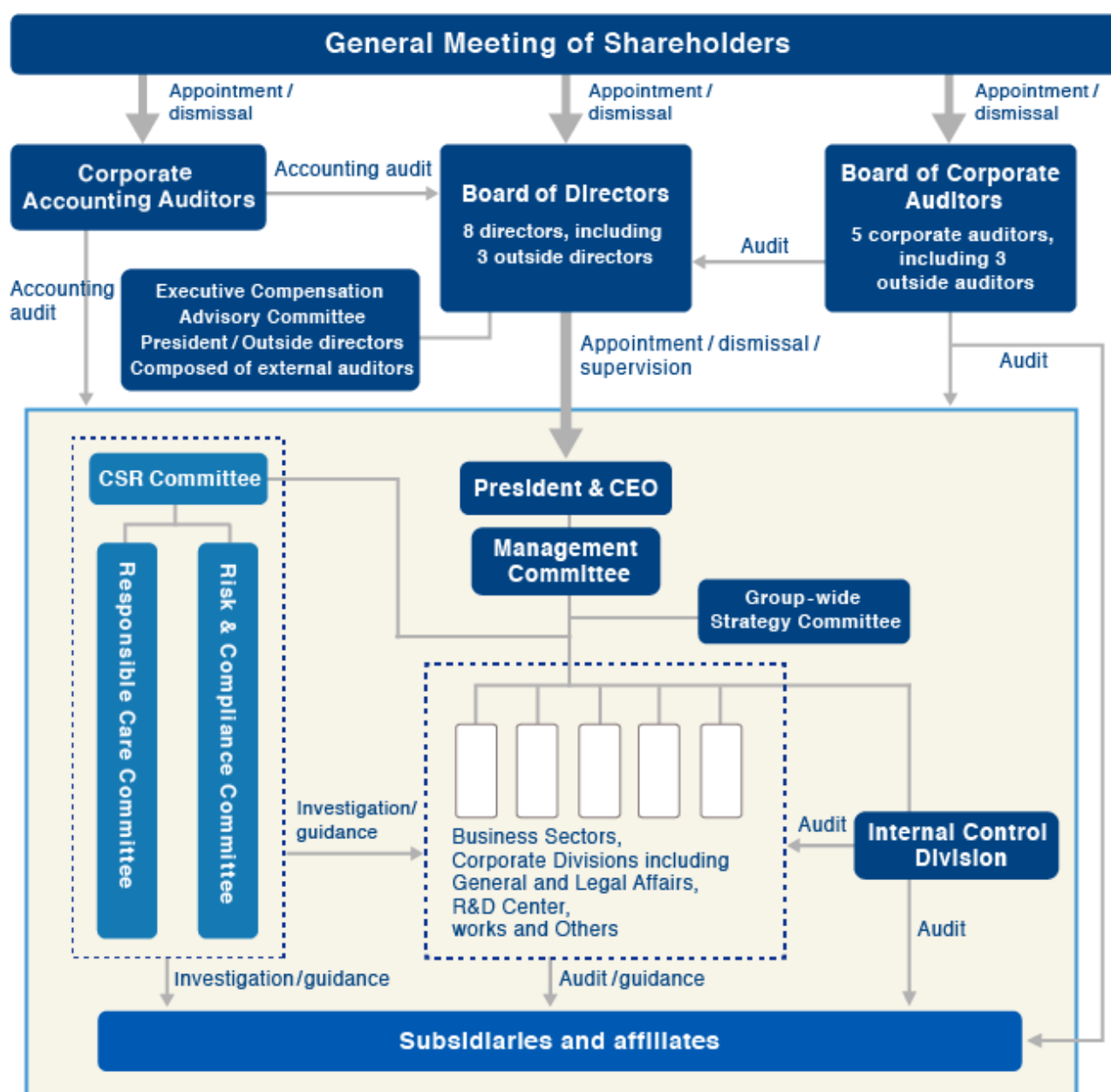
Corporate Target

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

Compilation of Corporate Governance Guidelines

Publicly released since the fiscal year ended March 31, 2016, the Mitsui Chemicals Group Corporate Governance Guidelines outline the Group's fundamental policies and efforts in relation to corporate governance.

▶ [Corporate Governance Guidelines](#) 



The Status of Corporate Governance Initiative Implementation

Roles and operational status of each organization

Board of Directors

Based on laws, the Company's Articles of Incorporation, and Rules for Meetings of Board of Directors, the Board of Directors makes decisions regarding business strategies, business plans, and other key management issues. The Board of Directors also oversees the overall management of the Group by reporting on individual directors' professional performance, the important operations of affiliated companies, and the operational implementation of compliance and risk management. In addition, the Board of Directors reinforces the management oversight function by discussing important policies related to the running of the Company from an intermediate stage while providing advice to those persons executing business. Comprising eight members of the Board, five executive directors, and three outside directors, the Board of Directors met on 10 occasions in fiscal 2015.

► [Board member selection criteria](#) (PDF : 68.6KB) 

► [Board member introductions](#) (PDF : 152.5KB) 

Outside Directors

Manager accountability and management transparency can be achieved based on feedback obtained from highly independent outside directors at Board of Directors' meetings. Furthermore, obtaining advice based on specialized knowledge facilitates proper decision making and the oversight of directors' operations at Board of Directors' meetings. All three outside directors are registered as independent officers with the Tokyo Stock Exchange.

► [Independence criteria](#) (PDF : 13.7KB) 

Executive Compensation Advisory Committee

To ensure the transparency of performance evaluations and the validity of executive compensation levels, Mitsui Chemicals established the Executive Compensation Advisory Committee as a consultative body of the Board of Directors. This Committee also serves as a mechanism to determine a system of executive compensation as well as to evaluate the performance of directors. Chaired by the president, the Committee comprises representative directors (three, including the president) and outside experts (three outside directors and three outside auditors).

► [Director and Corporate Auditor Compensation Criteria](#) (PDF : 11.8KB) 

Executive officer system

We introduced an executive officer system to clearly delineate responsibility for supervising and executing operations. Accordingly, with regard to matters other than those resolved by the Board of Directors, the system is designed to speed up the decision-making process by delegating decision-making authority to executive officers on the basis of authorization rules, thereby reinforcing and improving management procedures.

Management Committee

We established the Management Committee to discuss key operational issues and matters requiring prior consideration before they are submitted to the Board of Directors, thereby enabling us to make decisions correctly and efficiently. The Management Committee met on 22 occasions in fiscal 2015.

The Management Committee is made up of the president, executive officers with specific titles, and members designated by the president. Our corporate auditors also attend committee meetings and are able to offer their opinions whenever necessary.

Group-wide Strategy Committee

For issues such as Company management and business, we established a Groupwide Strategy Committee as a forum for discussing strategy from a Groupwide perspective. Comprising the president, executive officers with specific titles, and members designated by the president, the Groupwide Strategy Committee met on 22 occasions in fiscal 2015.

Board of Corporate Auditors

In addition to drawing up the audit policies and plans that underpin each corporate auditor's audit of directors and other relevant officers in the execution of their duties, the Board of Corporate Auditors also deliberates and determines important matters relating to audits. The Board of Corporate Auditors met on 14 occasions in fiscal 2015.

While each corporate auditor conducts audits based on the policies and other guidelines determined by the Board of Corporate Auditors, steps are also taken to attend key internal meetings, including meetings of the Board of Directors, and to exchange opinions with the president and management personnel on a regular basis. Furthermore, corporate auditors check approval forms and minutes from key meetings.

Each corporate auditor conducts audits in conjunction with independent accounting auditors and our Internal Control Division, enabling them to exchange opinions regarding matters such as annual auditing plans and audit results.

The Company's corporate auditors perform audits of subsidiaries and affiliates when necessary based on the results of audits undertaken by the Internal Control Division and auditors of each Group company. The Company's corporate auditors also exchange information with auditors of each Group company.

The Company has established various types of committees to assist in enhancing its corporate governance.

(1) CSR Committee

Aiming for the sustainable growth and the development of both society and the Mitsui Chemicals Group, we are working to raise corporate value by engaging in dialogs with all our stakeholders and resolving social challenges along the three axes of economy, environment, and society. To that end, the CSR Committee (chaired by the president) deliberates on policies, strategies and plans and then obtains approval of the Management Committee. In fiscal 2015, the CSR Committee held two meetings.

(2) Risk & Compliance Committee

The Risk & Compliance Committee (chaired by a director) has established as a separate entity from the CSR Committee in order to put in place specific policies, strategies, and plans in the areas of risk management and regulatory compliance. Based on Mitsui Chemicals Group Risk Management System, the Risk & Compliance Committee works to quickly identify risks and prevent them from materializing. To that end, the Committee, identifies and analyzes key risks regarding fiscal year targets for each Group company or division and steadily implements measures in accordance with PDCA cycles. In fiscal 2015, the Risk & Compliance Committee held two meetings. Important policies, strategies and plans proposed by the Risk & Compliance Committee are approved by the Management Committee.

(3) Responsible Care Committee

Responsible Care (RC) activities span the entire life cycle of each chemical product, from development and manufacturing to transport, use, consumption and disposal, and are aimed at protecting the environment, ensuring disaster prevention, chemical safety, and maintaining occupational health and quality. To that end, the Company has established the Responsible Care Committee (chaired by a director) as a separate entity from the CSR Committee. The Responsible Care Committee deliberates on policies, strategies, plans and evaluates the performance of RC-related activities. In fiscal 2015, the Committee convened three meetings. Important policies, strategies and plans proposed by the Responsible Care Committee are approved by the Management Committee.

Internal Control

We established the Internal Control Division to continually monitor and assess the implementation and operational status of internal controls within the Mitsui Chemicals Group, as required under the Companies Act and the Financial Instruments and Exchange Act, and to ensure that operational risks are kept within tolerable levels at all times. Any important matters arising from the results of audits are shared with the Risk & Compliance Committee. The division is also responsible for maintaining and improving internal control standards throughout the Mitsui Chemicals Group and conducting internal audits to ensure that our operations are being carried out appropriately and efficiently.

The Internal Control Division specifically focuses on the following areas.

Self-assessment-based internal audits relating to legal and regulatory compliance

As part of a system introduced in fiscal 2008, we subject internal controls relating to legal and regulatory compliance to self-assessments and conduct internal audits based on the results at all applicable divisions and domestic affiliates. Having started to roll out the system to overseas affiliates in fiscal 2010, it is now fully up and running.

Compliance with the Financial Instruments and Exchange Act (submission of internal control reports)

We conduct annual assessments to determine the effectiveness of internal controls relating to financial reporting, in preparation for the submission of internal control reports. The assessments of internal controls system reports are implemented by Internal Control Division staff members in accordance with Financial Services Agency implementation standards.

4. Election of Directors

- (1) MCI's election standards for directors are as follows.
 - (i) Executive directors
 - Possess knowledge and experience enabling the director to accurately and fairly oversee the management of MCI for the realization of the Corporate Vision
 - Possess excellent insight, a broad perspective, strong ethics, fairness, and integrity
 - (ii) Outside directors
 - Possess excellent insight and rich knowledge and experience in areas such as corporate management, legal compliance, finance and accounting, corporate ethics, scientific and chemical technology, global management, and crisis and risk management
 - Be able to view MCI's management as a whole, objectively evaluate it, and grasp the essential issues and risks
 - Be able to provide beneficial, unreserved advice on increasing MCI's corporate value from the point of view of an external stakeholder
- (2) The president will set up a meeting with the outside directors and outside corporate auditors about once per year to exchange opinions on director and officer cultivating policies and other such matters. Taking into consideration the results of the opinion exchange and the election standards above, the president will prepare a proposal on director candidates, which will be decided on by the Board of Directors.
- (3) The Board of Directors will oversee succession planning for the CEO and other key positions in consideration of the Corporate Vision and the mid-term business plan.

Effective June 24, 2016, eight (8) Directors were elected at the Company's 19th Ordinary General Meeting of Shareholders. To enhance corporate governance and increase the transparency of management, the number of Outside Directors was increased from two (2) Outside Directors to three (3) Outside Directors, while the total number of Directors was decreased by one (1) Director.

1

Tsutomu Tannowa

(Oct. 26, 1951)



Reelected

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1976	Joined Mitsui Toatsu Chemicals, Inc.
Apr.	2007	Executive Officer of the Company
Apr.	2010	Managing Executive Officer of the Company
Jun.	2012	Member of the Board, Managing Executive Officer of the Company
Apr.	2013	Member of the Board, Senior Managing Executive Officer of the Company
Apr.	2014	President & CEO of the Company (to present)
		(Supervision of General Business Execution (CEO))

Reasons for nomination

Tsutomu Tannowa is substantially well-versed regarding affairs of the Company, on the basis of his wide experience with respect to personnel, business centered around basic chemicals, factories and so on. Moreover, serving as the President of the Company since 2014, he has played a firm leadership role in moving the Company forward, and has accordingly achieved success in spearheading initiatives geared to turning around the Company's business performance. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.

2

Masaharu Kubo

(Feb. 9, 1957)



Reelected

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1980	Joined the Company
Apr.	2010	Executive Officer of the Company General Manager, Corporate Administration Div.
Apr.	2013	Managing Executive Officer of the Company
Jun.	2013	Member of the Board, Managing Executive Officer of the Company
Apr.	2014	Member of the Board, Senior Managing Executive Officer of the Company
Apr.	2016	Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)
		(Assistant to the President (CFO); in charge of Corporate Administration & Legal Div., Finance & Accounting Div., Responsible Care Committee, and Risk Compliance Committee)

Reasons for nomination

Masaharu Kubo has substantial knowledge of general and legal affairs based on his extensive experience developed over many years. Having served as CFO in recent years, he is well-versed with respect to general corporate management of the Mitsui Chemicals Group, particularly in the finance and accounting realm. Moreover, he also has experience with respect to information systems and quality assurance. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.

3

Shigeru Isayama

(Jun. 27, 1954)



Reelected

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1980	Joined the Company
Apr.	2007	Executive Officer of the Company General Manager, Information & Electronics Materials Div., Performance Materials Business Sector
Apr.	2009	Executive Officer of the Company General Manager, Business Planning & Development Div., Performance Materials Business Sector
Jun.	2009	Member of the Board of the Company Business Sector Vice President, Performance Materials Business Sector, and General Manager, Business Planning & Development Div., Performance Materials Business Sector
Jun.	2011	Assistant to the President of the Company Representative in the Americas, and General Manager, Mitsui Chemicals America, Inc.
Apr.	2013	Managing Executive Officer of the Company
Jun.	2013	Member of the Board, Managing Executive Officer of the Company
Apr.	2016	Representative Director, Member of the Board, Senior Managing Executive Officer of the Company (to present)
		(Assistant to the President; supervising R&D Center; in charge of New Mobility Business Development Div., Next Generation Business Development Div., Robot Materials Business Development Div., and Intellectual Property Div.)

Reasons for nomination

Shigeru Isayama is well-versed in the area of research and development, which is a Company strength, based on his extensive experience developed over many years. He is also involved in corporate planning and business planning, and furthermore is extensively knowledgeable about global management given his experience serving as the head of an overseas subsidiary. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.

4

Kenji Ueki

(Mar. 11, 1956)



Reelected

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1978	Joined the Company
Apr.	2009	Contract Assistant to Executive Officer of the Company Mitsui Chemicals (Shanghai) Co., Ltd.
Jun.	2009	Contract Assistant to Executive Officer of the Company Chairman and General Manager of Mitsui Chemicals (Shanghai) Co., Ltd.
Apr.	2011	Executive Officer of the Company General Manager, Affiliates Coordination Div.
Apr.	2013	Executive Officer of the Company General Manager, Purchasing Div., and General Manager, SCM Div.
Apr.	2014	Managing Executive Officer of the Company
Jun.	2014	Member of the Board, Managing Executive Officer of the Company (to present) (In charge of Mitsui Chemicals Asia Pacific, Ltd., Mitsui Chemicals (China) Co., Ltd., Mitsui Chemicals America, Inc., Mitsui Chemicals Europe GmbH, Purchasing Div., Logistics Div., Affiliates Coordination Div., Information System Div., Business Efficiency Promotion Div., and CSR Committee)

Reasons for nomination

Kenji Ueki is well-versed with respect to the Company's businesses and operations, given his experience in wide-ranging duties encompassing areas such as general and legal affairs, business, and corporate planning. In recent years, he has gained experience as the head of an overseas subsidiary, and in areas that include personnel, purchasing, logistics and affiliates coordination. So He is also extensively knowledgeable with respect to global management of the Mitsui Chemicals Group. We deem him capable of making further contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.

5

Hideki Matsuo

(Jun. 27, 1956)



New

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1982	Joined Mitsui Toatsu Chemicals, Inc.
Apr.	2009	Senior Director of the Company Deputy General Manager, Planning & Development and License Div., Basic Chemicals Business Sector
Jun.	2009	Senior Director of the Company General Manager, Planning & Development and License Div., Basic Chemicals Business Sector
Apr.	2010	Senior Director of the Company General Manager, Planning & Coordination Div., Petrochemicals Business Sector
Jun.	2011	Senior Director of the Company Business Sector Vice President, Production & Technology Center
Apr.	2012	Senior Director of the Company Business Sector Vice President, Production & Technology Center, and General Manager, Planning & Coordination Div., Production & Technology Center
Apr.	2013	Executive Officer of the Company Business Sector President, Production & Technology Center
Apr.	2014	Managing Executive Officer of the Company
Jun.	2016	Business Sector President, Production & Technology Center Member of the Board, Managing Executive Officer of the Company (to present) (Business Sector President, Production & Technology Center; in charge of Fabricated Products Business Coordination Div., Works and RC & Quality Assurance Div.)

Reasons for nomination

Hideki Matsuo is well-versed in the Company's operations involving production technology and safety promotion, on the basis of his many years of experience in factories both in Japan and abroad. He is also extensively knowledgeable about global management given his experience serving as the head of an overseas subsidiary. We deem him capable of making contributions that increase the Company's corporate value, and accordingly believe that he is the right person for the post of Director.

6 Yukiko Kuroda

(Sep. 24, 1963)



Reelected

Outside
Director

Independent
Officer

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1986	Joined Sony Corporation
Jan.	1991	Representative Director of People Focus Consulting
Jun.	2010	Outside Audit & Supervisory Board Member of Astellas Pharma Inc.
Mar.	2011	Outside Director of CAC Corporation (currently CAC Holdings Corporation) (to present)
Apr.	2012	Managing Director and Founder of People Focus Consulting (to present)
Jun.	2013	Outside Director of Marubeni Corporation (to present)
Jun.	2015	Member of the Board of the Company (to present)

Significant concurrent positions

Managing Director and Founder of People Focus Consulting
Outside Director of CAC Holdings Corporation
Outside Director of Marubeni Corporation

Reasons for nomination

Yukiko Kuroda has actively provided opinions, primarily from the perspective of stakeholders from outside the Company at meetings of the Company's Board of Directors, that are based on her extensive experience as a corporate manager and in-depth knowledge based on experience as a consultant. We expect that she will continue providing useful advice on the Company's corporate management, and accordingly believe that she is the right person for the post of Outside Director.

7 Hajime Bada

(Oct. 7, 1948)



New

Outside
Director

Independent
Officer

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1973	Joined Kawasaki Steel Corporation (currently JFE Steel Corporation)
Jun.	2000	Director of Kawasaki Steel Corporation
Apr.	2003	Senior Vice President of JFE Steel Corporation
Apr.	2005	Representative Director, President and CEO of JFE Steel Corporation
May	2006	Chairman of The Japan Iron and Steel Federation
Apr.	2010	Representative Director, President and CEO of JFE Holdings, Inc.
Apr.	2015	Director of JFE Holdings, Inc.
Jun.	2015	Advisor of JFE Holdings, Inc. (to present)
Jun.	2016	Member of the Board of the Company (to present)

Significant concurrent positions

Advisor of JFE Holdings, Inc.

Reasons for nomination

Hajime Bada, based on his extensive experience as a corporate manager, and in-depth knowledge based on active experience serving as the head of a trade organization, will objectively evaluate the Company's management as a whole, and accordingly maintain a sound grasp of the inherent issues and risks facing the Company. We expect that he will provide useful advice on the Company's corporate management overall, and accordingly believe that he is the right person for the post of Outside Director.

8 Hiromi Tokuda

(Nov. 25, 1948)



New

Outside
Director

Independent
Officer

Positions and Areas of Responsibility at the Company, and Significant Concurrent Positions Outside the Company

Career Summary

Apr.	1971	Joined Nippondenso Co., Ltd. (currently DENSO CORPORATION)
Jun.	2000	Director of DENSO CORPORATION
Jun.	2004	Managing Officer of DENSO CORPORATION
Jun.	2006	Senior Managing Director of DENSO CORPORATION
Jun.	2008	Executive Vice President, of DENSO CORPORATION
Jun.	2011	President and CEO, Representative Director of Nippon Soken, Inc. (to present)
Jun.	2014	Adviser, Senior Technical Executive of DENSO CORPORATION (to present)
Jun.	2016	Member of the Board of the Company (to present)

Significant concurrent positions

Adviser, Senior Technical Executive of DENSO CORPORATION
President and CEO, Representative Director of Nippon Soken Inc.

Reasons for nomination

Hiromi Tokuda, based on his extensive experience as a corporate manager, and in-depth knowledge regarding the mobility domain which is being targeted by the Company, will objectively evaluate the Company's management as a whole, and accordingly maintain a sound grasp of the inherent issues and risks facing the Company. We expect that he will provide useful advice on the Company's corporate management overall, and accordingly believe that he is the right person for the post of Outside Director.

10. Independence Standards

The independence standards for independent outside directors and independent outside corporate auditors designated by MCI are as appended.

Appendix

Independence Standards for Independent Outside Directors and Independent Outside Corporate Auditors

In order to be designated by Mitsui Chemicals, Inc. (MCI) as an independent outside director and an independent outside corporate auditor such director or corporate auditor must not fall under any of the following items.

- (1) A person who currently is or has been in the past an executive (such as an executive director, executive officer, senior director, general manager, or other such officer who executes operations) of MCI or a subsidiary of MCI.
- (2) A person for whom MCI is a major business partner* or, if that person is a juridical person, an executive of that person.
*If a business partner has received payments of 2% or more of its annual sales from MCI in any of the past three fiscal years, then MCI is a major business partner thereto.
- (3) A major business partner* of MCI or, if that partner is a juridical person, an executive of that partner.
*If MCI has received payments of 2% or more of its annual sales from a business partner in any of the past three fiscal years, or if a business partner has loaned a monetary amount of 2% or more of MCI's total assets to MCI in any of the past three fiscal years, then that business partner is a major business partner to MCI.
- (4) A large shareholder (a person directly or indirectly holding 10% or more of total voting rights) of MCI or, if that shareholder is a juridical person, an executive of that shareholder.
- (5) An executive of a juridical person for whom MCI is a large shareholder (directly or indirectly holding 10% or more of total voting rights).

- (6) An accounting auditor of either MCI or a consolidated subsidiary of MCI, or a person who is in charge of auditing either MCI or a consolidated subsidiary of MCI as an employee of such accounting auditor.
- (7) An attorney-at-law, judicial scrivener, patent attorney, certified public accountant, certified public tax accountant, consultant, or other such professional who has received money or other assets, other than officer remuneration, from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such assets, this includes any person belonging to such group for which the assets received from MCI exceed 2% of the group's annual revenue).
- (8) A person who has received donations from MCI exceeding an annual amount of JPY 10 million in any of the past three fiscal years (if a group such as a corporation or association receives such donations, this includes any executive of such group for which the donations received from MCI exceed 2% of the group's annual revenue).
- (9) A person whose close relative (meaning a spouse or a relative within the second degree of kinship) falls under any item of (1) to (8) above.
- (10) A person who has fallen under any item of (2) to (9) above in the past three years.
- (11) Notwithstanding the provisions of each preceding item, a person regarding whom there are found to be special circumstances that may cause a conflict of interest with MCI.

5. Policies and Procedures for determining Compensation for Directors and Corporate Auditors

- (1) MCI's basic policies regarding the determination of compensation for directors(excluding outside director) are as follows.
 - (i) Compensation will be commensurate with the entrustment of MCI's management and will be tied to the growth and performance improvement of the MCI Group.
 - (ii) Compensation schemes will be devised to reflect both corporate performance and the performance of the individual director.
 - (iii) Compensation for higher positions will more strongly reflect their contributions to mid- and long-term corporate growth.
 - (iv) We will ensure transparency and maintain accountability to our shareholders and other related parties regarding the determination of compensation for directors.
- (2) Compensation for directors (excluding outside directors) will be comprised of monthly compensation (a fixed amount) and bonuses. The proportion of compensation comprised of bonuses will be appropriately set to function as an appropriate incentive for the sustained growth of MCI.
- (3) Compensation for outside directors and corporate auditors will be comprised solely of monthly compensation (a fixed amount), the level of which will be established referring to third-party surveys regarding compensation for corporate managers in Japan and other information.
- (4) MCI has established the Executive Compensation Advisory Committee as an advisory body to the Board of Directors in order to ensure the suitability of director compensation levels and the transparency of performance evaluations. The president will serve as the chair of the Executive Compensation Advisory Committee, which will be comprised of the representative directors and outside experts.
- (5) The Board of Directors will determine the compensation for MCI's directors after consulting with the Executive Compensation Advisory Committee.

Key Issues (Materiality)

The Mitsui Chemicals Group has identified key issues (materiality) in a bid to secure sustainable growth and development with society.

Process for Identifying Key Issues

In fiscal 2007, we made a clear commitment to “three-axis management”, focusing on the economy, society and the environment. Under the 2014 Mid-Term Business Plan, we clarified our aim of attaining sustainable development in society and the businesses of the Mitsui Chemicals Group in order to “realize a cohesive society that is in harmony with the environment,” “realize health and happiness in an ageing society” and “realize industrial platforms that are in harmony with local communities,” based on our policy of contributing to society through business activities.

In taking on social challenges through business activities, We have identified key issues while considering the opinions of its stakeholders, the qualities of its businesses and the characteristics of the regions in which it operates, based on international guidelines to measure the impact of its business activities on society. We will review as necessary these key issues in light of social trends and changes in its business activities.

Step 1: Identification

Based on international guidelines, we first screened the issues. While drawing up the 2014 Mid-Term Business Plan, the Mitsui Chemicals Group then identified social issues that the chemicals industry must help resolve from the standpoint of contributing to society through business activities.

Step 2: Prioritization

The issues identified in Step 1 are then ranked in order of importance for stakeholders and priority for the Mitsui Chemicals Group. We considered the importance of each issue from the standpoint of stakeholders and whether the Mitsui Chemicals Group is expected to address the issue. In assigning priorities to the issues from the standpoint of the Mitsui Chemicals Group, we took into account our Corporate Mission, Action Guidelines, and business strategies. Based on this evaluation, we selected 23 key issues and ranked them in terms of medium, high and very high priorities.

Step 3: Validation

We solicited opinions from outside experts and confirmed the validity of issues through the CSR Committee with respect to their fairness.

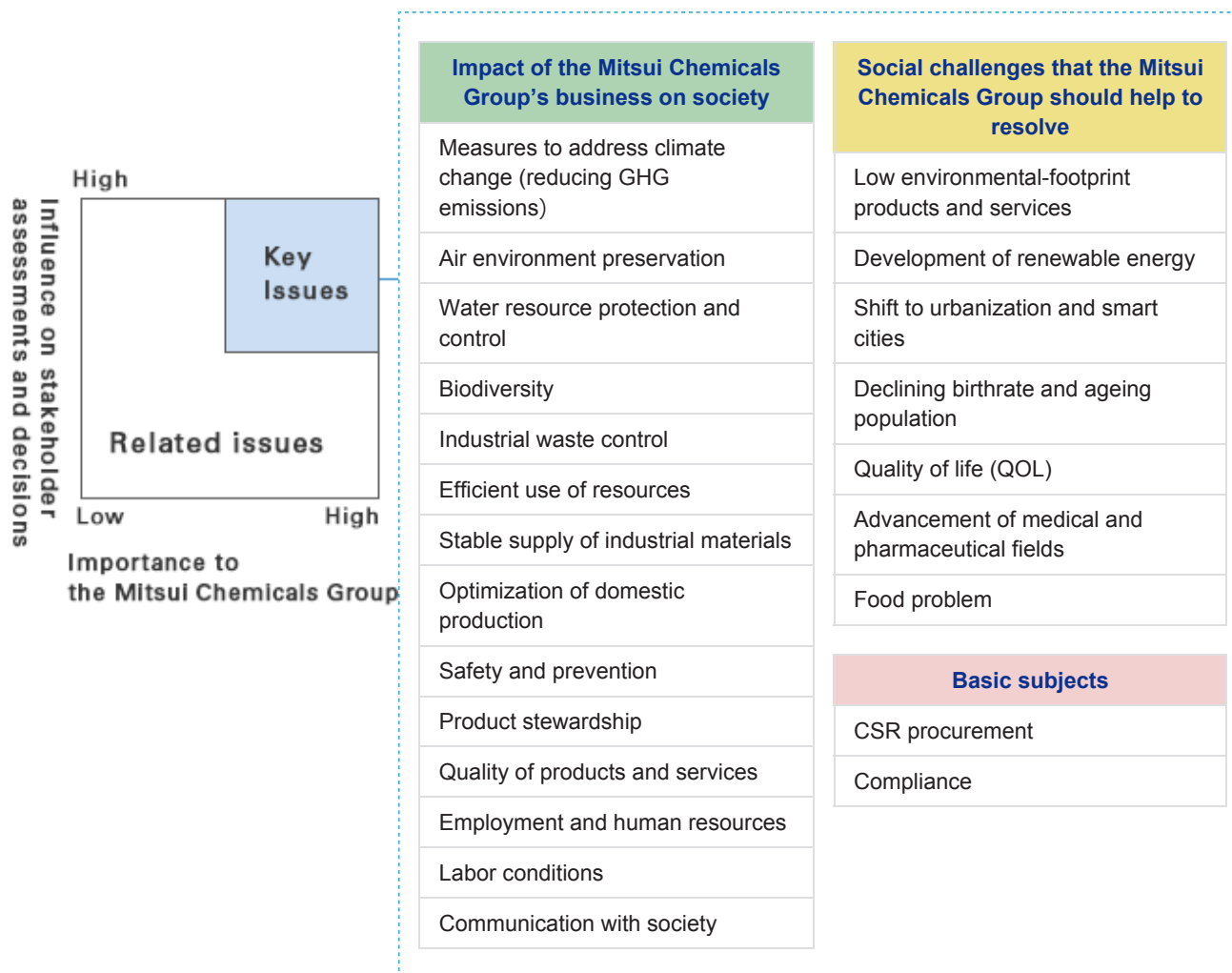
Step 4: Review

The CSR Committee will regularly review the process for identifying key issues. As a part of this review, steps will also be taken to ensure that processes and the setting of targets are in line with social conditions. Then, we will confirm the status of implementation progress.

Identification of Key Issues (Materiality)

The identified key issues were classified as “the impact of the Mitsui Chemicals Group’s business on society,” “social challenges that the Mitsui Chemicals Group should help to resolve,” and “basic subjects.”

Matrix of Key Issues (Materiality)



Key Issues and the Mitsui Chemicals Group’s Response

Social challenges that the Mitsui Chemicals Group should help to resolve

Key Issues

- Low environmental-footprint products and services
- Development of renewable energy
- Shift to urbanization and smart cities
- Declining birthrate and aging population
- Quality of life (QOL)
- Advancement of medical and pharmaceutical fields
- Food problem




The Mitsui Chemicals Group’s Vision

Recognizing that there are numerous outstanding social issues, the Mitsui Chemicals Group undertakes initiatives to reduce environmental impact including climate change as well as addresses problems associated with urbanization, longer life spans, aging societies, and food accompanying rising populations and quality of life.

We will move forward to solve these social issues along with growing our operations by leveraging our business portfolio consisting of Mobility to provide low environmental-footprint products and services, develop renewable energy, and respond to urbanization and smart cities; Healthcare to address rising quality of life accompanying declining birthrates and aging populations, and advance medical and pharmaceutical fields; and Food & Packaging to solve food-related problems. In addition, promoting environmental assessments using its unique environmental contribution benchmark, Blue Value™, the Mitsui Chemicals Group will share the environmental contribution value of its products and technologies throughout the value chain with stakeholders.

The Mitsui Chemicals Group's initiatives

- Create/expand Products and Services in the Mobility Domain
- Promote the Environment & Energy Business
- Create/expand Products and Services in the Healthcare Domain
- Create/expand Products and Services in the Food & Packaging Domain

-  Social Challenges that the Mitsui Chemicals Group Should Help to Resolve
-  The Mitsui Chemicals Group's Business Portfolio that Helps to Resolve Social Challenges
-  Creating a Better Future with Blue Value™

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Impact of the Mitsui Chemicals Group's business on society

Key Issues

- Measures to address climate change (reducing GHG emissions)

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group aims to reduce greenhouse gas (GHG) emissions by 22% (compared with fiscal 2005, operating at full capacity) primarily at six of its domestic manufacturing sites and 15 domestic consolidated subsidiaries by fiscal 2016 as part of its efforts realize a low-carbon society.

The Mitsui Chemicals Group's initiatives

- Preventing Global Warming

-  Responsible Care Policy
-  Environmental Protection Management System
-  Preventing Global Warming

Key Issues


- Air environment preservation

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group undertakes appropriate management in accordance with the law and ceaselessly works to improve by taking into consideration the impact of chemical substances leaking into the atmosphere.

The Mitsui Chemicals Group's initiatives

- Management of Substances Subject to the PRTR Act

-  Responsible Care Policy
-  Environmental Protection Management System
-  Substances Subject to the PRTR Act

- Preserving air quality

-  Responsible Care Policy
-  Environmental Protection Management System
-  Preserving air quality

Key Issues





- Water resource protection and control

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group also identifies as a key global issue the protection of water resources, a limited natural resource, and promotes the efficient use of water by appropriately managing and continuously improving the handling of such water contaminants as chemical oxygen demand (COD), nitrogen, and phosphorus.

The Mitsui Chemicals Group's initiatives

- Preserving Water Quality

 Responsible Care Policy  Environmental Protection Management System  Philosophy on Water Resources
 Preserving Water Quality

Key Issues



- Biodiversity

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group will work to preserve biodiversity and its sustainable use in its business operations by ensuring the safe management of chemicals.

The Mitsui Chemicals Group's initiatives

- Preservation of Biodiversity

 Responsible Care Policy  Environmental Protection Management System  Biodiversity

Key Issues

- Industrial waste control

The Mitsui Chemicals Group's Vision

We reduce and recycle waste at all of our domestic manufacturing sites and overseas affiliates in order to conserve resources. We will continue to work as a group to reduce final landfill waste.

The Mitsui Chemicals Group's initiatives

- Reducing Industrial Waste

 Responsible Care Policy  Environmental Protection Management System  Reducing Industrial Waste

Key Issues

- Efficient use of resources

The Mitsui Chemicals Group's Vision

We are engaging in initiatives focused on promoting energy saving, switching to alternative fuels, creating innovative processes, and using renewable energy sources.

The Mitsui Chemicals Group's initiatives

- Environmentally friendly production technologies

 Preserving air quality

Key Issues

- Stable supply of industrial materials

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group ensures the safety of industrial materials processed into products that are then transformed

into finished items used in various fields and throughout our daily lives. We are contributing to economic activities by safely manufacturing and stably providing these materials to society.

The Mitsui Chemicals Group's initiatives

- Restructuring

Key Issues

- Optimization of domestic production

The Mitsui Chemicals Group's Vision

Along with training personnel to deepen frontline capabilities in all areas—manufacturing, sales and research, the Mitsui Chemicals Group will support industrial platforms.

The Mitsui Chemicals Group continues to focus its efforts on contributing to the sustainable development of regions.

The Mitsui Chemicals Group's initiatives

- Establish an Optimal Production System

Key Issues

- Safety and prevention

The Mitsui Chemicals Group's Vision

Safety is a prerequisite for a company to remain in business, and the Mitsui Chemicals Group makes concerted efforts to ensure safety as a core management policy for prioritizing safety in all aspects of its operations. The Mitsui Chemicals Group is focusing all of its efforts on thoroughly implementing safety measures in order to be recognized by society as a company with an exemplary safety record.

Working as a unified Group, Mitsui Chemicals will continue to focus on preventing accidents and occupational injuries.

The Mitsui Chemicals Group's initiatives

- Process Safety and Disaster Prevention

 Process Safety and Disaster Prevention

- Occupational Health and Safety

 Occupational Health and Safety

Key Issues

- Product stewardship

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group engages in chemical substance management in each country as a part of efforts to support the international pledge of the World Summit on Sustainable Development (WSSD) to minimize the negative impact of chemicals on people's health and the environment by the year 2020.

In addition, Mitsui Chemicals works accurately understand and comply in a timely manner with the latest laws and regulations for the management of chemical substances in each country.

At the same time, we are taking steps to ensure people's health and preserve the environment by evaluating the risks posed by chemical substances throughout the product lifecycle—from development to disposal—then managing them effectively.

The Mitsui Chemicals Group's initiatives

- Chemical Management

 Chemical Management

Key Issues


- Quality of products and services

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group makes every effort to increase customer satisfaction by continuously improving quality management via a two-pronged approach based on quality control ("built-in quality activities") and quality assurance ("winning customer trust activities") as well as by enhancing the quality of its products and services.

The Mitsui Chemicals Group's initiatives

- Quality management

 Quality

Key Issues

- Employment and human resources

The Mitsui Chemicals Group's Vision

Here at the Mitsui Chemicals Group, we work to giving our employees a sense of personal and professional motivation while maximizing organizational performance based on our Human Resources Management Policy

The Mitsui Chemicals Group's initiatives

- Human resources development
- Diversity Promotion

 Working with Our Employees Management System  Human Resources Development  Promoting Diversity

Key Issues

- Labor conditions

The Mitsui Chemicals Group's Vision

We consider employees to be important stakeholders who have a role to play in realizing our Corporate Mission. Working to strike a balance between the sustainable growth of the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees, our goal is to create a relationship in which the Company and its employees stimulate and actively enhance one another.

Recognizing the value of our diversified staff, we will foster a working environment (i.e. occupational health policies that include health management) that maintains work-life balance for employees.

The Mitsui Chemicals Group's initiatives

- Creating an Employee-Friendly Working Environment
- Employee Health

 Working with Our Employees Management System  Creating an Employee-Friendly Working Environment
 Employee Health

Key Issues

- Communication with society

The Mitsui Chemicals Group's Vision

The Mitsui Chemicals Group recognizes the critical need to be as receptive as possible to the requirement of stakeholders, and in an effort to maintain our sense of purpose as a member of society, to think carefully about what people want and what they expect from us. With this in mind, we are fully committed to engaging in a wide range of activities while taking to heart the importance of communication with our various stakeholders.

The Mitsui Chemicals Group's initiatives

- Respect for Human Rights
 -  Respect for Human Rights
- Working with Our Shareholders and Investors
 -  Working with Our Shareholders and Investors
- Working with Industry, Government, and Academia
 -  Working with Industry, Government, and Academia
- Working with Local Communities
 -  Working with Local Communities
- Social Contribution Activities
 -  Social Contribution Activities

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Basic subjects


Key Issues

- CSR procurement

The Mitsui Chemicals Group's Vision

As we regard all of our suppliers as good partners here at the Mitsui Chemicals Group, we formulated the Mitsui Chemicals Group Purchasing Policy. We have been purchasing supplies in accordance with this policy ever since. We procure from suppliers who comply with laws, regulations and rules, and who share our values with respect to human rights and the environment.

The Mitsui Chemicals Group's initiatives

- Conflict minerals
- CSR procurement survey
 -  Working with Our Suppliers

Key Issues

- Compliance

The Mitsui Chemicals Group's Vision

We need to be entities that can be trusted by society if we are to continue to exist. With a view to accomplishing this objective, the Mitsui Chemicals Group placed “Compliance with laws and regulations” (compliance) as the No. 1 item on the list of the “Mitsui Chemicals Group Action Guidelines” established in 2006. We pursue initiatives on the basis of ethics and generally accepted ideas, which are not specifically defined, not to mention the importance of observing laws, regulations, and rules.

The Mitsui Chemicals Group's initiatives

- Legal compliance
 -  Action Guidelines
 -  Risk and Compliance

CSR in the Mitsui Chemicals Group

Solving Social Challenges through Business Activities



The Mitsui Chemicals Group engages in CSR activities based on the 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.

▼ Toward the Sustainable Development of Society

► CSR Management

► Creating a Better Future with Blue Value™

► Commitment to ISO 26000

► UN Global Compact

Toward the Sustainable Development of Society

In the 2014 Mid-Term Business Plan, we again verified the Group's CSR concept and direction based on various discussions. We also clarified our ideal vision of the future and our commitment to helping solve social issues through our business activities. By identifying our optimum business portfolio from those social challenges that we should help to resolve and based on our strong operating base, we will continue to help resolve social challenges through our business activities to more than ever enable the sustainable development of society and the Group.

In order to contribute to society through our business activities, we have identified key issues. In doing so, we referred to a wide range of sources including a variety of international guidelines to determine the various elements of our business activities that impact society. We also took into consideration the attributes of each business as well as the regions in which we operate together with the opinions of stakeholders.

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.

Five social contribution areas

Five Areas	The Specific Significance of Social Contribution
Promoting human well-being	To help resolve social issues that are attracting attention on a global scale
Contributing to the value of shareholders' investments	Dividend / share price appreciation = Business expansion, increased earnings
Increasing customer satisfaction	To provide high-quality products and services
Contributing to local communities	Safety and the environment, regional employment, tax payments, regional activities
Promoting the happiness and fulfillment of employees	Employment, increased salaries and wages, improved skills / motivation, work-life balance

Corporate Target

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

- Aims of the Mitsui Chemicals Group
- Action Guidelines
- Responsible Care Policy
- Basic Approach to Biodiversity
- Basic Philosophy on Water Resources
- Basic Philosophy on Human Rights
- Human Resources Management Policy of Mitsui Chemicals Group
- Purchasing Policy
- Social Activities Policy

The Mitsui Chemicals Group's Core Values

In August 2012, we set out the Core Values of the Mitsui Chemicals Group. These Core Values encapsulate the principles that underpin the Corporate Mission and Action Guidelines that we already have in place.

< The Mitsui Chemicals Group's Core Values >

Challenge

Diversity

One Team


The aim of these Core Values is to capture the spirit of everyone working at Mitsui Chemicals Group sites around the world and to act as a unifying force, ensuring that we are all working toward the same goals. These Core Values are also intended to serve as guidelines when making decisions and carrying out operations on a global scale. Our Corporate Mission here at the Mitsui Chemicals Group is to create innovative materials and provide high quality products and services to customers to benefit society as a whole, while at the same time working in harmony with the environment. In order to put this into practice, we will take these values to heart, as a set of guidelines governing our day-to-day decisions, actions and communication.

Social Challenges That the Mitsui Chemicals Group Should Help to Resolve

The Mitsui Chemicals Group will contribute to "the realization of a cohesive society that is in harmony with the environment", "the realization of health and happiness in an aging society", and "the realization of industrial platforms that are in harmony with local communities" through its business activities, which revolve around the three economic, environmental, and social axes.



The Mitsui Chemicals Group has identified key issues in its efforts to realize ideal society described above.

 Key Issues

The Mitsui Chemicals Group's Robust Platform

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

Targeted Growth Business Domains



Mobility



Healthcare



Food & Packaging

Business domains that support society and industry



Basic Materials

Sustainable development of society and the Mitsui Chemicals Group

The Mitsui Chemicals Group's Business Portfolio

Mobility

The mobility market, in line with society's needs, is increasingly looking for solutions to make its products lighter, more fuel efficient, comfortable, attractive, and safe.

The Mitsui Chemicals Group uses its comprehensive strengths, including its polymer science elemental capabilities, such as compound, catalysis, material design, and polymerization technologies to contribute to improved performance of mobility related products, with a focus on automotive materials, in which it has long years of experience.

Healthcare

Declining birthrates and aging populations in developed countries together with economic growth in emerging countries have triggered an upswing in health-related needs.

The Mitsui Chemicals Group is developing and providing a wide range of products in such fields as ophthalmic lens materials, dental materials, and nonwoven fabrics for hygiene materials to help improve people's quality of life (QOL) and realize health and happiness in an ageing society.

Food & Packaging

The food and packaging market is focusing on ways to address the global-scale shortage of food.

The Mitsui Chemicals Group works diligently to address a wide variety of needs in the food domain by developing high-performance agrochemicals that are essential to securing the safe and stable supply of food while at the same time providing highly functional packaging films.

Basic Materials

The Mitsui Chemicals Group provides materials and technologies to broad markets in Japan and overseas as a part of efforts to build a business platform that supports industry and the local community.

CSR in the Mitsui Chemicals Group

Solving Social Challenges through Business Activities



The Mitsui Chemicals Group engages in CSR activities based on the 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.

► Toward the Sustainable Development of Society

▼ CSR Management

► Creating a Better Future with Blue Value™

► Commitment to ISO 26000

► UN Global Compact

CSR Management

The Mitsui Chemicals Group is engaging in business activities that underpin efforts aimed at contributing to society as well as the assumptions and foundation of its corporate existence such as risk management, legal compliance, safety, Responsible Care and social contribution. In this manner, the Group is endeavoring to meet the requirements of a variety of stakeholders and to ensure its sustainable development in concert with society.

In addition to setting up the CSR, Risk & Compliance and Responsible Care committees, Mitsui Chemicals is pushing forward a host of initiatives. This includes putting in place related policies, strategies and plans as well as a structure to monitor activities and review results.

With this in mind, supervisory CSR departments have been set up at each of our sites, branches and affiliates. Under this structure, we are working to promote CSR in line with their respective characteristics, while also reinforcing collaboration within the Group.

CSR Promotion Framework

CSR Committee

Mitsui Chemicals' CSR Committee, which is chaired by the President is responsible for discussing and finalizing matters related to the implementation of a PDCA cycles with respect to a wide range of issues including plans and policies relating to CSR activities within the Mitsui Chemicals Group.

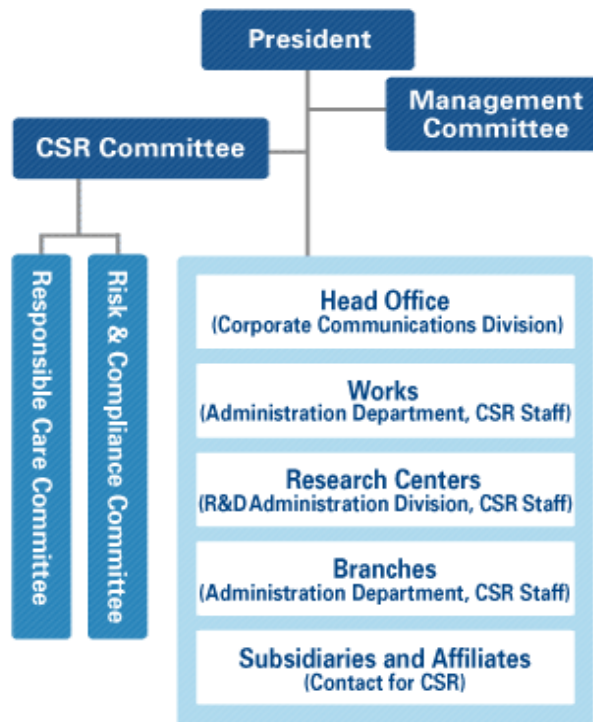
Membership of the CSR Committee was extended to include the heads of all divisions within the Company (directors and business sector presidents) in fiscal 2010. This initiative was aimed at aligning the Group's business activities more closely with its CSR measures thereby facilitating efforts to help resolve social issues. At the same time, extending membership also serves to promote in-depth and specific discussions. Having clarified the direction of our CSR activities and emphasizing the need to help resolve social issues through every facet of our business, we recognize that close collaboration with each business sector through the CSR Committee forum will also become increasingly important going forward.

Risk & Compliance Committee

The Risk & Compliance Committee has been established as a separate entity from the CSR Committee in order to put in place specific policies, strategies, and plans in the areas of risk management and regulatory compliance.

Responsible Care Committee

The Company has established the Responsible Care Committee as a separate entity from the CSR Committee. Among its various duties, the Responsible Care Committee puts forward policies, strategies and plans and evaluates the performance of RC-related activities.



Coordinating CSR with the Mid-Term Business Plan

In the process of formulating our 2014 Mid-Term Business Plan, we discussed the future concept and direction of the Group's CSR and further clarified what we consider important, namely helping to solve social challenges through business activities. Going forward, we will also promote CSR activities in conjunction with the Mid-Term Business Plan.

➡ 2014 Mid-Term Business Plan

CSR in the Mitsui Chemicals Group

Solving Social Challenges through Business Activities



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► UN Global Compact

Creating a Better Future with Blue Value™

What contribution can the chemicals industry make to create a sustainable society? The Mitsui Chemicals Group believes the answer lies in sharing value with its customers. With this in mind, we developed Blue Value™ in 2015.

Including the Group's materials and products, chemical products pass through a variety of life cycles, from manufacturing and processing to ultimate disposal after actual use. At each life cycle stage we have considered if links can be made to the further environmental orientation of products by visualizing what kinds of environmental loading reductions can be made and sharing them 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 various types of environmental loading within our product value chains.

Having undertaken checks for the transparency and objectivity of the evaluation process and reviewed the degree to which the checks are understood, the Group's products evaluated utilizing m-SI on the basis of the three environmental contribution elements—CO₂ reduction (A Low-Carbon Society), resource protection (A Recycling-based Society), and co-existence with nature (A Symbiotic Society)—are ultimately certified as exhibiting Blue Value™ as complete products and technologies.

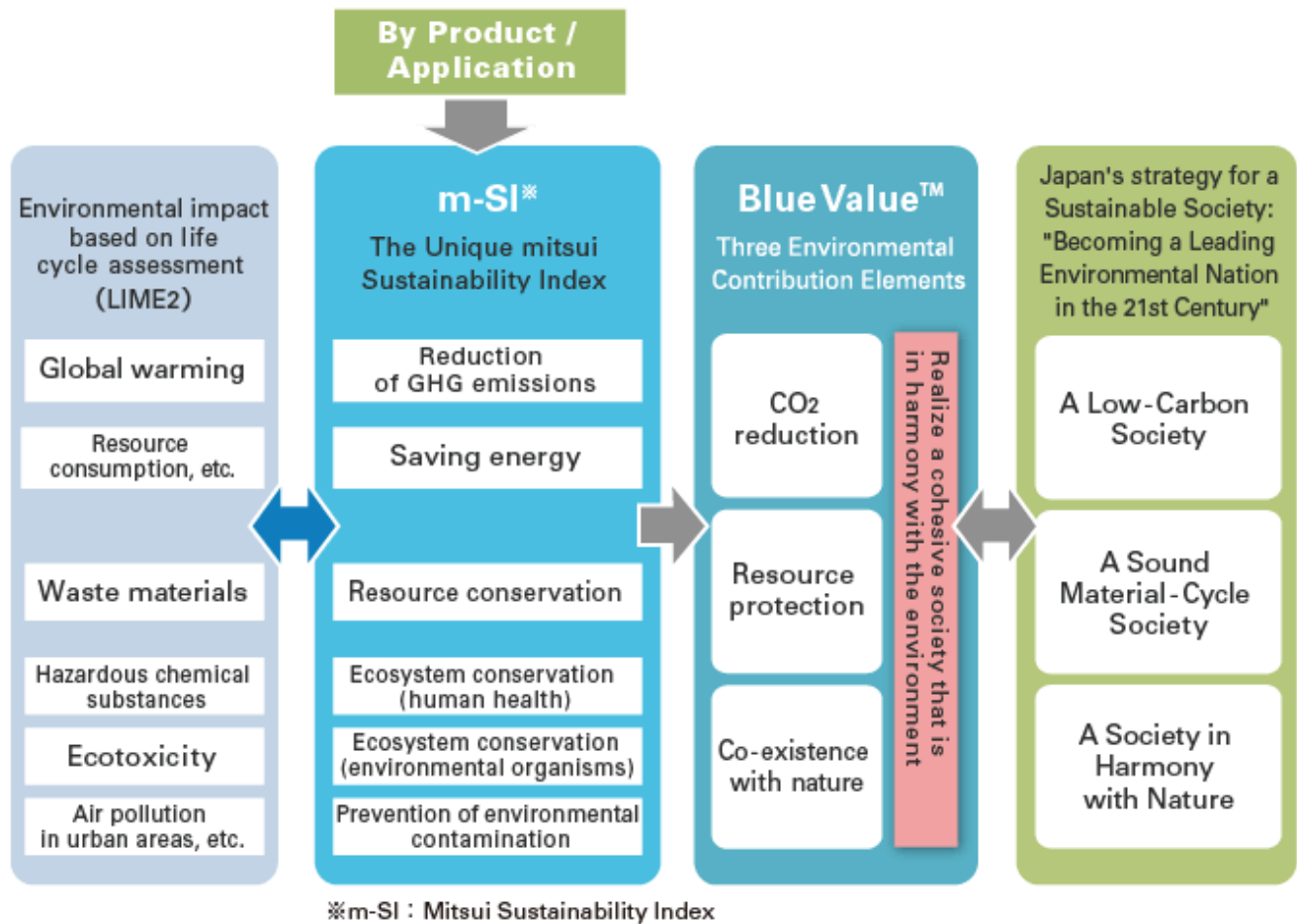
Products that help to “realize a cohesive society that is in harmony with the environment,” as promoted in the 2014 Mid-Term Business Plan, have undergone wide-ranging Blue Value™ evaluations and reviews.

As examples of products that have newly received Blue Value™ certification, there are ARLEN™ and AURUM™, which as materials to replace metals in automotive applications display exceptional high-temperature rigidity and dimensional stability and are contributing to improved fuel efficiency. Also, in food packaging applications, there is ECONEIGE™, which contributes to reducing the amount used by using air to facilitate its shielding properties and to the saving of resources by negating the need for printing.

Having identified “low environmental-footprint products and services” as a key issue (Materiality), the Mitsui Chemicals Group is helping to resolve social issues by reducing environmental load throughout the value chain by expanding the deployment of Blue Value™ products and technologies.

* LCA (Life Cycle Assessment) :

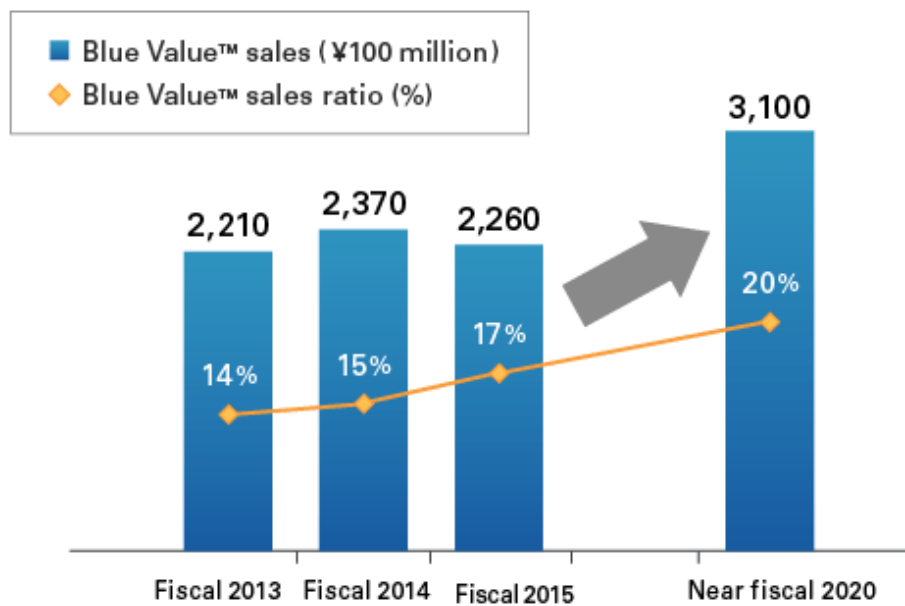
A method of quantitatively assessing the environmental impact of products at all stages, including development, manufacturing, transport, use, and disposal.



Blue Value™ Evaluation Criteria

	The Mitsui Chemicals Group's environmental contribution elements	m-SI mitsui-Sustainability Index	
		Blue Value™ evaluation criteria	Assessment criteria
1	CO ₂ reduction (A Low-Carbon Society)	Saving energy, electricity, fuel Reduction of GHG emissions	Weight-saving / Volume reduction Long-life Natural energy sources Non-petrochemical raw materials Environmental cleanup
2	Resource protection (A Sound Material-Cycle Society)	3R, easy sorting, natural resource conservation	
3	Co-existence with nature (A Society in Harmony with Nature)	Ecosystem conservation (human health)	
		Ecosystem conservation (environmental organisms)	
		Prevention of environmental contamination	

Trends in Blue Value™ Product Sales



※ In fiscal 2015, Blue Value™ sales amounted to approximately ¥226 billion, a decline compared with fiscal 2014 caused by a downturn in product sales amid falling naphtha and other raw materials prices. However, the ratio of Blue Value™ sales accounted for in Group sales rose from 15% to 17%.

Examples of Blue Value™ Product Contributions across Various Product Life Cycle States (Products in the Mobility Domain)

Product	Usage	Product life cycle stage	Blue Value™ determination reason	Relevant environmental contribution elements		
				1	2	3
ECONICOL™	Sheets	Materials	Reduce fossil fuel resource consumption through the use of bio-based raw materials	○	○	
TAFMERTM™	Bumpers	Manufacturing	Reduce energy consumption during the manufacturing stage through the use of catalysts (the promotion of chemical reactions) that enhance productivity	○		
Mitsui EPT™	Weather-strip sponge	Manufacturing	Reduce energy consumption during the manufacturing stage through the use of catalysts (the promotion of chemical reactions) that enhance productivity	○		
Polypropylene (PP) compounds	Bumpers, instrument panel	Processing	Reduce GHGs by 13.3% by eliminating the painting process	○	○	
ECONEIGE™	Food packaging materials	Processing	Whitens by facilitating shielding properties with a void, negates need for white printing	○	○	
ADMERTM™	Adhesive polyolefins for fuel tank use	Use	Enable reduction in weight by 10-30% through the use of alternatives to metal tanks	○		
AdBlue™	Exhaust gas (NOx) reduction agent	Use	Reduce NOx emissions that lead to fuel conservation	○		○

ARLEN™	ABS pistons	Use	Enables weight reduction of 60% by replacement of metal parts	<input type="radio"/>		
AURUM™	Turbo seals	Use	Enables weight reduction of 60–80% by replacement of metal parts	<input type="radio"/>		

* Various product life cycle stages :



CSR in the Mitsui Chemicals Group

Solving Social Challenges through Business Activities



The Mitsui Chemicals Group engages in CSR activities based on the 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.

► Toward the Sustainable Development of Society

► CSR Management

► Creating a Better Future with Blue Value™

▼ Commitment to ISO 26000

► UN Global Compact

Commitment to ISO 26000

ISO 26000, the international standard for social responsibility, was released in November 2010. Applicable to all organizations not just companies, the standard provides guidance specifying an organization's social responsibilities and how they should go about fulfilling those responsibilities.

Unlike other ISO standards, there is no certification requirement with ISO 26000. As a company that has always been receptive to feedback from stakeholders and made every effort to incorporate stakeholders' opinions into its activities however, the Mitsui Chemicals Group nonetheless operates in accordance with this ISO guidance because it helps the Group to reaffirm the importance of its initiatives and assign priorities. Moreover, in following ISO 26000, we are better positioned to confirm the nature of our various activities from an external perspective.

We will be using the following format to outline our initiatives, in line with the seven core social responsibilities subjects set out under ISO 26000.

 ISO 26000

CSR in the Mitsui Chemicals Group

Solving Social Challenges through Business Activities



The Mitsui Chemicals Group engages in CSR activities based on the 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.

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UN Global Compact

We signed up to the UN Global Compact in January 2008. In doing so, Mitsui Chemicals acknowledged its support and commitment to help tackle a wide range of global issues and to promote sustainable growth as a responsible corporate citizen. ISO 26000, which provides guidance on how businesses and organizations can operate in a socially responsible way, was published in 2010. In 2015, the “Transforming our world: 2030 Agenda for Sustainable Development” was adopted at the United Nations Sustainable Development Summit. Mitsui Chemicals will help resolve many of the issues confronting the world today through its business activities while taking into consideration the 10 principles espoused under the United Nations Global Compact.



United Nations Global Compact 

The 10 principles of the UN Global Compact			Reference pages (website)
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	Respect for Human Rights Purchasing Policy CSR Procurement Human Resources Development
	Principle 2	make sure that they are not complicit in human rights abuses.	Respect for Human Rights Purchasing Policy CSR Procurement Human Resources Development
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	Labor-Management Relations Based on Frank Dialog and Mutual Understanding
	Principle 4	the elimination of all forms of forced and compulsory labour;	Respect for Human Rights CSR Procurement
	Principle 5	the effective abolition of child labour; and	Respect for Human Rights CSR Procurement
	Principle 6	the elimination of discrimination in respect of employment and occupation.	Key Issues (Materiality) Special Feature - Human Resources Management Respect for Human Rights Human Resources Development Promoting Diversity
	Principle 7	Businesses should support a precautionary approach to environmental challenges;	Key Issues (Materiality) Creating a Better Future with Blue Value™ Preventing Global Warming Biodiversity

Environment	Principle 8	undertake initiatives to promote greater environmental responsibility; and	<p>Key Issues (Materiality)</p> <p>Creating a Better Future with Blue Value™</p> <p>Renewable Energy-Related Business</p> <p>Responsible Care Policy and Management</p> <p>Purchasing Policy</p> <p>Promotion of Chemicals Management</p> <p>Environmental Accounting</p> <p>Preventing Global Warming</p> <p>Reducing Industrial Waste</p> <p>Substances Subject to the PRTR Act</p> <p>Preserving air quality</p> <p>Philosophy on Water Resources</p> <p>Preserving Water Quality</p>
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	<p>Creating a Better Future with Blue Value™</p> <p>Main Products that Contribute to Harmony with the Environment and Sustainable Development</p> <p>Renewable Energy-Related Business</p> <p>Responsible Care Policy and Management</p> <p>Promoting Joint Research Projects</p>
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	<p>Key Issues (Materiality)</p> <p>Risk Management Framework</p> <p>Risk Prevention Measures</p> <p>Promoting Compliance</p>

Lecture on the Creation of Long-Term Corporate Value by Mr. Eiichiro Adachi



In 2015, the adoption of the United Nations' 2030 Agenda for Sustainable Development (SDGs) and the Paris Agreement at the 21st Conference of Parties for the Framework Convention on Climate Change (COP21) represent the shared recognition within the international community that the world should aim for a sustainable society. For the Mitsui Chemicals Group, fiscal 2016 is the final year of its 2014 Mid-Term Business Plan, which clarifies its stance on contributing to society through business activities.

On July 20, 2016, Mr. Eiichiro Adachi from the Japan Research Institute, Limited gave a presentation to the management team at Mitsui Chemicals, who took advantage of this opportunity to reconsider the direction the Group should take toward realizing the sustainable development of society and the Mitsui Chemicals Group.

A diverse pool of human resources that provides the underlying strength of our businesses and technologies together with an organizational culture that recognizes safety as a top priority provide the impetus for generating value. At the same time, these features are critical for the Mitsui Chemicals Group to secure sustainable growth in concert with society. As a corporate group that is endeavoring to secure a robust global presence in the chemical industry, developing our human resources and ensuring safety on a worldwide basis are vital to further strengthening our management platform and accelerating the pace of overseas business development.



Strengthening Our Global Management Foundation: Human Resources Management

Securing and fostering human resources for management positions is vital for ensuring a strong global business foundation. At every level, whether parent company, overseas subsidiary or affiliate, we have been preparing to implement human resource management under a common global framework.

We believe that the diversity that rises from mutual exchanges of people with different backgrounds will prove a strong competitive resource that will produce wide-ranging value and strengthen our business foundation.

This special feature shines a light on the Group's stance toward human resources management and outlines details of the qualities essential to taking a leadership role while touching on such items as employees who are excelling on the world stage and diversity management.



Dialogue: Steady efforts to cultivate a safety culture!

At our production sites overseas, we are responsible for the stable supply of the Group's products to customers. To achieve this, it is essential that management ensures safe production activities, which is the most important thing for the survival of our company.

Based on our management policy of making safety a top priority, we are improving efforts to instill an awareness of fundamental safety, accumulating and passing down product technologies and cultivating a safety culture. We are expanding these same efforts in Japan to our overseas production sites.

In this special feature, we report on a discussion between Dr. Masamitsu Tamura, Professor Emeritus of the University of Tokyo and the recognized authority on safety engineering, and Tsutomu Tannowa, President & CEO of Mitsui Chemicals, Inc.

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Corporate sustainability and the sustainability of the planet and society are two sides of the same coin

The Corporate Governance Code has been adopted as a part of Abenomics to enhance the profit-making potential of Japanese corporations. I am particularly interested in the second General Principle of the Code, which states that companies should have corporate philosophies that focus on the improvement of corporate value over the medium and long terms, as well as the point that companies should take proper actions to address issues related to sustainability, including social and environmental issues. I believe this is evidence that the notion has broadly taken hold that **sustainable growth at companies would not be possible without favorable relationships with stakeholders, or to take it one step further, without a healthy planet and society**. The word "sustainability" has become quite popular recently. However, corporate **management tends to focus on "corporate sustainability", the side of the coin opposite to "sustainability of the planet and society"**. As one and the same, sustainability has become a major trend supported by people around the world.

Investors who focus all the more on corporate risks and opportunities

What exactly does it mean to consider the creation of value for all stakeholders and to properly address issues related to sustainability? I believe the answer to this question is embodied in a company's responsibility to society. In other words, **attention has been drawn to the risks triggered by companies as well as the opportunities they create worldwide**. This is the main point of my presentation today. Investors have come to focus more on these risks and opportunities. One aspect of corporate strategy is deciding on which investors to attract for support, and **many companies have begun to concern themselves with socially responsible investing and ESG investing**.

Companies are nearing a turning point for understanding risks and opportunities

Most companies have used the words "risks" and "opportunities" when discussing business, but I think that a new understanding of these concepts is needed. To date, the word "risk" has been used to mean the emergence of factors that adversely affect corporate activities, and **it has often been used in reference to negative external factors that a company confronts**. In addition, however, I believe that **risk must also be understood to mean the negative impact that companies can have on society**, or the emergence of negative factors due to corporate activities. On the other hand, **business opportunity** has been often used within **the context of the economic value that companies create and acquire**. Here, I believe **opportunity must also be understood to mean the potential and emergence of positive**

outcomes on social issues from corporate activities. It would be misleading to say that economic value comes later; this concept is concerned with how corporate activities can benefit society, centered on addressing social issues. Once these concepts are embedded in an organization, **companies should aim to minimize the negative impact (i.e., risk) they have, while maximizing the positive impacts (i.e., opportunity) they have on society**, in my opinion.

	Traditional understanding	New understanding
Risk	Emergence of factors that negatively impact corporate activities	Emergence of negative factors due to corporate activities
Opportunity	Economic value created and acquired by companies	Potential and emergence of positive outcomes on social issues from corporate activities
Companies should aim to minimize the negative impact (i.e., risk) they have, while maximizing the positive impacts (i.e., opportunity) they have on society		

A balance is needed between addressing present risks and future risks

Every year, the World Economic Forum is held in Switzerland, which culminates in the publication of The Global Risks Report. The 2016 report identified risks that are the most likely to materialize over the next 10 years and risks that could have the greatest impact on society. The top risks in each category are “large-scale involuntary migration” and “failure of climate-change mitigation and adaptation.” Ironically, the top concerns of people are now a risk that is present today and a risk that is likely to materialize over the long term, even though it has not taken visual form yet. I believe **the day has come where management must delicately steer their companies among near-term risks and long-term risks.** In global operations in particular, I think that the addressing of risk from the standpoint of head offices in Japan may not align with international perceptions of risk.

