

February 7, 2007

## Mitsui Chemicals to Draw up the Grand Design and to Reorganize Business Structure

Mitsui Chemicals, Inc. (“MCI) has newly drawn up “Grand Design\*”, with an eye on further growth in the next 10 to 15 years, on the occasion of the 10<sup>th</sup> anniversary of its establishment (Please refer to “1. Overview.”). In line with this movement, the company will reorganize its business structure to realize the Grand Design. Please see “2. Reorganization” for details of the new business structure.

\* Grand Design is the basic framework of the MCI Group management, consisting of Corporate Vision, Business Plans and the Action Guidelines.

### 1. Overview (See Appendix 1)

Items		Details	Remarks
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.	Unchanged
	Corporate Target	“Chemistry, Innovation, Dreams” ~ The Mitsui Chemicals Group is constantly pursuing innovation and materializing dreams with the wonder of chemistry ~	Revised
Business Plan	Long-term Management Target (targeting around 2015)	< Financial Goals > “Growth” · Operating Income: ¥150billion · ROA: 10%	Newly Formulated
		< Environmental Goals > “Harmony” · Index of GHG (Green House Gas) Basic Unit: 90 (1990 as 100) (MCI & consolidated subsidiaries in Japan) · Industrial Wastes “Minimization” (Final disposable amount / The amount of industrial waste produced 1%) at global production sites of MCI & MCI’s consolidated subsidiaries · Development of Technologies to Utilize Non-Fossil Resources	Newly Formulated
		< Business Portfolio > Three Business Domains: Performance Materials Business, Advanced Chemicals Business, Basic Chemicals Business	Newly Formulated

		<p>&lt; Direction of Reinforcing Business Infrastructure &gt;</p> <ul style="list-style-type: none"> <li>· Flexibility and Dynamism According to Business</li> <li>· Competency and Long-range Perspective to Win the Competition</li> </ul> <p>&lt; Measures to Reinforcing Business Infrastructure &gt;</p> <ul style="list-style-type: none"> <li>· New performance evaluation based on economy, environment and society</li> <li>· To prevail and settle our "Action Guidelines"</li> <li>· Reorganization to realize the target Business Portfolio and accelerate new product development, etc.</li> </ul>	
	Mid-term Business Plan	Formulated to achieve the Long-term Management Target, covering the next 3-4 years.	The new plan to be formulated in 2007
	Short-term Business Plan	Annual implementation plan to achieve Mid-term Business Plan (Annual Budget).	To be formulated every fiscal year
The Action Guidelines		<p>The direction for each of MCI officers and employees to take (the basic philosophy they are to follow), with the aim of realizing the Corporate Vision.</p> <p>Keywords: "Always in Good Faith" "For People and Society" "Dream-Inspiring Innovation"</p>	Established in February 2006

: Revised or newly formulated.

## 2. Reorganization (See Appendix 2 for current/new organization structure)

### (1) Objective:

To establish the new organization to realize the target Business Portfolio and accelerate new product development.

### (2) Outline of Reorganization

Business Sector and Center	Outline of Reorganization
Business Sector	<p>a) Reorganize four business groups (Functional Chemicals &amp; Engineered Materials, Functional Polymeric Materials, Basic Chemicals, Petrochemicals) into three business sectors (Performance Materials, Advanced Chemicals, Basic Chemicals). Business divisions to be reorganized accordingly.</p> <p>Details of organizational changes for each business division are shown in Appendix 3.</p> <p>b) Establish "Business Planning &amp; Development" and "Administration &amp; Accounting" divisions in each business sector. The goal is to reinforce strategic planning functions for each sector.</p> <p>c) Establish "Development Center" in the Performance Materials and Advanced Chemicals business sectors, respectively, to centralize the development and production functions of each sector. The goal is to accelerate new product development.</p>

