



Chemistry, Innovation, Dreams
MITSUI CHEMICALS, INC.
 GLOBAL

STORY 01 Manufacturing on the Frontline

Creating operators with a real "feel"
 for manufacturing



The chemical industry is all about dreaming up new ways to improve and enrich people's lives. Here at Mitsui Chemicals, we create innovative materials and provide high quality products and services designed to benefit society as a whole, whilst at the same time working in harmony with the environment.

CSR News

Archives

[CSR Site Map](#)

For quick access
 to needed information

Corporate
 Governance

Message from the President

We are thinking carefully about the role that society needs the Mitsui Chemicals Group to play in the wake of the earthquake, and are determined to make the greatest possible contribution to society through our business activities.



The Mitsui Chemicals' Group's Business Categories and Main Products

An introduction to some of the flagship products in each of the Mitsui Chemicals Group's four business categories; industrial and lifestyle materials, comfort and functional materials, health and high quality materials, and new energy and environmental materials.



Special Features

STORY 01: Manufacturing on the Frontline



Creating operators with a real "feel"
 for manufacturing

STORY 02: Sales on the Frontline



A coalition of manufacturing, sales and research to earn customers' trust

STORY 03: Research on the Frontline



Creating added value through dedication and passion

CSR Management

An outline of our CSR vision here at the Mitsui Chemicals Group, as well as our top priorities and management structure as we harness our strengths to create a new growth trajectory

CSR in the Mitsui Chemicals Group

Management Framework

Responsible Care (RC)

Details of our social responsibilities as a chemical manufacturer, in areas such as the environment, safety, occupational health and quality

Occupational health and safety

Process Safety and Disaster Prevention

Environmental Protection

Chemical management

Quality

Logistics

RC Promotion System

Communication with Society

Details our stakeholder initiatives, with an emphasis on the sustainable development of both Mitsui Chemicals and society as a whole

Working with our Customers

Working with our suppliers

Working with our Shareholders

Working with our Employees

Working with Industry and Academia

Working with Local Communities

Social contribution activities

Download CSR Reports

Our latest report and previous reports are available as PDF files and in Digital Book format.

Feedback from Inside and Outside the Company

Third-party feedback on our CSR Report and survey results

Performance Data

Data relating to environmental impact, conservation and more

About CSR Report 2011

The philosophy behind our CSR (social and environmental) communication activities and focus on online resources

CSR Report 2011 Survey

Please let us know what you think of our latest report so that we can improve our CSR and reporting activities in the future.

GRI Guidelines Index

Index cross-referencing compliance with international guidelines relating to environmental, social and economic topics

Report on Accident at the Filling Area of the Nitrogen Trifluoride(NF3) Production Facility at Shimonoseki Mitsui Chemicals, Inc.

Report outlining the nitrogen trifluoride filling accident that occurred at Shimonoseki Mitsui Chemicals in November 2009, including the assumed causes of the accident and preventive measures

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Message from the President



Continuing to help Japan get back on its feet

We would like to offer our heartfelt sympathies to all those who have been affected by the Great East Japan Earthquake on March 11, 2011, and our sincerest condolences to the victims and those who have lost family members and loved ones.

We made every effort to support those affected by the earthquake during the immediate aftermath, starting in March by making donations to the affected area and quickly dispatching a range of supplies from our rapid-response emergency stockpiles.

Since then, we have continued to think carefully about what we can do here at the Mitsui Chemicals Group, and what we should be doing, to help restore and rebuild the affected area, and Japan as a whole. We are determined to contribute to society to the fullest possible extent through our business activities.

A handwritten signature in black ink, reading "T. Tanaka".

Toshikazu Tanaka

President & CEO
Mitsui Chemicals, Inc.

The impact of the earthquake on the Mitsui Chemicals Group

Despite the fact that we put safety equipment into operation and our employees performed emergency shutdowns at a number of our works immediately after the earthquake, we have now managed to restore normal operations at all of the facilities that were suspended. We were concerned that we would be unable to continue production of certain products, due to difficulties obtaining raw materials and disruption to logistics services, but we have worked flat-out to restore our supply chain, in partnership with our customers and suppliers, and have so far managed to avoid any serious issues with regard to operations or product supplies. We would like to take this opportunity to thank all those concerned for their understanding and cooperation during the process of restoring things back to normal.

We are committed to resolving the issues that have been highlighted by the earthquake, with regard to our supply chain and in areas such as crisis management, so as to ensure that we remain a trusted corporate group.

Responding to the Great East Japan Earthquake

Three-axis management and results for fiscal 2011

Here at the Mitsui Chemicals Group, we have been setting ourselves targets along three key axes – economic, environmental and social – and working to achieve those targets via our system of three-axis management ever since fiscal 2008, in an effort to contribute to the sustainable development of society and our own operations.

On the economic axis, we have been working hard to reinforce groupwide marketing capabilities, to increase sales of new and high added value products, and to reduce overheads and other costs. We have surpassed our targets as a result, posting an operating income of ¥40.5 billion and successfully establishing profitability.

On the environmental axis, we have significantly exceeded our target of reducing greenhouse gas emissions by 50,000 tons, achieving a reduction of 90,000 tons through initiatives such as installing facilities to effectively harness LNG cold heat in conjunction with local companies at our Osaka Works. As to our goal of reducing accidents in the workplace on the social axis, although we have made improvements, we have unfortunately been unable to meet our targets and still have a number of outstanding issues to address.

Mid-term business plan and three-axis management targets

Having formulated the Mitsui Chemicals 2011 Mid-Term Business Plan in November 2010, we have set aside the three-year period from fiscal 2012 to 2014 to lay the foundations for growth. As such, we intend to build a business portfolio that ensures growth potential and durability and create a chemical company with a global presence, especially in Asia.

Our current mid-term business plan will once again be based on three-axis management. In addition to continuing our mission to achieve world-leading occupational safety standards on the social axis, we intend to switch our reduction targets for greenhouse gas emissions from specific consumption (reducing emissions per unit of production) to overall emissions on the environmental axis, in an effort to reduce emissions by 9% compared to levels in fiscal 1991 (approximately 500,000 tons).

Dealing with power shortages

With eastern parts of Japan facing prolonged power shortages, we are implementing power saving measures at all of our works, so that we can fulfill our supply obligations whilst also responding to public demand to save electricity. At our Ichihara Works (Chiba prefecture), our largest facility in eastern Japan, we generate all of the power we need in-house, as well as supplying approximately 10,000 kilowatts of surplus power to local power companies. We are also working to save electricity wherever possible through measures such as suspending selected equipment, altering operating hours, changing weekly holidays and grouping together holidays over summer, and are steadily reducing the amount of power we consume.



In-house turbine facilities at the Ichihara Works

Taking positive steps towards recovery

The Great East Japan Earthquake caused a great deal of damage and affected many people. As a result, the future of the Japanese economy is expected to remain uncertain for the time being. The earthquake also brought about substantial changes in the environment, and has prompted us to reexamine the country's entire attitude to energy and consumption.

Here at the Mitsui Chemicals Group too, we are making every possible effort to fulfill our supply obligations, in our capacity as a chemical company supplying people with a wide range of materials, so that we can speed up the recovery process as much as possible. We intend to think long and hard about the role that society needs us to play following the earthquake, and to quickly confront new developments head-on so that we can make a difference to society as a whole, through activities such as developing and supplying those materials that harness natural energy and achieve energy savings. We hope that all of you will let us know exactly what you think about our efforts, both now and in the future.

We support the UN Global Compact

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Responding to the Great East Japan Earthquake

Under the supervision of the President, Mitsui Chemicals set up an emergency headquarters immediately after the earthquake and set about ascertaining the impact on the Mitsui Chemicals Group, so as to quickly determine and implement response and support measures.

The following section outlines the impact on the Mitsui Chemicals Group and levels of support for the affected area as of June 30, 2011.

1. Impact on production activities

Although we suspended some facilities at a number of works immediately after the earthquake, we quickly managed to get them back up and running again with the exception of the Kashima Works*, which is located in an industrial complex that was damaged by the tsunami.

We were also concerned that we would be unable to continue production of certain products, as a result of suppliers suspending operations and difficulties obtaining raw materials due to disruption to logistics services. We have nonetheless managed to resolve all such operational issues to date.

*Polyurethane product manufacturing facility in Kamisu, Ibaraki prefecture. Operations restarted at the end of June, after scheduled routine shutdown for maintenance.

2. Support for the affected area

Providing relief supplies

- We routinely stockpile Mitsui Chemicals products in dedicated warehouses at our works, as a source of relief supplies in case of an emergency. Using those supplies, we sent a range of materials (see below) to evacuation shelters in Kesenuma (Miyagi prefecture) during the period from five days after the earthquake until the end of March, in partnership with NGO workers on the ground.
 - Polyurethane mattresses (to provide cushioning on the floor and keep out the cold)
 - Waterproof tarps (to keep water out and provide protection)
 - Food wrapping film (to cover dishes so they don't need to be washed, and to cover up injuries in an emergency)
 - Plastic water tanks (to store drinking water and transport water)
 - Basic biodegradable dishes



Loading relief supplies for the affected area

- We have been providing relief supplies in line with needs in the affected area since then, including sending polyurethane mattresses to the cities of Kamaishi and Tono in Iwate prefecture in May.

Donations

- We donated ¥100 million to people in the affected area via the Central Community Chest of Japan. We also sent donations totaling over ¥70 million from our affiliates around the world and over ¥20 million from Group employees.

Additional support

- As there was a shortage of fire engines after the earthquake, we loaned one of the large chemical fire engines that we use at our Iwakuni-Ohtake Works (Yamaguchi prefecture) to JX Nippon Oil & Energy for use at its Sendai Refinery.

- We are also offering additional social activity leave to employees engaging in volunteer activities (up to a maximum of 10 days a year for employees taking part in disaster relief activities).

3. Dealing with power shortages

Mitsui Chemicals is implementing the following measures at major works and facilities serviced by Tokyo Electric Power and Tohoku Electric Power in an effort to achieve our overall power-saving target of 15%.

Ichihara Works (Chiba prefecture)	Operating in-house generation facilities at full capacity in order to reduce consumption of purchased electricity to zero Upgrading facilities and supplying Tokyo Electric Power with approximately 10,000 kilowatts
Kashima Works (Ibaraki prefecture)	Exclusively using electricity generated by communal onsite generation facilities (zero purchased electricity)
Head Office (Tokyo)	Reducing power consumption by approximately 20% compared to fiscal 2011 through measures such as reducing lighting and adjusting air conditioning
Other works	Suspending selected equipment, operating only on holidays and at night, reducing lighting, etc.

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UN Global Compact

We support the UN Global Compact.

We signed up to the UN Global Compact in January 2008 and are determined to do our bit as a responsible corporate citizen to tackle global issues. We are committed to upholding the ten principles of the Global Compact and always take the greatest possible care to protect human rights and the environment.



United Nations Global Compact 

The 10 principles of the UN Global Compact			Reference pages (booklet)	Reference pages (website)
Human Rights	Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights; and	-	Purchasing Policy CSR Procurement Personnel Advancement and Utilization
	Principle 2	make sure that they are not complicit in human rights abuses.	-	Purchasing Policy CSR Procurement Personnel Advancement and Utilization
Labour	Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;	-	Labor Relations Based on Frank Dialog and Mutual Understanding
	Principle 4	the elimination of all forms of forced and compulsory labour;	-	CSR Procurement
	Principle 5	the effective abolition of child labour; and	-	CSR Procurement
	Principle 6	the elimination of discrimination in respect of employment and occupation.	-	Efforts to improve awareness and conduct as a "good and trustworthy company" Promoting and utilizing human resources
	Principle 7	Businesses should support a precautionary approach to environmental challenges;	P15	Commitment to Global Warming Prevention
				Message from the President Efforts to improve awareness and conduct as a "good and trustworthy company" Identifying Key CSR Challenges Responsible Care Policy Purchasing Policy

Environment	Principle 8	undertake initiatives to promote greater environmental responsibility; and	P3-4 P14-15	<p>Ensuring the Safety of Chemicals and Chemical Products</p> <p>Environmental Protection</p> <p>Assessment of Environmental Impact</p> <p>Assessment (Eco-Efficiency)</p> <p>Environmental Accounting</p> <p>Commitment to Global Warming Prevention</p> <p>Industrial Waste Reduction</p> <p>Substances Subject to the PRTR Act</p> <p>Hazardous Air Pollutants</p> <p>Volatile Organic Compounds</p> <p>Environmental Impact (NOx, COD, etc.)</p>
	Principle 9	encourage the development and diffusion of environmentally friendly technologies.	P14-15 P16-17	<p>The Mitsui Chemicals' Group's Business Categories and Main Products</p> <p>STORY 03: Research on the Frontline>Extensive Research Activities</p> <p>Efforts to improve awareness and conduct as a “good and trustworthy company”</p> <p>Responsible Care Policy</p> <p>Promotion of Joint Research and Projects</p>
Anti-Corruption	Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	-	<p>Efforts to improve awareness and conduct as a “good and trustworthy company”</p> <p>Risk Management System</p> <p>Compliance Training</p>

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Special Features

There are major changes going on all around us at the moment. Here at Mitsui Chemicals, we firmly believe that now is the time for chemicals to shine.

One thing that will never change however, no matter what happens, is our commitment to frontline capabilities. Mitsui Chemicals' manufacturing prowess is built on our strength on the frontline. We are constantly striving to improve and reinforce our frontline capabilities, through dedication and hard work on a day-to-day basis.

We have always used our frontline capabilities to take on new challenges, and will continue to do so, now and in the future.

STORY 01: Manufacturing on the Frontline



Creating operators with a real “feel” for manufacturing

STORY 02: Sales on the Frontline



A coalition of manufacturing, sales and research to earn customers' trust

STORY 03: Research on the Frontline



Creating added value through dedication and passion

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Story 01: Manufacturing on the Frontline

Creating operators with a real “feel” for manufacturing

In May 2006, we set up a Plant Operation Technology Training Center at Mitsui Chemicals' Mobara Branch Factory in Chiba prefecture to provide training for chemical plant operators.

The center forms part of our frontline manufacturing operations at Mitsui Chemicals, handling everything from planning training for human resources on the shop floor to organizing actual training using hands-on training facilities.

The contradiction between evolving plants and manufacturing on the shop floor

Petrochemical plants have gone through a series of changes as they have become safer and more sophisticated, from the large-scale expansion of facilities during the 1960s and 70s to the switchover from analog instrument panels to computer-based distributed control systems (DCS) in the 1980s. As we have made more and more progress with automation and improved safety measures, however, operators have found themselves having to resolve fewer problems. This has created something of a contradiction, in that operators these days lack the well-honed sensibilities and expertise that they would previously have gained by dealing with problems.

Over the last decade or so, we have been building more plants in other countries than in Japan, in an effort to remain internationally competitive. This means fewer opportunities for operators to get involved in the construction process and learn about the structure and basic principles behind a chemical plant, which are the cornerstones of manufacturing.

As a petrochemical manufacturer, this contradiction is having a direct impact on our manufacturing capabilities. The so-called 2007 Problem, brought on by the mass retirement of experienced operators from the baby boom generation, has made matters even worse.

Having previously focused on standardizing plant operations and technical standards ever since Mitsui Chemicals was established in 1997, following the merger between Mitsui Petrochemicals Industries and Mitsui Toatsu Chemicals, the final frontier on the shop floor was to train the operating staff who work on the manufacturing frontline. In order to make the on-the-job training (OJT) schemes already in place at individual works more effective, we established an educational framework and created a new system whereby the Production & Technology Center would take the lead in organization training, using full-scale hands-on training facilities. The result was the establishment of the Plant Operation Technology Training Center in 2006.

“Our aim is to act as the cornerstone of manufacturing at Mitsui Chemicals, by producing operators with strong all-round skills, from operating machinery to safety and equipment”, comments Plant Operation Technology Training Center Director Yasushi Handa, who has been in charge of the project from the beginning.

Learning about the structure and principles behind safety and equipment through extensive hands-on training

Occupying an area of roughly 10,000 square meters in one corner of the Mobara Branch Factory, the Plant Operation Technology Training Center features a methanol distillation training plant, training apparatus for basic operations, a DCS control room and cut-away models of a wide range of plant components. Training is provided by a team of 13 instructors and is aimed at around 2,000 operators at Mitsui Chemicals' six domestic works and operators working at overseas plants. In the five years since the center opened its doors, a total of 2,000 operators have undergone training, with a further 200 trainees and guests visiting from other countries.

As an example, domestic operators have to come to the center four times; once when they joined the company and then again after six months, three years and seven or eight years. Although individual training sessions cover a wide range of topics, including safety skills in the event of an accident, explosion or fire, practical operating exercises using training plants, and the structure



Yasushi Handa
 Director, Plant Operation
 Technology Training
 Center

and principles behind items of machinery, the one common factor throughout is an emphasis on hands-on training. "We use a range of safety apparatus to simulate accidents, by lifting trainees up in harnesses around their waist for instance. We try to encourage a high level of sensitivity to safety issues, as well as training operators to question why things happen for themselves." (Handa)

Handa has also devised a curriculum that aims to hone trainees' sense of awareness even further. This involves "training human resources so that they are capable of identifying weaknesses in their own plants and coming up with solutions."

"The culture within each plant is shaped and molded by key members of staff at that moment in time. We want operators to create a new culture for themselves, one that isn't overly focused on the past. Unless we try to achieve that, we will never be able to provide manufacturing support for overseas plants in a global era." (Handa)

Planning & Coordination
Division, Production &
Technology Center



Naoshi Hagihara
Plant Operation
Technology Training
Center
Planning & Coordination
Division, Production &
Technology Center

Human resources capable of identifying weaknesses and finding their own solutions

It is Naoshi Hagihara's job to take on board Handa's ideas and plan training for domestic operators. In addition to identifying trainees' needs, he also has to carefully align them with the company's own requirements. "Our aim is to train operators to think for themselves, so we always try to produce a curriculum with an emphasis on understanding why things happen. At the end of the day however, the first thing we have to do is to make the center appealing enough that trainees want to come back."

Takashi Fujibuchi meanwhile, who is responsible for planning training for overseas operators, explains that "we are planning to set up training facilities at one of Mitsui Chemicals' plants in Singapore before the end of 2011 so that we can roll out activities into Southeast Asia as well."

As people often assume that chemical plants are fully automated, with no intervention required from human operators, they don't tend to associate the petrochemical industry with manufacturing. That is precisely why we need as many operators as possible who have a real "feel" for everything from operating machinery to safety and equipment. That is the only way to lay solid foundations for manufacturing.



Takashi Fujibuchi
Plant Operation
Technology Training
Center
Planning & Coordination
Division, Production &
Technology Center



Taishiro Osumi
Isocyanate Department,
Polyurethane Manufacturing
Division
Omuta Works

A trainee's perspective

I have learnt a great deal from my training, by using cut-away models and things like that. Explanations on their own are sometimes hard to understand, so it really makes a difference to be able to see, feel and handle things for yourself and immediately ask any questions that come to mind, even if it's something you've never wondered about before. Listening to the various comments from people at other works during practical training sessions was also very helpful and has given me a broader outlook. I am looking forward to putting everything I have learnt to good use in my work in the future.



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STORY 02: Sales on the Frontline

A coalition of manufacturing, sales and research to earn customer trust

Here at Mitsui Chemicals, we are committed to improving the marketing capabilities of all of our employees.

To do that, it is essential to build trust with our customers, by understanding their difficulties and providing them with advice, particularly via sales departments.

One frontline staff in particular have breathed new life into their operations and are continuing to take on new challenges based on an integrated, wholly customer-oriented approach to business, a coalition of manufacturing, sales and research.

Success in business depends on the strength of your relationships with the customer

One of the products handled by the Functional Film Div., part of Mitsui Chemicals' Fabricated Products Business Sector, is Mitsui Pellicle, a dust-proof film designed to keep semiconductor photomasks clean. Made from a unique ultra-thin dust-proof membrane, it is used by semiconductor manufacturers as part of the photolithography* process. Films vary in thickness from 0.8 to just 0.3 micrometers.

"The key thing about pellicles is that they are custom-made products," explains head of pellicle operations Fumiya Miyata. "Pellicles vary in size and thickness depending on the semiconductor photomask being manufactured by the customer. We have over 100 different products at Mitsui Chemicals alone. The only way to maintain sustainable growth is to precisely identify customers' needs and continually refine and improve your products. That's the sort of business it is."

Mitsui Chemicals was one of the first companies to enter the pellicle sector and has already built up a track record dating back almost 30 years. The global pellicle market is estimated to be worth around ¥10 billion. Although it isn't a huge market, that makes it all the more profitable for the leading companies. Including Mitsui Chemicals, there are currently six companies in competition with one another within the global market. "Shortly after joining the company, I spent three months training with the company's pellicle manufacturing department and was amazed to witness the development of such cutting-edge products." (Miyata)

Before he knew it, Miyata found himself back on the frontline in October 2007 as the head of Mitsui Chemicals' pellicle operations. To his dismay however, those same cutting-edge products seemed to have lost their shine.

* Photolithography is a light-base process that involves transferring photoresist (light-sensitive resin) into a specific pattern or design.



Fumiya Miyata
 Manager, Pellicle Team
 Leader and Package Team
 Leader, Specialty Film Dept.,
 Functional Film Div.,
 Fabricated Products Business
 Sector

Know your customers and learn from them

"It just didn't feel right," recalls Miyata. "The sense of pride in working on cutting-edge products had gone, especially amongst younger members of staff." It turned out that Mitsui Chemicals had been left far behind in this particular cutting-edge field by its rivals.

There were numerous reasons, including the fact that the company had previously experienced nothing but success in its position as industry leader, the fact that manufacturing, sales and research staff had lost sight of their roles and connection to one another, and the fact that cracks had started to appear in terms of quality control.

The department responsible for manufacturing pellicles at the Iwakuni-Ohtake Works includes a production manager, a production technology team, a development team and an R&D team to name but a few. Miyata told them all to focus on two specific objectives. The first was to get to know their rivals as well as possible. The second was to go out to see customers and ask them about how they felt about the company's products in person. "In both cases, the aim was to get members of staff to understand the position they were in and work out what needed to be done. I hoped that process would restore their sense of pride in working on world-leading cutting-edge products."

Miyata actively organized workshops focusing on technical trends at rival companies and continued to discuss what they were doing differently. This also served to reaffirm Mitsui Chemicals' primary objectives in the pellicle sector. He also organized frontline networking events to give members of staff responsible for manufacturing pellicles the opportunity to talk to manufacturing, technical and quality control personnel from semiconductor photomask manufacturers. This enabled them to ask their customers directly about matters such as handling and inspecting pellicles. Dealing with tough questions and harsh criticisms repeatedly underlined the importance of good manufacturing practices and ensured that the quality of the company's pellicles continued to improve day after day.



Kenji Kuwahata
 General Manager, Pellicles
 Sect.
 Manufacturing Dept-2,
 Iwakuni-Ohtake Works



Miyata placed his old friend Kenji Kuwahata in charge of manufacturing pellicles. Having previously worked for a semiconductor component manufacturer, Kuwahata brought with him a unique perspective in terms of quality. He put his quality control expertise to good use on the shop floor and set about establishing an improved manufacturing framework.

Kuwahata wouldn't accept improvements unless they were backed up with supporting data. His determination brought a sense of ambition back to the shop floor. "There is a saying, 'if you know your enemy and know yourself, you can win a hundred battles'. It is my job to translate that into the process of manufacturing on the shop floor." (Kuwahata)

Kuwahata also made manufacturing and R&D staff work in the same office and installed a conference call system for talking to customers, to ensure that everyone would have the same understanding of what their customers were thinking. "Our role is to take customers' technical requirements and run them past manufacturing staff straight away," explains R&D team leader Takashi Kozeki, "whilst also providing the necessary support to make quick decisions and take decisive action."

Takashi Kozeki

Supervisor, Fabricated Products Development Unit 3
Fabricated Products Development Div., Fabricated Products Business Sector



Takami Nishikawa

Supervisor, Pellicles Sect., Manufacturing Dept-2

Getting customers to openly confide in Mitsui Chemicals

"When you're working on the frontline with cutting-edge technologies like semiconductors, the issues you face become very specialized," explains Miyata. "Customers will only confide openly in people who understand those issues and can translate that understanding into a quick, organized response. That's how business works with cutting-edge technologies. The only way to survive is to earn customers' trust based on real environments, real products and real situations. That has to be part of your own love of manufacturing too."

Sure enough, Mitsui Chemicals is on its way to recapturing the top spot in the cutting-edge pellicle sector, having previously been on the back foot. With overseas sales accounting for well over 50%, it has been transformed into a genuinely global business. This is yet another example of Mitsui Chemicals' customer-oriented approach based on the realities of business.



Masahiro Kondou

Manager, Quality Management Team, Pellicles Sect., Manufacturing Dept-2



Mr. Makoto Kato

Director and Plant Manager
D.T. Fine Electronics Co., Ltd.

Customer's Comments

We have been buying pellicles from Mitsui Chemicals for 30 years now. Throughout that time, I have always found the team at Mitsui Chemicals to be serious, meticulous, and dedicated when dealing with any issues. Even though it has become increasingly difficult to differentiate from the competition in terms of quality and technology these days, we can rely on Mitsui Chemicals to always put the customer first and work with us to resolve any problems we are facing. From time to time, members of staff from Mitsui Chemicals (usually sales staff, but also development or manufacturing staff in some cases) come with us when we go out to visit material manufacturers for pellicles. It feels like we're all moving in the same direction. Mitsui Chemicals has a talent for working in cooperation with others like that. I hope they will continue to lead the way in terms of pellicle quality and technology in the future.



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STORY 03: Research on the Frontline

copper alloy coated hygienic films and sheets

the wide range of research activities

Creating added value through dedication and passion

We have earmarked our functional film and sheet operations as priority businesses under the Mitsui Chemicals Mid-Term Business Plan, and in 2010, we combined those businesses of Mitsui Chemicals and our subsidiaries Mitsui Chemicals Tohcello and Mitsui Chemicals Fabro to integrate regarding Mitsui Chemicals Tohcello as a core.

In addition to taking over responsibility for high functional film products such as SOLAR EVA™ encapsulant sheets for solar cells and ICROS™ TAPE protective film for integrated circuits, Mitsui Chemicals Tohcello will also harness groupwide technical development capabilities in order to expand our operations in this sector.

The following article takes a look at our copper alloy coated hygienic films and sheets, part of the Mitsui Chemicals Group's range of functional film and sheet products.

The challenge of creating copper alloy films and sheets with antibacterial properties

Here at Mitsui Chemicals, we have a truly wide range of film and sheet manufacturing technologies at our disposal. This gives us great flexibility in terms of creating applied products.

With that in mind, we knew that if we focused on the well-established antibacterial properties of materials such as silver and copper and were able to develop an integrated copper and resin film, we would be able to produce a wide range of applied products for use in medical and hygiene-related fields. In our determination to achieve that goal, we began to conduct research into copper alloy coated hygienic films and sheets.

Research got underway in 2006. "We were trying to create an integrated copper and resin film that would have antibacterial and anticorrosive properties, so that it wouldn't produce blue-green rust like copper," explains Koji Hirota from the New Materials Development Center. "We were also trying to make it as inexpensive and flexible as possible. Those were our three research objectives."

The team knew it wouldn't be easy, but the development process nonetheless proved more difficult than expected. "If we increased the copper content in order to improve the antibacterial properties, materials became susceptible to rust. Lowering the copper content meanwhile prevented us from achieving the required level of antibacterial performance. We knew that using an alloy would prevent corrosion, but we couldn't work out how to put that idea into practice. We seemed to be constantly coming up against brick walls." (Hirota)



Koji Hirota
 Senior Researcher,
 Performance Film · Sheet
 Development Project
 New Materials Development
 Center

A burning passion that got everyone involved in practical experiments

Just as they were starting to lose hope however, one of the developers had a flash of inspiration whilst reading a book about the history of copper. According to Hirota, the team spent the next two weeks working flat out, barely even pausing to sleep, until they managed to come up with an effective methodology. "It was based on a technology called vapor deposition, which involves turning metal into gas and depositing it in thin layers inside the device itself."

Using an alloy made it possible to prolong the material's antibacterial performance and prevent rust. The fact that the technology was an extension of vapor deposition technology meanwhile kept manufacturing costs to a minimum and meant that it could be used for various different applications. The team had achieved its three research objectives in spectacular fashion, in the form of a film that was just 10-100 nanometers* thick.

The next question was whether the antibacterial properties of these newly developed films and sheets would actually be effective. The team tried affixing films to the back of interview sheets at a university hospital and running comparisons against untreated sheets. One researcher tried using the film as a pillowcase, based on its odor eliminating properties. Hirota got his wife to use some film as an insole after she complained that her feet tended to get too hot when wearing stockings. Hirota himself tried running laps around the



Akinao Hashimoto
 Senior Researcher,
 Performance Film · Sheet
 Development Project
 (Leader, Team 1)
 New Materials Development
 Center

development center and then putting his sweaty t-shirt in a bag made from the same sheeting... Everyone got involved in this series of simple experiments, even researchers and their families.

One experiment in particular involved affixing antibacterial films onto folders used for interview sheets. The results (see chart below) indicated a high level of antibacterial performance. “We are planning to take this to market at the start of fiscal 2012, including applied products,” explains development project team leader Akinao Hashimoto. “We’re thinking about giving out samples to people running the marathon around the Imperial Palace and getting them to see how effective they are.” Clearly, there are already new ideas in the pipeline.

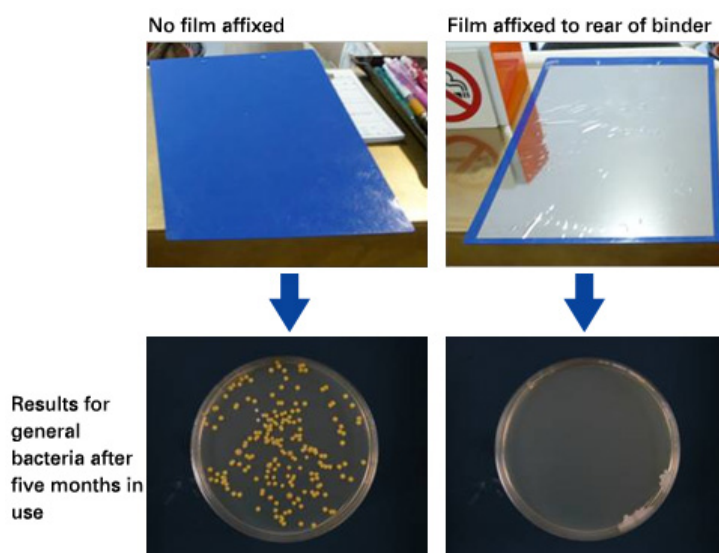
Hashimoto and Hirota have named the materials in question “CopperStopper™ copper alloy coated hygienic films and sheets.” The inspiration came from the English word “copper” and the image of bacteria being stopped by a police officer (“cop”).

Most research and development is fairly unglamorous, consisting of a process of trial and error. When simple activities such as these produce concrete results however, there is a real sense of joy that you only get on the frontline of research and development.