Approach to risk management a yardstick for company evaluation

According to a report published by the Sustainability Accounting Standards Board in the U.S., the main sustainability-related risk factors for the chemicals sector are 1) the environment, 2) business models and innovation, and 3) leadership and governance. With regards to the second factor, the report focuses on the safety and environmental stewardship of chemicals. It also states that companies should design products for use-phase efficiency by their end users. Indeed, Mitsui Chemicals has taken a stance that aligns with the concept of creating value from the end user's perspective. With regards to the third factor, the report states that the largest risks are political spending as well as health, safety and emergency management. All said, these risk factors may seem rather obvious. Nonetheless, I would like to stress **that investors, analysts and fund managers interested in sustainability will take reports such as this one into account in their analysis and evaluation of companies.**

Risk factors in the chemical sector

1. Environment

- Greenhouse gas emissions ■ Air quality ■ Energy & feedstock management ■ Water management
- Hazardous waste management

2. Business model and innovation

- Safety and environmental stewardship of chemicals ■ Product design for use-phase efficiency*

* These items may be better understood to represent opportunities instead of risks

3. Leadership and governance

- Political spending ■ Health, safety and emergency management

Source: Sustainability Accounting Standards Board's Chemicals Industry Brief

Strategy for contributing to attainment of SDGs

Many cutting-edge companies have based their strategies on the U.N.'s sustainability development goals (SDGs). In 2015, the U.N. summarized in 17 goals and 169 targets as a path toward solving global social issues by 2030. Governments, university research institutions and corporations have become increasingly aware that they must work together toward achieving these SDGs as issues affecting the entire world.

The task at hand is to figure out how business resources can contribute to the attainment of these 17 SDGs. The Mitsui Chemicals Group has clarified the social issues that it should address in its 2014 Mid-Term Business Plan, and is changing its business portfolio accordingly. I believe there is a very compelling story here. I would like to **see the next chapter of this story written about the company's strategy for solving social issues based on the SDGs, and integrating this strategy with its operations,** from the standpoint of advancing this initiative further.

Aiming for CSR to be truly synonymous with management

The Mitsui Chemicals Group, in addition to many other Japanese companies, aims to contribute to the resolution of social issues through business activities, and to make CSR an integral part of management. In my conversations with other companies, I often hear stories about running into roadblocks. I believe these stories can be divided into three categories. The first category entails the opinion that **companies have a hard time internally discussing the adverse impact of their activities.** The second category comprises the idea that **top management must have the willpower to change the business portfolio and reallocate management resources as necessary, while considering risks and opportunities.** The third category questions **the best approach to solving dilemmas that arise when achieving short-term results.** While discussing how to solve these issues internally and raising issues to a higher level, the Mitsui Chemicals Group **should aim to achieve CSR that is truly synonymous with management.** I believe this will become evident in how social issues are understood internally and the state of business transformation, and would like to see this conversation move toward solutions.

A long-term vision is vital because of turbulence now

Recently, I have heard comments that environmental problems and CSR are issues of lesser importance in the broader world view, and that it is a luxury for companies to discuss social responsibility. Indeed, **the world appears to be spinning on a different axis** in light of the crisis in Crimea, war in Syria, ISIS, the problem of China, and the U.K. leaving the European Union. In 1989 when the Berlin wall came down, it is my understanding that the world was supposed to take a step toward the ideals of greater freedom and unification, but the disparities that became evident as a result seem to have pushed the world toward greater restrictions and fragmentation instead. Paradoxically, because times are turbulent now, I think that **companies should aspire to a long-term vision as a means of avoiding unnecessary turbulence.** I believe **Japanese companies are expected to show a conviction that managing risks and seizing business opportunities will lead to greater corporate value over the long term.** The debate over sustainability and long-term issues will continue in the course of corporate management. I believe the Mitsui Chemicals Group has taken these issues to heart and is making sound progress along this path.



Managing Director Matsuo | The concepts of risk and opportunity are complex, and always involve a tradeoff between the two. A risk to one stakeholder may be an opportunity for another stakeholder. Or the nature of risks and opportunities may change with the times. I feel that there are complex issues involved with deciding how to take a long-term view of this. What is your advice?

Mr. Adachi | You raise a good point. Working to draw up ISO standards, I have debated with over four hundred experts from countries around the world over a period of five years. I had my own impression that Japanese companies were bad at recognizing risk. Instead of waiting patiently for the storm to pass when encountering turbulence, I think **companies should improve their ability to recognize a risk** for what it is.

From time to time, there are conflicts of interest between the short term and the long term. Two different stakeholders may also have conflicts of interest. While these conflicts present dilemmas, **a number of companies in Europe and the U.S. are apparently having discussions at the management level about identifying such dilemmas.** In the CSR and sustainability reports of some companies, such dilemmas are being disclosed. Japanese companies tend to see this as disclosing their weaknesses, **but they need to understand that identifying risks is not taboo.**

One more thing is that **dialog with stakeholders is crucial.** The Corporate Governance Code includes language about dialog and engagement with shareholders. Overseas companies, especially companies in Europe and the U.S., **have long excelled at using external feedback to change themselves.** For example, these companies reflect in their decision-making the constructive criticisms of NGOs and shareholders.

President Tannawa | Thank you for coming here today for this important talk. For management, this discussion has been full of essential information. I am acutely aware of the long-term/short-term dilemma. We are inevitably drawn into each circumstance, and when looking at the short term in particular, we tend to take action from the standpoint of earnings and outcomes. Like Mr. Adachi has said, I believe **it is especially important to have a long-term vision during times of turbulence.** What attributes should employees, and managers as well, have during these times?

Mr. Adachi | Lately, universities have been reconsidering the meaning of a liberal arts education. I think **companies as well need to create spaces and opportunities for everyone to get together to discuss matters** with a grounding in the liberal arts. Companies must have opportunities to consider long-term and short-term matters. While the sense of time has become shorter, during the past 20 or 30 years, **employees working on the front lines also need opportunities to consider long-term matters.**

I believe dilemmas are issues that can be argued both for and against from different standpoints. I severely doubt there is always a choice that management can make to maintain a fair and good relationship with all stakeholders. The think it can be said that times have changed so that stakeholders can choose their companies, and companies can choose their stakeholders. For the Mitsui Chemicals Group, I believe **one option may be to share the same objective with makers of final products, the objective of creating products that protect the environment and help society, even if they are more expensive, instead of taking a deflationary strategy.** Even though it is said that Japanese companies are unable to make drastic changes in their course of direction, such as corporate acquisitions in Europe and the U.S., it is my opinion that it would be acceptable for Japanese companies to move more in this direction.

In closing

In its 2014 Mid-Term Business Plan, the Mitsui Chemicals Group has identified contributing to society and the impact of its business activities on society as key issues to address, and aims to engage in business from the fresh perspective on risks and opportunities that was discussed today. We must internally discuss the dilemma between risks and opportunities as well as the short term and the long term, while deciding on the direction that the Mitsui Chemicals Group should follow. We will make every effort to realize sustainable development along with society through management that strikes a proper balance between the economy, the environment and society.

Haruko Kokue
Deputy General Manager
Corporate Communications Division

Strengthening Our Global Management Foundation: Human Resources Management



Human Resources Management Approach to Personnel Development

Based on its Human Resources Management Policy, the Mitsui Chemicals Group develops human resources able to work on the world stage from a long-term perspective. To foster human resources able to create value demanded by society while engaging with global markets and interacting with colleagues on a daily basis, our basic approach to developing human resources is to proactively support employees who aim to grow on their own.

Qualities of a Global Leader

- Able to strategically and efficiently lead global business development
- Able to rapidly develop business in regions in tune with regional characteristics

Global Human Resources Management Strategy

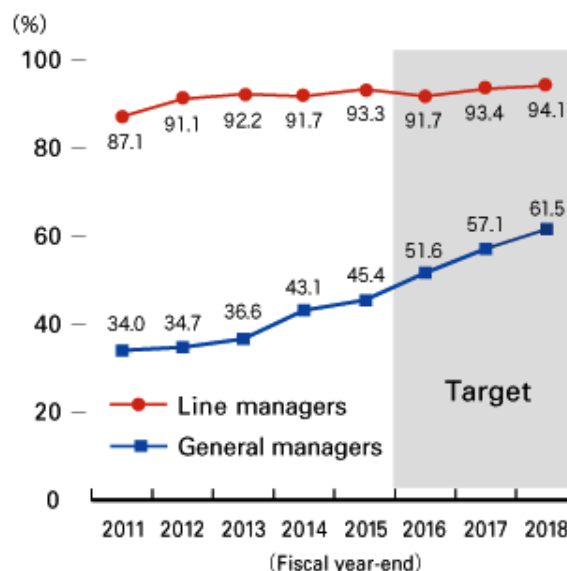
We focus on developing global human resources with the objective of accelerating global management. Overseas business expansion requires exceptional human resources who are intimately familiar with local conditions. It is also important to strengthen global leadership and management capabilities to coordinate bases in Japan with bases overseas. As a medium-term initiative, the Mitsui Chemicals Group promotes global human resource management in a bid to methodically develop global leaders that fit its vision of global human resources, by securing talented personnel with diverse backgrounds and optimally assigning these personnel to bases around the world. As platforms to implement the global human resource management system, we established common global competencies, human resources databases, and grading, assignment frameworks, and compensation systems.

To nurture the next generation of management personnel, we are proactively offering overseas practical job training to young and mid-career employees, sending employees in Japan to posts overseas, and sending local hires overseas to positions in Japan.

We have also put in place the Mitsui Chemicals Academy in a bid to globally standardize and share training programs that focus on spreading our corporate culture and strengthening leadership abilities. Through these training programs, a number of leaders in their 40s have emerged at overseas affiliates. Progress has also been made promoting locally hired staff to key positions. Currently, 45% of our general managers at overseas affiliates are locals, and we aim to raise this ratio to 60% by 2018. We are also promoting locals to positions of president and vice president. (This excludes cases of mergers and acquisitions.)

In fiscal 2015, we updated both our succession plans for key positions inside and outside Japan as well as our key talent management, which comprises screening standards and training processes for next-generation management candidates. In fiscal 2016, we began to implement these initiatives in earnest, working across the Group to accelerate global management.

Promotions of locally hired staff



► Global Human Resource Management

Providing Local Staff with Opportunities to Excel — Mitsui Chemicals India Pvt. Ltd.

Toward Genuine Management Localization

My role is to swiftly expand the Mitsui Chemicals Group's business in India. With this in mind, I am convinced the shortest path to success is for people who have spent their lives in India and are seeking to further enrich their lives to carry out their assigned tasks after carefully considering what steps are required to secure business growth. For this reason, I recognize nurturing local staff and promoting the localization of management are of the utmost importance. Key to these endeavors is for all employees to fully accept and understand the Mitsui Chemicals way. This begins with the Group's vision and core values. Rather than settle for the appointment of a select few employees, it is important we put in place a mechanism and culture that enables employees to seek out market opportunities and motivates them to think independently about how best to link these opportunities with genuine business activities. I strongly believe that this will in turn lead to the genuine localization of management.



Toshihiro Omura
Managing Director

Appointed in January 2014

A participant in the Group's Global Leadership Program in 2012

Conveying to Young Employees the Mitsui Chemicals' History and Culture and Helping Them Achieve Their Goals

In the ninth year since its establishment, Mitsui Chemicals India Pvt. Ltd. remains a company overflowing with youthful vitality. Mitsui Chemicals, Inc., on the other hand, has a history spanning more than 100 years and its own rich culture. A part of this culture is the reliability that fosters a deep sense of trust. Bringing these qualities together in India, a market exhibiting powerful growth, the opportunity exists for employees to thrive in concert with the company. This is in fact a major motivating force. I believe that my role is to convey to young employees Mitsui Chemicals' history and culture. It is my responsibility to nurture staff and to lead them to achieve established goals.

Another necessity for promoting business in India is the establishment of strong ties of trust between the Mitsui Chemicals' head office and local operations. Quickly advancing various measures is also important. Moving forward, I would like to see us put in place strategies that match the needs of the local market and expand business while promoting initiatives on a trial and error basis and engaging in frank discussions.

Suraj Arya

Deputy Managing Director

Appointed in April 2016

A participant in the Group's Global Leadership Program in 2016

Our Diverse, Young and Talented Team is the Driving Force of Our Growth

Mitsui Chemicals India (MCIND) was established in 2008. The culture at MCIND is vibrant, caring, youthful and always moving forward because of its balanced mix of visionary leaders, innovative managers and hardworking staff members

Top management ensures that each member is aligned with the global vision and mission of the organization by engaging in clear communication and setting appropriate goals for team members. They ensure our growth and development through a variety of seminars, conferences and leadership programs.

MCIND trusts its employees, makes them feel valued and ensures their contributions to the growth of the organization are recognized at all levels. Employees are instilled with the ability to become leaders and provided the freedom to explore new horizons.

Unifying employees with diverse perspectives helps MCIND make better decisions and complete tasks successfully as it allows Team India to analyze problems from multiple angles and come up with effective and innovative solutions.

We—the members of Team MCIND—are proud to work at this company.



Rajni Srivastava,
Senior Manager, Human Resources



Priti Sahoo,
Junior Executive, General Affairs & Administration

Respect for Diversity — Diversity & Inclusion

It is vital that we have a corporate culture that respects diversity in order to strategically promote exceptional personnel. The Mitsui Chemicals Group established the Promotion and Development of Women Team in 2006, to improve the work environment and provide training for career advances.

In 2011, this team was reorganized into the Diversity Promotion Team to include cross-cultural awareness in a rapidly changing business environment of globalization. Making a fresh start as the Diversity Promotion Department in 2015, we have commenced initiatives to address changing values about work styles and raise awareness of diversifying career paths among employees.

In Japan, we set up a team dedicated to supporting foreign employees at work and in their private lives and established a

career consultation office for helping employees shape their own careers. In these and other ways, we have strengthened our systems for supporting the livelihoods of each and every employee without regard to their gender or nationality. We have also set up a program dedicated to helping foreign employees maintain their lifestyles while working in Japan, as well as a career consultation service that encourages employees to be proactive about their careers. We continue to enhance our systems to support each and every employee regardless of their gender or nationality.

To promote work-life balance, we are enhancing support systems, such as shortened work hours, leave for nursing care, and assistance for baby sitter and caregiving services. We are working diligently to create environments that facilitate work for employees who hold diverse values.

The Mitsui Chemicals Group proactively employs people with disabilities, and has met the legally mandated ratio for employing persons with disabilities since fiscal 2004.

We continue to focus efforts on providing work environments and fostering a corporate culture that supports persons with disabilities.

▶ Female employees 

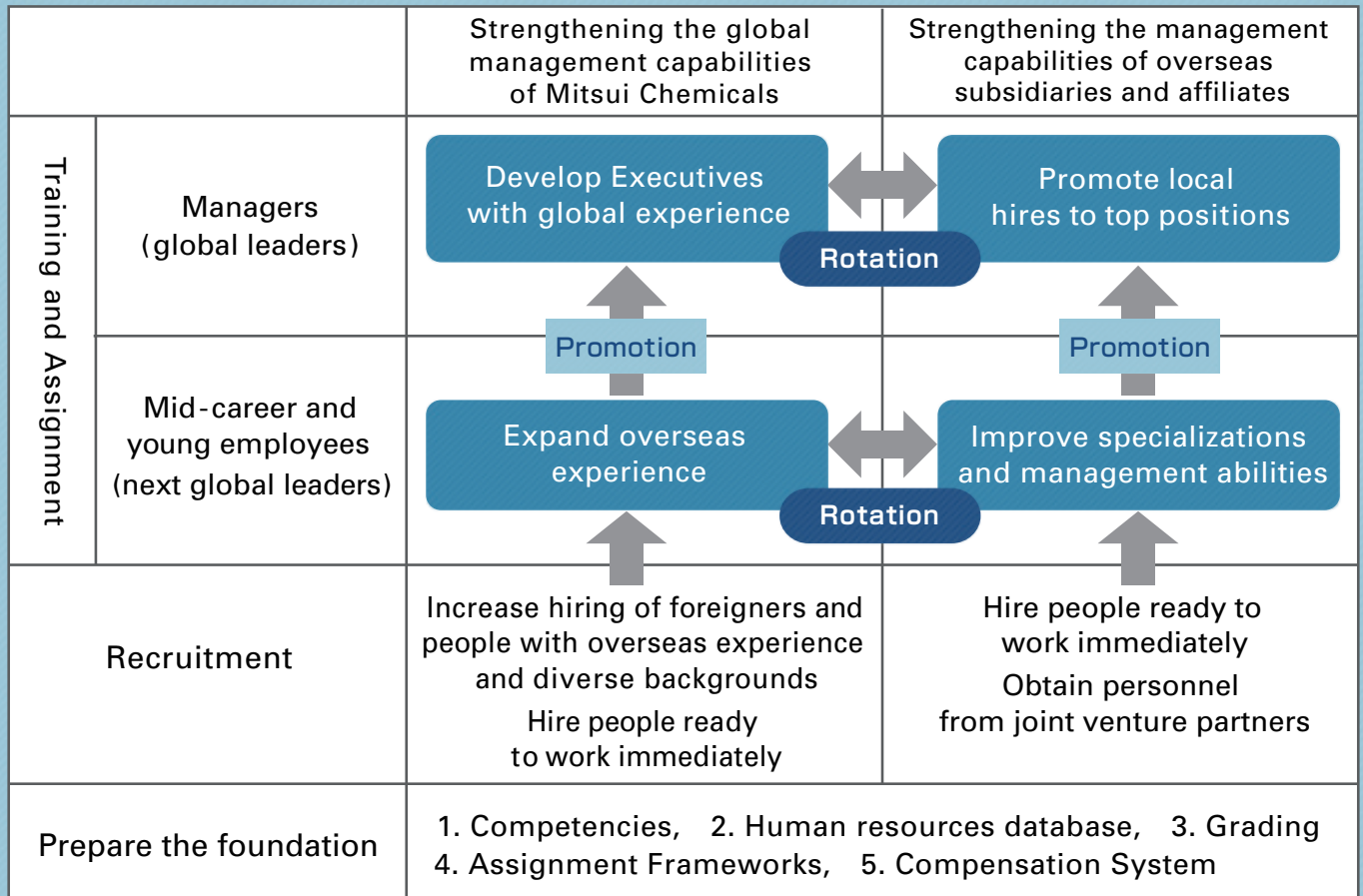
▶ Employees taking childcare leave / nursing care leave 

▶ Ratio of employees with disabilities 

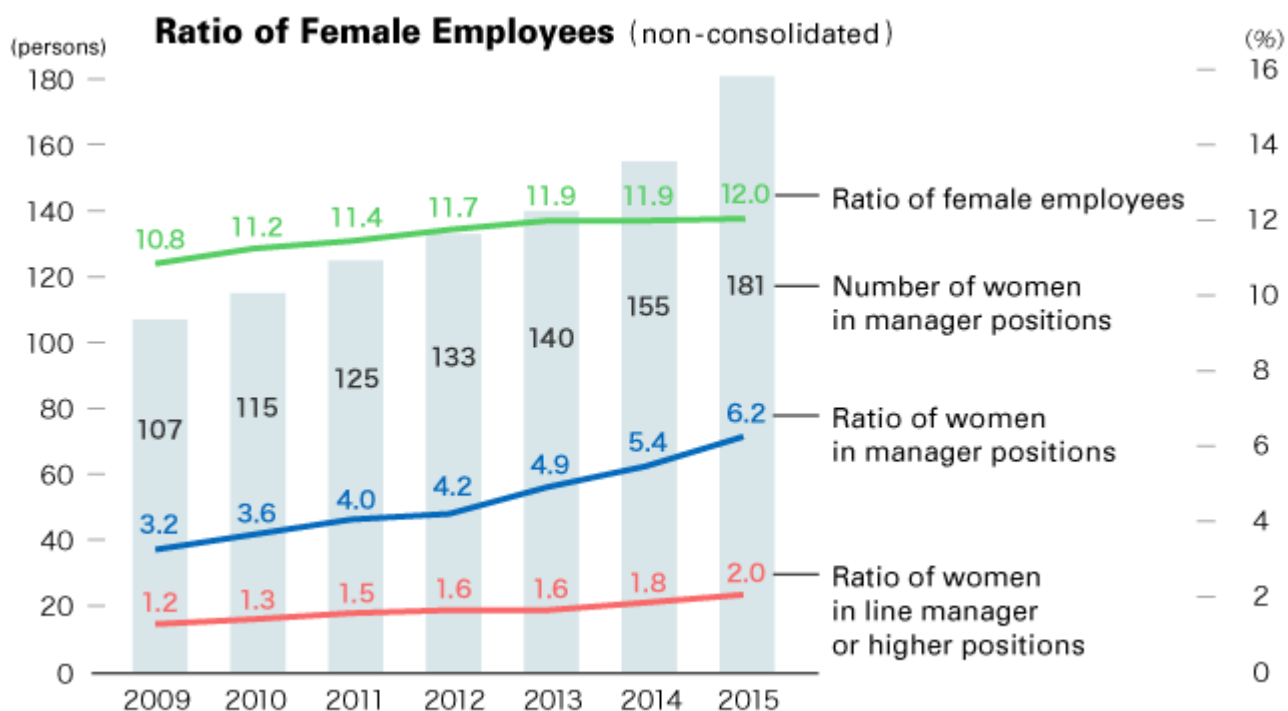
Global Human Resource Management

Qualities of a Global Leader

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Female employees



	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
All employees	8297	7878	7633	7266	7129	6931	6733
Number of female employees	898	882	873	848	845	827	808
Ratio of female employees	11%	11%	11%	12%	12%	12%	12%
Number of women in manager positions	107	115	125	133	140	155	181
Ratio of women in manager positions	3.2%	3.6%	4.0%	4.2%	4.9%	5.4%	6.2%
Ratio of women in line manager or higher positions	1.2%	1.3%	1.5%	1.6%	1.6%	1.8%	2.0%

Ratio of employees with disabilities

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Rate of employment for people with disabilities (%)	2.2%	2.1%	2.2%

Employees taking childcare leave / nursing care leave

		FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Number of employees taking childcare leave	Females	25	20	21	23	32	29	33
	Males	36	54	58	48	49	67	62
	Total	61	74	79	71	81	96	95
Number of employees taking family care leave		0	0	0	1	1	1	0

There is no easy path to ensuring safety. We must continue our steady efforts to cultivate a safety culture!



Masamitsu Tamura,
Professor Emeritus
profile



The more time passes, the more we must consciously make an effort to ensure workers realize the terrifying reality of accidents.

Tannowa | **Even the rawest memories begin to fade with time and this cannot be helped. However, our memory of the accident at Iwakuni-Ohtake Works where we lost a precious life is something we must not allow to fade.** This is one of the reasons why I speak to our employees about the accident at each opportunity, including the beginning of the fiscal year. I have repeatedly communicated to everyone that **“the prerequisite to ensuring the sustainability of our company is safety”** and that **“safety is our top priority.”**

Four years have passed since that accident, and the number of employees who have joined the Company after the accident is increasing. How can we pass down the memory of the accident to this younger generation? The more time passes, the more aware we must be. We are preserving not just photos but also the equipment damaged in the explosion and its fragments in an effort to communicate how destructive and terrifying the explosion was.

Tamura | **It is extremely meaningful in the cultivation of a safety culture that the top management speak about their strong commitment to safety. The role of the top management, first and foremost, is to clearly present the principles and policies regarding safety.** Then having understood this, it is important that the workers onsite conduct safety activities proactively. I think that it is also the role of the top management and managers to create an environment where workers can conduct these activities.

They need to provide the human, material, and financial resources and have systems for commendations. These systems for commendations are a message from the Company that “if you give your best effort, your efforts will be recognized.” The top management should also visit the worksites and exchange ideas and opinions with the employees. I believe that it will have a significant effect in improving the motivation of onsite workers.

Tannowa | I agree that there is no easy path to ensuring safety, so I go to the workplaces to communicate my message to our employees. I make an effort to hold direct exchanges with a wide range of employees twice a year in Japan and at least once a year at our overseas affiliates.

However, there is a strong feeling that “ensuring safety is something that everyone must naturally do” so it can be difficult to connect it to proper recognition. I hope that by recognizing steady efforts in safety activities, we can cultivate a safety culture.

Combine self-assessment and third-party assessment to realize strengths and weaknesses

— Professor Tamura, you emphasize that “Safety is not something that is provided to you from others. It is something you must feel yourself.” Can you be more specific?

Tamura | Looking at recent industrial accidents, I get the sense that onsite capabilities which used to be the strength of monozukuri in Japan has gotten slightly weaker. I am considering whether we can cultivate an environment that ensures safety in order to recover onsite capabilities. **Our starting point is becoming aware of the actual situation regarding safety.** Only when we are aware of strengths and weaknesses can we implement effective measures. We must **expand safety activities in a way that fits the workplace by gathering and organizing good examples from your own and other companies, thinking for ourselves, and finding a method that is satisfying.** By doing this, I believe that workers become more aware of safety, and continuing such efforts will help to cultivate a safety culture.

Tannowa | We are keenly feeling the importance of this point. It is vital that everyone is able to think autonomously. With safety activities, there is always a possibility that workers will feel as though they are being forced from above, but that only makes it harder for them to truly accept the activities. They must create manuals and SOPs (Standard Operating Procedures) that they are certain they can comply with. In order to do this, they must **thoroughly discuss and accept each item as something they truly need to follow.** Then they must take action based on these manuals and SOPs.

Tamura | I think there are two ways to conduct assessments to understand your current situation. The first is to conduct self-assessment. The second is a third-party assessment. **The important aspect of self-assessment is reconfirming your weaknesses, and that is a vital process in making improvements.** However, self-assessments lack objectivity, and that is why it is **effective to have additional third-party assessments.** **They will help you to see strengths and weaknesses that you did not notice before.** You can also utilize services like the Process Safety Capability Assessment provided by the Process Safety Capability Improvement Center of the Japan Society for Safety Engineering. In order to conduct objective assessments, risk assessment is also important. This process starts by extracting hazards (hazard sources). By doing this, we can proceed to steps in risk management where risk assessment is conducted and safety measures are implemented where necessary. However, if there are omissions to the extraction of hazards, proper risk assessment cannot be conducted and safety measures cannot be implemented. It is also necessary to raise sensitivity towards hazards from a variety of perspectives including third-party assessments in order to prevent omissions in hazard extraction.



Three Pillars of Fundamental Safety Measures at the Mitsui Chemicals Group

— The Mitsui Chemicals Group has continued fundamental efforts for the cultivation of a safety culture. What results have you noticed from these efforts, and what should be the focus in the future?

Tannowa | During the three years following the accident at Iwakuni-Ohtake Works, we investigated what our fundamental issues were, and thoroughly discussed what measures would be effective. These efforts are starting to take root, and I think that things are getting better. We have three priority issues in our fundamental safety measures. The first is **adjusting the management**

scope of onsite line managers such as section managers and chiefs, and ensuring they are appropriate. The current trend in society is to make the divisions within organizations larger with the aim of increased efficiency, but this puts a lot of burden on the line managers, and we believe that this prevented them from properly managing the worksites and made it difficult for them to be aware of safety. We have implemented measures to change this situation.

Tamura | It seems like this is an issue that many companies are concerned with. I think that the Mitsui Chemicals Group's efforts will serve as a model for other companies.

Tannowa | The second priority issue is **improving and passing down technical skills**. At many of our Works, we are entering a period where the baby boomers are retiring en masse, and so generation change is progressing rapidly. We can replace the number of employees by hiring new ones, but we cannot avoid the reality that the average years of experience of our employees will drop. We must figure out how to resolve this issue. One example is the Operation Technology Training Center. We will conduct training using these facilities to make up for what the employees lack in years of experience. The third issue is **ensuring that safety is our top priority, cultivating a sense of professionalism, and giving employees a sense of accomplishment in their work**. We have created a system through our fundamental safety measures, so we will bring that down to the worksites and continue to promote the activities until our employees can conduct them naturally.

Tamura | The passing down of skills is an issue shared by each company. When attempting to cultivate a sense of professionalism, I believe it is important to recognize and complement efforts at the worksite and enhance motivation. I hope that these efforts will be continued. In the future, I am sure it will also be important to properly assess the results of such efforts.

Cooperate with other companies and educational institutions to enhance safety in Japan

— What do you think about the training of human resources in the worksites of the chemical industry?

Tannowa | Activities must be based on ensuring there is a safety culture. This is connected to the issue of training human resources at all levels from section managers to engineers and frontline employees as well as the employees of contractors. It is difficult to train only with classroom lectures, so I believe that **our first step is to provide opportunities to experience and actually sense things**. Additionally, **by providing employees with opportunities to interact with other companies and Works, I think they will be able to step out of their shells, and that their experiences and ways of thinking will accumulate to form our safety culture**.

The Mitsui Chemicals Group's Operation Technology Training Center is a training facility that allows employees to experience and sense issues with a particular focus on safety. While receiving visits by outside parties, the facility has received high assessments and many requests for use. As a result, the Center was opened to other companies from April 2015.

Tamura | I think that your efforts are valuable in that they contribute to improving safety technology throughout the chemical industry. I also agree that the most important factor in ensuring safety is people. I feel that the major cause of accidents and problems is the drop in onsite capabilities that I mentioned before. I think that perhaps one of the reasons behind this drop is changes in the environment and way of thinking regarding safety. Children these days grow up in a safe environment where there are no hazards. Therefore, they do not have as many opportunities to learn the skills for detecting and avoiding hazards. These social issues must be dealt with by creating a systematic program in safety education that starts with education at home, continues from elementary, secondary, and higher education on to training by companies, with thorough efforts at each stage. Additionally, companies must ensure they conduct proper safety training, but I think that there is also a need for companies to share and cooperate with programs at universities.

In order for Japan to continue to provide the world with high-quality products, the entire country needs to work to enhance safety. From this perspective, I hope that the Mitsui Chemicals Group will continue your efforts as a leading company.

Tannowa | Thank you. We also conduct activities to show children what we can do with chemistry, and to experience the fun and mystery of science through chemical experiment classes for children called the "Wonders of Chemistry." As for our efforts with other companies, there are many common issues shared by each company regarding safety, so we hope to cooperate with others by sharing information to Big Data whenever possible.

Cultivate a safety culture that fits the characteristics of each region

— What are your thoughts about safety training at our overseas sites?

Tannowa | I don't think that **we have any differences in our concepts and measures for our domestic and overseas sites**. We welcome trainees from our overseas affiliates at our Plant Operation Technology Training Center. I hope we can continue our steady efforts in this way.
However, thinking back to our past experiences, it is not practical to use the same training methods in all regions. Each country has unique situations and cultures. It is far easier to convey information when those providing instructions are well versed in local conditions.

Tamura | **The area of safety is a strength for Japan. One major theme is how we can expand our advanced knowledge, technology, and concepts in a way that fits the situation of each region.**
Another theme that I am also interested in recently is the economic effects of safety. The National Institute of Advanced Industrial Science and Technology is leading deliberations into creating a system for assessing economic effects of safety.

Tannowa | It is important to know that by continuing to ensure safety, we are actually cutting costs.

Tamura | Once the positive effects of ensuring safety become clear, I think it will be easier to convince people and it will make it easier to conduct safety activities.

— In closing

“Safety is our top priority.” At the same time, we recognize that “safety is the prerequisite to ensuring the sustainability of our company”.

Let us continue our steady efforts in safety activities with the understanding that “Safety is for yourself, for your family, for your colleagues, and for society.”

*Always be aware that
“safety is our top priority.”*



Interviewer
General Manager Atsushi Deguchi
of the Safety & Environment Technology Division, Production & Technology Center

CSR TOPICS 2015



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 Group should help resolve.

The Mitsui Chemicals 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



Initiatives based on Mid-term Business Plan

Initiatives to address three social challenges identified in the 2014 Mid-term Business Plan that the Mitsui Chemicals 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

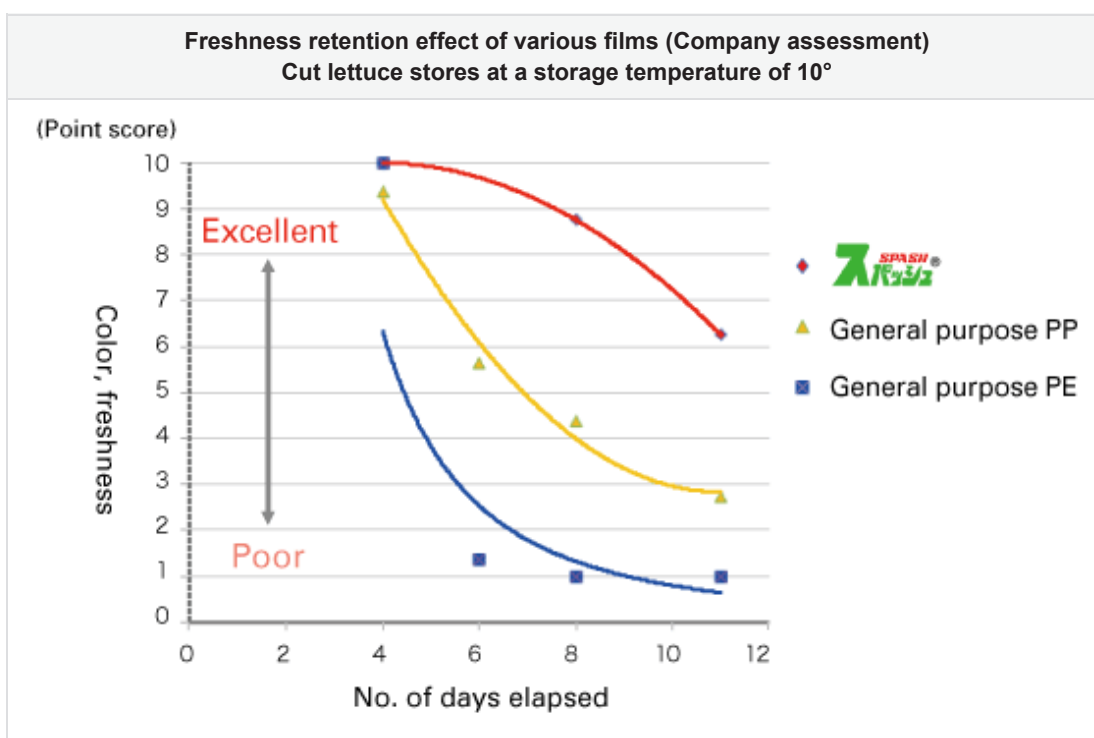
Spash™ Freshness Retention Film Receives Ministry of Agriculture, Forestry and Fisheries' "Mottainai" Award

The Mitsui Chemicals Group will continue to develop solutions to global social issues including food loss and waste. Group company Mitsui Chemicals Tohcello, Inc. was awarded the Minister of Agriculture, Forestry and Fisheries Award in the 3rd Food Industry Mottainai Awards held on January 29, 2016 at the Tokyo Stock Exchange Hall for its contribution in preventing food loss through the manufacture and sales of freshness retention film Spash™. Spash™ is a functional film that is effective in retaining freshness of fruits and vegetables as well as preventing "wilting" and "discoloration". Spash™, a highly economical film that can be reused repeatedly, has proven effective as a packaging film for retaining the freshness of fruits and vegetables not only during distribution but also at home. The award committee gave high marks to the film's effectiveness in not only extending life of fruits and vegetables but also for contributing to the reduction of food loss at all stages, from harvesting through to consumption. The committee highly evaluated the product's potential and expects even wider uses in the future given its high degree of versatility and cost reductions. Going forward, the Mitsui Chemicals Group will work to reduce the social issue of food loss and waste through its innovative technologies and products.



Awards ceremony

In-store shelf sales (example): Cut lettuce (Conditions: 4th day at a storage temperature of 10°C)	
Other general packaging	
	
Discoloration, stale appearance considerable	Discoloration, stale appearance slight



Mitsui Chemicals Named as One of Thomson Reuters 2015 Global Top 100 Innovators

Mitsui Chemicals was selected as one of Thomson Reuters Top 100 Global Innovators 2015. The Top 100 Global Innovators Award is awarded to the world's 100 most innovative companies and organizations by analyzing intellectual property trends based on patent data held by global information service, Thomson Reuters.

Of the four selection criteria used this year, the highest marks were received for "the global nature of the company" and "influence of the patents in terms of citations." Regarding criteria, Mitsui Chemicals was evaluated based on its intellectual property strategy of commercialization in international markets and creating numerous inventions that influence markets.

With the aim of creating new value for customers, Mitsui Chemicals has pursued an intellectual property strategy of building and enhancing an intellectual property portfolio able to realize sustainable competitive superiority. Taking to heart the high marks we have received for the close ties we have forged between business, R&D, and intellectual property activities by being included in this list, we will work to solve social problems and create new value for customers by pursuing innovative R&D and intellectual property activities.



2015 THOMSON REUTERS
TOP 100
GLOBAL INNOVATORS



Receiving a trophy



As part of the Mitsui Chemicals Group's efforts to realize a cohesive society in harmony with the environment, the Group offers a wide selection of plant-derived products under the name Do Green™. The Do Green™ product selection offers products such as the world's first plant-derived, high-refractive index lens monomer materials MR-60™ and MR-174™, the plant-derived poly-isocyanate STABIO™, and Econykol™, a polyol derived from plants used in eco-seat cushions.

Based on fostering environmental awareness through Do Green™ products, the Mitsui Chemicals Group pursues Do Green™ activities with the aim of promoting ethical, humanitarian initiatives to improve the lives of producers of raw plant materials and help solve issues facing agricultural regions. With this in mind, the Group pursues.

As part of its Do Green™ activities, Mitsui Chemicals is a YOKOHAMA SUPPORTER and provided its support to the 2015 ITU World Triathlon Yokohama (May 16-17, 2015) aimed at promoting harmony between society and the environment. Do Green™ sunglasses were presented to participants, judges, and staff members of the event.

As one initiative of Do Green™, the Group conducted eye examinations and surveyed 153 castor farmers and rural residents of Gujarat, India from October 27 to 29, 2015 in an effort to help improve their quality of vision and solve social issues facing farmers producing raw materials for Econykol™. Aware that the concept of individual health management has not yet taken hold in emerging countries, in addition to maintaining healthy eyes through regular vision correction, the decrease in education and work opportunities caused by ocular health maladies such as amblyopia and cataracts is a social issue. These activities serve as an opportunity to raise awareness of the importance of maintaining and improving ocular health. The Mitsui Chemicals Group will contribute to the realization of a cohesive society in harmony with the environment by continuously developing plant-derived materials.



At the 2015 ITU World Triathlon Yokohama An event official wearing Do Green™ sunglasses



Together with castor farmers and rural residents



An eye examination

Renewable Energy-Related Business

Pooling expertise while promoting
the future of renewable energy



We report on the progress made by the Diagnostics and Consulting Business in photovoltaic power generation and at the Tahara Solar-Wind™ Joint Project

Status of Diagnostics and Consulting Business for Photovoltaic Power Generation

Two years have passed since the launch of the diagnostics and consulting business for photovoltaic power generation in March 2014. The Mitsui Chemicals Group has been providing the world with encapsulant sheets for solar cells for more than 25 years and is well versed in the damage that long-term outdoor exposure can cause to solar panels. The Company also maintains photovoltaic power generation facilities, such as the Tahara Solar-Wind™ solar power generation facility, and draws on its expertise in the key issues in their development as well as in their repair and maintenance. Leveraging these areas of its expertise, the Company is providing services from a third-party standpoint that are in tune with the life cycles of photovoltaic power generation facilities, reviewing renewable energy feed-in tariffs (FITs), and developing business to respond to changes in the business environment, including the revitalization of the secondary market in which power generation facilities are purchased and resold.

As a consequence of the FITs, which were launched in July 2012, there was increased activity in the planning and development of photovoltaic power generation facilities. At the end of December 2015, 79.3GW of photovoltaic power generation facilities had received FIT certification, 25.2GW were in operation, and the expectations were that power generation facilities would continue to be built in the years to come.

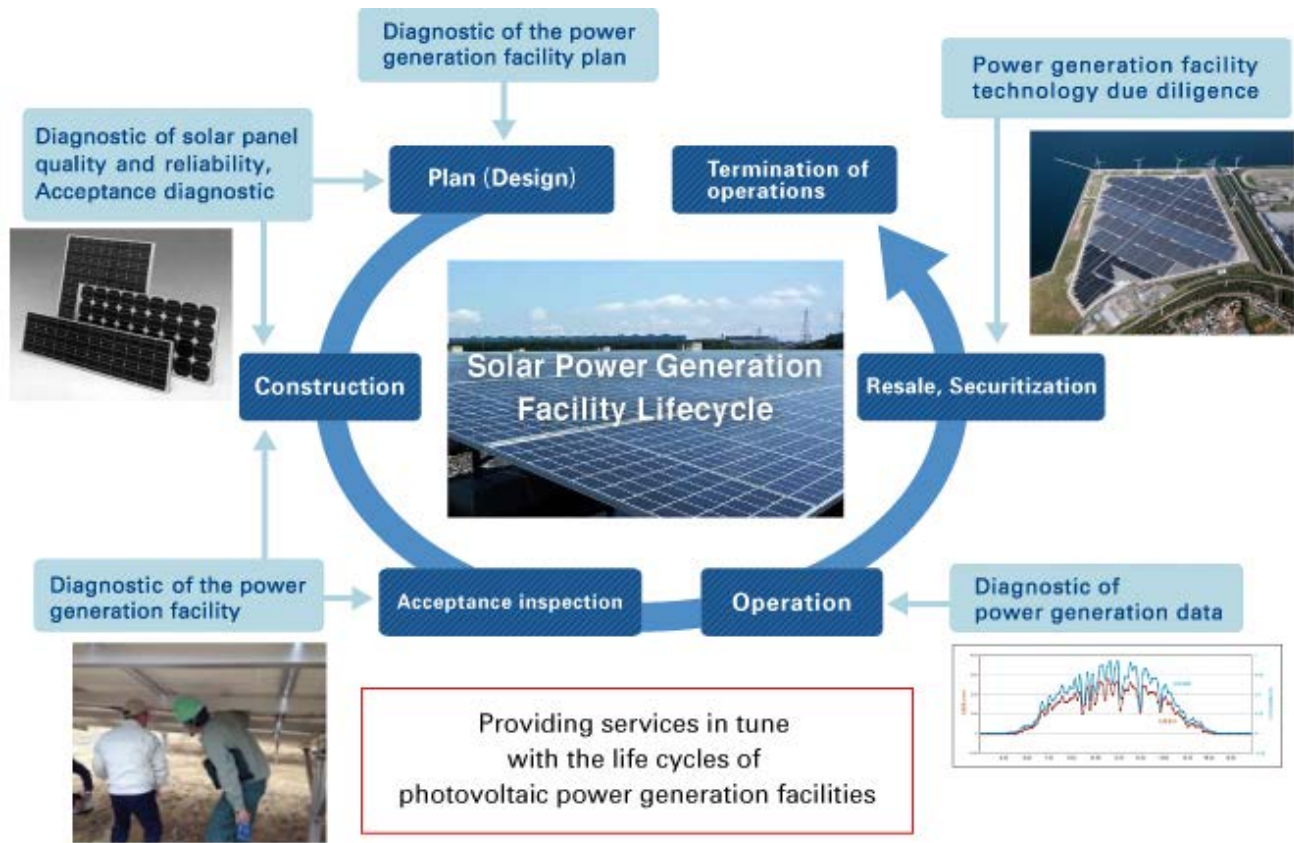
If you compare the photovoltaic power generation facilities built from 2015 onwards with the start of FIT

(a) There are many being built on former golf courses and on plots with inclines in mountainous regions, the cost of building is high compared with flat land

(b) For the reason that the FIT purchase price is ¥24–36/kWh, lower than the initial ¥40/kWh,

Japanese and overseas operators that possess high levels of expertise relating to photovoltaic power generation are entering the business, and this kind of operator increases the opportunities for utilization of Mitsui Chemicals power generation facility planning and diagnostic services.

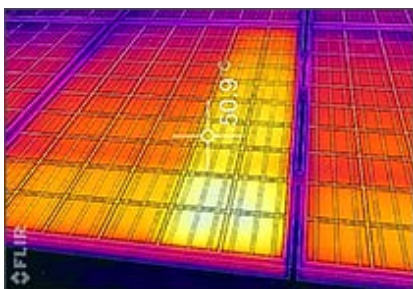
The Tokyo Stock Exchange established its infrastructure fund market in April 2015, and the listing of a photovoltaic power generation facility fund as its first project in June 2016 has activated the secondary market. This secondary market requires due diligence (asset value assessments) on the part of the power generation facilities. There are instances where problems have arisen that have led to a decrease in the power generation capacity at power generation facilities that are in operation, thus requests for the power generation facility technology due diligence service offered by the Company will be increasing. Through these business activities, Mitsui Chemicals is contributing to the stable development and operation of photovoltaic power generation, which holds an important position amid the push toward the increased use of renewable energy.



Services that are being provided in tune with the life cycles of photovoltaic power generation facilities

Phase	Services Offered	Details of Services
Planning	Power generation facility plan diagnostics	Evaluates power generation facility plans, including facility design, expected electric power generation capacity, repairs, and maintenance
Construction	Solar panel quality diagnostics	Evaluates quality (long-term performance, quality control) of solar panels installed at power generation facilities
	Power generation facility diagnostics	Evaluates progress reports and current status of construction work to determine whether facilities are being built in accordance with plans
Operating	Power generation data diagnostics	Evaluates to determine whether power generation capacity is in accordance with plans
Resale and Purchase/Securitization	Power generation facility technology due diligence	Evaluates operating performance of power generation equipment and facilities, future power generation capacity as well as essential repairs and maintenance

Cases of Failures at Power Generation Facilities during Operation



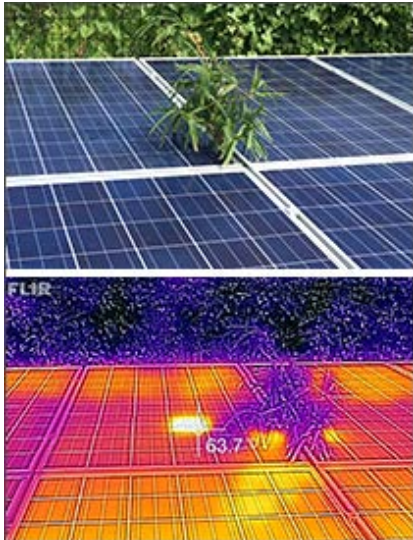
< Infrared camera image >

Parts of this solar panel are generating heat due to the failure of a bypass diode (the white parts are generating heat)



< Digital camera image >

The glass in this solar panel has been cracked by a lightning strike



< Left: digital camera image; right: infrared camera image >

Weeds growing out from in between the solar panels cause a shadow, the effect of which is for silicon cells to generate heat (white square section)

Inquiries

**Next Generation Business
Development Div.**

solar-adviser@mitsuichemicals.com

Report on Operations at the Tahara Solar-Wind™ Joint Project

In conjunction with Mitsui & Co. and five other companies, Mitsui Chemicals, as the representative company, began construction on the Tahara Solar-Wind™ Joint Project, a combined solar and wind power hybrid power plant capable of generating 56MW along the coastal area of Tahara City, Aichi Prefecture, in November 2012. Thereafter, commercial operations commenced on October 1, 2014, after a trial operating period of a little over four months.

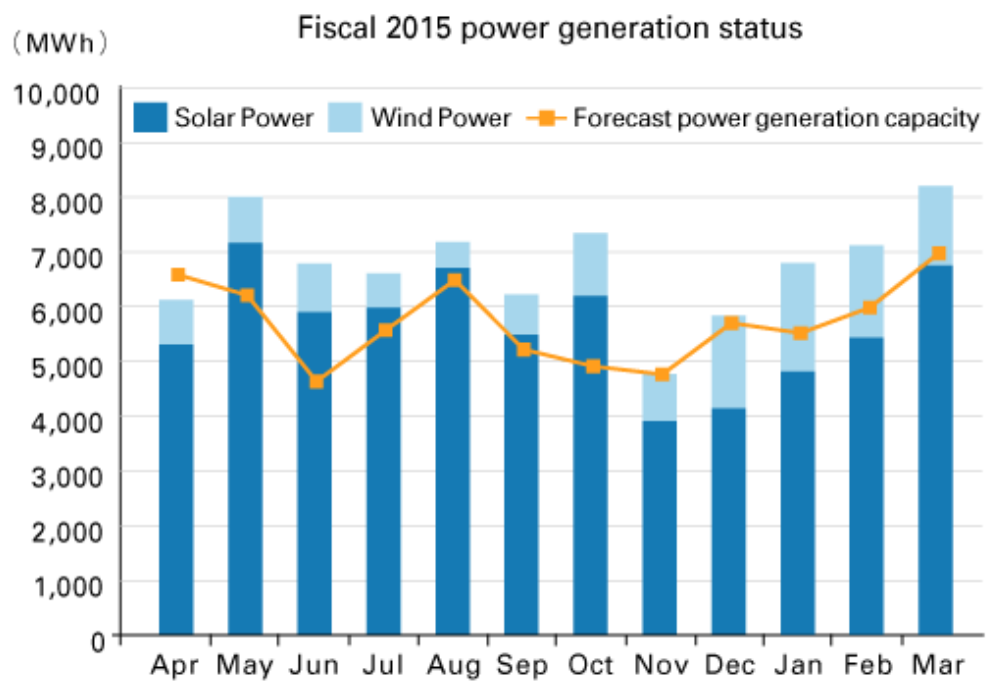
Conditions after Start of Commercial Operations at the Tahara Solar-Wind™ Joint Project

More than a year and a half has passed since the October 2014 start of operations at the Tahara Solar-Wind™ Joint Project, which is operated by a seven-company consortium that includes Mitsui Chemicals. Thus far, there have been no accidents or major problems and, assisted by the abundance of solar radiation and by the wind conditions with which Tahara City is blessed, steady power generation is continuing at levels greatly exceeding the forecast capacity and contributing significantly to a reduction in CO₂ emissions.

As large-scale hybrid power generation facilities that combine solar and wind power, of which there are only a few examples in Japan, the Tahara power generation complex is also generating interest among large numbers of people. In fiscal 2015, through Aichi Prefecture, Tahara City, and the consortium companies, the facility received large numbers of visitors from Japan and other countries as well as news coverage, and schools in Tahara City made use of the facilities as a means of learning about the environment.

Also in fiscal 2015, we organized a Summer Holiday Study Tour as an in-house event. During the tour, which was designed to raise awareness of the environment and strengthen inter-family bonds, the families inspected the solar and wind power facilities and a classroom, where parents and children carried out experiments using the Company's environment-friendly products. From having seen wind turbines and solar panels up close, the Company would like to think that the families who took the tour now feel more familiar with renewable energy.

Through its power generation facility tour activities and demonstration experiments, the Tahara Solar-Wind™ power generation complex will help to promote renewable energy and reduce the burden on the environment in the years ahead.



Two views of the study tour organized for Mitsui Chemicals employee families during the summer holidays



Safety Initiatives

Implementing Fundamental Safety Measures and Promoting a Culture of Safety
Learning from the Accident at Our Iwakuni-Ohtake Works Resorcinol Production Facility



Erected following the explosion and fire at the Group's Iwakuni-Ohtake Works, the Safety Monument is an expression of how seriously the Mitsui Chemicals Group takes the incident and symbolizes the pledge of each and every employee to prevent a recurrence.

In order to be recognized as a corporate group that places the utmost priority on safety in the eyes of society, we will continue to earnestly engage in safety activities.

▼ Promoting Fundamental Safety Initiatives

► Initiatives at Iwakuni-Ohtake Works

► Introduction to Events on Safety Day

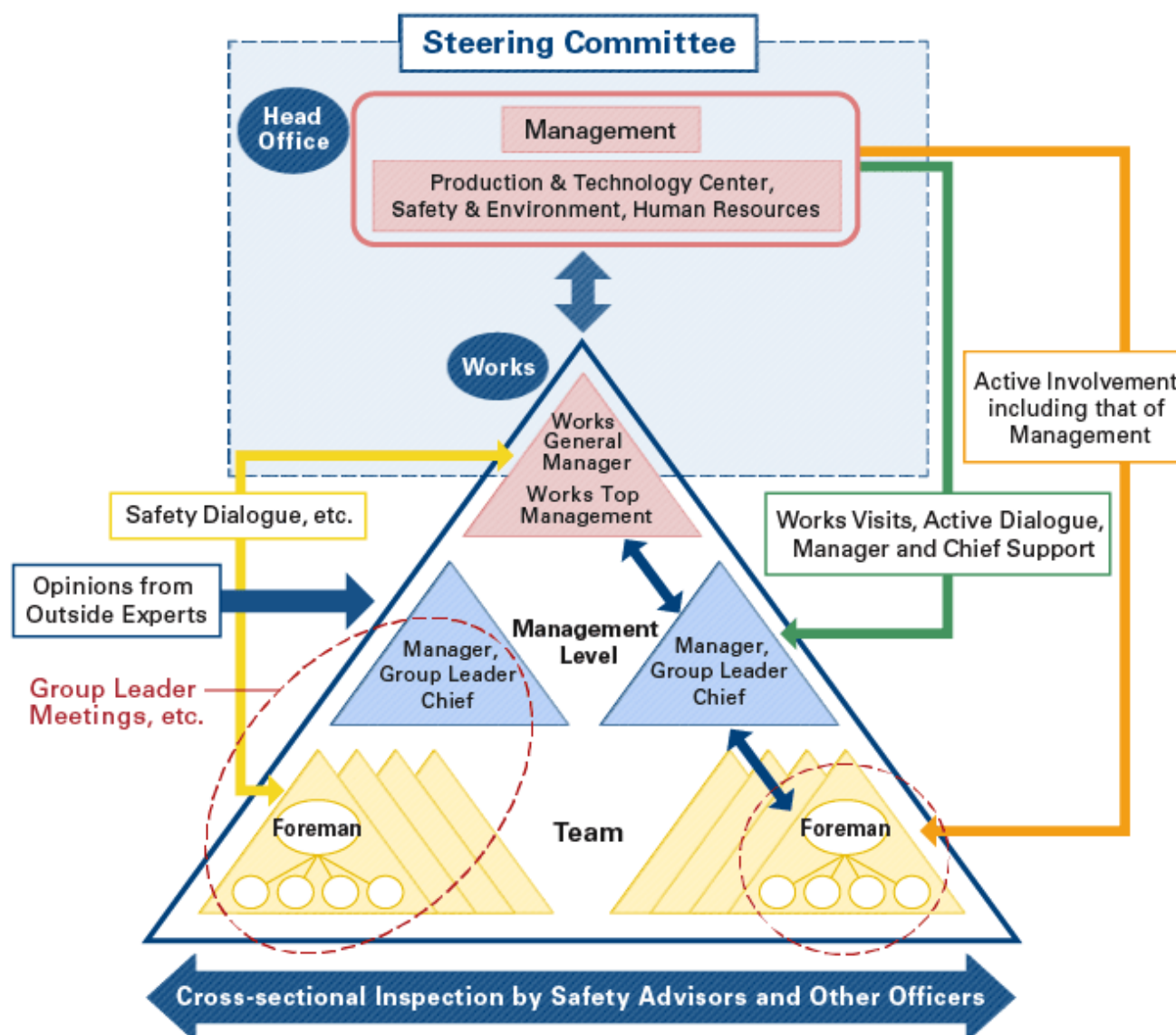
Promoting Fundamental Safety Initiatives

Overview of Efforts Aimed at Promoting Fundamental Safety Initiatives

The Mitsui Chemicals Group takes the explosion and fire that occurred at the resorcinol production facility at its Iwakuni-Ohtake Works on April 22, 2012 extremely seriously. With an unwavering commitment to ensure that nothing like this ever happens again, the Group has continued to implement a series of fundamental safety measures over the three-year period since April 2013.

Through lengthy debate, we have rolled out a variety of measures during this period. We are currently engaging in ongoing activities that entail the daily application of a PDCA cycle. As indicated below, these activities are being conducted on a Group-wide basis.

- Reporting directly to the president, a steering committee monitors the status of Group-wide progress, deliberates on various issues, and sets the direction for ongoing activities
- Steps are being taken to increase visits to various Works by Head Office departments spearheaded by management; every effort is being made to reinforce the level of active involvement in safety measures throughout such wide-ranging initiatives as dialogue
- External experts are invited to call on the Group's network of Works; feedback and any guidance is then reflected in the operations of Works with a particular emphasis on safety activities
- Various measures include safety discussions by Works general managers and cross-sectional safety activity inspections by safety advisors
- Positive steps are being taken to ensure group leader meetings spearheaded by managers as a forum for promoting communication within sections, etc.



Progress with Fundamental Safety Initiatives

Following the explosion and subsequent fire that occurred at the resorcinol production facility, we set up the Fundamental Safety Committee, chaired by the President. This committee has carried out an extensive review of safety issues. We are undertaking concrete actions based on 11 specific measures organized under three key issues for maintaining fundamental safety Companywide.

The status of these measures in fiscal 2015 is presented in the following table. After completing various reviews of these measures, a significant number has now been positioned as an everyday issue. Every effort is being made to increase the efficacy of activities by implementing a PDCA cycle. Culture and climate-related measures have been included in those activities in the thick-bordered sections of the table. Carrying on from the previous fiscal year, energies will be channeled toward further fortifying endeavors over time.

Three key issues for maintaining fundamental safety Initiatives

- Line manager focus and proper management of worksites
- Improve technical skills and ensure skills are passed down
- Ensure safety is the top priority, cultivate professionalism, and generate a sense of accomplishment among workers

Fiscal 2015 Fundamental Safety Measure Progress Report

Three key issues, 11 measures		Implementation schedule (fiscal year)			
		13 and under	14	15	16 ~
(1) Allow line managers to focus on and properly manage worksites					
①	Reduce the workload of line managers	On an ongoing basis			
②	Train line managers			On an ongoing basis	
(2) Improve technical skills and ensure skills are passed down (clarify rights & responsibilities)					
③	Train engineering staff with situational awareness		On an ongoing basis		
④	Build safety technology systems			On an ongoing basis	
⑤	Review technical assessment systems and structures	On an ongoing basis			
(3) Ensure safety is the top priority, cultivate professionalism, and give workers a sense of accomplishment					
⑥	Reorganize/boost functions of Safety & Environment Division			On an ongoing basis	
⑦	Reinforce safety as a top priority (strict adherence to basics, diagnosis)				
⑧	Cultivate and bolster professionalism (Completely update manuals and draft supplementary materials)				
⑨	Improve teamwork and workplace communications				On an ongoing basis
⑩	Establish attractive senior positions (Human Resources Committee, etc.)	On an ongoing basis			
⑪	Measures to give workers a sense of accomplishment in safety performance and operations	On an ongoing basis			

Culture and climate-related measures (red boundaries) will be implemented on an ongoing basis over a long period of time.

Fostering a Safety Culture

Undertaking Safety Culture Diagnostics

In fiscal 2015, the Mitsui Chemicals Osaka and Omuta Works collaborated with the Graduate School of System Design and Management at Keio University to undertake a safety culture diagnostic. With the exception of Kashima Works, which is scheduled to be shut down, this completes diagnostics at all of the Group's Works. In this manner, positive steps have been taken to identify the position of the Group's Works and worksites within the chemical industry. By undertaking an analysis of the strengths and weaknesses of each worksite, every effort is being made to implement specific measures. The Mitsui Chemicals Group acknowledges that this diagnostic is an effective way of fostering a safety culture. Accordingly, diagnostics will form an important part of the Group's ongoing activities.

Safety Capability Assessment Initiatives

The Japan Safety Competency Center of the Japan Society for Safety Engineering put in place a safety capability assessment system in the spring of 2013.

Mitsui Chemicals undertook a self-assessment of the phenol plant at its Osaka Works in May 2013. This was followed by a safety capability assessment by the Japan Safety Competency Center in August.

The Company undertook a self-assessment of the utility plant at its Ichihara Works in June 2016. This was followed by a safety capability assessment by the Japan Safety Competency Center in October.

Moving forward, Mitsui Chemicals will cooperate with the Japan Safety Competency Center in order to help further improve the assessment system.

Safety Initiatives

Implementing Fundamental Safety Measures and Promoting a Culture of Safety
Learning from the Accident at Our Iwakuni-Ohtake Works Resorcinol Production Facility



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In order to be recognized as a corporate group that places the utmost priority on safety in the eyes of society, we will continue to earnestly engage in safety activities.

► Promoting Fundamental Safety Initiatives

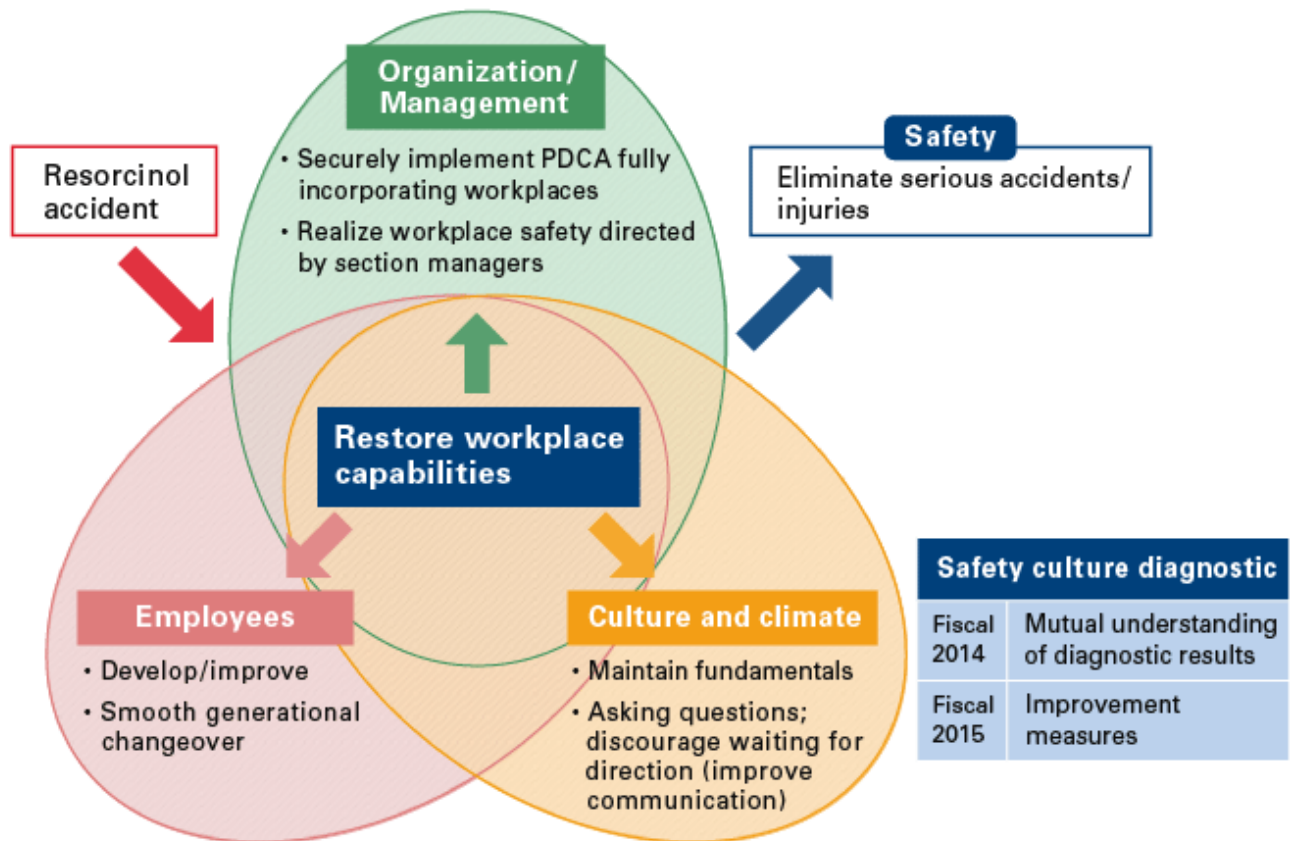
▼ Initiatives at Iwakuni-Ohtake Works

► Introduction to Events on Safety Day

Initiatives at Iwakuni-Ohtake Works

Safety Reconstruction Project

In response to the explosion and subsequent fire that occurred at the resorcinol production facility at our Iwakuni-Ohtake Works, the project team headed by the General Manager of the Works continues to undertake initiatives for reconstructing safety in order to prevent a recurrence of the underlying causes of the accident. We are pursuing various types of activities that have been incorporated into the Works annual action plan while undertaking monthly PDCA initiatives. Having held six debriefing sessions with related government agencies and accident investigation committee members to date, we have received favorable evaluations for our steady safety activities in various areas. In fiscal 2016, project-related activities have concluded, and we are systematically promoting daily activities to strengthen our foundation of safety and foster a safety culture.



Milestones

- Fiscal 2012 Established the Reconstructing Safety Project
- Fiscal 2013 Project Commences
- Fiscal 2014 Measures are on track
- Fiscal 2015 Entrench activities (promoting project activity entrenchment)
- Fiscal 2016 Instill safety foundation strengthening / safety culture fostering measures**

Safety Initiatives

Implementing Fundamental Safety Measures and Promoting a Culture of Safety
Learning from the Accident at Our Iwakuni-Ohtake Works Resorcinol Production Facility



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► Promoting Fundamental Safety Initiatives

► Initiatives at Iwakuni-Ohtake Works

▼ Introduction to Events on Safety Day

Introduction to Events on Safety Day

To prevent the recurrence of accidents like the April 22, 2012, explosion and fire at the resorcinol production facility at our Iwakuni-Ohtake Works, Mitsui Chemicals has designated 22 April as Safety Day. In 2016, Safety Day events were held at each production site in Japan and the Head Office. With events held at Iwakuni-Ohtake Works this year, president Tannowa gave a speech about safety, the General Manager of Iwakuni-Ohtake Works also gave a speech about safety, and silent prayers were observed for our colleague who lost his life as a result of the accident at the Works. These events were broadcast live simultaneously to each facility, giving the event a greater presence. Through these and other activities, employees reaffirmed their commitment to making safety our top priority in everything they do. Afterward, experts from inside and outside Mitsui Chemicals gave lectures about safety at each site.

Following the ceremony, President Tannowa invited Chairman Higashi Ito of the Japan Society for Safety Engineering to give a safety presentation.

Presentation on Safety Day at each production site on April 22, 2016

Production base	Attending Directors, Head Office General Managers	Simultaneous live broadcast	Speaker		Presentations
Kashima Works	-	Undertaken	Yasushi Handa	Former general manager of Mitsui Chemicals Plant Operation Technology Training Center	Safety measures for plant removal
Ichihara Works	Vice President Yasuji Omura	Undertaken	Tadao Minamikawa	Head of the Environment & Safety Department, Chiba Plant, Asahi Glass	Accident prevention through non-technical skills training
Ichihara Works Mobara Branch Factory (includes the Technical Training Center and Mobara R&D Center of the Production & Technology Center)	-	*	Atsumi Miyake	Professor of the Graduate School of Environment and Information Sciences, Yokohama National University	Technologies that assess chemical reaction risks
Nagoya Works	Vice President Minoru Koshibe	Undertaken	Asami Furuhashi	Director of SHIFTBRAIN Inc.	Boosting brainpower to eliminate accidents

Osaka Works	Senior Managing Executive Officer Shigeru Isayama	*	Masayoshi Nakamura	Visiting Professor at Tokyo Institute of Technology	Safety management based on learning from past chemical plant accidents
Iwakuni-Ohtake Works	President Tsutomu Tannowa, General Manager Deguchi	Undertaken	Ken Kusukami	Deputy Director of the Research and Development Center, East Japan Railway Company	Workplace safety based on human error awareness
Omuta Works	Managing Executive Officer Hideki Matsuo	Undertaken	* Research Institute for Safety Engineering Director Jun Nakamura had been scheduled to give a lecture, but it was cancelled due to the earthquake)		
Sodegaura Center	Managing Executive Officer Hoshino	*	Mieko Kumasaki	Associate professor of Yokohama National University Graduate School	Hidden chemical process dangers and safety measures
Hokkaido Mitsui Chemicals	-	*	Masatomo Kojima	Prevention manager of Sunagawa District Firefighting Association, Sunagawa Fire Department	Preventing fires and accidents in our communities, Initial firefighting
Shimonoseki Mitsui Chemicals	-	*	Masaya Uemura	Specialist Auditor for Regional Occupational Health & Safety, Shimonoseki Labor Standards Inspection Office	Preparing for Safety Day
Mitsui Chemicals & SKC Polyurethanes Tokuyama Factory	-	Undertaken	Toshihide Kihara	Current general manager of Mitsui Chemicals Plant Operation Technology Training Center	Fostering a culture of safety and training of employees
Mitsui Chemicals Head Office	Senior Managing Executive Officer Masaharu Kubo	Undertaken	-	-	-

* Note: Presentation video transmitted at a later date.

