

January 6, 2004

## President Nakanishi's New Year Message

I wish the entire Mitsui Chemicals Group team a very happy and prosperous New Year 2004.

While the Japanese economy continued on a difficult path in 2003 due to the Iraqi situation and the adverse impact of SARS, its move toward a recovery became gradually apparent in the second half of the year.

With such a background, now that Mitsui Chemicals has entered into the seventh year of operation following its creation in 1997, and this year being the start of our new 2004 Medium-Term Corporate Plans (04MTCP), we are determined to proceed on our push forward based on the spirit of "challenging change."

As for the basic concept of the 04MTCP currently being drafted, we have, among others, decided to eliminate the word "diversified" from our customary Corporate Mission of becoming "A diversified chemical company with a strong competitive position in the global market".

Why we have chose to do so derives from our concern that the expression "diversified" may tend to generate a misunderstanding that Mitsui Chemicals would be willing to enter into just any kind of business. We judged it necessary instead to clarify both internally and externally, that we would clearly define Mitsui Chemicals' business domain and execute "selection and focus" converging into such domain.

Having thus decided, we intend to establish as a critical key objective:

"Portfolio changes and strengthened profitability".

In other words, our aim is to realize the following criteria:

- By pursuing a shift from quantitative to qualitative growth,
- Promote, through Selection & Focus,
- Expansion & growth of Performance Materials and
- Profitability strengthening of Petrochemicals & Basic Chemicals.

More specifically, in order to achieve expansion and growth of Performance Materials, we intend to strategically inject management resources into the following focal core businesses:

- Functional Olefinic Polymers
- Urethan Chemicals
- Information and Electronic Materials
- Healthcare Materials.

Also, with respect to nurturing and expansion of new Performance Materials products, Mitsui Chemicals intends to actively drive development of such items as novel functional olefinic polymers. The company will do so by fully leveraging its catalysis science and polymer science capabilities, both of which number among the technological competencies of Mitsui Chemicals.

With regard to strengthening of the profitability of Petrochemicals & Basic Chemicals, we intend to institute a radical change in business structure centered at converting Osaka Works to a propylene center, and achieve further focus of the core businesses:

- Polypropylene (PP) compounds
- Purified Terephthalic Acid (PTA)
- PET Resins
- Phenol
- Bisphenol-A (BPA)

As for “Ensuring Safety and Security”, we intend to position ourselves back at the origin of manufacturing business, and from such perspective reexamine the total company operating setup relating to accident prevention, labor safety, legal compliance, etc.

As you know, our new Head Office has been in place at Shiodome City Center since November last year. Taking advantage of such a development, let’s all make a fresh start in the New Year 2004 by successfully constructing the 04MTCP to “challenge change” with a strong will and determination.

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