* Nanometer: One billionth of a meter

Test results for interview sheet binders

Evaluated by Dr. Takeshi Sasahara, Kitasato University School of Medicine



Dr. Takeshi Sasahara
Kitasato University School of
Medicine

Comments

In addition to ensuring medical safety at all times, healthcare facilities also place top priority on combating hospital-acquired infections. At Kitasato University Hospital, we are currently trialing measures to improve hygiene by harnessing the potential antiseptic properties of copper and copper alloys. Trials have clearly shown a reduction in bacterial counts on surfaces such as door handles and wash stands that have been treated with copper. Just as we were thinking that it would be impossible to apply the same principles to items such as bedding and plastic folders however, we came across a research team from Mitsui Chemicals, which is known for its outstanding polymeric and petrochemical manufacturing technology. They gave us their full support and came up with the idea for CopperStopper™, a unique corrosion-resistant copper alloy film with antibacterial properties. I have high hopes for the development of products in various other everyday fields in the future, as well as healthcare.



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STORY 03: Research on the Frontline

copper alloy coated hygienic films and sheets

the wide range of research activities

Taking a closer look at the wide range of research activities carried out by the Mitsui Chemicals Group, this section focuses on our overseas initiatives and features a follow-up report on our chemical CO₂ fixation activities.

Initiatives at the Mitsui Chemicals Singapore R&D Center

Even within the rapidly growing Asian market, Singapore in particular is home to a wide range of companies and research facilities and has established itself as a major focal point for the chemical industry in Southeast Asia. Here at Mitsui Chemicals, we have been expanding our operations hand in hand with Singapore's growing chemical industry for the last 40 years. With large-scale phenol, bisphenol A and elastomer plants already up and running, we intend to use Singapore as our industrial hub in Asia as we continue to expand our operations on a global scale.

In 2004, we entered into a cooperative research agreement with the Singapore Government's Agency for Science, Technology and Research (A*STAR) and began conducting joint research in the field of catalysis and materials science. In October 2006, we established the Mitsui Chemicals Singapore Technical Center (now the Mitsui Chemicals Singapore R&D Center). The center is currently conducting joint research in partnership with a government research institution in Singapore and is focusing on areas such as biocatalysts, with the aim of manufacturing useful chemicals from biomass in order to help prevent global warming and find an alternative to fossil resources. At the centre, the researchers come from Mitsui Chemicals, Germany, India, Singapore and its neighboring countries.

Our joint research with Singapore is part of the Mitsui Chemicals Bio-Consortium, the aim of which is to develop technologies that facilitate the use of non-fossil resources.

Mitsui Chemicals Bio-Consortium



Researchers from different countries

Chemical CO₂ fixation

Methanol, which is used as a chemical feedstock, is made from carbon dioxide (CO₂). We are currently developing technology and working on a business model that will enable us to translate this into the ultimate recycling technology. Using data obtained from the test plant at our Osaka Works, which has already been up and running for two years, we have designed the necessary process for industrialization and identified key development priorities for the future, including improving efficiency and optimizing facilities. We have also entered into specific discussions with partners from a range of industries all over the world, including companies that produce large volumes of CO₂ and companies with excess hydrogen, and are hurrying to draw up a road map that will enable practical application in line with their respective business models.

We dream of the day when this technology will help resolve the world's CO₂ problems and will continue with development until that day arrives.



The test plant at our Osaka Works



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The Mitsui Chemicals' Group's Business Categories and Main Products

The Mitsui Chemicals Group provides useful materials and products for a brighter future.

The chemical industry is all about dreaming up new ways to improve and enrich people's lives. The Mitsui Chemicals Group provides innovative technologies and materials that are designed to benefit society as a whole across a wide range of business categories, from automotive, electronic and IT materials to lifestyle, environment, energy and packaging materials. This section introduces some of the flagship products in each of the Mitsui Chemicals Group's four main business categories.

The Mitsui Chemicals' Group's Business Categories and Main Products (FY2012)

Industrial and lifestyle materials	Comfort and functional materials
Health and high quality materials	New energy and environmental materials

Industrial and lifestyle materials for a more convenient and stable life (Clothing, food, housing materials, etc.)

Our global supply network provides wide-ranging support for social infrastructure and people's everyday lives.

Basic Chemicals

Raw materials for polyester fibers

Purified terephthalic acid (PTA)

Phenols

Polycarbonate resins



PTA is the raw material used to make polyester fibers, which in turn are used in clothing.

Packaging Materials

Drinks bottles, packaging for food, detergents, cosmetics, and pharmaceuticals

Mitsui PET™ resin
 Polyethylene (Evolue™), etc.
 Polypropylene (Prime Polypro™)



Thanks to their outstanding rigidity and strength, Evolue™ films are used for purposes such as functional packaging for food and everyday items.



Mitsui PET™ resin is used in a wide range of containers, including drinks bottles and food packaging.

Comfort and functional materials for a safe and full life (High-grade materials, electronic and IT materials, automotive materials, etc.)

We provide growth industries with highly functional products and help to enrich people's lives.

Semiconductor process materials

Wafer back-grinding protective tape

ICROS™ TAPE

Dust-proof photomask covers

Mitsui Pellicle

Etching/cleaning gas

Nitrogen trifluoride



ICROS™ TAPE is designed to protect the surface of

Disposable diapers and everyday items

Nonwoven fabric

SYNTEX™

Breathable film

ESPOIR™

Synthetic pulp

SWP™

wafers from backgrinding during wafer processing as part of the semiconductor manufacturing process.



ESPOIR™ nonwoven films are used to make disposable diapers, thanks to their outstanding breathability.



Thanks to its heat sealability, SWP™ pulp is used in packaging for a wide range of medical applications and food products, such as teabags.

Everyday and household films

Preserving film for fresh food

Spash™

Fast biodegradable film

Palseal™ CB



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

Health and high quality materials

for a comfortable, high quality life
(Healthcare, catalysts, agrochemicals, etc.)

We create high quality products in order to contribute to areas such as healthcare, elderly care, agriculture and catalysis science in new and different ways.

Lens materials

High refractive index optical lenses

MR™ series



The MR™ series consists of raw materials for high quality optical plastic lenses, combining a high refractive index with superior shock resistance.

Pharmaceuticals

Energy drinks

Taurine



Taurine is an amino acid that helps to produce the energy we need to keep us alive and enables various metabolic processes. It is used in products such as energy drinks.

Agrochemicals

Agrochemicals

Aniki™ emulsion pesticide

Afetto™ flowable pesticide

Hybrid rice seeds

Mitsuhikari 2003 and 2005



Mitsuhikari 2003 and 2005 are late-flowering, high-yield



strains of rice that taste great.

Aniki™ is an environmentally friendly emulsion pesticide whose active ingredients break down easily after application in order to protect crops.

New energy and environmental materials

for a more environmentally friendly life
(Solar power, biomass, etc.)

We do our bit to help solve key issues facing mankind, by providing environmental solutions in new growth markets for instance.

Solar power components

Solar cells

SOLAR EVA™
Monosilane



High durability SOLAR EVA™ plastic sheets are used to encapsulate the entire base of each solar cell, in order to protect the cell.

Materials for eco-friendly vehicles

Lithium ion battery components

MiReT™ (electrolytes)
CHEMIPEARL™ (electrode binder)

Biomass chemicals

Biopolyurethane

ECONICOL™



ECONICOL™ is a polyurethane made from plant-based materials and is used in products such as furniture, bedding and car seat cushions.

Lightweight automotive materials

Adhesive polyolefins

ADMER™

Olefin copolymers

TAFMER™



In combination with barrier resins, ADMER™ polyolefins help to prevent leaks from fuel tanks and reduce the weight of tanks themselves.



TAFMER™ improves the shock resistance of automotive plastics so that they can be used in place of metals to help make vehicles lighter.



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CSR Management

We believe that corporate social responsibility (CSR) is the very essence of management. This section outlines the Mitsui Chemicals Group's approach to CSR and our CSR management framework, based on our three-pronged approach to management, focusing on the economy, the environment and society.

CSR in the Mitsui Chemicals Group

Our goal is to create a “good and trustworthy company” that makes the most of the capabilities at its disposal, is trusted by the public, and makes its employees feel proud and motivated. That is the aim of our CSR activities within the Mitsui Chemicals Group.

The aims of CSR

Framework for the creation of a
 “good and trustworthy company”

Identifying Key CSR Challenges

Management Framework

We believe that rigorous management is the cornerstone of our business, enabling us to earn the trust of our stakeholders and fulfill our corporate social responsibility.

Goals and Results

Corporate Governance

Risk Management Framework

Compliance Training

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CSR in the Mitsui Chemicals Group

The aims of CSR

Framework for the creation of a “good and trustworthy company”

Identifying Key CSR Challenges

The aims of CSR

The aim of our CSR activities is to establish ourselves as a “good and trustworthy company” that is trusted by society and that makes every one of its employees feel proud and motivated. To achieve that, we need to think constantly about what society wants from a “good and trustworthy company,” both now and in the future, so that we can continue to act and take on new challenges accordingly. In 2007, Mitsui Chemicals formulated the Grand Design, the basic management framework for the Mitsui Chemicals Group. In addition to setting out financial targets from the economic axis every year, as part of our medium-term management targets, since fiscal 2008 we have set out and worked towards targets in environmental and social axis for the Mitsui Chemicals Group as well. From fiscal 2011, we have been working to achieve our goal of being a “good and trustworthy company” based on a set of Key CSR Challenges, with the aim of ensuring that individual departments are working towards the same direction over the course of each year.

Mitsui Chemicals Group Grand Design

Our approach to becoming a “good and trustworthy company”



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CSR in the Mitsui Chemicals Group

The aims of CSR Framework for the creation of a “good and trustworthy company”

Identifying Key CSR Challenges

Framework for the creation of a “good and trustworthy company”

Our CSR Committee is chaired by the President and is responsible for formulating and reviewing plans and policies relating to CSR activities within the Mitsui Chemicals Group. This includes our Key CSR Challenges, which provide the basis for individual organizations throughout the company to formulate and implement their own plans.

Whereas the CSR Committee has previously concentrated on safety in the workplace, environmental health, and governance, we intend to shift focus onto active initiatives as part of our business operations. As such, membership of the CSR Committee was extended to include the heads of all divisions within the company (Directors and General Managers) from fiscal 2011 onwards.

Having set up supervisory CSR departments at each of our sites, branches and affiliates, we are working to promote CSR in line with their respective characteristics, whilst also reinforcing collaboration within the group.

CSR Promotion Framework



Risk Management Framework

Responsible Care Policy

Efforts to improve awareness and conduct as a “good and trustworthy company”

In order to retain the trust from society and meet their expectations, we have identified the following three “Essential Principles” based on our Action Guidelines and are committed to putting them into practice on a companywide scale.

1. Adopt a proactive, outward-looking attitude
2. Think for yourself and take on new challenges
3. Maintain mutual trust and solidarity

In terms of specific initiatives, we organize dedicated Two-Way Communication Discussions to discuss what we can do to create a “good and trustworthy company” and what action needs to be taken. We also provide support to facilitate open, two-way discussion via our CSR Supporters, a team of communication leaders in each organization, led by the relevant line manager.

Through initiatives such as these, we are working to create an organizational culture that is determined to continually generate new value, with an emphasis on our stakeholders and society as a whole.

Mitsui Chemicals Group Action Guidelines

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

*Our stakeholders: customers, suppliers, shareholders/investors, local communities, academia/chemical industry, government, employees/labor market, global environment

We will always act in good faith	We will have a high regard for people and society.	We will aim for the “Dream-Inspiring Innovation”.
<p>Compliance with the laws and regulations We will give priority to compliance with laws and regulations over any pursuit of profit.</p> <p>Honesty We will live up to our conscience with honest words and actions.</p> <p>Non-tolerance of discrimination We will not tolerate discrimination against gender, race, nationality, age, religion and disabilities.</p> <p>Justice and fairness We will strictly observe the fair competition and trade.</p> <p>Transparency We will promptly report and provide precise information without distinguishing between the favorable or unfavorable information.</p>	<p>Safety first We will act with a mind-set focused on safety-first policy above all.</p> <p>Contribution to the global environment We will conduct R&D, manufacturing and sale of products that will contribute to the protection of the global environment.</p> <p>Customer satisfaction We will promptly provide high-quality products and services by accurately grasping customer needs.</p> <p>Contribution to communities We will contribute to the development of local communities as members of those communities.</p> <p>Health enhancement We will be mindful of enhancing our health and making our workplaces vibrant.</p> <p>Respect for diversity We will have mutual respect for the diversity of personalities, individualities and views.</p>	<p>Challenging spirit We will unflinchingly challenge with full trust in our potential without fear of failure.</p> <p>Creativity We will create novel values by enhancing our sensitivity.</p> <p>Workplace-oriented approach We will always consider and act proactively based on the actual data and facts at workplace.</p> <p>Self-improvement We will aim to be world-class professionals with a global view.</p> <p>Technology dissemination We will cultivate the next generation by passing on our experiences and technologies.</p> <p>Teamwork We will integrate individual strength into the organization through active communication.</p>

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CSR in the Mitsui Chemicals Group

The aims of CSR Framework for the creation of a “good and trustworthy company”

Identifying Key CSR Challenges

Identifying Key CSR Challenges

To live up to the requirements and expectations of our stakeholders and society as a whole, and to ensure that every member of the Mitsui Chemicals Group is moving in the same direction, we have clearly set out our Key CSR Challenges for the year ahead and intend to promote CSR via initiatives in every department.

Key CSR Challenges for fiscal 2012

Create a “strong frontline” to:

1. Provide safety, reassurance and stability
2. Focus on technology, business and products to help resolve global issues
3. Improve employee awareness and conduct as a trusted corporate group

1. Provide safety, reassurance and stability

We focused on establishing a safety-first culture during fiscal 2011 and successfully achieved our targets in terms of accidents in the workplace.

As we were unable to maintain stable product supplies in some cases due to issues with production facilities however, we intend to take steps to fundamentally and systematically enhance the stability of our facilities in fiscal 2012, whilst also continuing to focus on improving safety standards.

We also intend to start work on a chemical management framework in fiscal 2012 in order to minimize chemical-related risks at every stage of our products' lifecycles, from production and shipping through to usage and disposal, thereby providing added reassurance with regard to chemical products.

Our main objective here at the Mitsui Chemicals Group is to provide society with a range of materials. As such, we have a fundamental corporate social responsibility to manufacture our products safely so as to prevent any risk to our employees or members of society, to supply products that people feel completely safe using, to ensure stable supplies of such products, and to provide seamless support for social infrastructure.

To reaffirm our commitment to fulfilling our responsibilities on a companywide basis, we have made it our first Key CSR Challenge for fiscal 2012 to “create a ‘strong frontline’ in order to provide safety, stability and reassurance.”

Story 01: Manufacturing on the Frontline

2. Focus on technology, business and products in order to help resolve global issues

One of our Key CSR Challenges for fiscal 2011 was to enhance environmental management initiatives. In addition to reducing greenhouse gases, formulating medium-term emissions targets, catering to demand for environmentally friendly products and establishing a chemical management framework, we also have also been focusing on actively developing cutting-edge technologies in areas such as CO₂ fixation (synthesizing methanol from CO₂) at our test plant and biomass-based chemical synthesis using E. coli bacteria. We need to take action on a global scale to tackle a whole range of issues, including biodiversity, food shortages, water resources and the depletion of scarce resources, as well as global warming. As a chemical company producing a range of materials, we have an increasingly important role to play in that process. It is essential that we keep on trying to resolve global issues such as these through our production technologies, products and services, to ensure the sustainable development of Mitsui Chemicals and society as a whole. In order to underline that fact and encourage us to think and take on new challenges on the frontline at every level, from R&D to manufacturing to sales, we have made it one of our Key CSR Challenges for fiscal 2012 to “focus on technology, business and products in order to help resolve global issues.”

Story 03: Research on the Frontline

3. Improve employee awareness and conduct as a trusted corporate group

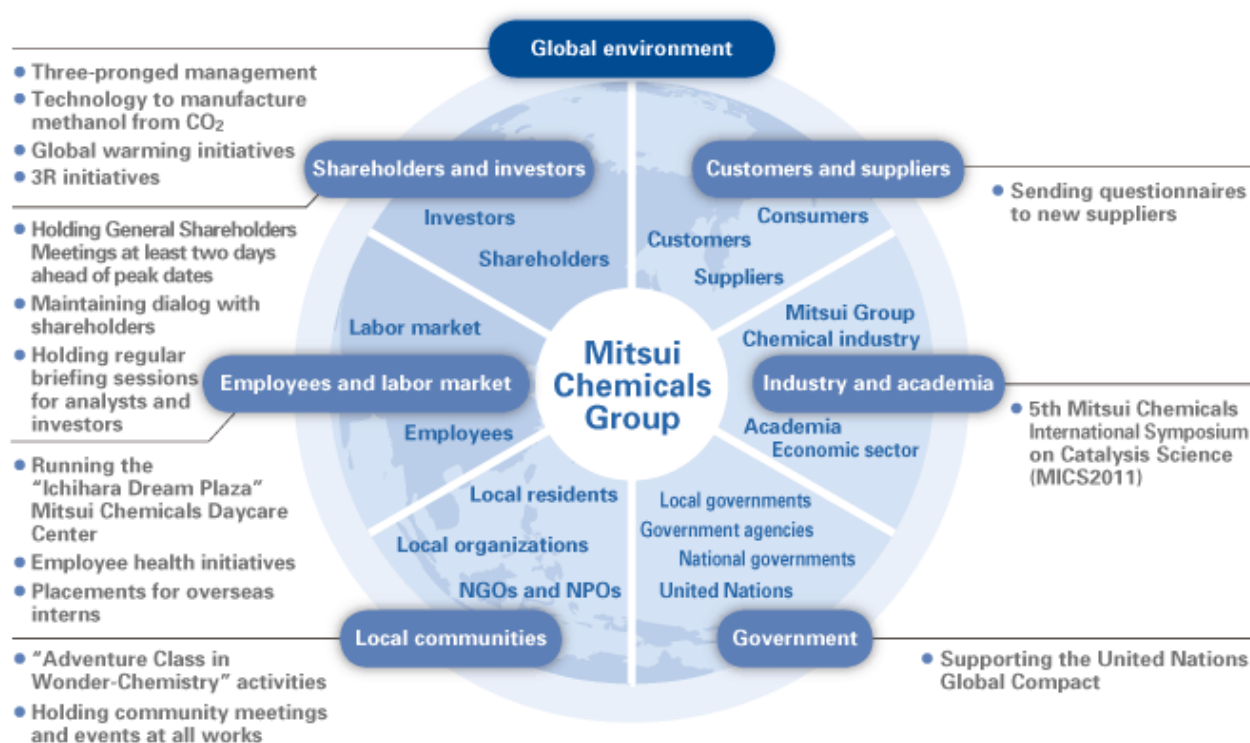
All of our activities as a company are carried out by our employees. Retaining the trust from society depends heavily on the awareness and conduct of the individual employees who interact with our stakeholders on a day-to-day basis.

Here at the Mitsui Chemicals Group, we are committed to putting our Essential Principles (outlined as part of our efforts to improve awareness and conduct as a “good and trustworthy company”) into practice and have made it one of our Key CSR Challenges for fiscal 2012 to “improve employee awareness and conduct as a trusted corporate group.”

Efforts to improve awareness and conduct as a “good and trustworthy company”

Story 02: Sales on the Frontline

Stakeholders and key initiatives for fiscal 2011



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Risk Management Framework

Compliance Training

Here at the Mitsui Chemicals Group, we are committed to reinforcing corporate governance, risk management, compliance and all other aspects of our management framework 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.

Goals and Results

Goals for Fiscal 2011

- Continue to regularly review Business Continuity Plans (BCP)

Fiscal 2011 Goals and Results

Level achieved: A

- Conduct annual review of BCP

Priorities for Fiscal 2012

- Continue to regularly review BCP

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

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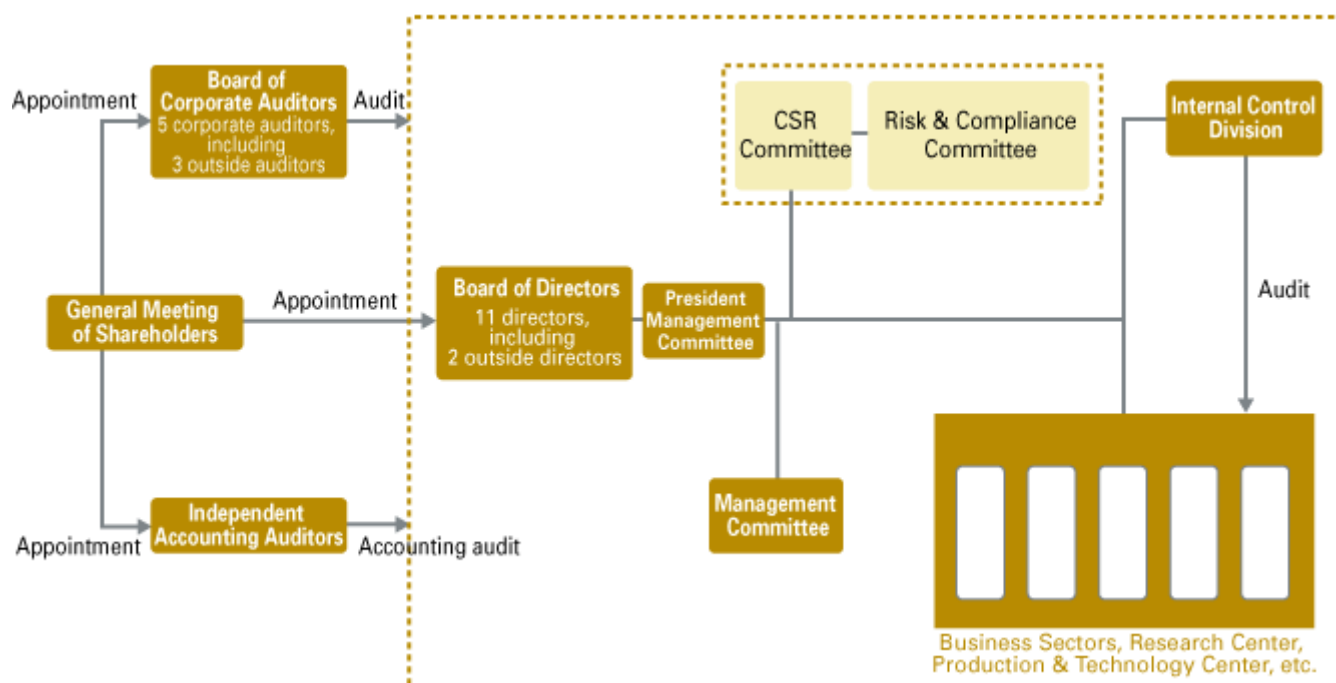
Corporate Governance

Our approach to corporate governance

We are committed to full management transparency in everything that we do, to earn the public's trust and fulfill our corporate social responsibility. We have in place a framework to ensure that all important decisions are broadly discussed through meetings and bodies, established in accordance with our company regulations, and operate an internal control system that includes measures such as appointing outside directors and emphasizing the role of corporate auditors.

We actively engage in IR and public relations activities and make every effort to disclose information to our shareholders, the media and other parties in an appropriate and timely manner in order to ensure effective corporate governance.

Corporate governance framework and CSR



Corporate Governance Measures

Board of Directors

As a rule, the Board of Directors meets once a month to make decisions regarding key management issues. Individual board members submit operational updates and reports on the company's financial standing and results to the board, which is also responsible for auditing their professional performance.

Executive officer system

We introduced an executive officer system in order to clearly delineate responsibility for supervising and executing operations. The system is designed to reinforce and improve management procedures, by speeding up the decision making process and by facilitating and accelerating operations in each division.

Corporate and internal audits

Our Corporate Auditors attend key internal meetings, including meetings of the Board of Directors, and are able to exchange opinions with the president and management personnel on a regular basis. They also check copies of all approval forms submitted by executive officers and minutes from key meetings.

Our Corporate Auditors conduct 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.

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. Our Corporate Auditors also attend committee meetings and are able to offer their opinions whenever necessary.

Internal Control

We established the Internal Control Division in order 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 major operational risks are kept within tolerable levels at all times. The division is also responsible for maintaining and improving internal control standards on a groupwide basis and conducting internal audits wherever necessary in order to ensure that our operations are being conducted 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 2009, we subject internal controls relating to legal and regulatory compliance to self-assessments by the divisions to be audited and conduct internal audits based on the results at all applicable divisions and domestic affiliates. The system is now fully up and running and was extended to include overseas affiliates in fiscal 2011.

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.

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Management Framework

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Compliance Training

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 & Compliance Committee

We established the Risk & Compliance Committee, which is headed by the director in charge of risk management, in order to review our risk management policy and to maintain and implement systems in accordance with our risk management regulations.

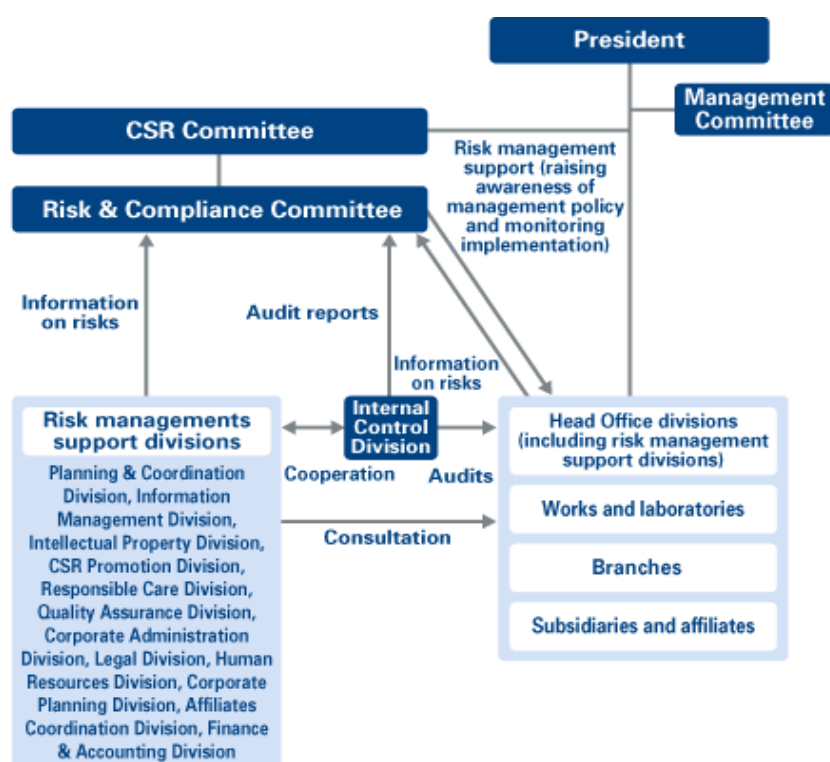
Group Risk Management System

We introduced the Mitsui Chemicals Group 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 and division and implementing measures accordingly.

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

* PDCA: Plan, Do, Check, Act

Structure of our Group Risk Management System

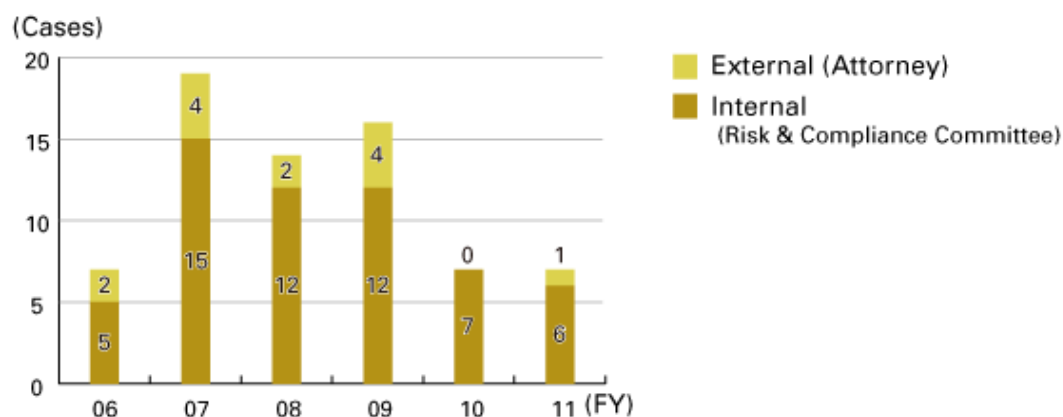


Risk Hotline

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. 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. In fiscal 2011, we extended the scheme even further to make the hotline available to suppliers of raw materials and parts.

Risk Hotline statistics



Business Continuity Plans (BCP)

We have formulated a Business Continuity Plan (BCP) for execution in the event of a major earthquake in the Tokyo metropolitan area. The plan outlines the establishment of an emergency headquarters, to quickly establish a chain of command in the event that Head Office is unable to function, and emergency customer response centers, to provide our customers with support quickly and effectively. We have also formulated BCP in preparation for other emergencies, including outbreaks of new strains of influenza and large-scale industrial accidents.

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Compliance Training

Compliance Training

To promote compliance, it is absolutely essential that each and every employee is aware of the need for compliance on an individual level and has a working knowledge of all applicable laws and regulations. To raise awareness, we organize compliance awareness training and example-based workplace discussions on legal and regulatory violations. In order to improve employees' knowledge meanwhile, we organize legal and regulatory compliance training and compile a compliance guidebook that employees can refer to at any time. These are the four key methods that we use to ensure compliance within the Mitsui Chemicals Group.

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 2009. 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 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 manuals

In an effort to comprehensively raise awareness of compliance on an individual level, in 2003 we compiled a compliance guidebook (revised in 2006) summarizing important points to consider when carrying out operations as a Mitsui Chemicals Group employee and distributed copies to all group employees. In addition to the existing Japanese and English editions, in 2009 we compiled a new Chinese edition containing information on Chinese laws and regulations. Copies were distributed primarily to our subsidiaries in China. We use these manuals to help promote compliance on a day-to-day basis.

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 management to new recruits.

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. Our training course is currently divided into 15 subjects, each dealing with a specific law that our employees need to be aware of in order to carry out their duties. 14 of these subjects are available via e-learning.

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. Around 13,000 employees underwent training in fiscal 2011.



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Responsible Care

This section outlines our responsible care (RC) initiatives, which form the basis of our wide-ranging business activities here at the Mitsui Chemicals Group. This includes occupational health and safety, process safety and disaster prevention, environmental protection, chemical management, quality and logistics, as well as our RC promotion framework.

Occupational Health and Safety

Safety is the cornerstone of any “good and trustworthy company.” There is no way to earn society's trust without it. Here at the Mitsui Chemicals Group, we implement a range of companywide initiatives aimed at preventing accidents and occupational injuries.

Goals and Results

Creating Safe and Secure Workplaces

Employee Health

Process Safety and Disaster Prevention

Here at the Mitsui Chemicals Group, we are constantly striving to improve our process safety and disaster prevention capabilities, so that we can eliminate accidents entirely.