Mitsui Chemicals' Plant Operation Technology Training Center

Promoting a Culture of Safety in Society



Safety is essential for a sustainable society

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 Mitsui Chemicals 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 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."



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

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.

Fostering people who ask “Why?”

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

Safety is a common goal around the world

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 Mitsui Chemicals 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



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.

Reception

8:30

The orientation began with a loud greeting from the participants.



Pinching and rolling

9:10

10:00

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



Oxygen deficiency and poisoning

10:10

11:00

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



Falling objects, falling down, falling over

11:10

12:00

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



Exposure to hazardous liquids

13:10

13:50

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



Fires, explosions, and static electricity

14:00

14:50

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



Time for reflection

15:00

15:50

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





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."

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-Upon 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



Cholanat Yanaranop
President
SCG Chemicals Co., Ltd.

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.

Main Products that Contribute to Harmony with the Environment and Sustainable Development

Aiming for “sustainable development in partnership with society,” the Mitsui Chemicals Group is addressing key issues (Materiality) through its products and services and helping to resolve the challenges that society is confronting.

We would like to introduce just some of the products and applications as well as services by which the Group contributes to sustainable development.

 Social Challenges that the Mitsui Chemicals Group Should Help to Resolve
  Key Issues (Materiality)

Products That Contribute to the Realization of a Cohesive Society That Is in Harmony with the Environment

Low Environmental-Footprint Products and Services

● NOTIO™SN

Containing no plasticizers such as phthalic acid esters, a light material with superior durability used for synthetic leather

● CHEMIPEARL™

Containing no emulsifying agents or organic solvents, an environment-friendly heat seal for packaging applications and water-based ink and paint additive

● Evolve™ ● T.U.X™

High-performance packaging materials that are thinner, lighter and possess superior sealant properties as well as exceptional strength

● SWP™

Tea bag base paper that negates the need for staples thanks to its heat-sealable properties and can be used in microwave ovens

● MiReT™

Electrolyte for lithium-ion batteries

● AdBlue™

Exhaust gas (nitrogen oxide) reduction agent that can change the nitrogen oxides contained in exhaust gases into water and nitrogen

● LUCANT™

Lubricant additive for gear oil, etc., that realizes improvements in automobile fuel efficiency and extended service life

● ADMER™

Adhesive polyolefin that enables the manufacture of plastic gasoline tanks and thus plays a part in reducing the weight of automobiles



NOTIO™SN



CHEMIPEARL™



Evolve™ / T.U.X™



SWP™



AdBlue™



LUCANT™



ADMER™



Polypropylene (PP) compounds/TAFMER™

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

Olefin copolymers that display superior impact resistance properties and help improve the design of automobile bumpers while also making them lighter

● **MILASTOMER™**

Interior surface material that helps make components lighter and facilitates innovation in the design of, for example, door trims and interior panels

● **Polymetac™**

Technology that strongly adheres to and bonds plastics and metals and realizes lighter weight and reduced manufacturing processes

● **ECONICOL™**

Polyurethane made from castor oil plant-based materials used for automobile and furniture seat cushions as well as bedding, etc.

● **ResverAQUA**

Functional cosmetic ingredient that contains the anti-aging component called resveratrol, which was produced by the stem cell culture of Wild Grape (*Vitis coignetiae*).

● **NONROT®**

Wood preserved stain that retains the fragrance and grain of the wood while improving its durability

● **TAFNEL™ Oil Blotter™**

Functional sheeting that protects the sea and rivers from oil pollution due to its excellent oil absorbency

● **ACCOFLOC™** ● **ARONFLOC™** ● **Acrylamide**

High-concentration liquid polymer flocculants and their raw materials that effectively separate the suspended fine particles that are a contributory factor in water contamination and thus enable a hygienic reduction in the amount of wastewater treatment



MILASTOMER™



Polymetac™



ECONICOL™



NONROT™



TAFNEL™ Oil Blotter™

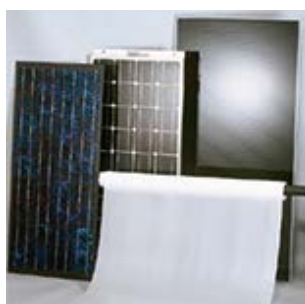


ACCOFLOC™ / ARONFLOC™

Development of Renewable Energy

● **SOLAR EVA™** ● **SOLAR ASCE™**

Encapsulant sheeting for solar cells with exceptional transparency and weather resistance



SOLAR EVA™

Products That Contribute to the Realization of Health and Happiness in an Ageing Society

Quality of Life (QOL)

● Copper Stopper™

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



Copper Stopper™

● SYNTEX™

Nonwovens with exceptional flexibility and stretchability used to make disposable diapers



SYNTEX™ / ESPOIR™

● ESPOIR™

Film with exceptional breathability used to make disposable diapers



Plastic plates to guide the visually impaired

● Plastic plates to guide the visually impaired

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

Advancement of Medical and Pharmaceutical Fields

● MR™ Series ● RAV7™ Series

Lightweight but tough ophthalmic lens materials with exceptional optical performance



MR™ Series

● UV+420cut™

Ophthalmic lens material that blocks from UV to high-energy visible light [420nm] and protects eye health



SYNTEX™

● SYNTEX™

Nonwoven fabric used in highly comfortable medical gowns with exceptional barrier performance



Super-Bond™

● Super-Bond™

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

Food Problem

● Spash™

Film for maintaining food freshness that inhibits the wilting and discoloration of vegetables and other produce and thus contributes to reducing the amount of food waste



Spash™

● Mitsuhihari 2003, 2005

Exceptionally high-quality, great tasting hybrid rice that enables multiple harvests and harvesting periods



Mitsuhihari

● ANIKI™ ● FRUITSAVER™

Agrochemicals that contribute to the safe production of a variety of vegetables and fruit trees



FRUITSAVER™

● iCAST™

A crop cultivation system for agriculture that enables the consumption of water and fertilizer to be reduced, and also enables the impact on environment to be reduced



iCAST™

Products That Contribute to the Realization of Industrial Platforms That Are in Harmony with Local Communities

● Purified terephthalic acid (PTA)

Raw material used to make polyester fibers most often used in chemical fabrics as well as for PET resins used for drink bottles and for packaging/optical-use films

● Mitsui PET™

Raw material used for PET bottles and for many kinds of packaging and containers that are used mainly as beverage and seasoning containers

● Prime Polypro™

Resin with a wide range of uses as a raw material for food and detergent containers as well as automotive and consumer electronics parts



Purified terephthalic acid
(PTA)



Mitsui PET™



Prime Polypro™

Risk and Compliance

To earn the trust of our shareholders, customers, members of the local community and all of our other stakeholders, and to fulfill our corporate social responsibilities, it is crucial to put in place and effectively operate a solid management framework, covering risk management and compliance. Here at the Mitsui Chemicals Group, we are committed to reinforcing our management framework in order to provide stronger foundations for our corporate activities.

► Risk and Compliance

► Goals and Results

► Risk Prevention Measures

► Risk Management Policy

► Promoting Compliance

► Risk Management Framework

Risk and Compliance

▼ Goals and Results

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To earn the trust of our shareholders, customers, members of the local community and all of our other stakeholders, and to fulfill our corporate social responsibilities, it is crucial to put in place and effectively operate a solid management framework, covering risk management and compliance. Here at the Mitsui Chemicals Group, we are committed to reinforcing our management framework in order to provide stronger foundations for our corporate activities.

Goals and Results

Goals for Fiscal 2015

- Conduct comprehensive earthquake response training incorporating flexible measures aligned to changing conditions and situations
- Review the Company's regulations and BCP; upgrade equipment and conduct essential maintenance

Fiscal 2015 Results

Level achieved: A

- Conducted comprehensive earthquake response training incorporating flexible measures aligned to changing conditions and situations (on the assumption of a major earthquake in the Tokyo metropolitan area)
- Reviewed the Company's regulations and BCP; upgraded equipment and conducted essential maintenance

Priorities for Fiscal 2016

- Strictly observe all laws, regulations and laws; promote increased awareness toward compliance
- Upgrade response measures and minimize the impacts of major earthquakes and accidents
- Strengthen information system security
- Identify key risks and strengthen risk management support

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Risk and Compliance

► Goals and Results

▼ Risk Management Policy

► Risk Management Framework

► Risk Prevention Measures

► Promoting Compliance

Risk Management Policy

The Mitsui Chemicals Group has put in place its Group Risk Management Policy. In this manner, the Group has clarified the risk management principles to be adopted with respect to daily tasks and duties.

Group Risk Management Policy

Basic Objectives

1. To confirm that all employees are fully aware of the importance of risk management
2. To confirm that a structured and systematic risk management system is in place
3. To confirm that the line management of risks is firmly entrenched and the definitive steps have been taken to employ a PDCA cycle

Basic Stance

1. Line managers steadfastly carry out PDCA procedures as a part of efforts to manage the risks that arise in the natural course of daily business activities
2. All employees who have come into the possession of risk-related information report to their line managers in a timely manner
3. All employees proactively cooperate and share with other departments any risk-related information that has come into possession
4. Each and every employee must take the initiative and realize that he or she maintains the same responsibilities as the officer in charge of risk management. Every effort must be made to constantly fine tune sensitivities toward risk

Risk and Compliance

► Goals and Results

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Risk Management Framework

At the Mitsui Chemicals Group, we carefully control all risks that could potentially threaten our business activities, to earn the trust of our shareholders, customers, members of the local community and all other stakeholders, and to fulfill our corporate social responsibility.

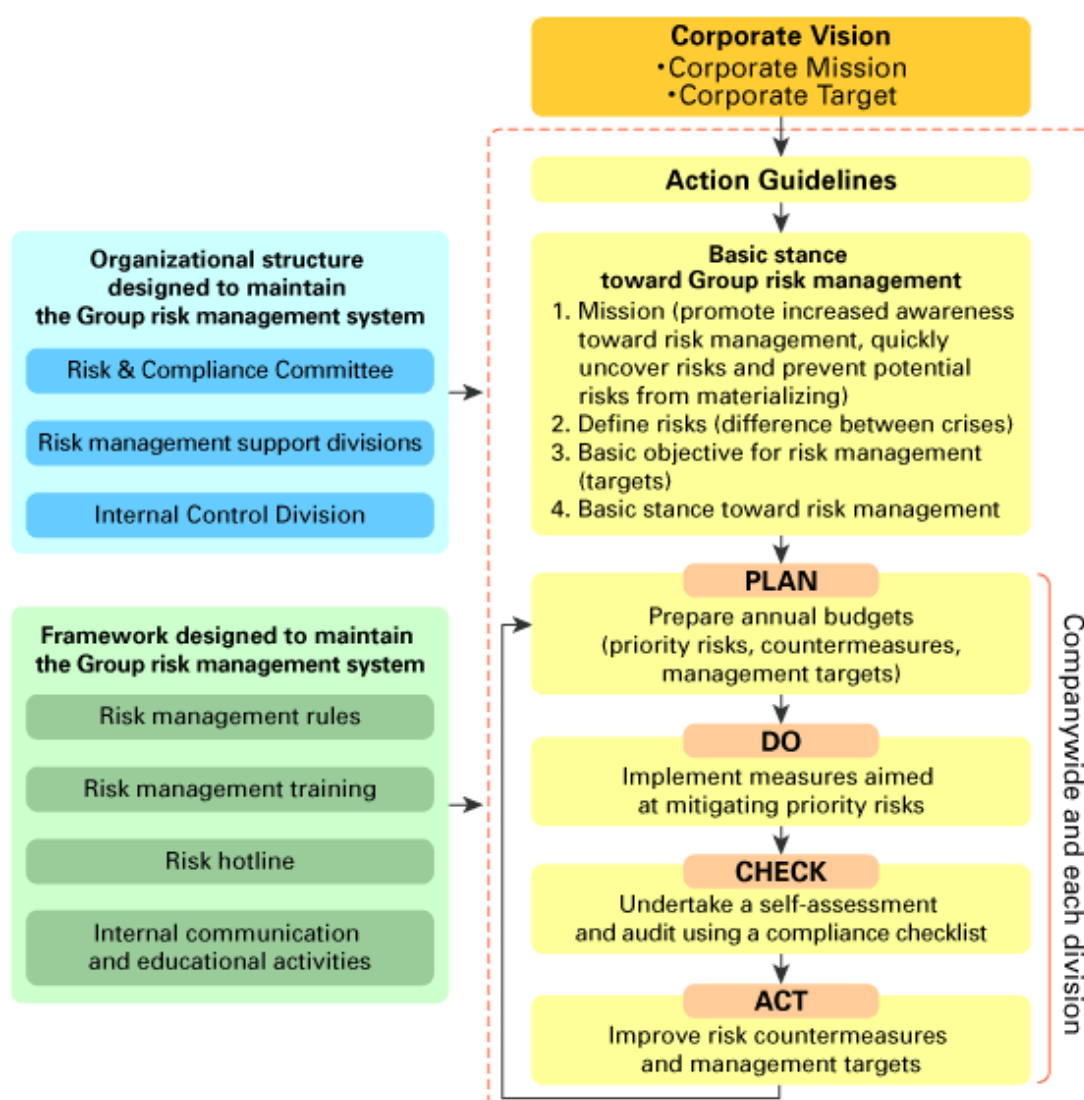
Risk Management System

We introduced the Mitsui Chemicals Risk Management System to quickly identify risks and prevent them from materializing. The system involves identifying key risks within the annual budget of each Group company or division, undertaking an analysis of the status of risk, and implementing measures accordingly.

We also use tools such as compliance checklists as part of a risk management PDCA* cycle that is designed to monitor progress with risk management measures and prevent risks from materializing.

* PDCA: Plan, Do, Check, Act

Risk Management System



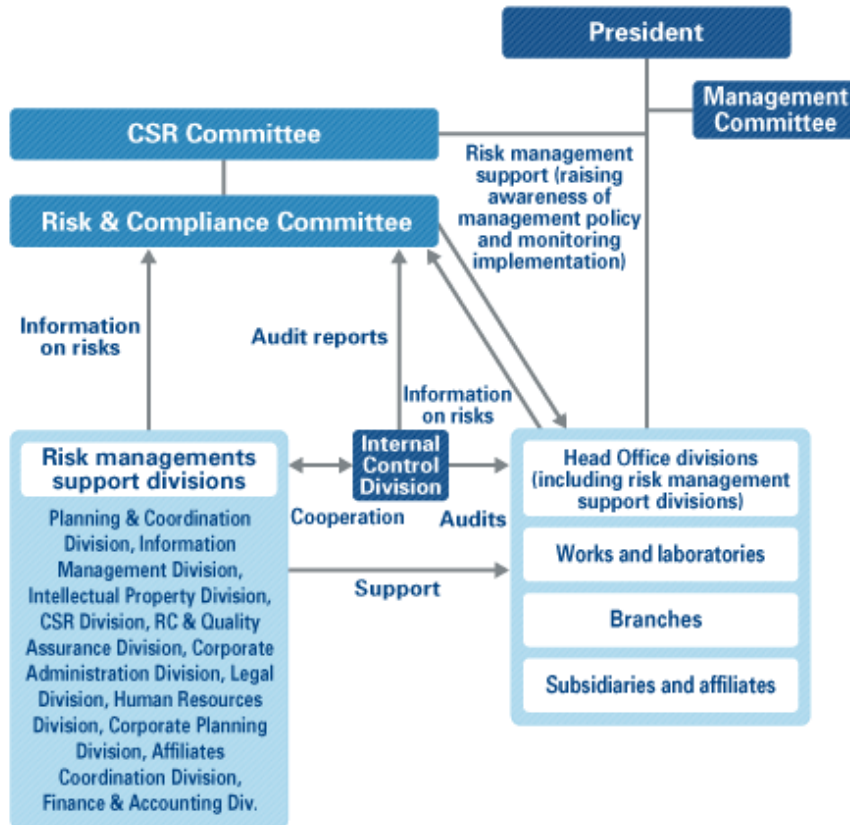
Risk & Compliance Committee

The Risk & Compliance Committee (chaired by the director in charge of risk and compliance) was established as a separate entity in order to put in place specific policies, strategies, and plans that address risk as well as compliance concerns, a priority CSR area of the Mitsui Chemicals Group.

This Committee is charged with the responsibility of garnering the trust of the Group's stakeholders and providing support to each division as well as each Group company in their efforts to manage risk and ensure that Mitsui Chemicals fulfills its corporate social responsibility. In addition, the Internal Control Division undertakes operating audits and conducts interviews to assess the status of risk management at each Group company and division. Findings of the Internal Control Division are then reported to the Risk & Compliance Committee.

As a result of these endeavors, and carrying on from fiscal 2014, there were no breaches of statutory or regulatory requirements including rules and matters of a major nature that affected the Group's social standing, business operations, earnings and other key parameters in fiscal 2015.

Structure of Our Risk Management System



Risk and Compliance

▶ Goals and Results

▶ Risk Management Policy

▶ Risk Management Framework

▼ Risk Prevention Measures

▶ Promoting Compliance

Risk Prevention Measures

Top Priority Risk Management

In each Group company and division, we are specifying top priority risks, based on risk models and procedure documents, and steadily implementing measures and controls for risk.

In addition to sharing targets for top priority risk measures and management as well as target achievement status, the Risk & Compliance Committee examines and supports appropriate measures in response to newly materializing risks and risks that are judged likely to have a major impact on the Group as a whole as well as in response to other risks as necessary.

Risk Categories

(1) Business (2) Product Quality (3) Production/Maintenance (4) Product Safety (5) Personnel
(6) Information Management (7) Safety/Health (8) Sales (9) Capital (10) Compliance

Concerning the cases not yet achieved of the top priority risk cases specified at the Mitsui Chemicals parent company in fiscal 2015, the Company took measures in response for each and shared the content of those measures at the Risk & Compliance Committee. In addition, the conditions under which other risks had arisen or materialized as significant problems were not confirmed.

For fiscal 2016, we will make efforts in accordance with management targets at each division and undertake appropriate control through the Risk & Compliance Committee.

▶ Risk identification and specific management procedures for top priority risks 

▶ Risk models (List of risk analysis categories) 

Risk Hotline

Our Risk Hotline enables any Group employee who has obtained information relating to risks, including details of illegal activities going on within the Company, to directly report the matter to and seek advice from the Risk & Compliance Committee or an outside attorney. Any and all information relating to risks received through the hotline is immediately and appropriately reported to the Company's corporate auditors.

Meanwhile, our Company regulations clearly state that employees using the hotline to report or seek advice about an incident must not receive unfavorable treatment.

The hotline is also open to reports and requests for advice from employees working for contractors at our works or other sites and those working for companies supplying us with items such as raw materials or parts.

[Reporting and Points of Contact for Advice]

< Reports to/consultation with the Company's Risk & Compliance Committee >

For the attention of:

The Secretariat, Risk & Compliance Committee

General Affairs/Legal Division

Mitsui Chemicals, Inc.,

Shiodome City Center, 1-5-2, Higashi-Shimbashi, Minato-ku, Tokyo 105-7122, Japan

E-mail : Risk@mitsuichemicals.com

< Reports to/consultation with external point of contact [attorney] >

For the attention of:

Mitsui Chemicals, Inc. Hotline

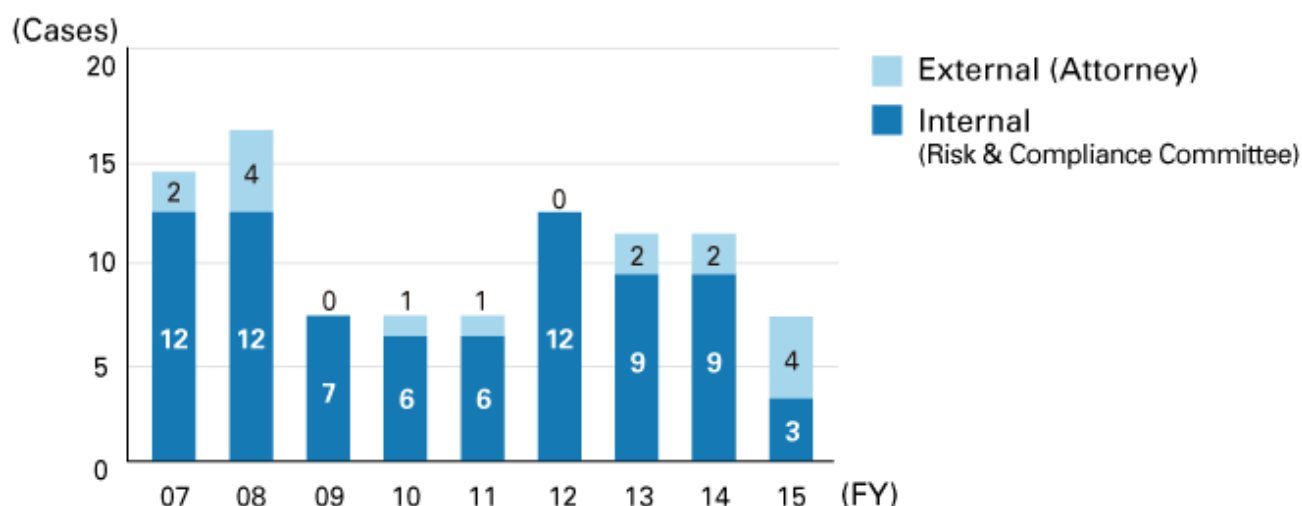
Daiichifuyo Law Office, Kasumigaseki Building 12F, Kasumigaseki, 3-2-5, Chiyoda-ku, Tokyo 100-6012, Japan

E-mail : risk-MCI@daiichifuyo.gr.jp

Risk Hotline Operational Management

- Our Risk Hotline enables any Group officer, employee, employee's family member or client who has obtained any information relating to the Company's business activities to report the matter and seek advice.
- The Company restricts those able to view E-mails and letters received by the Risk & Compliance Committee or the external point of contact to only some of the members of the Committee. Furthermore, those able to view correspondence strictly observe confidentiality with regard to the name or location of any person using the hotline to report or seek advice or to the content of their report, which for the purposes of investigation is not disclosed to anyone other than the minimum number of officers and employees or to attorneys. Internally stipulated regulations safeguard the information against any leaks (including the name or location of any person using the hotline to report or seek advice, or acts that would make it easy to ascertain the content of their report).
- The Company will keep confidential from anyone other than those involved any information relating to those cooperating for the purpose of the investigation or information gained through the investigation.
- Any person using the hotline to report or seek advice is not to be subject to penalty by reason of having written a report or sought advice. Moreover, the Company is not to put any supplier at a business disadvantage by reason of having written a report or sought advice. However, this limit will not apply in cases where the person who used the hotline to report or seek advice had done so for the purpose of deceiving others, for example by deliberately conveying false information, or in cases in which a report was made for the purposes of unlawful activities, such as coercion or blackmail.
- For reports and consultations we ask that names and locations be revealed and that reports and requests for advice be by letter or E-mail. Anonymous communications are accepted, but please be aware that in the event that a person cannot be contacted by the Company, there will be cases where the situation will not be fully understood and steps, such as an appropriate investigation or response, will not be taken.

Risk Hotline statistics



Business continuity plans (BCPs)

We have formulated a Business Continuity Plan (BCP) for execution in the event of a major earthquake in the Tokyo metropolitan area. The plan establishes the systems and outlines that, in the event that Head Office is unable to function, its functions would be moved to a main base such as the Osaka Works, an emergency headquarters would quickly establish a chain of command, and emergency customer response centers would be established to provide our customers with support quickly and effectively. BCPs have also been put in place in preparation for an outbreak of new-type influenza and for a large-scale accident at a production site.

In fiscal 2016, based on such scenarios as the high probability of a Nankai Trough earthquake and a major earthquake in the Tokyo metropolitan area, we intend to continue on from fiscal 2015 and again organize extensive BCP training, incorporating flexible measures aligned to changing conditions and situations, while also covering the potential risk of a major earthquake in the Tokyo metropolitan area. Following on from that, we also intend to review regulations and our BCP, focus on raising awareness in the workplace while taking stock of and maintaining essential equipment.

At production sites, we regularly conduct earthquake and tsunami readiness training and ensure that safe operational shutdown procedures and employee evacuation systems are in place.

From the business management standpoint, we are adopting a range of measures. With regard to some of the important raw materials, we are purchasing from multiple sources and ensuring back-up sources to safeguard the supply chain, building a production system at multiple business sites for the Group's main products, and maintaining a certain level of inventory.

Procedures for Identifying Risks and Specifying / Managing Priority Risks

1. Risk Identification

Identify risks at each department by performing a full review of each responsible operation and relevant laws/regulations, and taking into consideration the status of priority risk management during the previous fiscal year.

2. Risk Categories

Identified risks are assessed according to impact and likelihood of occurrence, and then categorized from I to IV within the matrix shown below.

Criteria

◆ High Impact

- Very high level of monetary impact (damages, earnings reduction)
- Casualties incurred
- Organizational survival and strategic targets significantly impacted
- Company image and reputation severely damaged
- Local communities heavily affected

◆ High Likelihood of Occurrence

- High likelihood of occurrence at least once during the fiscal year
- Actual occurrence during the past three years
(However, possible to establish evaluation criteria tailored specifically to the circumstances of each department)

High Impact Low	II	I
	IV	III
Low		High
Occurrence potential		

3. Specifying Priority Risks

Based on the categories listed above, one or more priority risks are selected from risks categorized under I (II if there is no I; from III if there is no I or II)

4. Establishing Risk Countermeasures, Management Items and Targets

Establish countermeasures for priority risks as well as management items and targets in order to implement these countermeasures (it is desirable to establish quantitative management items/targets to extent possible, but it is possible to set these on a qualitative basis if obtaining qualitative items proves difficult)

Risk Model (Examples of specific assumed risks)

Categories	Table of Contents
Compliance	Unlawful Actions
	Corporate Regulatory Infractions
	Employee Misconduct
	Employee Antisocial Actions
	Management of Confidential Information
	Management of Intellectual Property
Environment/safety/quality	Environmental Issues
	Safety Issues
	Quality Issues
Finances	Credit Management
	Foreign Currency Exchange
	Financing
	Tax Issues
Personnel/labor system	Employee Health Management
	Personnel Loss
	Employee Morals
	Pensions/Funds
	Labor/Management Relations
Information systems	Information Infrastructure
	Access to Information
External operating conditions	Competitors
	Customers, Markets
	Suppliers
	Shareholders
	Legal Revisions, Regulatory Changes
	Country Risks (Overseas Safety)
	Media
Business strategies	Budget/Planning
	Strategy Formulation
	Product Lifecycle
	Business Portfolio
	Management Resource Distribution
	Product Development Capacity
	Comprehending External Conditions

Risk and Compliance

► Goals and Results

► Risk Management Policy

► Risk Management Framework

► Risk Prevention Measures

▼ Promoting Compliance

Promoting Compliance

As an indication of the priority given to compliance with laws and regulations over any pursuit of profit, the Mitsui Chemicals Group has identified compliance with the laws and regulations as the first item in its Group Action Guidelines formulated in February 2006. In addition to putting in place a risk management framework that includes the Risk & Compliance Committee and Risk Hotline, Mitsui Chemicals is acutely aware of the critical need to have its employees who drive its risk management framework forward strictly adhere to all laws and regulations. With this in mind, the Company has undertaken four initiatives in an effort to promote compliance. In addition to preparing a basic Compliance Guidebook, we conduct compliance awareness education and training as well as workplace discussions covering case studies of violations of laws and regulations in order to strengthen the understanding of employees. From a skills and knowledge perspective, we also conduct legal and regulatory compliance training.

 Action Guidelines

Compliance Guidebook

The Compliance Guidebook (issued in 2006) summarizes basic points that Group directors and employees should consider when carrying out their duties. It is a tool that emphasizes the need to comply with all laws and regulations, a key component of the Mitsui Chemicals Group Action Guidelines. In addition to the existing Japanese and English editions, we compiled a new Chinese edition containing information on Chinese laws and regulations in 2009. Distributed mainly to our subsidiaries in China, these guidebooks help promote compliance on a day-to-day basis.

► [Compliance Guidebook](#) ([abstract](#)) ([PDF : 67KB](#)) 

Example-Based Workplace Discussions on Legal and Regulatory Violations

The Mitsui Chemicals Group has been organizing example-based workplace discussions on legal and regulatory violations since fiscal 2008. These discussions involve members of staff in each workplace discussing examples of compliance violations at Mitsui Chemicals and at other companies, with a focus on the causes, preventive measures and the potential for similar occurrences in their own workplace. The aim is to raise awareness of legal and regulatory compliance and reinforce interactive communication with senior members of staff. Discussions have received a positive response in many of our workplaces, with some departments voluntarily increasing the frequency of discussion sessions and others picking out examples of particularly relevant violations at other companies.

Compliance Awareness Training

The awareness of individual directors and employees is the most important factor to ensure compliance. The required level of awareness varies however depending on each individual's position within the Company. We therefore tailor the contents of compliance awareness training to suit every level, from new recruits to employees newly promoted to a management position, newly appointed line managers and each management rank.

Our goal is for individuals at every level to take the initiative and set an example for others, thereby raising levels of compliance awareness throughout the Group and creating a more open corporate culture.

Legal and Regulatory Compliance Training and e-Learning

Here at the Mitsui Chemicals Group, we organize legal and regulatory compliance training in order to improve employees' knowledge. Training is provided via e-learning or group training sessions, both of which cover specific laws and internal regulations that our employees need to be aware of in order to carry out their duties. We also organize customized training sessions for individual divisions or subsidiaries and affiliates on request.

Required subjects vary depending on the contents of each employee's duties. We also require employees to re-take courses on a regular basis to ensure that they are aware of recent developments. Participation in these training initiatives is audited by the Internal Control Division. In this manner, we place the utmost importance on participation.

e-Learning Education and Training Themes

- Industrial safety and health legislation
- Process safety legislation
- Environmental legislation
- Quality control
- Harassment
- Finance and taxation
- Intellectual property
- Information management
- Contracts
- Antimonopoly legislation
- Credit control
- Export control
- Purchasing



~For compliance with laws and rules~

Compliance Guidebook

Mitsui Chemicals, Inc.

Aiming to Become a Reliable Mitsui Chemicals Group - Striving to Be a Trusted Entity -

In February 2006, we established “Mitsui Chemicals Group Action Guidelines” as part of our Corporate Social Responsibility (CSR) strategy. These Guidelines were compiled to present the guidelines for actions for the officers and employees of the Mitsui Chemicals Group. These Guidelines are intended to be referred to by them when they consider what they should value most in their behavior in order for the Group to continue to contribute widely to society and become an entity that earns the trust of its stakeholders. The top priority item set forth in these Guidelines is “Compliance with the laws and regulations”.

At the outset of the Action Guidelines, the Mitsui Chemicals Group declared “We will give priority to compliance with laws and regulations over pursuit of any profit”. If you are forced to choose either profit or compliance with laws and regulations, please do not hesitate to give priority to compliance with laws and regulations. We should never repeat the violation of the High Pressure Gas Safety Law or cartels (for polypropylene, gas distribution pipe, etc.), among other things.

In recent years in Japan, cases of violations of laws, regulations and rules have been frequently reported by the press. These cases include the incidents of product data fabrication and accounting fraud by listed companies and an emission gas scandal of a powerful carmaker having global operations. Society is keeping an ever increasingly sharp eye on these corporations having committed the offenses. In these situations, they are facing a possibility that as a consequence of their single breach of a law, regulation or rule, they may devastatingly lose their social confidence that they have built over many years and the foundation of their existence as corporations may be shaken. We must have a strong realization that compliance with laws, regulations and rules is the major premise of the existence of any corporation and without it any corporation can neither continue to exist nor fulfill its social responsibility.

Furthermore, in light of the global development of our businesses that are growing year by year, it is all the more important for us to have a greater awareness of the importance of compliance with the laws, regulations and rules of foreign countries as well as those of Japan. We are required to have an accurate understanding of various regulations of foreign countries and consider at all times whether or not our own actions are appropriate. In particular, the concerns about the problems of injustice and corruption including cases of bribery involving foreign public officials are rapidly growing in the world. This is an issue to be seriously addressed by the whole Mitsui Chemicals Group for the sake of our moving forward with global business operations, among other reasons.

I firmly believe that if all of our officers and employees take actions in good faith, keeping compliance with laws, regulations and rules in mind, we will gain greater social confidence and be able to lay the foundations for the sustainable development of our Group.

February, 2016



Tsutomu Tannowa, President

Compliance Guidebook

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Responsible Care

This section outlines our Responsible Care (RC) initiatives, which support our wide-ranging business activities here at the Mitsui Chemicals Group.

► Responsible Care Policy and Management

The Mitsui Chemicals Group has put in place its Responsible Care Policy outlining fundamental requirements for its Responsible Care activities.

Guided by this Policy, the Group engages in various activities in such areas as process safety and disaster prevention, occupational health and safety, environmental protection, chemicals management, quality, and logistics.

► Goals and Results

► Responsible Care Audits

► Responsible Care Policy

► Responsible Care Implementation

► Roll Out to Subsidiaries and Affiliates

► Process Safety and Disaster Prevention

Here at the Mitsui Chemicals Group, we engage in a variety of activities with the aim of strengthening our process safety capabilities.

► Goals and Results

► Initiatives to Prevent Major Accidents

► Introduction to Process Safety and Disaster Prevention at Production Sites

► Occupational Health and Safety

Working together, the Mitsui Chemicals Group is engaging in activities aimed at preventing accidents and occupational injuries.

► Goals and Results

► Creating Safe and Secure Workplaces

► Introduction to Safety Activities at Production Sites

► Environmental Protection

Here at the Mitsui Chemicals Group, we make sure that all of our business activities are in harmony with the global environment.

► Goals and Results

► Introduction to Activities at Production Sites

► Preventing Global Warming

► Biodiversity

► Reducing Industrial Waste

► Environmental Accounting

► Substances Subject to the PRTR Act

► INPUT⇒OUTPUT

► Preserving Air Quality

► Handling Environmental Complaints

► Philosophy on Water Resources

▶ Chemicals Management

The Mitsui Chemicals Group engages in the sound management of chemicals as a part of efforts to support the international pledge of the World Summit on Sustainable Development (WSSD), held in Johannesburg in 2002, to minimize the significant adverse effects imposed on human health and the environment by chemicals by the year 2020.

▶ Goals and Results

▶ Promotion of Chemicals Management

▶ Logistics

Here at the Mitsui Chemicals Group, we carry out a wide range of initiatives to ensure that our products are transported safely.

▶ Goals and Results

▶ Transporting Products Safely

▶ Initiatives to Reduce Environmental Impact in Logistics

▶ Quality

We are committed to continually improving the level of quality management here at the Mitsui Chemicals Group. We also make every effort to improve the quality of our products and services so as to increase customer satisfaction even further.

▶ Goals and Results

▶ Quality Improvement Initiatives

Responsible Care Policy and Management

▼ Goals and Results

▶ Responsible Care Policy

▶ Responsible Care Implementation

▶ Responsible Care Audits

▶ Roll Out to Subsidiaries and Affiliates

Management System

Policy

The Mitsui Chemicals Group carries out Responsible Care activities in accordance with its Responsible Care Policy.

 [Responsible Care Policy](#) 

System and Responsible Officers

Under the direction of the senior executive director who serves as chairman of the Responsible Care Committee, Responsible Care Committee members—consisting of the general managers who are responsible for each of the six functional categories* as well as the general managers of business departments—are tasked with putting in place Responsible Care activity-related policies, strategies, planning, undertaking performance evaluations, and conducting reviews of the Responsible Care system. Departments in charge of each Responsible Care functional category constantly share information with each other to promote Responsible Care activities throughout the Group.

* Six functional categories : environmental protection, process safety and disaster prevention, occupational health and safety, chemicals safety, quality, and logistic safety

Monitoring Methods

The Responsible Care Committee regularly convenes to monitor the progress of Responsible Care activity plans and conduct evaluations of Responsible Care achievements, the results of which are then reflected in planning for the next fiscal year.

Achievements and Reviews

In fiscal 2015, meetings of the Responsible Care Committee were held on three occasions. At each meeting, the Committee took steps to confirm the status of measures implemented to address key issues and to deliberate on the efficacy of those measures in terms of the results achieved. Based on these deliberations, energies were channeled toward formulating activity plans for the next fiscal year.

* Please refer to the relevant page for each functional category for details of specific activities.

Goals and Results

Goals for Fiscal 2015

- Expand and strengthen independent activities as a part of Responsible Care endeavors at overseas subsidiaries and affiliates

Fiscal 2015 Results and Assessment

Level achieved: A

- Received the Responsible Care Special Recognition Award from the Japan Chemical Industry Association as an acknowledgement of the Group's efforts to roll out Responsible Care activities to its subsidiaries and affiliates
- Revised the Responsible Care Policy
- Steps taken to share the details and purport of revisions to the Responsible Care Policy as well as efforts to roll out Responsible Care activities to subsidiaries and affiliates shared at the presidents' meetings of subsidiaries and affiliates and at the SHE* meetings of each region
- Strengthened the structure for rolling out Responsible Care activities in which regional corporate companies play a key role

* SHE: Safety, Health and Environment.

Priorities for Fiscal 2016

- Promote autonomous Responsible Care activities at overseas subsidiaries and affiliates

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Responsible Care Policy and Management

► Goals and Results

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► Responsible Care Audits

► Roll Out to Subsidiaries and Affiliates

Responsible Care Policy

Mitsui Chemicals has identified certain basic elements of the Responsible Care activities undertaken by the Mitsui Chemicals Group in accordance with the Responsible Care Policy. Through its Responsible Care activities, the Company and Group are committed to addressing the expectations and earning the trust of society as well as the local community while also contributing to the sustainable development of the public at large and the chemical industry. The Responsible Care Global Charter, which serves as the overarching policy for Responsible Care activities undertaken throughout the world, was revised in 2014. On behalf of the Company, Mitsui Chemicals' President again signed off on the revised Responsible Care Global Charter.

Based on the ideas of Responsible Care Global Charter, we revised our Responsible Care Policy in September 2015 in order to clarify our intentions and understanding that "safety is our top priority." With the aim of ensuring that overseas subsidiaries and affiliates gain a better understanding of the Group's Responsible Care Policy, Mitsui Chemicals provided guidelines in Japanese, English and Chinese. In addition, steps are being taken to translate the Responsible Care Policy into the home language of each overseas subsidiary and affiliate.

In line with revisions to the Responsible Care Policy, portions of the Company's internal regulations have been revised.

Responsible Care Policy

► Responsible Care Policy Guidelines

Responsible Care encompasses all of the activities that companies manufacturing or handling chemicals pledge to undertake based on the principles of self-determination and responsibility. Activities span the entire life cycle of each product, from development and manufacturing to transport, use, consumption and disposal, and are aimed at protecting the environment, ensuring process safety, preventing disasters, promoting occupational safety, chemical safety and occupational health, and maintaining quality, as a matter of basic policy. All activities are self-managed, and involve measures and improvements relating to the environment, safety, occupational health and quality.

Parent Company Works Implementation Policy

Guided by the Responsible Care Policy, Mitsui Chemicals' six production bases (works) have put in place and are carrying out the following implementation policies.

Roll Out to Subsidiaries and Affiliates (Responsible Care Shiodome Manifesto)

President & CEO Tsutomu Tannowa once again signed off on the Responsible Care Global Charter on behalf of Mitsui Chemicals following its revision in 2014 reaffirming the commitment to Responsible Care across the Group as a whole. Deeming it necessary to expand Responsible Care activities to subsidiaries and affiliates in order to fulfill this commitment, Mitsui Chemicals formulated the Responsible Care Shiodome Manifesto as a declaration that promotes the Group's Responsible Care policy and frameworks for subsidiaries and affiliates based on the articles of the Responsible Care Global Charter. Drafting the Responsible Care Shiodome Manifesto in Japanese as well as English and Chinese to facilitate understanding among local employees, the presidents of all Group subsidiaries and affiliates that fall within the scope of Responsible Care support signed off as an acknowledgement of their commitment.



Guide to the Responsible Care Policy

The Mitsui Chemicals Group pursues sustainable business activities while fulfilling its responsibilities to society in line with the ideals advocated in its corporate mission of “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”.

The mindful actions of officers and personnel of the Mitsui Chemicals Group are important in cultivating the trust and confidence of our stakeholders and society. To realize sustainable development of society and our group while contributing to our stakeholders, we will continue to “act in good faith”, “cherish people and society”, and provide “creative and innovative solutions” in line with our action guidelines.

Responsible care initiatives originated in unique activities of the chemical industry to ensure ongoing improvements in safety, health, and environmental platforms. Although originating in the chemical industry, the principles are universal to all industries.

Responsible care at the Mitsui Chemicals Group is not limited to chemical products and materials. Its ideals cover all aspects of the product lifecycle from development, logistics, use, and disposal. It is the self-implemented management and improvement of measures related to safety, health, the environment, and quality.

In accordance with our corporate philosophy and action guidelines, we will meet the expectations of and fulfill our responsibilities to the community and society by not only complying with rules and regulations but by also contributing to and advancing safety, health, and environmental initiatives as well as bolstering quality for the continued sustainability and growth of society. The Mitsui Chemicals Group recognizes these to be its most important responsibilities to society and will make every effort convey its activities and principles by better communication with stakeholders and corporate entities while expanding its business focus and activities.

◆ **We pledge safety is our top priority and focus on achieving zero accidents and occupational injuries.**

Everyone recalls the April 22, 2012 tragedy at Iwakuni-Ohtake Works where an explosion and fire claimed the life of one of our young employees. This accident resulted in a loss of society's trust toward our company. We all pledged that, "We must never let an accident like this to happen again". To be true to this promise, we have strictly implemented fundamental safety activities. However, the establishment of a safety culture does not happen overnight. We will steadfastly continue our safety efforts, one step at a time, so that we may become a "corporate group with the highest level of safety".

Additionally, the Mitsui Chemicals Group aims for safe and stable operations in the event of natural disasters including earthquakes, tsunamis, and typhoons, by conducting daily response drills and by preparing equipment measures for emergency actions such as emergency shutdowns. These efforts aim to regain the trust of society and "realize an industrial infrastructure that is in harmony with the local communities".

◆ **We make efforts to assess risks of our products throughout their lifecycles to ensure the health and safety of all persons and to protect the environment by reducing their environmental impact.**

Mitsui Chemicals engages in sound chemical substance management as a part of efforts to support the international pledge of the Word Summit on Sustainable Development to minimize the negative impact of chemicals on people and the environment by the year 2020. To this end, we have assessed the risk of chemical substances on humans and the environment throughout the product life cycle, and are working to ensure human health and reduce environmental load. We provide assessment results to our stakeholders and contribute to creating a secure society.

◆ **We contribute to improving quality of life and protecting the environment through our business activities by developing beneficial technology and products.**

The Mitsui Chemicals Group aims to contribute to social issues such as a society coexisting in harmony with the environment and "successful aging" where all people can enjoy good health and happiness in an aging society through our business activities. To this end, we are actively developing technology and

products that contribute to improving quality of life and protecting the global environment.

◆ **We provide high quality products and services that satisfy customer needs and respond to the trust that they place in us.**

When providing products and services, we believe it is important to ensure quality from the perspective of the customer and respond to the trust they place in us. Therefore, we make every effort to understand the uses of our products by our customers, and provide products that our customers can use with confidence and satisfaction.

◆ **We actively promote the well-being of all our employees.**

“Employee well-being is directly linked to the company’s well-being.” “Improving the health of our employees is in itself a contribution to society.” With this in mind, the Mitsui Chemicals Group is actively involved in efforts to improve the health of all persons working within the Group. Not only is physical health but also mental health an important issue. To this end, we will support employees in their voluntary efforts to ensure good health and promote the creation of lively work environments.

September 1, 2015

Responsible Care Policy and Management

► Goals and Results

► Responsible Care Policy

▼ Responsible Care Implementation

► Responsible Care Audits

► Roll Out to Subsidiaries and Affiliates

Responsible Care Implementation

Mitsui Chemicals engages in activities across the six clearly defined functional categories of environmental protection, process safety and disaster prevention, occupational health and safety, chemicals management, quality management, and logistic safety. These functional categories conform to the Responsible Care Management Codes of the Japan Chemical Industry Association.

Responsible Care activities are undertaken across the Mitsui Chemicals Group as a whole. This includes the support provided with respect to the specific initiatives of domestic and overseas subsidiaries and affiliates by the departments that oversee each functional category.

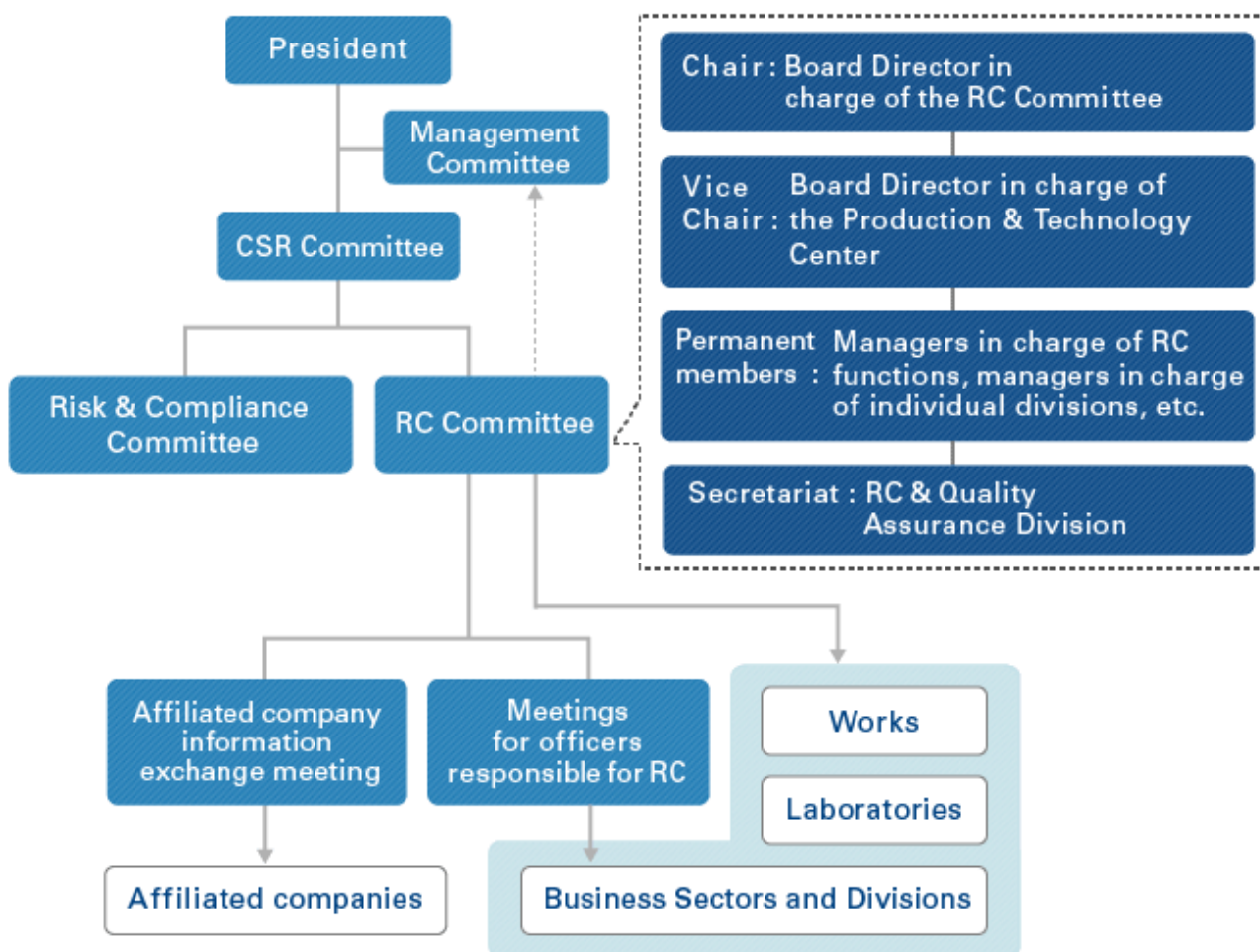
→ Roll Out to Subsidiaries and Affiliates

Responsible Care Functions of Mitsui Chemicals Group



Our Responsible Care Committee, chaired by the senior executive director who is responsible for the Responsible Care Committee and comprised of the general managers of the departments that oversee each functional category and the general managers in charge of each business sector, periodically formulate policies, strategies and plans, evaluate performance and review Responsible Care systems in connection with the Group's Responsible Care activities. Reports outlining discussions and topics covered at each meeting are then submitted to the Management Committee. Steps are being taken to ensure executives' commitment to Responsible Care activities.

Responsible Care Promotion System Centered on the Responsible Care (RC) Committee

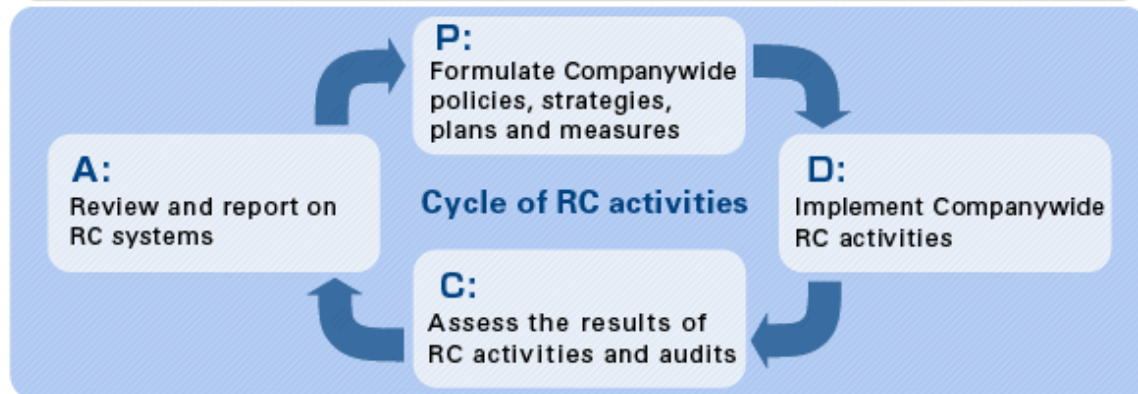


We constantly share information between departments in charge of Responsible Care functions and work to promote Responsible Care activities that involve the Company as a whole. We also appoint a member of staff in charge of Responsible Care in each division and department (RC Officer), and roll out Responsible Care-related policies and strategies across the Mitsui Chemicals Group as a whole through RC Officer meetings. Based on these policies and strategies, specific Responsible Care activities are carried out by individual departments including each works and division. Meetings are also held with domestic subsidiaries and affiliates to share information. Moreover, steps are taken to share policies related to Responsible Care activities as well as activity results. Turning to overseas subsidiaries and affiliates, SHE meetings are held by region. In addition to sharing policies and strategies relating to Responsible Care, every effort is being made to promote Responsible Care throughout the Group as a whole. Audits are conducted on a periodic basis to assess the status of Responsible Care activity implementation. In addition to forming the base for further guidance, the results of each audit are reflected in efforts to put in place new plans going forward.

Operational Flow of Responsible Care (RC) Activities

Role of the RC Committee

- (1) Formulate RC-related policies, strategies, plans and measures on a Companywide basis
- (2) Assess the results of Companywide RC activities on a yearly and quarterly basis
- (3) Publicize and raise awareness of RC within the Company
- (4) Assess the results of RC audits
- (5) Review RC systems and examine other important issues



Responsible Care Policy and Management

► Goals and Results

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Responsible Care Audits

We conduct environment & safety (environmental preservation, process safety, disaster prevention, chemicals safety, occupational safety), occupational health and quality audits every year, in order to objectively evaluate the effective implementation of responsible care (RC) activities at our works, factories, business divisions, laboratories as well as subsidiaries and affiliates all over the world, and to provide guidance. Auditors, who are selected after completing specific procedures and include the heads of the Internal Control Division and the RC & Quality Assurance Division as well as industrial physicians, conduct audits focusing primarily on the progress made with respect to key challenges set out in annual plans and the level of improvement regarding observations issued following the previous year's audit.

Working with the relevant supervising division, worldwide subsidiaries and affiliates are audited on a regular basis. In addition to ascertaining the current status of Responsible Care activities and providing guidance, audits are also aimed at improving the overall standard of Responsible Care activities throughout the Mitsui Chemicals Group. We make every effort to carry out audits as effectively as possible, and determine the frequency of audits and key criteria carefully, taking into account such factors as the level of environment, safety and quality management at each subsidiary or affiliate.

【Audits conducted in fiscal 2015】

All audits were completed according to the annual plan of fiscal 2015.

Audits were completed at 93% of all business facilities subject to audits during the three-year period from 2013 to 2015.

Certain levels were also confirmed by way of internal audits for those facilities where a third-party certification was not acquired. Plans are in place to complete audits of the remaining 7% of places of business during the period from 2016 to 2019.

Results of Responsible Care Audits in Fiscal 2015

Country Region	Company	Business Sites	Environmental Safety, Occupational Health			Quality	
			ISO 14001	OHSAS 18001	Internal Audit	ISO 9001	Internal Audit
	Mitsui Chemicals, Inc.	Kashima Works	○	○	○	○	○
		Ichihara Works	○	○	○	○	○
		Mobara Branch Factory	○	○	○	○	○
		Nagoya Works	○	○	○	○	○
		Osaka Works	○	○	○	○	○
		Iwakuni-Ohtake Works	○	○	○	○	○
		Omuta Works	○	○	○	○	○
		Sodegaura Center			○		○
	MC Industries, Ltd.	Shimizu Factory	○	○	○	○	○
		Kaibara Factory	○		○	○	○

Japan	Saxin Corporation	-	○	○	○	○	○
	Sun Alloys Co., Ltd.	-			○	○	○
	Sun Medical Co., Ltd.	-			○	ISO 13485	In the planning stage
	Sunrex Industry Co., Ltd.	-	○		○	○	○
	Shimonoseki Mitsui Chemicals, Inc.	-	○		○	○	○
	Japan Composite Co., Ltd.	Shimizu Factory	○		○	○	○
	Toyo Beauty Supply Corporation	-			○	ISO 13485	○
	NIPPON ALUMINUM ALKYLs, LTD.	Osaka Works	○		* 1	○	○
	Prime Polymer Co., Ltd.	(Head Office)			* 1		○
	Hokkaido Mitsui Chemicals, Inc.	-			○		○
	Mitsui Chemicals Agro, Inc.	(Head Office)			* 2		○
	Utsunomiya Chemical Industry Co., Ltd.	Utsunomiya Works			○	○	* 4
		Funaoka Factory			○	○	* 4
		Shinshiro Factory			○	○	* 4
		Tosu Factory			○	○	* 4
	Mitsui Chemicals Industrial Products, Ltd.	Saitama Office	○		○	○	○
		Otake Office	○	○	* 1	○	○
	Mitsui Chemicals Tohcello, Inc.	(Head Office)			* 2	○	○
		Katsuta Factory	○		○	○	* 5
		Ibaraki Factory	○		○	○	* 5
		Koga Factory	○		○	○	* 5
		Hamamatsu Factory	○		○	○	* 5
		Anjo Factory	○		○	○	* 5
	Mitsui Fine Chemicals, Inc.	(Head Office)			* 2		○
	Mitsui Chemicals & SKC Polyurethanes Inc.	(Japan Head Office)			* 2		○
		Tokuyama Factory	○		○	○	○
	Yamamoto Chemicals, Inc.	Yao Factory	○		○	○	○
		Omuta Works	○		○	○	○
	Mitsui Chemicals (China) Co., Ltd.	Head Office			* 2		○
		Technical Center			○		* 6
	Tianjin Cosmo Polyurethane Co., Ltd.	Tianjin	○		○	○	○
		Suzhou	○		○	○	○

China	Mitsui Chemicals Nonwovens (Tianjin) Co., Ltd.	–			○		○
	Shanghai Sinopec Mitsui Elastomers Co., Ltd.	–			In the planning stage		In the planning stage
	Mitsui Advanced Composites (Zhongshan) Co., Ltd.	–	○		○	○	○
	Zhang Jia Gang Free Trade Zone Mitsui Linkupon Advanced Material, Inc.	–	○		○	ISO 16949	○
	Foshan Mitsui Chemicals Polyurethanes Co., Ltd.	–			○	○	○
Southeast Asia	Mitsui Chemicals Asia Pacific, Ltd.	Technical Center			○		* 6
	Grand Siam Composites Co., Ltd.	Works	○	○	○	ISO 16949	In the planning stage
	Mitsui Hygiene Materials (Thailand) Co., Ltd.	–	○	○	○	○	○
	Siam Mitsui PTA Co., Ltd.	Works	○	○	○	○	○
	SThai PET Resin Co., Ltd.	Works	○	○	○	○	○
	Thai Mitsui Specialty Chemicals Co., Ltd.	Works	○	○	○	○	○
	Cosmo Scientex (M) Sdn. Bhd.	Works	○	○	○	○	○
	MCNS Polyurethanes Malaysia Sdn Bhd	Works	○		○	○	○
	PT. MCNS Polyurethanes Indonesia	Works	○		○	○	○
	P.T. PETnesia Resindo	Works	○	○	○	○	○
	Mitsui Chemicals Singapore R&D Centre Pte. Ltd.	–			○		* 6
	Mitsui Elastomers Singapore Pte. Ltd.	Works	○	○	○	○	○
	Mitsui Phenols Singapore Pte. Ltd.	Works	○	○	○	○	○
	Prime Evolve Singapore Pte. Ltd.	Works			In the planning stage		In the planning stage
	SDC Technologies Asia Pacific, Pte. Ltd.	Works			In the planning stage	○	In the planning stage
	Mitsui Chemicals India, Pvt. Ltd.	–			* 2		○
	Mitsui Prime Advanced Composites India, Pvt.Ltd.	Works	○		○	○	○
USA	Mitsui Chemicals America, Inc.	–			* 2		○
	Advanced Composites, Inc.	Ohio Plant	○	○	○	ISO 16949	○
		Tennessee Plant	○	○	○	ISO 16949	○
	Advanced Composites Mexicana, S.A. de C.V.	–	○		○	ISO 16949	○

	Anderson Development Company	–	○		○	○	○
	Image Polymers Company, LLC	Works	○	○	* 3		○
	SDC Technologies, Inc.	–			○	○	○
Europe	Mitsui Chemicals Europe GmbH	–			* 2		○
	Acomon S.R.L.	–	○		In the planning stage	○	○

* 1 Included in the of Mitsui Chemical parent company works

* 2 Does not maintain a manufacturing or other applicable department and therefore falls outside the scope of audit requirements

* 3 Located within the place of business of another company and therefore falls outside the scope of audit requirements

* 4 Conducted by Mitsui Chemicals Agro, Inc.

* 5 Conducted by Mitsui Chemicals Tohcello, Inc.

* 6 Does not handle products and therefore falls outside the scope of quality internal audit requirements

Responsible Care Policy and Management

► Goals and Results

► Responsible Care Policy

► Responsible Care Implementation

► Responsible Care Audits

▼ Roll Out to Subsidiaries and Affiliates

Roll Out to Subsidiaries and Affiliates

Mitsui Chemicals is rolling out Responsible Care activities to subsidiaries and affiliates in Japan and overseas as a part of efforts to promote Responsible Care across the Group as a whole. In addition to providing an explanation of the Responsible Care Policy revised in fiscal 2015 to overseas subsidiaries and affiliates, discussions were conducted to deepen understanding toward Responsible Care. Certain overseas subsidiaries and affiliates take the initiative and actively participate in the Responsible Care endeavors of local industry associations. These initiatives have been widely acclaimed.

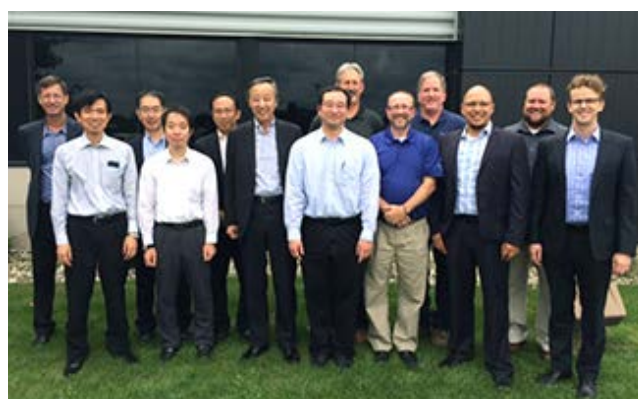
Global Network and SHE Meetings

Mitsui Chemicals is building an information network across the five regions where its subsidiaries and affiliates operate: China, Asia, Europe, the Americas and Japan as its center. This network gathers Responsible Care-related information from industry associations located in each region, which after being summarized and analyzed by the head office is shared throughout the Mitsui Chemicals Group.

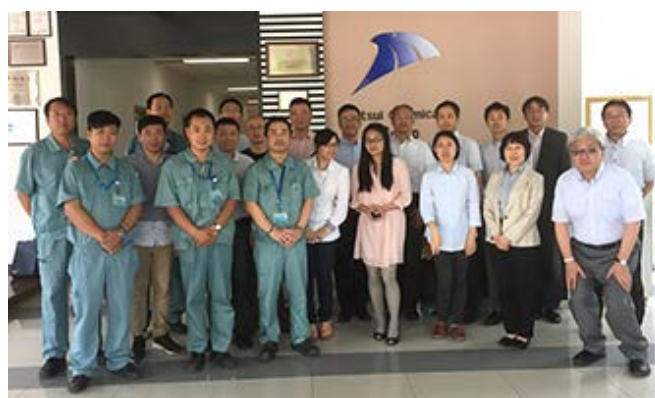
As part of the Responsible Care activity programs in each region, the Company holds SHE (Safety, Health, and the Environment) meetings that gather together the staff in charge of Responsible Care of various subsidiaries and affiliates. SHE meetings provide opportunities for participants to learn from each other by analyzing process accidents, occupational injuries and other case studies as well as learning best practices.



Regional activity (Asia Pacific)



Regional activity (Americas)




Regional activity (China)

Evaluation of the Responsible Care Activities of Overseas Subsidiaries and Affiliates

The Responsible Care (RC) Activities of Overseas Subsidiaries and Affiliates Are Becoming Firmly Entrenched and Attracting Acclaim from Outside Parties.

China

Mitsui Chemicals received the RC Merit Award from the Chinese Association of International Chemical Manufacturers. This award recognizes the outstanding nature of Responsible Care activities and contributions to the sustainable development of the Chinese chemical industry and Chinese society as a whole. In this instance, the contributions of Mitsui Chemicals' Group companies in the region through such activities as sponsorships of national university student chemical design contests and donations to rebuild a dilapidated elementary school received high praise.

 News Release : Mitsui Chemicals Presented RC Merit Award by Chinese Association of International Chemical Manufacturers

Tianjin Cosmo Polyurethane Co., Ltd. received a "Platinum" ranking from SMBC China and became the first company to receive the SMBC China Environmental Assessment Loan of the Sumitomo Mitsui Banking Corporation (China) Limited.

 News Release : Tianjin Cosmo Polyurethane Becomes the First Company to Receive SMBC's China Environmental Assessment

Singapore

MITSUI PHENOLS SINGAPORE PTE. LTD. received the RC Gold Award for its occupational health and safety endeavors and the RC Achievement Award in recognition of the company's outstanding emergency response, environmental conservation and process safety prevention performance. Meanwhile, MITSUI ELASTOMERS SINGAPORE PTE LTD received also received an RC Achievement Award. Each of these awards was presented by the Singapore Chemical Industry Council.

Process Safety and Disaster Prevention

▼ Goals and Results

▶ Initiatives to Prevent Major Accidents

▶ Introduction to Process Safety and Disaster Prevention at Production Sites

Based on our management policy of putting safety first in everything that we do, we have continued to implement a range of safety activities throughout the Mitsui Chemicals Group. Reflecting deeply on the explosion and fire that occurred at our Iwakuni-Ohtake Works in 2012, we have since implemented a series of preventive measures as well as fundamental safety measures to ensure that nothing like this ever happens again, anywhere within the Mitsui Chemicals Group.

With the utmost sincerity, we have made a firm commitment to promoting safety on the understanding that safety is essential and for the benefit, not only of ourselves, but also our families, colleagues, and society as a whole. Taking this commitment very much to heart, we are thinking carefully about what we can do to ensure safety and taking all appropriate actions. As a part of our Safety Day and other activities, each and every member of the Mitsui Chemicals Group repeatedly recites this pledge to ensure safety is our top priority.

Management System

Policy

The Mitsui Chemicals Group carries out RC activities in accordance with its Responsible Care Policy.

System and Responsible Officers

The Director in charge of the Responsible Care Committee also serves as the Chairman of the committee. The Responsible Care Committee also consists of the General Manager in charge of process safety and disaster prevention (the General Manager of the Safety & Environmental Technology Division) and the heads of each business sector. The committee creates policies, strategies and plans related to safety and disaster prevention, evaluates performance and reviews the Responsible Care system.

The departments in charge of process safety and disaster prevention strive to improve process safety and disaster prevention in Companywide responsible care initiatives while exchanging information on a daily basis.

Monitoring Methods

The Responsible Care Committee convenes periodically to review the progress of Responsible Care activities against targets and evaluate performance.

Achievements and Reviews

The outcome of Responsible Care activities is reported to the Responsible Care Committee, and this data is reflected in the following fiscal year's plans.

Goals and Results

Goals for Fiscal 2015

- Major accidents: Zero
- Affirm progress on core agendas and implementation status : 1 time / period
- Thoroughly assess risks, advance non-routine risk assessments, formulate and execute implementation plans
- Leverage expertise from inside and outside the Company (accident information and third-party assessments), number of times guidance is implemented at factories by outside experts: at least 2 times / year

Fiscal 2015 Results and Assessments

Level achieved: A

- Achieved zero major accidents
- Affirmed progress on core agendas and implementation status twice per year
- Thorough assessment of risks and advancement of irregular risk assessments progressing as planned
- Leveraged expertise from inside and outside the Company (accident information and third-party assessments), with guidance at factories by outside experts implemented twice per year

Goals for Fiscal 2016

- Major accidents: Zero
- Promote thorough adherence to basic items tailored to the characteristics of each Works
- Identify underlying causes focusing on human factors and promote measures to prevent recurrence
- Undertake non-routine risk assessments at each Works

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Process Safety and Disaster Prevention

► Goals and Results

▼ Initiatives to Prevent Major Accidents

► Introduction to Process Safety and Disaster Prevention at Production Sites

Initiatives to Prevent Major Accidents

Over the past few years, major accidents have occurred at chemical plants throughout Japan. These include the explosion and fire that broke out at the resorcinol production facility at Mitsui Chemicals' Iwakuni-Ohtake Works on April 22, 2012. Consequently, the government ministries involved issued guidance, and organizations concerned sent out action plans and guidelines. Having caused a major accident in the past, Mitsui Chemicals continues to respond to these matters with the utmost care.

Top Management's Strong Commitment to Safety

Mitsui Chemicals stipulates action guidelines to realize the Group's management vision. Among those action guidelines we clearly state that "we will act with a mind-set that safety is our top priority." Based on the Mitsui Chemicals Group Action Guidelines, we have also put in place the Responsible Care Policy. In September 2015, we revised the first item in this policy, "we put safety first in everything we do," in order to clarify its underlying idea, upon which we impress all employees to undertake our uncompromising pursuit of realizing zero accidents, reflecting the Policy's Safety and Occupational Health items. On Safety Day and during National Safety Week, the president repeatedly conveys the message to all Mitsui Chemicals Group employees that they follow the management policy of "making safety their top priority in everything they do."

