



July 29, 2019
Mitsui Chemicals, Inc.

Notice of Administrative Action for Subsidiary Shimonoseki Mitsui Chemicals

Shimonoseki Mitsui Chemicals, Inc. (Shimonoseki, Yamaguchi Prefecture; President: Mitsuhiro Maehama), a wholly owned subsidiary of Mitsui Chemicals, Inc. (Tokyo: 4183; President & CEO: Tsutomu Tannowa), received a notice from Yamaguchi Prefecture on July 25 that it would be subject to administrative action. Coming in accordance with the High Pressure Gas Safety Act, this move results from several problematic leaks at Shimonoseki Mitsui Chemicals' high-pressure gas production facilities.

Mitsui Chemicals would like to express its sincerest apologies to all those inconvenienced by the incident.

Mitsui Chemicals takes these developments as being an extremely serious issue. Going forward, the company will pursue an investigation to determine the specific cause of the incident.

In addition, Mitsui Chemicals will reinforce the legal compliance of both Shimonoseki Mitsui Chemicals and the Mitsui Chemicals Group as a whole. The company will make the utmost effort to prevent any further incidents of this kind by carrying out a project to improve internal control environments at Shimonoseki Mitsui Chemicals.

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Shimonoseki Mitsui Chemicals, Inc. (Shimonoseki, Yamaguchi Prefecture; President: Mitsuhiro Maehama; SMCI) received a notice from Yamaguchi Prefecture on July 25 that it would be subject to legal procedures in accordance with the High Pressure Gas Safety Act (hereinafter referred to as “Act”). This relates to multiple problematic leaks found at the company’s high-pressure gas production facilities, as detailed below.

In response to these events, Shimonoseki Mitsui Chemicals would like to sincerely apologize for causing significant concerns among many people, including local residents, the authorities and customers.

Shimonoseki Mitsui Chemicals is treating this incident very seriously. In line with the administrative action that is set to come down from the authorities, the company will settle on a plan aimed at preventing any future incidents of this sort – and will then devote its entire organizational structure to implementing this plan. To further ensure that no repeat incidents occur, Shimonoseki Mitsui Chemicals also intends to thoroughly review its legal compliance on a company-wide level.

Details

1. Plans for administrative action

Order to comply with the Hazard Prevention Rule (Act, Article 26, Paragraph 4)

2. Grounds for the administrative action

Between August 8, 2009, and January 16, 2019, SMCI was found to have violated the law in 52 incidents wherein a high-pressure gas leak occurred at company facilities for which the company was required to report to the prefecture. These violations are outlined below.

(1) Failure to observe the Hazard Prevention Rule (Act, Article 26, Paragraph 3):
SMCI failed to observe the report on the Hazard Prevention Rule submitted to the prefecture. The company did not take the necessary measures with regard to abnormal conditions, nor did it create records of these conditions. (52 cases)

(2) Failure to report high-pressure gas incidents (Act, Article 36, Paragraph 2; Article 63, Paragraph 1):
SMCI failed to submit reports to notify the prefectural authorities of high-pressure gas incidents occurring between August 8, 2009, and January 16, 2019, for which the company was required to report to the prefecture. (52 cases)

(3) Failure to create records regarding abnormal conditions at production facilities (Act, Article 60, Paragraph 1):

SMCI failed to create documents for recording measures taken when abnormal conditions were detected at manufacturing facilities. (51 cases)

3. Details of unreported incidents

Leaked substance	Leakage point	Incidents
Nitrogen trifluoride	Leakage from container-filling facilities	31
	Leakage from compressor used for filling	13
	Leakage from valve attached to filled container	5
Silicon tetrafluoride	Leakage from coupling parts used with large containers	3
Total		52

4. Efforts going forward

Shimonoseki Mitsui Chemicals is currently investigating the sequence of events behind these violations. In conjunction with investigating the specific causes of these incidents and taking relevant countermeasures, the company will look up to the guidance provided by authorities as it draws up and carries out plans aimed at preventing any future occurrences.