Goals and Results

Preventing Production-Related Accidents and Injuries

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

Commitment to Preventing Global Warming

Reducing Industrial Waste

Substances Subject to the PRTR Act

Hazardous Air Pollutants

Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

Chemical Management

We are committed to rigorous management of chemicals at Mitsui Chemicals, and fully support the Word Summit on Sustainable Development (WSSD) pledge to minimize the negative impact of chemicals on people and the environment by the year 2020.

Goals and Results

Ensuring the Safety of Chemicals and Products

Quality

We are committed to continually improving the level of quality management here at the Mitsui Chemicals Group, under our Basic Policy Regarding the Environment, Safety, Occupational Health and Quality. 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

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](#)

RC Promotion System

Here at the Mitsui Chemicals Group, we regard reinforcing corporate governance as one of the cornerstones of our business, in terms of earning the trust our shareholders, customers, members of the local community and all of our other stakeholders, and fulfilling our corporate social responsibilities.

[Goals and Results](#)

[RC Management System](#)

[RC Promotion System](#)

[Responsible Care Policy](#)

[RC Audits](#)

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Occupational Health and Safety

Goals and Results

Creating Safe and Secure Workplaces

Employee Health

Safety is the cornerstone of any “good and trustworthy company.” There is no way to earn society's trust without it. Here at the Mitsui Chemicals Group, we implement a range of companywide initiatives aimed at preventing accidents and occupational injuries.

Goals and Results

Goals for Fiscal 2011

- Pinpoint factors preventing a safety-first approach in the workplace
- Continue with essential investment in order to ensure safety
- Share information about major accidents and occupational injuries, identify the causes and take decisive action

Fiscal 2011 Goals and Results

Level achieved: A

- Identified issues and discussed policies as part of taskforce activities aimed at improving production capabilities
- Made effective use of investment

Level achieved: C

- Failed to achieve frequency targets for occupational injuries
 DAFWCs: 0.28 (target: 0.15 or less)
 DAFWC + RWTC + MTCs: 2.1 (target: 1.8 or less)

Priorities for Fiscal 2012

- Take steps to prevent human errors
- Prevent occupational injuries specific to the plant type (molding, chemical process)

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

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Occupational Health and Safety

Goals and Results

Creating Safe and Secure Workplaces

Employee Health

Creating a Safe and Secure Workplace

We have earmarked eliminating accidents and occupational injuries throughout the Mitsui Chemicals Group as one of our top priorities under our Fiscal 2012 Mid-Term Business Plan (2011-13), and are working to achieve that goal on a groupwide scale.

Occupational injuries

In fiscal 2011, we made it one of our top priorities to prevent injuries stemming from insufficient hazard prediction (KY, Kiken Yochi), and focused on safety activities at Mitsui Chemicals Works and our affiliates, revolving primarily around enhanced KY activities.

The results of our hard work during fiscal 2011 were as follows.

	Target	Fiscal 2010	Fiscal 2011
DAFWCs	0.15 or less	0.37	0.28
DAFWC + RWTC + MTCs	1.8 or less	2.3	2.1

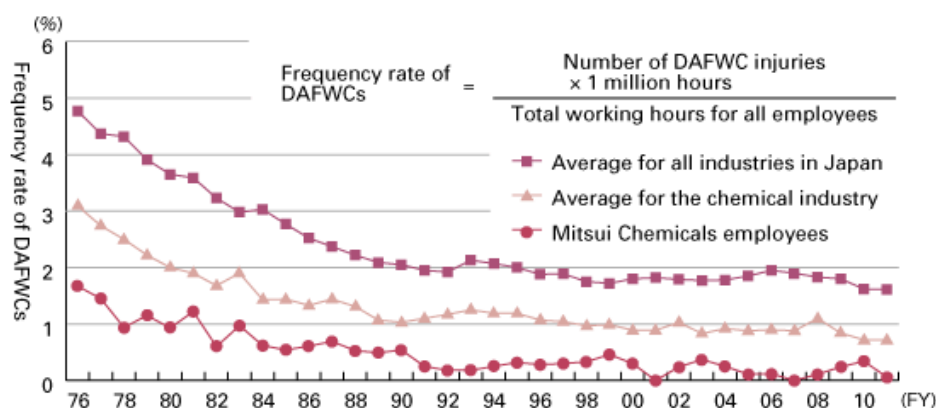
* The following is a general description of the categories for occupational injuries used at Mitsui Chemicals based on OSHA standards. Each individual case is examined by our company physician before determining the appropriate category. DAFWC (Days Away From Work Case) refers to occupational injuries that require at least one day of absence from work. RWTC (Restricted Work or Transfer Case) refers to occupational injuries that are not DAFWCs, in which the worker is able to return to work the following day and includes cases in which special consideration is required for the worker to return to their regular duties. MTC (Medical Treatment Case) refers to injuries that are not RWTCs in which the worker is able to return to their regular duties without special consideration.

Summary of results

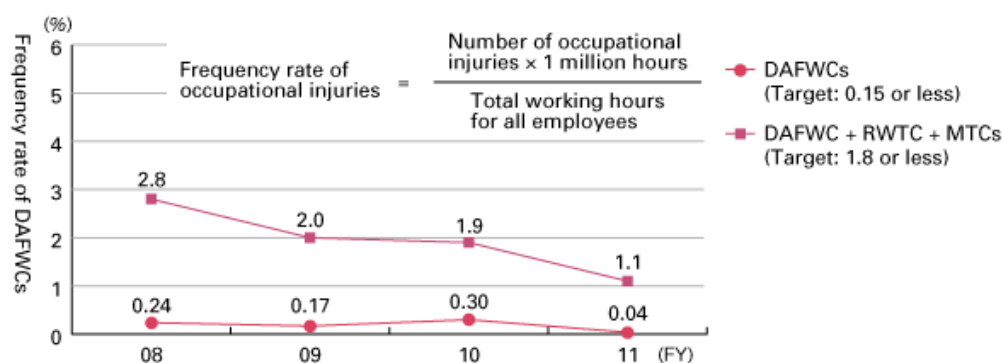
We managed to reduce the frequency rate of DAFWCs from 0.37 in fiscal 2010 to 0.28 in fiscal 2011.

Although we were unable to achieve our world-leading target of 0.15 overall, we are nonetheless making steady progress and achieved outstanding results in terms of injuries involving employees and contractors at our domestic production sites, the frequency of which came in below 0.15 at 0.04. Similarly, we managed to reduce the overall frequency of injuries (DAFWC + RWTC + MTCs) from 2.3 in fiscal 2010 to 2.1 in fiscal 2011. We have continued to make steady improvements since fiscal 2009, when the frequency stood at 2.6.

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



Frequency of occupational Injuries (Mitsui Chemicals employees + operation subcontractors)



Eliminating occupational injuries

Occupational safety at Mitsui Chemicals depends on day-to-day safety activities at each of our sites.

In the spirit of the Japan Industrial Safety & Health Association's Zero Accident Campaign, we implement safety activities based on an effective PDCA (plan, do, check, act) cycle, focusing particularly on the following three elements.

1. Philosophy, as set out by top management
2. Technique, for hazard prediction (KY, Kiken Yochi) activities, risk assessments, etc.
3. Implementation, involving all employees

We have set out the following top priorities as part of our safety activities for fiscal 2012, in accordance with our new Mid-Term Business Plan (fiscal 2012 onwards).

1. Take steps to prevent human errors
2. Prevent injuries specific to the plant type (molding, chemical process)

We intend to prevent human error first of all through hands-on training and other educational initiatives, focusing particularly on reinforcing our existing hazard prediction (KY) activities.

We intend to prevent injuries specific to the plant type through safety initiatives targeting the different plant types, focusing on "caught on or between" injuries at molding-type plants and prevention of contact with heat/chemicals at chemical process-type plants.

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Occupational Health and Safety

Goals and Results

Creating Safe and Secure Workplaces

Employee Health

Employee Health

Here at the Mitsui Chemicals Group, we provide our employees with the support they need to take good care of their health, via industrial physicians, nurses and other healthcare professionals.

We believe that healthy employees make for a healthy company. Based on that philosophy, we assign full-time industrial physicians, nurses and healthcare managers to healthcare sections at our Head Office, Sodegaura Center and all five of our works. We also assign part-time industrial physicians, nurses and other healthcare professionals to our smaller plants and to major plants operated by our affiliates, in an effort to improve the health of all group employees.

Once again in fiscal 2011, we continued to focus on preventing mental health conditions and lifestyle-related diseases, and on reducing hygiene risks.

Minimizing Occupational Health Risks

Health Management

Mental Healthcare Measures

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Process Safety and Disaster Prevention

Goals and Results

Preventing Production-Related Accidents and Injuries

Here at the Mitsui Chemicals Group, we are constantly striving to improve our process safety and disaster prevention capabilities, so that we can eliminate accidents entirely.

Goals and Results

Goals for Fiscal 2011

- Improve, distribute and make use of information regarding the dangers associated with chemical substances that are handled
- Ensure compliance with all operating procedures
- Share information about major accidents and occupational injuries, identify the causes and take decisive action
- Respond effectively to accidents that occurred in fiscal 2010

Fiscal 2011 Goals and Results

Level achieved: A

- Organized process safety and disaster prevention training for Mitsui Chemicals Group employees (nine times)

Level achieved: B

- Gathered information regarding the dangers associated with high-risk substances

Level achieved: C

- Abnormal phenomena and accidents occurred

Priorities for Fiscal 2012

- Strengthen measures to prevent leaks
 - Implement equipment measures through cooperation between the production and maintenance departments
 - Isolate equipment susceptible to leaks and reinforce leak prevention measures
- Strengthen process safety technology
 - Make ongoing improvements through self-management at Mitsui Chemicals Works
 - Provide support to help affiliates (domestic and overseas) establish self-management
 - Improve process safety and disaster prevention training
 - Reaffirm and raise awareness of information regarding the dangers of high-risk substances, provide training and incorporate information into safety measures

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

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Process Safety and Disaster Prevention

Goals and Results Preventing Production-Related Accidents and Injuries

Preventing Production-Related Accidents and Injuries

Here at the Mitsui Chemicals Group, we are constantly striving to improve our process safety and disaster prevention capabilities, so that we can eliminate accidents entirely.

Accidents and Injuries

Our process safety and disaster prevention priorities for fiscal 2011 included improving capabilities on the shop floor, improving, distributing and making use of information regarding the dangers associated chemical substances, and ensuring compliance with all operating procedures. As such, we carried out a wide range of initiatives in order to improve and enhance the standard of process safety technologies throughout the Mitsui Chemicals Group. Although there were no serious accidents this year, we still experienced a number of leaks and other such incidents. With that in mind, we intend to further reinforce preventive measures to guard against leaks in fiscal 2012.

Passing down skills and techniques by learning from past accidents

Having analyzed accidents that have occurred in the past at Mitsui Chemicals Group premises, we have divided the accidents (common accidents, accidents we can learn from, etc.) into 32 categories and put together a selection of 59 case studies.

During fiscal 2011, we organized a series of 12 seminars in order to run through these case studies for plant managers, technical staff and researchers, so as to improve employees' ability to identify hazards in their operations and to pass down skills and techniques to equipment and facility designers. A total of 887 employees attended the seminars.



Training using case studies (Omuta Works)

Case study form

事故事例様式			
事例のタイプ	静電気火災		
事故の名称	Aプラントにおける製品充填中の火災		
発生日時	〇〇年 〇月 〇〇日	発生場所	作業場
事故概要	〇〇年 〇月 〇〇日 午前△時頃から3名の作業員が製品をドラム缶への充填を開始した。その充填している途中で火災が発生した。		
原因	窒素雰囲気下でドラム缶に充填しなかったため、爆発混合気が形成された。また、ドラム缶などが接地されておらず、静電気火花で着火、火災となった。		
教訓	1. ドラム缶などへの充填作業では、確実にアースを取ること。ドラム缶の裏面をはがして金属面を出して接地すること。 2. 搬送操作は、ゆっくりと行うこと。 3. ドラム缶に充填する場合には、充填ラインを窒素雰囲気下とすること。 ・ ・		

The key is to learn lessons from past accidents and incorporate them into current operations!

Ensuring safety

The Process Technology Center's Process Safety & Disaster Prevention Technology Unit plays a central role in our process safety and disaster prevention activities, and strives to improve and enhance the standard of process safety technologies throughout the Mitsui Chemicals Group, at both

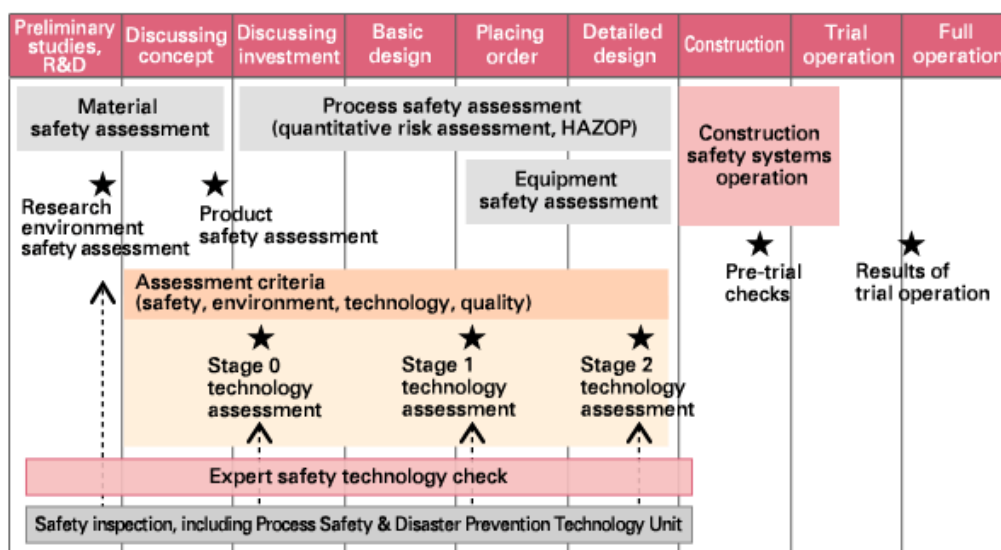
domestic and overseas sites, by providing support for safety assessments and organizing process safety and disaster prevention training. In addition to collecting data for the purpose of safety assessments at every stage, from research to the installation and modification of equipment, the Process Safety & Disaster Prevention Technology Unit also carries out safety assessments based on safety technologies, including material risk assessments, process safety assessments, equipment safety assessments and safety measure assessments.

In fiscal 2011, we conducted 124 safety assessments and 82 safety checks, and responded to four internal accidents or incidents. We took swift action in response to these incidents and, based on the lessons learnt, rolled out the same measures to other group facilities in order to prevent the recurrence of similar incidents.

Safety issues at individual works and workplaces are handled by specially trained Safety Engineers (SE*1) assigned to each site. SEs play a central role in resolving safety issues specific to each plant or workplace and making improvements.

*1: Safety Engineers (SE) are responsible for coordinating the resolution of safety issues

Safety assessments at every stage, from research to installation and modification of equipment



Local safety and disaster prevention plans and drills

We are continually improving our in-house disaster prevention capabilities here at the Mitsui Chemicals Group. In addition to conducting disaster prevention drills, including emergency activities such as firefighting, call-outs and reporting, we also carry out initiatives such as organizing discussion sessions with municipal fire departments and participating in “firefighter for a day” programs.

We formulate site-specific plans every year and conduct disaster prevention drills designed specifically for the operations carried out at each of our sites. We try to ensure that drills are as realistic as possible, through measures such as surprise drills whereby no information is provided about the emergency situation ahead of time.

We organize 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 invite members of local community associations to observe comprehensive disaster prevention drills, to give them a better understanding of our process safety and disaster prevention activities.

We also work with municipal fire departments and local companies to organize joint disaster prevention drills as a form of reciprocal training between companies. At our Osaka Works in fiscal 2011, we organized a firefighting drill that involved putting out a fire in one of our large-scale tanks using a high-capacity foam extinguishing system, under the supervision of the Osaka and Wakayama Joint Disaster Prevention Association.

We also conduct drills in the event of a large-scale earthquake in the Tokyo metropolitan area, so that we can coordinate efforts between our head office in Tokyo and Osaka Works to confirm the safety of our employees and ascertain the level of damage to our works. Other activities include training employees on how to report incidents between our head office and works via satellite phone.



A joint disaster prevention drill at the Osaka Works (high-capacity foam extinguishing system)



A disaster prevention drill at one of our overseas affiliates

Process safety and disaster prevention training

We are also committed to process safety and disaster prevention training as a means of preventing accidents and disasters, and organize training based on curricula tailored to the individual needs of operators, production engineers and researchers.

In particular, we organize regular hands-on training courses at our Technical Training Center, which we established in 2006 with the aim of equipping operators with a high level of safety awareness. In fiscal 2011, the center organized nine training courses for domestic operators, providing training for a total of 180 employees. Hands-on training teaches employees just how frightening explosions and fires can be and how to prevent them, through first-hand experiences such as igniting flammable gas via static electricity and causing dust explosions.

In fiscal 2011, we also began hands-on safety training for operators and members of technical staff responsible for small- and medium-scale testing.

We provide process safety and disaster prevention training for operators at our affiliates as well, both in Japan and overseas, and will continue to systematically organize such training throughout the group in the future.



A fluid exposure drill

Curricula for process safety and disaster prevention training

Participants	Year 1	Years 2-7
Operators	Upon recruitment, after six months: - General safety training (hands-on training in dealing with fires and explosions) - Basic training in occupational accidents and fire prevention - Refresher training in preventive technologies and procedures	- Upon promotion: Group discussions, hands-on training, etc. - Five-stage safety training via off-the-job training at plants (Stages 4-5 for operators with eight years of experience or more)
Production engineers	Upon recruitment: - General safety and environmental protection training - Safety training (people entering a certain site, KYT)	- Safety assessments (DOW, HAZOP) - Material safety assessments (risk assessments, etc.) - Process safety and disaster prevention technologies (safety engineering, case studies)
Researchers	Upon recruitment: - General safety and environmental protection training - Safety training (KYT)	- Risks associated with materials, reactions and mixing - Risk assessment methods - Safety engineering, process safety and disaster prevention training based on case studies

Investments in health, safety and disaster prevention

We increased investments in health, safety and disaster prevention considerably in fiscal 2011, taking the total from approximately ¥2.6 billion in fiscal 2010 to ¥6.1 billion.

These investments will enable us to prevent occupational accidents and injuries through measures such as preventing leaks and other accidents, carrying out improvements to aging facilities and installing handrails to prevent slips and falls

Breakdown of investment in health, safety and disaster prevention

(Unit: Million yen)

Description		FY2010	FY2011
1	Measures to prevent explosions, fires and leaks	1,032	1,860
2	Improvements to aging facilities	702	1,672
3	Improvements to occupational safety and working environments	790	2,260
4	Measures in the event of an earthquake or other natural disaster	18	13
5	Other measures	80	286
Total		2,622	6,091



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Environmental Protection

Goals and Results

Commitment to Preventing Global Warming

Reducing Industrial Waste

Substances Subject to the PRTR Act

Hazardous Air Pollutants

Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

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

As a chemical company, we are working to protect the environment in two ways here at Mitsui Chemicals: 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 in order to reduce the volume of industrial waste sent to 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.

Goals and Results

Goals for Fiscal 2011

- Implement energy saving proposals and identify further energy savings
- Continue to implement plans aimed at minimizing industrial waste

Fiscal 2011 Goals and Results

Level achieved: A

- Reduced greenhouse gases by 90,000 tons through energy saving initiatives
- Minimized industrial waste at five domestic manufacturing sites
 Industrial waste sent to landfill at domestic and overseas affiliates
 Domestic: 0.4%
 Overseas: 0.4%

Priorities for Fiscal 2012

- Implement greenhouse gas reduction plans and develop innovative energy saving technologies
- Continue to implement plans aimed at minimizing industrial waste

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



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Environmental Protection

Goals and Results	Commitment to Preventing Global Warming		Reducing Industrial Waste
Substances Subject to the PRTR Act	Hazardous Air Pollutants		Volatile Organic Compounds
	Environmental Impact (NOx, COD, etc.)	Biodiversity	Environmental Accounting
Input⇒Output Data	Environmental Impact Assessment (Eco-Efficiency)		
Handling Environmental Complaints			

Commitment to Preventing Global Warming

Reducing greenhouse gas emissions

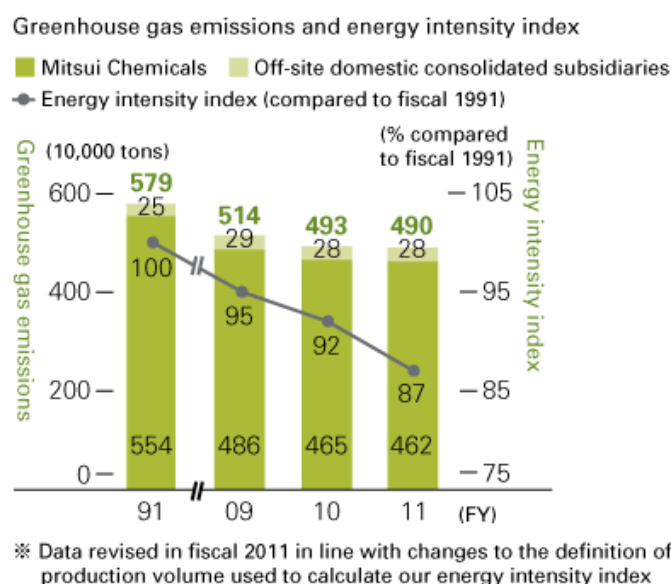
As part of our commitment to reducing greenhouse gas emissions here at the Mitsui Chemicals Group, we set ourselves the target of reducing our greenhouse gas intensity index to no more than 85 (compared to fiscal 1991 levels) at six of our domestic manufacturing sites and domestic consolidated subsidiaries (18 companies) by fiscal 2012.

In fiscal 2011, we managed to reduce the Mitsui Chemicals Group's greenhouse gas emissions by 90,000 tons through a range of energy saving initiatives, including introducing a process harnessing LNG cold heat as part of a joint project between the Osaka Works and local companies. Overall, we managed to reduce emissions by a total of 390,000 tons over the course of our previous Mid-Term Business Plan, running since fiscal 2009, when we had set up to reduce greenhouse gas emissions.

As a result, our greenhouse gas emissions for fiscal 2011 totaled 4.90 million tons, representing a reduction of 30,000 tons compared to fiscal 2010 in spite of an increase in production. Our greenhouse gas intensity index meanwhile came to a much-improved 83, compared to 90 in fiscal 2010 (energy intensity index: 87 (fiscal 2010: 92)).

Under our new Mid-Term Business Plan, running from fiscal 2012 onwards, we have set ourselves the target of reducing greenhouse gas emissions by 500,000 tons compared to fiscal 1991 levels by fiscal 2014. In addition to promoting energy saving measures and developing innovative process technologies, we intend to expand and improve our range of environmentally friendly products so as to help reduce greenhouse gas emissions throughout society as a whole.

Greenhouse gas emissions and energy intensity index



Example of energy saving initiatives

At the Osaka Work's Ethylene Plant, we have successfully introduced the world's first large-scale energy saving process using LNG cold heat. As a result, we have managed to reduce the Ethylene Plant's annual CO2 emissions by approximately 38,000 tons.

Greenhouse gases

Energy saving measures in logistics

We have long since been committed to changing the modes of transportation that we use to ship goods, from road to rail and sea (modal shift), and improving load efficiencies, through active involvement in transport planning. We have also continued to promote measures in partnership with our customers and transport companies, including increasing the size of lots for delivery in order to reduce the number of shipments, and introducing larger vehicles.

Since the enactment of the Revised Energy Conservation Act in 2006, companies have been required to incorporate energy saving measures into their transportation activities, as well as improving the fuel efficiency of vehicles themselves. We will continue to promote green logistics in the future, and are committed to making more effective use of energy resources and preventing global warming.

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Environmental Protection

Goals and Results	Commitment to Preventing Global Warming	Reducing Industrial Waste
Substances Subject to the PRTR Act	Hazardous Air Pollutants	Volatile Organic Compounds
Environmental Impact (NOx, COD, etc.)	Biodiversity	Environmental Accounting
Input⇒Output Data	Environmental Impact Assessment (Eco-Efficiency)	
Handling Environmental Complaints		

Reducing Industrial Waste

Here at the Mitsui Chemicals Group, we have made a commitment to the minimization^{*1} of industrial waste at domestic manufacturing sites and all production sites operated by domestic and overseas consolidated subsidiaries by fiscal 2016, as one of the targets set out under our Grand Design. We similarly set ourselves the target of minimizing industrial waste at all production sites in Japan, and limiting the average landfill rate for production sites outside Japan, to no more than 5% by fiscal 2012 as one of the targets under our Fiscal 2009 Mid-Term Business Plan.

We have managed to achieve and maintain minimization at all seven of our domestic manufacturing sites with the exception of the Omuta Works.

We are conducting pilot operation and making modifications to the solid industrial waste incinerator at the Omuta Works and expect to start commercial operation in the near future. This will enable us to treat industrial waste generated at the works, bringing us significantly closer to achieving minimization from fiscal 2012 onwards.

Whereas many of the products supplied by our domestic subsidiaries are made by processing and adding value to our own products, most of our overseas subsidiaries mass-produce commodity chemicals. Given that waste treatment regulations and industrial structure differ from country to country, there are many issues that we need to address in order to advance minimization outside Japan. We are nonetheless united in our groupwide commitment to reducing landfill disposal, by actively reducing and recycling waste at each of our sites.

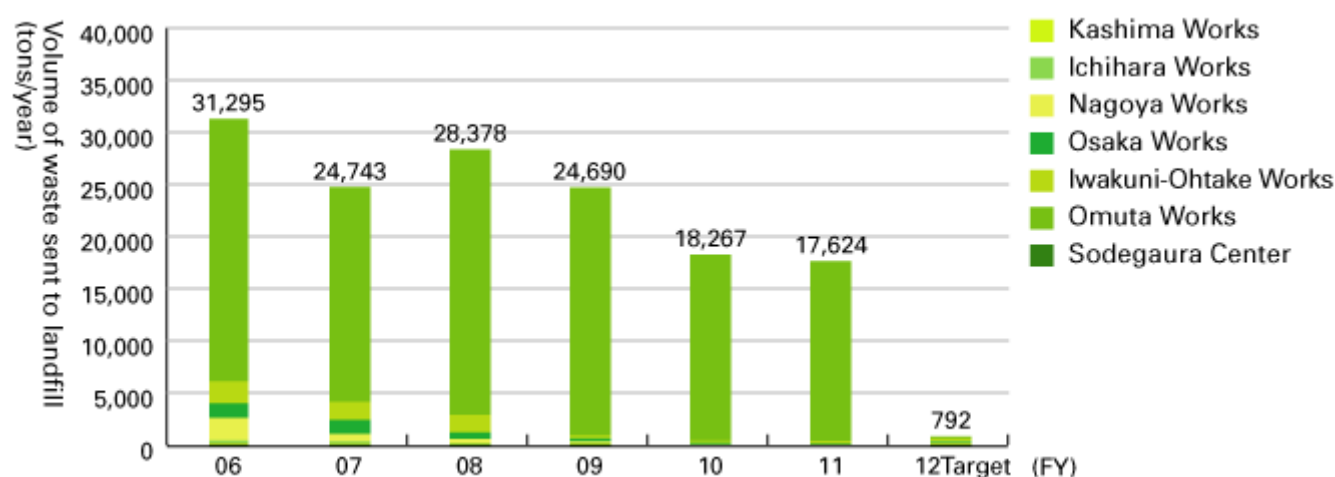
As the average landfill rate for industrial waste at all domestic subsidiaries^{*2} came to 1% or less in fiscal 2011, we have already achieved our fiscal 2012 minimization target ahead of schedule. We have maintained an average landfill rate of 1% or less at our overseas subsidiaries^{*2} ever since fiscal 2010, coming in at 0.4% for fiscal 2011.

We are determined to achieve minimization at the Omuta Works in fiscal 2012, so that we can achieve overall minimization at all of our domestic manufacturing sites and subsidiaries, whilst at the same time striving to further reduce volumes of industrial waste.

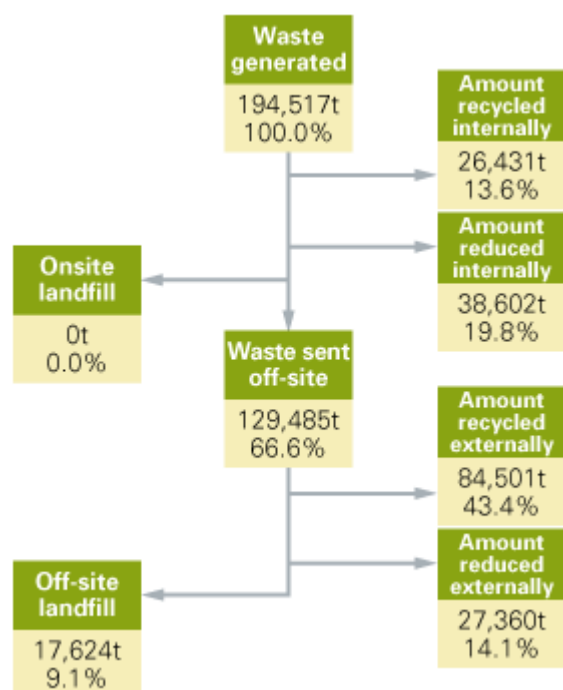
*1 : Minimization of industrial waste: Maintaining a landfill disposal rate of 1% or less of industrial waste generated

*2 : For statistical purposes, "domestic and overseas subsidiaries" refers to production sites operated by consolidated subsidiaries and companies eligible for RC support (25 in Japan, 20 overseas)

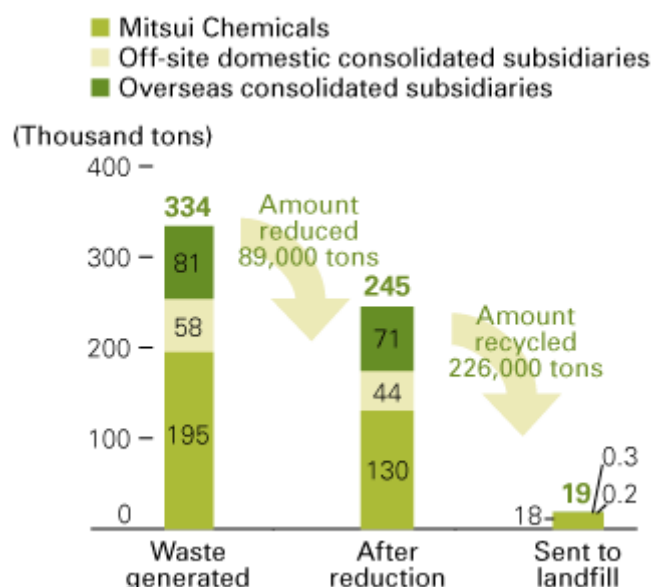
Landfill disposal of industrial waste



The industrial waste process (Mitsui Chemicals)



The process of reducing industrial waste disposal



- * Amount reduced internally: Amount reduced as a result of waste plastic incineration, waste acid neutralization, etc.
- * Amount recycled: Includes waste plastic recycling and the reuse of waste oil as fuel
- * Waste generated: Sludge (dry weight), waste plastics, soot and dust, etc.
- * Any minor discrepancies in percentages are due to rounding.