Fiscal 2015 results are as follows.

Based on the ideas of this Charter, and in order to clarify our intentions and understanding that "safety has priority over all things," we have revised the "Responsible Care Policy" in September 2015.

1. Instructions to make safety the top priority provided directly to head office staff during the opening address (simultaneously broadcast to all domestic sites)
2. Broadcasting the President's Safety Day message
3. Iwakuni-Ohtake Works visit on Safety Day, participating in Safety Day events at the Works, communicating safety instructions directly to employees (simultaneously broadcast to all domestic sites)
4. Company newsletter featuring discussion on safety with Professor Emeritus Masamitsu Tamura of Tokyo University and President Tannowa distributed to all employees
5. Direct safety instructions during Works visits (control room, auditorium, etc.): 14 times in fiscal 2015

We are promoting active involvement with worksites that includes the vice president and the head of the Production & Technology Center by conducting tours of each Works and overseas sites.

Measures to Boost Seismic Resistance of Existing High-Pressure Gas Facilities

In response to a notification issued by Japan's Ministry of Economy, Trade and Industry in May 2014, Mitsui Chemicals is assessing the seismic resistance of its existing high-pressure gas facilities. Where necessary, plans are in place to make any appropriate enhancements. Work is being implemented during fiscal 2016.

Thorough Risk Assessments

Learning the lessons of the explosion and fire that broke out at the resorcinol production facility at the Iwakuni-Ohtake Works, Mitsui Chemicals has completed risk assessments related to emergency shutdowns. In addition, the Company has been conducting non-routine risk assessments on a continuous and constructive basis.

<Fiscal 2013-14>

Companywide Inspection Group established inspection procedures during emergency stoppages by operating model plants at all Works on a trial basis.

Based on the above, the Inspection Group organized at each Works conducted inspections of emergency stoppage procedures at all plants. Finally, head office staff conducted follow-ups on inspection results for each Works.

<Fiscal 2014-15>

We began examining procedures for conducting risk assessments related to the non-routine operation “startup” in fiscal 2014. In fiscal 2015, we began applying these risk assessments to other plants within Mitsui Chemicals works following application at model plants in Osaka Works and Ichihara.

<Fiscal 2016>

Applying these procedures to other Works, we are conducting risk assessments related to the non-routine operation “startup” at all Works in fiscal 2016.

Mitsui Chemicals has continued to thoroughly conduct risk assessments in the event of non-routine or emergency operations.

Fostering HAZOP Leaders

Mitsui Chemicals has assigned a HAZOP* leader at each major Works who is responsible for accident prevention. This leader conducts safety assessments when facilities are newly constructed, expanded or modified, and performs HAZOP studies to identify plant risks. In addition, we standardize HAZOP evaluation methodologies and train HAZOP leaders. HAZOP leaders have held training sessions for staff (key workplace personnel who implement HAZOP at manufacturing workplaces) in charge of the actual HAZOP studies to learn more about analysis methods and investigation concepts at each Works since fiscal 2013.

We plan to periodically hold these training sessions to improve the level of safety assessment skills of staff conducting HAZOP studies.

* HAZOP (Hazard and Operability Study):

HAZOP stands for hazard and operability study. Method of identifying all risks inherent within the Works and systematically evaluating safety measures to ensure that they are adequate.

Process Safety and Disaster Prevention

► Goals and Results

► Initiatives to Prevent Major Accidents

▼ Introduction to Process Safety and Disaster Prevention at Production Sites

Introduction to Process Safety and Disaster Prevention at Production Sites

At Mitsui Chemicals, we hold evacuation drills and emergency shutdown drills in the event of a major earthquake or tsunami. We also hold various disaster drills that include emergency activities such as firefighting, emergency call-outs and reporting as part of measures to respond to emergencies at Works. Going forward, Mitsui Chemicals will continue to systematically conduct various drills in tandem with relevant government agencies and local communities.

Process Safety and Disaster Prevention Drills

At Mitsui Chemicals, we are continually improving our in-house disaster prevention capabilities. In addition to conducting disaster prevention drills, including emergency activities such as firefighting, emergency call-outs and reporting, we also carry out joint drills with municipal fire and police departments, validate emergency responses and take steps to improve any shortcomings. We formulate site-specific plans for each Works every year and conduct drills designed specifically for the operations carried out at each of our sites. We also organize full-scale comprehensive disaster prevention drills on a regular basis at each of our Works, including joint training with municipal fire departments and volunteer firefighting units, and training involving the local police. We work with municipal fire departments and nearby companies to organize joint disaster prevention drills as a form of reciprocal training between companies. We aim to improve our disaster prevention readiness by conducting the following drills at each site.

• Nagoya Works

Nagoya Works conducted comprehensive drills to address any future instance of drainage anomaly or leakage. These drills encompassed a wide range of areas and helped to confirm the proper operation of participants' emergency prevention apparatus and their ability to apply simple water quality analysis kits as well as their response in the event of a drainage-related incident.

• Iwakuni-Ohtake Works

Comprehensive production site emergency drills were conducted at the Iwakuni-Ohtake Works. These drills focused mainly on such events as the leakage and ignition of flammable liquids from the pipes that connect to hazardous material tanks following an earthquake disaster. Participants were confronted with rainy conditions on the day of the drills. Recognizing that disasters can occur during any and all weather conditions, these drills were held as scheduled and used as an opportunity to confirm the knowledge, techniques and preparations of all concerned.

• Omuta Works

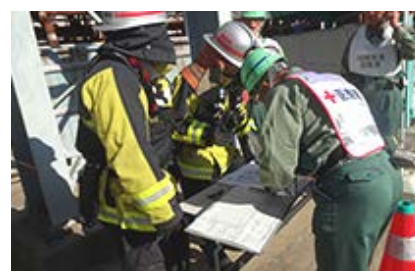
Omuta Works conducted full-scale comprehensive disaster prevention drills to better prepare for various scenarios. This included fire caused by flammable gas that had leaked from reactor equipment. In this manner, the Works is taking steps to verify its emergency response measures as well as the sharing of information and collaboration with government agencies.



Employees packing sandbags along drainage ditches as a part of emergency drills (Nagoya Works)



Water cannon drills by volunteer firefighting units (Iwakuni-Ohtake Works)



Overseeing disaster prevention activities at the worksite command post (Omuta Works)

Earthquake and tsunami drills

At Mitsui Chemicals, we conduct various drills to ensure that all staff are better prepared in the event of a major earthquake or tsunami. These include emergency shutdown drills and evacuation drills to evacuation facilities. The following are a few select examples of the drills conducted at each production site.

• Ichihara Works

Based on the scenario that a massive tsunami warning has been issued for Tokyo Bay, we conducted emergency plant shutdown drills as well as evacuation drills with the participation of approximately 1,600 people. In addition to confirming the location and routes to evacuation facilities as well as the procedures for confirming the safety of employees during and after a disaster, these drills helped to reaffirm the current action criteria concerning evacuations while also verifying that a safe evacuation route and suitable evacuation space have been made available.



A drill to confirm the safety of personnel at a tsunami evacuation center (Ichihara Works)

• Osaka Works

In conjunction with the Osaka 8.8 Million Drill organized by the Osaka Prefecture, Osaka Works conducted earthquake evacuation drills based on the assumption that an earthquake had struck the Kansai area. Around 1,000 people participated in the drills, which covered initial response measures at the time of an earthquake while allowing participants to master evacuation procedures to the site's two evacuation areas. In addition to confirming that there were no major issues concerning the Works' evacuation capabilities, these drills also served to raise awareness toward disaster response measures.



A drill to confirm the safety of personnel at an earthquake evacuation center (Osaka Works)

Earthquake Readiness Drills in line with Business Continuity Plan

It is now coming on to five years since the nation was devastated by the Great East Japan Earthquake. Based on concerns of another major earthquake occurring directly beneath the Tokyo Metropolitan area or Nankai Trough, Mitsui Chemicals conducted business continuity plan (BCP) drills at its head office as well as Osaka and Ichihara Works on February 19, 2016.

Assuming an earthquake exceeding a magnitude of five in the Tokyo Metropolitan area during the morning hours when employees are commuting to work and substantial disruption to the city's infrastructure, the plan called for the setting up and transfer of control to an emergency response headquarters by the afternoon of the same day as well as a satellite emergency response office at the Company's Osaka Works to collate various information including the status of damage. In addition to putting in place the systems required to confirm the safety of employees as well as the basic procedures to collate information from each head office department, these drills encompassed reporting and emergency support initiatives between the Company's head office and Ichihara Works based on the scenario of a fire as a result of the earthquake. Moving forward, Mitsui Chemicals will continue to put in place a response structure and systems that are capable of addressing any contingency.

A Meeting to Exchange Opinions on Process Safety between Business Site Managers from the Ohtaku, Iwakuni and Shunan Areas

A meeting to exchange opinions on process safety between business site managers from the Ohtake, Iwakuni and Shunan areas was organized and held by the Japan Petrochemical Industry Association and the Japan Society for Safety Engineering on April 18, 2015. With representatives from the business sites of 10 companies from the region coming together to share information, the meeting was both fruitful and meaningful. Serving as a forum to introduce a wide range of helpful case studies, the meeting is also expected to stimulate positive action in the future. The General Manager of Mitsui Chemicals' Iwakuni-Ohtake Works and General Manager of the Safety & Environment Technology Division at the Company's head office attended the meeting.

As the secretariat and an integral member of the meeting, Mitsui Chemicals provided its full support to this initiative.



A meeting to exchange opinions

Iwakuni-Ohtake Works' Self-Defense Disaster Prevention System Receives an Outstanding Performance Award from the Minister of Japan's Internal Affairs and Communications

Iwakuni-Ohtake Works' self-defense disaster prevention system received an outstanding performance award from the Minister of Japan's Internal Affairs and Communications in the Fiscal 2015 Skill Contest of Self-Defense Disaster Protection Systems for Petrochemical Complexes, etc. organized by the Ministry's Fire and Disaster Management Agency.

This contest, which was first launched in fiscal 2014, is designed to further enhance the self-defense disaster protection skills and morale of participants. In fiscal 2015, 35 organizations took part in the contest on the recommendation of the Fire Defense Headquarters, which oversees 99 of the total 772 organizations nationwide.

Mitsui Chemicals' Iwakuni-Ohtake Works participated in the event on the recommendation of the Iwakuni Region Fire Fighting Association. After making it through the video assessment qualifying round (20 systems), the Iwakuni-Ohtake Works underwent a practical skills evaluation under the discerning eyes of four Fire and Disaster Management Agency staff. After this grueling evaluation, we received an Outstanding Performance Award as one of the top five companies following an announcement on November 30, 2015.

Awards were presented by Commissioner Sasaki of the Fire and Disaster Management Agency at a ceremony was held at the Ministry of Internal Affairs and Communications on December 7, 2015.

Occupational Health and Safety

▼ Goals and Results

▶ Creating Safe and Secure Workplaces

▶ Introduction to Safety Activities at Production Sites

Working together, the Mitsui Chemicals Group is engaging in activities aimed at preventing accidents and occupational injuries.

Note: Please refer to “Employee Health” for details regarding measures that help employees address a host of issues including lifestyle-related diseases and mental health.

 Employee Health

Management System

Policy

Responsible Care initiatives based on our basic Responsible Care Policy

System and Responsible Officers

The Director in charge of the Responsible Care Committee also serves as the head of the committee. The Responsible Care Committee also consists of the managers of occupational health and safety (the heads of the Safety & Environmental Technology and the Human Resources divisions) and the heads of each business sector. The committee creates policies, strategies and plans related to occupational health and safety, evaluates performance and reviews the Responsible Care system.

The departments in charge of occupational health and safety strive to improve occupational health and safety in Companywide Responsible Care initiatives while exchanging information on a daily basis.

Monitoring Methods

The Responsible Care Committee convenes periodically to review the progress of Responsible Care activities against targets and evaluate performance.

Achievements and Reviews

The outcome of Responsible Care activities is reported to the Responsible Care Committee, and this data is reflected in the following fiscal year's plans.

Goals and Results

Goals for Fiscal 2015

- Strengthen measures to prevent occupational injuries
- Implement measures to prevent a reoccurrence of similar types of occupational injuries

Fiscal 2015 Results and Assessments

Level achieved: C

- Frequency rate of Work-related Significant Occupational Injuries* 0.30 (target: 0.15 or less).

In total for the Mitsui Chemicals Group (including all domestic and overseas affiliates), the frequency rate of work-related significant occupational injuries was 0.30 in fiscal 2015.

* Work-related Significant Occupational Injuries (WSOIs)

- Occupational accidents and injuries that are directly related to operations and result in days away from work cases or fatality
- Restricted work or transfer to other job and medical treatment cases that are caused by a major incident and have the potential to result in fatality or days away from work cases
- The data collected to calculate the frequency rate for work-related significant occupational injuries covers consolidated subsidiaries with Responsible Care support initiatives.

Goals for Fiscal 2016

- Implement core agendas on an even more comprehensive basis
- Promote measures to prevent a reoccurrence of similar types of occupational injuries

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Occupational Health and Safety

► Goals and Results

▼ Creating Safe and Secure Workplaces

► Introduction to Safety Activities at Production Sites

Creating Safe and Secure Workplaces

Occupational injuries

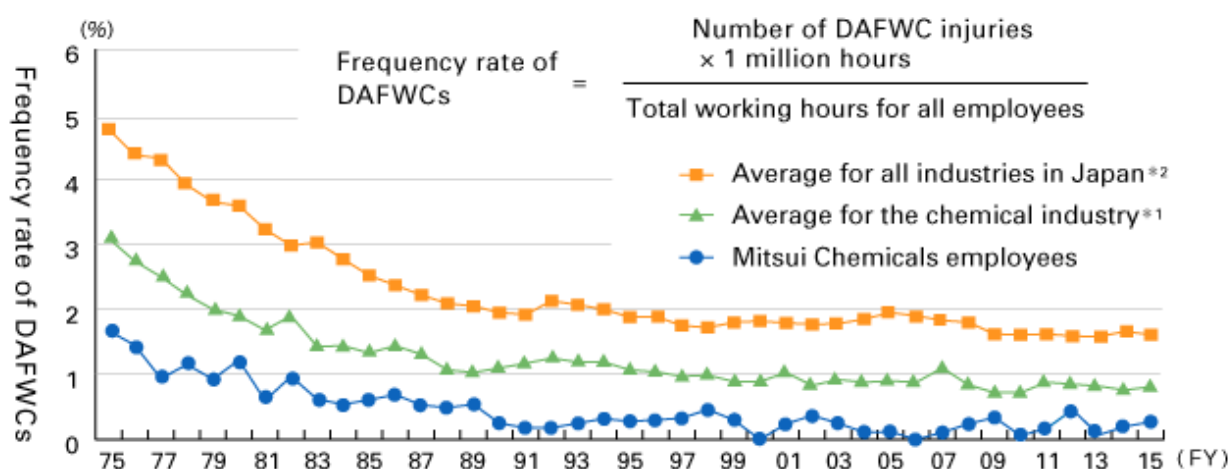
The frequency rate of Work-related Significant Occupational Injuries increased year-on-year for both domestic and overseas Works. In particular, the frequency rate of Work-related Significant Occupational Injuries increased for the second straight year for domestic Works. Meanwhile, the Work-related Significant Occupational Injury frequency rate for the Mitsui Chemicals Group (including subsidiary and affiliates in Japan and overseas) for fiscal 2015 was 0.30. On this basis, we were unable to achieve the global standard for safety of 0.15.

The reason for this was a lack of thorough adherence to fundamentals such as not getting close to rotating equipment, with nearly half of all severe accidents occurring throughout the Mitsui Chemicals Group being accounted for by people being caught in or between moving machines.

To address this issue, we will work to eliminate occupational accidents based on our fiscal 2016 targets: more thorough adherence to fundamentals and promoting measures to prevent these types of accidents.

However, the Mitsui Chemicals Group on the whole has achieved its highest level of safety for the past five years owing to significant improvements in work-related significant occupational injury frequency rates for overseas affiliates.

Frequency of DAFWCs (All industries/chemical industry / Mitsui Chemicals employees)

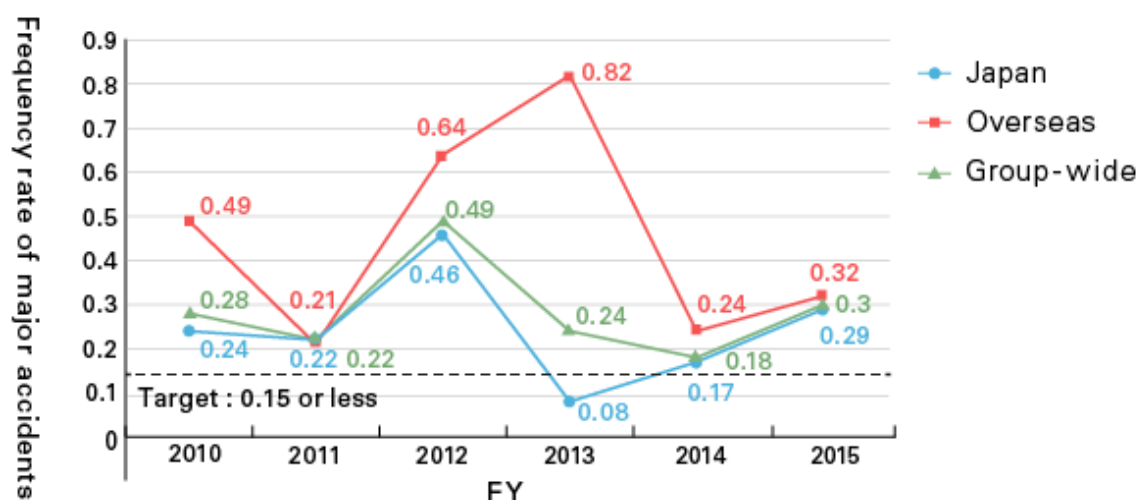


- ◆ Frequency rate indicates the frequency of occupational accidents based on the number of individuals killed or injured by occupational accidents per 1 million hours of total working time.
- ◆ Average DAFWC rate for all industries in Japan and for the chemical industry. Mitsui Chemicals aggregate data for DAFWC rates up to the second half of fiscal 2012 and work-related significant occupational injuries from the second half of fiscal 2012 onward.

Sources: *1 Ministry of Health, Labour and Welfare white Paper Fiscal 2015 Survey on Industrial Accidents

*2 Japan Industrial Safety & Health Association fiscal 2016 safety index

**Frequency of Work-related Significant Occupational Injuries for the Mitsui Chemicals Group
(Mitsui Chemicals < employees + operation subcontractors >)**



Plant Operation Technology Training Center Open for External Use

Mitsui Chemicals opened the doors of its research facility, Mitsui Chemicals Plant Operation Technology Training Center (located at Mobara Branch Factory). The center was established in October 2006 to train manufacturing operation personnel with the aim of enhancing the Company's production workplace capabilities. The center has engaged in the Groupwide training of employees to excel at all aspects of safety, operations, and equipment handling while being able to solve problems on their own. This was enabled by subsequently expanding the number of employees eligible for training and the center's curriculum along with establishing similar training centers at overseas production sites. Receiving 442 visitors to date, we decided to open the Center's doors after receiving favorable reviews and numerous requests. Leveraging past cases of various types of accidents and problems experienced within the Company, Mitsui Chemicals will contribute to industrial safety by providing hands-on, safety-focused training curriculums that cannot be undertaken at the production site.

 Mitsui Chemicals' Plant Operation Technology Training Center

Occupational Health and Safety

► Goals and Results

► Creating Safe and Secure Workplaces

▼ Introduction to Safety Activities at Production Sites

Introduction to Safety Activities at Production Sites

Each Works at Mitsui Chemicals takes a bottom-up approach to plant operations through small-group activities. Typical examples of specific activities are as follows.

• Ichihara Works

On May 25, 2016, the Ichihara Works (including Mobara Branch Factory) held a presentation of its small team work activities for fiscal 2015. Reports were given on successful activities by the 10 teams from the Manufacturing Department, Technical Department, and affiliated companies. We anticipate major contributions to safe and stable operations going forward owing to the amazing successes seen in such areas as technical transfers, increasing operational efficiency, and cost cutting.



Ichihara Works' presentation of its small team work activities

• Omuta Works

On February 5, 2016, Omuta Works held a presentation on 5S activities. With 236 people participating, 12 teams gave spirited presentations on their activities. The 12 teams represent such organizations as the Manufacturing Department, Technical Department, and the Omuta Works' R&D laboratory. The General Manager of Omuta Works summed up his review of the event by commenting: "The Omuta Works is a lively place to work thanks to 5S-related activities being steadily undertaken, especially by younger employees."



Omuta Works 5S activities presentation

• Osaka Works

On June 19, 2015, Osaka Works held a presentation on MCOS companywide small team work activities. MCOS refers to MC Operation Support, a spin-off company that provides production support for Mitsui Chemicals, mainly overseeing disaster prevention security services, filling/packaging, and operations/operational support at key domestic production sites. Among the 120 participants (including the Director of the Production & Technology Center and the General Manager of Osaka Works representing Mitsui Chemicals) on that day, 11 teams—including those representing Ichihara Works (north), Omuta Works (south), and subcontractors—gave enthusiastic reports. We expect these superb workplace-focused presentations to steadily underpin the foundations of each Works going forward.



MCOS Companywide small team activity presentation

Instruction in Hazard Prediction (KY) as well as Pointing and Calling

At the Safety & Environment Technology Division, we have been supporting occupational safety-related efforts to eliminate occupational accidents at affiliated companies inside and outside Japan since fiscal 2006. Included in this support, we have been continuously holding KY (kiken yochi: hazard prediction) training with the particular aim of entrenching important hazard prediction activities. Entrenching KY activities requires developing key persons able to provide hazard prediction training at each affiliated company. Advanced training held at certain companies has been increasingly effective. Going forward, we will offer support for developing key persons at all affiliated companies. We will lend our wholehearted support to overseas subsidiaries and affiliates that have voluntarily begun to develop KY instructors and create their own training systems.

KY training sessions

	FY2013	FY2014	FY2015
Domestic Subsidiaries & Affiliates	157 attendees at 8 sessions	206 attendees at 12 sessions	347 attendees at 15 sessions
Overseas Subsidiaries & Affiliates	201 attendees at 7 sessions	160 attendees at 7 sessions	56 attendees at 4 sessions
Total	358 attendees at 15 sessions	366 attendees at 19 sessions	403 attendees at 19 sessions



KY training at a domestic affiliated company



KY training at a Chinese affiliated company

Best Plants Awards in Fiscal 2015

The Best Plants Awards were bestowed in fiscal 2015. Since fiscal 2013, Mitsui Chemicals has recognized through these awards the successes and hardships of production sections with a focus on safety processes in addition to safety records. In fiscal 2015, the following business units were recognized with awards.

President's Award for Best Plant
Omuta Works, Fine Chemicals Manufacturing Dept., Fine Chemicals Section
Production & Technology Center General Manager's Award
Ichihara Works, No. 1 Manufacturing Dept., FR Section
Mitsui Chemicals Tohcello Nagoya Works, No. 1 Manufacturing Dept., Solar Material Section
MHM (Mitsui Hygiene Materials) (Thailand)
TCPC (Tianjin Cosmo Polyurethane) (China)
TTPRC (Thai PET Resin) (Thailand)
ACP—OH (Advanced Composites, Inc. Ohio Plant) (USA)



Fiscal 2015 Best Plants Awards, President's Award

That many overseas production facilities being selected for awards in 2016 is a testament to Mitsui Chemicals' global expansion.

In addition to the aforementioned awards, the winners of the General Manager of Works' Award as well as General Managers of Headquarters Awards were also announced.

Environmental Protection

▼ Goals and Results

▶ Preventing Global Warming

▶ Reducing Industrial Waste

▶ Substances Subject to the PRTR Act

▶ Preserving Air Quality

▶ Philosophy on Water Resources

▶ Introduction to Activities at Production Sites

▶ Biodiversity

▶ Environmental Accounting

▶ INPUT⇒OUTPUT

▶ Handling Environmental Complaints

As a chemical company, we act to protect the environment in two ways: by reducing the environmental impact of our business activities and by appropriately managing chemical substances.

Specific initiatives include preventing global warming, saving energy, promoting the 3Rs (Reduce, Reuse, Recycle) in order to reduce the volume of industrial waste sent to final disposal (landfill), and reducing the environmental impact of substances subject to the PRTR Act and volatile organic compounds (VOC).

We also publish environmental accounting figures and run eco-efficiency assessments in relation to our environmental impact and economic activities, in an effort to ascertain the impact of our activities and pave the way for sustainable development.

Management System

Policy

Responsible Care initiatives based on our basic Responsible Care Policy

System and Responsible Officers

The director in charge of the Responsible Care Committee also serves as the head of the committee. The Responsible Care Committee also consists of the manager of process safety and disaster prevention (the head of the Safety & Environmental Technology Division) and the heads of each business sector. The committee creates policies, strategies and plans related to safety and disaster prevention, evaluates performance and reviews the Responsible Care system. The departments in charge of process safety and disaster prevention strive to improve process safety and disaster prevention in Companywide Responsible Care initiatives while exchanging information on a daily basis.

Monitoring Methods

The Responsible Care Committee convenes periodically to review the progress of Responsible Care activities against targets and evaluate performance.

Achievements and Reviews

The outcome of Responsible Care activities is reported to the Responsible Care Committee, and this data is reflected in the following fiscal year's plans

Goals and Results

Goals for Fiscal 2015

- Implement greenhouse gas reduction plans: At least 10,000 tons
- Steadfastly implement plans aimed at minimizing industrial waste*

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

Fiscal 2015 Results and Assessments

Level achieved: A

- Reduced greenhouse gas emissions: Reduction of over 40,000 tons, compared to target of at least 10,000 tons

- Industrial waste
Domestic manufacturing sites: Achieved industrial waste minimization targets at all domestic manufacturing sites for the fifth straight year
Overseas affiliates* : Achieved average final disposal ratio of 0.4%, less than the target of 1% for the seventh consecutive year
- * For statistical purposes, "domestic and overseas affiliates" refers to production sites operated by consolidated subsidiaries and companies eligible for RC support (22 in Japan, 23 overseas)

Goals for Fiscal 2016

- Reduce the per-unit energy consumption rate by an average of over 1% per year over five years
 - Reduce the amount of GHG emissions by 20,000 tons or more through energy conservation initiatives
 - Achieve zero environment-related accidents at production bases
Promote voluntary activities including risk management of environmentally harmful substances
- * Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

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Preventing Global Warming

As part of its Mid-Term Business Plan from fiscal 2014 onwards, the Mitsui Chemicals Group set itself the target of reducing greenhouse gas (GHG) emissions by 22% (compared with fiscal 2005, operating at full capacity) primarily at six of its domestic manufacturing sites and 15 domestic consolidated subsidiaries by fiscal 2016. We are working to realize a low-carbon society by actively promoting energy saving, switching to alternative fuels, and creating innovative processes. Against a fiscal 2015 GHG reduction target of 10,000 tons through energy saving and switching to alternative fuels undertaken independently, we achieved a reduction of 40,000 tons by thoroughly reducing factory energy use, including enhancing exhaust heat recovery and improving the efficiency of refining processes. We reduced GHG emissions in accordance with the Act on Promotion of Global Warming Countermeasures by conserving energy and shutting down certain production equipment. However, GHG emissions increased by 410,000 tons to 4.69 million tons (Figure 1) year-on-year in fiscal 2016 due to the Act on Promotion of Global Warming Countermeasures being extended to include NF₃ emissions and higher utilization rates at large plants. As a result, our emission reduction rate reached 14% (18% in the case that NF₃ emissions are initially included) since fiscal 2005.

In addition, we are undertaking energy conservation measures with the aim to reach targets under the Act on the Rational Use of Energy (Mitsui Chemicals non-consolidated: reduce per-unit energy consumption by over 1% annually over the medium- to long-term). In fiscal 2015, while the unit energy consumption index (fiscal 2009: 100) worsened 0.4 points year-on-year, we reached our targets for a third straight year owing to the five-year average unit improvement rate reaching 2.3% (Figure 2).

In addition, we calculate GHG emissions regarding Scope 1 and 2-category emissions generated from in-house operations and production activities as well as Scope 3 categories for indirect emissions in order to identify GHG emissions throughout the entire supply chain, extending from purchasing raw materials to customer use and disposal (Figure 3).

As a result, we discovered that the highest CO₂ emissions came from purchased goods and services. We plan to disclose calculations for all Scope 3 categories.

Figure 1: Greenhouse Gas Emissions (Mitsui Chemicals Non-consolidated and 15 Domestic Consolidated Subsidiaries)

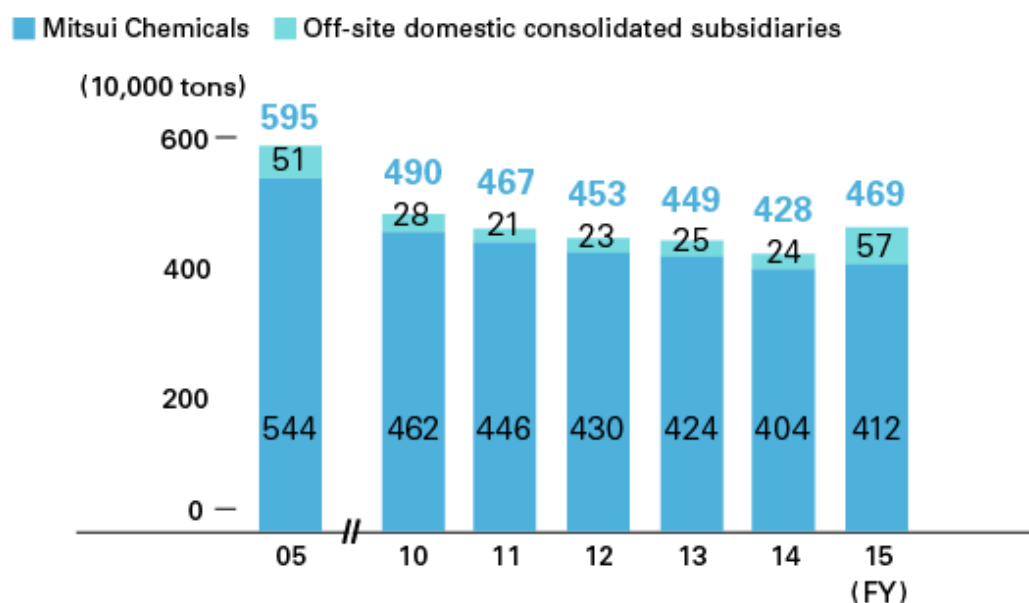


Figure 2: Per-Unit Energy Consumption (Mitsui Chemicals Non-consolidated)

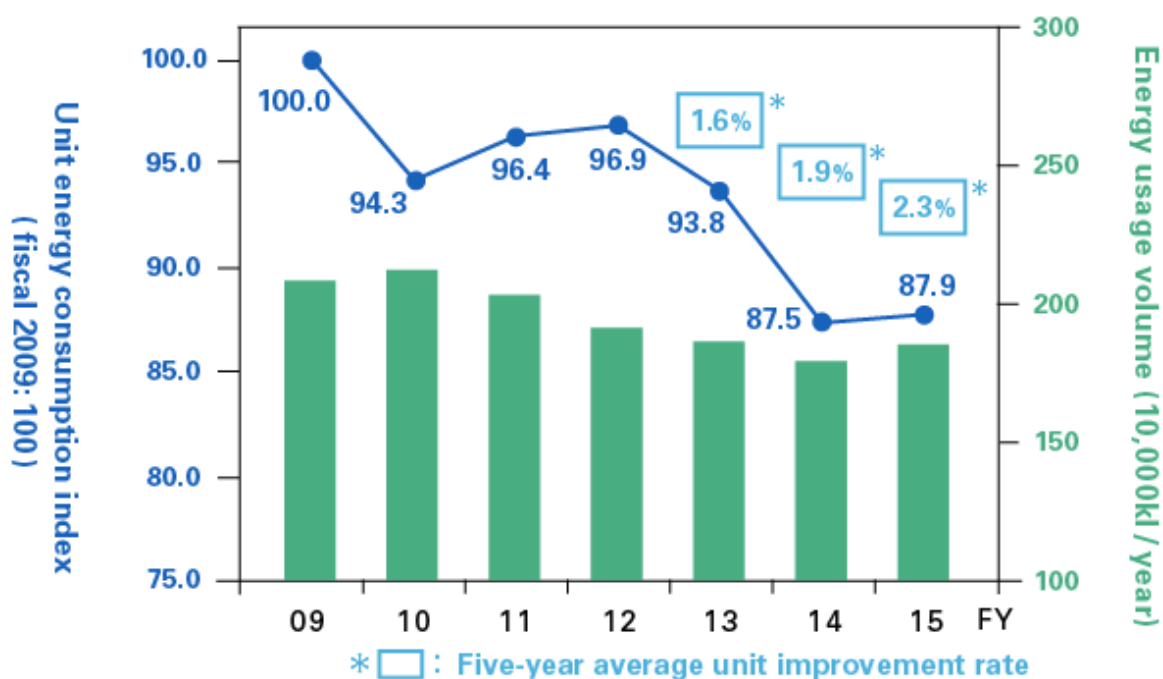


Figure 3: Scope 3 CO₂ Emissions (Mitsui Chemicals Non-consolidated Fiscal 2014 Emissions)

Grouping	Category	Emissions (Thousands of tons CO ₂ / year)
1	Purchased goods and services	4,830
2	Capital goods	77
3	Fuel- and energy-related activities (not included in Scope 1, 2)	195
4	Transportation / distribution (upstream)	55
5	Waste generated from operations	39
6	Business travel	5
7	Employee commuting	6
8	Leased assets (upstream)	1
11	Sold product specifications	3,379
12	Sold product disposals	1,952
15	Investment	713

【 Calculation Method 】

Basic Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains (Ver. 2.2)
published by the Ministry of the Environment and Ministry of Economy, Trade and Industry
Used emission factors provided by IDEA and the Act on Promotion of Global Warming Countermeasures
calculation/reporting/disclosure system, and emission units formulated by the Ministry of Environment based on Basic
Guidelines for Calculating Greenhouse Gas Emissions Via Supply Chains Basic Database (Ver. 2.2) published by the
Ministry of the Environment and Ministry of Economy, Trade and Industry

Status of CO₂ fixation technologies

Mitsui Chemicals took part in the CO₂ fixation project launched by the Research Institute of Innovative Technology for the Earth (RITE) and has continued with the development of catalysts that will synthesize methanol from CO₂ and hydrogen. Having constructed a pilot plant inside its Osaka Works in 2009, Mitsui Chemicals commenced operations toward the commercial application of methanol synthesis technologies that utilize as feedstock the CO₂ contained in exhaust gases. As a result of a variety of verification tests, we were able to verify and confirm that methanol can be synthesized from CO₂ and hydrogen in 2010.

Since then, we have also been able to examine a variety of business models, including whether a manufacturing plant would be good as a source of CO₂, or good as a source of hydrogen, or whether locations with an abundance of natural energy would be better. The current status is that we are continuing our investigations to improve commercialization accuracy, but the securing of hydrogen supplies is presenting a major hurdle. We are looking into biomass-derived hydrogen to overcome this problem.

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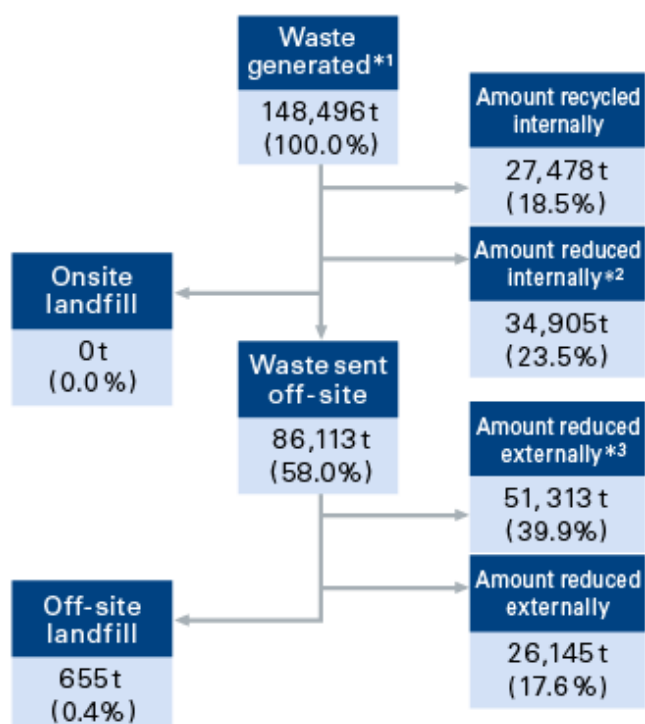
► Handling Environmental Complaints

Reducing Industrial Waste

The Mitsui Chemicals Group has identified the ongoing targets of minimizing industrial waste at domestic manufacturing sites and achieving an average percentage of industrial waste by overseas affiliates of 1% or less. The Group was again successful at minimizing industrial waste at all domestic production sites including domestic affiliated companies in fiscal 2015 and has continued to minimize industrial waste for five consecutive years since fiscal 2011. With an average landfill rate for final industrial waste at our overseas affiliates of approximately 0.4%, we have now maintained a rate of 1% or less for seven straight years since fiscal 2009. In spite of the numerous challenges that we need to overcome to promote minimization at our overseas sites, with waste treatment regulations and industrial structures varying from one country to another, we are nonetheless committed to reducing and recycling waste at all of our companies in order to conserve resources. We will continue to work as a group to reduce final landfill waste.

The industrial waste process

(Fiscal 2015 Mitsui Chemicals non-consolidated)



* Any minor discrepancies in percentages are due to rounding.

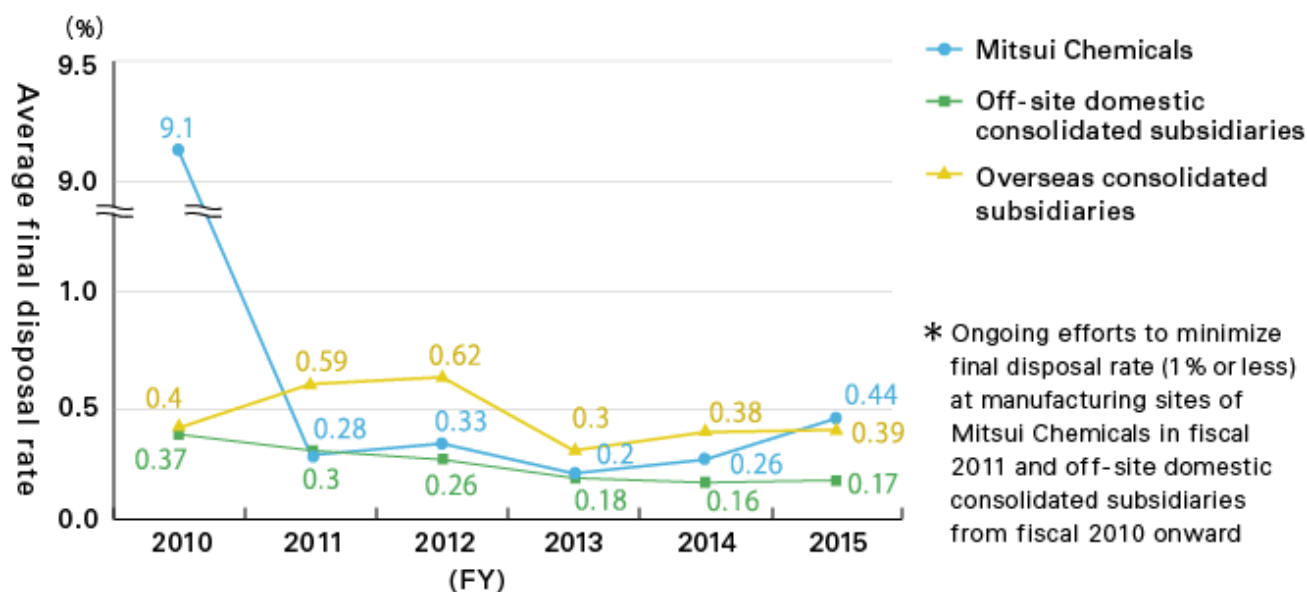
* 1 Waste generated: Sludge (dry weight), waste plastics, soot and dust, etc.

* 2 Amount reduced: Amount reduced as a result of waste plastic incineration, waste acid neutralization, etc.

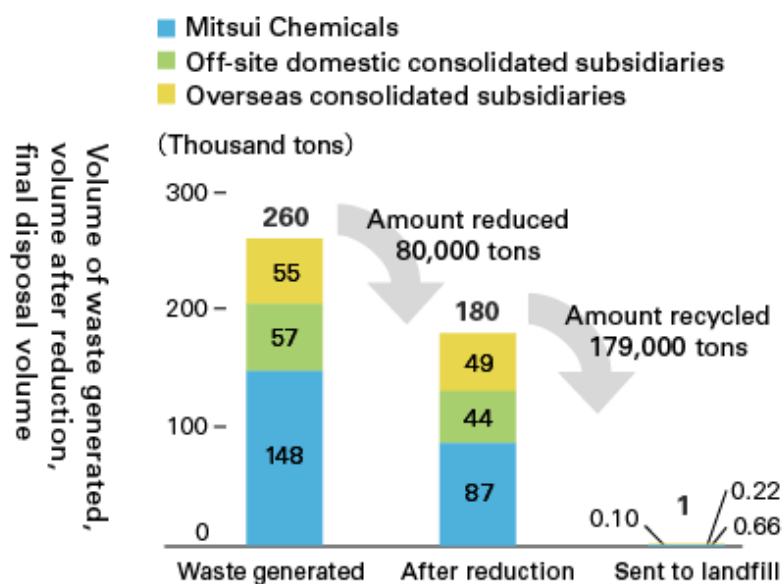
* 3 Amount recycled: Includes waste plastic recycling and the reuse of waste oil as fuel

* Does not include results for domestic and overseas affiliates

Average landfill disposal rate for industrial waste



The process of reducing industrial waste disposal (fiscal 2015)



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Substances Subject to the 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* Act), we submit a report to the Japanese government each year declaring the amounts of designated substances produced or used by Mitsui Chemicals that were released into the environment or transferred elsewhere.

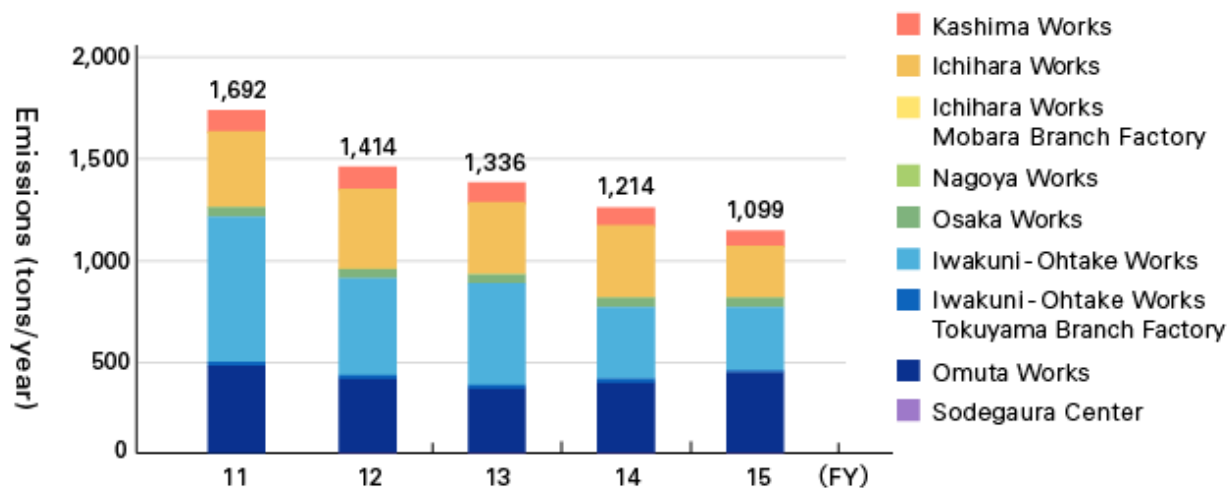
In fiscal 2015, the amount of emissions decreased approximately 110 tons compared with the level recorded in fiscal 2014. This was mainly due to the decrease in operating rates at each Works.

As calls for the management of chemical substance emissions to be improved and strengthened increase going forward, we will continue to manage emissions and to further strengthen our endeavors.

* PRTR: Pollutant Release and Transfer Register

▶ [PRTR data for individual sites \(PDF : 793KB\)](#) 

Emissions of substances subject to the PRTR Act (Mitsui Chemicals non-consolidated)



PRTR data for individual sites

Mitsui Chemicals CSR Report 2016

We have calculated the top ten PRTR substances emitted by Mitsui Chemicals at each of our Works (substances handled in annual volumes of at least one ton), and figures for dioxins.

Unit: Tons/year (Dioxins: mg-TEQ/year)

Kashima Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	59.00	0.00	0.00	59.00	0.00	0.00
Dichlorobenzene	181	18.00	0.00	0.00	18.00	1.50	3.00
Benzene	400	4.40	0.00	0.00	4.40	0.22	0.21
Acetaldehyde	12	0.18	0.00	0.00	0.18	0.00	0.00
Formaldehyde	411	0.16	0.00	0.00	0.16	42.00	0.00
Toluene diisocyanate	298	0.13	0.00	0.00	0.13	0.00	5.40
Toluenediamine	301	0.07	0.00	0.00	0.07	5.60	0.00
Methylnaphthalene	438	0.07	0.00	0.00	0.07	0.00	0.00
Toluidine	299	0.01	0.00	0.00	0.01	4.40	0.00
Acrylic acid and its water-soluble salt	4	0.00	0.00	0.00	0.00	2.90	0.00
Dioxins	243	1.1000	0.0000	0.0000	1.1000	0.9400	7.5000

Osaka Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Cumene	83	17.00	0.00	0.00	17.00	0.00	0.00
Benzene	400	6.30	0.01	0.00	6.31	0.00	0.01
Zinc compounds(water-soluble)	1	0.00	4.00	0.00	4.00	10.00	4.00
Chloroethylene	94	3.60	0.02	0.00	3.62	0.00	0.02
Toluene	300	3.30	0.00	0.00	3.30	0.00	0.00
Dicyclopentadiene	190	2.40	0.00	0.00	2.40	0.00	0.00
Acrylonitrile	9	1.60	0.00	0.00	1.60	9.50	0.00
1,4-Dioxane	150	1.10	0.10	0.00	1.20	0.00	0.10
Methyl methacrylate	420	1.20	0.00	0.00	1.20	0.00	0.00
α -methyl styrene	436	1.10	0.00	0.00	1.10	0.00	0.00
Dioxins	243	0.0000	0.0400	0.0000	0.0400	0.0000	0.1300

Ichihara Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	150.00	0.00	0.00	150.00	0.00	0.00
Cumene	83	72.00	0.01	0.00	72.01	0.00	0.00
Toluene	300	16.00	0.01	0.00	16.01	0.00	6.20
Xylene	80	4.50	0.01	0.00	4.51	0.00	0.00
Ethylbenzene	53	2.90	0.00	0.00	2.90	0.00	0.00
Benzene	400	2.80	0.01	0.00	2.81	0.00	0.00
Epichlorohydrin	65	2.40	0.00	0.00	2.40	0.00	0.00
Hydrogen fluoride and its water-soluble salt	374	0.00	1.20	0.00	1.20	0.00	0.00
Zinc compounds(water-soluble)	1	0.00	1.10	0.00	1.10	0.00	0.00
Phenol	349	0.27	0.14	0.00	0.41	0.00	0.00
Dioxins	243	0.0000	0.2950	0.0000	0.2950	0.0000	0.0000

Iwakuni-Ohtake Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	250.00	0.00	0.00	250.00	0.00	0.00
Xylene	80	21.00	0.00	0.00	21.00	0.00	0.00
Toluene	300	16.00	0.03	0.00	16.03	0.00	0.00
Bromomethane	386	6.70	0.00	0.00	6.70	0.00	0.00
1,4-Dioxane	150	0.00	6.50	0.00	6.50	0.00	0.00
Cumene	83	5.70	0.00	0.00	5.70	0.00	0.00
Benzene	400	2.70	0.00	0.00	2.70	0.00	0.00
Acetaldehyde	12	0.82	0.00	0.00	0.82	0.00	0.00
Phenol	349	0.02	0.17	0.00	0.19	0.00	1.50
Cresol	86	0.08	0.00	0.00	0.09	0.00	0.00
Dioxins	243	0.0050	0.8400	0.0000	0.8450	0.0000	86.0000

Mobara Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Styrene	240	0.25	0.00	0.00	0.25	0.00	33.00
Methyl methacrylate	420	0.07	0.00	0.00	0.07	0.00	13.00
N-Butyl methacrylate	7	0.05	0.00	0.00	0.05	0.00	3.40
Xylene	80	0.03	0.00	0.00	0.03	0.00	15.00
Acrylic acid	4	0.02	0.00	0.00	0.02	0.00	0.00
Toluene	300	0.01	0.00	0.00	0.01	0.00	25.00
Acrylamide	2	0.01	0.00	0.00	0.01	0.00	0.00
Methacrylic acid n-butyl	419	0.00	0.00	0.00	0.00	0.00	1.60
1,2,4-Trimethylbenzene	296	0.00	0.00	0.00	0.00	0.00	1.10
1,3,5-Trimethylbenzene	297	0.00	0.00	0.00	0.00	0.00	0.30

Tokuyama Branch Factory

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2-Epoxypropane	68	10.00	0.00	0.00	10.00	0.00	0.00
Ethylene oxide	56	0.12	0.00	0.00	0.12	0.00	0.00
Ethylenediamine	59	0.02	0.00	0.00	0.02	0.00	0.01
Acrylonitrile	9	0.01	0.00	0.00	0.01	0.00	12.00
Phthalic anhydride	413	0.00	0.00	0.00	0.00	0.00	0.02
Styrene	240	0.00	0.00	0.00	0.00	0.00	5.50

Omuta Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	310.00	1.20	0.00	311.20	0.00	490.00
Dichlorobenzene	181	28.00	0.33	0.00	28.33	0.00	160.00
Toluene (Yotsuyama area)	300	19.00	0.00	0.00	19.00	0.00	0.48
Epichlorohydrin	65	6.20	0.00	0.00	6.20	0.00	0.00
N,N-Dimethylformamide	232	0.14	5.10	0.00	5.24	0.00	0.01
Phenol	349	1.70	0.00	0.00	1.70	0.00	0.89
Nitrobenzene(Yotsuyama area)	316	1.30	0.00	0.00	1.30	0.00	0.00
Formaldehyde	190	0.89	0.00	0.00	0.89	0.00	2.10
Aniline	18	0.62	0.00	0.00	0.62	0.00	20.00
Acetonitrile	411	0.00	0.59	0.00	0.59	0.00	0.64
Dioxins	243	0.0000	11.0000	0.0000	11.0000	0.0000	0.0000

Nagoya Works

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2-Epoxypropane	68	1.50	0.03	0.00	1.53	0.00	0.25
Styrene	240	0.29	0.00	0.00	0.29	0.00	0.01
Toluene	300	0.21	0.00	0.00	0.21	0.00	47.00
Ethylene oxide	56	0.16	0.00	0.00	0.16	0.00	0.44
Formaldehyde	411	0.14	0.00	0.00	0.14	0.00	0.00
Phenol	349	0.02	0.00	0.00	0.02	0.00	56.00
Acrylonitrile	9	0.01	0.00	0.00	0.01	0.00	0.00

Sodegaura Center

Substance	Ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Dichloromethane (also called methylene chloride)	186	0.38	0.00	0.00	0.38	0.00	0.84
Dichlorobenzene	181	0.17	0.00	0.00	0.17	0.00	1.70
Toluene diisocyanate	298	0.00	0.00	0.00	0.00	0.00	0.84
Methylenebis(4,1-phenylene)=diisocyanate	448	0.00	0.00	0.00	0.00	0.00	3.40

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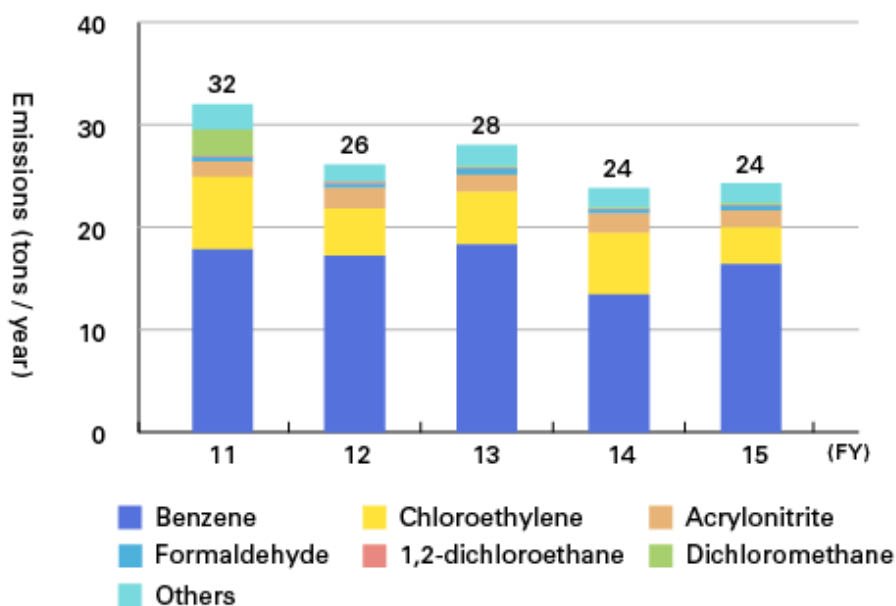
Preserving Air Quality

Of the hazardous air pollutants specified under the Air Pollution Control Act, we are particularly focused on reducing emissions of priority substances that pose a significant health risk.

Substantial reductions were secured through to fiscal 2010 with the Group achieving its target of less than 3,000t/y. In recent years, however, emissions of all substances have remained largely unchanged.

* The scope of compilation data covers the following six Works which are Mitsui Chemicals manufacturing sites: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake (including Tokuyama Branch Factory), and Omuta

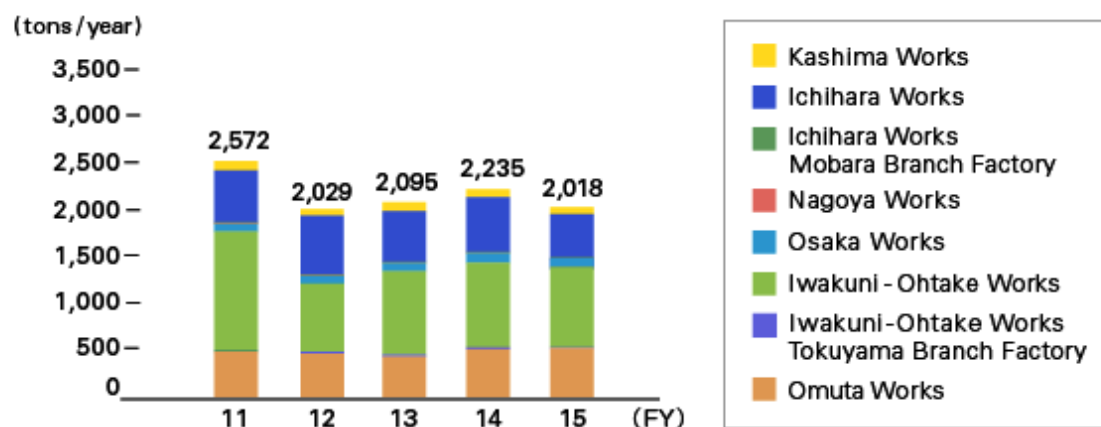
Emissions of hazardous air pollutants



※ Precious emission figures:

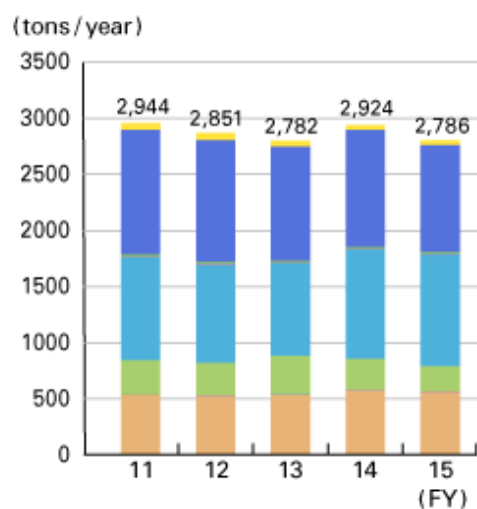
771 tons/years (FY1995), 445 tons/years (FY2000), 110 tons/years (FY2005)

Volatile Organic Compounds (VOC) emissions

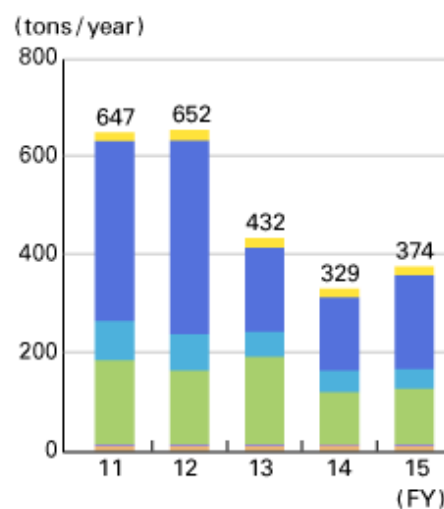


- ◆ VOC emissions in FY2000 : 8,523 tons
- ◆ Government target (30% reduction compared to FY2000 by FY2010) : 5,966 tons or less
- ◆ Mitsui Chemicals target : 3,000 tons or less

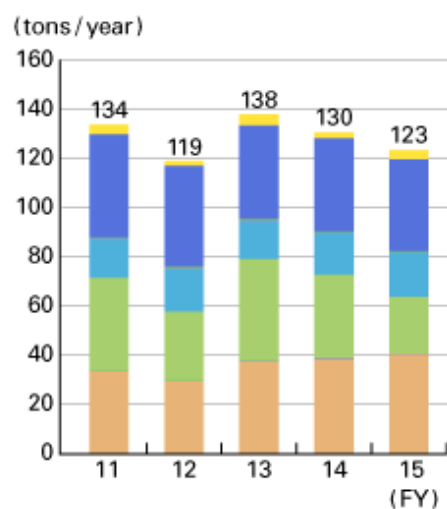
NOx emissions



SOx emissions



Soot and dust emissions



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Philosophy on Water Resources

The Mitsui Chemicals Group works to manage efficient water usage and water preservation.

Basic Philosophy on water resources

1. We recognize that water is a finite and precious resource, and regard water preservation as a key priority on a global scale.
2. We make every effort to use water efficiently as we recognize quality water resources are crucial to our operations.
3. We appropriately manage water on a case-by-case basis for each country and region in which we operate, in recognition of the fact that water resources distribution varies both geographically and temporally.

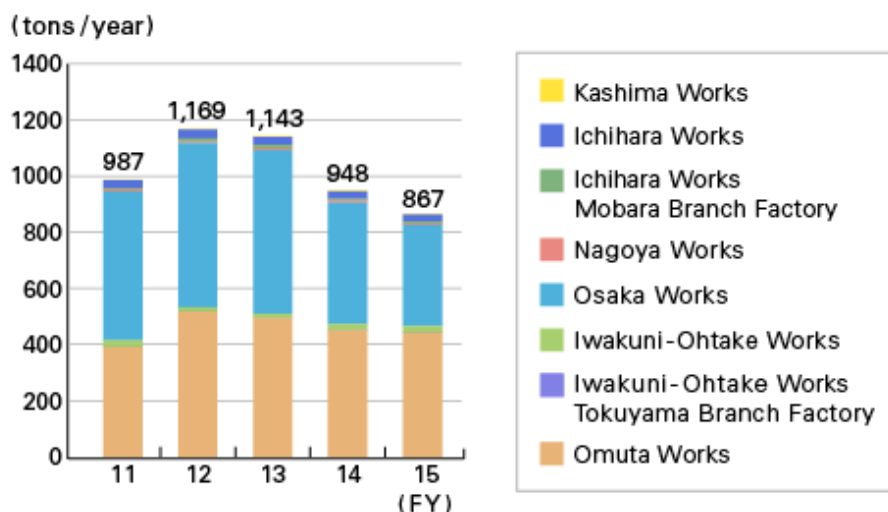
Preserving Water Quality

We are committed to reducing emissions of water contaminants such as chemical oxygen demand (COD), nitrogen and phosphorus, to preserve water quality.

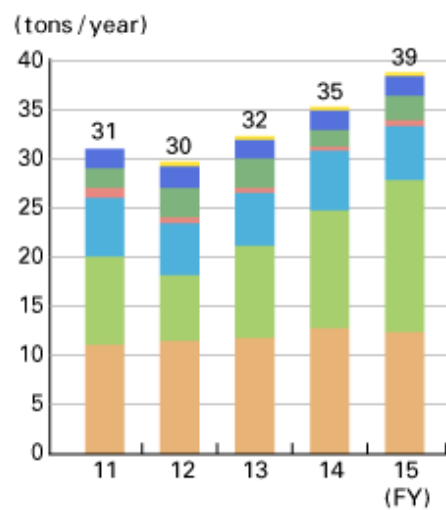
Emissions at all of our domestic manufacturing facilities are significantly lower than levels required by law or other legislation. The Mitsui Chemicals Group is committed to preserving water quality on an ongoing basis.

* The scope of compilation data covers the following six Works which are Mitsui Chemicals manufacturing sites: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake (including Tokuyama Branch Factory), and Omuta

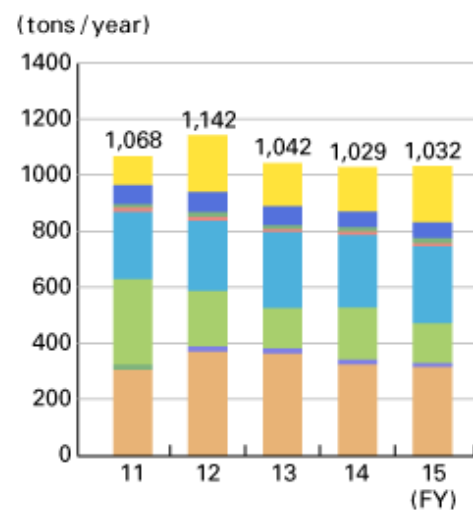
Total nitrogen emissions



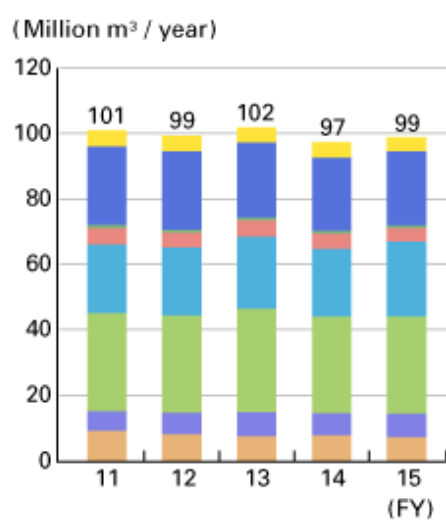
Total phosphorous emissions



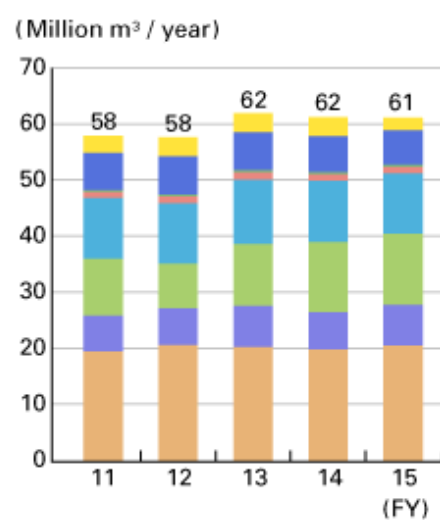
COD emissions



Water consumption



Wastewater



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Introduction to Activities at Production Sites

Mitsui Chemicals' production sites hold meetings to exchange opinions with members of local communities regarding its environmental preservation initiatives.

• Osaka Works

The Osaka Works held a regional opinion exchange meeting with members of 16 residents' associations in Takaishi City on June 12, 2015. On that day, we provided an overview of the Works, conducted a plant tour by bus, and subsequently held a lively exchange of opinions about safety and disaster preparedness, particularly our earthquake and tsunami measures. Participants had many questions and opinions about our efforts to respond to a large earthquake and tsunami along the Nankai Trough.



Regional opinion exchange meeting at the Osaka Works

• Ichihara Works

We held a plant tour for women residing in the local community on November 10, 2015 and an opinion exchange meeting with the chairperson of a local neighborhood association on December 2, 2015. During these events, we received opinions such as "the size of the plant is overwhelming," and "it is reassuring that your waste treatment measures are thorough."

• Omuta Works

On October 7, 2015, we invited residents of the surrounding community and related government agencies that consistently provide us with guidance to a meeting for exchanging opinions centered on our safety and environmental protection initiatives. Among the opinions we received, some participants thought that "Omuta's environment is better than before; I would like to see you continue undertaking environmental protection measures in the future," and "I got a sense that employees are highly aware of preventing accidents."

Looking ahead, Mitsui Chemicals will strive to make its Works even safer and more secure based on the cooperation with government and neighboring companies as well as the opinions of local residents.

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Biodiversity

The Mitsui Chemicals Group strives to protect biodiversity and promote business activities that encourage sustainable use based on its corporate mission 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.”

Basic Approach to the Preservation of Biodiversity

1. We conduct our business activities in gratitude for the blessings of nature and biodiversity and recognize that environmental preservation is a globally important issue.
2. We contribute broadly to society by encouraging the preservation of biodiversity through the supply of environmentally friendly materials, products, and services.
3. We will comply with international biodiversity agreements.
4. We strive to preserve biodiversity by cooperating with relevant parties in Japan and abroad and within and outside the company and taking into account its effect in the supply chain.
5. To protect biodiversity, we will promote employee social contribution activities that have our stakeholders trust.

Although we make every effort to incorporate biodiversity into all of our day-to-day business activities here at the Mitsui Chemicals Group, we are particularly increasing our focus on areas such as chemical safety and management, based on the fact that environmental initiatives are inextricably linked to biodiversity. Moreover, the Group as a whole, including its subsidiaries and affiliates, is undertaking a variety of measures including cleanup initiatives in a bid to help create an environment that allows plant life and living organisms to thrive.

On January 22, 2010, the Group signed up to the Japan Business Federation's (Keidanren) Declaration of Biodiversity as a Promotion Partner. This means that the Group supports the seven principles set out in the declaration and that we intend to take the initiative in our business activities and act in accordance with the declaration and accompanying action policy.

Keidanren Declaration of Biodiversity

1. Appreciate nature's gifts and aim for corporate activities in harmony with the natural environment
2. Act from a global perspective on the biodiversity crisis
3. Act voluntarily and steadily to contribute to biodiversity
4. Promote corporate management for sustainable resource use
5. Create an industry, lifestyle and culture that will learn from biodiversity
6. Collaborate with relevant international and national organizations
7. Spearhead activities to build a society that will nurture biodiversity

Participating in Wakayama Prefecture's Company forest scheme

As part of its environmental activities, our affiliate Honshu Chemical Industry Co., Ltd. signed a Forest Conservation and Management Agreement with Wakayama Prefecture and Hidakagawa Town on September 7, 2010, with the aim of participating in Wakayama Prefecture's Company Forest conservation scheme.

As part of the Company Forest scheme, Wakayama Prefecture, forestry cooperatives, and companies work in partnership to effectively harness the prefecture's rich natural environment and get local people involved in environmental preservation.

In November 2010, Honshu Chemical Industry held a tree-planting event. As part of this event, employees and members of their families planted approximately 1,500 trees on a 1.32-hectare area of forestland in Hidakagawa Town (Hidaka-gun, Wakayama Prefecture). The forest was also given the official title "Hidakagawa Honshu Chemical Industry Forest."

On July 25, 2015, 32 people from the company participated in the cutting of weeds at the Hidakagawa Honshu Chemical Industry Forest under the guidance of the Nakatsu Forestry Cooperative, which has been entrusted with the forest's local management.