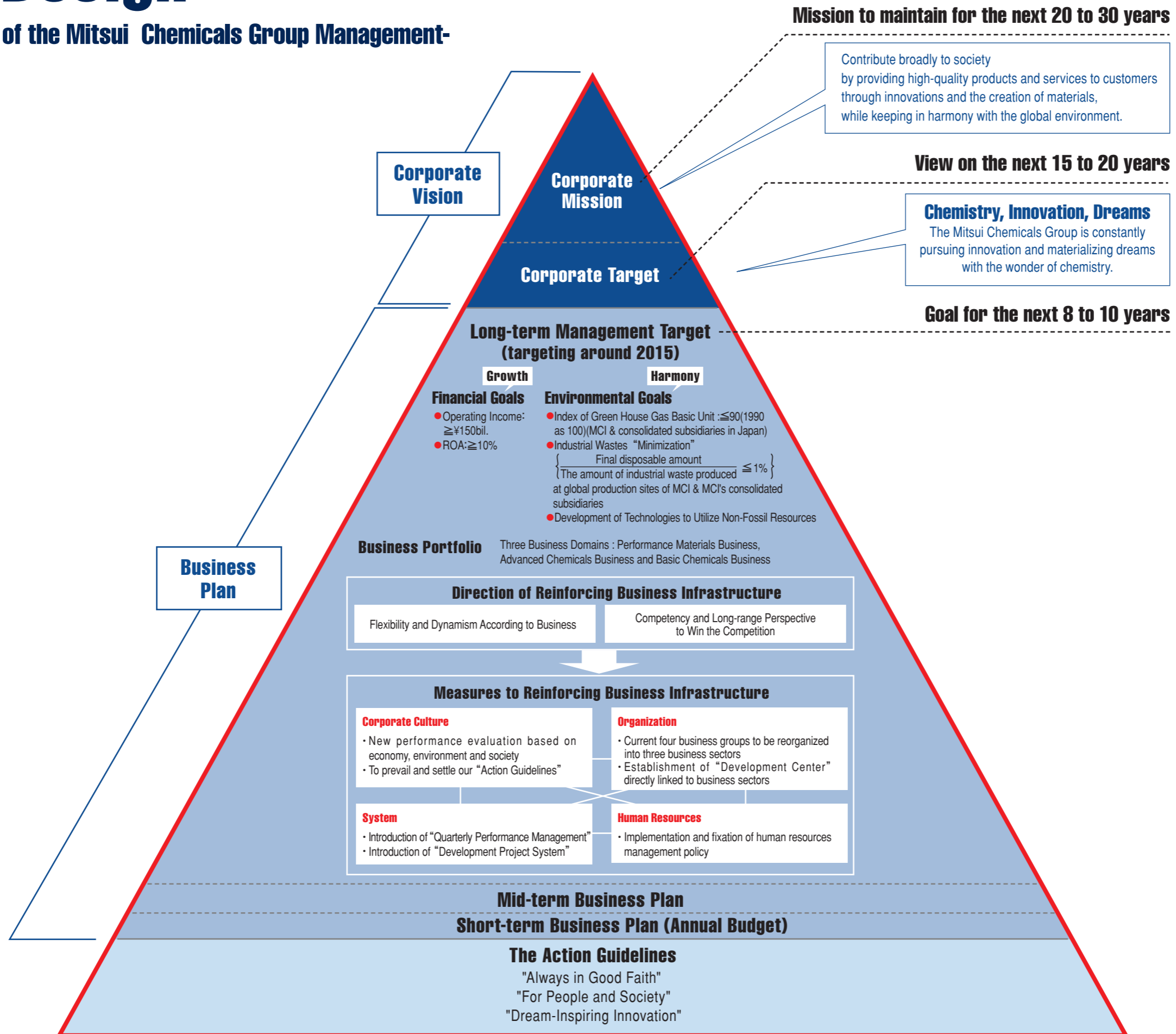
Research Center	Reorganize the R&D Center into “Research Center”. Establish “Planning & Coordination Division” to integrate the R&D Planning & Coordination Division and R&D Administration Division.
Production & Technology Center	Establish “Process Technology Center” to integrate process development and manufacturing technology functions, such as strengthening common fundamental technologies. Additionally, rename the Production & Technology Division as “Planning & Coordination Division”.
Other	<p>a) Establish “Internal Control Division” as a center level organization that augments the functions of the Management Audit Division. The goal is to reinforce internal controls throughout the MCI Group.</p> <p>b) Rename the Affiliates Management, Planning &amp; Coordination Division as “Group Management Promotion Division” to clarify its role in promoting group-wide management.</p> <p>c) The Planning Div.—Greater China has largely achieved its initial goals. Accordingly, its functions have been transferred to Mitsui Chemicals (Shanghai) Co., Ltd., the Corporate Planning Division, and “Group Management Promotion Division”.</p> <p>d) Rename Mitsui Chemicals Singapore, Ltd. as Mitsui Chemicals Asia Pacific, Ltd. to better reflect its actual operating region.</p> <p>e) Combine the CSR Division and Corporate Communications Division to form “CSR &amp; Corporate Communications Division” to strengthen communication with various internal and external stakeholders.</p>