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Environmental Protection

Goals and Results

Commitment to Preventing Global Warming

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Substances Subject to the PRTR Act

Hazardous Air Pollutants

Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

Substances Subject to the PRTR Act

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^{*1} 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.

The number of designated substances that companies are required to declare was increased^{*2} in fiscal 2011 because of revisions to the PRTR Act. As a result, the total amount of designated substances released by Mitsui Chemicals went up from 702 tons in fiscal 2010 to 1,743 tons in fiscal 2011, after the revisions came into effect. As the required level of chemical management is likely to keep on increasing in the future, we are determined to reduce our emissions even further.

*1PRTR: Pollutant Release and Transfer Register

*2Class 1 Designated Chemical Substances that companies are required to report to the Japanese government under the PRTR Act
 Before revisions: 354 substances → After revisions: 462 substances
 (Specific Class 1 Designated Chemical Substances: 12 substances → 15 substances)

Emissions of substances subject to the PRTR Act

Site	Emissions (tons/year)		Substances declared	
	FY2010	FY2011	FY2010	FY2011
Kashima Works	81	87	23	21
Ichihara Works	63	354	33	33
Mobara Branch Factory	1	1	25	30
Nagoya Works	3	3	13	17
Osaka Works	60	78	37	47

Iwakuni-Ohtake Works	118	774	23	25
Tokuyama Branch Factory	29	22	11	10
Omuta Works	347	424	42	46
Total	702	1,743	207	229

PRTR Data by each Domestic Manufacturing Site

In accordance with the revised PRTR Act^{*3}, the number of designated substances that companies are required to declare has increased since fiscal 2011.
As the required level of chemical management is likely to continue to increase in the future, we are determined to reduce our emissions even further.
The following section covers the main substances subject to the PRTR Act and outlines amounts released and transferred by each of our domestic manufacturing sites.

^{*3}Revised PRTR Act: Increase in the number of Class 1 Designated Chemical Substances that companies are required to report to the Japanese government
Before revisions: 354 substances → After revisions: 462 substances
(Specific Class 1 Designated Chemical Substances: 12 substances → 15 substances)

Kashima Works Ichihara Works Mobara Branch Factory Nagoya Works Osaka Works
Iwakuni-Ohtake Works Tokuyama Branch Factory Omuta Works

Top ten designated substances (handled in volumes of one ton or more annually)
and dioxins declared by Mitsui Chemicals
Unit: Tons/year (Dioxins: mg-TEQ/year)

Kashima Works

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	64.00	0.00	0.00	64.00	0.00	0.00
Dichlorobenzene	181	12.00	0.00	0.00	12.00	8.20	2.30
Benzene	400	4.70	0.00	0.00	4.70	0.28	0.00
Toluidine	299	2.70	0.00	0.00	2.70	5.60	0.00
Chlorodifluoromethane	104	1.00	0.00	0.00	1.00	0.00	0.00
Tetrachloromethane	149	0.78	0.00	0.00	0.78	0.01	0.00
Formaldehyde	411	0.64	0.00	0.00	0.64	20.00	0.00
2,2-Dichloro-1,1,1-Trifluoroethane	164	0.38	0.00	0.00	0.38	0.00	0.00
Acetaldehyde	12	0.12	0.00	0.00	0.12	0.00	0.00
Tolylene diisocyanate	298	0.12	0.00	0.00	0.12	0.00	0.00
Dioxins	243	0.0035	0.0000	0.0000	0.0035	0.0017	0.0220

Ichihara Works

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Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-hexane	392	290.00	0.29	0.00	290.00	0.00	0.00
Cumene	83	21.00	0.01	0.00	21.00	0.00	0.00
Xylene	80	15.00	0.01	0.00	15.00	0.00	0.00
Toluene	300	12.00	0.01	0.00	12.00	0.00	0.00
Boron Compound	405	0.00	4.60	0.00	4.60	0.00	0.00
Ethylbenzene	53	3.20	0.00	0.00	3.20	0.00	0.00
1,3,5-Trimethylbenzene	297	1.50	0.00	0.00	1.50	0.00	0.00
Benzene	400	1.50	0.01	0.00	1.50	0.00	0.00
Dichloropentafluoropropane	185	1.20	0.00	0.00	1.20	0.00	0.00
Hydrogen fluoride and its water-soluble salts	374	0.00	1.00	0.00	1.00	0.00	0.00
Dioxins	243	0.0010	0.1700	0.0000	0.1710	0.0000	0.0000

Mobara Branch Factory

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Styrene	240	0.37	0.00	0.00	0.37	0.00	45.00
Methyl methacrylate	420	0.15	0.00	0.00	0.15	0.00	9.10
Butyl acrylate	7	0.13	0.00	0.00	0.13	0.00	1.60
Toluene	300	0.08	0.00	0.00	0.08	0.00	14.00
Xylene	80	0.06	0.00	0.00	0.06	0.00	20.00
Acrylic acid and its water-soluble salts	4	0.02	0.00	0.00	0.02	0.00	0.12
N-butyl methacrylate	419	0.01	0.00	0.00	0.01	0.00	0.98
Acrylamide	2	0.01	0.00	0.00	0.01	0.00	0.00
Ethyl acrylate	3	0.01	0.00	0.00	0.01	0.00	0.31
Phthalic anhydride	413	0.00	0.00	0.00	0.00	0.00	15.00

Nagoya Works

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2- Epoxypropane	68	1.20	0.23	0.00	1.50	0.00	0.00
Styrene	240	0.28	0.00	0.00	0.28	0.00	0.00
Toluene	300	0.27	0.00	0.00	0.27	0.00	0.04

Formaldehyde	411	0.20	0.00	0.00	0.20	0.00	0.00
Acrylonitrile	9	0.00	0.00	0.00	0.18	0.00	0.00
Methyl acrylate	8	0.07	0.00	0.00	0.07	0.00	0.00
N,N-Dimethylacetamide	213	0.02	0.00	0.00	0.02	0.00	12.00
Phenol	349	0.02	0.00	0.00	0.02	0.00	3.70
N,N-Dimethylformamide	232	0.00	0.00	0.00	0.00	0.00	0.16
Ferric chloride	71	0.00	0.00	0.00	0.00	0.00	2.40

Osaka Works

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Chloroethylene	94	33.00	0.00	0.00	33.00	0.00	0.00
Cumene	83	16.00	0.00	0.00	16.00	0.00	0.00
Benzene	400	6.00	0.01	0.00	6.00	0.00	0.00
Toluene	300	3.40	0.00	0.00	3.40	0.00	0.64
Zinc compounds (water-soluble)	1	0.00	3.30	0.00	3.30	0.00	5.10
Acrylonitrile	9	2.20	0.00	0.00	2.20	0.00	4.50
HCFC-22	104	2.10	0.00	0.00	2.10	0.00	0.00
Trichlorofluoromethane	288	1.60	0.00	0.00	1.60	0.00	0.00
Hexadecyl trimethyl ammonium chloride	389	0.00	1.40	0.00	1.40	0.00	0.00
1,4-dioxane	150	1.30	0.07	0.00	1.30	0.00	0.00
Dioxins	243	0.0000	1.3000	0.0000	1.3000	0.0000	0.0010

Iwakuni-Ohtake Works

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
N-Hexane	392	640.00	0.00	0.00	640.00	0.00	16.00
Toluene	300	84.00	0.04	0.00	84.00	0.00	22.00
Xylene	80	22.00	0.00	0.00	22.00	0.00	0.00
1,4-dioxane	150	0.00	8.70	0.00	8.70	0.00	0.00
Bromomethane	386	6.90	0.00	0.00	6.90	0.00	0.00
Cumene	83	6.70	0.00	0.00	6.70	0.00	0.00
Benzene	400	3.80	0.00	0.00	3.80	0.00	0.00
Acetaldehyde	12	1.30	0.00	0.00	1.30	0.00	0.00
Bromine	234	0.62	0.00	0.00	0.62	0.00	0.00
Trichlorofluoromethane	288	0.51	0.00	0.00	0.51	0.00	0.00

Dioxins	243	0.0000	0.2400	0.0000	0.2400	0.0000	0.0000
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Tokuyama Branch Factory

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
1,2- Epoxypropane	68	21.00	0.00	0.00	21.00	0.00	0.00
Ethylene oxide	56	0.29	0.00	0.00	0.29	0.00	0.00
Acrylonitrile	9	0.07	0.00	0.00	0.07	0.00	17.00
Ethylenediamine	59	0.01	0.00	0.00	0.01	0.00	0.03
Styrene	240	0.00	0.00	0.00	0.00	0.00	18.00
Phthalic anhydride	413	0.00	0.00	0.00	0.00	0.00	0.01
2,2'-Azobisisobutyronitrile	16	0.00	0.00	0.00	0.00	0.00	0.01
Toluenediamine	301	0.00	0.00	0.00	0.00	0.00	0.01
2-Aminoethanol	20	0.00	0.00	0.00	0.00	0.00	0.00
Tolylene diisocyanate	298	0.00	0.00	0.00	0.00	0.00	0.00

Omuta Works

Substance	Ministerial ordinance designation number	Emitted				Transferred	
		Air	Water	Soil	Total	Sewage	Off-site
Toluene	300	360.00	3.10	0.00	360.00	0.00	440.00
Dichlorobenzene	181	23.00	0.28	0.00	23.00	0.00	280.00
Formaldehyde	411	0.00	11.00	0.00	11.00	0.00	0.00
Chlorobenzene	125	8.60	0.00	0.00	8.60	0.00	7.50
Methylene chloride	186	6.40	0.00	0.00	6.40	0.00	13.00
Epichlorohydrin	65	4.80	0.00	0.00	4.80	0.00	0.00
Phenol	349	1.70	0.70	0.00	2.40	0.00	27.00
N,N-Dimethylformamide	232	0.14	1.90	0.00	2.00	0.00	12.00
Tolylene diisocyanate	298	1.00	0.00	0.00	1.00	0.00	0.00
Nitrobenzene	316	0.63	0.09	0.00	0.72	0.00	56.00
Dioxins	243	0.0009	4.2000	0.0000	4.2000	0.0000	0.0000



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Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

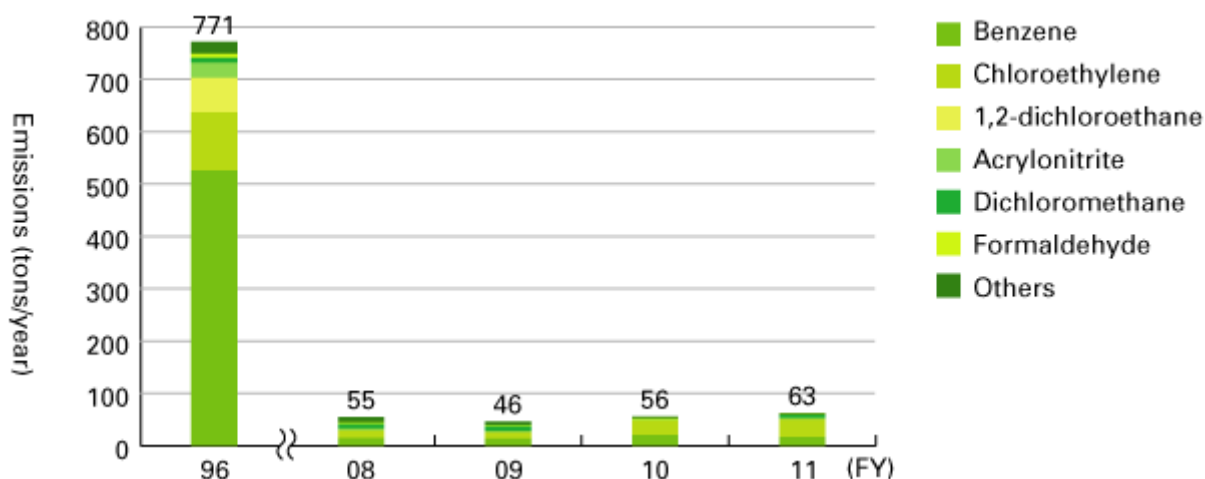
Handling Environmental Complaints

Hazardous Air Pollutants

Hazardous Air Pollutants

Of the hazardous air pollutants specified under the Air Pollution Control Act, we are particularly concentrating on reducing emissions of priority substances that pose a significant health risk, in accordance with our own voluntary guidelines. In fiscal 2011, emissions of priority substances from our domestic production sites totaled 63 tons.

Emissions of hazardous air pollutants



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Volatile Organic Compounds

Volatile Organic Compounds (VOC)

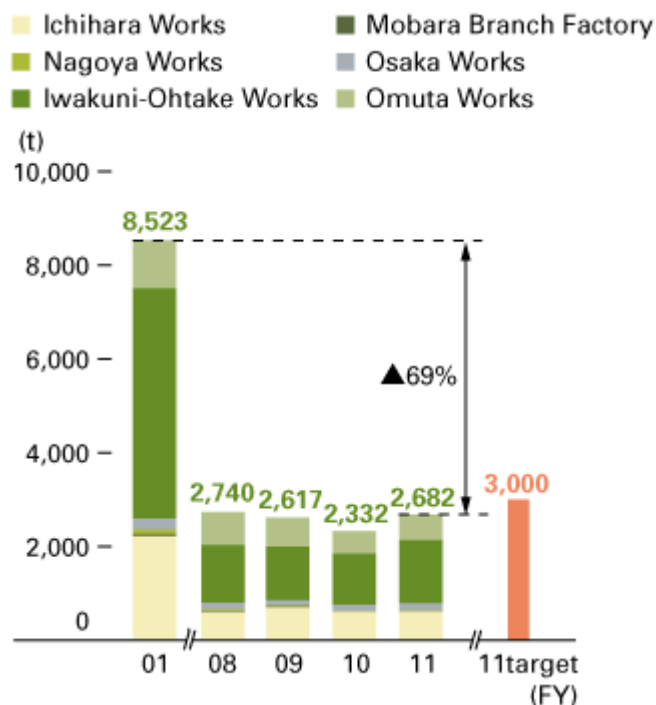
Regulations governing the emission of volatile organic compounds (VOC) were introduced as part of revisions to the Air Pollution Control Act in May 2004.

The government set the target of achieving a 30% reduction in VOC emissions from non-mobile sources by fiscal 2011, compared to levels in fiscal 2001. Here at Mitsui Chemicals however, we set out the more ambitious voluntary target of reducing emissions to 3,000 tons or less by fiscal 2011, a target that we managed to achieve as early as fiscal 2008.

Our VOC emissions in fiscal 2011 totaled 2,682 tons.

With the government expected to set out a new target during fiscal 2012, we remain united in our companywide commitment to reducing the environmental impact of VOC emissions.

VOC emissions



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Environmental Impact (NOx, COD, etc.)

Environmental Impact (NOx, COD, etc.)

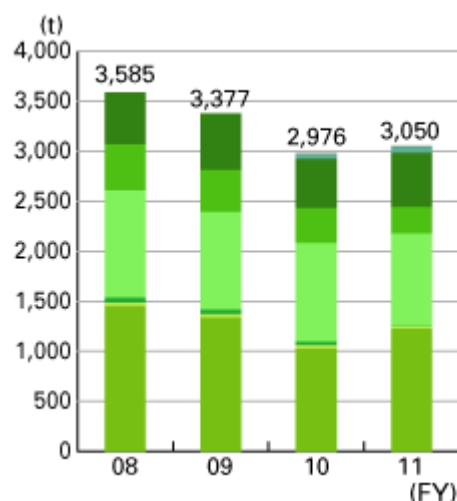
Here at Mitsui Chemicals we make every effort to reduce the environmental impact of both air pollutants, such as nitrogen oxide (NOx) and sulfur oxide (SOx), and water pollutants, such as chemical oxygen demand (COD), nitrogen and phosphorous. Our emissions are currently far lower than legislative and regulatory standards for all of these substances.

In fiscal 2011, we increased operating rates at each of our works compared to the previous year, resulting in a slight increase in the majority of emissions. Having worked hard on initiatives such as reducing fuel consumption however, we were successful in reducing SOx, soot and dust emissions.

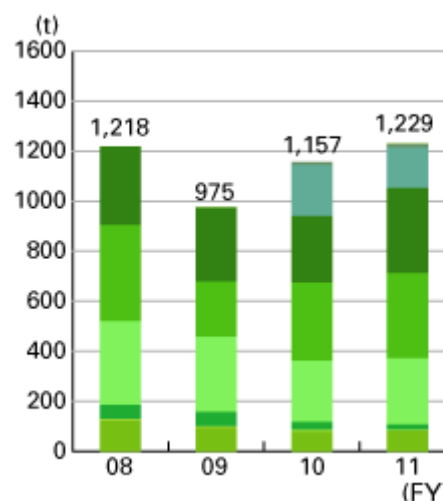
Environmental impact figures (8 categories)

■ Ichihara Works
 ■ Mobara Branch Factory
 ■ Nagoya Works
 ■ Osaka Works
 ■ Iwakuni-Ohtake Works
■ Omuta Works
 ■ Kashima Works
 ■ Tokuyama Branch Factory
 ■ Sodegaura Center

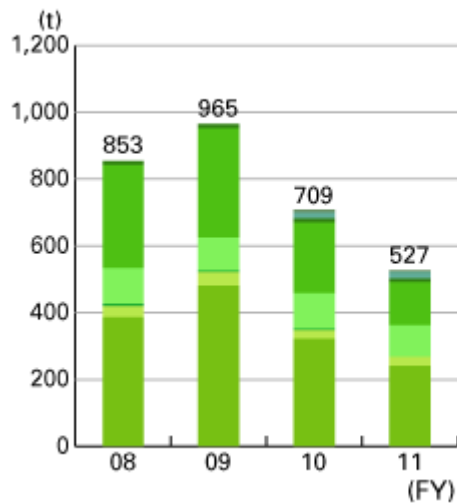
NOx emissions



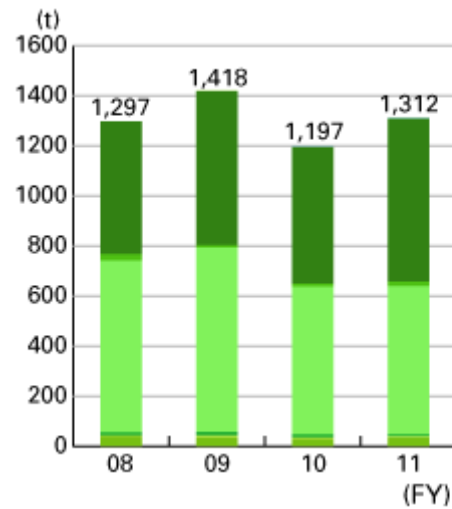
COD emissions



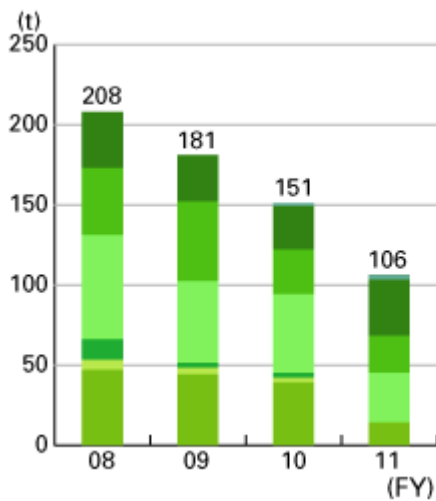
SOx emissions



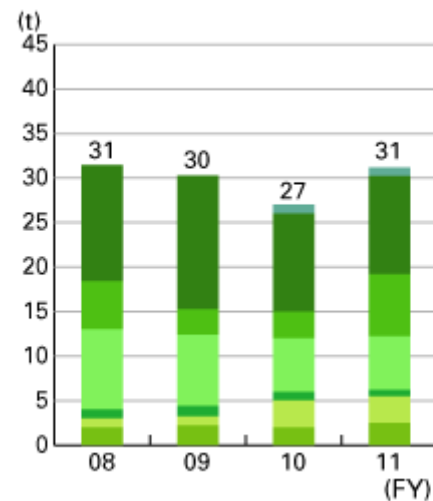
Total nitrogen emissions



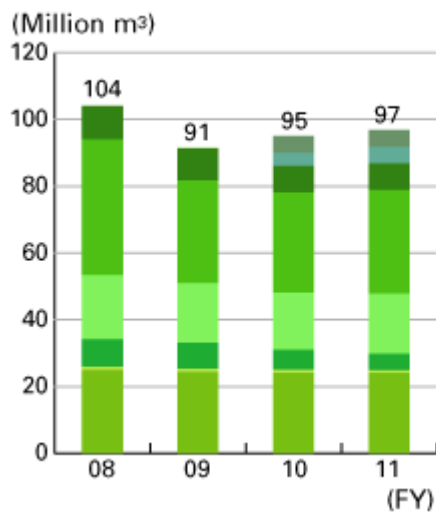
Soot and dust emissions



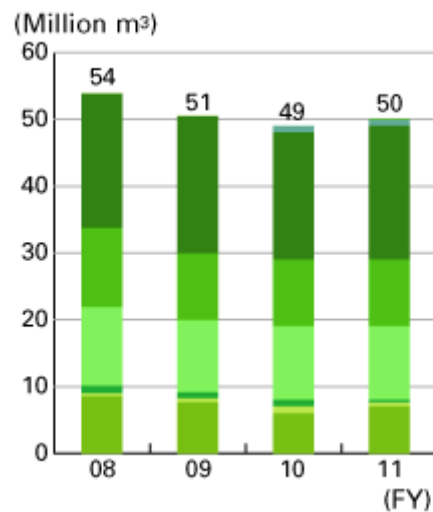
Total phosphorous emissions



Water consumption



Wastewater





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Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

Biodiversity

On January 22, 2010, we signed up to the Japan Business Federation's (Nippon Keidanren) Declaration of Biodiversity as a Promotion Partner. This means that we support 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. Here at the Mitsui Chemicals Group, we make every effort to incorporate biodiversity into our day-to-day business activities.

Nippon 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

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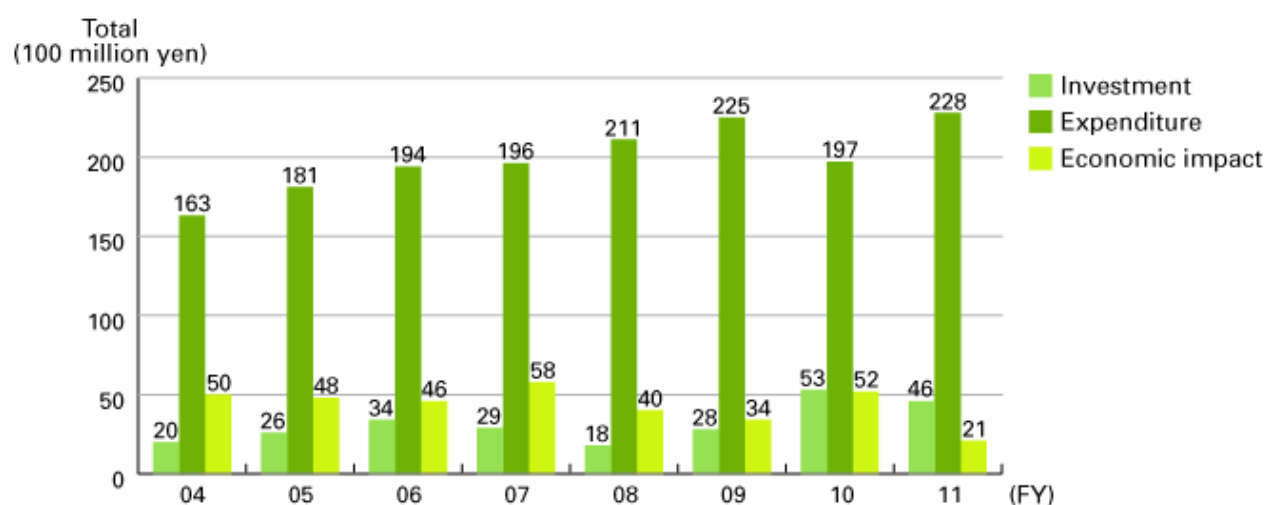
Environmental Accounting

Here at Mitsui Chemicals, we invest as much as is necessary in responsible care (RC), 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.

We invested approximately ¥4.6 billion and spent a further ¥23.0 billion to protect the environment in fiscal 2011, maintaining roughly the same levels as fiscal 2010. This money helped fund specific measures to save energy, reduce CO₂ emissions, prevent water pollution and recycle industrial waste.

Including savings in resources and energy, our environmental initiatives in fiscal 2011 had an economic impact worth approximately ¥2.1 billion.

Environmental accounts



Environmental costs and benefits

Scope:

Period: April 1, 2010 – March 31, 2011

Unit: Million yen

* Due to an increase in substances subject to the PRTR Act

Environmental preservation costs

Environmental preservation benefits

Category		Main initiatives	Investment	Expenditure	Item	Fiscal 2011	Fiscal 2010
1	Cost of reducing the environmental impact of production and service activities within our business area (business area costs)		3,752	17,228			
	1-1 Cost of preventing pollution	Measures to reduce VOC emissions (air), odors, wastewater sludge, etc.	712	14,994	Emissions subject to the PRTR Act (tons)*	1,749	693
					Emissions of hazardous air pollutants (tons)	64	56
					VOC emissions (tons)	2,171	2,332
					NOx emissions (tons)	3,049	2,976
					SOx emissions (tons)	527	709
					Soot and dust emissions (tons)	106	151
					Total COD (tons)	1,229	1,157
					Total nitrogen (tons)	1,312	1,197
					Total phosphorous (tons)	31	27
	1-2 Cost of protecting the global environment	Energy saving equipment	1,841	255	CO ₂ emissions (1,000 tons)	4,631	4,648
					Tap water consumption (million m ³)	1	1
					Industrial water consumption (million m ³)	95	94
					Seawater consumption (million m ³)	398	395
					Effluent (million m ³)	473	465
					Wastewater (million m ³)	50	49
	1-3 Cost of recycling resources	Recycling waste plastic	1,199	1,979	Total industrial waste (tons)	130,322	117,169
					Industrial waste sent to landfill (tons)	17,622	18,267
					Recycling rate (%) (Waste recycled ÷ waste sent off-site)	65.6	62.2

2	Cost of reducing the environmental impact of production and service activities in upstream or downstream areas (upstream/downstream costs)		0	0			
3	Cost of environmental management activities (management activity costs)	Maintaining environmental management systems, training employees, etc.		897			
4	Cost of environmental research and development activities (R&D costs)	Developing products and processes to protect the environment, reduce environmental impact, etc.		3,800			
5	Cost of environmental social activities (social activity costs)	Funding measures to combat pollution, increasing greenery, etc.		294			
6	Cost of remediating environmental damage (environmental damage costs)	Remediating pollution, etc.	882	570			
Total			4,634	22,789			

Economic impact of environmental initiatives

Category	Main benefits	Monetary value
Income from recycling	Recycling waste into resources	503
Income from saving energy	Saving energy	2,100
Income from saving resources	Improving our raw material intensity index	

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Environmental Protection

Goals and Results	Commitment to Preventing Global Warming		Reducing Industrial Waste
Substances Subject to the PRTR Act		Hazardous Air Pollutants	Volatile Organic Compounds
Environmental Impact (NOx, COD, etc.)	Biodiversity	Environmental Accounting	
Input⇒Output Data	Environmental Impact Assessment (Eco-Efficiency)		
Handling Environmental Complaints			

Input⇒Output Data

Here at Mitsui Chemicals, we publish input-output reports outlining the amount of resources that we have consumed and the environmental impact of our business activities. We are actively working to save resources and reduce environmental impact throughout our business activities in the interests of sustainable development. We also conduct quantitative evaluations to ascertain the amount of resources consumed by our domestic and overseas subsidiaries and affiliates and their environmental impact, in an effort to improve the environment on a groupwide basis.