Participants worked while struggling with difficult footing and the waist-high undergrowth, but were able to cut the undergrowth in about one hour.



The employees who participated in the weeding activities.

Wildlife survey on rice fields

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 pests that inhabit rice fields, the Mitsui Chemicals Group affiliate company, Mitsui Chemicals Agro, Inc. (MCAG), has been conducting a "Wildlife Survey on Rice Fields" using MCAG products since 2012.

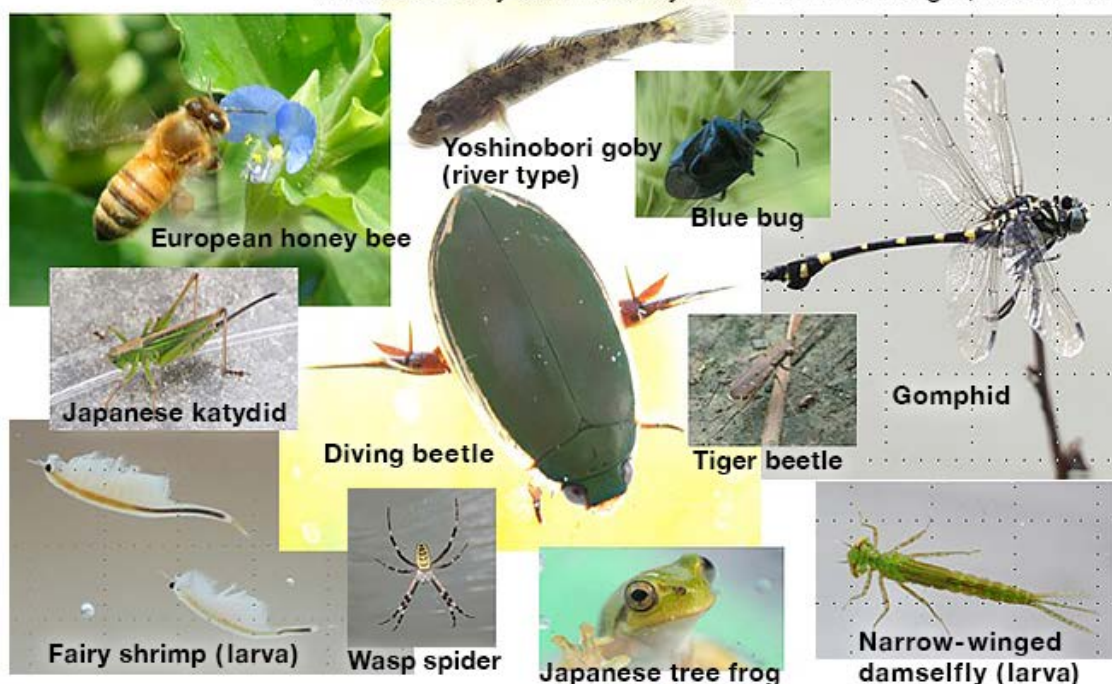
Involved in the manufacture and sales of agrochemicals and fertilizers, MCAG conducts the "Wildlife Survey on Rice Fields" annually with the full support of customers, confirming that a wide variety of wildlife inhabit rice fields. MCAG surveys the effects of agrochemical use on wildlife in rice paddies, which leads to the improvement and development of products. 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 wildlife, which contributes to adding value to local rice.



Rice field activities

Examples of the wildlife observed on the survey

In-house survey conducted by Mitsui Chemicals Agro, Inc. in 2014



MT AquaPolymer, Inc. High-Concentration Liquid Polymer Flocculants

The Mitsui Chemicals Group affiliate company MT AquaPolymer manufactures and sells high-quality, high-concentration liquid polymer flocculants realized by high polymer technologies.

A source of pride for the company over many years, its ACCOFLOC® and ARONFLOC® products are agents that by flocculation action cause clumping and mass precipitation and are thus highly effective in separating water from the sludge generated in the purification process of domestic wastewater. Hygienically reducing the amount of wastewater treatment that can affect disposal, these products are extensively utilized not only at wastewater treatment plants but also in the factory effluent treatment field, including paper and food processing.

MT AquaPolymer is working to conserve natural resources and biodiversity as well as carry out improvements through the manufacture and sale of environment-friendly products, such as high-concentration liquid polymer flocculants.



General view of a water purification plant that uses ACCOFLOC®

Preservation Activities at Omuta Works

At the Omuta Works (Fukuoka Prefecture), Mitsui Chemicals has a protected forest that spans approximately 5.4 hectares and engages in ongoing activities to preserve this area. In 2009, we cooperated on a survey of the natural environment in the forest around our property (the southern side of Mt. Takatori) at the request of Omuta City, which considers the preservation of the natural environment an important issue. The survey conducted by Omuta City Natural Environment Survey Association examined rare plants and species of living organisms in areas managed by Omuta Works, and presented its findings in the Omuta City Natural Environment Survey Results Report.

Rare wildlife found in survey (example)

Plants	Serissa japonica, tree of a thousand stars
	Selaginella moellendorffii
Amphibians	Japanese brown frog
Insects	Cydnidae, Parastrachia japonensis



View of Shinomuta Station from Mt. Takatori

Thai Affiliate Company's Conservation Activities

On June 26, 2015, the Mitsui Chemicals Group affiliate Siam Mitsui PTA Co., Ltd. (SMPC) and Thai PET Resin Co., Ltd. (TPRC) joined forces with seven nearby companies and took part in the "Change a deserted forest to be a mangrove forest Year 2" activities that aim to conserve the environment in the Nongfab district.

During the event held in the fiscal year under review, which was the second time the activities were conducted, 500 mangrove seedlings were planted, 700 young white sea bass, each four to five inches long were released, and 900 kg of garbage was collected in cleanup activities. The plan is conduct the activities in the current fiscal year as well.



SMPC and TPRC employees who participated in the conservation activities



Releasing young fish



Planting mangrove seedlings



Cleanup activities

Conservation Activities at Shimonoseki Mitsui Chemicals

The Mitsui Chemicals Group affiliate Shimonoseki Mitsui Chemicals, Inc. has been participating in the “Forestation Meetup Event to Protect the Waters of the Koya River” since 2001.

As the purpose of the event is to maintain and promote the water conservation functions served by forests, the local government and Shimonoseki Mitsui Chemicals have continued to conduct the activities centered on companies that utilize water from the Koya River.

The 14th time for the activities to be held was on November 13, 2015, in the mountain forest on the outskirts of Tawarayama-Tsunburi River Green Erosion Control Park (in the town of Tawarayamayu, Nagato City, Yamaguchi Prefecture). The planting of zelkova seedlings, the cutting back of weeds to protect the seedlings, and the pruning of cherry and zelkova trees to encourage them to grow tall and sturdy contributed to maintaining the forest.

Conservation Activities at Saxin Corporation

Each year, the Mitsui Chemicals Group affiliate Saxin Corporation participates in activities with the purpose of conserving the local environment. There were two activities in fiscal 2015. On April 8, the company took part in river cleanup activities organized by an agricultural cooperative, activities that involved removing the algae and sludge that accumulate in rivers. Then, to provide assistance ahead of cleanup activities undertaken by citizens living around Lake Biwa in Shiga Prefecture, which were held by the local government on July 4, the company cut back weeds and grass and cleaned up a stretch of the Koyama River on the preceding day, July 3.



General view of cleanup activities

Environmental Protection

► Goals and Results

► Preventing Global Warming

► Reducing Industrial Waste

► Substances Subject to the PRTR Act

► Preserving Air Quality

► Philosophy on Water Resources

► Introduction to Activities at Production Sites

► Biodiversity

▼ Environmental Accounting

► INPUT⇒OUTPUT

► Handling Environmental Complaints

Environmental Accounting

Mitsui Chemicals invests as much as is necessary in responsible care, including environmental initiatives and occupational health and safety. We also compile and publish our environmental accounts in accordance with the Environmental Accounting Guidelines set out by the Japanese Ministry of the Environment in 2005.

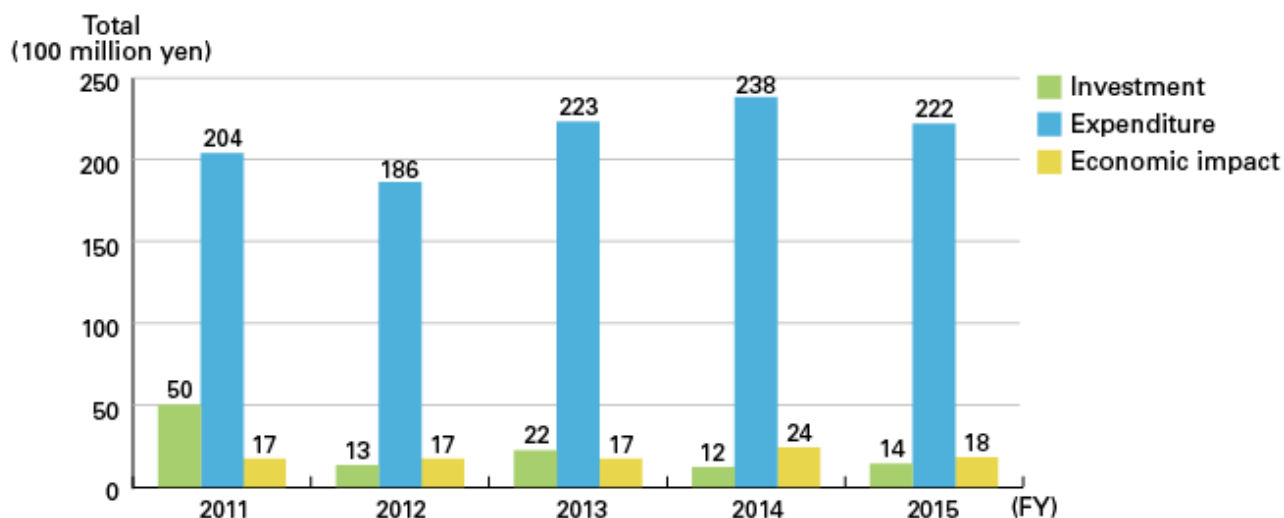
In fiscal 2015, we invested approximately ¥1.4 billion on protecting the environment.

In addition, expenses totaled around ¥22.2 billion on the back of higher research and development as well as other costs. Including conserved resources and saved energy, the economic impact of our environmental activities this year was equivalent to approximately ¥1.8 billion.

Moving forward, will continue to actively focus on environmental protection activities.

Trends in environmental accounts

(Scope of compilation: Domestic manufacturing sites)



* The scope of compilation data for the table presented below covers the following six Works which are Mitsui Chemicals manufacturing sites and the Sodegaura Center: Kashima, Ichihara (including Mobara Branch Factory), Nagoya, Osaka, Iwakuni-Ohtake (including Tokuyama Branch Factory), and Omuta

Environmental preservation costs

Unit: Million yen

Category	Main initiatives	FY 2014		FY 2015	
		Investment	Expenditure	Investment	Expenditure
1	Business area costs (Cost of reducing the environmental impact of production and service activities within our business area)	1,171	17,201	1,348	14,740
	1-1 Cost of preventing pollution Measures to prevent air pollution, water contamination, odors, etc	395	14,346	399	11,683

	1-2 Cost of protecting the global environment	Energy saving measures	756	200	812	192
	1-3 Cost of recycling resource	Recycling industrial waste, etc.	20	2,655	137	2,865
2	Upstream / downstream costs (Cost of reducing the environmental impact of production and service activities in upstream or downstream areas)		0	0	0	0
3	Management activity costs (Cost of environmental management activities)	Maintaining environmental management systems, training employees, etc.	0	459	0	549
4	R&D costs (Cost of environmental research and development activities)	Developing products and processes to protect the environment, reduce environmental impact, etc.	0	5,100	0	6,000
5	Social activity costs (Cost of environmental social activities)	Increasing greenery, funding measures to combat pollution, etc	0	256	0	229
6	Environmental damage costs (Cost of remediating environmental damage)	Remediating pollution, etc.	14	735	22	712
Total			1,185	23,751	1,370	22,230

Impact of environmental activities

Category		Details	Item (unit)	FY 2014	FY 2015
1	Preventing pollution	Emissions of air pollutants and water contaminants	PRTR substances (tons)	1,214	1,099
			Harmful air pollutants (tons)	24	24
			Volatile organic compounds (VOC) (tons)	2,235	2,018
			Nitrogen oxides (NOx) (tons)	2,924	2,786
			Sulfur oxides (SOx) (tons)	329	374
			Dust (tons)	130	123
			Chemical oxygen demand (COD) (tons)	1,029	1,032
			Total nitrogen (tons)	948	867
			Total phosphate (tons)	35	39
2	Preserving the environment		CO ₂ emissions (thousand tons)	4,037	4,120
			Water usage (million m ³)*	466	473
			Wastewater treatment (million m ³)	61	61
			Final effluent (million m ³)	446	453
3	Recycling resources		Industrial waste sent offsite (tons)	88,687	86,113
			Industrial waste sent to landfill (tons)	381	655

			Recycling rate (%) [Waste recycled / Waste sent offsite]	70.9	68.9
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* Total water used, including mains water, groundwater, industrial water and seawater

Economic impact of environmental initiatives

Unit: Million yen

Category			Main benefits		Monetary value	
					FY 2014	FY 2015
1	Income from recycling		Recycling waste into resources		533	694
2	Income from saving energy		Saving energy		1,520	900
3	Income from saving resources		Improving our raw material intensity index		317	221
total					2,370	1,815

Environmental Protection

► Goals and Results

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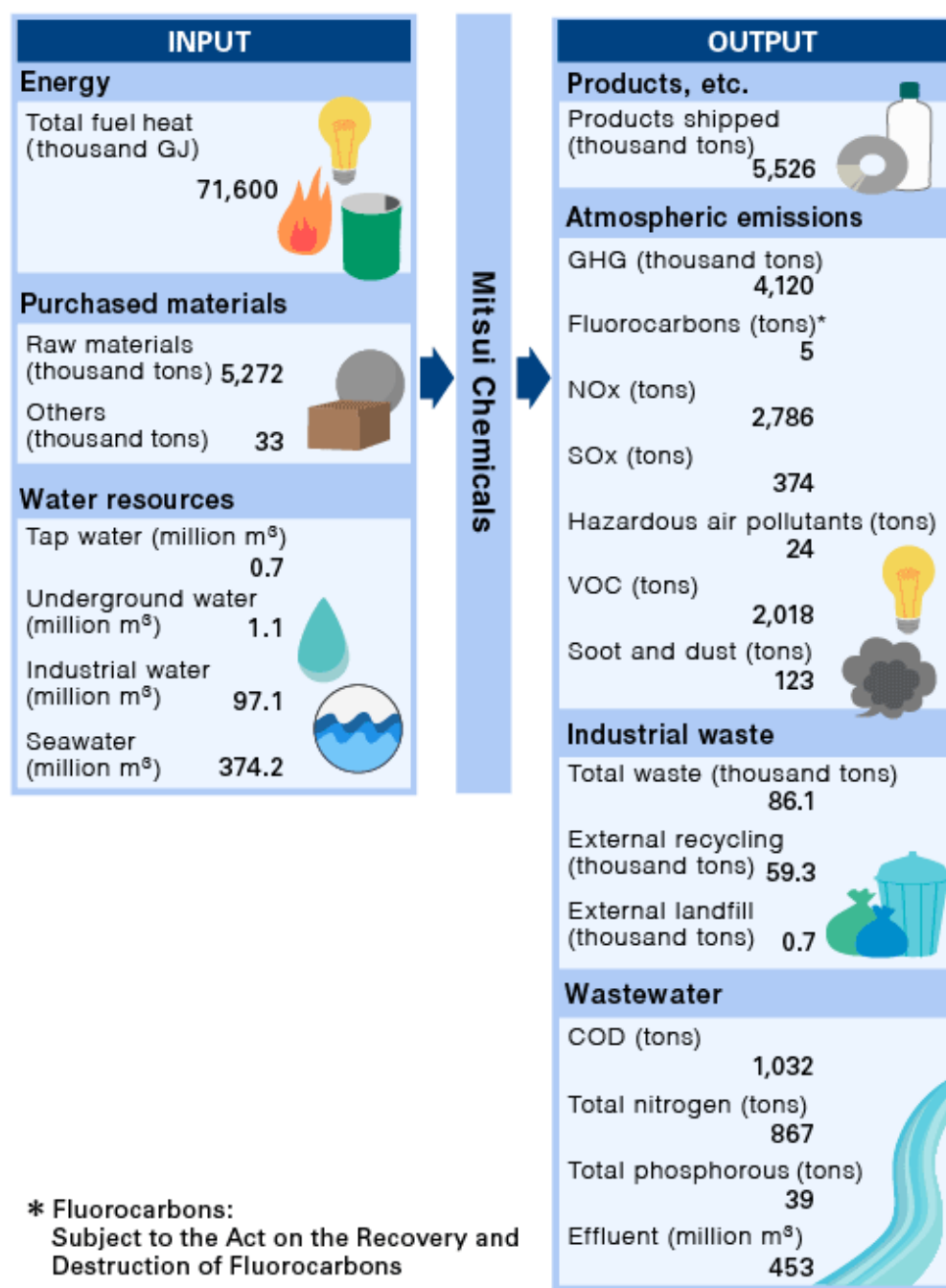
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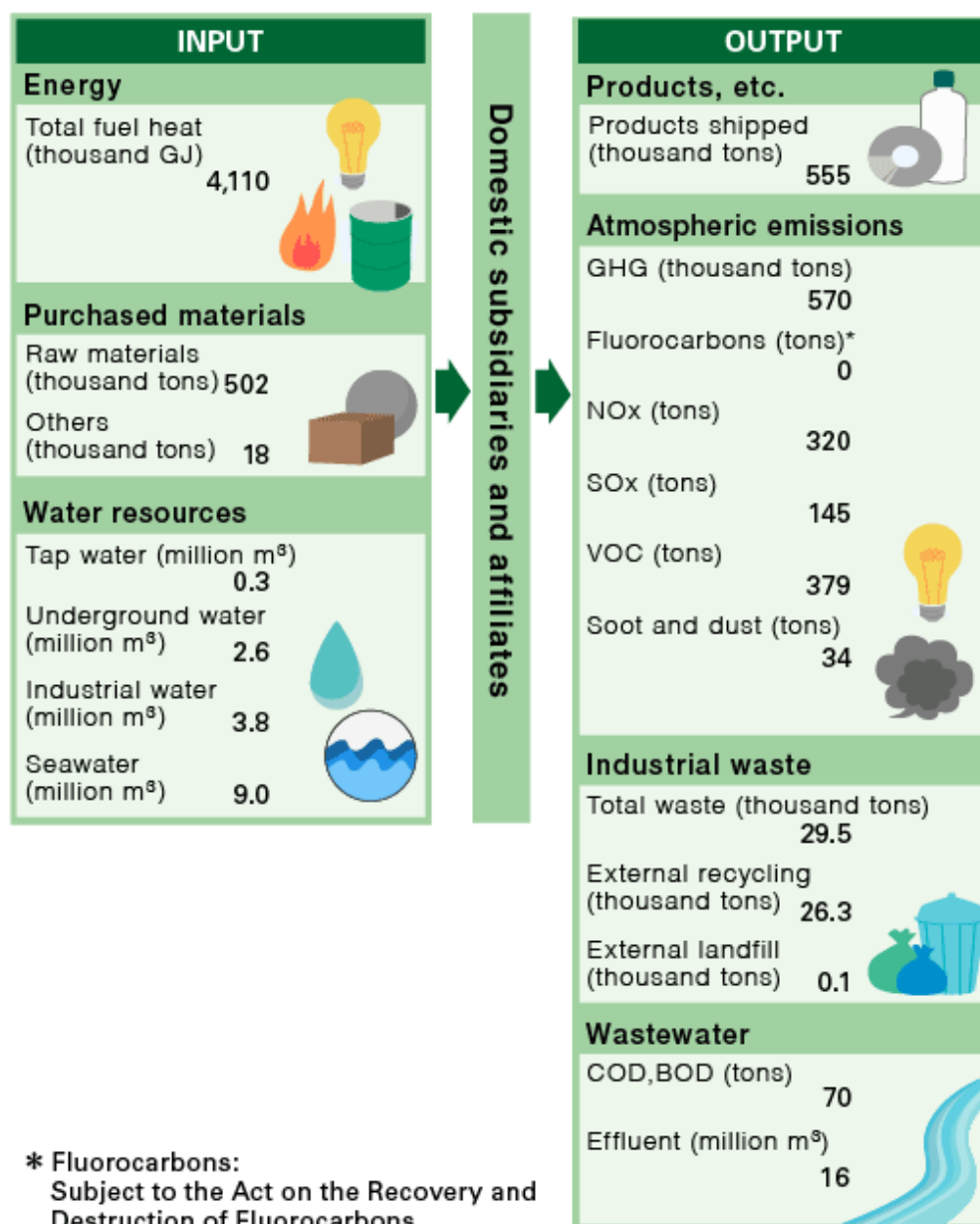
► Handling Environmental Complaints

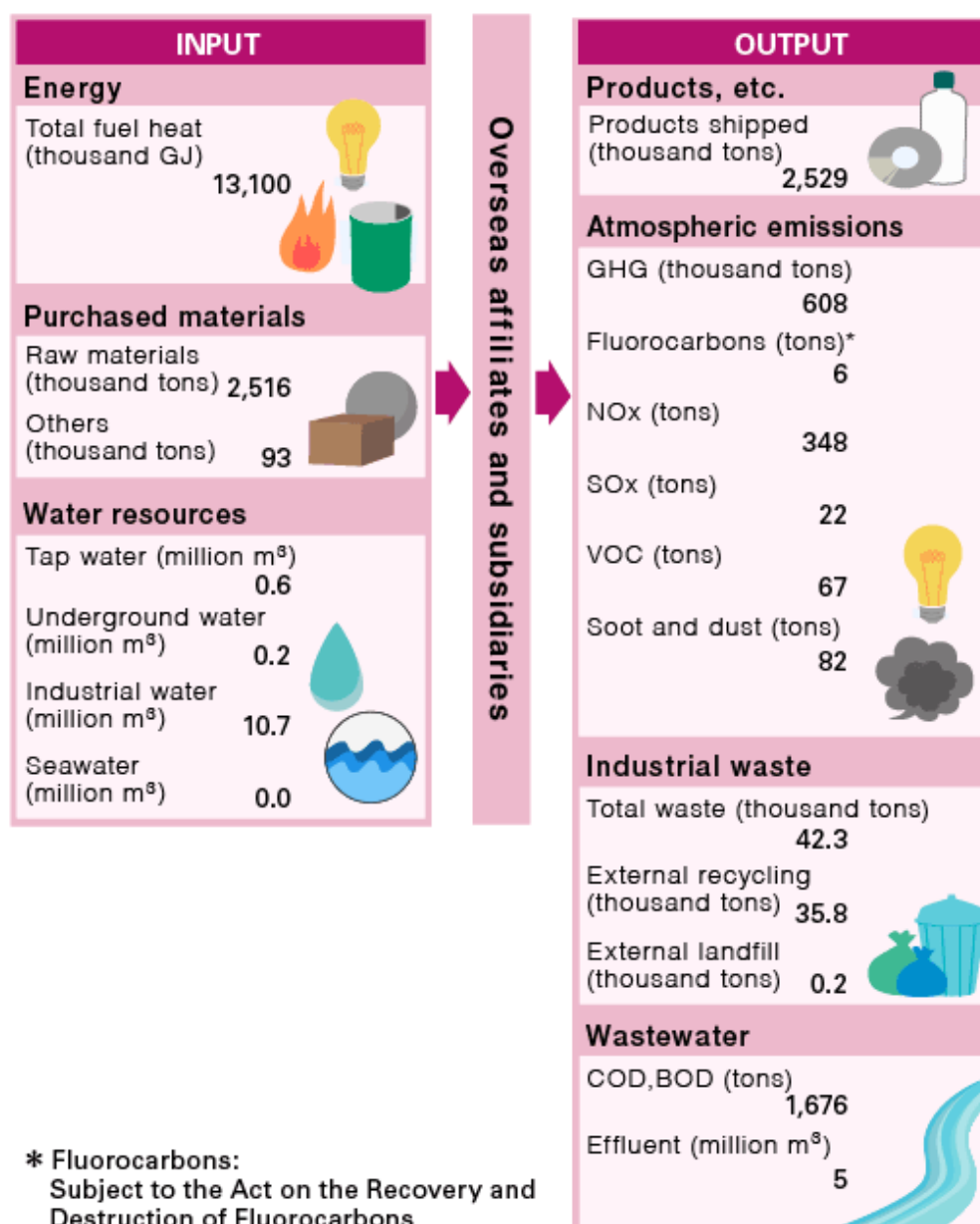
INPUT⇒OUTPUT

We publish input-output reports explaining the volume of resources that we have consumed and the environmental impact of our business activities throughout the Mitsui Chemicals Group. We are actively working to save resources and reduce environmental impact throughout our business activities in the interests of sustainable development.

Input⇒Output data (Mitsui Chemicals)







INPUT⇒OUTPUT Data for Individual Sites (PDF : 1.05MB) 

Kashima Works

Relaunched in its current form in April 2009, our Kashima Works manufactures a wide range of products, from raw materials for bathtubs, furniture and other items for the home through to industrial products such as automotive parts, building materials and materials for fishing boats. (Closed in April 2016)

http://jp.mitsuichem.com/corporate/group/domestic_09.htm

Total fuel heat (thousand GJ)	1,950	Kashima Works	Products shipped (thousand tons)	242.8
Raw materials (thousand tons)	254		GHG (thousand tons)	118
Purchased materials (thousand tons)	5.2		Fluorocarbons (tons)	0.7
Tap water (thousand m³)	18		NOx (tons)	42.5
Underground water (thousand m³)	502		SOx (tons)	18.4
Industrial water (thousand m³)	3,752		Hazardous air pollutants (tons)	4.7
Seawater (thousand m³)	0		VOC (tons)	80.4
			Soot and dust (tons)	3.7
			Total Industrial waste (thousand tons)	0.8
			External recycling (thousand tons)	0.5
		External landfill (thousand tons)	0.04	
		COD (tons)	201.0	
		Total nitrogen (tons)	3.4	
		Total phosphorous (tons)	0.4	
		Effluent (thousand m³)	2,341	

Ichihara Works

We commenced operations at our Ichihara Works in 1967. It is one of the leading comprehensive petrochemical Works in the country, manufacturing various resins, chemical products and other derivatives around a central ethylene plant. Production activities continue to go from strength to strength, as our core Works for petrochemical and basic chemical products.

http://jp.mitsuichem.com/corporate/group/domestic_02.htm

Total fuel heat (thousand GJ)	25,700	Ichihara Works	Products shipped (thousand tons)	2,023
Raw materials (thousand tons)	2,053		GHG(thousand tons)	1,270
Purchased materials (thousand tons)	7.1		Fluorocarbons(tons)	1.5
Tap water (thousand m³)	0		NOx (tons)	952.3
Underground water (thousand m³)	132		SOx (tons)	190.7
Industrial water (thousand m³)	22,585		Hazardous air pollutants (tons)	2.8
Seawater (thousand m³)	290,658		VOC (tons)	433.2
			Soot and dust (tons)	37.4
			Total Industrial waste (thousand tons)	12.6
			External recycling (thousand tons)	12.6
		External landfill (thousand tons)	0.00	
		COD(tons)	56.3	
		Total nitrogen (tons)	25.9	
		Total phosphorous (tons)	2.1	
		Effluent(thousand m³)	300,771	

Mobara Branch Factory

We commenced operations at our Mobara Branch Factory in 1957, with the aim of expanding the chemical industry using natural gas as a raw material. These days, it specializes in manufacturing highly functional products. We established our Plant Operation Technology Training Center on site in 2006, as an educational facility and a focal point for transferring skills throughout the company.

http://jp.mitsuichem.com/corporate/group/domestic_08.htm

Total fuel heat (thousand GJ)	750	Mobara Branch Factory	Products shipped (thousand tons)	48.9
Raw materials (thousand tons)	46		GHG(thousand tons)	39
Purchased materials (thousand tons)	1.4		Fluorocarbons(tons)	0.0
Tap water (thousand m³)	8.4		NOx(tons)	18.1
Underground water (thousand m³)	494		SOx(tons)	0.0
Industrial water (thousand m³)	391		Hazardous air pollutants (tons)	0.0
Seawater (thousand m³)	0		VOC(tons)	12.0
			Soot and dust (tons)	0.6
			Total Industrial waste (thousand tons)	1.8
			External recycling (thousand tons)	1.8
		External landfill (thousand tons)	0.00	
		COD(tons)	18.5	
		Total nitrogen (tons)	6.3	
		Total phosphorous (tons)	2.5	
		Effluent (thousand m³)	779	

Nagoya Works

We were the first in Japan to use our own unique technology to manufacture polyvinyl chloride resins at our Nagoya Works in 1951, using unique technology that had never previously been used in Japan. These days, the works has transformed into a production hub specializing in electronic and IT materials and products. Its main products include processing tape for manufacturing integrated circuits(IC) and sealant sheets for solar cells.

http://jp.mitsuichem.com/corporate/group/domestic_03.htm

Total fuel heat (thousand GJ)	810	Nagoya Works	Products shipped (thousand tons)	48
Raw materials (thousand tons)	54		GHG(thousand tons)	42
Purchased materials (thousand tons)	3		Fluorocarbons(tons)	0.1
Tap water (thousand m ³)	4		NOx(tons)	4.6
Underground water (thousand m ³)	0		SOx(tons)	0.0
Industrial water (thousand m ³)	4,054		Hazardous air pollutants (tons)	0.3
Seawater (thousand m ³)	0		VOC(tons)	2.3
			Soot and dust (tons)	0.1
			Total Industrial waste (thousand tons)	3.2
			External recycling (thousand tons)	1.5
			External landfill (thousand tons)	0.01
			COD(tons)	10.7
			Total nitrogen (tons)	5.4
			Total phosphorous (tons)	0.6
			Effluent(thousand m ³)	3,388

Osaka Works

Located in the Sakai Senboku Coastal Industrial Zone, one of the leading industrial areas in Japan, our Osaka Works has a large dock capable of accommodating 100,000-ton tankers. Production activities make the most of the Works' ideal location, in terms of operations and distribution, with nearly half of all products and raw materials transported by ship.

http://jp.mitsuichem.com/corporate/group/domestic_04.htm

Total fuel heat (thousand GJ)	28,900	Osaka Works	Products shipped (thousand tons)	2,168
Raw materials (thousand tons)	2,165		GHG(thousand tons)	1,660
Purchased materials (thousand tons)	2.5		Fluorocarbons(tons)	1.0
Tap water (thousand m ³)	59		NOx(tons)	997.8
Underground water (thousand m ³)	0		SOx(tons)	40.3
Industrial water (thousand m ³)	22,808		Hazardous air pollutants (tons)	12.0
Seawater (thousand m ³)	53,779		VOC(tons)	92.0
			Soot and dust (tons)	17.7
			Total Industrial waste (thousand tons)	9.9
			External recycling (thousand tons)	8.4
			External landfill (thousand tons)	0.09
			COD(tons)	276.5
			Total nitrogen (tons)	360.3
			Total phosphorous (tons)	5.5
			Effluent(thousand m ³)	64,992

Iwakuni-Ohtake Works

We commenced operations at our Iwakuni-Ohtake Works in April 1958, as Japan's first comprehensive petrochemical works. It manufactures PTA, the raw material in polyester fibers, and PET resin, which is used to make plastic bottles, and is one of the largest scale facilities of its kind in the country.

http://jp.mitsuichem.com/corporate/group/domestic_05.htm

Total fuel heat (thousand GJ)	6,260	Iwakuni-Ohtake Works	Products shipped (thousand tons)	408
Raw materials (thousand tons)	366		GHG(thousand tons)	445
Purchased materials (thousand tons)	2.6		Fluorocarbons(tons)	1.2
Tap water (thousand m ³)	108		NOx(tons)	222.6
Underground water (thousand m ³)	0		SOx(tons)	113.1
Industrial water (thousand m ³)	29,594		Hazardous air pollutants (tons)	3.6
Seawater (thousand m ³)	29,808		VOC(tons)	864.0
			Soot and dust (tons)	23.1
			Total Industrial waste (thousand tons)	5.3
			External recycling (thousand tons)	4.5
			External landfill (thousand tons)	0.04
			COD(tons)	140.3
			Total nitrogen (tons)	24.6
			Total phosphorous (tons)	15.5
			Effluent(thousand m ³)	55,097

Tokuyama Branch Factory

(Current Mitsui Chemicals & SKC Polyurethanes Inc. Tokuyama Factory)

The Mitsui Chemicals Group undertook the production of PPG, a polyurethane raw material, through the Tokuyama Branch Factory of Mitsui Chemicals Iwakuni Works from April 2009. A new start was made as a comprehensive polyurethane material manufacturer through Mitsui Chemicals & SKC Polyurethanes Inc. Tokuyama Factory from July 1, 2015.

Total fuel heat (thousand GJ)*	37	Tokuyama Branch Factory	Products shipped (thousand tons)	38
Raw materials (thousand tons)	41		GHG (thousand tons)	3
Purchased materials (thousand tons)	1.2		Fluorocarbons (tons)	0.0
Tap water (thousand m ³)	10		NOx (tons)	4.2
Underground water (thousand m ³)	0		SOx (tons)	2.8
Industrial water (thousand m ³)	7,298		Hazardous air pollutants (tons)	0.1
Seawater (thousand m ³)	0		VOC (tons)	10.2
			Soot and dust (tons)	0.2
			Total Industrial waste (thousand tons)	4.7
			External recycling (thousand tons)	4.2
			External landfill (thousand tons)	0.01
			COD (tons)	14.7
			Total nitrogen (tons)	0.2
			Total phosphorous (tons)	0.0
			Effluent (thousand m ³)	7,304

Note: Data marked with an asterisk represents results at Tokuyama Branch Factory for the April-June quarter. Data not marked with an asterisk represents results for fiscal 2015.

Omuta Works

We commenced operations at our Omuta Works in 1912 and continued to operate as a coal complex through to the early 1960s, using byproducts from Mitsui Mining's coke ovens. These days, the Works specializes in organic synthesis technology and serves as our main fine chemical facility, primarily manufacturing functional chemicals.

http://jp.mitsuichem.com/corporate/group/domestic_06.htm

Total fuel heat (thousand GJ)	6,880	Omuta Works	Products shipped (thousand tons)	549
Raw materials (thousand tons)	293		GHG (thousand tons)	527
Purchased materials (thousand tons)	10.2		Fluorocarbons (tons)	0.6
Tap water (thousand m ³)	440		NOx (tons)	544.0
Underground water (thousand m ³)	0		SOx (tons)	9.0
Industrial water (thousand m ³)	6,589		Hazardous air pollutants (tons)	0.8
Seawater (thousand m ³)	0		VOC (tons)	524.2
			Soot and dust (tons)	40.0
			Total Industrial waste (thousand tons)	47.2
			External recycling (thousand tons)	25.5
			External landfill (thousand tons)	0.46
			COD (tons)	314.0
			Total nitrogen (tons)	441.0
			Total phosphorous (tons)	12.3
			Effluent (thousand m ³)	18,461

Sodegaura Center (R&D Center)

Including affiliates, our R&D center brings together around 1,000 researchers, all of whom continue to create new technologies and materials in an effort to make society a more comfortable place.

http://jp.mitsuichem.com/corporate/group/domestic_07.htm

Total fuel heat (thousand GJ)	250	Sodegaura Center	Products shipped (thousand tons)	0
Raw materials (thousand tons)	0		GHG (thousand tons)	13
Purchased materials (thousand tons)	0		Fluorocarbons (tons)	0
Tap water (thousand m ³)	70		NOx (tons)	0
Underground water (thousand m ³)	20		SOx (tons)	0
Industrial water (thousand m ³)	0		Hazardous air pollutants (tons)	0
Seawater (thousand m ³)	0		VOC (tons)	0
			Soot and dust (tons)	0
			Total Industrial waste (thousand tons)	0.8
			External recycling (thousand tons)	0.4
			External landfill (thousand tons)	0.00
			COD (tons)	0.3
			Total nitrogen (tons)	0.3
			Total phosphorous (tons)	0.0
			Effluent (thousand m ³)	71

Environmental Protection

▶ Goals and Results

▶ Preventing Global Warming

▶ Reducing Industrial Waste

▶ Substances Subject to the PRTR Act

▶ Preserving Air Quality

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▶ Introduction to Activities at Production Sites

▶ Biodiversity

▶ Environmental Accounting

▶ INPUT⇒OUTPUT

▼ Handling Environmental Complaints

Handling Environmental Complaints

There were no environmental complaints in fiscal 2015. Looking ahead, we will continue to earn the trust of local residents as well as government authorities while promoting close-knit interaction going forward.

Chemicals Management

▼ Goals and Results

▶ Promotion of Chemicals Management

Voluntary safety management efforts by companies, as well as compliance with all laws and regulations, are required in order to achieve WSSD goals. In its efforts to expand its business worldwide, the Mitsui Chemicals Group works diligently to ascertain the latest trends in chemical management policies and to comply with the laws and regulations of each country on a timely basis. In addition to the above, the Group also endeavors to evaluate and manage risks throughout the entire product life cycle from the development to the disposal of products. In this manner, the Mitsui Chemicals Group is actively engaged in protecting human health and the environment.

Management System

Policy

Based on our Responsible Care Policy, we engage in chemicals management in order to ensure human health and reduce our environmental impact, through compliance with the chemical regulations of each country as well as product risk assessments.

System and Responsible Officers

The Responsible Care Committee creates policies, strategies and plans related to chemicals management, evaluates performance and reviews the responsible care system. An officer is appointed to each department that is engaged in chemicals management. In addition to clarifying roles, responsibilities and authority through internal regulations, we promote chemicals management as a part of our Group-wide Responsible Care activities.

Monitoring Methods

The Responsible Care Committee convenes periodically to review the progress of chemicals management plans and to evaluate performance.

Achievements and Reviews

The results of chemicals management are reported and reviewed at each Responsible Care Committee meeting. The results of each review are reflected in plans for the next fiscal year after taking into account the interest and requirements of Society as well as changes in the environment.

Goals and Results

Goals for Fiscal 2015

- Respond appropriately to trends in the chemical statutory and regulatory requirements of each country
- Strengthen the chemical safety technologies that support priority businesses
- Promote activities that raise product value

Fiscal 2015 Results and Assessment

Level achieved: A

- Respond appropriately to trends in the chemical statutory and regulatory requirements of each country:
We are systematically complying with all of the enacted and amended laws in each country and recorded zero violations.
- Strengthen the chemical safety technologies that support priority businesses:
We are strengthening safety evaluation technologies relating to the Healthcare business as well as the platform required to conduct evaluations.
We are strengthening the structure of chemicals management in R&D by assigning persons in charge to research laboratories.
- Promote activities that raise product value:
We are in the process of systematically promoting the risk assessment of existing products in a bid to achieve WSSD goals.

Priorities for Fiscal 2016

- Undertake a response to the chemical regulations of each country in order to ensure the smooth running of our business
- Strengthen assessment technologies in order to accelerate priority businesses
- Promote risk assessment and risk management based on Product Stewardship*

*Product stewardship (PS) :

Activities focusing on preserving the environment, human health, and safety across the entire life cycle of products, from development to final disposal.

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Chemicals Management

► Goals and Results

▼ Promotion of Chemicals Management

Promotion of Chemicals Management

Strengthen statutory and regulatory compliance in line with globalization

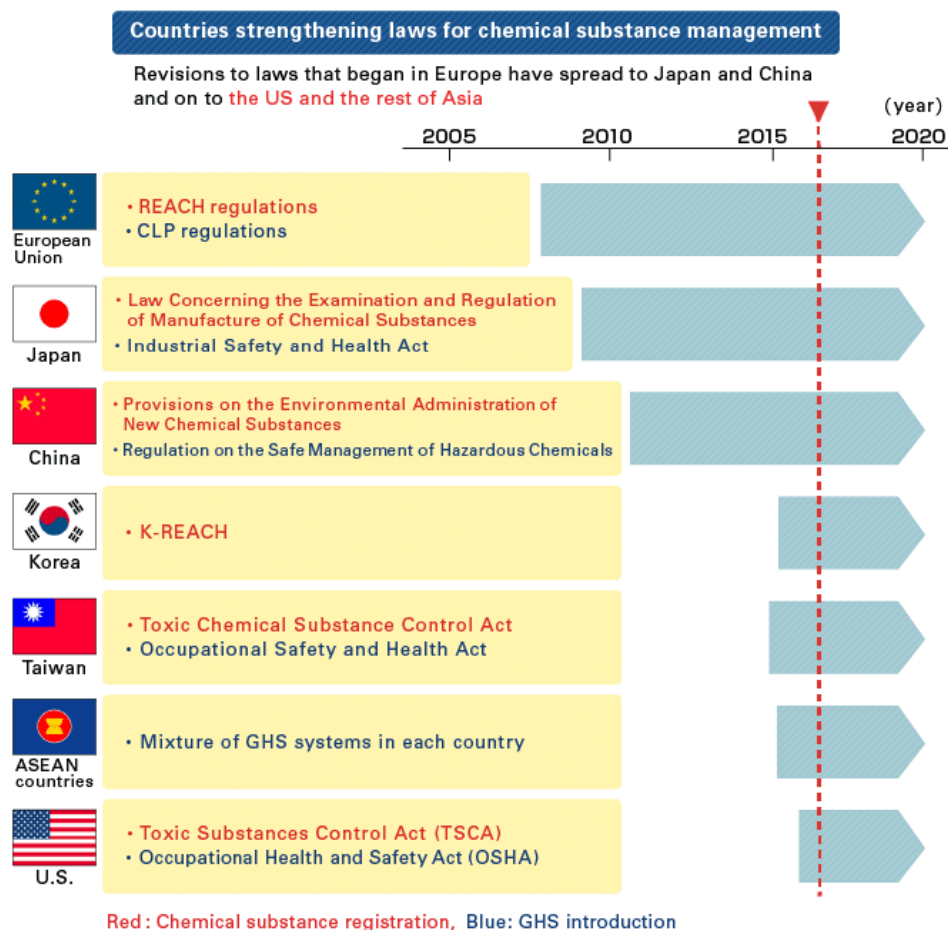
The enforcement of regulations to achieve the World Summit on Sustainable Development (WSSD) goals has become more active, not only with respect to the EU REACH regulation, but also regulations in Asian countries since 2015. In Korea, the first list of 510 designated existing substances subject to registration was publicly announced in July 2015 under the Act on the Registration and Evaluation, etc. of Chemical Substances (K-REACH), and moves begun toward their registration. In Taiwan, the end of March 2016 was the Phase I registration deadline for existing substances under the Toxic Chemical Substance Control Act.

In order to engage in business globally, the Mitsui Chemicals Group strives to keep abreast of government policy for chemicals management in each country and the latest regulatory trends while working on timely regulatory compliance. The Mitsui Chemicals Group quickly obtains regulatory information from each country through, for example, active participation in industry initiatives such as those of the Japan Chemical Industry Association (JCIA), and through close exchanges of information with local subsidiaries and affiliates and local consultants. At the same time, the Group works to ensure thorough compliance.

Holding monthly meetings of the Global Chemical Regulation Compliance Team, in which business divisions and all corporate divisions participate, Mitsui Chemicals is sharing the latest trends throughout the Company and speedily implementing Companywide efforts to address legal revisions.

In Korea, Mitsui Chemicals is identifying the challenges of joint registration through participation in K-REACH joint registration pilot projects of its local subsidiary and leveraging that company's product registration preparations. In Taiwan, Mitsui Chemicals made progress in quickly selecting representatives and in specifying an importer, and completed Phase I registration of the Company's products ahead of the deadline. Under the EU REACH regulation, the evaluation of chemical substances is being progressed by the European Chemicals Agency (ECHA) and EU member state authorities. Mitsui Chemicals plans to keep pace with trends and to steadily ensure the necessary compliance.

Countries strengthening laws for chemical substance management



Instill a Management System Based on Our Chemical Safety Information System

Chemicals management at Mitsui Chemicals is based on a chemical product safety information system (SAP-EHS). This system integrates the management of information on all Mitsui Chemicals products, raw materials and chemical components as well as links to basic business processes. Through this system, we confirm compliance with relevant laws and regulations inside and outside Japan, manage manufacturing and import volumes, and automatically create safety information such as multilingual SDS*¹, product labels and MSDSplus*². As a result, we are able to more rapidly provide information to our customers and strengthen compliance with chemical laws and regulations.

In fiscal 2015, we worked on automating the creation of SDS compatible with Taiwanese regulations. Currently, we are able to automatically create SDS compatible with the regulations in Europe, the United States, Korea, and Taiwan, and the plan is to add to the countries covered in the years to come.

To strengthen the legal compliance capabilities of our overseas subsidiaries and affiliates, we are making progress with the overseas deployment of the chemical safety information system (SAP-EHS). In fiscal 2015, we reached the stage of being able to share information on product-related regulations and safety with our subsidiaries and affiliates in Europe and the United States as well as some of them in China. In fiscal 2016, the plan is to continue enhancing the system's functions and deploying the system to our overseas affiliates and subsidiaries.

*1 Safety Data Sheet

*2 MSDSplus : A basic information sheet used to communicate information about chemical substances contained in products, as recommended by the Joint Article Management Promotion (JAMP) consortium

Outline of integrated information system

Outline of integrated information management system

(1) Linked to business processes :

Traceable information related to feedstock and products at an individual chemical substance level (volume, application, legal information, safety information, etc.)

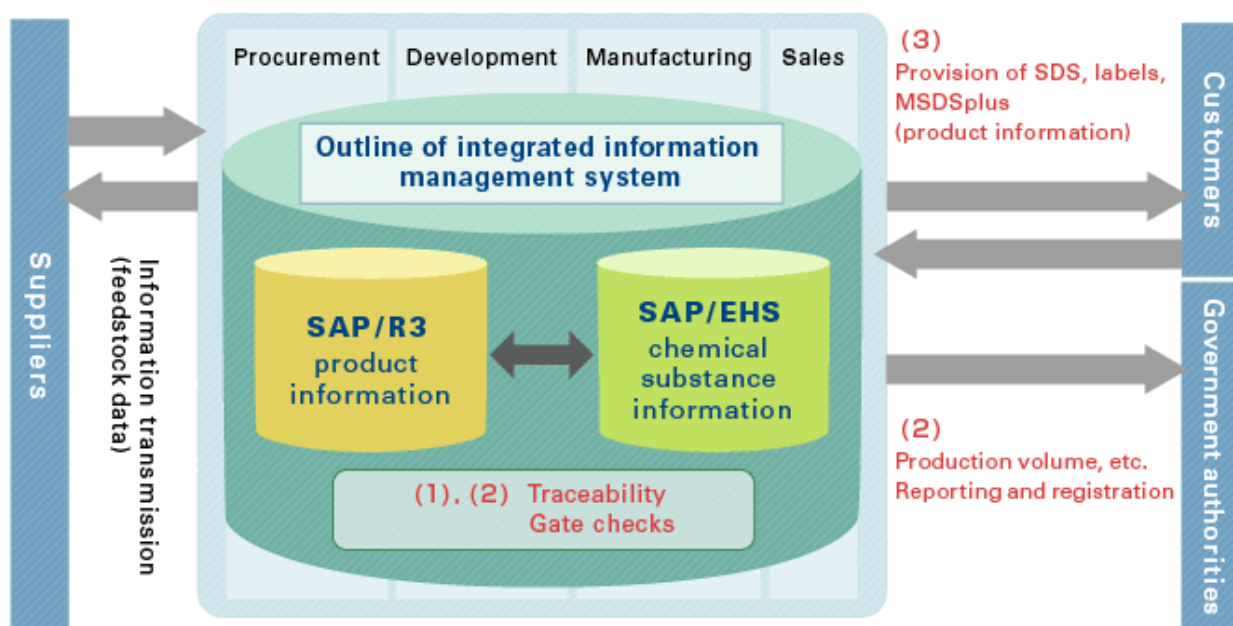
(2) Legal compliance :

Gate checks for volume and legal compliance at time of shipment

Identification and collation of data on production and import volumes and applications

(3) Product information management and communication :

Creation and issuance of SDS, labels, and MSDSplus for each country based on GHS



Risk Assessment and Risk Management Based on Product Stewardship

Based on product stewardship (PS), Mitsui Chemicals takes a risk-based approach to the safety management of chemicals throughout the product life cycle.

Based on existing internal regulations, new products undergo the necessary risk assessments step by step, broken down into each of the five product development stages.

In addition to the risk assessments of the products themselves, we perform risk assessments through the entire product life cycle, performing them on the raw materials, catalysts, and additives used in the manufacturing process, on the by-products that arise from the manufacturing process, and on the chemical substances' effects on operator safety and on the products. The results of these kinds of assessments and getting to know the appropriate ways of using chemical substances and chemical products are the first stage of product stewardship.

In the case of existing products that are already on the market, we are advancing product risk assessments and risk management in conjunction with activities carried out by the International Council of Chemical Associations (ICCA) and JIPS* at the Japan Chemical Industry Association (JCIA). In order to have effectively assessed all products by 2020, we will determine risk levels of all products from the points of view of the amounts of exposure and hazard, and then systematically conduct risk assessments starting with high-priority products. The outcomes of the risk assessments are publicly announced to stakeholders as safety summary sheets. To date, we have created safety summary sheets for 48 products and disclose this information on our website.

* JIPS (Japan Initiative of Product Stewardship): a Japan Chemical Industry Association initiative to promote PS in Japan.



Safety Confirmation and Legal Compliance in Line with the Transformation of Our Business Portfolio

The Mitsui Chemicals Group is moving ahead with the transformation of its business portfolio. The Group has been placing new products on the market prior to launch, having confirmed safety by a risk assessment in compliance with applications and having undertaken appropriate legal compliance. Following the transformation of the business portfolio, however, the applications for new products are expanding, and the Group is advancing the acquisition of technologies for assessing application-compliant safety and upgrades to its legal compliance structure.

In fiscal 2015, the Group worked to acquire new safety assessment technologies, for example by sending researchers to Japan's National Institute of Health Sciences. In the medical equipment field, Mitsui Chemicals set up a dedicated group covering the relevant laws and certifications.

Developing safe chemical products requires a variety of safety tests and also requires animal testing in some cases. Based on the 3R principles of replacement, reduction, and refinement, we are working to realize appropriate animal testing that takes animal welfare into consideration. We are also focusing on the introduction and development of alternative experiment methods that dispense with the need for animal testing, and proactive use of technologies that predict the hazardous nature of a chemical substance from its chemical structure.

Participation in Industry Initiatives for Chemicals Management

Achieving the WSSD goals requires not only compliance with laws but also calls for voluntary efforts on the part of companies.

To achieve the WSSD goals, Mitsui Chemicals endorses and proactively participates in the voluntary initiatives encouraged by the ICCA and JCIA.

Since fiscal 2015, Mitsui Chemicals has chaired the Capacity Building Task Force of the ICCA Chemicals Policy and Health Leadership Group and displayed its leadership qualities in international activities. We also proactively participated in activities that involved the planning and management of training programs and lectures relating to capacity building toward the achievement of the WSSD goals for developing countries as well as small and medium-sized enterprises. In fiscal 2015, we took part in a GPS*/ PS workshop in Vietnam, conducted by the JCIA in collaboration with the ICCA's Responsible Care Leadership Group, and supported GPS adoption activities in Asian countries.

In Japan, in its capacity as a key member in reinforcing JIPS promotions, Mitsui Chemicals proactively participates in JCIA promoted activities. To provide some examples, in fiscal 2015 Mitsui Chemicals served as chairperson for an assessment technologies working group of the JIPS Promotion Committee and also served as lecturer at JCIA-sponsored seminars on the subjects of risk assessment and global trends in chemical regulations.

* GPS (Global Product Strategy) :

A chemical industry voluntary initiative to undertake risk management throughout the life cycle of a chemical product

Quality

▼ Goals and Results

► Quality Improvement Initiatives

We are committed to continually improving the level of quality management here at the Mitsui Chemicals Group, under our Responsible Care Policy. We also make every effort to improve the quality of our products and services so as to increase customer satisfaction even further.

Management System

Policy

Under our Responsible Care Policy, we have identified details of our quality structure and other key issues such as PDCA procedures as basic matters concerning quality management in our internal regulations. In addressing these basic matters and carrying out the appropriate procedures, we are providing products and services that foster the trust and satisfaction of customers.

Responsible Care Policy

System and Responsible Officers

The director of the Responsible Care Committee is the person responsible and the RC & Quality Assurance Division controls quality management for the entire Mitsui Chemicals Group in Japan and overseas. Under this structure, every effort is made to improve product and service quality in all divisions and further raise customer satisfaction.

Monitoring Methods

Steps are taken to review and approve quality management and quality assurance systems at the product and service design and development stages. After the launch of a products or service, steps are taken to analyze quality complaints and to perform quality audits on business divisions, works, as well as subsidiaries and affiliates, and to inspect the implementation status of quality management.

Achievements and Reviews

An analysis of customer complaints and malfunctions in the production process was undertaken. Relevant information was applied across works as well as subsidiaries and affiliates. These results and the quality management implementation status of each division were consolidated by the RC & Quality Assurance Division, reviewed by the Responsible Care Committee and then shared Companywide.

Goals and Results

Goals for Fiscal 2015

- Minimize quality complaints in pursuit of customer satisfaction

Fiscal 2015 Results and Assessment

Level achieved: A

- Customer quality complaints for the past three years have remained at the lowest level ever.
- The Company has begun applying specific principles for global quality management in order to maintain and improve the level of quality management at subsidiaries and affiliated companies.

The Mitsui Chemicals Group's Global Quality Management Principles

The Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("activities that win over customers' trust"). In this regard, the Company has identified the following principles.

1. Customer-oriented products and services

- Clarify customers' requirements and ensure quality
- Design and provide products that also look beyond immediate customer needs
- Propose and provide new products and services that address customers' needs

2. Ensure objective and transparent quality assurance

- Give priority to compliance with laws and regulations over the pursuit of any profit
- Put in place a framework that enables a prompt response when an issue occurs
- Ensure the independence of the Quality Assurance Division

3. Put in place a framework that allows the stable supply of products

- Ensure quality assurance from the procurement of raw materials to the delivery of products to customers
- Adhere strictly to a policy of management of change and non-conforming product control

4. Create a more open corporate culture

- Adhere strictly to a policy of "report, contact and consult;" promote the sharing of information between departments
- Undertake the exchange and horizontal deployment of quality assurance information and techniques across the Group

Priorities for Fiscal 2016

- Uncover high-quality risk factors and consider preventive measures while addressing customer complaints as a matter of course for all products.
- Build a quality assurance system for new business and products in a variety of fields for example the Mobility and Food & Packaging domains.

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Quality

► Goals and Results

▼ Quality Improvement Initiatives

Quality Improvement Initiatives

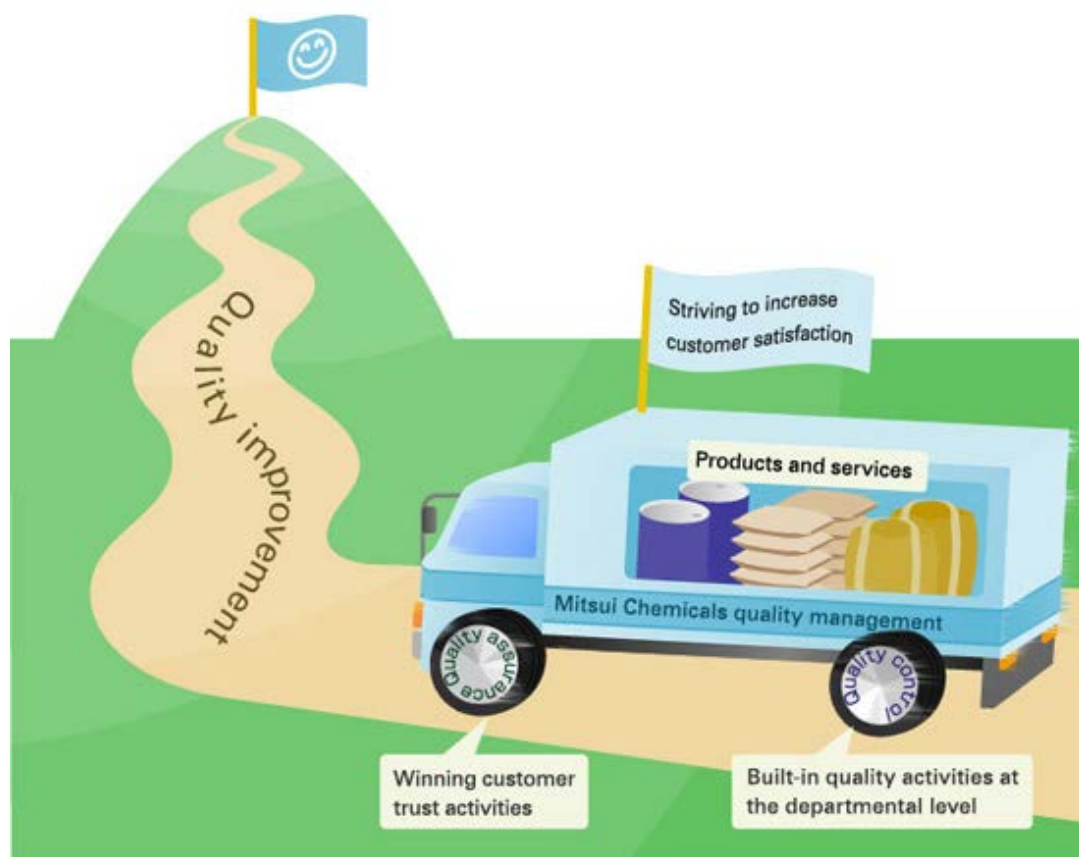
Quality management system

The Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("activities that win over customers' trust").

Our built-in quality activities are aimed at minimizing discrepancies at every stage of the process, including purchasing, design, logistics, and sales as well as manufacturing, to enable every department to provide the same quality of product and service.

Our activities that win over customers' trust meanwhile are aimed at resolving issues from the customer's perspective, and are spearheaded by the Quality Assurance Department, independently of our sales and manufacturing sections.

Quality management system



Reference: ISO9000 (Quality management systems - Fundamentals and vocabulary)
Quality assurance: Part of quality management, focused on providing confidence that quality requirements will be fulfilled
Quality control: Part of quality management, focused on fulfilling quality requirements

Improving the standard of quality management

Our efforts to improve quality management standards revolve primarily around quality auditing and training. We provide all departments within the Mitsui Chemicals Group, including our Head Office, works, factories, laboratories, and domestic and overseas affiliates, with support in order to improve quality management through quality auditing.

Please click the link below to view the results of quality audits in fiscal 2015.

[Results of Responsible Care Audits in Fiscal 2015](#)

In terms of quality training, we have formulated a training program and are educating employees through e-learning. We have also put in place an English language e-learning program which we are implementing for the benefit of overseas subsidiaries and affiliates. Moreover, we have been implementing frontline measures to prevent quality issues on the shop floor (QRG activities*) since fiscal 2010, with the aim of identifying and eliminating risks that could lead to quality issues. These measures are being carried out at all of the Company's main works and factories while also being rolled out to subsidiaries and affiliates.

We are constantly working to encourage and raise the level of quality awareness on the frontline, and give out awards to departments or individuals that have particularly helped to improve frontline quality standards, to coincide with our annual nationwide Quality Month campaign.

* QRG activities are carried out by Quality Risk Reduction Groups in an effort to reduce quality risks.

Responding to the voices of customers

Whenever we receive a complaint from one of our customers regarding our products or services, business and manufacturing divisions together with the Quality Assurance Department work in unison to identify the cause of the complaint and to take corrective action. In this manner, every effort is made to implement preventive measures across the organization as a whole.

As one such initiative, all members of the Quality Assurance Department take the time to reassess the cause of each complaint, reconsider appropriate countermeasures, and confirm progress. At the same time, energies are channeled toward extracting important case studies, particularly where there is a substantial risk to customers, and where the potential exists for similar cases to arise. These case studies are then shared across the entire Company.

Society's interest toward the impact of chemical substances on people's health and the environment continues to rise.

Against this backdrop, chemical substance regulations are becoming increasingly stringent with growing importance placed on the higher level of management of products containing chemical substances.

Under these circumstances, the Mitsui Chemicals Group has not only set up an information database in response to inquiries regarding products containing chemical substances from customers, but also established a designated department to undertake appropriate research. Through these means, we are working diligently to reply accurately to each inquiry in a timely manner.

Customer-specific initiatives:

initiatives aimed at ensuring statutory, regulatory, and authentication compliance

The Mitsui Chemicals Group takes steps to ensure compliance with all applicable statutory, regulatory, and authentication requirements on an individual product application basis and conducts internal risk assessments before bringing a particular product to market. In fiscal 2015, we established a designated group to address compliance issues in connection with laws and regulations related to pharmaceutical affairs including medical instruments and authentication.

Moreover, we look to confirm the status of statutory, regulatory, and authentication compliance through periodic inspections regarding after products have been launched.

Logistics

▼ Goals and Results

▶ Transporting Products Safely

▶ Initiatives to Reduce Environmental Impact in Logistics

Here at the Mitsui Chemicals Group, we carry out a wide range of initiatives to ensure that our products are safe and transported in a manner that takes into consideration the environment.

Management System

Policy

Based on its Responsible Care Policy and Companywide regulations for risk and crisis management, Mitsui Chemicals has established “Off-Premise Logistics Environment, Safety, and Quality Management Bylaws.” At the same time, the Company strives to maintain and improve its logistics environment, safety and quality (logistics responsible care). Each year, targets are set based on the previous year’s responsible care results (number of accidents, complaints, etc.). Various policies and measures (audit of logistics subcontractors, education, on-site discussion, campaigns, etc.) are incorporated into the “Annual Responsible Care Plan” with definitive steps then taken to implement a PDCA cycle.

System and Responsible Officers

Responsible Care (RC) results are reported and views are exchanged through regular meetings with the Companywide Responsible Care Committee and the director in charge of logistics

Monitoring Methods

In addition to the above-mentioned responsible care results and Annual Responsible Care Plan progress, regular verification is carried out at logistics meetings (weekly and monthly meetings).

Achievements and Reviews

The Company continues to have zero major accidents and zero major worker injuries. The number of complaints has declined over the medium term.

Goals and Results

Goals for Fiscal 2015

- Continue to improve the environmental safety and quality of logistics operations
- Major worker injuries / Major accidents: 0
- Complaints: Not more than 9

Fiscal 2015 Results and Assessment

Level achieved: A

- Major worker injuries / Major accidents: 0
- Complaints: 6

Priorities for Fiscal 2016

- Continue to improve the environmental safety and quality of logistics operations (ongoing)
- Major worker injuries / Major accidents: 0
- Complaints: Not more than 8

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Logistics

► Goals and Results

▼ Transporting Products Safely

► Initiatives to Reduce Environmental Impact in Logistics

Transporting Products Safely

Dialog with Logistics Contractors

We are committed to conducting safety activities in partnership with our logistics contractors here at the Mitsui Chemicals Group.

The department responsible for logistics at each of our works organizes logistics meetings with the works' logistics contractors, usually once a month, in order to share information about accidents and other relevant matters, review details of hiyari-hatto (near-miss)*¹ incidents, carry out onsite patrols and training, and improve communication. We also make every effort to prevent accidents as part of our logistics operations by requiring contractors to undergo responsible care audits and engage in safety dialog with onsite operators, based on the principle of Shichigen Shugi, or "the seven actuals*²." Energies are also directed toward preventing incidents relating to the logistics process. This includes the elimination of erroneous shipment and delivery as well as product leakage.

Third party logistics (3PL)*³ companies take the lead in managing 3PL products. The aforementioned activities are also undertaken with the departments responsible for logistics at each works playing a supporting role.

*1 Near-miss:

Any narrowly-avoided major accident or disaster

*2 The seven actuals:

Solving problems by going to the actual location (genba), inspecting the actual situation (genbutsu) and ascertaining the actual facts (genjitsu) while placing the utmost importance on actual principles (genri), actual rules (gensoku), the actual basics (genten), and actual people (ningen)

*3 Third Party Logistics (3PL):

A form of logistics operation where a third party undertakes all or a portion of the logistics function on a contract basis

Safety Measures Using SDS and Yellow Cards

As we deal with high-pressure gas and numerous hazardous or toxic chemicals that are required by law to be managed and handled in a certain manner, we take the utmost care to ensure that our products are transported safely. In order to provide logistics contractors with information about essential precautions when handling and storing our products (e.g. hazardous or toxic products), we supply them with safety data sheets (SDS*), which include products for which there are no statutory submission requirements. We also require drivers and other operators transporting our products to carry yellow cards outlining measures that need to be taken and information that needs to be reported in the event of an accident irrespective of whether the products transported are hazardous materials or not.



Yellow card

* SDS: Safety Data Sheet

Documentation issued by one operator to another when transporting chemicals or other such substances, containing information such as the name of the substance, the name of the supplier, hazard/toxicity levels, safety measures and emergency procedures

Eliminating Transport-Related and Occupational Accidents

Logistics operators have to perform tasks in high places. Filling a tanker for instance involves working at a height of at least three meters off the ground. In the interests of safety, operators are obligated to wear safety harnesses to prevent them from falling. They are also required to wear protective gear to prevent burns or injuries from exposure to chemicals. In addition, we are committed to promoting awareness toward and enforcing basic safety rules.

1. If you cannot see clearly, get out of the truck and make sure it is safe before reversing.
2. When parking, make sure that the brake lock is on and put stoppers under the tires.
3. Always do a full walk-around inspection to check that everything is safe before starting the truck.

Moreover, we are also running a variety of nationwide campaigns to reduce and eliminate accidents as part of our logistics operations.

Minimizing Damage in the Event of an Accident

In an effort to minimize damage in the event of an accident whilst transporting our products, we have introduced a set of regulations outlining the Mitsui Chemicals Group Logistics Emergency Network (MENET). The network is divided into six areas covering different parts of the country and can be mobilized 24 hours a day.

We also conduct emergency contact and mobilization drills twice a year.

The Mitsui Chemicals Group also contracted with the Maritime Disaster Prevention Center and adopted that Center's Hazardous Material Emergency Response Service (HAZMATers) from October 2015 in order to respond in a timely manner to accidents as and when they occur and to prevent major damage. Since adopting this service, the number of major response bases has increased from seven to nine. As a result, the Group is better positioned to swiftly respond to an accident when it occurs. Through access to the Center's specialized knowledge and materials, we are able to push forward more effective measures thereby preventing major damage.

MENET support bases



Initiatives to Reduce Environmental Impact in Logistics

Mitsui Chemicals is working to build a logistics structure that has a low impact on the environment.

The Company is endeavoring to engage in the efficient use of energy and to reduce the amount of its CO₂ emissions. From a logistics perspective, we are looking to adopt a wide range of initiatives. This includes improving our load efficiency and promoting a model shift in our transportation activities (moving away from the use of trucks and increasing the volume of marine and rail transportation while transitioning to modes of transportation that exhibit increased energy efficiency).

In recognition of the Company's efforts to date, the Eco Rail Mark* Administration and Screening Committee of Japan's Ministry of Land, Infrastructure and Transport designated Mitsui Chemicals as a company that proactively uses railway system to move freight as an environmentally friendly means of transportation in fiscal 2014.

In fiscal 2015, the Company's per-unit energy consumption rate for the transportation of products was 6.85 kiloliters per thousand tons. This was down 5.5% compared with fiscal 2014.

Moving forward, we will make every effort to protect the environment by promoting the efficient use of energy and reducing the amount of CO₂ emissions.