(3) Effective Date of Organizational Changes: April 1, 2007

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# Grand Design

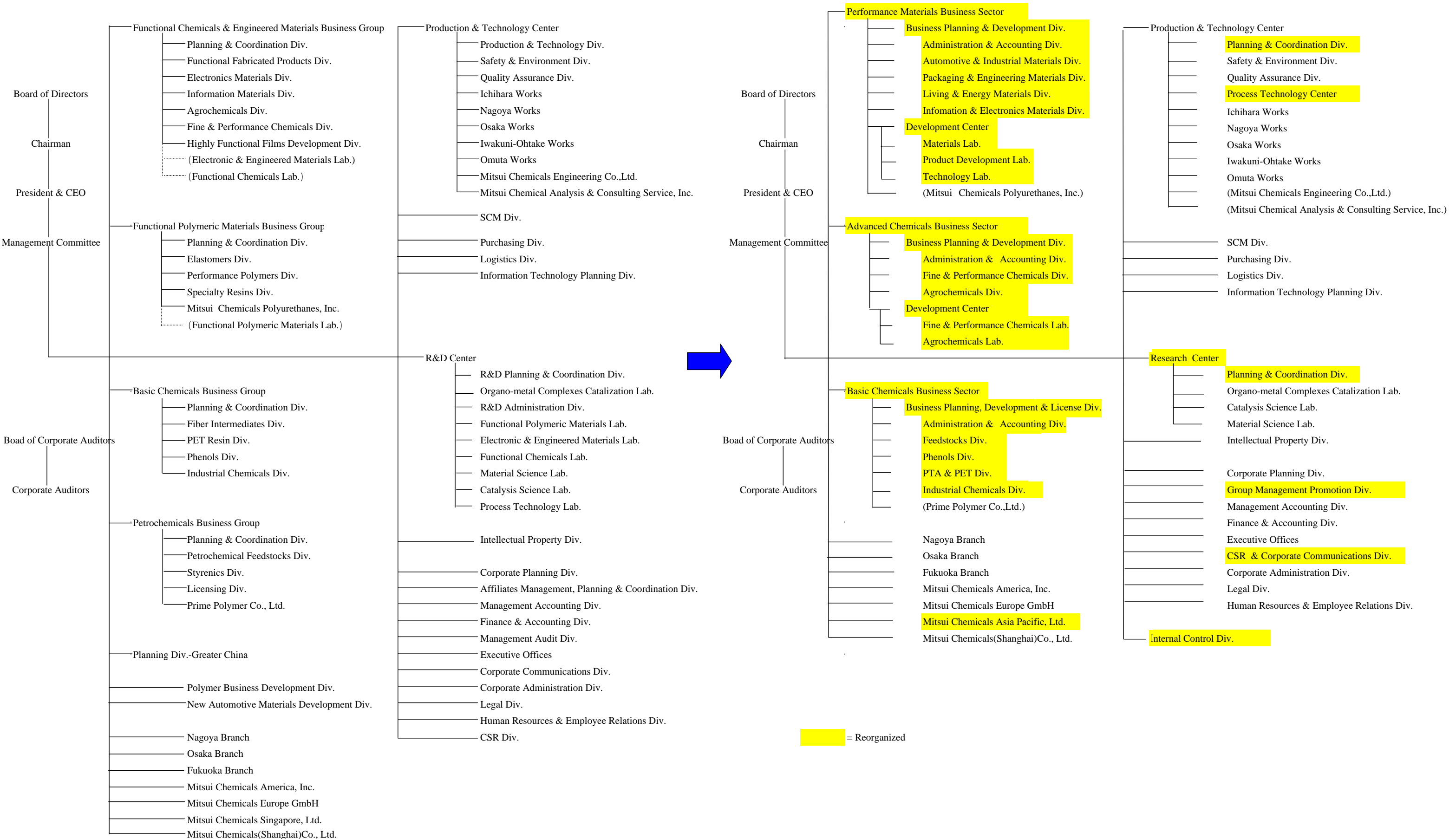
## -Basic Framework of the Mitsui Chemicals Group Management-



# Mitsui Chemicals Organization Chart

Current Organization (As of June 27, 2006)

Reorganization (on April 1, 2007)



**Business Organization( Current and Reorganized)**

< Current >

< Reorganized >

(Notes) -----> indicates business function(s) to be transferred.

The business divisions are shown in order of newly organized.