Input⇒output data (Mitsui Chemicals)

INPUT		OUTPUT
Energy		Products, etc.
Total fuel heat (thousand GJ) 81,081		Products shipped (thousand tons) 5,717
Purchased materials		Atmospheric emissions
Raw materials (thousand tons) 7,453		CO ₂ (thousand tons) 4,631
Others (thousand tons) 35		Fluorocarbons (tons)* 8
Water resources		NOx (tons) 3,049
Tap water (million m ³) 0.7		SOx (tons) 527
Underground water (million m ³) 1.2		Hazardous air pollutants (tons) 63
Industrial water (million m ³) 95		Non-methane VOC (tons) 2,107
Seawater (million m ³) 398		Soot and dust (tons) 106
		Industrial waste
		Total waste (thousand tons) 129
		External recycling (tons) 85
		External landfill (tons) 18
		Wastewater
		COD (tons) 1,229
		Total nitrogen (tons) 1,312
		Total phosphorous (tons) 31
		Effluent (million m ³) 473

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

Input⇒output data (Mitsui Chemicals works)

INPUT		Kashima Works	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	1,560		Products shipped (thousand tons)	187
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	174		CO2 (thousand tons)	105
Others (thousand tons)	3		Fluorocarbons (tons)*	1
Water resources			NOx (tons)	63
Tap water (million m³)	0.0		SOx (tons)	20
Underground water (million m³)	0.5		Hazardous air pollutants (tons)	5
Industrial water (million m³)	4		Non-methane VOC (tons)	64
Seawater (million m³)	0		Soot and dust (tons)	3
			Industrial waste	
			Total waste (thousand tons)	0.6
			External recycling (tons)	508
			External landfill (tons)	47
			Wastewater	
			COD (tons)	161
			Total nitrogen (tons)	4
			Total phosphorous (tons)	1
			Effluent (million m³)	3

INPUT		Ichihara Works	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	32,265		Products shipped (thousand tons)	2,408
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	2,921		CO2 (thousand tons)	1,667
Others (thousand tons)	8		Fluorocarbons (tons)*	1
Water resources			NOx (tons)	1,227
Tap water (million m³)	0.0		SOx (tons)	241
Underground water (million m³)	0.1		Hazardous air pollutants (tons)	2
Industrial water (million m³)	23		Non-methane VOC (tons)	615
Seawater (million m³)	297		Soot and dust (tons)	14
			Industrial waste	
			Total waste (thousand tons)	10.9
			External recycling (tons)	10,878
			External landfill (tons)	1
			Wastewater	
			COD (tons)	82
			Total nitrogen (tons)	33
			Total phosphorous (tons)	2
			Effluent (million m³)	304

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

INPUT		Mobara Branch Factory	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	878		Products shipped (thousand tons)	63
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	57		CO2 (thousand tons)	43
Others (thousand tons)	2		Fluorocarbons (tons)*	0
Water resources			NOx (tons)	21
Tap water (million m³)	0.0		SOx (tons)	26
Underground water (million m³)	0.6		Hazardous air pollutants (tons)	0
Industrial water (million m³)	0.2		Non-methane VOC (tons)	17
Seawater (million m³)	0		Soot and dust (tons)	0
		Industrial waste		
		Total waste (thousand tons)	2.6	
		External recycling (tons)	2,590	
		External landfill (tons)	1	
		Wastewater		
		COD (tons)	4	
		Total nitrogen (tons)	6	
		Total phosphorous (tons)	3	
		Effluent (million m³)	0.6	

INPUT		Nagoya Works	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	946		Products shipped (thousand tons)	68
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	59		CO2 (thousand tons)	50
Others (thousand tons)	2		Fluorocarbons (tons)*	1
Water resources			NOx (tons)	6
Tap water (million m³)	0.0		SOx (tons)	0
Underground water (million m³)	0.0		Hazardous air pollutants (tons)	0
Industrial water (million m³)	5		Non-methane VOC (tons)	4
Seawater (million m³)	0		Soot and dust (tons)	0
		Industrial waste		
		Total waste (thousand tons)	7.8	
		External recycling (tons)	5,424	
		External landfill (tons)	34	
		Wastewater		
		COD (tons)	21	
		Total nitrogen (tons)	9	
		Total phosphorous (tons)	1	
		Effluent (million m³)	5	

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

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<p>※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons</p>	<p>※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons</p>
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INPUT		Tokuyama Branch Factory	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	146		Products shipped (thousand tons)	40
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	42		CO2 (thousand tons)	10
Others (thousand tons)	1		Fluorocarbons (tons)*	0
Water resources			NOx (tons)	7
Tap water (million m³)	0.0		SOx (tons)	6
Underground water (million m³)	0.0		Hazardous air pollutants (tons)	0
Industrial water (million m³)	5		Non-methane VOC (tons)	21
Seawater (million m³)	0		Soot and dust (tons)	0
		Industrial waste		
		Total waste (thousand tons)	6.5	
		External recycling (tons)	5,099	
		External landfill (tons)	26	
		Wastewater		
		COD (tons)	14	
		Total nitrogen (tons)	0	
		Total phosphorous (tons)	0	
		Effluent (million m³)	5	

INPUT		Omura Works	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	8,315		Products shipped (thousand tons)	424
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	259		CO2 (thousand tons)	577
Others (thousand tons)	9		Fluorocarbons (tons)*	0
Water resources			NOx (tons)	540
Tap water (million m³)	0.4		SOx (tons)	10
Underground water (million m³)	0.0		Hazardous air pollutants (tons)	8
Industrial water (million m³)	8		Non-methane VOC (tons)	540
Seawater (million m³)	0		Soot and dust (tons)	35
		Industrial waste		
		Total waste (thousand tons)	77.8	
		External recycling (tons)	39,937	
		External landfill (tons)	17,245	
		Wastewater		
		COD (tons)	342	
		Total nitrogen (tons)	651	
		Total phosphorous (tons)	11	
		Effluent (million m³)	19	

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

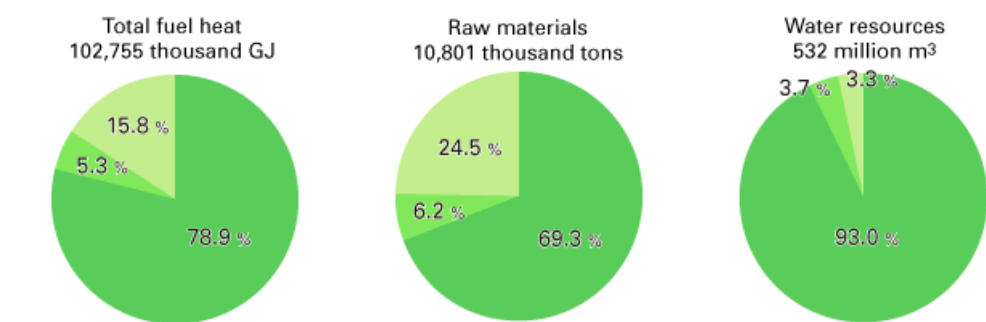
INPUT		Sodegaura Center	OUTPUT	
Energy			Products, etc.	
Total fuel heat (thousand GJ)	78		Products shipped (thousand tons)	0
Purchased materials			Atmospheric emissions	
Raw materials (thousand tons)	0		CO2 (thousand tons)	15
Others (thousand tons)	0		Fluorocarbons (tons)*	0
Water resources			NOx (tons)	0
Tap water (million m³)	0.1		SOx (tons)	0
Underground water (million m³)	0.0		Hazardous air pollutants (tons)	0
Industrial water (million m³)	0		Non-methane VOC (tons)	0
Seawater (million m³)	0		Soot and dust (tons)	0
			Industrial waste	
			Total waste (thousand tons)	0.8
			External recycling (tons)	494
			External landfill (tons)	2
			Wastewater	
			COD (tons)	0
			Total nitrogen (tons)	1
			Total phosphorous (tons)	0
			Effluent (million m³)	0

※Fluorocarbons: Subject to the Act on the Recovery and Destruction of Fluorocarbons

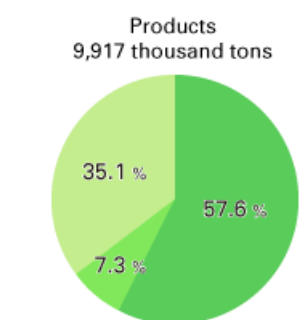
INPUT⇒OUTPUT Data for the Mitsui Chemicals Group

Domestic manufacturing sites Domestic subsidiaries and affiliates Overseas subsidiaries and affiliates

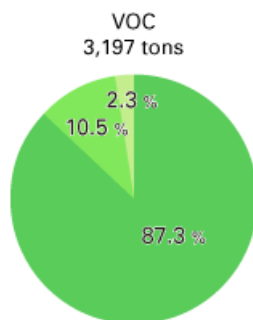
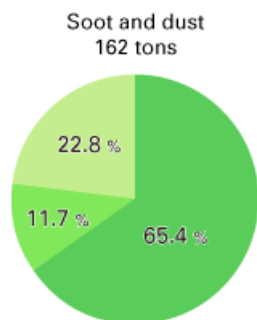
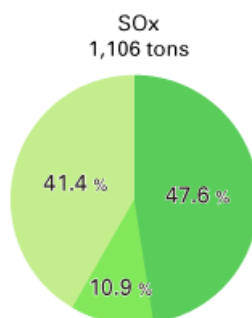
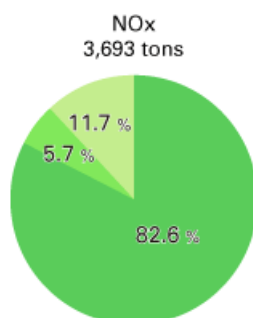
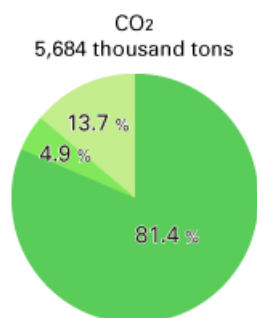
INPUT



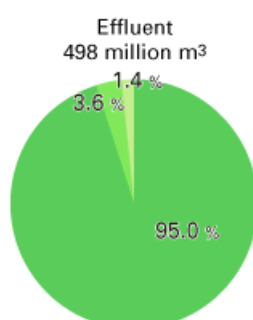
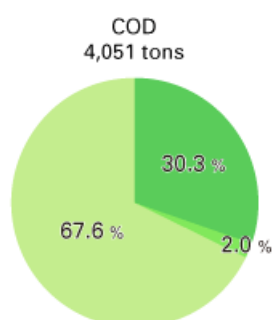
OUTPUT



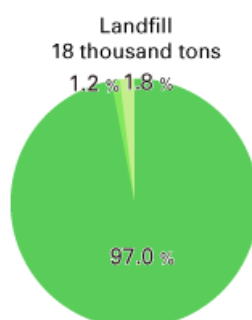
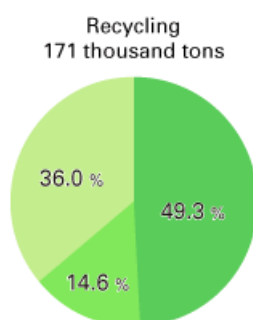
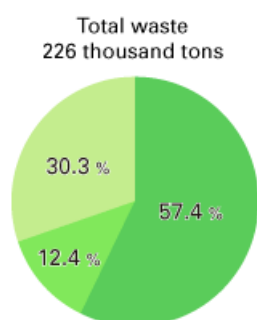
Atmospheric emissions



Water system



Industrial waste



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Chemistry, Innovation, Dreams
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Environmental Protection

Goals and Results

Commitment to Preventing Global Warming

Reducing Industrial Waste

Substances Subject to the PRTR Act

Hazardous Air Pollutants

Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

Environmental Impact Assessment (Eco-Efficiency)

As part of our commitment to sustainable development, both social and corporate, we use “eco-efficiency” to evaluate the relationship between our economic activities and the environmental impact of our business activities here at Mitsui Chemicals. Set out at the Earth Summit in 1992, eco-efficiency is an integrated index that takes into account both environmental and economic factors. It is used to measure the extent to which economic activities, including the provision of products and services, impact on the environment. Eco-efficiency can be expressed using the following formula. To calculate Mitsui Chemicals' environmental load points (ELP), we use weighted coefficients appropriate for the chemical industry and the environment in Japan based on the Panel Method developed by Professor Katsuya Nagata from Waseda University.

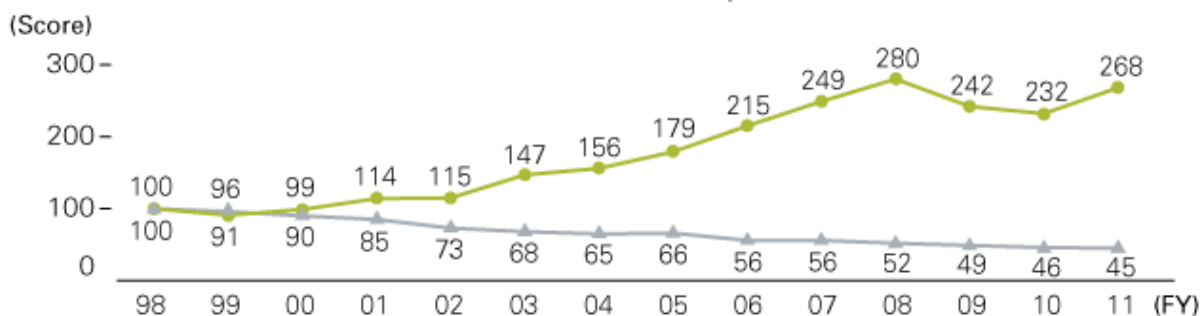
$$\text{Eco-efficiency} = \frac{\text{Sales}}{\text{Environmental load points (emissions, waste, etc.)}}$$

Having emerged from the effects of the unprecedented economic crisis of fiscal 2009, we are now seeing signs of a recovery and we managed to increase sales in fiscal 2011.

As a result, we had an ELP index of 45 and an eco-efficiency index of 268, representing an improvement on fiscal 2010.

Eco-efficiency and ELP indices

— Eco-efficiency index (Mitsui Chemicals non-consolidated net sales): Higher score indicates higher efficiency
 ▲ ELP index: Lower score indicates lower environmental impact



Calculating eco-efficiency index

Item	Integration coefficient	FY 1998		FY 2011	
		Actual total (t)	Integrated total (*10 ³)	Actual total (t)	Integrated total (*10 ³)
CO ₂	1	6,632,875	6,633	4,631,000	4,648
NOx	805	4,203	3,384	3,049	2,454
SOx	856	1,079	924	527	451
Priority substances	478	648	310	64	31
Non-methane VOC	239	20,478	4,894	2,107	504
Soot and dust	321	381	122	106	34
COD	600	2,537	1,522	1,229	737
Nitrogen	600	5,608	3,365	1,312	787
Phosphorous	600	73	44	31	19
Waste	3	75,341	234	17,622	55
Integrated total (A)			21,430		9,703
Mitsui Chemicals sales(non-consolidated)(100 million yen) (B)			7,063		8,579
Environmental efficiency index (B) / (A)*10 ⁻⁶			330		884
Eco-efficiency index			100		268

* Integration coefficients obtained by averaging coefficients for Japan, calculated by LCA, environmental, and corporate experts, based on the Panel Method developed by Professor Katsuya Nagata from Waseda University, with the coefficient for CO₂ as 1

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Environmental Protection

Goals and Results

Commitment to Preventing Global Warming

Reducing Industrial Waste

Substances Subject to the PRTR Act

Hazardous Air Pollutants

Volatile Organic Compounds

Environmental Impact (NOx, COD, etc.)

Biodiversity

Environmental Accounting

Input⇒Output Data

Environmental Impact Assessment (Eco-Efficiency)

Handling Environmental Complaints

Handling Environmental Complaints

In response to environmental complaints, we have issued apologies to local residents, talked the situation over and come to an understanding. In both cases, the works thoroughly reviewed the complaint and dealt with the matter quickly and effectively.

Response to environmental complaints

Works	Details	Response
Ichihara	Black smoke from flare stack	Immediate action taken by onsite staff and the department responsible for the flare stack to minimize black smoke

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Chemical Management

Goals and Results

Ensuring the Safety of Chemicals and Products

We are committed to rigorous management of chemicals at Mitsui Chemicals, and fully support the Word Summit on Sustainable Development (WSSD) pledge to minimize the negative impact of chemicals on people and the environment by the year 2020.

Goals and Results

Goals for Fiscal 2011

- Establish chemical management system
- Effectively implement REACH registration

Fiscal 2011 Results and Assessment

Level achieved : A

- Developed a mid-term business plan for Chemicals Management Strategy integrating our long-term action plan to achieve fiscal 2021 target set out by the Word Summit on Sustainable Development (WSSD)
- Launched a companywide drive to transform our chemical safety system into a chemical management system governing chemical substances comprehensively
- Completed REACH registration of all substances scheduled for registration in fiscal 2011

Priorities for Fiscal 2012

- Implement chemical management system
 Specific measures:
 Conduct product and chemical risk assessments
 Introduce and conduct environmental impact assessments
 Establish integrated information management system for all products and chemicals

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

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Chemical Management

Goals and Results Ensuring the Safety of Chemicals and Products

Ensuring the Safety of Chemicals and Products

In fiscal 2011, we paved the way for effective chemical management by formulating a Chemical Management Strategy.

In fiscal 2012, we plan to evaluate risks in line with our Chemicals Management Strategy, starting with high-priority products, so that we can provide our customers with adequate information based on our findings. We also intend to use the theory and methods of lifecycle assessment (LCA) in order to evaluate the environmental impact of our products from different angles, so that we can effectively “visualize” their environmental friendliness.

New chemical management initiatives in line with new chemical legislation

Our vision for chemical management is based on adequately controlling product risks throughout each product's lifecycle, from manufacturing to disposal, and on providing our customers with adequate information so that they can use our products more safely.

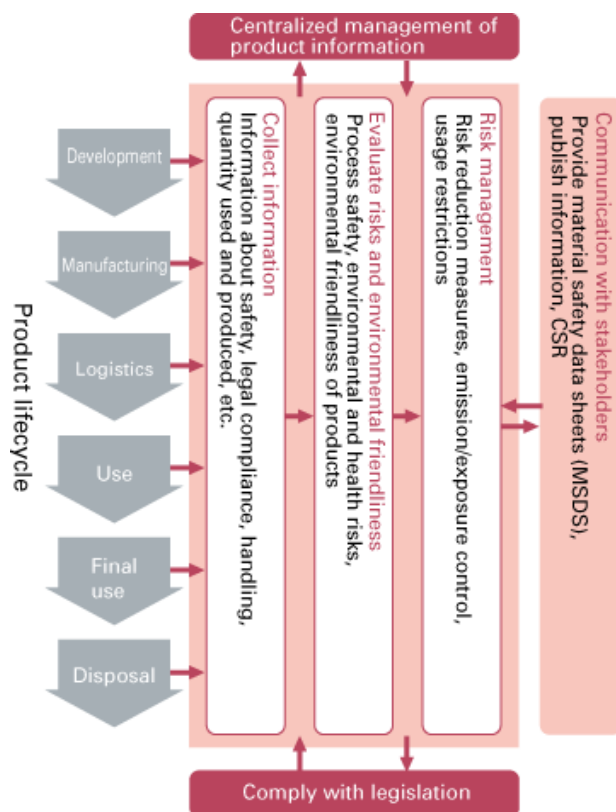
To conduct such chemical management and information provision reliably, we intend to establish a centralized system that will enable us to manage all information relating to our products and chemicals. At the same time, in order to share product information throughout the supply chain meanwhile, and promote mutual understanding with our stakeholders, we will also build systems to efficiently disseminate information such as JAMP*.

We are committed to contributing to a sustainable society through activities such as these.

* JAMP: Joint Article Management Promotion Consortium

Project aimed at promoting the effective management of chemical information in partnership between multiple industries, including materials, components and assembled products

Mitsui Chemicals' vision for comprehensive chemical management



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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 Basic Policy Regarding the Environment, Safety, Occupational Health and Quality. 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

Goals for Fiscal 2011

- Maintain and utilize existing systems in order to respond to customer requests quickly

Fiscal 2011 Results and Assessment

Level achieved: A

- Improved database of information on chemical substances in the products and used it to respond to requests from customers

Priorities for Fiscal 2012

- Improve customer response procedures relating to chemical substances in the products
- Prevent complaints from recurring and effectively implement preventive measures

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

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Quality

Goals and Results

Quality Improvement Initiatives

Quality Improvement Initiatives

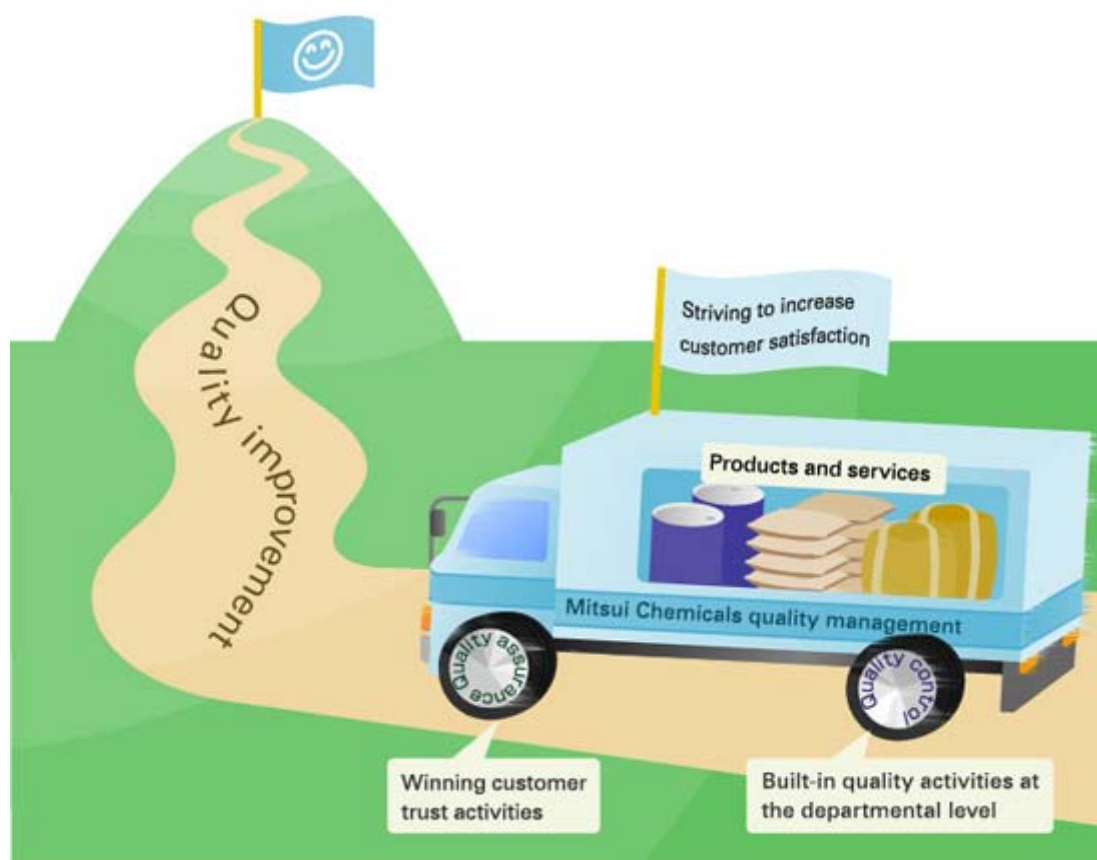
Quality Management System

Here at Mitsui Chemicals, we make every effort to increase customer satisfaction via a two-pronged approach to quality management, consisting of “built-in quality activities” and “winning customer trust activities.”

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 winning customer trust activities 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 level of quality management

We audit departments throughout the Mitsui Chemicals Group, including at overseas sites, and are committed to providing guidance to help continual improvements. Through the audit, we can quantitatively evaluate the level of quality management within each department, so that we can make improvements and keep things under control. We are also working to improve the level of quality management through general quality management education and training in specific quality control tools.

In fiscal 2011, we undertook a range of measures aimed at maintaining a high level of quality awareness on the frontline, holding seminars inviting customers at each of our works as part of an annual nationwide Quality Month campaign.

Responding to “Voice of customer”

Whenever we receive a complaint from one of our customers regarding our products or services, we respond as quickly as possible, identify the cause of the complaint, and take corrective action, through collaboration between the departments concerned. Details of the cause of the complaint and measures taken are then disseminated throughout the group, so as to prevent any similar issues from occurring in the future.

In fiscal 2011, we carried out preventive activities at worksites on a trial basis, using previous complaints as teaching materials. We are planning to improve teaching materials and build on our experiences in fiscal 2011 so that we can implement more in-depth worksite activities in the future.

We have also developed and are trialing a system that will enable us to respond quickly to customer inquiries regarding chemical substances in the products, using a database containing information on our raw materials and products.

Quality activities on worksites: Initiatives at the Osaka Works

Our Osaka Works is located in the Sakai Senboku Industrial Zone, one of the leading industrial zones in Japan, approximately 20 km south from Osaka. Located in the Kansai region, one of Japan's main commercial areas, and close to Kansai International Airport as well as Osaka and Kobe Ports, the works is ideally situated in terms of logistics too, with easy access overseas including Asia region.

Making the most of advantages such as these, we manufacture petrochemicals, basic chemicals, and high added value products, focusing particularly on propylene and its derivatives. The works is also equipped with a large dock that can accommodate 100,000-ton tankers, enabling us to transport around half of our products and incoming raw materials by sea.

To run the works safely and securely, we need to have systems in place to effectively manage day-to-day activities. We therefore operate a security control system, an environmental management system, an occupational health and safety management system, and a quality management system, and effectively practice PDCA procedures (plan-do-check-act).

We implement quality control and assurance activities aimed at reinforcing quality management capabilities on the worksite, with an emphasis on information sharing, speed and accuracy while taking steps to earn customer trust and providing a standardized level of quality throughout the supply chain. Among other initiatives, we hold quality seminars for our customers. This gives us direct access to the “voice of the customer” and enables us to improve levels of quality awareness amongst frontline workers, as well as helping to improve the overall quality of our products.

We are determined to get each and every one of our employees involved in our quality activities, aiming to transforming the works as a whole as we get to the bottom of any issues, taking a customer-oriented perspective.

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Logistics

Goals and Results

Transporting Products Safely

Here at the Mitsui Chemicals Group, we work in partnership with our logistics contractors and carry out a wide range of initiatives to ensure that our products are transported safely.

Goals and Results

Goals for Fiscal 2011

- Continue to improve the safety and quality of logistics operations

Fiscal 2011 Results and Assessment

Level achieved: A

- Major accidents: 0 (as of February 21, 2011)
- Complaints: 9 (as of February 21, 2011)
- Cost of complaints: ¥2.9 million (as of February 21, 2011)

Priorities for Fiscal 2012

- Continue to improve the safety and quality of logistics operations (ongoing)

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

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Logistics

Goals and Results Transporting Products Safely

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)* 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 engaging in safety dialog with onsite operators, based on the principle of Sangen Shugi, or "the three actuals" (solving problems by going to the actual location (genba), inspecting the actual situation (genbutsu) and ascertaining the actual facts (genjitsu)).

* Near-miss: Any narrowly-avoided major accident or disaster

Safety Measures using MSDS and Yellow Cards

As we handle high-pressure gas and numerous chemical substances legally specified as hazardous or toxic, 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 material safety data sheets (MSDS). 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.



Yellow card

Eliminating transport-related and occupational accidents

Logistics operators have to perform numerous 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 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.

We are committed to promoting and enforcing basic safety rules.

1. If you cannot see well, get out of the truck and make sure it is safe before reversing.
2. When parked, pull on the handbrake twice and put stoppers under the tires.
3. Always do a full walk-around inspection before starting the truck.

We are also running a nationwide campaign 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.

MENET support bases





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RC Promotion System

Goals and Results	RC Management System	RC Promotion System
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Responsible Care Policy	RC Audits
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Here at the Mitsui Chemicals Group, we regard reinforcing corporate governance as one of the cornerstones of our business, in terms of earning the trust our shareholders, customers, members of the local community and all of our other stakeholders, and fulfilling our corporate social responsibilities.

Goals and Results

Goals for Fiscal 2011

- Reinforce compliance with chemical safety management and environmental safety legislation

Fiscal 2011 Results and Assessment

Level achieved: A

- No serious violations of chemical safety management and environmental safety legislation

Priorities for Fiscal 2012

- Conduct audits to effectively enforce compliance with chemical safety management and environmental safety legislation (ongoing)

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

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RC Promotion System

Goals and Results	RC Management System	RC Promotion System
Responsible Care Policy	RC Audits	

RC Management System

Here at the Mitsui Chemicals Group, we regard responsible care (RC) as one of the pillars of our management philosophy and incorporate it into all areas, from environmental protection, process safety and disaster prevention, to occupational health and safety, chemical safety, quality, transport safety and communication with society.

Whereas we have tended to focus on the environmental protection, process safety and disaster prevention, occupational health and safety, and quality until now, for environmental protection and chemical safety, it is expected that domestic and overseas regulations will become stricter and the external risks relating to new technologies and businesses will be increased. Therefore, it is particularly important that we reinforce our management systems and mechanisms in the field of chemical safety.

With that in mind, since fiscal 2011 we have been working to establish a Chemical Management System that extends beyond the bounds of chemical safety.

Relationship between our RC management system and society



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RC Promotion System

Goals and Results

RC Management System

RC Promotion System

Responsible Care Policy

RC Audits

RC Promotion System

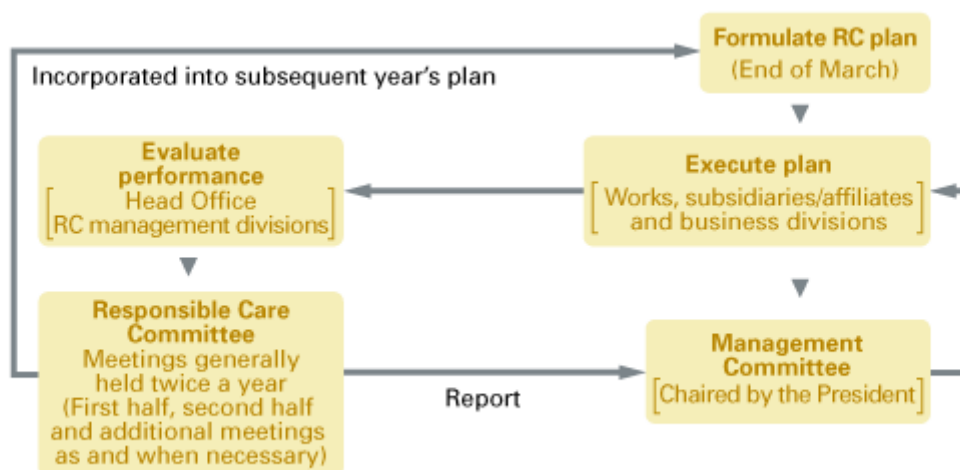
Our Responsible Care Committee (RC Committee) organizes meetings so that we can map out RC-related policies, strategies and plans, evaluate our performance and revise our RC system. These meetings are generally held twice a year (once in the first half of the fiscal year and once in the second half, with additional meetings organized as and when necessary). A report outlining discussions at each meeting is then submitted to the Management Committee, so as to get executive management more involved in responsible care and to help create a more open management system.

The RC Committee consists of the following members.

- Chair: Board Director in charge of the RC Committee
- Vice Chair: Center Executive of the Production & Technology Center
- Permanent members: Managers of the Planning & Coordination Divisions in each Business Sector, Manager of the Responsible Care Division, Manager of the Production Safety & Environment Division, Manager of the Quality Assurance Division, Manager of the Logistics Division, Manager of the CSR Promotion Division, etc.

Specific RC activities are carried out at each of our works, subsidiaries, affiliates and divisions, spearheaded by the person in charge of RC promotion of each Business Sector (Center Executive of each Division).

Operational flow of RC activities





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RC Promotion System

Goals and Results	RC Management System	RC Promotion System
Responsible Care Policy	RC Audits	

Responsible Care

Here at the Mitsui Chemicals Group, we determine the core elements of our responsible care (RC) activities which are conducted in accordance with our Basic Policy regarding the Environment, Safety, Occupational Health and Quality, which was fully reviewed by the Management Committee before being brought into effect. Through these initiatives, we strive to earn society's trust and also to facilitate our own business activities.

RC encompasses all those activities that companies manufacturing or handling chemical substances pledge to undertake based on the principles of self-determination and responsibility. The activities are undertaken through the entire product lifecycle from development and manufacturing, transport, use, final consumption, and on to disposal, with the aim of protecting the environment and ensuring safety (process safety and disaster prevention, occupational safety, chemical safety and transport safety), occupational health, and quality as a basic policy. These are self-managed activities involving measures and improvements related to the environment, safety, occupational safety, and quality.

Please refer to the website of the Japan Responsible Care Council for more information about RC.

Japan Responsible Care Council (JRCC) [↗](#)

Basic Policy Regarding the Environment, Safety, Occupational Health and Quality

At the Mitsui Chemicals Group, we undertake business activities based on our corporate mission to "contribute broadly to society by providing high quality products and services to customers through innovations and creation of materials and products while keeping in harmony with the global environment". Consequently, in accordance with the Mitsui Chemicals Group Action Guidelines, in addition to placing priority on meeting our customers' needs, we recognize that legal and regulatory compliance, environmental preservation and safety are fundamental to corporate management. We are committed to implementing the following basic policy in relation to the environment, safety (process safety and disaster prevention, chemical safety and occupational safety), occupational health and quality.

1. The Environment

- We will help to preserve the environment through the development of new products and technologies.
- We will assess and reduce the environmental impact of our products throughout their lifecycle, from development to disposal.

2. Safety and Occupational Health

- We will make safety our top priority and strive to eliminate accidents and injuries.
- We will work to create an appropriate working environment and provide support to help our employees stay in good health.
- We will ensure the safety in the handling of all chemicals and prevent injury or harm to our customers and others involved in construction and logistics as well as our own employees.

3. Quality

- We will ensure customer satisfaction and provide high quality products and services that our customers can trust, so that they can feel confident when using products for their intended purpose.