* Company Eco-Rail Mark Certification Criteria

The Eco-Rail Mark is awarded to companies that use rail to transport at least 15% of their long-distance freight (500 kilometers or more) and where

- the total annual amount is 15,000 tons or more, or
- at least 150 million ton-kilometers (weight times distance) per year

Eco-Rail Mark Certified Products

Acrylamide, hydroquinone, isopropyl alcohol, COSMONATE™ MDI, COSMONATE™ TDI, Dorocrawl, Mitsui PET™, and high-purity terephthalic acid (PTA)



Certification ceremony



Eco-Rail Mark Certification (Company Certification)
Eco-Rail Mark Certification (Product Certification)

Communication with Society

Here at the Mitsui Chemicals Group, we recognize the critical need to be as receptive as possible to the requirement of stakeholders, and in an effort to maintain our sense of purpose as a member of society, to think carefully about what people want and what they expect from us. With this in mind, we are fully committed to engaging in a wide range of activities while taking to heart the importance of communication with our various stakeholders.

▶ Respect for Human Rights

We regard human rights as a universal value and make every effort to act in good faith and maintain a high regard for people and society as we carry out our corporate activities.

▶ Basic Philosophy on Human Rights

▶ Working with Our Customers

We work as a team to meet the needs of its customers in order to be of service and help make people's everyday lives easier and more comfortable.

▶ In order to Satisfy Customers

▶ Commendations from Customers

▶ Working with Our Suppliers

We purchase items from our suppliers fairly and in good faith, and make every effort to ensure mutually sustainable growth.

▶ Goals and Results

▶ Purchasing Policy

▶ CSR Procurement

▶ Working with Our Shareholders and Investors

We provide our shareholders and investors with all the information they need on an ongoing basis in an effort to repay the trust that they have placed in us.

▶ Goals and Results

▶ Disclosure of Information to Shareholders and Investors

▶ Working with Our Employees

We are committed to providing the best environment for our employees, so that they feel a sense of personal and professional motivation.

▶ Goals and Results

▶ Human Resources Development

▶ Creating an Employee-Friendly Working Environment

▶ Promoting Diversity

▶ Employee Health

▶ Working with Industry, Government, and Academia

We are working with industry, the government, and academia and actively promoting open innovation in a bid to expand business.

▶ Goals and Results

▶ Promoting Cooperation with Industry

▶ Promoting Joint Research Projects

▶ Promoting Global Collaboration

▶ Working with Local Communities

We are committed to working in harmony with local communities on a range of initiatives to ensure that our sites are always open.

▶ Goals and Results

▶ Dialog with Local Communities

▶ Public Recognition

▶ Public Recognition

As a result of various initiatives undertaken by the Mitsui Chemicals Group, we have received a number of awards and commendations in recognition of our achievements.

▶ Public Recognition

▶ Social Contribution Activities

We undertake a range of activities in accordance with the Mitsui Chemicals Group Social Activities Policy, in line with the expectations and best interests of our stakeholders.

▶ Goals and Results

▶ Nurturing Future Generations

▶ Environment Communication

▶ Support for Employees' Social Contribution Activities

▶ Disaster Relief

▶ Disaster Recovery Support following the Great East Japan Earthquake

Respect for Human Rights

▼ Basic Philosophy on Human Rights

Respect for human rights is one of the fundamental principles that underpin our business activities all over the world. The Mitsui Chemicals Group is committed to observing all laws and regulations. At the same time, we maintain a deep respect for the personality and opinions of each individual. The Group does not tolerate discrimination on any grounds including gender, race, nationality, age and religion or any form of harassment. We have codified this commitment together with our obligation to respect human rights in the Mitsui Chemicals Group Action Guidelines and the Mitsui Chemicals Group Human Resources Policy. As a member of society, we also respect and promote the 10 Principles including human rights stipulated in the United Nations Global Compact by always acting in good faith, maintaining a high regard for people and society and practicing dream-inspiring innovation.

Basic Philosophy on Human Rights

The Mitsui Chemicals Group has put in place its Basic Philosophy on Human Rights after taking into consideration the Universal Declaration of Human Rights, the Declaration on Fundamental Principles and Rights at Work issued by the International Labour Organization and United Nations' Global Compact.

1. Maintaining international standards

We signed the UN Global Compact in January 2008. We uphold and take steps to prevent any violation of internationally proclaimed basic human rights, including the Universal Declaration of Human Rights.

2. Respect for basic labor rights

We respect basic labor rights, including freedom of association and the right to collective bargaining.

3. Elimination of forced, compulsory, and child labor

We will not engage in any form of forced, compulsory or child labor as part of our corporate activities, in any country or region.

4. Elimination of discrimination

We will not engage in any form of discrimination on any grounds, including race, gender, nationality, age, or religion.

Initiatives Aimed at Raising Awareness Toward Human Rights

Mitsui Chemicals participates in the subcommittee concerning human rights of the Global Compact Network Japan. This subcommittee provides the forum to learn about and deliberate on a wide range of issues pertaining to human rights on a global scale in conjunction with human rights NGOs and participating companies. In addition to deepening its understanding toward human rights issues, the Mitsui Chemicals Group will draw its participation in the subcommittee to bolster its awareness activities.

Everything we do as a company depends on "people." That is why we consider our employees to be our most important assets and pay particular attention to the following points.

- ▶ [Human resources development](#)
- ▶ [Training and securing global human resources](#)
- ▶ [Promoting a work-life balance](#)
- ▶ [Work-life balance support schemes](#)
- ▶ [Promoting diversity](#)
- ▶ [Employee health](#)
- ▶ [Risk Hotline](#)

Investment Activities That Take into Consideration Human Rights

The Mitsui Chemicals Group undertakes substantial investments as a part of its business development activities. When selecting an investment, a meeting is held to consider any related human rights issues. As a part of the Group's due diligence, steps are also taken to assess the impact of human rights concerns in the context of each country's statutory and regulatory requirements regarding the use of labor.

Taking into Consideration Human Rights Issues across the Supply Chain

In addition to its employees, the Mitsui Chemicals Group is equally committed to respecting the human rights of all of its stakeholders who are in some way linked to the Group's business activities.

For example, we have clearly set out our expectations of suppliers in the Mitsui Chemicals Group Purchasing Policy. Under this policy, we place considerable importance on compliance with laws and regulations as well as social norms and respect for human rights and labor conditions. In addition, we have also extended our Risk Hotline (internal reporting system) so that it is now accessible to suppliers and are determined to keep on building stronger partnerships in the future. The Mitsui Chemicals Group works diligently to ensure equal opportunity and transparency while maintaining and promoting fair and equitable business practices.

 [The Mitsui Chemicals Group Action Guidelines](#)

 [Human Resources Management Policy of Mitsui Chemicals Group](#)  [Purchasing Policy](#)

Working with Our Customers

▼ In order to Satisfy Customers

► Commendations from Customers

Under its 2014 Mid-Term Business Plan, the Mitsui Chemicals Group is working diligently to create new customer value through innovation and to help solve social challenges through business activities. To achieve these goals, we are endeavoring to provide optimal solutions that take into consideration such issues as utility value for final consumers across the full range of our technologies, products, and services.

In order to Satisfy Customers


Under its 2014 Mid-Term Business Plan, the Mitsui Chemicals Group identified Mobility, Healthcare, and Food & Packaging as the Group's three specific targeted business domains offering the most substantial growth potential. Accordingly, the Group is focusing on expanding its activities in each of these domains.

The Mitsui Chemicals Group recognizes the importance of properly addressing changes in the world. Of equal importance is the need to provide technologies, products, and services that both society and customers genuinely require. Moving forward, the Group will harness its collective strengths and provide value and solutions that customers can experience. In this manner, every effort will be made to help resolve a variety of social issues.

Based on its Responsible Care Policy, the Mitsui Chemicals Group makes every effort to increase customer satisfaction via a two-pronged approach to quality management, based on quality control ("built-in quality activities") and quality assurance ("winning customer trust activities").

 Responsible Care Policy  Quality Improvement Initiatives

Utilizing our online inquiries link, we are attending to customers' inquiries, complaints, and requests for information in a timely manner.

 Inquiries

Working with Our Customers

► In order to Satisfy Customers

▼ Commendations from Customers

Commendations from Customers

Mitsui Chemicals Best Performance Award from Kao Purchasing Division

Mitsui Chemicals' Industrial Chemicals Division received the Best Performance Award at the fiscal 2015 awards ceremony for business partners held by Kao's Purchasing Division on March 3, 2016.

The Best Performance Award recognizes business partners that have made the greatest contribution based on five criteria: (1) quality, (2) price, (3) delivery, (4) information provision, and (5) management sustainability.

We have received high marks for rapidly meeting customer needs in such areas as maintaining safe production and stable supply on a daily basis, responding to production boosts and new subcontractors, and having our supply chains certified by the Roundtable on Sustainable Palm Oil (RSPO) promoted by Kao ahead of the competition.



The awards ceremony

Working with Our Suppliers

▼ Goals and Results

▶ Purchasing Policy

▶ CSR Procurement

Here at the Mitsui Chemicals Group, we regard all of our suppliers as good partners. We always purchase items from our suppliers fairly and in good faith so as to ensure mutually sustainable growth.

Management System

Policy

Falling under Mitsui Chemicals' Purchasing Policy, CSR Procurement involves the following stipulations. When selecting suppliers, we will give priority to and seek to build stronger partnerships with companies that satisfy the following requirements.

- Strict compliance with laws and social norms
- Respect for human rights and consideration for working environments
- Commitment to environmental preservation and safety assurance
- Sound management
- Commitment to maintaining and improving appropriate standards in areas such as quality, price and delivery dates

System and Responsible Officers

Executive officers oversee purchasing operations, while the Purchasing Division convenes a meeting once per month to determine the status of CSR procurement.

Monitoring Methods, Achievements and Reviews

The Purchasing Division regularly conducts surveys of suppliers to determine the status of their CSR procurement activities. Such surveys determine the progress of CSR procurement action plans set in the mid-term business plan and yearly budgets as well as achievements, which are then reflected in plans for the next fiscal year.

Goals and Results

Goals for Fiscal 2015

- Information gathering to improve procurement activities
- Information gathering to formulate efficient methods for conducting surveys and revise survey content (participate in the Global Compact's Supply Chain Advisory Group meetings)

Fiscal 2015 Results and Assessment

Level achieved : A

- Participated in the Global Compact's Supply Chain Advisory Group meetings; gathered information with the aim of revising the content of surveys
- Obtained information and details of CSR procurement activities at meetings of the Global Compact's Supply Chain Advisory Group; engaged in the exchange of information

Priorities for Fiscal 2016

- Determine the content of surveys to be implemented during fiscal 2017
- Organize and evaluate supplier risks; determine the scope of surveys
- Standardize and align the approach toward CSR procurement across the Group as a whole

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Purchasing Policy

As we regard all of our suppliers as good partners here at the Mitsui Chemicals Group, in April 2006 we formulated the Mitsui Chemicals Group Purchasing Policy in an effort to get our suppliers involved in our CSR-oriented purchasing activities. We have been purchasing supplies in accordance with the relevant policy ever since.

The Mitsui Chemicals Group Purchasing Policy

As we rely on our suppliers to help us to enhance the Group's corporate value through our purchasing activities, we regard all of our suppliers as good partners. We always deal with our suppliers fairly and in good faith and make every effort to ensure the mutually sustainable development of our corporate activities. As such, all purchasing divisions within the Mitsui Chemicals Group engage in purchasing activities in accordance with the following Purchasing Policy.

1. Legal compliance

We will strictly comply with all laws and social norms as part of our purchasing activities.

2. Equal opportunities and transparency

We will be wide open with our suppliers, both domestic and overseas, and provide equal opportunities for fair trade in good faith.

3. Harmony with the environment

We will endeavor to purchase goods and materials that have less impact on the environment.

4. CSR-oriented selection

When selecting suppliers, we will give priority to and seek to build stronger partnerships with companies that satisfy the following requirements.

- Strict compliance with laws and social norms
- Respect for human rights and consideration for working environments
- Commitment to environmental preservation and safety assurance
- Sound management
- Commitment to maintaining and improving appropriate standards in areas such as quality, price and delivery dates

Policy on conflict minerals

We are fully aware of the essential need to address so-called conflict minerals here at the Mitsui Chemicals Group. We have conducted our own investigation and confirmed that we do not purchase or use any conflict minerals associated with inhumane acts committed by armed groups on the ground in the Democratic Republic of Congo or any of its neighboring countries. That includes gold (Au), tantalum (Ta), tungsten (W) and tin (Sn). If it comes to light that we have used any conflict minerals in the future, we will immediately halt procurement of the relevant minerals.

- * In July 2010, the Dodd-Frank Wall Street Reform and Consumer Protection Act was enacted in the U.S. The act came about as a result of reports regarding serious human rights violations and damage to the environment, stemming from inhumane acts committed by armed groups on the ground in the Democratic Republic of Congo and its neighboring countries. As this has become a serious international issue, there are growing concerns that trade in conflict minerals could be used to fund armed groups in those countries, either directly or indirectly.

Working with Our Suppliers

► Goals and Results

► Purchasing Policy

▼ CSR Procurement

CSR Procurement

The following is a timeline of our CSR procurement activities.

FY2006	Formulated the Mitsui Chemicals Group Purchasing Policy
FY2007	Conducted first CSR survey
FY2008	
FY2012	Visited 18 suppliers with a survey score of less than 10 and assisted with improvements
FY2013	Conducted a second CSR survey
FY2014	After receiving the results of the second round survey, visited and conducted hearings with supplier as a part of efforts to assist with improvement measures and good practice suppliers
FY2015	Implemented various measures including the collection of information concerning CSR procurement (Participated in the Global Compact's Supply Chain Advisory Group meetings)

Survey and Feedback concerning CSR Procurement

The 20 categories included in our "CSR Survey," which was conducted in fiscal 2013, are as follows.

CSR Survey

Category		Requirements	
1	Corporate governance/ CSR	1	Has set out management principles, corporate action guidelines, etc. and provides employees with training to ensure legal and regulatory compliance
		2	Takes steps to prevent, quickly detect and respond to illegal acts (internal whistleblowing system (risk hotline), committees, etc.)
		3	Implements a code of conduct, CSR policy, etc. and has an internal framework (responsible departments/directors) in place to promote corporate social responsibility (CSR)
		4	Conducts surveys, etc. to confirm that partners (raw material suppliers, subcontractors, etc.) have in place their own CSR frameworks (respecting human rights, reducing environmental impact, etc.)
2	Fair trade/ ethics	5	Understands anti-corruption legislation (relating to political contributions/donations, bribery, etc.) and provides employees with training in order to prevent unethical relations with government officials, dealings with antisocial groups and organizations, etc.
		6	Does not abuse its position to disadvantage suppliers or engage in conduct that could hinder fair, transparent and free competition Does not give or receive inappropriate benefits to or from concerned parties
		7	Actively provides and discloses information relating to the company via its website, pamphlets, etc. (details of business activities, finances, results, environmental activities, damage caused by large-scale disasters, negative impact on the environment and/or society, detection of serious legal violations, etc.)

3	Quality/ safety	8	Provides customers with important information regarding its products and services, including quality, usage instructions and recalls
		9	Has a framework and procedures in place for handling customer complaints relating to the quality of products or services
4	Health and safety/ risk management	10	Maintains an environment in which employees can work safely and healthily, including improving working conditions, taking safety measures and providing health checkups for employees
		11	Monitors and manages risks associated with equipment and processes, including machinery safety measures, minimizing physical impact on employees, and implementing noise and dust control measures
		12	Strives to prevent industrial and unforeseen accidents, and always ensures that the necessary safety equipment and emergency supplies are available in the event of a natural disaster or other emergency
		13	Has pre-arranged procedures in place between all concerned parties in the event of a disaster or accident, including means of contacting the authorities and external measures to protect local residents and customers
		14	Has a clear internal framework in place in the event of a large-scale disaster, including formulating a business continuity plan (BCP), establishing an internal communication network and designating external points of contact
5	Environment	15	Makes an effort to implement energy saving activities, reduce greenhouse gas emissions (prevent global warming), minimize waste, etc.
6	Human rights/ labor	16	Respects universal human rights and makes an effort to prevent human rights violations based on an accurate understanding and awareness of human rights issues
		17	Takes steps to prevent child labor, forced labor and unreasonably cheap labor
		18	Provides employees with training in an effort to eliminate discrimination with regard to recruitment, assignment, training, evaluation or remuneration, based on gender, age, disability, etc.
7	Information/ security	19	Manages its own intellectual property, including patents, copyrights and trademarks, and respects intellectual property belonging to third parties
		20	Adequately manages personal information, including that belonging to customers and employees, and confidential information obtained from customers and other third parties

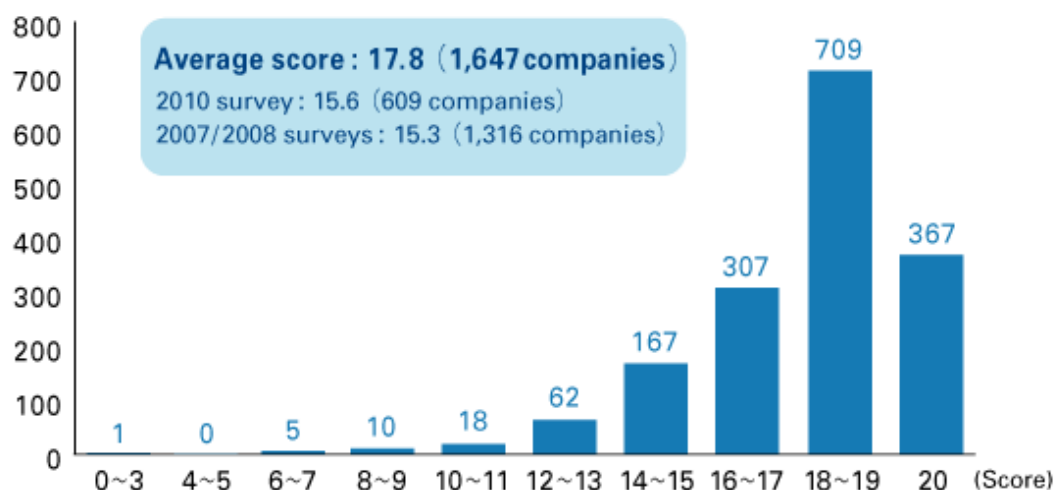
CSR procurement survey results

We have compiled the results of the second round of surveys conducted in fiscal 2013. In fiscal 2013, responses were collected from 1,647 companies, with an average score of 17.8 (out of 20). Please see the graph below for full details. Questions relating to legal compliance, human rights, and the fundamental rights of workers attracted high execution rates. Efforts to promote the development of a CSR structure in upstream areas of the supply chain including surveys exhibited low execution rates (question 4). This was followed by efforts to build an internal structure at the time of a large-scale disaster where the execution rate was 68% (question 14).

Hearings were conducted covering reference studies of the CSR procurement activities of suppliers who scored high marks in the survey. A significant number of companies also conducted surveys with a certain number engaging in hearing activities in similar fashion to the Company.

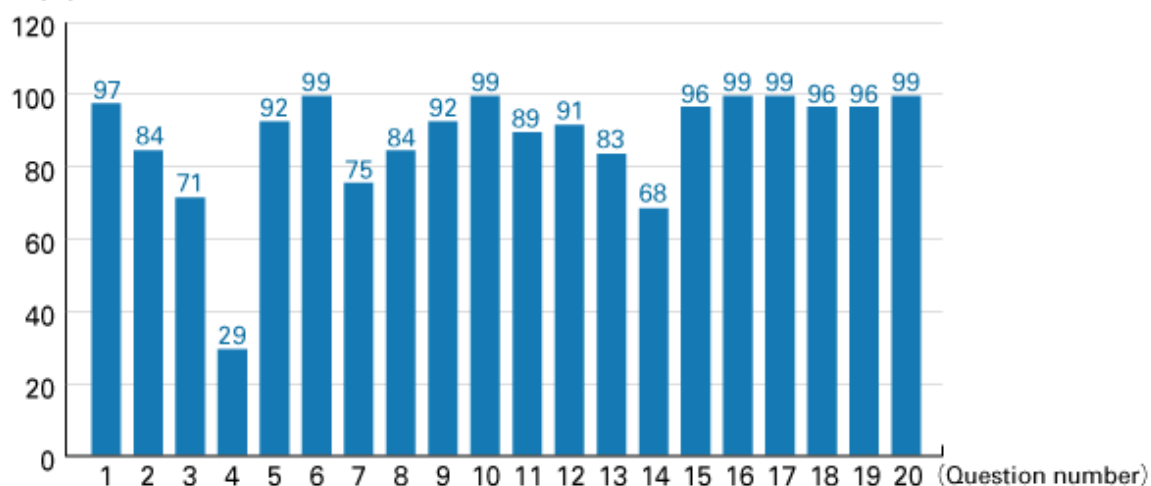
Fiscal 2013 CSR Survey Results Distribution

(Companies)




Execution rate by item

(%)



Extending Risk Hotline Access to Suppliers

We have extended access to our Risk Hotline internal reporting system to include external parties since July 2010. In fiscal 2014, activities were undertaken to again bring the Risk Hotline service to the attention of 1,800 suppliers. This means that, if any supplier obtains information relating to issues such as potential compliance violations within the Mitsui Chemicals Group, they can report the matter to our Risk Hotline.

 Risk Hotline

Working with Our Shareholders and Investors

▼ Goals and Results

▶ Disclosure of Information to Shareholders and Investors

The Mitsui Chemicals Group is working diligently to maintain and further develop close ties of mutual trust with its shareholders, investors and all other stakeholders. At the same time, the Group is endeavoring to secure sustainable growth and to enhance its corporate value over the medium to long term.

The Company as a whole is paying particular attention to ensuring proactive communication. Management is therefore taking the lead in promoting constructive dialogue with shareholders and investors. Among a number of initiatives, we are also working to ensure the appropriate disclosure of open and highly transparent information.

Management system

Policy

The Mitsui Chemicals Group is actively pursuing dialogue with shareholders and investors in accordance with the provision stipulated in Chapter 2. Relationship with Shareholders and Chapter 5. Information Disclosure Policy of its Corporate Governance Guidelines.

▶ [Corporate Governance Guidelines](#) (PDF 65.3KB) 

System and Responsible Officers

The officers in charge of IR, the Corporate Administration & Legal Division, and the Finance & Accounting Division handle the overall coordination of dialogue with shareholders and investors. The related IR, Corporate Planning, Corporate Administration & Legal, and Finance & Accounting divisions work to achieve organic cooperation a variety of means. This includes having certain staff members serve in multiple departments and regularly sharing information.

Monitoring Methods, Achievements and Reviews

The opinions and concerns gleaned through dialogue with shareholders and investors are promptly fed back to management and other relevant departments. This information is used to help create additional opportunities for dialogue and to upgrade and expand the scope and quality of disclosure.

In order to contribute to constructive dialogue with its shareholders and investors, the Mitsui Chemicals Group regularly conducts beneficial shareholder identification surveys and endeavors to fully grasp its shareholder ownership structure.

Goals and Results

Goals for Fiscal 2015

- Expand and improve information distributed to shareholders
- Further strengthen two-way communication with institutional investors
- Further strengthen IR activities targeting individual investors
- Expand and improve the disclosure of information

Fiscal 2015 Results and Assessment

Level achieved: A

- In addition to preparing a full-color Notice of Convocation, Mitsui Chemicals used charts, diagrams and photos to prepare easy-to-understand disclosure materials
- Prepared an easy-to-understand special feature article for inclusion in the Shareholders' Report outlining the status of the Company's business in each growth field identified under the 2014 Mid-Term Business Plan
- Conducted a survey following the general meeting of shareholders
- Held strategy briefing sessions that emphasized direct dialog with management in addition to periodic meetings with domestic and overseas institutional investors
- Held briefing sessions for individual investors
- Worked to improve disclosure materials by posting various materials that included easy-to-understand explanations for institutional investors in both Japanese and English on the Company's IR site
- Received an Excellence in Corporate Disclosure Award from the Securities Analysts Association of Japan in 2015 in recognition of the aforementioned initiatives

Priorities for Fiscal 2016

- Expand and improve information distributed to shareholders and investors
- Improve IR activities the emphasize dialogue with institutional investors and analysts
- Further strengthen IR activities targeting individual investors
- Expand and improve the disclosure of information

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Our Shareholders and Investors

► Goals and Results

▼ Disclosure of Information to Shareholders and Investors

Disclosure of Information to Shareholders and Investors

General Meetings of Shareholders

We regard general meetings of shareholders as an opportunity for important discussion between our shareholders and management. We are therefore committed to responding in a forthright and easy-to-understand manner to any questions our shareholders may have, to provide a more in-depth understanding of the Mitsui Chemicals Group. At our general meeting of shareholders held on June 24, 2016, we positioned members of staff outside the venue to exhibit and provide an explanation of the Mitsui Chemicals Group's products and CSR activities. On conclusion of the general meeting of shareholders, directors took part in discussions and explanation outside the venue, providing the opportunity to talk to shareholders in greater depth.

Publishing IR information

We disclose IR information as and when necessary in an appropriate manner, to give shareholders and investors a better understanding of the Mitsui Chemicals Group. We make every effort to expand and improve the content of information disclosed as well as the manner in which it is presented in order to ensure that the information is accurate and easy to understand.

We post IR information, including summary financial statements, security reports and information subject to timely disclosure, on our website as soon as it has been disclosed (via a press release).

We also work actively to provide information that is not subject to timely disclosure via press releases and our website. In addition to the aforementioned, we post a wide range of supplementary information and documents on our website. This includes copies of our annual reports, which serve as an introductory platform to provide readers with an overview of the Company and medium through which to engage in high-quality discussions with stakeholders. Through our website, we also consistently renew and update information on the Company's financial highlights and corporate governance as well as briefing session materials for analysts and institutional investors, details of Q&A meetings and various other information for our shareholder and investor base. By accessing the Company's website, stakeholders can also view copies of shareholder reports and materials relating to the general meetings of shareholders.

In a bid to further enhance the quality of its information disclosure activities, Mitsui Chemicals also broadcasts a video message from the President for shareholders and investors twice a year.

In fiscal 2015, the IR section of our website was selected by Nikko Investor Relations Co., Ltd. as one of the 117 most comprehensive websites of all listed companies in Japan. We were also one of 144 firms to receive the 2015 Internet IR Commendation Award from Daiwa Investor Relations Co., Ltd.

Investor Relations

Dialogue with Shareholders and Investors

We actively engage in communication with institutional investors and securities analysts, to give them a better understanding of our business activities and strategies.

We also arrange online conference calls (telephone briefings) to coincide with our quarterly results. We also hold around 300 individual meetings in Japan and overseas.

Management places emphasis on personally explaining matters of particular interest to stakeholders. Twice a year, we organize management briefings. Other briefings are held depending on changes in the business environment. We regularly organize briefing sessions on the Company's medium-term strategies and business activities as well as plant tours and other briefings, to offer a more in-depth understanding of our main business activities and strategies. Detailed explanations are also provided by the officers responsible for each activity at our operating, production and research facilities. This is an opportunity to directly meet our employees and experience our products first-



Plant tour

hand. In addition to gaining a deeper understanding of the Company and its activities, these initiatives provide the forum for direct dialogue with officers responsible for each division and department as well as management.

In an effort to improve understanding amongst individual investors, since fiscal 2011, we have been organizing Company briefings to coincide with seminars hosted by securities firms in Tokyo and other major cities around Japan.

In recognition of these initiatives, the Mitsui Chemicals Group received the Award for Excellence in Corporate Disclosure from the Securities Analysts Association of Japan in 2015.

This award is an accolade for the stance that top management has adopted toward investors relations. It acknowledges the high degree of importance that Mitsui Chemicals' top management places on IR, efforts to proactively disseminate information and the broad range of activities undertaken including the vigorous exchange of opinions regarding such issues as the Company's future management strategies as well as meetings with top management.

Moving forward, the Mitsui Chemicals Group will continue to engage in IR activities that focus on the proper disclosure of information and dialogue in order to further increase the understanding of stakeholders and to garner their trust. At the same time, we will work to enhance our corporate value.



Briefing session for individual investors

Basic Policy on Profit Sharing

We recognize that enhancing corporate value through our business growth and expansion is an important management issue. At the same time, we position the return of profits to shareholders as an equally important management priority.

We adopt a holistic approach to profit sharing, including the return of profits to shareholders and enhancing retained earnings in preparation for future strategic growth and expansion.

Regarding dividends, over the medium to long term perspective, we endeavor to constantly return profits and pay out dividends based on our consolidated performance. In specific terms, we aim to maintain a consolidated dividend payout ratio of at least 25% and a DOE (dividend on equity) of at least 2%.

We use retained earnings to vigorously undertake loan and investment activities in a bid to accelerate efforts aimed at realizing a robust business portfolio and targeting further growth and expansion. At the same time, we engage in a wide range of activities including research and development to create innovative new technologies and to improve our business performance.

Working with Our Employees

▼ Goals and Results

▶ Human Resources Development

▶ Creating an Employee-Friendly Working Environment

▶ Promoting Diversity

▶ Employee Health

Here at the Mitsui Chemicals Group, we are committed to giving our employees a sense of personal and professional motivation, with the goal of helping them find happiness and self-fulfillment. We encourage our employees to take good care of their health and make every effort to provide appropriate working environments, placing top priority on occupational health.

Currently, employees of Mitsui Chemicals Group affiliates work under these companies' in-house systems. The Mitsui Chemicals Group has approximately 15,000 employees worldwide, with around 64% in Japan, 11% in the Asia-Pacific region, 10% in the Americas, 8% in Europe, and 7% in China. With strict compliance with the laws and regulations of each country and region a matter of course, the Mitsui Chemicals Group respects individual human rights and works in a unified manner to facilitate work styles suited to each Group employee. Looking ahead, the Mitsui Chemicals Group will strive to foster a greater sense of unity by developing programs that instill core values, while developing shared global personnel infrastructure, training programs, and IT platforms.

Management System

Policy

The Mitsui Chemicals Group Human Resources Management Policy outlines our attitude towards our employees and society as a whole. It is based on the fundamental principle that people need to be treated well, to enable the Company and its employees to stimulate and actively enhance one another as they work to create a better future.

We aim to strike a balance between the sustainable growth of the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees. That is the cornerstone of our human resource practices at all of our Group companies around the world.

Mitsui Chemicals Action Guidelines

Human Resources Management Policy of Mitsui Chemicals Group

1. "Always In Good Faith"

1. The Mitsui Chemicals Group will require employees to "act in good faith" as stipulated in "The Action Guidelines", highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will comply with all labor and employment laws wherever it operates.
3. Mitsui Chemicals will disclose its rules and operate fairly and with justice according to the rules regarding recruiting, assignment, training, evaluation and compensation of employees without any discrimination against gender, race, nationality, age, religion and disabilities.

2. "For People and Society"

1. Mitsui Chemicals will require employees to "have a high regard for people and society" as stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths.
2. Mitsui Chemicals will protect employees' safety and health in the workplace.
3. Mitsui Chemicals will not tolerate any form of harassment, support and respect the protection of human rights.

3. "Dream-Inspiring Innovation"

1. Mitsui Chemicals will expect employees to uphold the following actions stipulated in "The Action Guidelines," highly appreciate such employees and offer an appropriate environment for them to give full rein to their strengths:

- To challenge unflinchingly with full trust in our potential without fear of failure.
- To create novel values by enhancing our sensitivity.
- To consider and act proactively based on the actual data and facts at workplace.
- To aim to be world-class professionals with a global view.
- To cultivate the next generation by passing on our experiences and technologies.
- To integrate individual strength into the organization through active communication.

The Company established three Core Values to capture the spirit of everyone working at Mitsui Chemicals Group sites around the world and to act as a unifying force, ensuring that we are all working toward the same goals. The “spirit of challenge,” “respect for diversity,” and “teamwork” established in the Action Guidelines are each connected to the three core values of Challenge, Diversity, and One Team.

4. Mitsui Chemicals, based on the aforementioned, will conduct Human Resources Practices under the following policies:

	Toward sustainable growth of the Company.	Toward happiness and fulfillment of employees.
Organization	To create an organization based on the strategy and conduct job allocation suited for realization of the strategy.	To conduct job allocation in consideration of each personal motivation and capability.
Recruiting	To carefully recruit human resources that contribute to the organization’s growth.	To give opportunities for employment equally to motivated and capable human resources.
Assignment	To promote proactively human resources that yield fruitful results.	To allocate suitable jobs for employees so that they can exercise their motivation and capabilities.
Training	To foster world-class professionals from a long-term perspective.	To assist employees in making self-reliant efforts to become world-class professionals.
Evaluation	To evaluate achievement appropriately.	To conduct fair evaluation that leads to enhancement of motivation and capability.
Compensation (Remuneration)	To conduct compensation system that is competitive from the aspects of cost.	To conduct compensation system that is competitive from the aspects of securing motivated and capable human resources.

Overview of human resource management: Relationship between the company and individuals



System and Responsible Officers

The Human Resources Division plays a central role in setting the mid-term plan for human resources management as well as fiscal year plans. With the president in charge, the Human Resources Division implements policies for the Company along with domestic and overseas offices, subsidiaries, and affiliates. Meetings are held periodically with HR managers from domestic and overseas offices to share information and develop HR policies.

In order to design and develop global HR policies, the Mitsui Chemicals Group has established a virtual global HR organization led by the General Manager of the Human Resources Division. Establishing the HR Development Advisory Committee (HRDAC), which gathers together HR managers in Japan, Europe, the Americas, and Asia, this organization implements and monitors various activities such as (1) global HR marketing, (2) global personnel development, (3) global mobility, and (4) global compensation/appraisal systems.

Monitoring Methods

Priority issues of the fiscal year plans are reported to the director in charge on a quarterly basis. Important managerial issues are discussed mainly at managerial meetings and by the Employee Development Committee.

Achievements and Reviews

Fiscal year plan progress and results are evaluated, which are then reflected in the next fiscal year plan.

Goals and Results

Goals for Fiscal 2015

<Recruitment>

- Hire employees based on the development of new businesses (the hiring of new/mid-career employees to meet needs)

<Assignment>

- Practice placing the right person in the right job globally (Establish a foundation for global talent management)

<Training>

- Reinforce leadership through coaching (Set up and implement leadership training system for management class)

<Evaluation>

- Strengthen human resource development through performance evaluation system (Implement accountable evaluation feedback)
- Implement evaluation system based on shared global framework (Establish global evaluation policy)

<Compensation (Remuneration)>

- Disseminate global compensation policy (Help spread compensation system focused on subsidiaries and affiliates in the China region)

<Health Management Office>

- Reduce risk of lifestyle diseases and mental disorders

Fiscal 2015 Results and Assessment

<Recruitment>

- Hire employees based on the development of new businesses: **Level achieved: A**
⇒ Hiring employees who already have the necessary skills accompanying portfolio changes when unavailable internally: 100%
New graduate hires, hiring target: 100%

<Assignment>

- Practice placing the right person in the right job globally: **Level achieved: A**
⇒ Develop a system for key talent management*

* Key talent management: Early selection of potential management candidates and talented, highly promising employees within the Group on a global basis, and develop such individuals in a strategic manner

<Training>

- Reinforce leadership through coaching: **Level achieved: A**
⇒ Implement leadership programs that use coaching as a communication tool (program period: six months; target: head office group leaders, plant managers): No. of participants: 40 per year

<Evaluation>

- Strengthen human resource development through performance evaluation system: **Level achieved: A**
⇒ Implement accountable evaluation feedback: 98%
- Implement evaluation system based on shared global framework: **Level achieved: A**
⇒ Established global evaluation guidelines

<Compensation (Remuneration)>

- Disseminate global compensation policy: **Level achieved: B**
⇒ Help spread compensation system focused on subsidiaries and affiliates in the China region.

<Health Management Office>

- Reduce risk of lifestyle diseases and mental disorders: **Level achieved: A**

Goals for Fiscal 2016

<Recruitment>

- Hire employees based on the development of new businesses (the hiring of new employees to meet needs)

<Assignment>

- Practice placing the right person in the right job globally (Implement global key talent management)
Conduct employee development meetings at each division and on a company-wide basis under the concept of key talent management
Formulate personalized development plans for management candidates

<Training>

- Reinforce leadership through coaching (Set up and implement leadership training system for management class)
Implement training programs for identifying key talent
Establish group leadership/manager-class programs as well as team leader/supervisor-class leadership courses

<Evaluation>

- Implement evaluation system based on shared global framework (Disseminate global evaluation guidelines internally and determine actual conditions at affiliates)
Disseminate global evaluation guidelines internally and determine actual conditions at domestic and overseas affiliates

<Compensation (Remuneration)>

- Disseminate global compensation policy (Determine actual conditions at and provide assistance to affiliates in Japan and overseas)
Disseminate the global compensation policy internally; determine actual conditions at domestic and overseas affiliates

<Health Management Office>

- Management of harmful substances in a forward-looking manner (Promote policies to prevent the release of chemical substances)
Undertake risk assessments on-site while assessing risks related to new substances being handled and SDS-updated substances

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Our Employees

► Goals and Results

▼ Human Resources Development

► Creating an Employee-Friendly Working Environment

► Promoting Diversity

► Employee Health

Human Resources Development

Our approach to human resource development

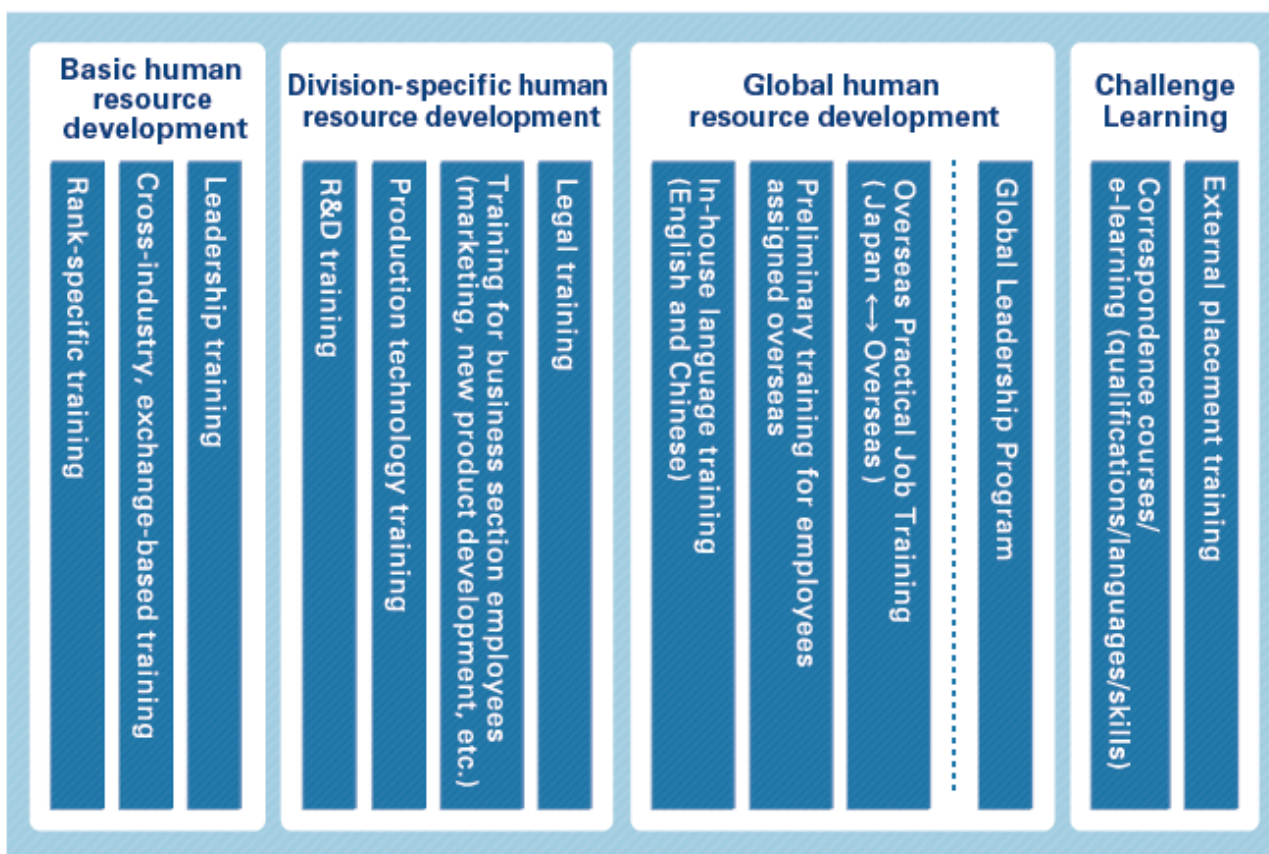
Based on Mitsui Chemicals Human Resources Management Policy, we undertake personnel training and placement to enable employees to fully display their ambitions and talents. We also aim to achieve a high level of employee self-fulfillment and corporate growth by actively promoting exceptional employees with successful track records.

In order to forge a robust global presence as a chemical corporate group, Mitsui Chemicals' staff has grown to include an array of nationalities who work at locations throughout the globe. To foster human resources able to create value demanded by society while engaging with global markets and interacting with colleagues on a daily basis, our basic approach to developing human resources is to proactively support employees who aim to grow on their own.

Amid greater diversification of employee values and work styles as well as more employees facing time constraints caused by child rearing and nursing care, supervisor management capabilities must be constantly improved to fully unlock each employee's capabilities and link them to successful results. Mitsui Chemicals focuses on developing leadership skills to guide the organization toward an even better direction by incorporating coaching methods into manager training and promoting specific innovations in daily operations by core leaders at each division.

In addition, actively offer overseas practical job training targeting the next generation of leaders in Japan and overseas centered on young and mid-level employees not only increases language ability but also intercultural management skills acquired through actual experience. Dispatching employees in Japan to overseas facilities and local hires overseas to Japanese ones, we provide 20-30 employees each year with the opportunity to gain a global mindset and skills.

Mitsui Chemicals' training framework



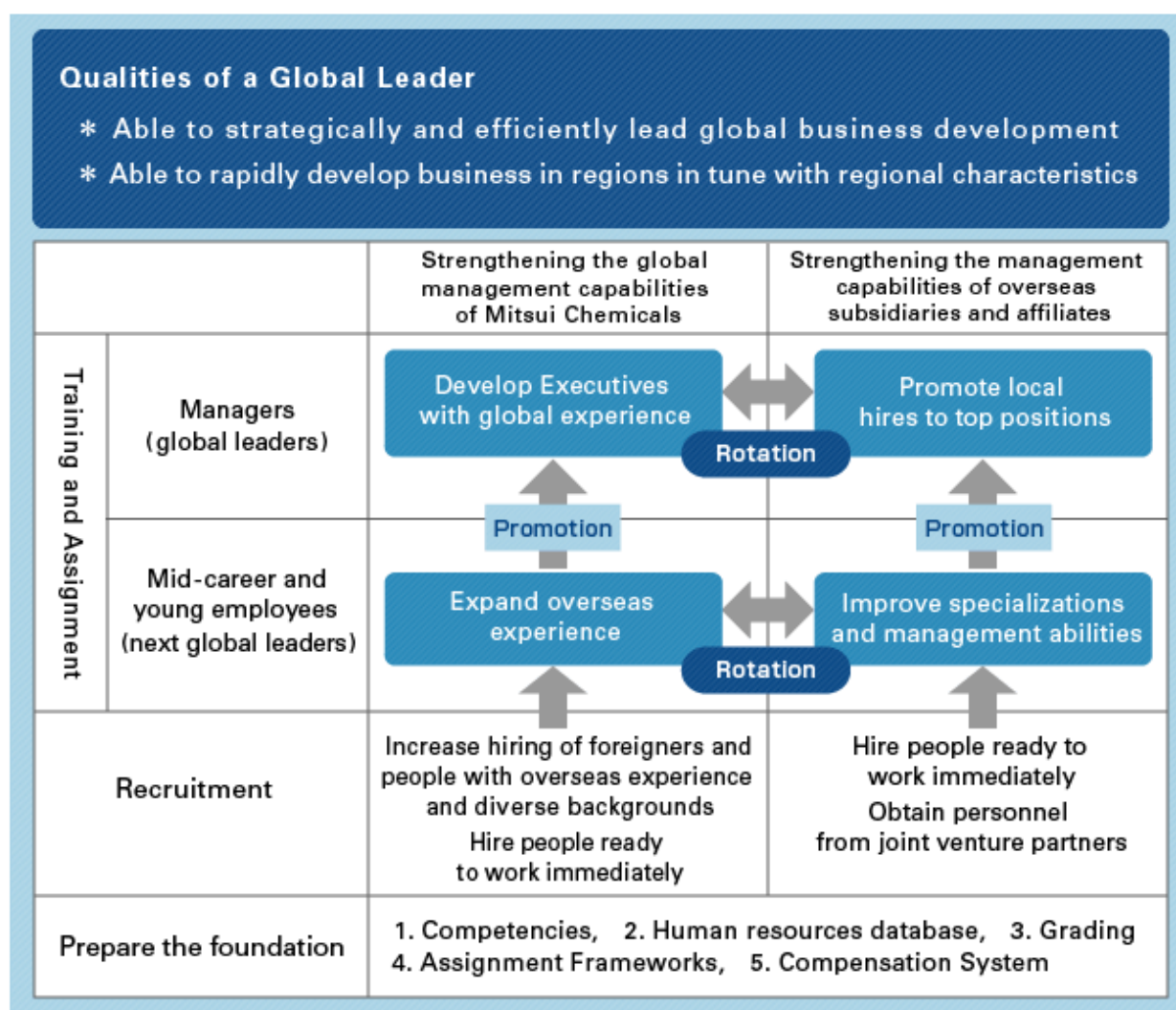
Global Human Resources Management

To strengthen global management capabilities, the Mitsui Chemicals Group focuses on human resources training. We have promoted global human resources management to retain a diverse array of employees and work to develop them through optimal placements in individual countries. This is based on the expectation that employees be capable of leading global business in a strategic and efficient manner as well as promoting corporate activities that match the attributes of each region in a timely manner. As platforms to implement the global talent management system, we established common global competencies, human resources databases, and grading, assignment frameworks, and compensation systems.

In fiscal 2015, we updated both our succession plans for key positions inside and outside Japan as well as our key talent management, which comprises screening standards and training processes for next-generation management candidates. We have also put in place the Mitsui Chemicals Academy in a bid to globally standardize and share training programs that focus on spreading our corporate culture, understanding core values, and strengthening leadership abilities.

We established the Global HR Development Advisory Committee (HRDAC) in 2014 to establish and appropriately manage a platform for accelerating global management Group-wide. The HRDAC is composed of personnel managers from regional headquarters and key affiliates.

Overview of Global Human Resources Management



Evaluation Approach

We are constantly striving to achieve growth through innovation and to forge a robust global presence as a chemical corporate group. To this end, our evaluation system performs an important function for the Mitsui Chemicals Group. We foster loyalty and motivation by providing employees with direction to foster personal growth and behavior innovation, by improving employee motivation through appropriate evaluations, by encouraging communication among supervisors and staff through feedback on evaluation results, and by attracting talented personnel through performance-linked compensation.

In addition, we examine how personnel training can contribute to solving problems at the company/department level and achieve business success through appropriate evaluations that yield results and increase motivation and skill.

The ratio of evaluation feedback provided to union members and the degree of satisfaction regarding feedback (Mitsui Chemicals Union survey) are shown in the table below. Sharing feedback results with labor and management, we are working to appropriately manage this evaluation system and enhance evaluator training.


Ratio of Evaluation Feedback Provided and Degree of Satisfaction

	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
Ratio of evaluation feedback provided in fiscal 2014	97%	96%	95%	97%	98%
Degree of satisfaction over evaluation feedback (Ratio of those answering “satisfied”, “generally satisfied”)	85%	87%	87%	88%	89%

Passing on skills and techniques (Plant Operation Technology Training Center)

Since it was established in fiscal 2006, Mitsui Chemicals' Plant Operation Technology Training Center in Mobara (Chiba Prefecture) has provided training for 5,345 Mitsui Chemicals Group employees at all levels (including 245 overseas employees), with a focus on new recruits, through to the end of fiscal 2015. This reflects our ongoing commitment to passing on essential skills, to ensure safe and reliable operations throughout the Mitsui Chemicals Group, and instilling safety awareness based on first-hand experience.

Since 2015, the Plant Operation Technology Training Center in Mobara has addressed the common manufacturing issue of passing along safety skills by opening its doors to the public not only through facility tours but also by conducting training courses and making the facility available to the public. The unique experience-based training that the center provides has received glowing feedback from customers and other companies. Through to the end of fiscal 2015, the center has opened its doors to approximately 600 external trainees and customers and provided tours to 4,398 people.

 Mitsui Chemicals' Plant Operation Technology Training Center

Fiscal 2015 trainee results

Category	Training Programs	Persons targeted for training	Numbers of Attendees (FY2015)
Basic human resource development	Leadership training	Head Office GL Production site departmental heads	50
	Cross-industry, exchange-based training	Management positions prior to being appointed to the position of general manager (departmental heads, GL class)	3
		Young management positions (managers, TL class)	4
		C-staff class employees before or after their tenth year in the Company	3
		C-staff class employees before or after their fifth year in the Company	2
		Those business division employees responsible for actual business who possess 1-5 years' experience	1
	Rank-specific training	General managers and above	8
		Managers / TL, departmental heads / GL	37
		Newly appointed line managers	96
		Newly appointed tutors	26
Division-specific human resource development	Training for business section employees	Those responsible for sales at business divisions	20
Global human resource development	Global Leadership Program	Head Office GL–TL classes NS top-level candidates	20
	Overseas Practical Job Training	C-staff class employees and management employees (who joined the Company in past 5-10 years)	8
	Preliminary training for employees assigned overseas	Employees expecting overseas assignments, employees involved in tasks relating to overseas business	30

Working with Our Employees

► Goals and Results

► Human Resources Development

▼ Creating an Employee-Friendly Working Environment

► Promoting Diversity

► Employee Health

Creating an Employee-Friendly Working Environment

Based on our human resources management policy of “high regard for people and society,” we provide a wide range of programs to support the workplace environments and different lifestyles of each individual employee.

Promoting a Work-Life Balance

We respect our employees as important stakeholders in achieving our corporate mission. We are therefore committed to striking a balance between the sustainable growth of the Mitsui Chemicals Group and the happiness and self-fulfillment of our employees. In order to achieve that balance, our goal is to create a relationship in which the Company and its employees stimulate and actively enhance one another.

With that in mind, we have established an employee-friendly working environment complete with a full range of support programs including short-time work, nursing care leave, subsidies for babysitting and home-care services, and other childcare and family care schemes, as well as welfare support including refreshment leave.

We will continue making necessary improvements in order to meet the diversified needs of our employees and also to help each employee maintain a work-life balance.

As a way to change the ways people work, we aim to increase the paid leave utilization rate. In order to facilitate leave being taken by those in management positions (senior staff positions and above), among whom the ratio remains particularly low, we are creating an environment in which it is easy to take time off work. For example, the Human Resources Department is requesting internally that meetings not be arranged on working days that are sandwiched between holidays.

Fiscal 2015 Result : Employee average 76% (non-management staff average 86%; management staff average 63%)
Fiscal 2016 Target : Management staff paid leave utilization rate : 60%

General Business Owner Action Plan in accordance with the Next Generation Nurturing Support Measures Promotion Law

The Mitsui Chemicals Group is creating environments in which employees are able to make the most of their capabilities and aiming for harmony between work that they find rewarding and fulfilling private lives.

In the case of time off or leave for childcare or nursing and consideration for working hours, while regarding the system as being more than what is statutorily required to allow due consideration to be given to individual circumstances, we have been devising ways to increase awareness among employees and working to improve the utilization rate. Particularly in the case of childcare leave, as a result of having expanded the requirements with the aim of encouraging male employees to take childcare leave, the number of people taking leave has steadily increased, and use of the system has steadily become more common. (Please refer to utilization results under Use of Childcare and Nursing Care Leave.) The number of people on shorter working hours for childcare has increased year by year to 87, and there are 18 employees making use of the opportunity to work from home. While expanding the OA environment, we will work to expand the utilization of the system in the years to come.

In the case of nursing leave, those eligible were originally only those in need of nursing care, but in deciding on a system that would be easier to use, we expanded the requirements to enable such leave to be taken even by those in the situation of needing support.

List of Support Programs

Time off and leave	<ul style="list-style-type: none">● Childcare and family care schemes● Nursing care leave● Childcare leave● Special leave● Family care leave (eligibility extended to enable employees to take leave when family members are certified as being in need of support)
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Working hours	<ul style="list-style-type: none"> • Reduced work hours for childcare • Reduced work hours for family care • Limitation of overtime (childcare / family care) • Limitation of late night work (childcare / family care) • Work-from-home program (childcare / family care) • Company childcare center
Income	<ul style="list-style-type: none"> • Maternity pay • Childcare assistance • Maternity allowance • Family care assistance • Subsidies for home-care services • Subsidies for babysitting services

Use of Childcare and Nursing Care Leave

		FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015
Number of employees taking childcare leave	Females	25	20	21	23	32	29	33
	Males	36	54	58	48	49	67	62
	Total	61	74	79	71	81	96	95
Number of employees taking family care leave		0	0	0	1	1	1	0

Staff Comment 1

After the birth of my second child, my first son, I took one month's childcare leave. As my parents and my wife's parents live some way away, we were in a difficult situation for receiving support, so I took leave to create an environment in which the family could lead a pleasant life.

My ever playful daughter (then aged two), my son who as yet had no set rhythm to his life, and my wife, who had struggled to face the children regardless of whether it was day or night. Being able to take childcare leave enabled me to concentrate on supporting the family, and we were able to spend the tough times after the birth meaningfully as a complete family. What's more, taking childcare leave gave me the opportunity to think about how I could be more efficient in my duties after my return to work, and my wife was able to get some idea of a work style of her own after her return.

Telling me that I had to support my wife, my supervisor understood my reasons for taking childcare leave, and I am extremely grateful to my colleagues who carried on with my tasks while I was away. Should the opportunity to use childcare leave fall to a colleague, as well as telling him of my experience, I'd like to offer him the words "offer your support to your wife."



Isocyanates Section,
Urethane Manufacturing
Department, Omuta Works
Yasuyuki Kurihara

Staff Comment 2

I was granted just under a month's childcare leave from the start of the fiscal year on April 1.

Amid problems of waiting for places at daycare causing annoyance, we were fortunate enough to have a nursery school decide in our favor, so thinking of her future career my wife returned to work early.

However, nursery schools only accept children from four months old. An initial one-month childcare adaption period (short-term childcare) was required, when to start with you dropped off and picked up your child in the morning; after that, the situation required childcare at home. As both my wife's parents and my parents live some way away, it was difficult for me to help out because I also



Elastomers Group, Polymeric
Materials Laboratory
Research & Development Center
Masatoshi Sasaki

had work, and considering the physical and mental burden on my wife who had not yet returned to work as she had not regained her physical condition after the birth, I was kindly granted childcare leave. The life of replacing my wife on the housework and managing general childcare made for a busy time, but thanks to that childcare leave my wife, child, and I were able to make a steady start on our new life together.

For having been able to support my family in this way, I extend my thanks to my boss for having kindly understood my situation during a hectic time at work and to my colleagues for having supported me during my absence. Compared to the situation in general elsewhere, Mitsui Chemicals has achieved a lot in terms of men taking childcare leave, and the atmosphere facilitates getting advice, but when the time comes to request to use the leave, some men might find it difficult to talk about, as they feel bad that they will end up only adding to their colleagues' workload. However, the number of married couples who are working is on the increase, and at the time now when the scene is set for women to take a more active role, the systems and creating the atmosphere that enable men to be involved in childcare are certain to gain in importance as years go by. With regard to the workplace where people did me the kindness of understanding and readily accepting a situation that necessitated childcare, next time I feel I will be able to return the favor from the side of giving my own consent.

Ichihara Dream Plaza Mitsui Chemicals Daycare Center

In April 2009, we opened our own Ichihara Dream Plaza daycare center near the Sodegaura Center and Ichihara Works to provide support for employees who continue to work while bringing up children.

By the end of fiscal 2009, the number of children had risen to 20, the maximum capacity of the center. Therefore, we increased the center's capacity to 25 children in fiscal 2010 and to 30 children in fiscal 2011. In April 2016, we welcomed two new children to the center, making the current total 16. The center has under-floor heating as well as a south wall made with windows to allow natural light to brighten up the rooms. The "Ichihara Dream Plaza" is always full of children's laughter.

Labor-Management Relations Based on Frank Dialog and Mutual Understanding

We are committed to establishing a stable, cohesive relationship between labor and management, based on the principles of communication and understanding. In April 2008, we revised our labor agreement and set out a clear emphasis on cooperation between labor and management in areas such as improving productivity, achieving our Grand Design, and developing human resources. We will continue two-way communication between labor and management to lay the necessary foundations for employee satisfaction.

Working with Our Employees

► Goals and Results

► Human Resources Development

► Creating an Employee-Friendly Working Environment

▼ Promoting Diversity

► Employee Health

Promoting Diversity

Our aim here at the Mitsui Chemicals Group is to actively harness diversity and create a company in which each and every employee can put their all into their work. We established the Promotion and Development of Women Team in 2006 and started promoting human resource diversity with an emphasis on gender equality. In response to a changing environment as a result of rapid globalization, we reorganized activities in 2011 to include cross-cultural awareness and renamed the team the Diversity Promotion Team, creating a stronger framework through which to actively encourage diversity. Making a fresh start as the Diversity Promotion Department in 2015, we have commenced initiatives to raise awareness of diversifying career paths and adapt to changing values toward work styles while taking over the work started by the Promotion and Development of Women Team in 2006.

The Diversity Promotion Department's priorities and goals include the following

Promoting Women in the Workplace

The Mitsui Chemicals Group has focused its efforts on proactively leveraging the capabilities of women in its operations even before establishing the Promotion and Development of Women Team in 2006. These efforts include dispatching female employees to plants and employing women in positions with promotion prospects. Over the past decade, we have seen steady progress from our efforts to foster a corporate culture that encourages the ongoing employment of women. Nevertheless, we still face issues in terms of a lack of consistency in annual female employment rates and the low percentage of female managers.

To address these issues, we plan to make further progress by setting targets for female hiring and management ratios. We will steadily implement action plans formulated in these areas.

A Message from the President

Our goal is to become an attractive corporate group in which everyone is able to fully demonstrate their capabilities.

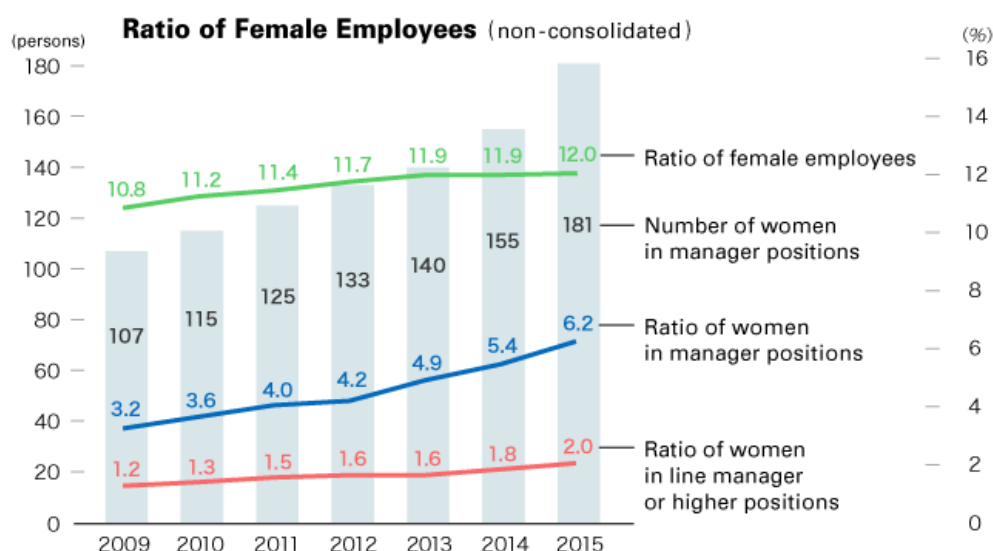
The Mitsui Chemicals Group recognizes the importance of diversity in ensuring sustainable growth both for the Group and society. Based on this understanding, we have positioned diversity as one of our core values.

Advancing diversity is an important business strategy. We strongly believe that a diverse pool of human resources, characterized by wide-ranging experiences and wealth of new ideas, is the driving force behind innovation, a key source of sustainable growth.

As a part of its efforts to promote diversity, the Mitsui Chemicals Group works diligently to foster a corporate culture in which women are able to excel. Moving forward, we will redouble our efforts to support female employees to take up the challenge of advancing their careers. We will also look to promote a growing number of women to positions of senior management.

The Mitsui Chemicals Group is committed to building a workplace environment in which employees can make the most of their strengths and capabilities. In this manner, we will continue to pursue innovation and work toward becoming an attractive corporate group.

Tsutomu Tannowa
President and CEO



	Fiscal 2009	Fiscal 2010	Fiscal 2011	Fiscal 2012	Fiscal 2013	Fiscal 2014	Fiscal 2015
All employees	8297	7878	7633	7266	7129	6931	6733
Number of female employees	898	882	873	848	845	827	808
Ratio of female employees	11%	11%	11%	12%	12%	12%	12%
Number of women in manager positions	107	115	125	133	140	155	181
Ratio of women in manager positions	3.2%	3.6%	4.0%	4.2%	4.9%	5.4%	6.2%
Ratio of women in line manager or higher positions	1.2%	1.3%	1.5%	1.6%	1.6%	1.8%	2.0%

Promoting Foreign Employees in the Workplace

The Mitsui Chemicals Group began full-scale hiring of foreign employees in Japan in 2005. In order to help alleviate concerns over lifestyle and cultural differences, we provide various types of information to foreign employees necessary for living in Japan. In addition, we maintain an environment conducive for foreign employees to display their talents. To that end, we established consultation services to help those having difficulties living in Japan and to provide career advice.

Number of foreign (non-Japanese) employees (end-FY2015) 57

【2015 Activity Achievements】

- (1) Assisted with Japanese language training
- (2) Assisted with visa procedures
- (3) Addressed daily inquiries regarding HR programs, initiatives, company regulations

【2016 Activity Plans】

- (1) Assist with Japanese language training
- (2) Assist with visa procedures
- (3) Address daily inquiries regarding HR programs, initiatives, company regulations
- (4) Convey information required for working in Japan in English and Japanese
- (5) Networking

Enabling employees with disabilities to reach their full potential in the workplace

The Mitsui Chemicals Group is also committed to supporting people with disabilities. We have maintained the legally required rate of employment for people with disabilities since fiscal 2004 (fiscal 2015: 2.2%). We plan to continue actively recruiting people with disabilities. We continue to improve the working environment while maintaining a sound corporate culture for all employees.

	Fiscal 2013	Fiscal 2014	Fiscal 2015
Rate of employment for people with disabilities (%)	2.2%	2.1%	2.2%

Working with Our Employees

▶ Goals and Results

▶ Human Resources Development

▶ Creating an Employee-Friendly Working Environment

▶ Promoting Diversity

▼ Employee Health

Employee Health

Specifically, we investigate health management-related issues and measures by regularly holding conferences that gathers together industrial physicians from throughout the Company. Based on these conferences, we formulate occupational health plans during the fiscal year and proposals for annual plans, which are decided through deliberations by the Responsible Care Committee. In addition, we formulate annual plans for each business focusing mainly on our Head Office, Sodegaura Center, and the healthcare sections of all five of our works. Full-time industrial physicians, nurses and healthcare managers at healthcare sections support efforts to improve employee health. We also assign part-time industrial physicians, nurses and other healthcare professionals to our smaller plants and to major plants operated by our subsidiaries and affiliates, in an effort to help improve the health of all Group employees. Furthermore, we conduct occupational health audits of Mitsui Chemicals facilities once every two years and at affiliates once every three to four years while taking steps to achieve annual plans and make improvements in health management-related problem areas. Once again in fiscal 2015, at our domestic bases, we continued to focus on preventing mental health conditions and lifestyle-related diseases, and on reducing occupational health risks. We paid particular attention to metabolic syndrome, and focused on improving workplaces based on work stress surveys.

At our overseas bases, our industrial physicians go overseas every year to make the rounds, conducting health interviews with all employees working overseas, including their families if they so desire. We offer support to our employees for both mental and physical ailments.

With the paper on health guidance using online weight-loss programs submitted as part of our efforts to improve employee health, industrial physician Hiroko Okazaki of the Head Office healthcare section received the best paper award from the Japan Society for Occupational Health.

Taking good care of Mitsui Chemicals employees

We are committed to reducing occupational health risks and improving working conditions via the Occupational Safety and Health Management System (OHSAS 18001) scheme and through onsite inspections conducted by industrial physicians and healthcare managers.

In fiscal 2015, we conducted workplace inspections and on-site guidance companywide as a part of additional efforts to address key issues involving statutory and regulatory compliance as well as preventing exposure to carcinogenic and mutagenic substances. In addition, Mitsui Chemicals improved its chemical risk assessment methods, added data on approximately 3,000 harmful substances to our database, and developed a new proprietary risk assessment system based on control banding, workplace trials for which have been completed.

In fiscal 2016, we will operate the new risk assessment system, systematically conduct risk assessments at workplaces that handle harmful substances, and promote further enhancements to measures for preventing exposure to harmful substances. Mitsui Chemicals is scheduled to expand these new risk assessments to Group companies in order to make them available for use by affiliates. As a part of efforts to minimize occupational health risks at overseas subsidiaries and affiliates, industrial physicians from the Company's Head Office travel to overseas bases and systematically inspect workplaces while pointing out areas in need of improvement for occupational health. In fiscal 2015, our industrial physicians visited 10 overseas bases and trained local managers. Moving forward, Mitsui Chemicals will continue to promote these initiatives in fiscal 2016.

[illegible]

Health Management

We promote good health via activities such as medical examinations and health guidance, carried out by industrial physicians, nurses and other healthcare professionals.

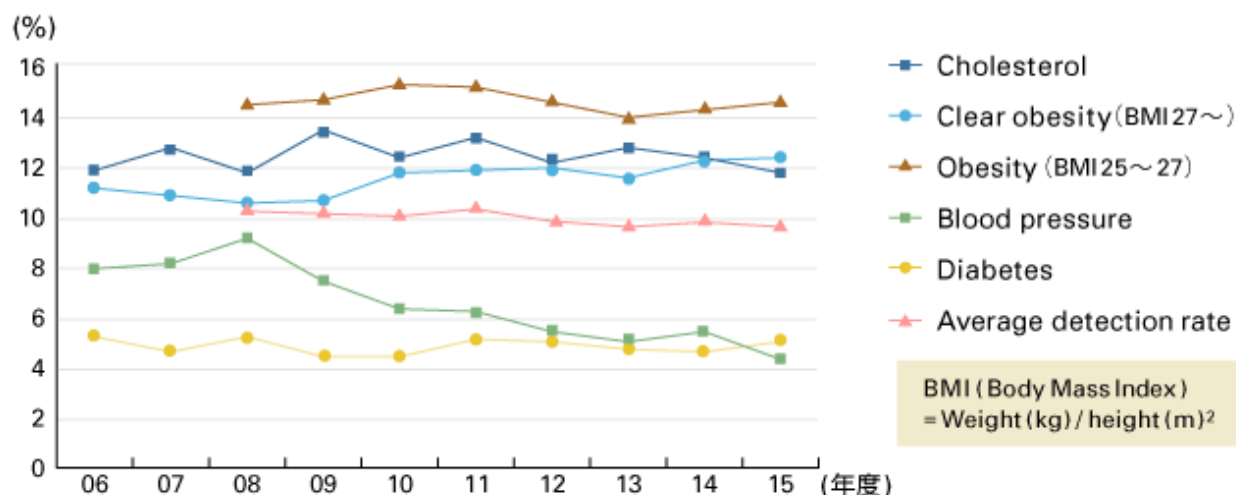
We are now in our eighth year since we introduced comprehensive medical check-ups, combining regular medical examinations with special medical check-ups and cancer screening. We have achieved an uptake of almost 100% for medical check-ups and managed to increase the rate of special health guidance to around 45% from 25% in fiscal 2009. The uptake rates for cancer screening were as follows: nearly 100% for lung cancer, over 80% for colon cancer, over 70% for stomach cancer/abdominal ultrasound, over 90% for prostate cancer, and over 60% for breast/uterine cancer. On this basis, almost all employees have taken the necessary detailed examinations. In fiscal 2015, we conducted stomach cancer risk screenings, provided guidance for eliminating pylori bacteria, and recommended follow-up gastroscopic examinations for high-risk individuals. As a result, while the number of sick days taken off for cancer (malignant tumors) in fiscal 2015 was 2,174, up compared with the number reported in fiscal 2013 due to the increase in rehired-employees, we were able to sufficiently keep these numbers down.

Follow up guidance and health improvement activities have helped to reduce the rate of high blood pressure, which can be seen by the decrease in detection rates from 9.1% in fiscal 2008 to 4.3% in fiscal 2015. Our findings revealed that rates for other lifestyle-related disease areas remained unchanged. As new initiatives for fiscal 2015, we conducted diabetes genetic testing and provided guidance for those who are predisposed to the disease mainly to interested individuals with HbA1c* in the 5.5-5.9 range and/or were obese from a young age.

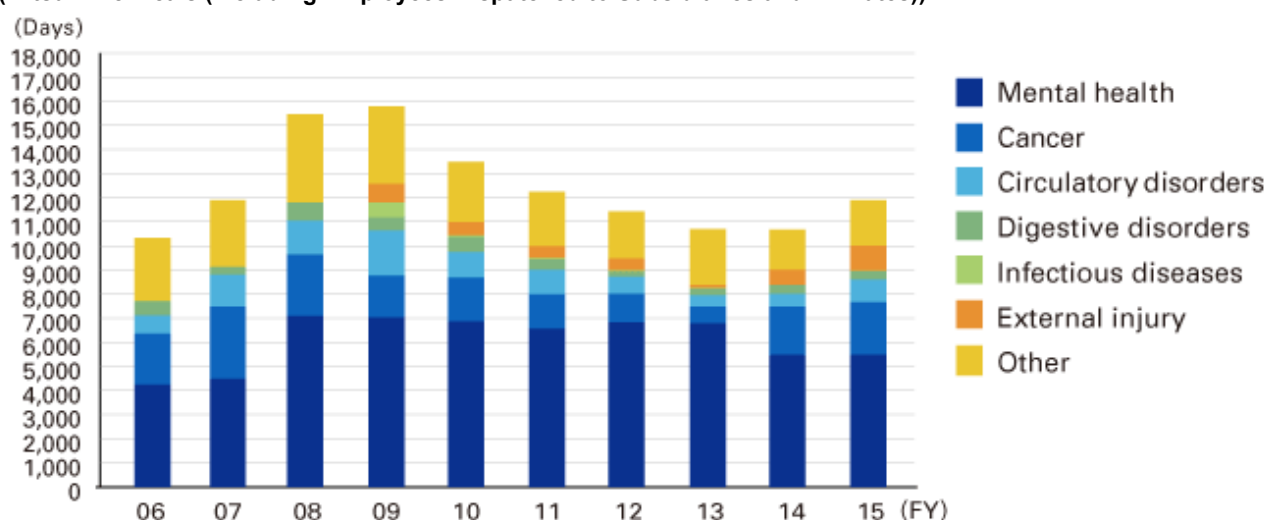
In fiscal 2016, we will continue to enhance measures to prevent diabetes for predisposed individuals and obesity while planning to investigate initiatives for elderly workers who suffer from diminished physical capabilities.

* HbA1c : reflects average blood sugar levels 1-2 months prior; those with HbA1c of $\geq 6.5\%$ may have diabetes

Positive Diagnosis Results
(Mitsui Chemicals (Including Employees Dispatched to Subsidiaries and Affiliates))



Breakdown of Days Off due to Illness
(Mitsui Chemicals (Including Employees Dispatched to Subsidiaries and Affiliates))



- ◆ Despite an increase in the total number of absent days for cancer, the number attributable to mental disorders declined.
- ◆ The incidence of new mental health disorders is showing a downward trend.

Mental Health Initiatives

In fiscal 2015, we continued to implement mental health initiatives such as training (for new recruits, managerial staff, line managers, etc.), conduct interviews undertaken by industrial physicians, and provided counseling.

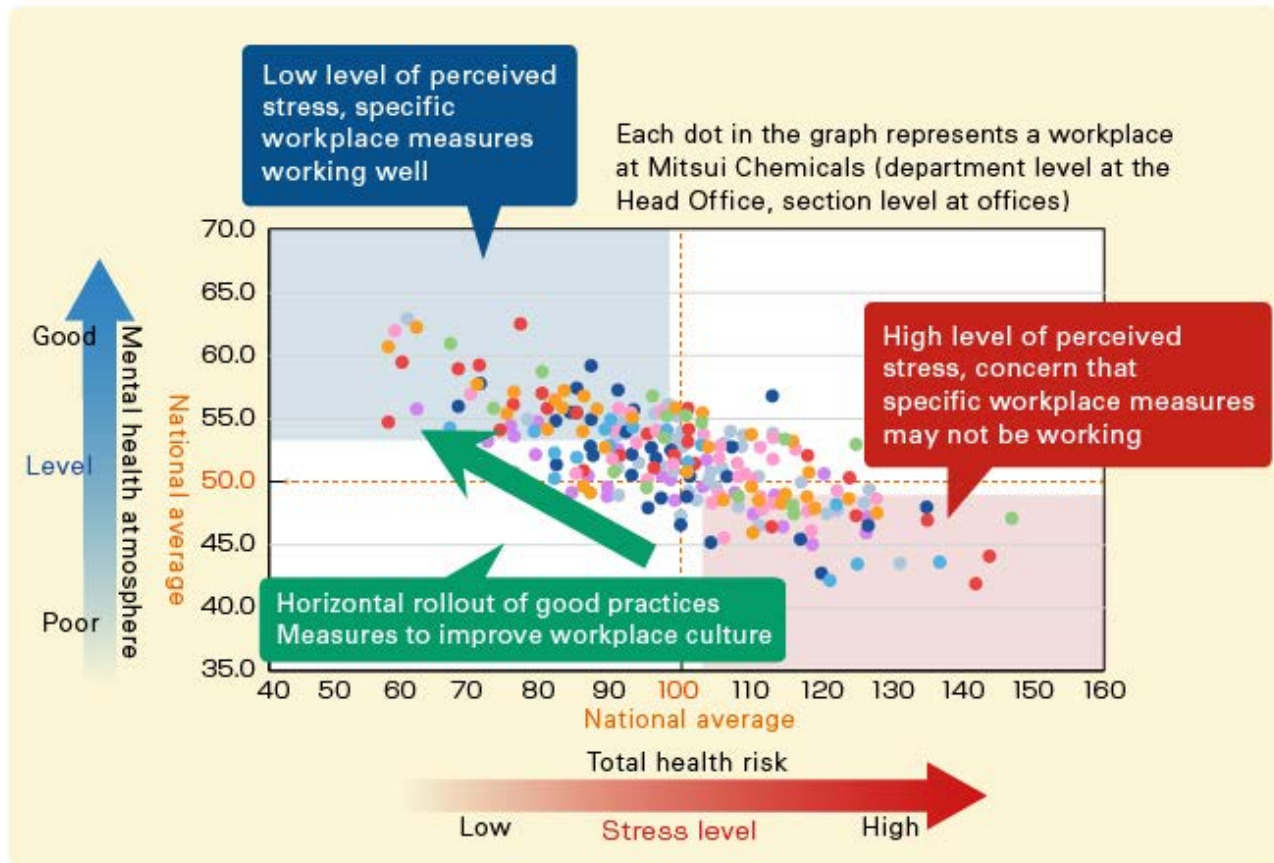
In addition to training, new employees undergo three types of e-learning-based communication courses for a fixed period after entering the Company. We also provide appropriate support regarding new employee work-related lifestyles, which involves industrial physicians interviewing all employees every six months, determining the status of communications in the areas of lifestyles, health, supervisors, colleagues, provided advice as needed, and hold discussions that include supervisors.

Since 2011, we have asked all employees to answer a new workplace stress questionnaire (occupational stress and mental health), with a greater emphasis on identifying areas for improvement in the workplace. Beyond providing individuals with feedback based on the results, managers in each workplace are also given details of the results of their organization. We have also formulated and implemented stress reduction plans (communication improvement plans) in workplaces deemed to be particularly susceptible to high stress levels by conducting interviews with managers and members of such workplaces. Moreover, we are also working to identify good practices in workplaces with a positive mental health environment, the results of which are announced by representatives of these workplaces in order to apply them to other workplaces throughout the Company.

With more workplaces actively using these questionnaire results recently, this has led to independent workplace improvements. As a result, the percentage of workplaces for which there were concerns over the presence of specific systems in place to address high stress levels fell from 10.6% in fiscal 2014 to 8.7% in fiscal 2015.

Through these efforts, we are working to improve workplace culture by examining the results of stress-level surveys at each workplace.

Fiscal 2015 New Workplace Stress Survey Results



Decrease in workplaces
with a good atmosphere and low risk
Increase in workplaces
with a bad atmosphere and high risk

> Horizontal rollout of good practices;
ongoing improvement

※**Total health risk** : a measurement on the subjective sensory scale of workload, sense of control, and empathy from superior and coworkers. (A relative measurement that uses 100 as the national average. A workplace score of 120 implies that the rate of health problems is 20% higher than the average.)

※**Mental health atmosphere** : a scale-based measurement of the appropriateness of command and control, labor management, cooperation, and training opportunities. (A relative measurement that uses 50 as the national average. Higher figures imply a better workplace atmosphere.)

A Wide Range of Health Management Programs

We run a wide variety of programs in order to promote the health of our employees, primarily through our healthcare section and health insurance association.

In fiscal 2015, we developed a web/smartphone versions of the Healthy Mileage Campaign in addition to the existing personal computer version to make access more convenient. In addition, our Healthy Mileage Campaign was carried out throughout the Company, with the number of employees joining the campaign has increased: 3,742 (40.2%) in the first half of fiscal 2014, 3,796 (42.8%) in the second half of fiscal 2014, 4,099 (44.9%) in the first half of fiscal 2015, 4,091 (47.3%) in the second half of fiscal 2015. Approximately half of employees (Mitsui Chemicals, certain affiliates) have participated in this campaign.

This program has been extended to overseas affiliates, with approximately 10% of employees posted overseas participating in the second half of fiscal 2015 and an increasing number of employees of local companies taking part. An increasing number of overseas affiliates are starting to actively undertake health promotion activities. Affiliates in the United States are undertaking employee health promotion programs and blood testing to measure risks of cardiovascular disease. Chinese affiliates have installed fitness equipment at factories and are undertaking health programs based on participation in the Healthy Mileage Campaign.



Fitness class



Nutrition class



Mini-long-distance relay race



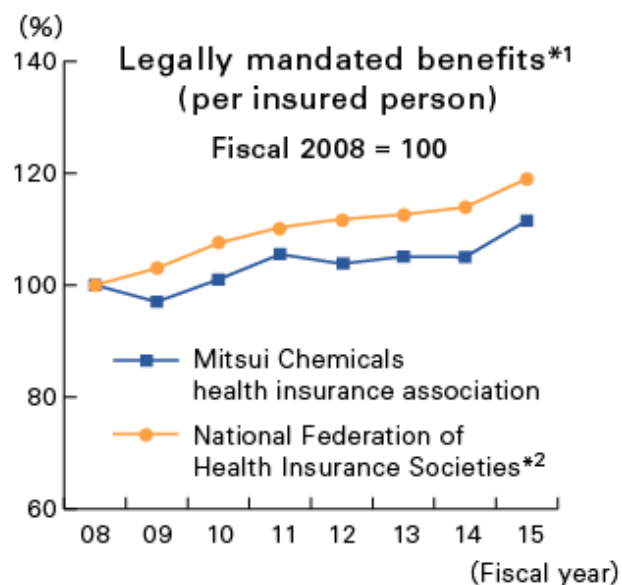
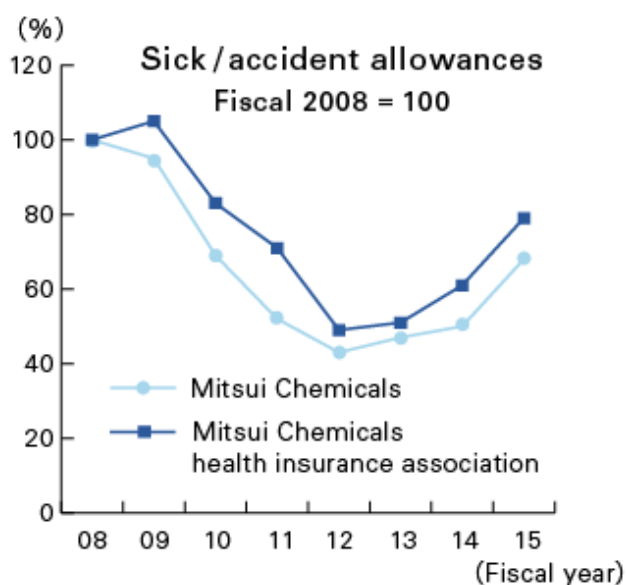
Examples of fitness equipment installed on the premises of Chinese affiliates

Reducing Medical Costs

Through these efforts to improve health, sick/accident allowances have decreased by around 70% compared with fiscal 2008.

We are strengthening health measures for elderly workers in response to the increase in related costs since fiscal 2013 accompanying an upswing in the percentage of rehired employees.

In light of a general increase in costs for legally mandated medical benefits, we have sufficiently reduced medical costs.



*1 Legally mandated benefits:

Includes medical costs, sick/accident allowances, lump-sum birth allowances, maternity allowances, burial dates

*2 National Federation of Health Insurance Societies:

Data taken from an overview of fiscal 2016 early budget collation results

Working with Industry, Government, and Academia

▼ Goals and Results

▶ Promoting Cooperation with Industry

▶ Promoting Joint Research Projects

▶ Promoting Global Collaboration

The Mitsui Chemicals Group boasts numerous core technologies that have become strengths through ongoing product development initiatives in the fields of organic and polymer chemistry technology. Linking the identification/translation of needs in downstream areas and among customers to product development is the key to “Creating New Customer Value through Innovation” being promoted under the 2014 Mid-Term Business Plan. Given the need to stay ahead of the competition, we are leveraging our technological strengths to gain a foothold in these new fields while complementing them by incorporating technologies we lack from external sources. Collaborating with industry, government, and academia, we aim to create new value through the aggressive pursuit of innovation.

Management System

Policy

Serving as technological platforms, the Mitsui Chemicals Group maintains technologies and personnel that lay at the heart of its efforts to create a diverse array of products and services. Beyond its technological enhancement and personnel development initiatives, the Group also utilizes open innovation to quickly offer solutions through its products and services. To this end, the Group operates its businesses in line with these technological platforms.

System and Responsible Officers

The R&D Strategy Conference is held once a month in order for R&D managers to discuss and find solutions for R&D-related strategic and management issues.

Monitoring Methods

We use a Stage Gate System during product development in an effort to visualize the degree of progress made. Using this system, we are able to make efficient and rational decisions about continuing or discontinuing development, resource allocation, and other issues. We have also received high marks from public institutions for our joint research projects with industry, government, and academia.

Achievements and Reviews

We are pursuing efficient production development through R&D based on our technological platforms and Stage Gate System.

Goals and Results

Goals for Fiscal 2015

- Promote new business/product development through external collaboration
- Develop innovative technologies by participating in joint research projects
- Strengthen global networks

Fiscal 2015 Results and Assessment

Level achieved: A

- Promote new business/product development through external collaboration: Metal resin integral molding technology (Taisei Plas Co., Ltd.), new diagnostics and consulting business for photovoltaic power generation (PI Photovoltaik-Institut Berlin AG), and lithium-ion battery safety materials (Industrial Technology Research Institute of Taiwan)
- Promoting Joint Research Projects
Cross-ministerial Strategic Innovation Promotion Program (SIP) of Japan's Cabinet Office
Artificial Photosynthesis Project (ARPCHEM)

Development of a non-edible plant-based chemical manufacturing process (New Energy and Industrial Technology Development Organization)

- Provide placements for interns from Japan and overseas
- Make preparation to present the "2016 Mitsui Chemicals Catalysis Science Award"

Priorities for Fiscal 2016

- Promote new business/ product development through external collaboration
- Develop innovative technologies by participating in joint research projects
- Strengthen global networks

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Industry, Government, and Academia

► Goals and Results

▼ Promoting Cooperation with Industry

► Promoting Joint Research Projects

► Promoting Global Collaboration

Promoting Cooperation with Industry

In areas where the Group encountered difficulties in providing solutions on its own, Mitsui Chemicals has sought actively to team up with external partners. In addition to providing solutions in a timely manner, the Mitsui Chemicals Group is endeavoring to develop new businesses and products through open innovation.

Initiatives Aimed at Development Integrated Metal/Resin Parts

Since concluding a comprehensive licensing agreement with Taiseiplas Co., Ltd. in 2012, the Mitsui Chemicals Group has worked diligently to develop POLYMETAC™, a technology that facilitates the strong adhesion and bonding of various metals and resins that was not possible using conventional methods.

Mitsui Chemicals began providing Aerosense Inc. with its hybrid product of carbon fiber reinforced plastic (CFRP) and aluminum joint parts made using its POLYMETAC™ technology as a core component in the manufacture of autonomous unmanned aerial vehicles in fiscal 2015. With this initiative, the Company has helped to simplify the production process. At the same time, Mitsui Chemicals has allowed Aerosense to provide greater flight distances and improved performance by reducing weight and the number of parts.

 Mitsui Chemicals' POLYMETAC™ to be Used in Lightweight Frames of New Autonomous Unmanned Aerial Vehicles



A new autonomous unmanned aerial vehicle manufactured by Aerosense




A hybrid product of carbon fiber reinforced plastic (CFRP) and aluminum joint parts made using POLYMETAC™ technology



Diagnostics and Consulting Business for Photovoltaic Power Generation

The Mitsui Chemicals Group looked to nurture a diagnostics and consulting business for photovoltaic power generation and commenced operations from 2014 after concluding exclusive rights and licensing agreement with PI Potovoltaik-Institut Berlin AG.

In addition to supplying important photovoltaic materials, which include encapsulant sheets for solar panels, the Mitsui Chemicals Group is a provider of analysis and testing services for photovoltaic materials and panels. Moreover, the Group is also an operator of one of Japan's largest photovoltaic and wind power plants in Tahara City, Aichi Prefecture. Drawing on its wealth of specialized technologies and expertise as well as its proven track record and reputation for reliability in photovoltaic power generation, coupled with solar panel testing and verification technologies of PI Potovoltaik-Institut Berlin, the Mitsui Chemicals Group is well placed to develop and pursue business opportunities. Looking ahead, the Group will work diligently to promote the use of natural energy in Japan through this business.

 Renewable Energy-Related Business

Working with Industry, Government, and Academia

► Goals and Results

► Promoting Cooperation with Industry

▼ Promoting Joint Research Projects

► Promoting Global Collaboration

Promoting Joint Research Projects

The Mitsui Chemicals Group participates in joint research projects with governmental and academic bodies in an effort to develop innovative technologies and provide solutions as quickly as possible.

Participating in the Artificial Photosynthesis Project

We have signed up to participate in the Artificial Photosynthesis Project, launched by the Ministry of Economy, Trade and Industry in fiscal 2012. Following the establishment of the Japan Technological Research Association of Artificial Photosynthetic Chemical Process (ARPCChem) in fiscal 2012, a technical development project was launched with the aim of (1) producing hydrogen utilizing photocatalysts, (2) separating hydrogen using membranes, and (3) manufacturing basic chemicals from hydrogen and carbon dioxide. In particular, we are working with three other private companies to develop hydrogen production technology (1) and are promoting work on a joint research project in conjunction with the University of Tokyo, Kyoto University and the Tokyo University of Science.

Participating in the Cross-ministerial Strategic Innovation Promotion Program (SIP) of Japan's Cabinet Office

Mitsui Chemicals is a participant in the energy carrier project launched in 2014. The energy carrier project is one of the 10 core themes of SIP, an initiative that is being promoted by the Council for Science, Technology and Innovation of Japan's Cabinet Office. As one component of the energy carrier project, Mitsui Chemicals is also taking part in the ammonia energy carrier project together with four other private firms while engaging in joint research with Kyoto University. In advancing this project, consideration is being given to the three (1) direct, (2) internal decomposition, and (3) external decomposition (autothermal) power generation methods for solid-oxide fuel cells (SOFCs) that use ammonia. Mitsui Chemicals is working with Kyoto University and one other private firm to conduct joint research into (1) and (2).

Participating in the Development of a Non-Edible Plant-Based Chemical Manufacturing Process

Mitsui Chemicals is a participant in a joint research project between industrial, governmental and academic bodies administrated by the New Energy and Industrial Technology Development Organization (NEDO). Participating since fiscal 2013, the Company is assisting in efforts to develop a non-edible plant-based chemical manufacturing process. Working with five other private companies as well as the Niigata University of Pharmacy and Applied Life Sciences, energies are being channeled toward the development of an innovative process that will enable the manufacture of target chemicals at low cost.

Working with Industry, Government, and Academia

► Goals and Results

► Promoting Cooperation with Industry

► Promoting Joint Research Projects

▼ Promoting Global Collaboration


Promoting Global Collaboration

Joint Research in Singapore

At the Mitsui Chemicals Singapore R&D Centre, which serves as an overseas research and development base, several joint research and development projects are underway in each of the three Mobility, Healthcare, and Food & Packaging priority fields identified under the 2014 Mid-Term Business Plan in collaboration with various agencies of the Singapore Government including A*Star.

Mitsui Chemicals Catalysis Science Award and Award of Encouragement

In 2004, we created the Mitsui Chemicals Catalysis Science Award and the Mitsui Chemicals Catalysis Science Award of Encouragement to recognize researchers that have made outsized contributions to the field of catalysis science. These awards are presented once every two years. The Mitsui Chemicals Group received a substantial number of entries from around the world for consideration in connection with the 2016 awards. Recipients of the awards were announced in June 2016.

 Winners of the "2016 Mitsui Chemicals Catalysis Science Award"

Working with Local Communities

▼ Goals and Results

▶ Dialog with Local Communities

▶ Public Recognition

Here at the Mitsui Chemicals Group, we try to ensure that our sites are always open to the local community. We are committed to maintaining communication with members of the local community at all of our sites, organizing a range of next-generation initiatives for children and the environment, and working in harmony with local communities.

Management System

Mitsui Chemicals recognizes the importance of building ongoing ties of mutual trust with the community. Based on this understanding, each site interacts with the local community and holds meeting to exchange opinions in line with individual circumstances and conditions. The manner in which the Company operates its works also takes into account feedback obtained through dialog with stakeholders including residents of each local community. Details of initiatives implemented are published in the newsletter of each region. By sharing this information through a database, good practices can be incorporated into the following fiscal year's activities.

Goals and Results

Goals for Fiscal 2015

- Interact with stakeholders by actively engaging in dialog at meetings held to exchange opinions with residents of local communities
- Publish local magazines

Fiscal 2015 Results and Assessment

Level achieved: A

- Undertook a variety of measures including meetings to exchange opinions and tours 1 time/year (domestic facility total)
- Publish local magazines at least 10 times/year (domestic facility total)

Goals for Fiscal 2016

- Interact with stakeholders mainly by actively engaging in dialog at meetings held to exchange opinions with residents of local communities

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Working with Local Communities

► Goals and Results

▼ Dialog with Local Communities

► Public Recognition

Dialog with Local Communities

The Mitsui Chemicals Group provides a range of opportunities for communication with local residents living in the vicinity of our facilities, who we consider to be important stakeholders.

As a member of the community, the Group believes relationships of trust based on close-knit relations with communities are crucial to the normal and stable operation of its businesses.

To build close-knit relations with local communities, we arrange community meetings to discuss environmental preservation and safety initiatives in the areas where our works are located, and organize plant tours. We also attend meetings with neighborhood associations and participate in local events, all in an effort to promote mutual understanding with the community.

Our five domestic works also publish newsletters at least twice a year. These are made accessible to local residents so as to enable communication on a broader basis.

Promoting communication with local communities

We invited local residents living in the vicinity of our domestic works to come and engage in dialog with us on and tour our facilities. As well as providing an introduction to each works and an overview of our efforts to protect the environment, ensure safety and contribute to society, community meetings also give us an insight into what local people are feeling on a day-to-day basis and enable us to actively exchange opinions, including any requests local residents may have.

The Osaka Works holds opinion exchange meetings annually with 52 residence associations divided into three separate groups where it is located in Takaishi City. On June 12, 2015, Osaka Works held an opinion exchange meeting with 2-3 representatives from each of the 16 Chuo Group residence associations. Through ongoing earnest and steady activities, Mitsui Chemicals is looking to further promote deep mutual understanding.



Annual Meeting at Osaka Works

In an effort to boost relations with the community, members of the local women's association, who have little or no contact with Ichihara Works, were invited to tour the facility and to receive a brief introduction on November 10, 2015. Town councilors were also invited to a meeting to exchange comments and opinions on December 1, 2015. These initiatives were an excellent opportunity to open the Works and laboratory to local residents, who would not normally have the chance to gain a first-hand look into the Company's daily operations.



Annual Meeting with local town councilors at Ichihara Works

At Nagoya Works, we held a meeting to exchange opinions on environmental issues with the chairs of neighborhood school districts and member of the Minami City Hall urban development promotion office on April 19, 2016. This annual meeting serves an opportunity to provide participants with an introduction to our efforts at Nagoya Works to preserve the environment and safety/disaster prevention activities, as well as listen attentively to the opinions and requests of local representatives with the intention of reflecting them in the management of the plant. This year's meeting is the 11th such meeting we have held at the Nagoya Works.



An opinion exchange meeting on environmental issues held at Nagoya Works

Iwakuni-Ohtake Works held its 16th autumn festival on October 4, 2015, which featured factory tours, experiment workshops for children, and various stage events. The aim of the autumn festival is to deepen our relationship and build trust with local residents.



Local residents taking part in a factory tour during the Iwakuni-Ohtake Works autumn festival

Omuta Works held the 9th Annual Community Meeting on October 7, 2015, inviting local residents, fire department HQ, police departments, Omuta City municipal agencies, and academic experts to exchange opinions centered mainly on the works' safety and environmental preservation activities. In addition, Omuta Works regularly conducts laboratory class in the wonders of chemistry at local elementary schools.



Annual Meeting at Omuta Works

We are equally committed to communication at our domestic subsidiaries and affiliates and engage in various activities depending on the scale and location of each of our facilities, including organizing plant tours and taking part in local events. Ongoing Group company initiatives such as these help us to promote mutual understanding with the local community.



Omuta Works: Employees participating in community clean-up activities



Iwakuni-Ohtake Works: Employees taking part in the Seta Hachimangu Autumn Festival portable shrine ("mikoshi") events



Ichihara Works: A local boys' baseball team competing in the Mitsui Chemicals Cup Ichihara City Youth Baseball Tournament

Publishing Newsletters

We publish newsletters at each of our works, focusing on their respective activities. As well as showcasing products manufactured at each works and safety measures at each works, newsletters mainly provide information on subjects such as applications and progress with environmental initiatives. All of our works' newsletters are designed to capture the essence of the local area, with features such as helpful health tips, methods of conducting chemical experiments and information about our environmental improvement and cleanup activities. We also use our newsletters to promote two-way communication, by printing comments from members of the local community and our responses.



Local newsletters regularly published in each district

Working with Local Communities

► Goals and Results

► Dialog with Local Communities

▼ Public Recognition

Public Recognition

Here at the Mitsui Chemicals Group, we are committed to a wide range of initiatives both in Japan and overseas, including improving safety standards, reducing environmental impact and contributing to community development at our facilities. As a result of such initiatives, we have received a number of awards and commendations in recognition of our achievements.

Iwakuni-Ohtake Works Receives Outstanding Performance Award (Ministry of Internal Affairs and Communications Award) at In-House Fire Fighting Skills Contest

Iwakuni-Ohtake Works received an outstanding performance award (Ministry of Internal Affairs and Communications Award) at the In-House Fire Fighting Skills Contest for petroleum complexes and other facilities sponsored by the Ministry of Internal Affairs' Fire and Disaster Management Agency. Starting in fiscal 2014, this contest aims to improve skills and morale in-house fire fighting brigades. The top five participants are awarded grand prizes following an examination of actual firefighting skills by a panel of four judges from the Fire and Disaster Management Agency. An awards ceremony was held by the Ministry of Internal Affairs and Communications on December 7, 2015, at which Director Sasaki of the Fire and Disaster Management Agency presented award certificates.



Members of an award-winning in-house firefighting brigade

Ichihara Works Receives the Police Department's Traffic Safety Certificate of Appreciation

Ichihara Works received the Police Department's Traffic Safety Certificate of Appreciation on January 20, 2016 in recognition of traffic safety activities it regularly undertakes.



Police Department's Traffic Safety Certificate of Appreciation

Shimonoseki Mitsui Chemicals Receives No Car Day Prize for Outstanding Business Office for 2014

Shimonoseki Mitsui Chemicals received the No Car Day Prize for Outstanding Business Office for 2014 sponsored by the Shimonoseki Global Warming Prevention Conference at its 2015 general meeting held on May 27, 2015. Shimonoseki City's No Car Day is set for the third Friday of each month in an effort to encourage people to use alternative modes of transportation for their work commutes such as public transportation, bicycles, and walking. The goal of this campaign is not only to reduce CO₂ but also to create opportunities to foster eco-friendly lifestyles, and spinoff benefits in the form of better health.



Outstanding Prize certificate

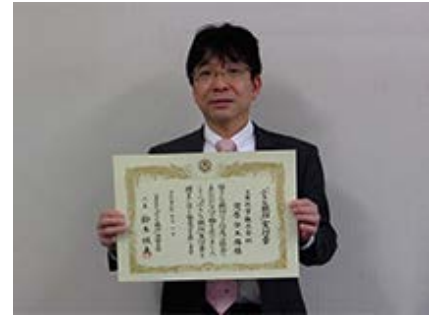
Mobara Branch Factory Receives Small Kindness Award

Mobara Branch Factory was presented with the Small Kindness Award by the Small Kindness Movement at its executive office on March 1, 2016 in recognition of the factory's Lunchtime Beautification activities*, which have been held on the second Tuesday of every month since 1997. Looking ahead, we will steadily expand these small-scale activities to benefit the local community.

* Green Volunteer activities commenced in 1997 and have continued under the current name since 2012.



Employees engaged in Lunchtime
Beutification activites



Small Kindness Award certificate

Social Contribution Activities

▼ Goals and Results

▶ Nurturing Future Generations

▶ Environment Communication

▶ Support for Employees' Social Contribution Activities

▶ Disaster Relief

▶ Disaster Recovery Support following the Great East Japan Earthquake

The Mitsui Chemicals Group is committed to facilitating social development and helping to resolve issues facing society through a range of initiatives under the Mitsui Chemicals Group Social Activities Policy, including initiatives suggested and organized by employees themselves. We believe that we can effectively help to resolve social issues by harnessing our strengths and unique characteristics as a chemical company. With that in mind, we incorporate our chemical technologies and products into a wide range of activities, such as chemistry lab classes and disaster relief efforts.

We encourage our employees to get involved in social contribution activities and operate a donation fund that is run by employees on a voluntary basis. Every effort is being made to expand membership.

Management Systems

Each business site is engaging in voluntary and ongoing activities in line with the Group's Social Activities Policy.

The Mitsui Chemicals Group Social Activities Policy

The Mitsui Chemical Group will continually strive to:

1. Harness and improve its chemical technologies to contribute to society as a whole
2. Work in harmony with local communities and ensure that its sites are as open as possible
3. Do its bit to nurture future generations, on whose shoulders the future rests
4. Carry out activities aimed at protecting the environment
5. Engage in active international exchange and cooperation
6. Create a corporate environment in which individual employees can actively participate in social activities

System and Responsible Officers

The CSR Committee, which is chaired by the president, convenes twice a year to confirm the status of social contribution activities.

Monitoring Methods

The Division responsible for CSR conducts a survey of the results of social contribution activities once a year to confirm activity details. Pertinent points drawn from this survey are reflected in the CSR Report and shared across the Group as a whole.

Achievements and Reviews

In addition to submitting reports to the CSR Committee as topics, the details of the survey as well as social contribution activities are reflected in plans for the next fiscal year.

Goals for Fiscal 2015

- Increase the number of employees taking part in activities via existing and new social contribution programs (at least one new social contribution program)
- Look into sustainable support for those affected by the Great East Japan Earthquake (at least one support activity)

Fiscal 2015 Results and Assessment

Results

- Expanded activities through the implementation of overseas (Singapore) laboratory "The Wonder of Chemistry" classes
- Expanded activities relating to wildlife surveys on rice fields conducted by Mitsui Chemicals Agro, Inc. as a program concerning biodiversity (participated in an exhibition as a part of the Children's Tour Day in Kasumigaseki initiative and invited elementary school children to join in a survey among a host of other new social contribution activities)

Level achieved: A

- Organized "The Wonder of Chemistry" laboratory classes as part of the Group's social contribution activities in conjunction with NPOs
- Took part in the Marche Project in conjunction with other companies as a part of support efforts following the Great East Japan Earthquake

Priorities for Fiscal 2016

- Increase the number of employees taking part in social contribution programs
- Reconsider ways in which to provide sustainable support to those affected by the Great East Japan Earthquake
- Promptly undertake disaster relief activities in conjunction with NPOs and other organizations

* Levels of achievement based on self-assessment: A: 95% or more, B: 70% or more and less than 95%, C: less than 70%

Social Contribution Activities

► Goals and Results

▼ Nurturing Future Generations

► Environment Communication

► Support for Employees' Social Contribution Activities

► Disaster Relief

► Disaster Recovery Support following the Great East Japan Earthquake

Nurturing Future Generations

The future rests on the shoulders of adolescents and children. With that in mind, we carry out various activities aimed at teaching the young that chemicals are all around us, and showing them how fun, interesting and mystifying chemistry can be, as well as getting them interested in science, and inspiring them to create the technologies of the future.

Laboratory Class in the Wonders of Chemistry

We started the laboratory class in the wonders of chemistry because we wanted to share the fun and possibilities of chemistry with future generations of children. Since 2006, we have organized various types of classes, from off-site classes, whereby members of staff from each of our sites go out to local schools, summer-vacation events and festivals, to laboratory classes combined with tours round our works and research centers. In fiscal 2015, we organized a total of 42 classes at 16 sites.

We are always trying to come up with new ways to teach children about chemistry in a fun and easy- to-understand context. Activities at each of our sites are based on the theme of chemistry in our everyday lives, to make children feel closer to chemicals through fun experiments. The aim is to show children just how crucial chemicals are in their everyday lives and to demonstrate what they can achieve with the power of chemistry. More than 5,300 children took part in classes over the course of fiscal 2015. We have received feedback on classes from lots of children, including comments such as "I like science a lot more now" and "I'm going to try this experiment again when I get home"

In recognition of these activities, we received the Catalysis Society of Japan's 2015 Award for Education and the Ministry of Education, Culture, Sports, Science and Technology (MEXT) Award for Companies Promoting Experience-based Learning Activities for the Youth (Judge's Commendation) in the large corporation category for 2015. In addition, we registered with the Ministry of Education, Culture, Sports, Science and Technology as a Saturday Learning Support Group and are working to spread education to even more children.



A laboratory class being held in China



A scene from a "Dream Chemistry-21 Summer Vacation Children's Chemistry Experiment Show"

Laboratory Classes in the Wonders of Chemistry Experiments

*Experiment titles are subject to change

No.	Experiment title	Field / area / format			Description
1	Foamy urethane experiment	Chemistry	Chemical reactions	Demonstration MCI products	Participants watch urethane, whose uses include cushion materials, specially designed pillows and refrigerator insulation, being foamed and experience reaction heat and differences in hardness

2	Slime <ul style="list-style-type: none"> • Making your own slime • Making jumbo slime together • Shiny slime • Slime ball 	Chemistry	Polymer properties	Hands-on	Participants learn about the principles of dilatant fluid and confined water, by making sticky, stretchy, mysterious "slime" (i.e. cross- linking polyvinyl alcohol, water and borax)
3	Light experiments with polarizing plate	Physics	Light	Hands-on	Participants learn about the passage of light through a polarizing plate with an element that converts natural light into linear light, as used in mobile phones and other such devices, by making a kaleidoscope
4	Chromatography art	Chemistry	Adsorption and separation	Hands-on	Participants learn that the ink in a water-based pen contains a mixture of various different colors (pigments)
5	Plastic board	Chemistry	Polymer properties	Hands-on	Participants learn about the properties and separation of plastics, by using the heat shrinkable properties of polystyrene to make their own original accessories (key holders)
6	Cartesian divers	Physics	Buoyancy	Hands-on	Participants learn about buoyancy and pressure, by making a Cartesian diver from a PET bottle and a plastic soy sauce container
7	Red cabbage color experiment	Chemistry	Acid and alkali	Hands-on	Participants learn about chemical analysis and the properties of acids and alkalis, by extracting anthocyanin from red cabbage and investigating the properties of everyday liquids
8	Spongy polymers	Chemistry	Polymer properties	Hands-on Related to MCI products (nonwoven fabric)	Participants learn about the principle of water retention, by making an air freshener from a water-absorbing polymer, as used in disposable diapers, gardening supplies and other such products
9	Rainbow tower	Physics	Specific gravity	Hands-on	Participants learn about the specific gravity (relative density) of fluids, by pouring colored waters with varying concentrations together to make a tower
10	Let's make a freezer!	Chemistry	Heat of solution	Hands-on MCI products (urea)	Participants learn about the principle of heat adsorption via the heat of solution of urea, as used in such products as fertilizer and moisturizing cream
11	Learn how bubble bath works!	Chemistry	Reaction of acid and salt	Hands-on	Participants learn about how carbon dioxide is produced, by making bubble bath from baking soda and citric acid

12	Learn about acid rain!	Chemistry	Acid and alkali Oxidation / reduction	Hands-on	Participants learn about acid rain and what causes it, by measuring the pH of red cabbage extract and conducting a bleaching experiment using iodine
13	Let's make paper!	Technology	Making paper / recycling	Hands-on Related to MCI products (acrylamide)	Participants learn about how paper is made and recycled, by experiencing papermaking using everyday implements
14	Let's make stickers from melted plastic!	Chemistry	Polymer properties	Hands-on Related to MCI products (general thermoplastics)	Participants learn about the properties of thermoplastics, which melt when heated, by using a glue gun to melt resin and make stickers
15	Experience the wonders of shrinking films!	Chemistry	Polymer properties	Hands-on Related to MCI products (film, PET, etc.)	Participants learn about the principle of heat shrinkage, by making their own PET bottle from shrinkable film, as used for PET bottle labels and packaging materials
16	See the power of air! (air cannon experiment)	Physics	Hydrodynamics	Demonstration	Participants learn about air resistance, by observing air rings emitted from an air cannon
17	Let's make snow on pine cones!	Chemistry	Crystals	Hands-on MCI products (urea)	Participants learn about crystal deposition, by observing dissolved urea being sprayed onto pinecones and drying
18	Let's make light like a firefly!	Chemistry	Enzymes	Hands-on	Participants learn about the difference between bioluminescence and chemiluminescence by making light from luciferase enzymes taken from fireflies and using mineral-based chemicals
19	Let's try and absorb oil!	Chemistry	Polymer properties	Hands-on MCI product (TAFNEL™)	Participants learn about the principles and how to use adsorbent materials, by absorbing only the oil from mixed oil and water substances as well as the impact on the environment of oil spillage
20	Expand? Shrink? Disappear?! Let's look into the properties of mystery plastics!	Chemistry	Polymer properties	Hands-on MCI product (Absortomer™)	Participants learn about the properties of a variety of plastic films, by taking steps to expand, shrink, and dissolve various plastics. Participants also learn about changes in polymers (plastics) attributable to temperatures



The logo used for laboratory classes



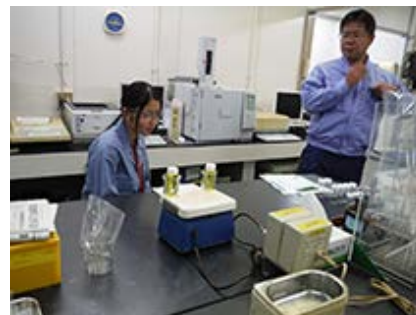
Mascots used in laboratory classes

Placements for interns Omuta Plant

A Mitsui Chemicals Group company, Yamamoto Chemicals (Head Office: Osaka; production and sale of paints, pigments and other chemical products), provides an internship program at the Omuta Plant at the request of local schools. This internship program has been held 15 times, once a year since 2000 (with the exception of 2002).

Date:	August 24-25, 2015 (two days) * Program cancelled on August 25 due to a typhoon
Participants:	Fukuoka Prefecture Miike Industrial High School Industrial chemistry: one student
Content:	<ol style="list-style-type: none"> 1. Introduction to the company 2. Tour of the works 3. Environmental, safety and quality training 4. Overview of production management 5. Hands-on training at production sites 6. Practice using analytical equipment 7. Composition of a final report

These internships focused on hands-on training to give the students opportunities to learn about manufacturing and the basics of safety, quality, and production floors. The students said that they were able experience what it is like to work in a chemical factory through hands-on use of technology. Through grass-roots activities with communities like this, Mitsui Chemicals aims to promote interest in the structure and history of the chemical industry to future generations.



Intern being shown a control panel



Interns and members of Omuta Works

Receiving Visitors and Interns from Overseas

We receive visitors and interns from overseas to learn about Japanese manufacturing operations and products. JENESYS 2015*¹ is a program under which we invite visiting 22-person delegations to tour the Ichihara Works and exchange opinions.

Moreover, we accepted six interns (three under the emerging market development personnel training assistance program; three under the low-carbon technology export promotion personnel training assistance program) from HIDA*².

Through these opportunities, we will cooperate with activities to deepen interest in and understanding of the Japanese manufacturing industry internationally.

*1 JENESYS2015 :

A government-sponsored youth exchange program between Japan and countries in Asia, Oceania, North America, Europe, and Central/South America conducted by the Japan International Cooperation Center (JICE). The purpose of the program is to enhance the foundation of Japan's foreign affairs by promoting understanding of Japan among talented individuals anticipated to excel in various walks of life.

*2 HIDA :

The Overseas Human Resources and Industry Development Association is an organization for human resources development in developing countries to promote technical cooperation through training, experts dispatch and other programs.



Interns from HIDA



JENESYS 2015 inspection tour

Supporting SSH Corporate Partnership Classes at Chosei High School

Mobara Research and Development Center lends its support to corporate partnership classes with Chosei High School, located in Mobara City, Chiba Prefecture to provide a full range of high school level science/technology education.

In fiscal 2015, two Mitsui Chemicals researchers were dispatched to Chosei High School to introduce the students to nature of our business, how chemistry contributes to society and people's lifestyles, and discuss what it is like working at Mitsui Chemicals.

A student attending the class mentioned that research looks like a difficult but rewarding profession since many years of research and repeated experiments ultimately leads to the creation of products used in our daily life. The students that took our class became more interested in chemistry and biology, and we hope that they will eventually choose careers that support science and technology in Japan.



A seminar conducted for high school students

Support for Intellectual Property Education for College Students

At the request of Ariake National College of Technology in Omuta, we have been organizing intellectual property education for students since fiscal 2007. In fiscal 2015, we once again organized an intensive training seminar for technical college students providing an overview of intellectual property rights and how they are used, as part of the college's own curriculum based on partnerships in the local area on January 5, 2016.

The six-hour seminar included intensive lectures and a lively question and answer sessions. Our activities definitely helped to deepen the understanding of the participating students in intellectual property.

We will continue to assist with these types of social contribution activities intended to develop the next generation of personnel.

Cosponsoring the 8th National College Students Chemical Engineering Design Competition

Mitsui Chemicals cosponsored the 9th National College Students Chemical Engineering Design Competition in 2015, which it has done ever since the inaugural contest. The winning team was presented with the Tung Hua Technology-Mitsui Chemical Cup by Mitsui Chemicals and cosponsor Tung Hua Technology, a diversified engineering company in China.

This contest is popular with university chemical engineering majors in China, receiving 1,562 team entries (a total of 7,810 students) nationwide this year. Held at Changzhou University in Jiangsu Province on August 22-23, the 48 participating teams that made it to the finals fought a pitched battle for the title. With the acclaim of this contest in the Chinese chemical industry increasing yearly, Mitsui Chemicals is contributing to Chinese society in the field of chemical engineering through its ongoing role as cosponsor.



Presentations being given during the contest finals

Exchange with Hope Elementary School in Anhui Province, China

As part of activities to celebrate the company's 10th anniversary in 2010, Mitsui Chemicals (China) Management Co., Ltd. (MCCN) donated the necessary funds to rebuild aging buildings at Hope Elementary School in Anhui Province in China, in conjunction with Mitsui Chemicals Head Office.

As well as providing ongoing support, Mitsui Chemicals donated laptop computers to the school in 2015.

The Mitsui Chemicals Group intends to keep on contributing to local areas in the future and to support the local community through interaction with Hope Elementary School students.



Hope Elementary School students

Cooperating in educator training by private-sector companies

The Keizai Koho Center was the main sponsor of the fiscal 2015 Experiential Study Programs for Teachers, which were held at the Head Office, Sodegaura Center, and Mobara Research and Development Center on August 5, 2015. This year, eight elementary school teachers from Chuo Ward schools participated in a three-day training program. This marked the tenth consecutive year that Mitsui Chemicals has welcomed educators for training.

At the Head Office, the educators listened to presentations about our corporate philosophy, responsible care initiatives, and human resource development. They also saw a demonstration of the laboratory class in the wonders of chemistry as a part of the introduction to our CSR activities. At Sodegaura Center and Mobara Research and Development Center, a tour of the works was given to explain the basics of manufacturing, while discussions covered safety measures. At the Plant Operation Technology Training Center, the educators participated in hands-on laboratory training. With education a point in common shared between the educators and the researchers, the educators and researchers had many fruitful conversations about their experiences, impressions and discoveries. The educators, who were unfamiliar with the daily happenings of a materials maker like Mitsui Chemicals, were able to see first-hand the production of materials for the many products used in their daily lives, while learning about the steps taken to ensure safety, environmental protection and quality. The educators were impressed at the extent that a company would go to achieve these objectives.

In addition, we held a tour of the Mitsui Phenols Singapore factory for 12 Japanese high school teachers in Singapore on April 7. The tour was conducted to satisfy the curiosity of these teachers about what types of production activities are undertaken by Japanese companies in Singapore. Asking numerous questions during the Q&A session, the teachers enthusiastically learned about Mitsui Chemicals' activities, products, and environment/safety initiatives.



A training session in Japan



Participants at training session conducted overseas

Social Contribution Activities

▶ Goals and Results

▶ Nurturing Future Generations

▼ Environment Communication

▶ Support for Employees' Social Contribution Activities

▶ Disaster Relief

▶ Disaster Recovery Support following the Great East Japan Earthquake

Environment Communication

Participation in Junior Eco-Club Nationwide Festival 2016

In March 2016, Mitsui Chemicals participated in the Junior Eco-Club* Nationwide Festival 2016 to help children learn more about the environment. On the day of the event, participants conducted experiments with containers full of water and a sheen of oil floating on top to see which substance could absorb the most oil-cotton or TAFNEL™ Oil Blotter™, a product made by Mitsui Chemicals that reduces environmental damage caused by accidental oil spills. A participant said, "I was surprised at the big difference materials make in the amount of oil that can be absorbed. I now understand how the power of chemistry can help make our oceans and rivers cleaner."

In addition, we held the same type of experiments during the Yonago Environment Festival 2015 in Yonago City to help provide opportunities for children to learn about the environment.

* Junior Eco-Club :

The Junior Eco-Club is a project run by the Japan Environment Association for the purpose of helping children participate in environmental preservation and learn more about the environment. To date, more than 2 million children have joined the club, and around 100,000 children registered in fiscal 2014. The Junior Eco-Club Nationwide Festival is an event where members who represent their community can introduce to each other the activities they have done through articles and drawings. The members also visit special booths set up by companies and interact with other members from around Japan.



Junior Eco-Club Nationwide Festival 2016



Yonago Environment Festival 2015

Wildlife survey on rice fields providing opportunities to learn about biodiversity

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 pests that inhabit rice fields, Mitsui Chemicals Group company, Mitsui Chemicals Agro, Inc. (MCAG), has been conducting the "Wildlife Survey on Rice Fields" using MCAG products since 2012.

Involved in the manufacture and sales of agrochemicals, MCAG surveys the effects of agrochemical use on wildlife in rice paddies, which leads to the improvement and development of products with low environmental burdens. Further, MCAG conducts surveys with the full support of customers, confirming that a wide variety of wildlife inhabit rice fields. We publish results summaries of these wildlife surveys that certify that rice was grown in rice paddies inhabited by a wide variety of wildlife, which contributes to adding value to local rice. Beginning from fiscal 2015, we have been holding events for farmers and neighboring elementary school children to participate in, providing them the opportunity to observe a wide variety of wildlife by going into the rice fields with them. Though initially finding rice fields a bit disgusting, the children soon began busily roaming through the fields in a scramble to grab the living things, which they showed each other with great enthusiasm.

In addition, Mitsui Chemicals and MCAG jointly put on Rice Field Wildlife exhibits during Kasumigaseki Tour Day for Children held in cooperation with the Ministry of Education, Culture, Sports, Science and Technology and other government agencies. We provide opportunities for children to observe wildlife not found in urban areas that inhabit rice fields, such as Chinese water scorpions and snails, which are displayed in aquariums. These displays also showcase the importance of engaging in rice cultivation that preserves biodiversity. Comments from children included: "I discovered that some frogs can climb trees while others cannot because of the shape of their fingers," "I was surprised how well diving beetles can swim," and "it was the first time I've seen a loach; I would like to try raising them at home."

Through these activities, the Mitsui Chemicals Group will provide opportunities for children to learn about nutrition and biodiversity.



Wildlife survey being conducted
at rice fields



Kasumigaseki Tour Day for Children



Children visiting a booth



A card game for learning about diversity distributed during Kasumigaseki Tour Day for Children



Exhibit panel

Social Contribution Activities

▶ Goals and Results

▶ Nurturing Future Generations

▶ Environment Communication

▼ Support for Employees' Social Contribution Activities

▶ Disaster Relief

▶ Disaster Recovery Support following the Great East Japan Earthquake

Support for Employees' Social Contribution Activities

The Mitsui Chemicals Group provides its support to foster human resources who maintain a keen awareness toward social issues and take it upon themselves to actively contribute to society.

One-Coin Club

We set up the One-Coin Club in November 2007. Employees who join the club choose an amount to be deducted from their wages or bonuses, which is then donated to organizations involved in social activities.

The club currently has around 811 members, who between them donated approximately ¥4.06 million to the fund in 2015. Donations were given to a total of 15 organizations involved in a range of social activities, based on proposals submitted by employees. Before being selected, organizations are reviewed by the One-Coin Club Management Committee, a voluntary panel made up of club members. The organizations receiving these donations have been selected based on an awareness of their connection to Mitsui Chemicals' businesses.

In fiscal 2015, we donated a total of ¥6 million in support of organizations and activities, via the One-Coin Club and matching donations from the company*.

In addition, we provided assistance for those affected by the Nepal Earthquake that struck on April 25, 2015 (¥1 million, includes matching gifts).

Furthermore, events are also held in collaboration with the organizations. Since 2012, we have been inviting the Guide Dog & Service Dog Association of Japan to "Family Day" held at the Head Office in Shiodome City Center on every third Sunday of November. During the event, this organization puts on a service dog demonstration. Serving as an opportunity to raise awareness of the important role played by service dogs, the demonstration is always a big hit with the guests. Since fiscal 2014, workers and management have participated in a walking event put on by the United Nations' World Food Programme, which affords employees an opportunity to help raise awareness of world hunger.

* Matching gifts :

The matching donation scheme is designed to encourage employees to get involved in social contribution activities. Whenever an employee makes a donation to a social or environmental organization, the company matches it with a donation of the same amount.



An event held by the United Nations' World Food Programme



The One-Coin Club Management Committee members



The One-Coin Club Management Committee

Support for Employee Volunteer Activities (Social Activity Leave pProgram)

In August 2008, we introduced a social activity leave program to provide support for employees participating in social activities, by enabling them to take paid leave up to two days a year. In fiscal 2015, employees used the program 194 times for a wide range of activities, including assisting with reconstruction following the Great East Japan Earthquake, coaching and supervising local baseball and soccer teams, and serving as officials for local governments.

To help employees get involved in voluntary relief activities, we have also been allowing employees since 2011 to take up to eight days special leave each year, so that they can engage in social activities aimed at providing disaster relief.

Participating in "Fureai" Programs and Concerts

We have been providing support for activities carried out by the "Fureai (Friendship) Trio", which aims to bring classical music to people throughout Japan, ever since 2003.

The Fureai Trio's activities focus on the three areas of education, culture and welfare. This includes "Fureai Programs" aimed at elementary school children who rarely get the opportunity to experience live music, "Fureai Concerts" designed to get more people interested in classical music, and "Fureai Markets" held in conjunction with social welfare facilities. The trio has put on 423 performances in 162 different towns and cities around Japan to date, encouraging over 98,000 people to get involved in exchange through music.

Employees and their families volunteered to assist with performances for disabled audiences in Osaka and Tokyo in fiscal 2015. The participants provided general assistance and helped members of the audience to share in the wonders of classical music, through activities such as trying to play the violin.



Visitors try playing the violin



The entire staff



Thank you notes from elementary schools where performance were held

CSR Activities at Mitsui Chemicals India

At Mitsui Chemicals India (MCIND), a CSR team was set up in fiscal 2014 to solicit CSR-related ideas from all employees, sort them by topic, and examine and discuss ways to pursue these ideas. In fiscal 2015, the team made a decision to begin CSR activities in India in four fields: 1) healthcare & family welfare, including Eye Screening Camp, 2) education, 3) water supply, including drinking water, and 4) sports & culture.



Cooperating NPOs in India



Eye Screening Camp

Social Contribution Activities

▶ Goals and Results

▶ Nurturing Future Generations

▶ Environment Communication

▶ Support for Employees' Social Contribution Activities

▼ Disaster Relief

▶ Disaster Recovery Support following the Great East Japan Earthquake

Disaster Relief

Whenever a major disaster occurs, we make every effort to engage in relief activities and provide support for social and charitable organizations, making the most of our strengths and unique characteristics as a company.

Disaster Relief Activities

Our disaster relief activities here at Mitsui Chemicals originated from suggestions submitted by employees, who wanted to help those affected by earthquakes and other major disasters by providing them with useful Mitsui Chemicals products. In fiscal 2009, we set up warehouses to store relief supplies at two of our sites – the Iwakuni-Ohtake Works (Yamaguchi Prefecture) to cover West Japan and the Mobara Branch Factory (Chiba Prefecture) to cover East Japan – and put in place the necessary framework to send out supplies upon request from local governments and other such organizations. We currently have stockpiles of items such as urethane mattresses (cushioned materials to lay on the floors of gymnasiums being used as evacuation shelters), waterproof tarps (to cover buildings damaged by water or landslides), and air cushions* (for use at evacuation shelters) at both of these warehouses and are ready to send them out whenever necessary.

As well as the support sent to the areas affected by the Great East Japan Earthquake in March 2011, emergency relief supplies were also forwarded to areas stricken by flooding and landslides after the torrential rains in eastern Japan caused the Kinu River to burst its banks. In an effort to provide support to people suffering in the wake of large-scale disasters and to play a role in the recovery of disaster-stricken areas, the Mitsui Chemicals Group is collaborating with various organizations including NPOs. In addition to the delivery of the Company's products to evacuation shelters in Joso City, Ibaraki Prefecture, many staff participated in volunteer activities.

Looking ahead, the Mitsui Chemicals Group is committed to providing relief that closely fits the needs of people in affected areas in the event of a disaster. In order to fulfill this commitment, the Group will work hand-in-hand with organizations including NPOs and promote the prompt delivery of emergency supplies the local authorities actually require.

* Air cushion :

Developed by Wako Plastic Industry Co., Ltd. in response to comments from people affected by the Great East Japan Earthquake, air cushions provide an alternative to pillows, conventional cushions, and mattresses. Boasting a host of features, air cushions provide sound protection and comfort against the hard and cold floors of evacuation shelters. Made from the polyethylene EVOLUE™ material manufactured by Prime Polymer Co., Ltd., a Mitsui Chemicals Group company, the cushioning properties of these air cushions can be adjusted using a single straw. These air cushions also withstand heavy loads and offer environmentally friendly properties.



※MCI=Mitsui Chemicals, Inc.

Distribution of Disaster Relief Supplies in Fiscal 2015

* Total: Approximately 1,250,000

Fiscal Year	Date	Location	Cause	Relief Supplies *	Volume
2015	September	Joso City, Ibaraki Prefecture	Flooding attributable to torrential rain	Blue sheets (large)	99
				Blue sheets (small)	100
				Urethane mattresses	209
				Plastic tanks	219
				Plastic wrapping paper	149
				Air cushions made from EVOLUE™	810



Relief supplies dispatched from the Company's warehouse



Relief supplies delivered to an evacuation shelter by an NPO



The Company's supplies distributed to children seeking relief at an evacuation shelter

Support following the Kumamoto Earthquake

The Kumamoto Earthquake that struck Japan in 2016 caused significant damage. The Mitsui Chemicals Group would like to express its heartfelt condolences to the victims of the disaster and especially to the those who lost the life of a family member or loved one.

Working hand-in-hand with the NPOs Team Rescue*¹ and Peace Winds Japan*², the Mitsui Chemicals Group was quick to assess conditions at the affected areas in the immediate wake of the disaster. The Group maintains a constant stock of supplies of its various materials at the warehouses of its various business sites. Following the Kumamoto Earthquake, the Group distributed relief supplies (details provided below) to Kumamoto City and Mashiki-machi. Working through customers of Group company Mitsui Chemicals Agro, Inc. similar relief supplies were also delivered. Furthermore, the Group took

steps to supply its TAFNEL™ Oil Blotter™*³ oil adsorbent products made from nonwoven fabrics at the request of the Ministry of Economy, Trade and Industry for use by the local emergency headquarters.

In addition, donations totaling ¥10 million were made through Kumamoto Prefecture to the people affected by the disaster and disaster-stricken areas. In recognition of these endeavors, the Mitsui Chemicals Group received letters of appreciation from the Governor of Kumamoto Prefecture, the Minister of State for Special Missions, and the Economy, Trade and Industry Minister. Complementing this initiative, the Group's employees also donated generously in the hope that the funds would support those in need.

Looking ahead, the Mitsui Chemicals Group will continue to consider and carry out ways to swiftly provide disaster relief support.

▶ Letter of appreciation from the Governor of Kumamoto Prefecture (PDF : 297KB) 

▶ Letter of appreciation from the Minister of State for Special Missions (PDF : 153KB) 

▶ Letter of appreciation from the Minister of the Economy, Trade and Industry (PDF : 17KB) 

Summary of Relief Supplies

Date Provided	Location	Contact	Details of Relief Supplies Provided
April 19	Musashi Elementary School and surrounding areas as well as residences in the East District of Kumamoto Prefecture	Team Rescue	<ul style="list-style-type: none"> Air cushions made from EVOLUE™ (1,000) Blue sheets (100)
April 17	Gymnasium in Mashiki-machi	Peace Winds Japan	<ul style="list-style-type: none"> Urethane mattresses (400) Blue sheets (250) Emergency water bags (1,000) Plastic wrapping film (70 rolls)
April 17	Support through customers of Sekisui Chemical Agro, Inc. in disaster-stricken areas		<ul style="list-style-type: none"> Urethane mattresses (100) Blue sheets (150) Emergency water bags (500) Plastic tanks (75)
April 26	Support through customers of Sekisui Chemical Agro, Inc. in disaster-stricken areas		<ul style="list-style-type: none"> Urethane mattresses (40) Blue sheets (100) Emergency water bags (500)
April 28	Local emergency headquarters	The Ministry of Economy, Trade and Industry of Japan	<ul style="list-style-type: none"> TAFNEL™ Oil Blotter™ (1,000)
May 6	Gymnasium in Mashiki-machi	Peace Winds Japan	<ul style="list-style-type: none"> Urethane mattresses (80) Blue sheets (50)
May 10	Musashi Elementary School and surrounding areas as well as residences in the East District of Kumamoto Prefecture	Team Rescue	<ul style="list-style-type: none"> Blue sheets (50)

*1 Team Rescue :

An NPO that engages in emergency relief support activities spearheaded by students

<http://teamrescue.jimdo.com/> 

*2 Peace Winds Japan :

An NGO that provides support to people ravaged by conflicts, disaster, and a variety of social issues including poverty

<http://peace-winds.org/en/> 

*3 TAFNEL™ Oil Blotter™ :

A mat-shaped oil adsorbent material made from a waterproof polypropylene-based nonwoven fabric that boasts special oil absorbency characteristics.

Social Contribution Activities

▶ Goals and Results

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▼ Disaster Recovery Support following the Great East Japan Earthquake

Disaster Recovery Support following the Great East Japan Earthquake

Laboratory class in the wonders of chemistry

As an ongoing activity that supports reconstruction after the Great East Japan Earthquake, we have continued working with an NPO* to organize a series of laboratory classes in the wonders of chemistry in Minamisanriku (Miyagi Prefecture) since 2013, getting lots of children to join in experiments using Mitsui Chemicals products.

In addition to making jumbo slime, which is a big hit every year, in 2015 we made freezer packs using urea produced by the Company. Through this experiment, the children learned about the principle of heat adsorption when urea is dissolved in water and were very excited about touching the freezer packs after becoming frozen.

A member of the NPO we are collaborating with felt that "the classroom experiments gave children in regions affected by the disaster an opportunity to learn and play outside of school." One of the volunteers visiting the affected area for the first time mentioned that "seeing the smiling faces of the children and people in the neighborhood gave me courage" and "being able to see first-hand the conditions in these areas was a good experience."

* NPO: Peace Winds Japan (PWJ) , Minamisanriku Reconstruction Network



Children making jumbo slime



Group photo

Minamisanriku Support Marché Opens at Tokyo Station

In cooperation with companies engaged in continuously supporting reconstruction efforts in Minamisanriku, Miyagi Prefecture, Mitsui Chemicals held the Minamisanriku Support Marché on December 25, 2015.

Along with raising awareness of what the recovery status of disaster-affected regions is five years after the earthquake and the importance of providing ongoing support, Minamisanriku Support Marché sold a selection of local specialty goods and new products for supporting reconstruction efforts with the aim of creating a place where urban dwellers can easily purchase goods from disaster-affected regions.



Minamisanriku Support Marché

Public Recognition

▼ Public Recognition

Here at the Mitsui Chemicals Group, we are committed to a wide range of initiatives both in Japan and overseas, including improving safety standards, reducing environmental impact and research activities. As a result of these initiatives, we have received a number of awards and commendations in recognition of our achievements.

Public Recognition

Mitsui Chemicals Receives 2015 Japan Chemical Industry Association RC Special Recognition Award

Recognized for the Responsible Care (RC) activities of its domestic and overseas affiliates, the RC Group of Mitsui Chemicals' RC & Quality Assurance Division was awarded the Japan Chemical Industry Association ("JCIA") RC Special Recognition Award on May 28, 2015.

The Japan Chemical Industry Association (JCIA) RC Award recognizes outstanding achievements or contributions by offices and individuals in an effort to expand RC activities in the chemicals industry.

RC & Quality Assurance Division oversees responsible care activities undertaken throughout the Mitsui Chemical Group, recognizes achievements in the area of responsible care activities by domestic and overseas affiliates, and fosters cooperative relationships among affiliates by holding SHE (safety, health, environment) conferences in each region. In addition, the Mitsui Chemicals Group is promoting unified responsible care activities by using the revisions to the Responsible Care Global Charter (May 2014) as an opportunity to formulate the Responsible Care Shiodome Manifesto, a declaration that promotes the Group's basic RC policies and frameworks for domestic and overseas subsidiaries and affiliates.

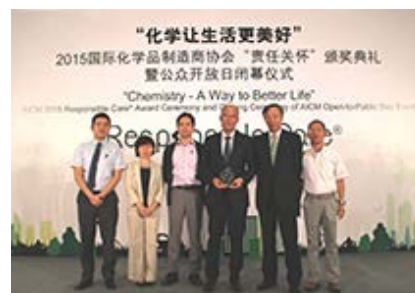


Award ceremony

Mitsui Chemicals Presented RC Merit Award by Chinese Association of International Chemical Manufacturers

The RC Merit Award was presented to the Mitsui Chemicals Group by the Chinese Association of International Chemical Manufacturers (AICM)* on June 9, 2015 in recognition of the Group's extensive RC activities in China. The RC Merit Award was established in 2013 in order to honor member companies with distinguished track records in the area of responsible care activities that contribute to the sustainable development of the Chinese chemical industry and Chinese society as a whole. The award was presented to the Mitsui Chemicals Group in recognition of safe operations and environmentally friendly production activities being undertaken by Group companies in China, the annual compilation and reporting of related safety/environment results data, and the support it provides to AICM by submitting assessments to the Chinese government regarding chemical regulations in China. The award also recognizes the Group's contributions to the next generation in China mainly through sponsored national university student chemical design contests.

The RC & Quality Assurance Division will work together each Mitsui Chemicals Group company with the aim of promoting responsible care activities in each region.



Award ceremony

Most notably, the Mitsui Chemicals Group has provided. It has also sponsored national university student chemical design contests held by organizations such as the Chemical Industry and Engineering Society of China (IESC) and China Education Association of Chemical Industry (CEACI). The Group made substantial donations to rebuild a very much needed elementary school in the suburbs of Shanghai. These and other social activities were recognized as important contributions to the sustainable development of the chemical industry and society in China.

* AICM (Association of International Chemical Manufacturers) :
An industrial organization representing foreign-owned chemicals companies operating in China

Mitsui Chemicals Agro Researcher Receives “Society Award for Prominent Achievement in Research” from Pesticide Science Society of Japan

Toshifumi Nakao, a chief scientist of Mitsui Chemical affiliate Mitsui Chemicals Agro, Inc.’s Agrochemicals Research Center, was awarded the FY2015 “Society Award for Achievement in Research” from the Pesticide Science Society of Japan for his research in “Study on Structure and Insecticide Sensitivity of RDL GABA Receptor”.

Being the only Japanese society devoted to the comprehensive study of crop protection and agricultural chemicals, the Pesticide Science Society of Japan presents the “Society Award for Achievement in Research” as an authoritative award in recognition of outstanding research achievements in these areas. The Society’s coveted awards are rarely presented to corporate scientists, so the Society’s recognition of Toshifumi Nakao’s research has garnered attention from scientists around the world.



Mitsui Chemicals Agro
Mr. Shunji Nakao

A Research Officer of the Company’s Safety & Environment Technology Division Receives the Encouragement Award from the Japan Society for Safety Engineering

Yukie Nakamura, a chief scientist of the Company’s Process Safety Technology Group and Safety & Environment Technology Division received the Encouragement Award from the Japan Society for Safety Engineering in recognition of her work on a study of influential factors on thermal stability of acrylic acid on May 28, 2015.

Details of this award, which is presented to research officers under the age of 35 who are expected to excel in the future, were announced during a research paper presentation meeting of the Japan Society for Safety Engineering. Taking into consideration accidents at acrylic acid chemical plants in recent years, the Encouragement Award is also an acknowledgement of the Mitsui Chemicals Group’s efforts to assess the dangers associated with chemicals substances as well as endeavors aimed at preventing accidents together with the Group’s high level of awareness toward safety.