4. Promoting Self-Management

- We will ensure compliance with all applicable legislation and continuously improve our performance with regard to the environment, safety, occupational health and quality through self-management, based on the principles of responsible care.

Formulated October 1, 1997
 Revised April 1, 2006

RC Policies at works

In accordance with the Mitsui Chemicals Basic Policy Regarding the Environment, Safety, Occupational Health and Quality, we have developed responsible care policies at our individual works.



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RC Promotion System

Goals and Results

RC Management System

RC Promotion System

Responsible Care Policy

RC Audits

RC Audits

The Mitsui Chemicals Group is committed to improving the standard of its responsible care (RC) activities by consistently practicing the PDCA cycle. We conduct annual RC audits at our domestic manufacturing sites, research centers and worldwide subsidiaries and affiliates, in order to objectively evaluate the effective implementation of RC activities and provide guidance. Our environmental, safety, occupational health, and quality activities are audited by managers and dedicated members of staff from our Responsible Care Division, Quality Assurance Division and Human Resources Division, focusing on the achievement of priority objectives set out in our annual plans and progress dealing with items singled out for improvement in the previous year's audit.

Worldwide subsidiaries and affiliates eligible for RC support are jointly evaluated by our Responsible Care Division and Quality Assurance Division and the relevant business division at the company itself, using Environmental, Safety and Health Management Checklists. Relevant documents and workplaces are also checked, in order to ascertain the current status of RC activities and provide guidance. This enables us to improve RC activities from the perspective of the group as a whole. 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 the level of environmental, safety and health management at each subsidiary or affiliate, the frequency of occupational accidents and the type of operations carried out at each works.

In fiscal 2011, we conducted RC audits at six works, branch factories and research centers, and at 37 worldwide subsidiaries and affiliates (44 sites). In addition to improving the standard of RC activities, these audits also confirmed that there were no major legal violations.

Legal Compliance Audits at Manufacturing Sites

We are committed to legal compliance as one of our top groupwide priorities, and require all officers and employees to comply fully with applicable laws and regulations at all times, in accordance with the Mitsui Chemicals Group Action Guidelines. In order to fully ensure legal compliance, we have set up dedicated audit departments at each of our works, in the form of either a Safety Audit Department or an Audit Group (Safety & Environment Department). The relevant departments conduct audits in relation to key legislation applicable to the works, including the High Pressure Gas Safety Act, the Fire Service Act, and the Poisonous and Deleterious Substances Control Act. The same departments also conduct inspection management audits for the purpose of high pressure gas certification, reflecting our commitment to voluntary safety measures.

The Responsible Care Division at Mitsui Chemicals Head Office has its own dedicated Audit Group, which conducts the following groupwide RC audits.

1. Legal compliance audits at domestic manufacturing sites and research centers, examining seven laws, including the High Pressure Gas Safety Act, the Fire Service Act, the Poisonous and Deleterious Substances Control Act, Industrial Safety and Health Act, the Water Pollution Control Act and the Air Pollution Control Act
2. Audits relating to Accredited Safety Inspections and Accredited Completion Inspections at domestic manufacturing sites and other facilities accredited under the High Pressure Gas Safety Act
3. Audits examining progress with RC activities at domestic manufacturing sites, research centers and worldwide subsidiaries and affiliates

Audit results for fiscal 2011 were as follows.

1. We conducted legal compliance audits at our domestic manufacturing sites (6 works, 1 branch factory) and research centers once at each site, and confirmed that there were no violations of key legislation.
2. We conducted inspection management audits for the purpose of high pressure gas certification at four works (once or twice at each site) and confirmed that there were no violations of the High Pressure Gas Safety Act or any other issues with inspections.
3. . We conducted environmental safety audits at our domestic manufacturing sites (6 works, 1 branch factory), research centers and 37 worldwide subsidiaries and affiliates (44 sites), and quality audits at six domestic manufacturing sites, 16 business divisions and 23 worldwide subsidiaries and affiliates (25 sites), and made every effort to improve the standard of RC activities.

Having introduced legal compliance audits relating to chemical safety management in fiscal 2010, we conducted audits at 16 business divisions, three branches, eight research departments and eight domestic affiliates (10 sites) in fiscal 2011, and confirmed that there were no violations of key legislation.

International certifications and fiscal 2011 RC audits at subsidiaries and affiliates

Country	Company	International certifications				FY2011 RC audit	
		ISO 9001	ISO 14001	OHSAS 18001	Others	■ Onsite audit □ Document audit only	
Japan	Shimonoseki Mitsui Chemicals, Inc.	○	○	—		■	■
	Hokkaido Mitsui Chemicals Co.,Ltd.	○	—	—		■	■
	Mitsui Chemicals Tohcello, Inc. (Head Office)	—	—	—			
	Mitsui Chemicals Tohcello, Inc. (Koga Factory)	○	○	—		□	
	Mitsui Chemicals Tohcello, Inc. (Ibaraki Factory)	○	○	—		□	
	Mitsui Chemicals Tohcello, Inc. (Hamamatsu Factory)	○	○	—		■	
	Mitsui Chemicals Tohcello, Inc. (Katsuta Factory)	○	○	—		■	
	Mitsui Chemicals Tohcello, Inc. (Anjo Factory)	○	○	—		□	
	Japan Composite Co., Ltd.	○	○	—		■	■
	Saxin Corporation	○	○	○		■	
	Mitsui Chemicals Industrial Products, Ltd. (Saitama Office)	○	○	—		□	■
	Mitsui Chemicals Industrial Products, Ltd. (Ohtake Office)	○	○	○			
	Tohoku Polymer Co., Ltd.	—	—	—		■	
	Sun Alloys Co., Ltd.	○	—	—		■	
	Tohoku Uloid Industry Co., Ltd.	—	—	—		□	
	Sunrex Industry Co., Ltd.	○	○	—		■	■
	Prime Polymer Co., Ltd. (Head	—	—	—			■

	Office)						
	MC Industries, Ltd. (Shimizu Factory)	○	○	○		■	■
	MC Industries, Ltd. (Kaibara Factory)	○	○	—		□	
	Mitsui Fine Chemicals, Inc.	—	—	—			
	Sun Medical Co., Ltd.	○	—	—	ISO13485	□	
	Toyo Beauty Supply Corporation	—	—	—	ISO13485	□	
	Yamamoto Chemicals, Inc.	○	○	—		■	■
	Nippon Aluminum Alkyls, Ltd.	○	○	○			■
	Mitsui Chemicals Agro, Inc. (Head Office)	—	—	—			■
	Mitsui Chemicals Agro, Inc. (Funaoka Factory)	○	—	—		■	■
	Mitsui Chemicals Agro, Inc. (Shinshiro Factory)	○	—	—		□	■
	Utsunomiya Chemical Industry Co., Ltd. (Utsunomiya Works)	○	—	—		□	■
	Utsunomiya Chemical Industry Co., Ltd. (Tosu Factory)	○	—	—		■	■
	Nishioki Utility, Ltd.	○	○	○			
United States	Anderson Development Company	○	○	○		□	
	Esco Company, LLC	○	SOCMA Chem Stewards	SOCMA Chem Stewards		■	
	Advanced Composites, Inc. Ohio	○	○	○		□	
	Advanced Composites, Inc. Tennessee	○	○	○		■	
	SDC Technologies, Inc.	—	—	—		□	
	Image Polymers Company, LLC	—	—	—			
	Mitsui Chemicals America, Inc.	—	—	—			
Mexico	Advanced Composites Mexicana, S.A.de C.V.	○	○	Planned	TS16949	■	
Europe	Sun Alloys Europe GmbH	○	—	—			■
	Mitsui Chemicals Europe GmbH	—	—	—			■
Indonesia	P.T. Cosmo Polyurethane Indonesia	○	○	Planned		□	
	P.T. Petnesia Resindo	○	○	○		□	
	P.T. Amoco Mitsui PTA Indonesia	○	○	○		□	
	Thai Mitsui Specialty	○	○	○		□	■

Thailand	Chemicals CO., LTD.						
	Mitsui Hygiene Materials (Thailand) Co., Ltd.	○	○	○		■	■
	Siam Mitsui PTA CO., LTD.	○	○	○		□	■
	Thai Pet Resin Co., LTD.	○	○	Planned		□	■
	Grand Siam Composites CO., LTD.	○	○	○	TS16949	■	■
Malaysia	Cosmo Scientex (M) Sdn. Bhd.	○	○	○		■	■
Singapore	Mitsui Elastomers Singapore PTE. LTD.	○	○	○		■	■
	Mitsui Phenols Singapore PTE. LTD.	○	○	○		■	■
India	Mitsui Prime Advanced Composites India PVT. Ltd.	○	Planned	Planned		■	■
China	Tianjin Cosmo Polyurethane Co., Ltd.	○	○	Planned		■	
	Zhang Jia Gang Free Trade Zone Mitsui Linkupon Advanced Material, Inc.	○	○	—	TS16949	■	
	Mitsui Advanced Composites (Zhongshan) Co., LTD.	○	○	—		□	

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Communication with Society

Here at the Mitsui Chemicals Group, we are fully committed to communication with our stakeholders, based on an understanding of what people want and what they expect from us.

Working with our Customers

We work as a team to meet the needs of our customers and make people's lives easier and more comfortable.

Goals and Results

Marketing "Meister" system

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

We make every effort to provide our shareholders with a stable return, to repay the trust that they have placed in us.

Goals and Results

Disclosure of Information to Shareholders

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

Promoting and utilizing human resources

Creating an Employee-Friendly Working Environment

Employee Health

Working with Industry and Academia

We encourage collaboration between industry and academia through initiatives such as organizing international symposiums and engaging in joint research projects with industrial, governmental and academic bodies.

Goals and Results

International Symposiums and the Mitsui Chemicals Catalysis Science Award

Promoting Joint Research and Projects

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 as open as possible.

Goals and Results

Dialog with Local Communities

Exchange with Local Communities

Public Recognition

Social contribution activities

We carry out a range of activities in accordance with the Mitsui Chemicals Group Social Activities Policy.

Goals and Results

Nurturing future generations

Environmental Preservation

Disaster Recovery Support

Contributing to society/exchange with
local communities

Support for employees' social
contribution activities

Support for Intellectual Property
Education

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Working with our Customers

Goals and Results

Marketing “Meister” system

We work as a team to meet the needs of our customers and make people's lives easier and more comfortable.

To ensure that our customers are satisfied with the products and services they receive from the Mitsui Chemicals Group, we strive to identify precisely what our customers want and what they expect from us, through day-to-day communication, and to come up with the best possible solutions that we can provide.

Goals and Results

With regard to the issues for fiscal 2011, “maintain and utilize the systems that we have developed, so that requests from our customers can be responded to promptly,” which were stated under the heading “With Our Customers,” as we have altered our reporting structure, this has now been added to the page describing our goals for fiscal 2011 under the heading “Quality.”

Quality Goals and Results

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Working with our Customers

Goals and Results

Marketing “Meister” system

Marketing “Meister” system

In the constantly changing world in which we live these days, it is no easy matter to identify customers' needs quickly and accurately and meet their requirements.

That is why in July 2010 we introduced the Marketing “Meister” system , in an effort to recognize the actions and attitudes of individuals who provide outstanding customer service and serve as an example to other members of the Mitsui Chemicals Group. Marketing is about more than just selling products. It is essential to get more involved than that, to get customers to tell you what they want and what they are struggling with, and to work with them to resolve problems if necessary. Here at the Mitsui Chemicals Group, we believe that attitude is crucial to earning the customer's trust and building a close, friendly relationship. We intend to select one or two members every year, based on recommendations from Business Sector General Managers and the approval of Business Sector Directors.

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Working with our suppliers

Goals and Results

Purchasing Policy

CSR Procurement

We purchase items from our suppliers fairly and in good faith, and make every effort to ensure mutually sustainable growth.

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.

Goals and Results

Goals for Fiscal 2011

- Conduct follow-up CSR Procurement Surveys for suppliers with a score of less than 10 out of 20
- Conduct CSR Procurement Surveys for new suppliers

Fiscal 2011 Results and Assessment

Level achieved : A

- Asked 22 suppliers with a score of less than 10 to resubmit CSR Procurement Surveys and successfully collected surveys from all 22 companies. Based on the guidance provided, the number of suppliers with a score of less than 10 fell to 14, three of which improved their score compared to fiscal 2010.
- Conducted CSR Procurement Surveys for 566 new suppliers in November 2010

Priorities for Fiscal 2012

- Provide feedback on CSR Procurement Survey results to all suppliers
- Ask suppliers with a score of less than 10 to make improvements and resubmit their surveys

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

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Working with our suppliers

[Goals and Results](#)
[Purchasing Policy](#)
[CSR Procurement](#)

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.

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

Green purchasing

In October 2008 we established a new companywide purchasing system called PRECS and introduced green purchasing for office supplies and equipment. Our green purchasing rate at Head Office in fiscal 2010 came to 75%.

PRECS was named after an appeal for suggestions from our employees and stands for “procurement” followed by “rigidification” (strict compliance), “efficiency,” “control” and “standardization,” four key words that form an essential part of our procurement activities.



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Working with our suppliers

Goals and Results Purchasing Policy **CSR Procurement**

CSR Procurement

The following is a timeline of our CSR procurement activities.

FY 2007:	Formulated the Mitsui Chemicals Group Purchasing Policy
FY 2008:	Conducted CSR Procurement Survey (raw materials)
FY 2009:	Provided feedback on survey results Conducted CSR Procurement Survey for all other supplies Introduced new PRECS* purchasing system and began green purchasing for office supplies and equipment
FY 2010:	Provided feedback on survey results
FY 2011:	Conducted CSR Procurement Survey for new suppliers

* PRECS was named after an appeal for suggestions from our employees and stands for "procurement", "rigidification" (strict compliance), "efficiency", "control" and "standardization".

Overview of FY2011 CSR Procurement Survey

The 20 requirements included in the CSR Procurement Survey were as follows.

CSR Survey

1. Has set out management principles, corporate action guidelines, etc.
2. Has compiled manuals, guidebooks or other such materials relating to legal and regulatory compliance and ensures that they are followed by all employees
3. Has an internal whistle-blower system for reporting illegal actions
4. Respects patents, copyrights, trademarks and other intellectual property
5. Has formulated regulations for the protection of corporate and personal information and manages information appropriately
6. Does not discriminate based on gender, race, nationality, age, religion or disability in the recruitment, assignment, training, evaluation or remuneration of employees
7. Prohibits all forms of harassment, and upholds and respects human rights
8. Prohibits child and forced labor
9. Has formulated basic policies regarding the environment, safety, occupational health and quality
10. Has acquired ISO 14001 and other relevant external certifications
11. Monitors levels of chemicals with a potentially adverse impact on the environment in its products
12. Strives to reduce air and water pollution and industrial waste
13. Has obtained external Occupational Safety and Health Management System (OSHMS) certification
14. Has compiled a response manual in the event of an emergency, disaster or accident
15. Provides shareholders with accurate reports containing financial and other required information
16. Compiles and publishes reports relating to CSR (corporate social responsibility) and the environment
17. Is preparing for compliance with the Japanese SOX Act
18. Has internal auditing capabilities and/or bodies
19. Has acquired ISO 9001 and other relevant external certifications
20. Has in place response manuals and other tools to deal with product complaints

Guidance on Improvements for Suppliers

We intend to analyze the results for the 544 new suppliers surveyed in fiscal 2011 and provide all suppliers with feedback in fiscal 2012.

Extending Risk Hotline access to suppliers

In July 2010, we extended access to our Risk Hotline internal reporting system to include external parties and provided approximately 1,400 suppliers with details of how to use the relevant service. 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.



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Working with our Shareholders

Goals and Results

Disclosure of Information to Shareholders

We make every effort to provide our shareholders with a stable return, to repay the trust that they have placed in us.

In addition to continually enhancing the corporate value of the Mitsui Chemicals Group, through a range of measures aimed at reinforcing corporate governance and increasing management transparency, we also publish information in an appropriate and timely manner and make every effort to repay the trust placed in us by our shareholders and investors.

Investor Relations

Goals and Results

Goals for Fiscal 2011

- Improve our annual reports to make the contents easier for shareholders to understand
- Send out notices to convene general meetings of shareholders at least three weeks in advance
- Continue the practice of exhibiting products and display panels at general meetings of shareholders and getting directors to provide supplementary information

Fiscal 2011 Results and Assessment

Level achieved : A

- Made improvements to our annual reports (June, December)
- Sent out notices to convene general meetings of shareholders at least three weeks in advance and included additional information to provide shareholders with an improved understanding of the company
- Continued the practice of exhibiting products and display panels at general meetings of shareholders and getting directors to provide supplementary information

Priorities for Fiscal 2012

- Change the venue for general meetings of shareholders to enable more shareholders to attend
- Send out notices to convene at least three weeks in advance
- Continue the practice of exhibiting products and display panels at general meetings of shareholders and getting directors to provide supplementary information

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

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Working with our Shareholders

Goals and Results

Disclosure of Information to Shareholders

Disclosure of Information to Shareholders

General Meetings of Shareholders

We regard general meetings of shareholders as an opportunity for frank discussion between our shareholders and management. We are therefore committed to responding openly and clearly to any questions our shareholders may have, to provide a more in-depth understanding of Mitsui Chemicals.

At our general meeting of shareholders on June 24, 2011, we positioned members of staff in the lobby to exhibit and provide information about the Mitsui Chemicals Group's products and CSR activities. After the meeting, board members also took part in presentations in the lobby, providing the opportunity to talk to shareholders in greater depth.

Holding regular briefing sessions for analysts and investors

Following the publication of our end-of-year results in May and second quarter results in November, we hold briefing sessions for analysts and institutional investors so that the President can outline our current position. We also hold conference calls for analysts and institutional investors to coincide with the publication of our end-of-year and quarterly results. We post all handouts and audio from these briefings on the Investor Relations section of our website.

Investor Relations

Publishing IR information

Whenever we issue press releases disclosing IR information, including summary financial statements, information subject to timely disclosure, security reports, annual reports (in both English and Japanese), materials for analysts and institutional investors, corporate governance updates and notices to convene general meetings of shareholders, we always post the relevant information on our website immediately afterwards.

In fiscal 2011, the Investor Relations section of our website was selected by Nikko Investor Relations Co., Ltd. as one of 112 most comprehensive websites of all listed companies in Japan.

Basic Policy on Profit Sharing

Our top priority is to expand operations to enhance our corporate value, while we also consider giving profits back to our shareholders to be another of our critical management priorities.

We adopt a holistic approach to profit sharing, including returning profits to our shareholders and increasing retained earnings in preparation for strategic growth and expansion in the future.

We make every effort to provide our shareholders with a return that reflects our consolidated performance over the medium to long term and to pay out dividends on a consistent basis, in line with our consolidated dividend payout ratio and consolidated dividends on equity (DOE). Specifically, we aim to maintain a consolidated dividend payout ratio of at least 25% and a DOE of at least 2%. We use retained earnings to improve our performance, through initiatives such as actively investing in our business portfolio to facilitate further growth and expansion, and stepping up research and development to create innovative new technologies.



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Working with our Employees

Goals and Results Promoting and utilizing human resources

Creating an Employee-Friendly Working Environment Employee Health

We are committed to providing the best environment for our employees, so that they feel a sense of personal and professional motivation.

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 to 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 and safety.

Goals and Results

Goals for Fiscal 2011

- Continue to improve employees' understanding of our childcare and family care support systems and programs
- Create time for relaxation. Continue to raise awareness and promote innovative practices to encourage employees to take annual leave and stop working overtime
- Continue to implement comprehensive disease prevention measures and carry out planned improvements to local ventilation equipment

Fiscal 2011 Results and Assessment

Level achieved : A

- Updated handbooks to make our childcare and family care support systems easier to understand
- Increased the number of male employees taking childcare leave (0 in FY2008, 1 in FY2009, 36 in FY2010, 48 in FY2011)
- Encouraged employees at individual workplaces to take annual leave and stop working overtime
- Reduced the number of employees diagnosed with medical conditions and the number of days taken off for mental health reasons
- Continued to carry out planned improvements to local ventilation equipment according to schedule

Goals for Fiscal 2012

- Ensure that employees genuinely appreciate the need to strike a work-life balance and encourage employees to improve their attitudes towards work
- Encourage a varied approach to work and extend efforts to create more free time
- Continue to implement comprehensive disease prevention measures and carry out planned improvements to local ventilation equipment

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

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Chemistry, Innovation, Dreams
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Working with our Employees

Goals and Results **Promoting and utilizing human resources**

Creating an Employee-Friendly Working Environment **Employee Health**

Promoting and utilizing human resources

We actively promote and utilize human resources who are capable of producing results, in accordance with our Human Resources Management Policy.

Human Resources Management Policy

The Mitsui Chemicals Group Human Resources Policy encapsulates our attitude towards our employees and the labor market 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 Group Human Resources Management Policy

1. “Always in good faith”

1. The Mitsui Chemicals Group (MCI) will ensure that its employees to “act in good faith” in accordance with its Action Guidelines and will recognize employees who act in that manner, providing them with an appropriate environment to make full use of their abilities.
2. MCI will comply with all applicable labor and employment legislation the world over
3. MCI will disclose details of all regulations relating to the recruitment, assignment, training, evaluation and remuneration of employees and will treat its employees fairly and impartially in accordance with such, ensuring that there is no discrimination based on gender, race, nationality, age, religion or disability.

2. “For people and society”

1. MCI will ensure that its employees act with “high regard for people and society” in accordance with its Action Guidelines and will recognize employees who act in that manner, providing them with an appropriate environment to make full use of their abilities.
2. MCI will protect employees' health and safety in the workplace.
3. MCI will uphold and respect human rights, and will not tolerate any form of harassment.

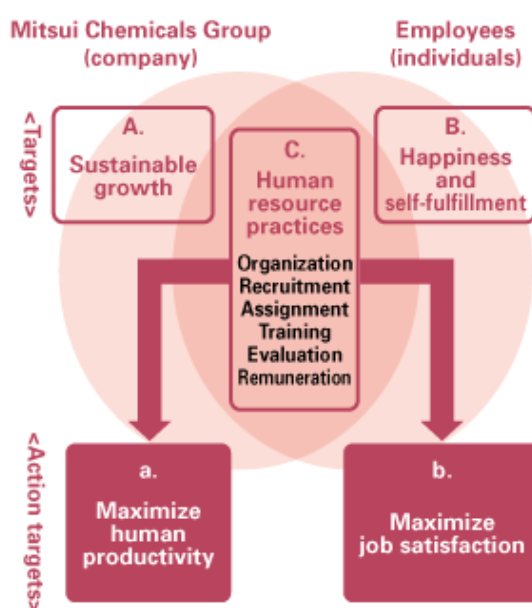
3. “Dream-inspiring innovation”

1. In order to achieve “dream-inspiring innovation”, MCI will ensure that its employees undertake the following actions in accordance with its Action Guidelines and will recognize employees who do so, providing them with an appropriate environment to make full use of their abilities.
 - Boldly take on new challenges without fear of failure, based on belief in your own potential
 - Enhance your sensitivity in order to create unique, new value
 - See, think and act for yourself
 - Strive to become a world-class professional with a global outlook
 - Help to nurture future generations by passing on your experience and skills
 - Combine individual strengths to create a stronger team through active communication

4. Taking into account the above requirements, we base our human resource practices on the following principles.

	Principles for the sustainable growth of the Mitsui Chemicals Group	Principles for the happiness and self-fulfillment of employees
Organization	Create a strategic organizational structure and allocate the best possible human resources in order to achieve the required strategy	Allocate human resources based on their personal motivation and capabilities
Recruitment	Recruit human resources who are capable of contributing to corporate growth	Provide equal opportunities to motivated and capable human resources
Assignment	Actively promote human resources who are capable of producing results	Allocate human resources to positions in which they can make full use of their motivation and capabilities
Training	Create world-class professionals based on a long-term perspective	Provide employees with the support they need to mold themselves into world-class professionals
Evaluation	Evaluate employees' achievements appropriately	Evaluate employees fairly so as to enhance their motivation and capabilities
Remuneration	Create a remuneration system that is competitive in terms of business costs	Create a remuneration that is competitive in terms of securing motivated and capable human resources

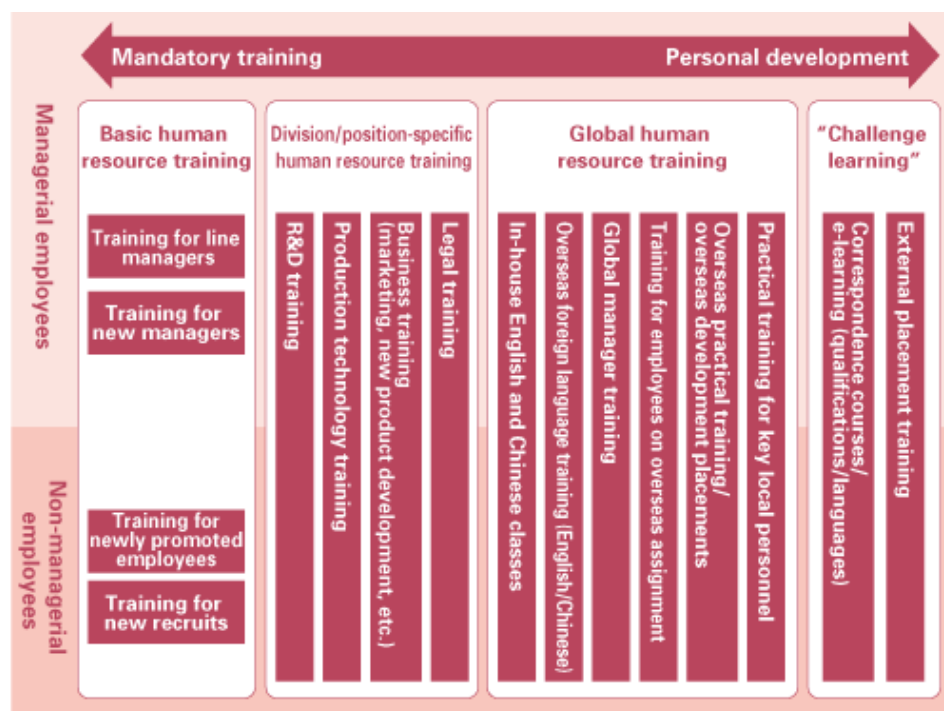
Overview of human resource management: Relationship between the company and individuals



Our approach to human resource development

We are constantly striving to achieve innovation and make dreams come true through the power of chemistry here at the Mitsui Chemicals Group, and are committed to the happiness and self-fulfillment of our employees. Our basic approach to human resource development is to provide the optimum environment to our employees who can continually improve their own abilities through dialog with others. We adopt a long-term perspective and aim to create human resources who are capable of making a difference on a global scale. We have a wide range of internal and external programs in place to provide our employees with the support they need to develop their abilities and establish a global outlook.

Companywide training framework



Training and securing global human resources

We are committed to training and promoting human resources at Head Office and overseas affiliates in order to accelerate our global operations. In addition to training courses for managers at overseas affiliates, we are also keen to promote initiatives such as rotation schemes and practical training for both domestic and overseas employees. Our focus is on securing and training human resources who are capable of making a global contribution to the Mitsui Chemicals Group as a whole, so as to ensure that we remain competitive.

We also try to make an ongoing contribution on a regional level, through initiatives such as arranging visits as part of collaborative human resource development programs sponsored by industrial and academic institutions in India, providing placements for interns from countries with close links to Mitsui Chemicals, such as China, Singapore and India, and organizing scholarship programs. We will continue to promote collaboration within the region in the future, as part of our commitment to training and securing human resources with a global outlook.



Interns from India

Passing on skills and techniques (Plant Operation Technology Training Center)

Since it was established in fiscal 2007, our Plant Operation Technology Training Center in Mobara (Chiba prefecture) has provided training for more than 4,500 employees at all levels, with a focus on new recruits. 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. The unique experience-based training that the center provides has received glowing feedback from overseas customers. To date, the center has opened its doors to more than 200 customers from India, Thailand and numerous other countries.

Story 01: Manufacturing on the Frontline

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MITSUI CHEMICALS, INC.
 GLOBAL

Working with our Employees

Goals and Results Promoting and utilizing human resources

Creating an Employee-Friendly Working Environment Employee Health

Building an Employee Friendly Working Environment

We run a range of support programs in order to suit the working environments and lifestyles of individual employees.

Promoting a work-life balance

Here at Mitsui Chemicals, we regard our employees as crucial stakeholders without whom we couldn't achieve 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, 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, from childcare and family care schemes, such as reduced work hours, nursing care leave and subsidies for babysitting and home-care services, to housing and welfare support. We will continue to make any necessary improvements to working environments in the future, so as to cater to our employees' increasingly diverse needs.

General Business Owner Action Plan in Accordance with the Act for Measures to Support the Development of the Next Generation

We have formulated and submitted a General Business Owner Action Plan* in accordance with the Act for Measures to Support the Development of the Next Generation. Details of our action plan are available on the Balanced Living Forum section of our website.

* General Business Owner Action Plans are supposed to be formulated by business owners in order to improve working conditions and help employees strike a balance between work and childcare

List of Support programs

Time off and leave	<ul style="list-style-type: none"> • Nursing care leave • Childcare leave (eligibility extended to encourage male employees to take 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)
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 • Family care assistance • Subsidies for home-care services • Subsidies for babysitting services

Staff Comment

My wife and I love spending time together with our two children. As we both work however, there are times when we have to call on the services of a babysitter. It's reassuring to know that Mitsui Chemicals has a range of programs to help employees balancing children and work commitments, such as working from home or reduced work hours. Subsidies for babysitting services are a great help too.

I think that it's essential to provide employees with an environment that helps them achieve a work-life balance that reflects their actual lives and values, so that we can concentrate on fulfilling our potential. The range of childcare and family care schemes at Mitsui Chemicals really makes for a good environment. I think we should all think carefully about how to achieve the ideal work-life balance in the future.



Hirotaka Uozaki
Coatings & Engineering
Materials Division

Ichihara Dream Plaza Mitsui Chemicals daycare center

To provide additional support for employees continuing to work whilst raising children, in April 2009 we opened our very own Mitsui Chemicals daycare center near the Sodegaura Center and our Ichihara Works (Chiba prefecture). Although the center started out with just seven children, all 20 places had been filled by the end of fiscal 2010. We increased the center's capacity to 25 children in fiscal 2011.

The center's excellent facilities include a south-facing wall made entirely from glass and under-floor heating. It is the sound of children's laughter however that really brings the spacious grounds of Ichihara Dream Plaza to life.



children playing at the Ichihara Dream Plaza

Respect for Diversity and Individuality

We implement a range of measures based on respect for diversity and individuality here at the Mitsui Chemicals Group.

As part of our diversity activities, we have put in place schemes to facilitate the professional advancement of female employees, promote disabled employment and provide reemployment for older workers.

In May 2006, we set up the Promotion and Development of Women Team, a dedicated body tasked with promoting the advancement of female employees. The team focuses primarily on (1) promoting a corporate culture that actively encourages diversity, (2) providing career development support for female employees, (3) promoting face-to-face networking (both internally and externally), and (4) helping employees to achieve a work-life balance.

We are also committed to creating jobs for disabled people and have achieved the legally required rate of disabled employment (1.8%) for seven years in a row, ever since fiscal 2005. We will continue to create accessible working environments and promote disabled employment in the future.

We introduced a reemployment program for older workers in April 2006. The program provides employees who have reached retirement age with various opportunities to utilize their advanced skills and abilities, effectively giving them more options for the future.

Promoting diversity

	FY 2009	FY 2010	FY 2011
Number of female managers	91	107	115
Rate of disabled employment	1.92%	1.91%	1.84%



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Working with our Employees

Goals and Results

Promoting and utilizing human resources

Creating an Employee-Friendly Working Environment

Employee Health

Employee Health

Here at the Mitsui Chemicals Group, we provide our employees with the support they need to take good care of their health, via industrial physicians, nurses and other healthcare professionals.

We believe that healthy employees make for a healthy company. Based on that philosophy, we assign with full-time industrial physicians, nurses and healthcare managers to healthcare sections at our Head Office, Sodegaura Center and all five of our works. We also assign part-time industrial physicians, nurses and other healthcare professionals to our smaller plants and to major plants operated by our affiliates, in an effort to improve the health of all group employees.

Once again in fiscal 2011, we continued to focus on preventing mental health conditions and lifestyle-related diseases, and on reducing hygiene risks.

Reducing occupational health risks

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 2009, we determined that a total of 815 local ventilation systems were in need of improvement. In fiscal 2010, we carried out improvements to 20% of the relevant systems. Having completed all improvements at our Sodegaura Center in fiscal 2011, that total now stands at 40%, including other sites. We will continue to carry out planned improvements in the future, with the aim of completing work in fiscal 2014.

Health management

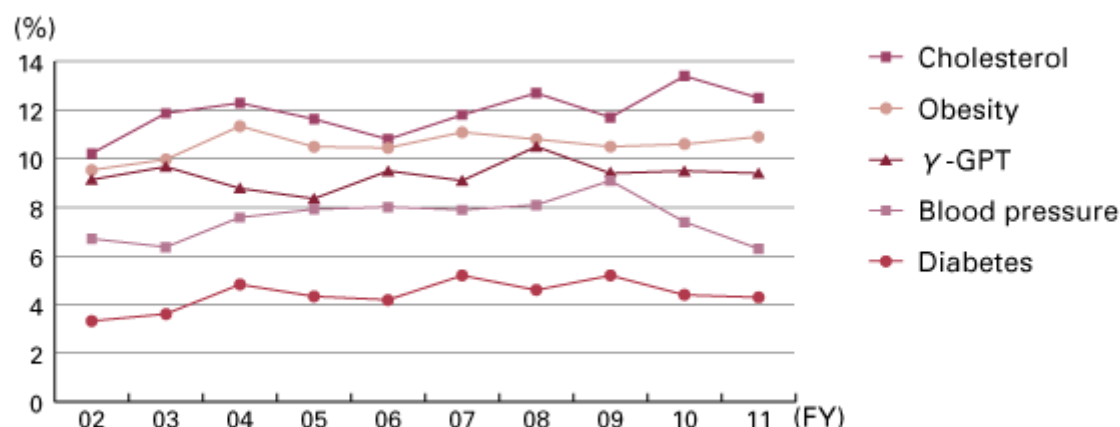
We promote good health via activities such as medical examinations and health guidance, carried out by industrial physicians, nurses and other healthcare professionals. As part of our initiatives during fiscal 2011, we stepped up employee health classes, continued to run the Health Mileage Program, improved our staff cafeteria, reinforced health guidance and measured employees' visceral fat for diet program.

We continued to organize comprehensive medical check-ups, combining regular medical examinations with special medical check-ups and cancer screening, for the third year. We achieved an uptake of almost 100% for special medical check-ups and managed to increase the rate of special health guidance (aimed at combating metabolic syndrome) from 25% in fiscal 2010 to 35%. As a result, we noticed a decline in the rate of metabolic syndrome in employees aged 40 or over.

In terms of lifestyle-related diseases meanwhile, there was a decline in the percentage of employees diagnosed with diabetes, high blood pressure and problems with cholesterol. The uptake rate for cancer screening came to roughly 60%, representing a 15% increase compared to fiscal 2010. As a result, cancer was detected at an early stage in 20 cases. We will continue to work on improving the uptake rate for cancer screening in fiscal 2012, as well as introducing more rigorous criteria for medical examinations and improving health guidance.

In an effort to combat new strains of influenza, we have been stockpiling facemasks, disinfectants and other supplies since fiscal 2009, and have continued to reinforce preventive measures and treatment for infected individuals. As a result, we have succeeded in keeping the infection rate amongst employees to around 45% compared to the infection rate for the general public in Japan.

Positive diagnosis results



Mental Health Initiatives

Once again in fiscal 2011, we continued to implement initiatives such as mental health training (for new recruits, managerial staff, line managers, etc.), counseling and e-learning. We also updated our communication e-learning program for new recruits.

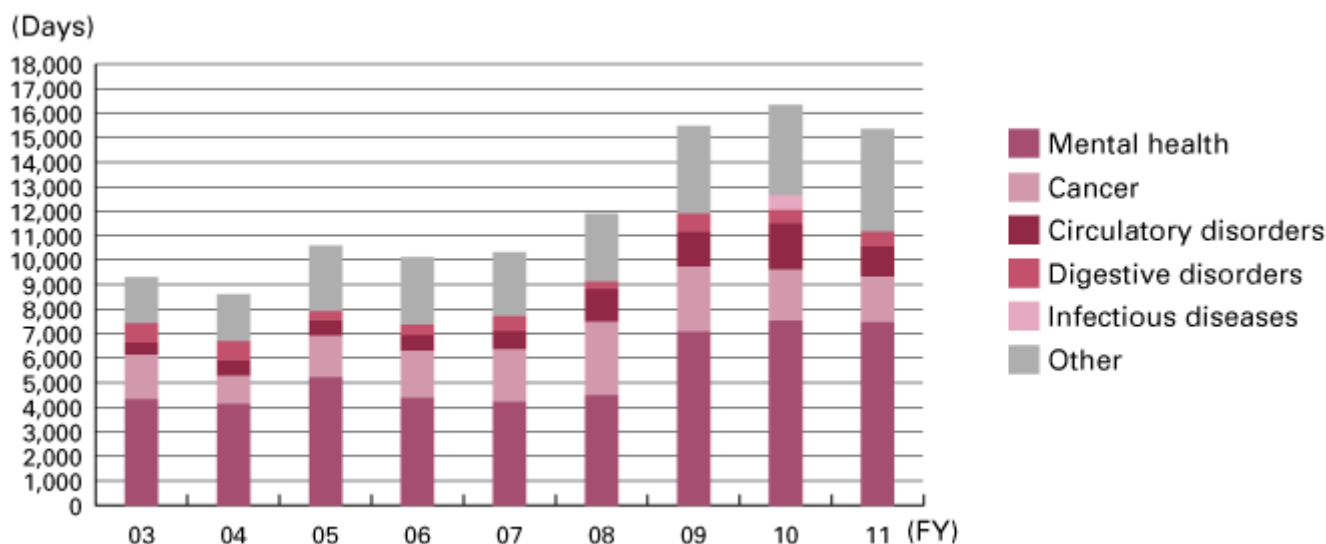
Having made improvements to our existing occupational stress questionnaire, we trialed a combined occupational stress and mental health climate questionnaire, geared more towards identifying improvement perspective in the workplace, at four of our sites.

We have also stepped up follow-up activities to help prevent relapses in employees with mental health conditions and have started to share information between industrial physicians and managerial staff at selected sites, in an effort to identify stress factors and employees with high stress levels as early as possible.

As a result, we have seen a decline in the percentage of employees suffering from new mental health conditions and relapses compared to fiscal 2010. Following a surge from the second half of fiscal 2009 onwards, the number of days off work due to mental health issues started to fall again in fiscal 2011.

During fiscal 2012, we intend to roll out combined occupational stress and mental health questionnaires on a companywide basis and identify good practices based on workplaces with a positive environment, so they can be extended out to other workplaces. We are also planning to reinforce mental health initiatives aimed at new recruits.

Breakdown of days off due to illness



A wide range of health management programs

We run a range of programs as part of our employee health management activities here at the Mitsui Chemicals Group, revolving primarily around our Health Care Section and Health Insurance Society.

Health promotion events

Description	Participants	Details
No smoking trial	42	No smoking event using nicotine patches Campaign to measure the age of employees' lungs, open to non-smokers as well as smokers
Visceral fat measurement program	65	Employees had their visceral fat measured to begin with, and then remeasured one and a half months later after making improvements to their lifestyles
Fitness classes	729	Series of 14 simple exercise classes designed to make employees feel refreshed, plus three four-session courses of yoga classes
Mental health training for new employees	53	e-learning-based training for new employees
1st walking event: Kujukurihama 70 km	218	Event for which employees walked at least 70km over the course of 16 days (at least 140,000 steps, calculated at 0.5m per step)
2nd walking event: Walk the Length of Japan	257	Event for which employees walked at least 330 km over the course of two months (at least 470,000 steps, calculated at 0.7 m per step) Plans to extend activities in the future, to include six Walk the Length of Japan events

Labor relations based on open dialog and mutual understanding

Here at Mitsui Chemicals, we are committed to establishing stable, cohesive labor relations based on the principle of open dialog and mutual 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 are fully committed to two-way communication and will continue to lay the necessary foundations to provide individual employees with a sense of personal and professional motivation.

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Chemistry, Innovation, Dreams
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Working with Industry and Academia

Goals and Results

International Symposiums and the Mitsui Chemicals Catalysis Science Award

Promoting Joint Research Projects

We encourage collaboration between industry and academia through initiatives such as organizing international symposiums.

The Mitsui Chemicals Group is committed to promoting collaboration between industry and academia, through initiatives such as organizing international symposiums and engaging in joint research projects with industrial, governmental and academic bodies, and establishing a global science network, in order to contribute to the sustainable development of chemistry and the chemical industry.

Goals and Results

Goals for Fiscal 2011

- Hold the 5th Mitsui Chemicals International Symposium on Catalysis Science (MICS2011) (March 9–10, 2011)
- Call for submissions for the Mitsui Chemicals Catalysis Science Award and present the awards
- Send researchers to and promote joint research with research institutes in Japan and overseas

Fiscal 2011 Results and Assessment

Level achieved : A

- Held the 5th Mitsui Chemicals International Symposium on Catalysis Science (MICS2011) (March 9–10, 2011)
- Called for submissions for the Mitsui Chemicals Catalysis Science Award and presented the awards
- Supported collaborative projects between industry and academia (promotion of a Bio-Consortium, participation to the project to develop the world's fastest plastic optical fibers, etc.)

Priorities for Fiscal 2012

- Send researchers to and promote joint research with research institutes in Japan and overseas
- Provide placements for interns

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

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Working with Industry and Academia

Goals and Results

International Symposiums and the Mitsui Chemicals Catalysis Science Award

Promoting Joint Research Projects

We encourage collaboration between industry and academia through initiatives such as organizing international symposiums.

International Symposiums and the Mitsui Chemicals Catalysis Science Award

As part of The Global Science Network, the Mitsui Chemicals Group is interested in collaborating with industry, academia and the government, and in disseminating information.

One such initiative is the Mitsui Chemicals International Symposium on Catalysis Science which provides an opportunity for leading researchers to deliver lectures in their specialist fields and to engage in discussions with other researchers from around the world. Mitsui also presents the Mitsui Chemicals Catalysis Science Awards in recognition of young researchers from universities and public institutions who have made an outstanding contribution to the field of catalysis science.

We will continue to contribute to the sustainable development of chemistry and the chemical industry through initiatives such as these in the future.

Details of international symposiums

Mitsui Chemicals Catalysis Science Awards

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Working with Industry and Academia

Goals and Results

International Symposiums and the Mitsui Chemicals Catalysis Science Award

Promoting Joint Research Projects

Promoting Joint Research Projects

We send Mitsui Chemicals Group researchers out to other research institutions, both in Japan and overseas, and promote joint research with industrial, governmental and academic bodies in an effort to develop innovative, commercially viable technologies as quickly as possible. In addition to environmental, resource and energy-related projects, aimed at preventing global warming or conserving fossil resources, we are also actively involved in the development of new materials.

Mitsui Chemicals Bio-Consortium

The Mitsui Chemicals Bio-Consortium is currently working on a number of collaborative R&D projects between industry and academia, with the aim of developing technologies to harness non-fossil resources.

Instead of oil, such technologies use biological processes to produce lactic acids, olefins, plastics and a wide range of other chemical products from non-fossil inedible raw materials such as wood.

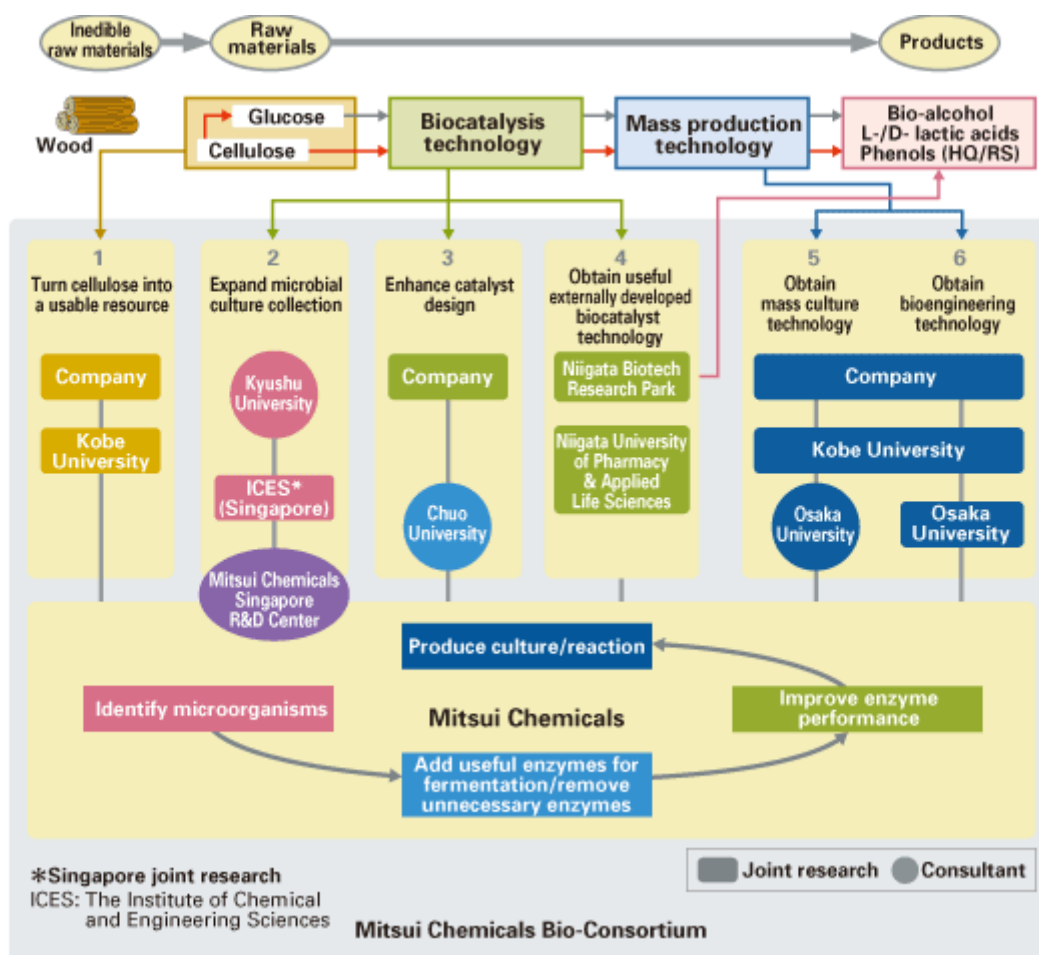
One of our strengths here at Mitsui Chemicals is our genetic modification technology, which involves adding genes that are useful for the production of specific chemicals to microorganisms and, conversely, destroying unnecessary genes. We have also developed biocatalysis technology to enable us to manufacture chemicals for specific purposes. Since fiscal 2010, we have been running biocatalyst-based medium-scale tests with the aim of developing technologies to manufacture lactic acids and other chemicals from raw materials such as glucose and cellulose.

We are committed to combining our own strengths with those of industrial and academic bodies both in Japan and overseas, to accelerate the development and industrialization of environmentally friendly processes that could help resolve the resource issues as well as accomplish the conversion of raw materials.

STORY 03: Research on the Frontline

Initiatives at the Mitsui Chemicals Singapore R&D Center

Collaborative biotech projects between industry and academia



Participating in the Development of Fundamental Technologies for Green and Sustainable Chemical Processes

Mitsui Chemicals is one of the companies participating in the Development of Fundamental Technologies for Green and Sustainable Chemical Processes, a collaborative project between industrial, governmental and academic bodies administrated by the New Energy and Industrial Technology Development Organization (NEDO).

As a part of this project, Mitsui has been engaged in a program titled the “Innovative Process of Naphtha Catalytic Cracking” since fiscal 2010. As such, we are currently working with the National Institute of Advanced Industrial Science and Technology, the Tokyo Institute of Technology, Hokkaido University, Yokohama National University and three other private companies to develop groundbreaking catalysts leading to both the greater production of valuable products and the reduction of CO₂ emissions in the chemical industry.

Participating in the Cabinet Office's Funding Program for World-Leading Innovative R&D on Science and Technology

We are currently participating in the Funding Program for World-Leading Innovative R&D on Science and Technology supported by the Japan Society for the Promotion of Science (JSPS), a Cabinet Office project based on collaboration between industry, government and academia. Under the guidance of Professor Yasuhiro Koike from Keio University, the program's core researcher, we are working on the research and development of core photonic polymer technologies for the next generation of plastic optical fibers and displays.

The two main objectives of the program are the development of ultra high speed plastic optical fibers and the development of photonic polymers for high-resolution large-size displays. Through these objectives, we aim at providing the world with materials featuring cutting-edge technologies, connecting remote locations with high-definition video phones and other technologies for face-to-face communication, and creating a communications industry worth around ¥10 trillion.



Chemistry, Innovation, Dreams
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Working with Local Communities

Goals and Results

Dialog with Local Communities

Exchange with Local Communities

Public Recognition

We are committed to working in harmony with local communities on a range of initiatives to ensure that our sites are as open as possible.

At the Mitsui Chemicals Group, we are committed to maintaining close dialog with members of the local community at all of our sites, organizing a range of initiatives for the benefit of children and the environment, and working in harmony with local communities to ensure that our sites are as open as possible.

Goals and Results

Goals for Fiscal 2011

- Continue to reinforce communication through community meetings

Fiscal 2011 Results and Assessment

Level achieved : A

- Held community meetings with local residents at all of our works

Priorities for Fiscal 2012

- Continue to reinforce communication through community meetings

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

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Chemistry, Innovation, Dreams
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Working with Local Communities

Goals and Results Dialog with Local Communities Exchange 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. We arrange community meetings to discuss our environmental preservation and safety initiatives, organize plant tours, 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 so as to communicate with local residents on a broader basis.

Promoting communication with local communities

Once again in fiscal 2011, we invited local residents living in the vicinity of our five domestic works to attend community meetings. At each meeting, an introduction to the works and an overview of our efforts to protect the environment and contribute to society were followed by a lively discussion session.

On September 25, 2010, we invited members of local neighborhood associations to attend a meeting at our Ichihara Works, which included an introduction to the works and an overview of its safety and environmental initiatives. A tour of the works was followed by a discussion session, during which we received some invaluable feedback.

On October 6, 2010, a group of around 40 people, including local residents from five nearby school districts and members of the Omuta City Environmental Affairs Division, Industrial Promotion Department and Fire Prevention Division, attended a community meeting at our Omuta Works. An introduction to the works and an outline of its safety and environmental initiatives were followed by a tour of the works. Once again, we received some invaluable feedback from those attending the event.

Our domestic affiliates meanwhile promote communication through initiatives that reflect their scale of operations, including arranging plant tours and participating in local events.



Community meeting at our Omuta Works

Publishing newsletters

Our newsletters showcase the products that are made at each of our works and provide information such as updates on our environmental initiatives. In some cases, newsletters feature additional content such as helpful health tips, instructions for conducting chemical experiments and information about our cleanup activities. We also use our newsletters as a means of two-way communication, by printing comments from members of the local community and our responses.



Newsletters published by each site



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Exchange with Local Communities

Public Recognition

Exchange with Local Communities

Here at the Mitsui Chemicals Group, we are aware of our role as a member of the community and actively promote exchange with local residents.

Lake Biwa Day cleanup activities

On July 1, 2010, employees from Mitsui Chemicals Agro's Agrochemicals Research Institute (Yasu, Shiga prefecture) took part in environmental improvement activities as part of Lake Biwa Day, an event sponsored by Shiga Prefecture. Employees began by carrying out cleanup activities in the area around the company's premises, before taking part in cleanup activities around Biwako Ohashi Golf Course and the road around Lake Biwa, helping to collect approximately 300 kilograms of garbage in total.



Cleanup activities

Exchange with local high school students

Saxin Corporation (Otsu, Shiga prefecture), one of our affiliates, has been providing student work experience placements at the request of local junior and senior high schools every year since 2002. Such activities are designed to help students understand and get a feel for the operations carried out by local companies through actual experiences in the workplace. In 2010, two senior high school students took up placements in January and two junior high school students in June. One student commented, "Seeing such amazing skills and technologies used by a local company was great and made me want to learn more about manufacturing."



Students who took part in work experience

Cleanup activities

2010 marked the fifth year that we have organized "Cleanup in Kujukuri" activities along Kujukuri beach (Chiba prefecture). This year's activities took place on July 31 in conjunction with a fishing event on the Hitotsumatsu coast and attracted a record number of participants, with more than 200 employees and local residents collecting approximately 110 kilograms of garbage.

Thanks to onsite assistance from the Japan Professional Rescue Organization, an NPO whose aim is to promote safety in the sea and protect the natural environment, we were also able to organize safety awareness activities on the beach and show people how garbage is created. Other fun activities for children included handicrafts using shells.

We are committed to raising awareness regarding nature and the environment and will continue with activities such as these in the future.



Cleanup activities on Kujukuri beach



A group photo of everyone who took part

Assisting with the construction of Hope Elementary School in Anhui Province, China

As part of its activities to celebrate the company's tenth anniversary, Mitsui Chemicals (Shanghai) donated the necessary funding to rebuild aging buildings at Hope Elementary School in Anhui Province in China in 2010, in conjunction with Mitsui Chemicals Head Office. A completion ceremony took place on November 12, 2010, during which we presented 300 students and 13 teachers with stationery and 300 sets of chairs and desks.

Community exchange activities at domestic and overseas affiliates during fiscal 2011

	Company	Community exchange/social activities
Domestic	Mitsui Chemicals Agro	Took part in environmental improvement activities as part of Lake Biwa Day
	Shimonoseki Mitsui Chemicals	Took part in Shimonoseki City No My Car Day and issued "eco-driving" declaration
	Hokkaido Mitsui Chemicals	Organized Pink Ribbon Seminar
	Japan Composite	Supplied Shizuoka City with planters manufactured in-house for use at Garden City events
	Sun Medical	Cosponsored Shiga Prefecture's Heartful Ohmi 2010 people's forum
	Yamamoto Chemicals	Supplied ice machines manufactured in-house for use at the summer festival at Yuge Shrine (Osaka prefecture)
	Tohoku Polymer	Outsourced work to vocational, assisted-living and work support facilities for people with mental disabilities
Overseas	(Singapore) Mitsui Chemicals Asia Pacific Mitsui Phenols Singapore PTE Mitsui Elastomers Singapore PTE	Planted trees at Hort Park Carried out cleanup activities along the coast at Semakau landfill site
	(Indonesia) P.T. Amoco Mitsui PTA Indonesia	Donated old computers to police stations, elementary schools and junior high schools



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Working with Local Communities

Goals and Results

Dialog with Local Communities

Exchange 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 the development of other projects.

As a result of such initiatives, we have received a number of awards and commendations in recognition of our achievements.

Thailand-based group company Siam Mitsui PTA was presented with the CSR DIW 2010 Award by the Thai Ministry of Industry in recognition of its CSR activities. The CSR DIW Award is given in recognition of companies' CSR activities in the following seven categories.

- (1) Legal and regulatory compliance systems
- (2) Respect for human rights
- (3) Consideration for employees
- (4) Consideration for the environment
- (5) Consideration for suppliers
- (6) Consideration for customers
- (7) Cohesion with the local community



Vice President Sommai Sirilertsombat (left) accepts the award on behalf of Siam Mitsui PTA

Public Recognition

Recipient	Award	Reason for award	Awarding body
Hamamatsu Works, Mitsui Chemicals Tohcello	Shizuoka Labor Bureau Director's incentive award	Awarded for effective safety measures and maintaining a zero-accident record for eight years (2 million hours)	Shizuoka Labor Bureau
Funaoka Works, Mitsui Chemicals Agro	Certificate of commendation	Awarded for providing monthly assistance as a designated labor statistical survey site	Ministry of Health, Labor and Welfare
Funaoka Works, Mitsui Chemicals Agro	Certificate of achievement	Awarded for participating in the Labor Standards Office's Trial 100 scheme (maintaining a zero-accident record for a specified period of time)	Ogawara Labor Standards Office
Shimizu Factory, Japan Composite	Zero accident certificate (Category 2)	Awarded for maintaining a zero-accident record for more than five years	Japan Chemical Industry Association
Shimizu Factory, Japan Composite	Seven-year zero accident certificate	Awarded for maintaining a zero-accident record for 1.18 million hours	Shizuoka Labor Bureau

Shimizu Factory, Japan Composite	Outstanding site award (safety)	Awarded for outstanding performance in the field of safety	Shizuoka Prefectural Federation of Labor Standard Associations
Tohoku U-Loid	Zero accident certificate (Category 1)	Awarded for maintaining a zero-accident record for more than ten years	Japan Chemical Industry Association
Hokkaido Mitsui Chemicals	Incentive award	Awarded for promoting occupational health and safety activities	Hokkaido Labor Bureau
Siam Mitsui PTA (Thailand)	CSR-DIW (ISO26000)	Awarded for promoting CSR activities in accordance with DIW guidelines	Ministry of Industry
Siam Mitsui PTA (Thailand)	Excellent Company Safety Award	Awarded for promoting safety activities	Ministry of Industry
Thai PET Resin (Thailand)	Zero DAWC for one year	Awarded for maintaining a zero-accident record for one year	Ministry of Labor
Thai PET Resin (Thailand)	National Occupational Health and Safety Award	Awarded for outstanding achievements in the field of occupational health and safety	Ministry of Labor
Thai PET Resin (Thailand)	Good Governance for Environmental Management Award	Awarded for outstanding environmental initiatives	Industrial Estate Authority of Thailand

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Social contribution activities

Goals and Results Nurturing future generations Environmental Preservation

Disaster Recovery Support Contributing to society/exchange with local communities

Support for employees' social contribution activities

Support for Intellectual Property Education

We carry out a range of activities in accordance with the Mitsui Chemicals Group Social Activities Policy.

The Mitsui Chemicals Group is committed to facilitating social development and helping to resolve issues facing society through a range of initiatives under our 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, from chemistry lab classes to disaster relief efforts and even desert greening experiments.

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.

Goals and Results

Goals for Fiscal 2011

- Establish a framework to enable social activities and programs to be implemented across all regions
- Focus on effective technologies in desert greening experiments, and reinforce collaboration with other companies and organizations

Fiscal 2011 Results and Assessment

Level achieved: A

- Established the necessary framework to enable “Adventure Class in Wonder-Chemistry” lab classes to be planned and implemented for the benefit of future generations at individual sites in line with local needs

Level achieved: B

- Set up a test site in the outskirts of the Chinese city of Tongliao in 2009 and conducted experiments over a two-year period from fiscal 2010 to 2011 to collect data in support of effective technologies for the use of salt-damaged soil. Made some progress in terms of collaboration with other companies and organizations dealing with similar issues, including opening up the test site for shared use by other NGOs, but failed to achieve specific results with regard to collaboration with other companies.

Priorities for Fiscal 2012

- Determine the effectiveness and sustainability of technologies for desert greening experiments
- Increase the number of employees taking part in social activities, including through membership of the One-Coin Club voluntary fund

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

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



Chemistry, Innovation, Dreams
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Social contribution activities

Goals and Results

Nurturing future generations

Environmental Preservation

Disaster Recovery Support

Contributing to society/exchange with local communities

Support for employees' social contribution activities

Support for Intellectual Property Education

Nurturing future generations

The future rests on our children's shoulders. With that in mind, we carry out various activities aimed at showing children how fun and interesting chemistry is, getting them interested in chemical technologies, and inspiring them to create the technologies of the future. This section outlines our Adventure Class in Wonder-Chemistry series of chemistry lab classes for children and our internship schemes, the aim of which is to teach interns about the nature of chemistry, and about chemical plants and complexes and how they harness the power of chemistry to produce a range of products, through study programs at our works and other facilities.

Adventure Class in Wonder-Chemistry

We started the Adventure Class in Wonder-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 2011, we organized a total of 23 classes at 11 sites.

Based on the theme of chemistry in our everyday lives, in fiscal 2011 we tried to come up with new ways to teach children about chemistry in a fun and easy-to-understand context, so as to get them better acquainted with chemistry whilst having fun doing experiments at the same time. Over the course of the fiscal year 2011, more than 3,000 children took part in classes.

We were delighted to hear children saying things like "I like science a lot more now" and "I'm going to try some experiments at home" as a result of attending our classes. We also received comments such as "the explanations were a bit hard to understand" and "I would have liked to get more involved in the experiments." We will take invaluable comments such as these on board as we strive to improve our activities in the future and come up with new themes for experiments.