Ms. Yukie Nakamura,
Safety & Environment Technology
Division

Main awards received from third parties in FY2015

Recipient	Date	Award	Reason for Award	Awarding body
Mitsui Chemicals, Inc.	Apr. 2015	Certificate of Appreciation	Awarded for provision of relief supplies to landslide affected areas	The Hiroshima City Council of Social Welfare
Mitsui Chemicals, Inc.	May. 2015	RC Special Recognition Award	Awarded for company-wide responsible care activities undertaken by affiliated companies	Japan Chemical Industry Association
Mitsui Chemicals, Inc.	May 2015	The Japan Society for Safety Engineering Encouragement Award	Awarded for research work on influential factors on thermal stability of acrylic acid	The Japan Society for Safety Engineering
Mitsui Chemicals, Inc.	June 2015	Award for Best Papers	Awarded for improving employee wellness through weight loss programs	Japan Society for Occupational Health
Mitsui Chemicals, Inc.	Jul. 2015	RC Merit Award	Awarded for responsible care activities	Association of International Chemical Manufacturers (AICM, industrial organization of foreign-owned companies operating in China)

Mitsui Chemicals, Inc.	Dec. 2015	Top 100 Global Innovators	Awarded for intellectual property strategy and activities	Thompson Reuters
Mitsui Chemicals, Inc.	Feb. 2016	Environmental Report Section Award of Merit	Awarded for the CSR Communication Report 2015	Japanese Ministry of the Environment and the Global Environmental Forum (GEF)
Mitsui Chemicals, Inc.	Mar. 2016	Award for Companies Promoting Experience-based Learning Activities for the Youth	Awarded for the “Laboratory class in the Wonders of Chemistry” for children	Japanese Ministry of Education, Culture, Sports, Science and Technology
Mitsui Chemicals, Inc.	Mar. 2016	Catalysis Society of Japan Award for Education	Awarded for youth catalyst and other science-related education activities	Catalysis Society of Japan
Mitsui Chemicals, Inc. Ichihara Works	Oct. 2015	Fiscal 2015 Initial Fire Fighting Competition Fire Extinguisher Category Merit Award	Recognition of safety technology	IBA
Mitsui Chemicals, Inc. Ichihara Works	Nov. 2015	Outstanding Boiler Engineering Award (Chairman’s Award)	Awarded for outstanding management in such areas as safety control systems, status of inspection/maintenance and safe operations	Japan Boiler Association
Mitsui Chemicals, Inc. Ichihara Works Mobara Branch Factory	Jul. 2015	Fiscal 2015 Kanto Regional Mining Safety Award (Mine Category)	Awarded for maintaining mining safety, and preventing mining accidents and pollution	Kanto Tohoku Industrial Safety and Inspection Department, Ministry of Economy, Trade and Industry
Mitsui Chemicals, Inc. Ichihara Works Mobara Branch Factory	Sep. 2015	39th Chiba Prefecture Breathing Apparatus Drills Chiba Prefecture Governor’s Award (Merit Award)	Recognition of safety technology	Chiba Prefecture Fire Fighting School
Mitsui Chemicals, Inc. Sodegaura Center	Oct. 2015	National Industrial Safety and Health Convention Green Cross Award	Awarded for efforts to improve industrial safety	Japan Industrial Safety & Health Association
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Jul. 2015	Japanese Ministry of Health, Labour and Welfare Railway Freight Award	Recognition of railway transport contributions	Railway Freight Association
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Oct. 2015	YKHK Yamaguchi Prefecture Governor’s Award	Recognition of safety technology	YKHK
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Nov. 2015	Hiroshima Prefecture Industrial Health & Safety Conference Achievement Award	Recognition of efforts to improve occupational health	Hiroshima Prefecture Labor Standards Association
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Nov. 2015	Outstanding Boiler Engineering Award	Awarded for outstanding management in such areas safety control systems, status of inspection/maintenance and safe operations	Japan Boiler Association

Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Oct. 2015	National Industrial Safety and Health Convention Green Cross Award	Recognition of efforts to improve industrial safety and occupational health	Japan Industrial Safety & Health Association
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works	Nov. 2015	Japan Petrochemical Industry Association Maintenance Award	Outstanding workers	Japan Petrochemical Industry Association
Mitsui Chemicals, Inc. Iwakuni-Ohtake Works Tokuyama Branch factory	Jul. 2015	Labor Standards Association Tokuyama Branch Merit Award	Recognition of efforts to improve occupational health	Tokuyama Region Industrial Health & Safety Association
Mitsui Chemicals Agro, Inc.	June 2015	Society Award for Prominent Achievement in Research	Awarded for research on Study on Structure and Insecticide Sensitivity of RDL GABA Receptor	Pesticide Science Society of Japan
Mitsui Chemicals Tohcello, Inc.	Feb. 2016	3rd Food Industry "Mottainai" Grand Prize, Minister of Agriculture, Forestry and Fisheries Award	Awarded for initiatives to reduce food loss through the manufacture and sale of its freshness retention film	Japan Organics Recycling Association
Du Pont-Mitsui Polychemicals Co., Ltd.	May. 2015	Tokuboren Chairman's Award	Outstanding workers	Iwakuni/Ohtake Region Special Disaster Prevention Council
Du Pont-Mitsui Polychemicals Co., Ltd.	May. 2015	Safety Person of Merit Award	Outstanding workers	Iwakuni/Ohtake Region Special Disaster Prevention Council
Sun Medical Co., Ltd.	June 2015	Fire and Disaster Management Agency Secretary Awards	Outstanding business facility related to handling hazardous substances	Fire and Disaster Management Agency
Yamamoto Chemicals, Inc.	June 2015	Fire and Disaster Management Agency Secretary Awards	Outstanding business facility related to handling hazardous substances	Fire and Disaster Management Agency
Shimonoseki Mitsui Chemicals, Inc.	Jul. 2015	Shimonoseki Fire Department Handling Methods Competition Fire Engine Category Winner	Recognition of safety technologies	Shimonoseki Fire Department
Tianjin Cosmo Polyurethane Co., Ltd. Tianjin Works (China)	Jan. 2016	8.12 Safe Production Emergency Rescue Special Contribution Award	Awarded for disaster relief activities	Development Zone Safety Administration Agency (China)
Tianjin Cosmo Polyurethane Co., Ltd. Tianjin Works (China)	Jan. 2016	2015 Safe Production Outstanding Team	Recognition of its safe production track record	Development Zone Safety Administration Agency (China)
Siam Mitsui PTA Co., Ltd. (Thailand)	Jul. 2015	Excellent safety workplace, National level	Awarded for maintaining workplace safety	Ministry of Labor and Welfare (Thailand)
Siam Mitsui PTA Co., Ltd. (Thailand)	Aug. 2015	ECO Factory	Awarded for its eco-friendly production	The Industrial Environment Institute The Federation of Thai Industries.

Siam Mitsui PTA Co.,Ltd.(Thailand)	Aug. 2015	3Rs Management Award	Recognition of its 3R activities	Department of Industrial Work (DIW)(Thailand)
Siam Mitsui PTA Co.,Ltd.(Thailand)	Aug. 2015	Zero Waste to Landfill Achievement Award	Awarded for eliminating landfill waste	Department of Industrial Work (DIW)(Thailand)
Siam Mitsui PTA Co.,Ltd.(Thailand)	Sep. 2015	CSR - DIW Continuous Award 2015	Contributions to local communities	Department of Industrial Works, Ministry of Industry(Thailand)
Siam Mitsui PTA Co.,Ltd.(Thailand)	Jul. 2015	Carbon footprint product	Product lifecycle CO ₂ emission volumes	Thailand Greenhouse Gas Management Organization
Thai Pet Resin Co.,Ltd(Thailand)	Apr. 2015	3Rs Management Award	Recognition of its 3R activities	Department of Industrial Work (DIW)(Thailand)
Thai Pet Resin Co.,Ltd(Thailand)	Aug. 2015	Zero Waste to Landfill Achievement Award	Awarded for eliminating landfill waste	Department of Industrial Work (DIW)(Thailand)
Thai Pet Resin Co.,Ltd(Thailand)	Mar. 2016	White flag Green Star & Golden Star	Awarded for its safety and environmental activities	Industrial Estate Authority of Thailand (IEAT)
Thai Pet Resin Co.,Ltd(Thailand)	Aug. 2015	ECO Factory	Awarded for its eco-friendly production activities	The Federation of Thai Industries (FTI)
Thai Pet Resin Co.,Ltd(Thailand)	Aug. 2015	Zero Accident Campaign Award	No major accidents	Ministry of Labour (Thailand)
Thai Pet Resin Co.,Ltd(Thailand)	June 2015	National Occupational Health and Safety Award	Awarded for its safety and environmental activities	Ministry of Labour (Thailand)
Thai Pet Resin Co.,Ltd(Thailand)	Mar. 2016	TPM Special Award	Awarded for its production management activities	Japan Institute of Plant Maintenance(JIPM)
Mitsui Hygiene Materials Co., Ltd. (Thailand)	Sep. 2015	CSR - DIW Continuous Award 2015	Contributions to local communities	Department of Industrial Works, Ministry of Industry(Thailand)
Mitsui Hygiene Materials Co., Ltd. (Thailand)	Oct. 2015	The Outstanding Establishment on Labor Relations & Welfare for Year 2015	Awarded for its labor welfare initiatives	Ministry of Labour(Thailand)
Mitsui Hygiene Materials Co., Ltd. (Thailand)	Jul. 2015	The Certificate of Good Safety Performance (National Level)	Awarded for its labor safety initiatives	Department of Labour Protection and Welfare, Ministry of Labour(Thailand)
Mitsui Hygiene Materials Co., Ltd. (Thailand)	Jul. 2015	Zero Accident Award	No accidents record	Department of Labour Protection and Welfare, Ministry of Labour(Thailand)
Mitsui Hygiene Materials Co., Ltd. (Thailand)	Dec. 2015	The Certificate of Corporate Good Governance Award in 2014	Excellent efforts in corporate governance	Department of Business Developments(Thailand)
ESCO COMPANY, LLC(U.S.A.)	Jul. 2015	Performance Improvement Award	Awarded for its safety and environmental activities	Society of Chemical Manufacturers & Affiliates(SOCHMA)

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ESG Performance Data

► [ESG Performance Data](#)

External Assessments

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EGS Approach and Initiatives

Based on its approach toward the environment, society, and governance (ESG), the Mitsui Chemicals Group actively engages in a wide range of CSR activities.

The following table summarizes the Group's approach toward the environment, society, and governance and presents details of certain activities. Please click the relevant section to peruse pertinent details.

Category		Corresponding Sections
Corporate Governance		Our Approach to Corporate Governance
		The Status of Corporate Governance Initiative Implementation
Key Issues (Materiality)		Key Issues and the Mitsui Chemicals Group's Response
CSR in the Mitsui Chemicals Group	Toward the Sustainable Development of Society	Toward the Sustainable Development of Society
	CSR Management	CSR Management
	Creating a Better Future with Blue Value™	Trends in Blue Value™ Product Sales
	Commitment to ISO 26000	Commitment to ISO 26000
	UN Global Compact	The 10 principles of the UN Global Compact
Main Products that Contribute to Harmony with the Environment and Sustainable Development		Main Products that Contribute to Harmony with the Environment and Sustainable Development
Risk and Compliance	Goals and Results	Goals and Results
	Risk Management Policy	Risk Management Policy
	Risk Prevention Measures	Risk Hotline statistics
	Responsible Care Policy and Management	Goals and Results
		Responsible Care Policy
		Results of Responsible Care Audits in Fiscal 2015
	Process Safety and Disaster Prevention	Goals and Results
	Occupational Health and Safety	Goals and Results
		Frequency of DAFWCs (All industries / chemical industry / Mitsui Chemicals)
		Frequency of Work-related Significant Occupational Injuries for the Mitsui Chemicals Group (Mitsui Chemicals < employees + operation subcontractors >)
		KY training sessions
		Goals and Results
		Greenhouse Gas Emissions (Mitsui Chemicals Non-consolidated and 15 Domestic Consolidated Subsidiaries)
		Per-Unit Energy Consumption (Mitsui Chemicals Non-consolidated)
		Scope 3 CO₂ Emissions (Mitsui Chemicals Non-consolidated Fiscal 2014 Emissions)

Responsible Care	Environmental Protection	The industrial waste process (Fiscal 2015 Mitsui Chemicals non-consolidated)
		Average landfill disposal rate for industrial waste
		The process of reducing industrial waste disposal (fiscal 2015)
		PRTR data for individual sites (Kashima Works / Ichihara Works / Mobara Branch Factory / Nagoya Works / Osaka Works / Iwakuni-Ohtake Works / Tokuyama Branch factory / Omuta Works / Sodegaura Center)
		Emissions of substances subject to the PRTR Act (Mitsui Chemicals)
		Preserving air quality with respect to five items
		Philosophy on Water Resources
		Preserving water quality with respect to five items
		Biodiversity
		Trends in environmental accounts (Scope of compilation: Domestic manufacturing sites)
		Environmental preservation costs
		Impact of environmental activities
		Economic impact of environmental initiatives
		INPUT ⇒ OUTPUT data (Mitsui Chemicals)
		INPUT ⇒ OUTPUT data (domestic subsidiaries and affiliates)
		INPUT ⇒ OUTPUT data (overseas affiliates and subsidiaries)
		INPUT⇒OUTPUT Data for Individual Sites (Kashima Works / Ichihara Works / Mobara Branch Factory / Nagoya Works / Osaka Works / Iwakuni-Ohtake Works / Tokuyama Branch factory / Omuta Works / Sodegaura Center)
	Chemicals Management	Goals and Results
	Quality	Goals and Results
	Logistics	Goals and Results
	Respect for Human Rights	Basic Philosophy on Human Rights
	Working with Our Customers	In order to Satisfy Customers
	Working with Our Suppliers	Goals and Results
		Purchasing Policy
		CSR Procurement
		Fiscal 2013 CSR Survey Results Distribution
		Execution rate by item
	Working with Our Shareholders and Investors	Goals and Results
		Basic Policy on Profit Sharing
		Goals and Results
		Our approach to human resource development
		Fiscal 2015 trainee results

Communication with Society	Working with Our Employees	Ratio of Evaluation Feedback Provided and Degree of Satisfaction
		List of Support Programs
		Use of Childcare and Nursing Care Leave
		Ratio of Female Employees
		Enabling employees with disabilities to reach their full potential in the workplace
		Positive Diagnosis Results
		Breakdown of Days Off due to Illness
		New Workplace Stress Survey Results
		Sick / accident allowances Legally mandated benefits
	Working with Industry, Government, and Academia	Goals and Results
	Working with Local Communities	Goals and Results
	Social Contribution Activities	Goals and Results
		Laboratory Classes in the Wonders of Chemistry Experiments
		Distribution of Disaster Relief Supplies in Fiscal 2015
		Support following the Kumamoto Earthquake Summary of Relief Supplies
	Public Recognition	Main awards received from third parties in FY2015
Survey Index		ESG Performance Data
		External Assessments
Guideline Cross-Reference Tables		GRI Guidelines Cross-reference List
		Commitment to ISO 26000

ESG Performance Data

The Mitsui Chemicals Group continues to field requests from its various stakeholders including research organizations for the disclosure of a wide range of performance data in connection with the Group's CSR activities. The Group discloses five years' worth of data focusing mainly on environmental, social, and governance concerns.

Looking ahead, the Mitsui Chemicals Group will upgrade and expand information in a bid to fulfill its disclosure and accountability.

Environment-Related

						Unit
	2011	2012	2013	2014	2015	FY
Environmental protection investment	50	13	22	12	14	million yen
Environmental protection expenditure	204	186	223	238	222	million yen
Greenhouse Gas Emissions	467	453	449	428	469	ten thousand tons
Waste Generated	169654	166784	146816	144909	148496	tons
Off-site landfill	470	543	293	381	655	tons
Average landfill disposal rate for industrial waste (Mitsui Chemicals)	0.28	0.33	0.20	0.38	0.44	%
Average landfill disposal rate for industrial waste (Off-site domestic consolidated subsidiaries)	0.30	0.26	0.18	0.16	0.17	%
Average landfill disposal rate for industrial waste (Overseas consolidated subsidiaries)	0.59	0.62	0.30	0.38	0.39	%
Emissions of substances subject to the PRTR Act	1692	1414	1338	1214	1099	tons
Emissions of hazardous air pollutants	32	26	28	24	24	tons
Volatile Organic Compounds (VOC) emissions	2572	2029	2095	2235	2018	tons
NOx emissions	2944	2851	2782	2924	2786	tons
SOx emissions	647	652	432	329	374	tons
Soot and dust emissions	134	119	138	130	123	tons
Total nitrogen emissions	987	1169	1143	948	867	tons
Total phosphorous emissions	31	30	32	35	39	tons
COD emissions	1068	1142	1042	1029	1032	tons
Water consumption	101	99	102	97	99	million m ³
Wastewater	58	58	62	61	61	million m ³
INPUT: Total fuel heat (INPUT / OUTPUT Mitsui Chemicals)	78424	73900	72000	68940	71600	thousand GJ
INPUT: Raw Materials (INPUT / OUTPUT Mitsui Chemicals)	7155	6729	5300	5422	5272	thousand tons
INPUT: Others (INPUT / OUTPUT Mitsui Chemicals)	30	36	35	33	38	thousand tons

INPUT: Tap water (INPUT / OUTPUT Mitsui Chemicals)	0.7	0.7	0.7	0.7	0.7	million m ³
INPUT: Underground water (INPUT / OUTPUT Mitsui Chemicals)	1.2	1.1	1.2	1.2	1.1	million m ³
INPUT: Industrial water (INPUT / OUTPUT Mitsui Chemicals)	99.2	97.6	99.8	95.7	97.1	million m ³
INPUT: Sea water (INPUT / OUTPUT Mitsui Chemicals)	355.8	354.1	351.9	368.7	374.2	million m ³
OUTPUT: Products shipped (INPUT / OUTPUT Mitsui Chemicals)	5277	5479	5365	5656	5526	thousand tons
OUTPUT: GHG (INPUT / OUTPUT Mitsui Chemicals)	4462	4300	4242	4037	4120	thousand tons
OUTPUT: Fluorocarbons (INPUT / OUTPUT Mitsui Chemicals)	6	5	4	5	5	tons
OUTPUT: NOx (INPUT / OUTPUT Mitsui Chemicals)	2944	2850	2782	2924	2786	tons
OUTPUT: SOx (INPUT / OUTPUT Mitsui Chemicals)	646	652	432	329	374	tons
OUTPUT: Hazardous air pollutants (INPUT / OUTPUT Mitsui Chemicals)	34	26	28	24	24	tons
OUTPUT: VOC (INPUT/OUTPUT Mitsui Chemicals)	2655	2029	2095	2235	2018	tons
OUTPUT: Soot and dust (INPUT / OUTPUT Mitsui Chemicals)	113	119	138	130	123	tons
OUTPUT: Total industrial waste (INPUT / OUTPUT Mitsui Chemicals)	109	113	89.1	88.7	86.1	thousand tons
OUTPUT: External recycling (INPUT / OUTPUT Mitsui Chemicals)	68	77	60	62.9	59.3	thousand tons
OUTPUT: External landfill (INPUT / OUTPUT Mitsui Chemicals)	0.5	0.5	0.3	0.4	0.7	thousand tons
OUTPUT: COD (INPUT / OUTPUT Mitsui Chemicals)	1068	1142	1042	1029	1032	tons
OUTPUT: Total nitrogen (INPUT / OUTPUT Mitsui Chemicals)	987	1170	1143	948	867	tons
OUTPUT: Total phosphoroust (INPUT / OUTPUT Mitsui Chemicals)	30	30	32	35	39	tons
OUTPUT: Effluent (INPUT / OUTPUT Mitsui Chemicals)	429	432	428	446	453	million m ³

Society-Related

						Unit
	2011	2012	2013	2014	2015	FY
Total number of employees (male and female)	7633	7266	7129	6931	6733	persons
(Male)	6760	6418	6284	6104	5925	persons
(Female)	873	848	845	827	808	persons
Number of women in manager positions	125	133	140	155	181	persons

Ratio of female employees	11.4	11.7	11.9	11.9	12.0	%
Ratio of women in line manager or higher positions	1.5	1.6	1.6	1.8	2.0	%
Ratio of women in manager positions	4.0	4.2	4.9	5.4	6.2	%
Ratio of union members	54.2	54.9	54.2	53.0	50.0	%
Employee turnover rate	5.18	6.41	3.45	4.30	5.13	%
Voluntary retirement turnover rate	0.41	0.43	0.48	0.63	0.51	%
Number of people with disabilities employed	155	155	165	163	168	persons
Rate of employment for people with disabilities	1.9	1.8	2.2	2.1	2.2	%
Annual paid leave take-up rate	72.6	72.7	70.5	70.8	76.4	%
Number of employees taking childcare leave	79	71	69	96	95	persons
(Female)	21	23	19	29	33	persons
(Male)	58	48	50	67	62	persons
Number of employees taking family care leave	0	1	1	1	0	persons
Health management positive diagnosis results	Please see separate graph.					
Breakdown of days off due to illness	Please see separate graph.					
Number of employees taking social activity leave program	213	194	201	175	194	persons

Frequency of DAFWCs	Please see separate graph.					
Frequency of Work-related Significant Occupational Injuries for the Mitsui Chemicals Group	0.22	0.49	0.24	0.18	0.30	%
(Japan)	0.22	0.46	0.08	0.17	0.29	%
(Overseas)	0.21	0.64	0.82	0.24	0.32	%
KY training sessions (Domestic Subsidiaries & Affiliates)	6 sessions	209 attendees at 8 sessions	157 attendees at 8 sessions	206 attendees at 12 sessions	347 attendees at 15 sessions	
KY training sessions (Overseas Subsidiaries & Affiliates)	4 sessions	123 attendees at 2 sessions	201 attendees at 7 sessions	160 attendees at 7 sessions	56 attendees at 4 sessions	

Governance-Related

	2011	2012	2013	2014	2015	Unit
Number of directors	11	10	10	9	8	persons
Outside directors (number of independent directors)	2 (2)	2 (2)	2 (2)	2 (2)	3 (3)	persons

Women directors	1	1	1	1	1	persons
R&D expenses	332	320	336	325	315	billion yen
Ratio of R&D expenses to net sales	2.3	2.3	2.1	2.1	2.3	%
Risk Hotline statistics	7	12	11	11	7	cases
Japan: Exclusion recommendations from relevant authorities, such as Fair Trade Commission (No. of cases)	0	0	0	0	0	cases
Japan: Operations / sales halted due to misconduct (No. of cases)	0	0	0	0	0	cases
Japan: Filing of criminal charges in compliance-related accidents/incidents (No. of cases)	0	0	0	0	0	cases
Overseas: Detection following price cartel (No. of cases)	0	0	0	0	0	cases
Overseas: Detection following bribery (No. of cases)	0	0	0	0	0	cases
Overseas: Detection following other incidents (No. of cases)	0	0	0	0	0	cases

External Assessments

Socially Responsible Investment (SRI) Indices

The Mitsui Chemicals Group is listed as a constitute company in the following SRI indices (as of September 2016) based on evaluations of its initiatives aimed at the sustainable development of society and the Mitsui Chemicals Group.

FTSE4Good Index Series

FTSE4Good Global Index was developed by FTSE Russell of the London Stock Exchange Group. This index selects companies based on evaluations of their initiatives in the areas of environmental management, climate change, human & labor rights, supply chain labour standards, and countering bribery.

► [FTSE4Good](#) 



Morningstar Socially Responsible Investment Index (MS-SRI)

The first socially responsible investment index in Japan, MS-SRI consists of 150 leading Japanese companies that have been evaluated and selected by Morningstar Japan K.K. among enterprises listed on domestic stock exchanges.

► [Morningstar Socially Responsible Investment Index](#) 



Chosen Number 1 in the Best CEO and Best Investor Relations Program Categories

A world renowned American financial magazine established in 1967, Institutional Investor announced on May 31, 2016 the selection of Mitsui Chemicals as No. 1 among 28 chemical companies in the Best CEO and Best Investor Relations Program categories within the 2016 All-Japan Executive Team.

Commencing this survey in 2013, Institutional Investor selects listed Japanese companies who engage in outstanding IR activities in 25 industries based on votes submitted by 570 global institutional investors and securities analysts. The Mitsui Chemicals Group will continue creating opportunities to interact with shareholders and investors in order to deepen understanding of its efforts to solve social problems through its business activities.



Guideline Cross-Reference Tables

GRI Guidelines Cross-reference List

► [GRI Guidelines Cross-reference List](#)

Commitment to ISO 26000

► [Commitment to ISO 26000](#)

GRI Guidelines Cross-reference List

An official partner of the United Nations Environment Programme (UNEP) based in the Netherlands, the Global Reporting Initiative (GRI) is an NGO whose purpose is to develop and promote guidelines relating to corporate sustainability reports. The GRI Guidelines are a set of international guidelines for businesses, to ensure that they take environmental and social factors into consideration as part of the process of economic development.

The following table shows booklets/web sections corresponding to items of the GRI Guidelines.

* Complies with the “Core” option of the GRI Sustainability Reporting Guidelines G4.

GENERAL STANDARD DISCLOSURES

Indicators		Corresponding Sections	Remarks
Strategy and Analysis			
G4-1	Statement from the most senior decision-maker of the organization	<ul style="list-style-type: none"> ■ Message from the President 	
G4-2	Description of key impacts, risks, and opportunities	<ul style="list-style-type: none"> ■ Key Issues (Materiality) ■ Toward the Sustainable Development of Society ■ CSR Management ■ Creating a Better Future with Blue Value™ ■ Risk and Compliance ■ Responsible Care Implementation ■ Initiatives to Prevent Major Accidents 	
Organizational Profile			
G4-3	Name of the organization	<ul style="list-style-type: none"> ■ Corporate Overview 	
G4-4	Primary brands, products and services	<ul style="list-style-type: none"> ■ The Mitsui Chemicals Group's Business Portfolio ■ CSR TOPICS 2015 ■ Business & Products ■ Main Products that Contribute to Harmony with the Environment and Sustainable Development 	
G4-5	Location of the organization's headquarters	<ul style="list-style-type: none"> ■ Corporate Overview 	
G4-6	Number and names of countries where the organization operates	<ul style="list-style-type: none"> ■ Overseas Subsidiaries & Affiliates ■ Public Recognition ■ Responsible Care Audits 	
G4-7	Nature of ownership and legal form	<ul style="list-style-type: none"> ■ Corporate Overview 	
G4-8	Markets served	<ul style="list-style-type: none"> ■ Overseas Subsidiaries & Affiliates ■ Fact Book 	
G4-9	Scale of the reporting organization	<ul style="list-style-type: none"> ■ Corporate Overview ■ Fact Book ■ INPUT⇒OUTPUT 	Number of employees(consolidated) : 13,447 Subsidiaries & Affiliates : 131(Domestic:47, Overseas:84)

G4-10	Details of workforce	<ul style="list-style-type: none"> ■ Corporate Overview ■ Overseas Subsidiaries & Affiliates ■ Other data ■ Promoting Diversity 	
G4-11	Percentage of total employees covered by collective bargaining agreements	—	
G4-12	organization's supply chain	<ul style="list-style-type: none"> ■ Key Issues (Materiality) 	We have formulated the Mitsui Chemicals Group Purchasing Policy in Japanese, English, and Chinese. The policy expresses the Group's purchasing approach, which is detailed in the CSR Procurement survey. In addition, the Group is a signatory to and actively participates in the UN Global Compact as well as applies these principles to its supply chain management.
G4-13	Significant changes during the reporting period	—	
G4-14	Whether and how the precautionary approach or principle is addressed by the organization	<ul style="list-style-type: none"> ■ Commitment to ISO 26000 ■ Risk and Compliance ■ Chemicals Management ■ Promotion of Chemicals Management 	
G4-15	Externally developed charters, principles, or other initiatives to which the organization subscribes or endorses	<ul style="list-style-type: none"> ■ UN Global Compact ■ Commitment to ISO 26000 ■ Biodiversity 	<p>The Mitsui Chemicals Group has made commitments to such industrial organizations as the UN Global Compact, International Council of Chemical Associations (ICCA), Japan Chemical Industry Association (JCIA), Japan Petrochemical Industry Association (JPIA), and Japan Business Federation (Keidanren).</p> <ul style="list-style-type: none"> ● UN Global Compact 
G4-16	Memberships of associations and national or international advocacy organizations	<ul style="list-style-type: none"> ■ Status of CO₂ fixation technologies ■ Promotion of Chemicals Management ■ Promoting Joint Research Projects ■ Promoting Global Collaboration ■ Cooperating in educator training by private-sector companies 	<p>Currently, the president of Mitsui Chemicals serves as the commissioner of the ICCA and vice chair of the JCIA, an organization of chemical companies of which Mitsui Chemicals is a member. The president also chairs the JPIA. The Company has also formulated and is implementing an action plan as part of Keidanren's commitment to a low carbon society and is developing its own concrete plans based on these targets. Moreover, Mitsui Chemicals is a signatory to the UN Global Compact and participates in the Global Compact Network Japan.</p> <ul style="list-style-type: none"> ● Global Compact Network Japan 
Identified Material Aspects and Boundaries			
G4-17	All entities included in the organization's financial statements or equivalent documents	<ul style="list-style-type: none"> ■ Organization 	
G4-18	Process for defining report content and Boundaries	<ul style="list-style-type: none"> ■ CSR Report 2016 Editorial Policy 	

G4-19	All the material Aspects identified in the process for defining report content	<ul style="list-style-type: none"> ■ Toward the Sustainable Development of Society ■ Key Issues (Materiality) 	
G4-20	Report the Aspect Boundary within the organization	<ul style="list-style-type: none"> ■ CSR Report 2016 Editorial Policy 	
G4-21	Report the Aspect Boundary outside the organization	<ul style="list-style-type: none"> ■ CSR Report 2016 Editorial Policy 	
G4-22	The effect of any restatements of information provided in previous reports, and the reasons for such restatements	—	
G4-23	Significant changes from previous reporting periods in the Scope and Aspect Boundaries	—	
Stakeholder Engagement			
G4-24	Stakeholder groups engaged by the organization	<ul style="list-style-type: none"> ■ Disclosure of Information to Shareholders and Investors ■ Dialog with Local Communities ■ Nurturing Future Generations 	
G4-25	Basis for identification and selection of stakeholders	<ul style="list-style-type: none"> ■ Communication with Society 	
G4-26	Approach to stakeholder engagement	<ul style="list-style-type: none"> ■ Quality Improvement Initiatives ■ CSR Procurement ■ Disclosure of Information to Shareholders and Investors ■ Dialog with Local Communities ■ Nurturing Future Generations ■ Environment Communication 	
G4-27	Key topics and concerns raised through stakeholder engagement	<ul style="list-style-type: none"> ■ Special Feature - Lecture on the Creation of Long-Term Corporate Value by Mr. Eiichiro Adachi ■ Safety Initiatives 	
Report Profile			
G4-28	Reporting Period for information provided	<ul style="list-style-type: none"> ■ CSR Report 2016 Editorial Policy 	
G4-29	Date of most recent report	—	
G4-30	Reporting cycle	<ul style="list-style-type: none"> ■ Download CSR Reports 	
G4-31	Contact point for questions	<ul style="list-style-type: none"> ■ Inquiry 	
G4-32	Report the 'in accordance' option chosen, content index, and external assurance report	<ul style="list-style-type: none"> ■ GRI Guidelines Cross-reference List 	
G4-33	Organization's policy and current practice with external assurance of the report	—	<p>Financial reporting-related audits</p> <p>External certification including ISO 14001 and OHSAS 18001</p> <p>Issues reports to government agencies and verifies compliance regarding relevant laws and regulations</p>
Governance			

G4-34	Governance structure of the organization	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management ■ Risk Management Framework 	
G4-35	Process for delegating authority for sustainability topics from the board to senior executives and other employees	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-36	Whether the organization has appointed an executive-level position or positions with responsibility for sustainability topics	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-37	Processes for consultation between stakeholders and the highest governance body on economic, environmental and social topics	<ul style="list-style-type: none"> ■ Special Feature - Lecture on the Creation of Long-Term Corporate Value by Mr. Eiichiro Adachi ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-38	Composition of the board and its committees	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management ■ Risk and Compliance 	<p>Formulating its Corporate Governance Guidelines in September 2015, the Mitsui Chemicals Group clarifies its stance in such articles as “4. Ensuring Workforce Diversity.”</p> <ul style="list-style-type: none"> ■ Corporate Governance Guidelines 
G4-39	Whether the chair of the board is also an executive officer	<ul style="list-style-type: none"> ■ Corporate Governance ■ Board of Directors 	
G4-40	Nomination and selection processes for the board and its committees	Corporate Governance Guidelines 	
G4-41	Processes for the highest governance body to ensure conflicts of interest are avoided and managed	<ul style="list-style-type: none"> ■ Corporate Governance 	
G4-42	Board's and senior executives' roles in the development, approval, and updating of the organization's purpose, value or mission statements, strategies, policies, and goals related to sustainability impacts	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-43	Measures taken to develop and enhance the highest governance body's collective knowledge of economic, environmental and social topics	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-44	Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	<ul style="list-style-type: none"> ■ Corporate Governance 	
G4-45	Board's role in the identification and management of sustainability impacts,	<ul style="list-style-type: none"> ■ CSR Management ■ UN Global Compact 	

	risks, and opportunities, and in the implementation of due diligence processes	<ul style="list-style-type: none"> ■ Responsible Care Policy 	
G4-46	Highest governance body's role in reviewing the effectiveness of the organization's risk management processes for economic, environmental and social topics	<ul style="list-style-type: none"> ■ CSR Management ■ Risk Management Framework 	
G4-47	Frequency of the highest governance body's review of economic, environmental and social impacts, risks, and opportunities	<ul style="list-style-type: none"> ■ CSR Management ■ UN Global Compact ■ Risk and Compliance ■ Responsible Care Policy 	
G4-48	Highest committee or position that formally reviews and approves the organization's sustainability report and ensures that all material Aspects are covered	<ul style="list-style-type: none"> ■ Corporate Governance ■ CSR Management 	
G4-49	Process for communicating critical concerns to the highest governance body	<ul style="list-style-type: none"> ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-50	Nature and total number of critical concerns that were communicated to the highest governance body and the mechanism(s) used to address and resolve them	—	
G4-51	The remuneration policies for the board and senior executives, and the linkage between performance criteria and the organization's sustainability objectives	<ul style="list-style-type: none"> ■ Corporate Governance  	<p>Director compensation is a matter decided at the General Meeting of Shareholders and is disclosed in securities reports and General Meeting of Shareholders convocation notices. Compensation for outside directors is listed separately. In addition, regulations have been established that place upper limits on director compensation decided at the General Meeting of Shareholders. As stated in the Corporate Governance Guidelines, director compensation is based on “contributions to mid- and long-term corporate growth.” Environment, Society & Governance (ESG) issues are listed as goals for evaluating director performance and are reflected in compensation through checks performed by the Executive Compensation Advisory Committee.</p> <ul style="list-style-type: none"> ■ Corporate Governance Guidelines  ■ Convocation Notice for the 19th Ordinary General Meeting of Shareholders 
G4-52	Process for determining remuneration	<ul style="list-style-type: none"> ■ Corporate Governance  	

G4-53	How stakeholders' views are sought and taken into account regarding remuneration	<ul style="list-style-type: none"> ■ Corporate Governance ■ Disclosure of Information to Shareholders and Investors 	
G4-54	Ratio of the annual total compensation for the organization's highest-paid individual in each country of significant operations to the median annual total compensation for all employees in the same country	—	
G4-55	Ratio of percentage increase in annual total compensation for the organization's highest-paid individual in each country of significant operations to the median percentage increase in annual total compensation for all employees in the same country	—	
Ethics and Integrity			
G4-56	Organization's values, principles, standards and norms of behavior	<ul style="list-style-type: none"> ■ Toward the Sustainable Development of Society ■ CSR Management ■ Responsible Care Policy 	
G4-57	Internal and external mechanisms for seeking advice on ethical and lawful behavior, and matters related to organizational integrity	<ul style="list-style-type: none"> ■ Risk and Compliance ■ Extending Risk Hotline Access to Suppliers 	
G4-58	Internal and external mechanisms for reporting concerns about unethical or unlawful behavior, and matters related to organizational integrity	<ul style="list-style-type: none"> ■ Risk and Compliance ■ Extending Risk Hotline Access to Suppliers 	The Risk Hotline provides advice and receives reports related to various regulations including human rights and the Mitsui Chemicals Group Action Guidelines. In fiscal 2015, no serious violations were found.

SPECIFIC STANDARD DISCLOSURES


Indicators		Corresponding Sections	Remarks
Economic			
Economic Performance			
DMA		■ Key Issues (Materiality)	
G4-EC1	Direct economic value generated and distributed	—	
G4-EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change	■ Key Issues (Materiality) ■ Renewable Energy-Related Business	<p>The Paris Agreement was adopted at the 21st United Nations Climate Change Conference (COP21), at which the key message was the need for adaptive planning. The Mitsui Chemicals Group addresses issues related to various types of infrastructure and agriculture/forestry/fisheries as well as takes appropriate measures whenever possible to fight against malaria and other infectious diseases.</p> <ul style="list-style-type: none"> ● MITSUI CHEMICALS INDUSTRIAL PRODUCTS LTD.  ● MITSUI CHEMICALS AGRO, INC. 
G4-EC3	Coverage of the organization's defined benefit plan obligations	—	
G4-EC4	Financial assistance received from government	—	
Market Presence			
DMA			
G4-EC5	Ratios of standard entry level wage by gender compared to local minimum wage at significant locations of operation	—	<p>The Mitsui Chemicals Group appropriately complies with minimum wage standards in each country and region based on the Mitsui Chemicals Group Human Resources Management Policy.</p> <p>■ Human Resources Management Policy of Mitsui Chemicals Group</p>
G4-EC6	Proportion of senior management hired from local community at significant locations of operations	—	
Indirect Economic Impacts			
DMA			
G4-EC7	Development and impact of infrastructure investments and services supported	<ul style="list-style-type: none"> ■ Nurturing Future Generations ■ Disaster Relief ■ Disaster Recovery Support following the Great East Japan Earthquake 	
G4-EC8	Significant indirect economic impacts, including the extent of impacts	■ Safety Initiatives	
Procurement Practices			

DMA			
G4-EC9	Proportion of spending on local suppliers at significant locations of operation	—	
Environmental			
<p>The Mitsui Chemicals Group has acquired ISO 14001 certification for 46 (68%) of its 68 manufacturing facilities. Even at facilities that have yet to obtain ISO 14001 certification, the Group undertakes management that conforms to ISO standards as part of its Responsible Care Management activities.</p> <p>The Mitsui Chemicals Group participates in joint research projects with relevant organizations to help solve environmental and various other social problems.</p> <ul style="list-style-type: none"> ■ Promoting Joint Research Projects ■ Responsible Care Audits 			
Materials			
DMA		■ Key Issues (Materiality)	
G4-EN1	Materials used by weight or volume	<ul style="list-style-type: none"> ■ Creating a Better Future with Blue Value™ ■ INPUT⇒OUTPUT 	In accordance with the Responsible Care Policy, the Mitsui Chemicals Group implements various measures from the standpoint of LCA (life cycle assessment). The Group promotes reduction and efficient use of raw materials through LCA environmental impact assessments that use the Mitsui Sustainability Index (m-SI). In addition, the Mitsui Chemicals Group Purchasing Policy requires “Harmony with the environment” (“We will endeavor to purchase goods and materials that have less impact on the environment”).
G4-EN2	Percentage of materials used that are recycled input materials	—	
Energy			
DMA		■ Key Issues (Materiality)	
G4-EN3	Energy consumption within the organization	■ INPUT⇒OUTPUT	Reducing energy consumption involves implementing various measures that extend beyond in-house initiatives to include participating in joint research projects with relevant organizations. ■ Promoting Joint Research Projects
G4-EN4	Energy consumption outside of the organization	—	
G4-EN5	Energy intensity	—	
G4-EN6	Reduction of energy consumption	■ Preventing Global Warming	
G4-EN7	Reductions in energy requirements of products and services	<ul style="list-style-type: none"> ■ Renewable Energy-Related Business ■ Preventing Global Warming 	
Water			
DMA		■ Key Issues (Materiality)	
			Disclosing our Basic Philosophy on Water Resources, we appropriately manage water not only in compliance with the laws and regulations in each country and region—including conducting necessary

G4-EN8	Total water withdrawal by source	<ul style="list-style-type: none"> ■ Preserving Water Quality ■ INPUT⇒OUTPUT 	<p>environmental assessments when building new facilities or expanding existing ones—but also based on engaging with responsible government agencies.</p> <p>The Mitsui Chemicals Group has adequately met the standards applicable to wastewater and has not received any indication of an infringement of the standards stipulated under legal regulations even when based on water quality surveys conducted by government agencies.</p>
G4-EN9	Water sources significantly affected by withdrawal of water	—	
G4-EN10	Percentage and total volume of water recycled and reused	—	
Biodiversity			
DMA		■ Key Issues (Materiality)	
G4-EN11	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	—	
G4-EN12	Significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas	<ul style="list-style-type: none"> ■ Biodiversity ■ Environmental Protection 	
G4-EN13	Habitats protected or restored	■ Biodiversity	
G4-EN14	Total number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk	—	
Emissions			
DMA		■ Key Issues (Materiality)	
G4-EN15	Direct greenhouse gas (GHG) emissions (Scope 1)	<ul style="list-style-type: none"> ■ Preventing Global Warming ■ INPUT⇒OUTPUT 	The Mitsui Chemicals Group engages in appropriate management based on PDCA as part of its Responsible Care Management activities. The Group is currently investigating long-term targets based on COP21.
G4-EN16	Energy indirect greenhouse gas (GHG) emissions (Scope 2)	<ul style="list-style-type: none"> ■ Preventing Global Warming ■ INPUT⇒OUTPUT 	
G4-EN17	Other indirect greenhouse gas (GHG) emissions (Scope 3)	■ Preventing Global Warming	

G4-EN18	Greenhouse gas (GHG) emissions intensity	—	Scope: Sales per unit that includes domestic/overseas consolidated subsidiaries Unit: tCO ₂ / ¥100 million FY 2013 : 326 FY 2014 : 316 FY 2015 : 394
G4-EN19	Reduction of greenhouse gas (GHG) emissions	■ Preventing Global Warming	Setting itself the mid-term target of reducing greenhouse gas (GHG) emissions by 22% (compared with fiscal 2005, operating at full capacity) by fiscal 2016, the Mitsui Chemicals Group manages GHG emission by establishing reduction targets each year. In fiscal 2015, the Group cut GHG by 40,000 tons, exceeding its roadmap GHG reduction target of 10,000 tons by undertaking thorough energy conservation activities at factories that included enhancing heat recovery and increasing refining process efficiency. We are steadily moving forward with these initiatives in order to reach the fiscal 2016 target. ■ Environmental Protection
G4-EN20	Emissions of ozone-depleting substances (ODS)	■ Substances Subject to the PRTR Act ■ INPUT⇒OUTPUT	
G4-EN21	NOx, SOx, and other significant air emissions	■ Preserving air quality ■ INPUT⇒OUTPUT	
Effluents and Waste			
DMA		■ Key Issues (Materiality)	
G4-EN22	Total water discharge by quality and destination	■ Preserving Water Quality ■ INPUT⇒OUTPUT	
G4-EN23	Total weight of waste by type and disposal method	■ Reducing Industrial Waste ■ INPUT⇒OUTPUT	
G4-EN24	Total number and volume of significant spills	■ Handling Environmental Complaints	Preventing pollution based on the Responsible Care Policy. Targeting and maintaining no major accidents related to process safety, disaster prevention, and logistics. ■ Process Safety and Disaster Prevention
G4-EN25	Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally	—	
G4-EN26	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the organization's discharges of water and runoff	—	
Products and Services			
DMA		■ Key Issues (Materiality)	

G4-EN27	Extent of impact mitigation of environmental impacts of products and services	<ul style="list-style-type: none"> ■ Creating a Better Future with Blue Value™ ■ Reducing Industrial Waste 	
G4-EN28	Percentage of products sold and their packaging materials that are reclaimed by category	—	
Compliance			
DMA		■ Key Issues (Materiality)	
G4-EN29	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> ■ Responsible Care Audits 	There have been no cases of fines being levied against the Company due to violations of environmental laws and regulations.
Transport			
DMA			
G4-EN30	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce	<ul style="list-style-type: none"> ■ Preventing Global Warming ■ Initiatives to Reduce Environmental Impact in Logistics 	
Overall			
DMA			
G4-EN31	Total environmental protection expenditures and investments by type	<ul style="list-style-type: none"> ■ Environmental Accounting 	
Supplier Environmental Assessment			
DMA		■ Key Issues (Materiality)	
G4-EN32	Percentage of new suppliers that were screened using environmental criteria	<ul style="list-style-type: none"> ■ Purchasing Policy ■ CSR Procurement 	<p>We engage in business transactions with our suppliers based on the Mitsui Chemicals Group Procurement Policy. We also monitor specific supplier circumstances through our CSR procurement survey and provide suppliers with assistance.</p> <p>In 2014, Mitsui Chemicals provided assistance to suppliers by formulating the Responsible Care Shiodome Manifesto in an effort to promote Responsible Care activities among all of its affiliates (including suppliers) accompanying revisions to the Responsible Care Global Charter.</p> <p>Moreover, Mitsui Chemicals pursues activities that include suppliers such as undertaking risk assessments to draft a "safety importance agreement" based on the Japan Chemical Industry Association's (JCIA) Japan Initiative of Product Stewardship (JIPS), participating in the JCIA's SCRUM Project (Project of Supply Chain Chemical Risk Management and Useful Mechanism Discussion) working group, and engaging in chemical</p>


			<p>substance information management as a Joint Article Management Promotion-Consortium (JAMP) member company.</p> <ul style="list-style-type: none"> ● Japan Chemical Industry Association  ■ Working with Industry, Government, and Academia
G4-EN33	Significant actual and potential negative environmental impacts in the supply chain and actions taken	<ul style="list-style-type: none"> ■ Purchasing Policy ■ CSR Procurement 	
Environmental Grievance Mechanisms			
DMA			
G4-EN34	Number of grievances about environmental impacts filed, addressed, and resolved through formal grievance mechanisms	—	
Labor Practices and Decent Work			
Employment			
DMA		■ Key Issues (Materiality)	
G4-LA1	Total number and rates of new employee hires and employee turnover by age group, gender and region	—	Mitsui Chemicals non-consolidated turnover rate 1.5% (men 1.4%, women 2.7%).
G4-LA2	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation	■ Creating an Employee-Friendly Working Environment	
G4-LA3	Return to work and retention rates after parental leave, by gender	■ Creating an Employee-Friendly Working Environment	
Labor / Management Relations			
DMA			
G4-LA4	Minimum notice periods regarding operational changes, including whether these are specified in collective agreements	—	
Occupational Health and Safety			
<p>The Mitsui Chemicals Group has obtained OHSAS 18001 certification for 22 (32%) of its 68 manufacturing facilities. The Group undertakes a wide range of occupational health and safety initiatives including conducting health interviews with employees working overseas as well as their families.</p>			
DMA		■ Key Issues (Materiality)	
G4-LA5	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs	—	

G4-LA6	Type and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender	■ Creating Safe and Secure Workplaces	No fatal accidents including subcontractors within the number of severe accidents occurring over the past three years
G4-LA7	Workers with high incidence or high risk of diseases related to their occupation	■ Employee Health	The Group appropriately manages employee working hours based on the Mitsui Chemicals Group Human Resources Management Policy. As part of our health management initiatives (including mental health), we have established predetermined overtime hours and issue recommendations in advance to applicable employees and their supervisors.
G4-LA8	Health and safety topics covered in formal agreements with trade unions	—	
Training and Education			
DMA		■ Key Issues (Materiality)	
G4-LA9	Average hours of training per year per employee by gender, and by employee category	■ Promoting Compliance ■ Process Safety and Disaster Prevention > Goals and Results ■ Quality Improvement Initiatives ■ Human Resources Development	
G4-LA10	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings	■ Special Feature - Human Resources Management ■ Human Resources Development	
G4-LA11	Percentage of employees receiving regular performance and career development reviews, by gender and by employee category	—	
Diversity and Equal Opportunity			
DMA			
G4-LA12	Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity	■ Creating an Employee-Friendly Working Environment ■ Promoting Diversity	Under the Mitsui Chemicals Group Human Resources Management Policy, we promote fair and equal recruitment that is not discriminatory in each country and region. (Fiscal 2015 consolidated foreign employees totaled 4,186; the number of Mitsui Chemicals employees on a non-consolidated basis: 20s 667, 30s 763, 40s 1,656, 50+ 1,228)
Equal Remuneration for Women and Men			
DMA			
G4-LA13	Ratio of basic salary and remuneration of women to men by employee category, by significant	—	

	locations of operation		
Supplier Assessment for Labor Practices			
	DMA	■ Key Issues (Materiality)	
G4-LA14	Percentage of new suppliers that were screened using labor practices criteria	■ Purchasing Policy ■ CSR Procurement	
G4-LA15	Significant actual and potential negative impacts for labor practices in the supply chain and actions taken	■ Purchasing Policy ■ CSR Procurement	
Labor Practices Grievance Mechanisms			
	DMA		
G4-LA16	Number of grievances about labor practices filed, addressed, and resolved through formal grievance mechanisms	—	
Human Rights			
As a signatory to the UN Global Compact, the Mitsui Chemicals Group addresses human rights issues as well as promotes initiatives based on its Basic Philosophy on Human Rights in accordance with the Universal Declaration of Human Rights.			
■ Basic Philosophy on Human Rights			
Investment			
	DMA		
G4-HR1	Total number and percentage of significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	—	Important investments for expanding business activities are examined by the Investment Committee and their impact on human rights is assessed based on labor laws in each country as part of the Company's legal due diligence. ■ UN Global Compact
G4-HR2	Total hours of employee training on human rights policies or procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained	—	Moreover, Mitsui Chemicals is a signatory to the UN Global Compact and participates in the Global Compact Network Japan. Employees actively participate in human rights-related subcommittees (including those focusing on human rights education). ■ UN Global Compact
Non-discrimination			
	DMA		
G4-HR3	Total number of incidents of discrimination and corrective actions taken	—	
Freedom of Association and Collective Bargaining			
	DMA		
G4-HR4	Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated	—	

	or at significant risk, and measures taken to support these rights		
Child Labor			
DMA			
G4-HR5	Operations and suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor	■ CSR Procurement	
Forced or Compulsory Labor			
DMA			
G4-HR6	Operations and suppliers identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of all forms of forced or compulsory labor	■ CSR Procurement	
Security Practices			
DMA			
G4-HR7	Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations	—	
Indigenous Rights			
DMA			
G4-HR8	Total number of incidents of violations involving rights of Indigenous Peoples and actions taken	—	
Assessment			
DMA			
G4-HR9	Total number and percentage of operations that have been subject to human rights reviews or impact assessments	—	Outside experts conduct reviews as part of the process for identifying key issues. This process also involves investigations of related to human rights issues. ■ Process for Identifying Key Issues
Supplier Human Rights Assessment			
DMA		■ Key Issues (Materiality)	
G4-HR10	Percentage of new suppliers that were screened using human rights criteria	■ Purchasing Policy ■ CSR Procurement	
G4-HR11	Significant actual and potential negative human rights impacts in the supply chain and actions taken	■ Purchasing Policy ■ CSR Procurement	
Human Rights Grievance Mechanisms			

DMA			
G4-HR12	Number of grievances about human rights impacts filed, addressed, and resolved through formal grievance mechanisms	—	
Society			
Local Communities			
DMA		■ Key Issues (Materiality)	
G4-SO1	Percentage of operations with implemented local community engagement, impact assessments, and development programs	—	<p>We promote activities based on the Mitsui Chemicals Group Social Activities Policy. The Mitsui Chemicals Group undertakes initiatives that take advantage of business opportunities that include developing the next generation and creating environmentally friendly products.</p> <p>■ Social Contribution Activities</p>
G4-SO2	Operations with significant actual and potential negative impacts on local communities	<p>■ Safety Initiatives</p> <p>■ Handling Environmental Complaints</p>	
Anti-corruption			
DMA		■ Key Issues (Materiality)	
G4-SO3	Total number and percentage of operations assessed for risks related to corruption and the significant risks identified	■ Responsible Care Audits	<p>Introducing the Mitsui Chemicals Group Risk Management System, we take steps to analyze and address risks. Relevant departments verify risks in accordance with the basic principles of the UN Global Compact. We thoroughly verify risks from the perspective preventing corruption particularly in emerging and developing countries based on information transparency.</p> <p>■ Risk Management Framework</p>
G4-SO4	Communication and training on anti-corruption policies and procedures	■ Promoting Compliance	<p>Thoroughly adhering to the Mitsui Chemicals Group Action Guidelines, we publicize the details of these guidelines internally in the Compliance Guidebook as well as raise awareness of these through various means that include holding workplace discussions, putting up posters, and conducting e-learning programs. The Compliance Guidebook contains a commitment by the president and promotes understanding of corruption prevention, including specific examples of unhealthy relationships with government officials focusing on entertaining and bribery.</p> <p>Regarding M&A and selecting new business partners, the Company not only complies with business-related laws but also hires consultants and legal advisors to conduct investigations based on its status as a signatory to the UN Global Compact. We also examine M&A based on legal due diligence in accordance with each country's legal regulations.</p>

			<p>In light of the high risk of fraud (including various permits and licenses) related to operating manufacturing facilities in emerging countries, Mitsui Chemicals' Internal Control Division in particular conducts audits covering all aspects of business operations. The Company provides advice and receives reports via risk hotlines available in the languages of each country as well as raises awareness of these hotlines.</p> <p>■ Compliance Guidebook (abstract) </p>
G4-SO5	Confirmed incidents of corruption and actions taken	—	In terms of corruption prevention, no cases of employee punishments, legal action, or fines levied in response to corruption
Public Policy			
	DMA		
G4-SO6	Total value of political contributions by country and recipient/beneficiary	—	Political contributions through the Japan Federation of Economic Organizations (Keidanren) in fiscal 2015 totaled 12 million.
Anti-competitive Behavior			
	DMA		
G4-SO7	Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	There were no instances where the Group was involved in legal action.	
Compliance			
	DMA	■ Key Issues (Materiality)	
G4-SO8	Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations	There were no transgressions.	
Supplier Assessment for Impacts on Society			
	DMA	■ Key Issues (Materiality)	
G4-SO9	Percentage of new suppliers that were screened using criteria for impacts on society	<p>■ Purchasing Policy</p> <p>■ CSR Procurement</p>	
G4-SO10	Significant actual and potential negative impacts on society in the supply chain and actions taken	<p>■ Purchasing Policy</p> <p>■ CSR Procurement</p>	<p>We have formulated the Mitsui Chemicals Group Purchasing Policy. The policy expresses the Group's purchasing approach (including the impact on society), which is detailed in the CSR Procurement survey. We conduct supplier assessments based on this survey. No major negative impact related to purchasing has been seen.</p>
Grievance Mechanisms for Impacts on Society			
	DMA		
	Number of grievances about impacts on society		

G4-SO11	files, addressed, and resolved through formal grievance mechanisms	—	
Product Responsibility			
Customer Health and Safety			
DMA		■ Key Issues (Materiality)	
G4-PR1	Percentage of significant product and service categories for which health and safety impacts are assessed for improvement	<ul style="list-style-type: none"> ■ Responsible Care Policy and Management ■ Quality Improvement Initiatives ■ Promotion of Chemicals Management 	
G4-PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes	There were no instances of transgression.	
Product and Service Labeling			
DMA			
G4-PR3	Type of product and service information required by the organization's procedures for product and service information and labeling, and percentage of significant product and service categories subject to such information requirements	<ul style="list-style-type: none"> ■ Creating a Better Future with Blue Value™ ■ Main Products that Contribute to Harmony with the Environment and Sustainable Development ■ Instill a management system based on our chemical safety information system ■ Responding to the voices of customers 	
G4-PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes	There were no instances of transgression.	
G4-PR5	Results of surveys measuring customer satisfaction	<ul style="list-style-type: none"> ■ Quality Improvement Initiatives ■ In order to Satisfy Customers ■ Commendations from Customers 	
Marketing Communications			
DMA			
G4-PR6	Sale of banned or disputed products	■ Responding to the voices of customers	
G4-PR7	Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by type of outcomes	There were no instances of transgression.	
Customer Privacy			

DMA			
G4-PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	There were no applicable instances.	
Compliance			
DMA		■ Key Issues (Materiality)	
G4-PR9	Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services	■ Customer-specific initiatives	

Commitment to ISO 26000

Released by the International Organization for Standardization (ISO) in November 2010, ISO 26000 is an international standard that sets out social responsibility guidelines for all organizations.

The standard outlines seven principles for social responsibility (accountability, transparency, ethical behavior, respect for stakeholder interests, respect for the rule of law, respect for international norms of behavior and respect for human rights) and seven core subjects relating to social responsibility (organizational governance, human rights, labor practices, the environment, fair operating practices, consumer issues, and community involvement and development), and provides guidance without any obligation to obtain third-party certification.

The following table cross-references our initiatives against the seven core subjects set out under ISO 26000.

Core subject	Issues	Refer to
Organizational governance	Organizational governance	■ Special Feature - Lecture on the Creation of Long-Term Corporate Value by Mr. Eiichiro Adachi
		■ Corporate Governance
		■ CSR Management
		■ Responsible Care Promotion System
		■ Basic Philosophy on Human Rights
		■ Disclosure of Information to Shareholders and Investors
		■ Dialog with Local Communities
		■ Creating an Employee-Friendly Working Environment
		■ Promoting Diversity
Human rights	Issue 1:Due diligence Issue 2:Human rights risk situations Issue 3:Avoidance of complicity Issue 4:Resolving grievances Issue 5:Discrimination and vulnerable groups Issue 6:Civil and political rights Issue 7:Economic, social and cultural rights Issue 8:Fundamental principles and rights at work	■ Safety Initiatives
		■ Responsible Care Promotion System
		■ Handling Environmental Complaints
		■ Basic Philosophy on Human Rights
		■ Working with Our Suppliers > Goals and Results
		■ Purchasing Policy
		■ CSR Procurement
		■ Creating an Employee-Friendly Working Environment
Labour practices	Issue 1:Employment and employment relationships Issue 2:Conditions of work and social protection Issue 3:Social dialogue Issue 4:Health and safety at work Issue 5:Human development and training in the workplace	■ Special Feature - Human Resources Management
		■ Safety Initiatives
		■ Process Safety and Disaster Prevention > Goals and Results
		■ Initiatives to Prevent Major Accidents
		■ Introduction to Process Safety and Disaster Prevention at Production Sites
		■ Occupational Health and Safety > Goals and Results
		■ Creating Safe and Secure Workplaces
		■ Introduction to Safety Activities at Production Sites
		■ Working with Our Employees > Goals and Results
		■ Human Resources Development

		<ul style="list-style-type: none"> ■ Creating an Employee-Friendly Working Environment ■ Promoting Diversity ■ Employee Health
The environment	<p>Issue 1:Prevention of pollution Issue 2:Sustainable resource use Issue 3:Climate change mitigation and adaptation Issue 4:Protection of the environment, biodiversity and restoration of natural habitats</p>	<ul style="list-style-type: none"> ■ Creating a Better Future with Blue Value™ ■ Renewable Energy-Related Business ■ Main Products that Contribute to Harmony with the Environment and Sustainable Development ■ Responsible Care Policy ■ Responsible Care Implementation ■ Environmental Protection > Goals and Results ■ Preventing Global Warming ■ Reducing Industrial Waste ■ Substances Subject to the PRTR Act ■ Preserving air quality ■ Philosophy on Water Resources ■ Biodiversity ■ Environmental Accounting ■ INPUT⇒OUTPUT ■ Initiatives to Reduce Environmental Impact in Logistics ■ Handling Environmental Complaints
Fair operating practices	<p>Issue 1:Anti-corruption Issue 2:Responsible political involvement Issue 3:Fair competition Issue 4:Promoting social responsibility in the value chain Issue 5:Respect for property rights</p>	<ul style="list-style-type: none"> ■ Promoting Compliance ■ Responsible Care Audits ■ Initiatives to Reduce Environmental Impact in Logistics ■ Working with Our Suppliers > Goals and Results ■ Purchasing Policy ■ CSR Procurement
Consumer issues	<p>Issue 1:Fair marketing, factual and unbiased information and fair contractual practices Issue 2:Protecting consumers' health and safety Issue 3:Sustainable consumption Issue 4:Consumer service, support, and complaint and dispute resolution Issue 5:Consumer data protection and privacy Issue 6:Access to essential services Issue 7:Education and awareness</p>	<ul style="list-style-type: none"> ■ Special Feature - Dialogue: Steady efforts to cultivate a safety culture ■ Creating a Better Future with Blue Value™ ■ Safety Initiatives ■ Responsible Care Promotion System ■ Reducing Industrial Waste ■ Handling Environmental Complaints ■ Chemicals Management > Goals and Results ■ Promotion of Chemicals Management ■ Quality > Goals and Results ■ Quality Improvement Initiatives ■ Working with Our Customers
		<ul style="list-style-type: none"> ■ Special Feature - Human Resources Management ■ Report on Operations at the Tahara Solar-Wind™ Joint Project ■ Safety Initiatives

Community involvement and development	Issue 1:Community involvement Issue 2:Education and culture Issue 3:Employment creation and skills development Issue 4:Technology development and access Issue 5:Wealth and income creation Issue 6:Health Issue 7:Social investment	■ Responsible Care Policy and Management
		■ Creating Safe and Secure Workplaces
		■ Handling Environmental Complaints
		■ Promotion of Chemicals Management
		■ Quality Improvement Initiatives
		■ CSR Procurement
		■ Human Resources Development
		■ Creating an Employee-Friendly Working Environment
		■ Employee Health
		■ Promoting Joint Research Projects
		■ Promoting Cooperation with Industry
		■ Promoting Global Collaboration
		■ Dialog with Local Communities
		■ Social Contribution Activities > Goals and Results
		■ Nurturing Future Generations
		■ Environment Communication
		■ Support for Employees' Social Contribution Activities
		■ Disaster Relief
		■ Disaster Recovery Support following the Great East Japan Earthquake

Download CSR Reports

All CSR Communication, CSR Report and Responsible Care Report publications issued to date by the Mitsui Chemicals Group, whether online or in print, are available as PDF files or in digital book format.

In this manner, we hope to encourage communication with all of our stakeholders and to keep expanding and improving our activities in the future. We hope you enjoy reading our reports.

Digital Books

2016

[Online version] CSR Report 2016 PDF version



The contents of our CSR Report 2016, as featured on this website, are available in PDF format and can be downloaded in full or in individual sections.

* A booklet version of the CSR Report will not be published in fiscal 2016.

[▶ Full report \(PDF : 6.16MB\)](#) 

[▶ Individual sections](#)

2015



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[Full report \(PDF : 5.0MB\)](#)



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2014



【Online version】 CSR Report 2014

[Full report \(PDF : 5.8MB\)](#)



【Printed version】 CSR Communication 2014

[Full report \(PDF : 3.6MB\)](#)



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2013



【Online version】 CSR Report 2013

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【Printed version】 CSR Communication 2013

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Report 2012

Full
report (PDF : 3.7MB)



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Report 2011

FY2011 online
version (PDF :8.07MB)



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Communication

Full report (PDF :
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CSR Report



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Responsible Care Report

Please click below to view our RC reports regarding environment, safety, occupational health, and quality.



Responsible Care Report 2004

[Full report \(PDF :
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Responsible Care Report 2003

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Responsible Care Report 2002


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[Special Feature](#) (PDF : 1.4KB) 

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[Safety Initiatives](#) (PDF : 996KB) 

[Mitsui Chemicals' Plant Operation Technology Training Center](#) (PDF : 1.5MB) 

[Main Products that Contribute to Harmony with the Environment and Sustainable Development](#) (PDF : 537KB) 

[Risk and Compliance](#) (PDF : 1.2KB) 

[Responsible care](#) (PDF : 561KB) 

[Responsible Care Policy and Management](#) (PDF : 1.1MB) 

[Process Safety and Disaster Prevention](#) (PDF : 429KB) 

[Occupational Health and Safety](#) (PDF : 1.0MB) 

[Environmental Protection](#) (PDF : 1.1MB) 

[Chemicals Management](#) (PDF : 462KB) 

[Quality](#) (PDF : 924KB) 

[Logistics](#) (PDF : 945KB) 

[Communication with Society](#) (PDF : 360KB) 

[Respect for Human Rights](#) (PDF : 351KB) 

[Working with Our Customers](#) (PDF : 884KB) 

[Working with Our Suppliers](#) (PDF : 641KB) 

[Working with Our Shareholders and Investors](#) (PDF : 909KB) 

[Working with Our Employees](#) (PDF : 1.5MB) 

[Working with Industry, Government, and Academia](#) (PDF : 902KB) 

[Working with Local Communities](#) (PDF : 706KB) 

[Social Contribution Activities](#) (PDF : 916KB) 

[Public Recognition](#) (PDF : 598KB) 

[Survey Index](#) (PDF : 340KB) 

[EGS Approach and Initiatives](#) (PDF : 580KB) 

[ESG Performance Data](#) (PDF : 566KB) 

[External Assessments](#) (PDF : 568KB) 

[Guideline Cross-Reference Tables](#) (PDF : 340KB) 

[GRI Guidelines Cross-reference List](#) (PDF : 458KB) 

[Commitment to ISO 26000](#) (PDF : 365KB) 

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[CSR Report 2016 Editorial Policy](#) (PDF : 362KB) 

[CSR Report 2016 Survey](#) (PDF : 342KB) 

[CSR Site Map](#) (PDF : 364KB) 

CSR Report 2016 Editorial Policy

Editorial Policy

In producing the CSR Report 2016, 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. Taking advantage of the unique features of online media, we have thoroughly edited the comprehensive content with the aim of making it more varied, readable, and accessible. A booklet version of the CSR Report will not be published in fiscal 2016.

To understand more about our activities related to creating new value over the medium to long term, which is the Group's aim, please refer to the Mitsui Chemicals Report that we are publishing with the aim of reporting comprehensively on the strategies of three-axis management and its achievements.

Investor Relations

Scope of the Report

Coverage

Our 2016 report covers activities during fiscal 2015 (April 1, 2015 to March 31, 2016).

It may also include data relating to more recent activities however, from April 2016 onwards.

Scope of Compilation Data

Taking the Mitsui Chemicals Group as its basis, any references in this report that fall outside that basis are stated in the text.

Referenced Guidelines

- ISO26000
- Global Reporting Initiative(GRI) : 4 version
- Environmental Reporting Guideline 2012 (Ministry of the Environment)
- Environmental Accounting Guideline 2005 (Ministry of the Environment)

About the Cover

Carrying on from the previous year, we adopted an artwork under the control of Able Art Company※ for our principal visual concept in fiscal 2016. This year's image features multicolored hands coming together to convey the Mitsui Chemicals Group's desire to solve social problems through its business activities while deepening communications with its stakeholders.

Friends holding hands Artist: Shuhei Otsuki

Words said to him from back in his childhood days—"let's be friends and hold hands"—have been indelibly etched in Shuhei Otsuki's mind. More than 20 of the works of art that Mr. Otsuki has created over many years have been characterized by a hand motif. Pasting together pieces of paper cut in the shape of hands, the layered patterns convey a sense of warmth owing to the exquisite balance of interconnected hands.

With much of the artwork created just after he had taken a relaxing bath, it took about a month for Mr. Otsuki to painstakingly apply the various colors in order to complete the work.



※ Able Art Company

An organization that provides intermediary support by providing opportunities for work and commercializing the artworks of artists with disabilities. Able Art Company was established to create an environment in which artists with disabilities can work. The organization 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 

CSR Report 2016 Survey

We welcome your comments and feedback on our CSR Report 2016 in e-mail format.

We will not use your personal information obtained through the survey for any purpose unless it is strictly necessary, such as in a case where our subsidiaries or affiliates request for it to reply to your inquiries.

Please refer to our [Privacy Policy](#) for more details.

▶ [Questionnaire](#) 

CSR Site Map

The following is a full list of the contents of the CSR section of the Mitsui Chemicals Group website.

▶ Message from the President

▶ Corporate Governance

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- ▶ Commitment to ISO 26000

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- ▶ Human Resources Management

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- ▶ Status of Diagnostics and Consulting Business for Photovoltaic Power Generation

- ▶ Report on Operations at the Tahara Solar-Wind™ Joint Project

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- ▶ Risk and Compliance

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