An experiment class at Kids Engineer

Adventure in Class in Wonder-Chemistry classes in fiscal 2011

Dates	Location	Type of event, title or venue
April 25	Ichihara Works, Sodegaura Center	Off-site class: Class for company housing residence
June 8	Omura Works	Off-site class: Hirabaru Elementary School

June 30	Omuta Works	Off-site class: Miike Elementary School
July 30-31	Kanto Region	Class and exhibition: Kids Engineer 2010, sponsored by the Society of Automotive Engineers of Japan
Aug. 2-3	Sodegaura Center	Tour and laboratory class: Tour of Sodegaura Center for local elementary school children
Aug. 6	Iwakuni-Ohtake Works	Tour and laboratory class: 3rd PAW Wakuwaku Tankentai field trip
Aug. 21-22	Kanto Region	Class and exhibition: Dream Chemistry 21 Summer Holiday Children's Chemical Experiment Show, sponsored by the Japan Chemical Industry Association
Aug. 26	Osaka Works	Tour and laboratory class: Children's Company Tour, sponsored by Takaishi City
Aug. 29	Ichihara Works	Off-site class: Class for local elementary school children (Chigusa Community Center)
Sept. 11	Mobara Branch Factory	Tour and laboratory class: Tour of Technical Training Center for local elementary school children
Sept. 26	Ichihara Works	Class and exhibition: Works autumn festival
Oct. 10	Iwakuni-Ohtake Works	Class and exhibition: Works autumn festival
Oct. 17	Osaka Works	Class and exhibition: Takaishi Chamber of Commerce Festival
Oct. 23	Nagoya Works	Class and exhibition: Works autumn festival
Oct. 24	Omuta Works	Class and exhibition: Works autumn festival (Autumn Festa)
Oct. 31	Iwakuni-Ohtake Works	Class and exhibition: Young persons' science festival
Nov. 9	Omuta Works	Off-site class: Taisho Elementary School
Nov. 13	Osaka Works	Class and exhibition OSTEC Exhibition Hall
Nov. 21	Head Office	Class and exhibition Shiodome City Center Family Day
Nov. 26	MC Industries & Japan Composite (Shimizu Factory)	Off-site class: Shimizu Komagoe Elementary School
Dec. 14	Iwakuni-Ohtake Works	Off-site class: Waki Elementary School
Dec. 14	Mobara Branch Factory	Off-site class: Higashi Junior High School
Feb. 24	Omuta Works	Off-site class: Meiji Elementary School

Adventure Class in Wonder-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
	Slime				

2	<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 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 many 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 (non-woven 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	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	Participants learn about how paper is made and recycled, by experiencing

				(acrylamide)	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 plastic 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

Placements for domestic and overseas interns

We are eager to offer junior high school, senior high school, technical college, university and graduate students internship placements at our works, research centers and other facilities, in order to teach them about chemicals, how chemical plants operate and what it's like to work for a chemical company. We provided placements for a total of 180 students at our various sites during fiscal 2011. We had 22 overseas interns, this year including students from China, South Korea, Singapore, India, France and Malta. Internship placements also provided an excellent opportunity for employees working directly with students to rediscover their own company from a more international perspective.

Internship placements in 2010

Site	Interns
Head Office	3
Ichihara	48
Mobara	7
Sodegaura	11
Nagoya	20
Osaka	28
Iwakuni-Ohtake	21
Omuta	42
Total	180

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Support for Intellectual Property Education

Environmental Preservation

Although the chemical industry is a major producer of CO₂ emissions, it also has the technical capabilities to tackle that same issue on a fundamental level. As part of our social activities, we are always looking for ways to use Mitsui Chemicals technologies to resolve issues facing society, such as global warming and biodiversity.

Desert greening activities

Prompted by a suggestion from one of our employees, who asked if we could use Mitsui Chemicals products and technologies to help prevent the increasingly serious issue of desertification on the Chinese mainland, we set up a desert greening project in the Inner Mongolia Autonomous Region of China in mid-2007. Based on the results of experiments conducted in 2008, and interviews with the local community to assess their needs, we set ourselves the target of restoring an area of salt-damaged (alkaline) soil that local people had abandoned as unusable wasteland.

Providing that the land is properly managed to some extent and the necessary funding is made available, it is possible to "green" sandy soil (arid soil in an advanced state of desertification) by planting trees, fixing the sand for a certain period of time, supplying water and restricting access. There are many examples of both Chinese and overseas NGOs doing this successfully.

As we are yet to come up with effective methods of greening and utilizing salt-damaged soil however, large areas of land are still going to waste. Unlike ordinary sandy soil, it is extremely difficult to grow plants in highly alkaline soil (pH8-9) as it is hard and has poor drainage.

In an effort to tackle this difficult challenge, we set up a test site in the district of Baixingtu, in the outskirts of Tongliao in the Inner Mongolia Autonomous Region, in April 2009. As the test site was designed to enable experiments to be managed all year round, we set about investigating three technical points, namely (1) developing soil improvement technologies, (2) utilizing Mitsui Chemicals materials, and (3) selecting appropriate tree species.

Since then, we have been experimenting with planting trees in a combination of different conditions, planting 17,000 trees in April 2009 and 1,300 in April 2010, in an effort to identify effective technologies. As part of our experiments in 2010, we tried growing seedlings from tips cut from the branches of sea buckthorn trees, with the aim of establish a continuous cycle of picking, growing, planting, nurturing and picking.

For technical investigations, we are also exploring a wide range of inexpensive materials that can be procured locally, to enable local residents to improve and utilize salt-damaged soil on an independent and sustainable basis in the future.

Participating in Wakayama Prefecture's Company Forest scheme

As part of its environmental activities, our affiliate Honshu Chemical Industry 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 works in partnership with companies and other organizations to effectively harness the prefecture's rich natural environment and get local people involved in environmental preservation.

On November 13, Honshu Chemical Industry held a tree planting ceremony, as part of which employees and members of their families planted approximately 1,500 trees on a 1.32-hectare area of forestland in Hidakagawa (Hidakawa-gun, Wakayama prefecture). The forest was also given the official title “Hidakagawa Honshu Chemical Industry Forest”.



A sign for Hidakagawa Honshu Chemical Industry Forest



A group photo at the tree planting ceremony

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Disaster Recovery Support

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

The Mitsui Chemicals (MCI) Disaster Relief Team was created based on suggestions from employees, who wanted to help those affected by earthquakes and other major disasters by providing them with useful Mitsui Chemicals products. In fiscal 2010, we set up warehouses to store relief supplies at two of our sites –Iwakuni-Ohtake Works (Yamaguchi prefecture) to cover west Japan and 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 polyurethane mattresses (cushioned materials to lay on the floors of gymnasiums being used as evacuation shelters), food wrap (to enable dishes to be wrapped and reused in situations where water is scarce, so that they don't have to be washed), plastic water tanks (to store drinking water) and waterproof tarps (to cover buildings damaged by water or landslides, etc.) at both of these warehouses and are ready to send them out whenever necessary.

When torrential rains struck areas of Chugoku and Northern Kyushu in July 2010, we sent out waterproof tarps and HI-WRAP to the city of Sanyo-Onoda at the request of Yamaguchi Prefecture, and polyurethane mattresses to the city of Shobara and waterproof tarps to the town of Sera at the request of Hiroshima Prefecture. These materials made a small but real improvement to the lives of people who were forced to evacuate their homes.

In the aftermath of the Great East Japan Earthquake, which struck off the northeast coast of Japan on March 11, 2011, we carried out the following relief activities in the affected area during the period from March 16 to 23, in conjunction with the NGOs Peace Winds Japan and Civic Force.

Relief supplies sent to the affected areas

- 760 polyurethane mattresses, 650 waterproof tarps, 400 plastic water tanks (Mitsui Chemicals)
- 56,000 biodegradable plates and bowls (Mitsui Chemicals Tohcello)
- 5,864 rolls of HI-WRAP food wrap (Mitsui Chemicals Fabro)



Loading polyurethane mattresses

Although we always pray for disasters not to happen, we are nonetheless committed to providing effective emergency support in line with people's needs on the ground when they do happen, acting on instructions from local governments requesting supplies.

MCI Relief activities



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Contributing to society/exchange with local communities

We are determined to make a difference to the lives of local people, and actively promote exchange with local communities.

Lake Biwa Day cleanup activities

Exchange with local high school students

Cleanup activities

Assisting with the construction of Hope Elementary School in Anhui Province, China

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Support for employees' social contribution activities

Since fiscal 2009, we have had two programs in place to provide support for employees participating in social contribution activities; the One-Coin Club (a donation fund that employees contribute to directly from their wages) and a social activity leave program.

These programs are designed to raise awareness of social issues and provide support for employees who independently 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 the wages or bonuses, which is then donated to organizations involved in social activities.

The club currently has around 650 members, who between them donated approximately ¥3 million to the fund in 2010. Donations were given to a total of 15 organizations involved in a range of social activities, based on proposals submitted by employees (¥3 million in fiscal 2011). Before being selected, organizations are reviewed by the One-Coin Club Management Committee, a voluntary panel made up of club members. The club also makes relief donations in some cases, in the event of an earthquake, flood or other major disaster.



Chibitto-kun, the mascot of the One-Coin Club

Organizations supported by the One-Coin Club in fiscal 2011

In fiscal 2011, we donated a total of ¥6 million in support of the following organizations and activities, via the One-Coin Club and matching donations from the company*.

* 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.

1. Asian Rural Institute
2. Japan Association for the United Nations World Food Programme
3. Vaccines for the World's Children (Japan Committee)
4. Guide Dog & Service Dog Association of Japan
5. ASHINAGA
6. Asperger Society Japan

7. World Wildlife Fund for Nature Japan
8. Japan Marrow Donor Registry Promotion Conference
9. Nanbyonet
10. EDF Japan
11. Rescue Stock Yard
12. Rocinantes
13. Kansai Life Line
14. Emergency Medical Network of Helicopter and Hospital (HEM-Net)
15. Second Harvest Japan

Support for employee volunteer activities (social activity leave program)

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 times a year. In fiscal 2011, employees used the program 184 times for a wide range of activities, including volunteer fire fighting activities, coaching and supervising local baseball and soccer teams, and assisting with local government initiatives.

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Support for Intellectual Property Education

Here at Mitsui Chemicals, we organize lectures on intellectual property for trainees from developing countries and Japanese students.

Support for intellectual property education in developing countries

At the request of the Japan Institute of Invention and Innovation, we dispatched our employee as a lecturer for the training of "Cooperation in Human Resource Development" by the Japan Patent Office (JPO). The aim of such activities is to enhance train human resources who are involved in industrial property systems in developing countries.

We also gave a lecture on intellectual property management and intelligent & information to fourteen trainees from eight Asian countries as part of the Intellectual Property Rights/Experts Course in Tokyo in July 2010. We have provided the lecturer ten times, on a continuing basis since 2005. The highly practical contents of our lectures have received positive feedback from trainees on each occasion.

In February 2011, we gave a lecture on the utilization of intellectual property information at a seminar titled "Better IPs, Better Economies" in Kuala Lumpur, Malaysia. With an audience of around 300, the seminar provided an excellent opportunity to engage in exchange with local participants.

We will continue such contribution to regional activities.

Cooperation in Human Resource Development (Japan Institute of Invention and Innovation)

Support for intellectual property education for technical college students

At the request of Ariake National College of Technology in Omuta, we once again organized a six-hour intensive training seminar on intellectual property, as part of the "Industry, Academia and Community Partnership Program for Renewal of Arao Area," in December 2010, following on from the seminars in 2007, 2008 and 2009.

Nineteen students as bearers of future industry listened to the lecture with great interests and eagerly posed questions. As a result of our educational activities, their interest in intellectual property with increasing importance was stimulated. We will continue such contribution to regional activities.

Intellectual property education at Ariake National College of Technology

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Feedback from Inside and Outside the Company

This section outlines comments made by third parties and other readers regarding our CSR Report and improvements incorporated into the following year's edition as a result.

Comments regarding our CSR Report 2010

The results of surveys regarding our CSR Report 2010 and comments made by those inside and outside the company

[CSR Report 2010 Survey Results](#)

[Feedback from Inside and Outside the Company](#)

Third-party Comments on CSR Report 2011

[Third-party Comments on CSR Report 2011](#)

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Comments regarding our CSR Report 2010

Results of the Survey

Results of the Survey Feedback from Inside and Outside the Company

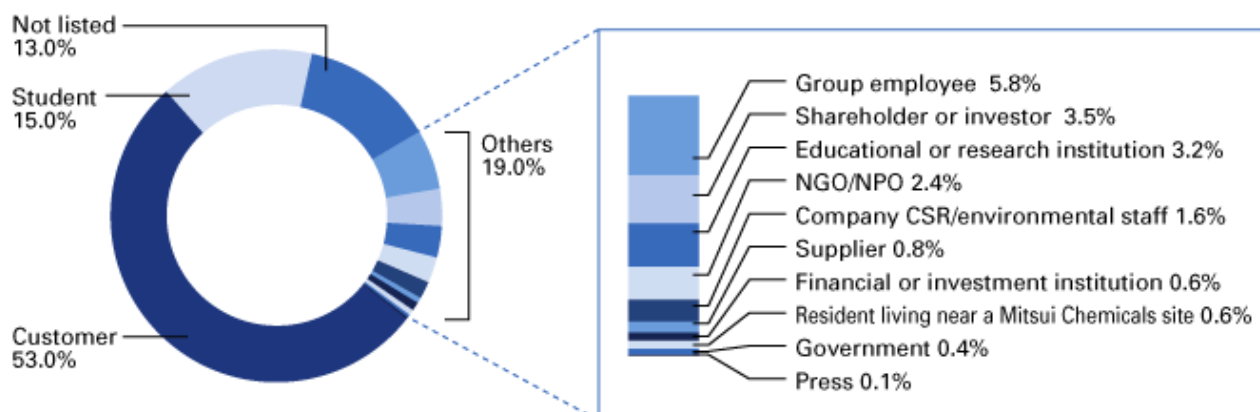
We have received a great many responses to our CSR Report 2010 Survey, via both the online and printed versions.

Here at the Mitsui Chemicals Group, we conduct surveys to obtain extensive feedback from those inside and outside the company, so that improvements can be made to our activities and reports in the future. As of March 31, 2011, we have received a total of 830 responses to our 2010 survey. We would like to thank everyone who took the time to give us their comments and impressions.

The following is a summary of the survey results.

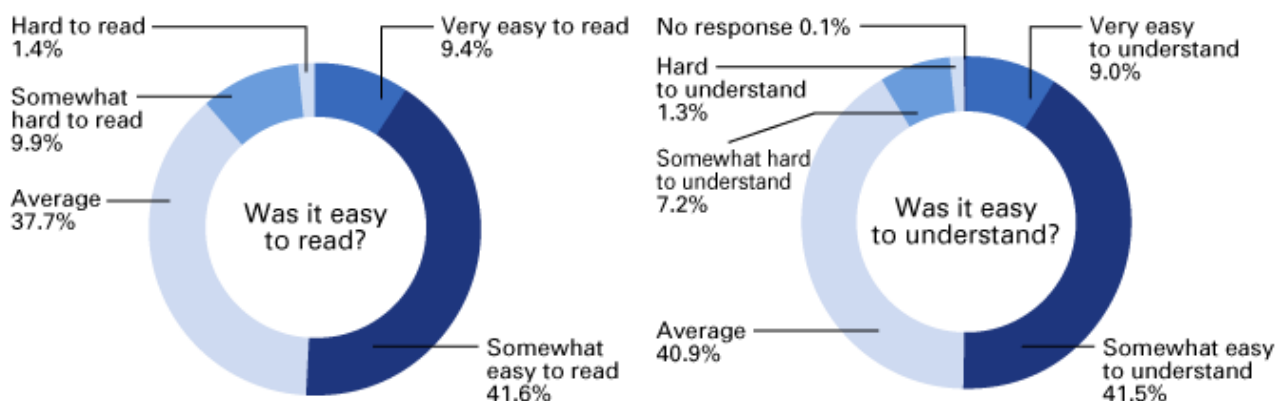
CSR Report 2010 Survey Results

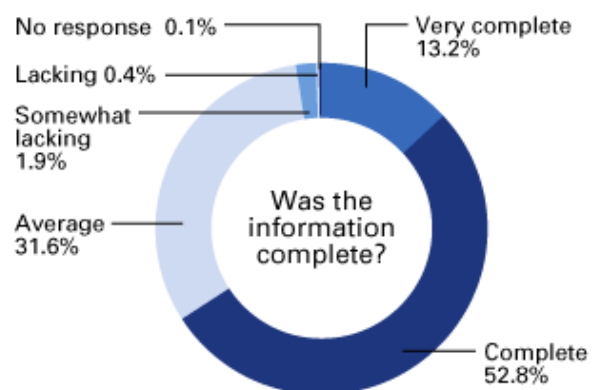
Q1: What is your relationship to Mitsui Chemicals?



* Note: Percentages may not add up to 100% or the respective total due to rounding.

Q2: What did you think of the report?



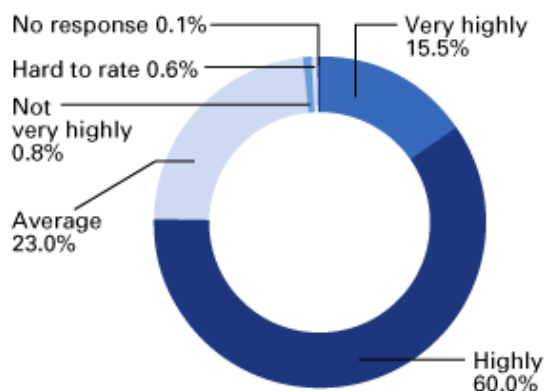


* Note: Percentages may not add up to 100% or the respective total due to rounding.

Q3: Which sections of the report did you find interesting? (multiple responses)



Q4: How would you rate the Mitsui Chemicals Group's CSR activities?



* Note: Percentages may not add up to 100% or the respective total due to rounding.



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Comments regarding our CSR Report 2010

Results of the Survey

Results of the Survey Feedback from Inside and Outside the Company

Feedback from Inside and Outside the Company

Selected comments and impressions received via the CSR Report 2010 survey

- When I first read one of Mitsui Chemicals' reports in 2008, it was unclear who the report was aimed at based on the contents. Things have improved however, and the report now makes for comprehensive reading. (Female office worker, 30s)
- Despite being an abridged version, the printed edition of the report still feels like it contains a lot of information. (Male office worker, 30s)
- It is good to see that the company is openly reporting negative information, such as details of accidents. (Male office worker, 30s)
- Although chemical companies have a bad image in terms of their environmental impact, I was left with a strong impression that Mitsui Chemicals is doing more than enough to improve its operations and make up for that. (Female office worker, 30s)
- I was struck by the length of the report. I think more people would read the report if it was shorter. (Female student, 20s)
- I don't know much about chemicals, but I was still very impressed by Mitsui Chemicals' environmentally friendly development activities, in areas such as CO₂ fixation. I would like to have seen figures for childcare leave taken by male employees. (Female office worker, 40s)
- It's hard to tell what Mitsui Chemicals is trying to focus on. I had trouble working out which parts to read intensively. (Female, unemployed, 20s)
- It was great that the report started by addressing an accident. That really made me appreciate the company's serious commitment to safety. (Male, retired, 60s)

Third-party comments regarding CSR Report 2010 (summary)

Eiichi Adachi (Head of ESG Research Center, Japan Research Institute)

- Strong focus on special feature (harnessing non-fossil resources) and progress reports
- Would like to see product safety data extended to other reports from next year onwards
- Would like to see reduction targets for transferred volumes of substances subject to the PRTR Law
- Good report on the Shimonoseki accident, but would like to see full information on the causes of accidents and preventive measures
- Would like to see long-term projections for greenhouse gas reductions

Mika Takaoka (Professor, College of Business, Rikkyo University)

- Definite focus on contributing to society through core business activities
- Clear emphasis on the fact that being a "good and trustworthy company" depends on the performance of all divisions and organizations, and an admirable commitment to frontline operations
- Excellent two-way discussion and communication initiatives such as Two-way Communication Discussion
- Would like to see a greater focus on supply chain initiatives, including overseas operations
- Need to draw up a road map for the encouragement of success of female employees

Main improvements incorporated into CSR Report 2011

Based on the survey results and third-party comments that we received, we have made the following improvements to our 2011 report.

1. Continued to report and follow up on progress with CO₂ fixation trials and related challenges
2. Continued to implement and report on ongoing Two-Way Communication Discussion activities
3. Made improvements to the sequence of items, layout and other aspects of our website to make it more accessible
4. Made distinctions between online and printed versions clearer and structured report around key information
5. Made every effort to improve readability as part of the editing process (layout, colors, etc.)



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Third-Party Comments Regarding CSR Report 2011

Mr. Eiichiro Adachi and Ms. Mika Takaoka have provided us with their comments regarding the Mitsui Chemicals Group's CSR activities.

Eiichiro Adachi

Head of ESG Research Center
 The Japan Research Institute, Limited



Following on from last year, I would like to offer the following third-party comments about the Mitsui Chemicals Group's CSR activities as I understand them based on this report, in my capacity as someone who provides financial institutions with corporate information for the purposes of socially responsible investment.

Last year, I encouraged the Mitsui Chemicals Group to set out a specific scenario for the long-term reduction of greenhouse gases. To its credit, the Group has responded by setting itself the groundbreaking target of reducing overall greenhouse gas emissions by 500,000 tons, compared to levels in fiscal 1991, by the end of fiscal 2014, as part of its Mid-Term Business Plan from fiscal 2012 onwards.

In light of the Group's power-saving measures, including generating all of the power needed to run its Ichihara Works in-house and supplying any surplus to the local power company, achieving this target will be no easy matter. Nonetheless, I have high hopes that the Group will be able to achieve its overall target in the future, through initiatives such as the practical application of CO₂ fixation technology (synthesizing methanol from CO₂), via its test plant, and biomass-based chemical synthesis using *E. coli* bacteria.

In terms of chemical management, the report states that the Group intends to conduct risk assessments in fiscal 2012, starting with high priority products. Given that the general view around the world is that we need to minimize the harmful effects of chemicals on people and the environment by the year 2020, this is clearly a major priority for the chemical industry. I would encourage the Mitsui Chemicals Group to take this as an opportunity to integrate its efforts to protect biodiversity into risk assessments.

The fact that the Group was unable to meet its target for the number of accidents in the workplace during fiscal 2011 is cause for concern. I was fascinated by the contents of STORY 01 however, which openly acknowledged the "contradiction between evolving plants and manufacturing on the shop floor" and carefully outlined efforts to organize training for operating staff. Providing details of the impact of such initiatives, in terms of raising awareness amongst operating staff for instance, would give readers a better understanding in the future.

The detailed section on the number of days off due to illness is excellent, and really sets the Group apart from other companies. I couldn't help noticing however that the number of days off has remained at a fairly high level in recent years. Outlining the underlying reasons and measures being taken would help to make this section more reassuring.

Finally, I would like to point out that the Group's overseas operations have grown in scale since last year, with overseas sales now accounting for over 40% and employees at consolidated subsidiaries in other countries accounting for over 20%. Bearing that in mind, there is a sense that the scope of this year's report is weighted somewhat towards Mitsui Chemicals on standalone basis. Also, there is no mention of factors such as nationality in the section on "Respect for Diversity and Individuality". From next year onwards, I would like to see more detailed information about matters such as initiatives in overseas markets, activities at consolidated subsidiaries in other countries, and the Group's philosophy on global human resources.

These comments draw no conclusions regarding the accuracy of this report, including whether or not figures have been recorded and calculated in accordance with generally accepted environmental reporting standards, and whether or not any material facts have been omitted.

Mika Takaoka

Professor, College of Business
 Rikkyo University



This is the second year that I have provided third-party comments regarding the Mitsui Chemicals Group's CSR Report. I feel that the Group has made significant improvements in the following two areas compared to last year's report.

First, as mentioned in the opening message from the President, the Group has changed its greenhouse gas emissions targets from specific consumption to overall emissions, as part of its new Mid-Term Business Plan starting in fiscal 2012. The Group has set itself the new target of reducing greenhouse gas emissions by 9% (500,000 tons), compared to levels in fiscal 1991, by fiscal 2014. As it is common practice to measure greenhouse gas reductions based on specific consumption in the chemical industry, this really underlines the Mitsui Chemicals Group's determination to help reduce emissions throughout society, by promoting energy saving initiatives, developing innovative processes and technologies, and expanding its range of environmentally friendly products. The Group deserves the utmost praise for introducing targets based on overall emissions, especially given that it has already surpassed its existing specific consumption targets.

Second, the Group has revised its CSR reporting policy, opting to publish a detailed report on its website and restrict its printed version to priority areas that are of particular interest to stakeholders. Whereas it is common for companies to publish an online report accompanied by an abridged printed version, this approach runs the risk of failing to sufficiently disclose information. If a company is really thinking about CSR communication with its stakeholders, then it is a far better approach to keep its printed CSR report separate from its online version, so that it is worth reading on its own. It is clear that the Mitsui Chemicals Group has thought long and hard about the purpose of communication, as reflected in the fact that it has changed the title of its printed report to "CSR Communication 2011".

Elsewhere, the Group has taken steps such as publishing figures for the number of male employees taking childcare leave, in response to comments regarding last year's report. Although this is a detail, it still worthy of recognition because it reflects the Group's commitment to two-way communication. It is also worth noting the Group's focus on frontline operations and determination to contribute to society through its main business activities are once again evident throughout, as with last year's report.

On the other hand, I would like to make recommendations in the following two areas.

Firstly, I would like to see the Group providing specific guidance and more in-depth advice regarding the selection of suppliers based on CSR credentials. That is an essential step in order to build stronger partnerships with suppliers. As part of the selection process, the Mitsui Chemicals Group currently asks suppliers to complete a 20-question CSR Procurement Survey, and then provides feedback and suggestions regarding improvements based on the results. The Group's suppliers however presumably include some companies whose operations are on a smaller scale. In some cases, companies like that struggle to put in place the necessary management systems to ensure legal compliance and implement CSR initiatives, as a result of limited human resources and expertise. Although the process of selecting suppliers based on their CSR credentials is important, it would also be beneficial to the Mitsui Chemicals Group's CSR activities to take things a step further, by reaching out to potential suppliers with insufficient CSR capabilities and working with them to come up with specific improvements. I would like to see the Group taking action along those lines in the future.

Second, as I recommended last year, I would still like to see the Mitsui Chemicals Group setting out a roadmap for employment diversity, even if it just a broad outline. The Group has once again achieved the legally required rate of disabled employment this year and is continuing to increase the number of female employees in managerial positions every year. Although these are worthy achievements, still there is not much information relating to employment diversity in this year's report. There are some points that are unclear, such as what career development support for female employees actually entails, and what level targets are set at. I hope to see improvements in this area in next year's report.

Response

Thank you for your invaluable comments and suggestions.

- We will continue to effectively implement our Mid-Term Business Plan, including our new targets for reducing overall greenhouse gas emissions.
- As a chemical company, we intend to make an even greater effort to develop viable non-fossil fuel technologies in areas such as CO₂ fixation.
- It was unfortunate that we were unable to meet our target for the number of accidents in the workplace last year. We are nonetheless determined to fully investigate the underlying causes and take steps to prevent such accidents in the future.
- As we are continuing to expand our overseas operations, we will make more of an effort to promote and provide details about overseas CSR initiatives throughout the Mitsui Chemicals Group.
- We will look into more specific measures with regard to selecting suppliers based on their CSR credentials.
- As we received comments regarding employment diversity last year too, we sincerely regret the fact that there are still some areas that are unclear. We will try to make details of our initiatives easier to understand in the future, and will seriously consider formulating a roadmap.

We always take on board feedback from the public, including the above comments, and will make every effort to keep on improving our CSR initiatives and producing comprehensive reports on our activities. We look forward to your continued suggestions and support in the future.

Makoto Yamasaki
General Manager,
CSR Promotion Division



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Performance Data

Here at the Mitsui Chemicals Group, we are committed to protecting the environment through initiatives such as reducing environmental impact and saving energy. We also place great importance on communication with local communities and carry out a range of CSR activities aimed at establishing ourselves as a “good and trustworthy company” that is trusted by all of its stakeholders.

The following table provides a summary of our activities. If you would like to know more about any category, please click on the relevant data.

Category		Data
Message from the President	Global Compact	Ten principles of Global Compact Cross-Reference Index
The Mitsui Chemicals Group's Business Categories and Main Products		The Mitsui Chemicals Group's Business Categories and Main Products
CSR Management	Management System	Goals and Results
		Risk Hotline Statistics
Responsible Care	Occupational Health and Safety	Goals and Results
		Occupational Accidents
		Frequency of Accidents Resulting in Absence from Work (All Industries/Chemical Industry/Mitsui Chemicals)
		Frequency of Occupational Accidents (Mitsui Chemicals Employees + Contractors)
	Process Safety and Disaster Prevention	Goals and Results
		Safety and Disaster Prevention Curriculum
		Investment in Safety, Disaster Prevention and Health
	Environmental Protection	Goals and Results
		Greenhouse Gas Emissions and Energy Intensity Index
		Landfill Disposal of Industrial Waste
		The Process of Waste Disposal (Mitsui Chemicals)
		Classification of Industrial Waste Disposal
		Emissions of Substances Subject to the PRTR Act
		PRTR Data for Domestic Manufacturing Sites (Kashima Works / Ichihara Works / Mobara Branch Factory / Nagoya Works / Osaka Works / Iwakuni-Ohtake Works / Tokuyama Branch Factory / Omuta Works)
		Emissions of Hazardous Air Pollutants
		VOC Emissions to the Air
		Environmental Impact Figures (8 Categories)

		Environmental Accounts
		Environmental Costs and Benefits
		Economic Effects of Environmental Initiatives
		Input⇒Output Data (Mitsui Chemicals)
		Input⇒Output Data (Mitsui Chemicals Works)
		Input⇒Output Data for the Mitsui Chemicals Group
		How the Nagata Method Works (Eco-Efficiency)
		Eco-Efficiency and ELP (Environmental Load Points) Indices
		Calculating Eco-Efficiency Index
		Response to Environmental Complaints
	Chemical Management	Goals and Results
	Quality	Goals and Results
	Logistics	Goals and Results
Communication with Society	RC Promotion System	Goals and Results
		International Certifications and Fiscal 2011 RC Audits at Subsidiaries and Affiliates
	Working with our Customers	Goals and Results
	Working with our Suppliers	Goals and Results
	Working with our Shareholders	Goals and Results
	Working with our Employees	Goals and Results
		List of Support Programs
		Promoting Diversity (Number of Female Managers/Rate of Disabled Employment)
		Positive Diagnosis Results
		Breakdown of Days Off due to Illness
	Working with Industry and Academia	Goals and Results
	Working with Local Communities	Goals and Results
		Community Exchange Activities at Domestic and Overseas Affiliates in Fiscal 2011
		Public Recognition
	Social Contribution Activities	Goals and Results
		Adventure Class in Wonder-Chemistry Classes in Fiscal 2011
		Adventure Class in Wonder-Chemistry Experiments
		Internship Placements in fiscal 2010
		Organizations Supported by the One-Coin Club in Fiscal 2011
Feedback from Inside and Outside the Company	Comments Regarding CSR Report 2010	CSR Survey 2010 Results
GRI Guidelines		GRI Guidelines Cross-Reference List



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GRI Guidelines Index

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.

Item	Indicators	Applicable/Not applicable	Booklet		WEB
			Pages	Corresponding Sections	Corresponding Sections
1. Strategy and Analysis					
1.1	Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	○	■P3-4	■Message from the President	■Message from the President
1.2	Description of key impacts, risks, and opportunities.	○	■P3-4 ■P14-15	■Message from the President ■Harnessing our strengths to pave the way for a new growth trajectory	■Message from the President ■The aims of CSR ■RC Management System ■Management Plan (Grand Design)
2.Organizational Profile					
2.1	Name of the organization.	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Corporate Overview
2.2	Primary brands, products, and/or services.	○	■P16-17	■The Mitsui Chemicals' Group's Business Categories and Main Products	■Business & Products ■The Mitsui Chemicals' Group's Business Categories and Main Products
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	○	—	—	■Organization
2.4	Location of organization's headquarters.	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Corporate Overview
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Overseas Subsidiaries & Affiliates
2.6	Nature of ownership and legal form.	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Corporate Overview
2.7	Markets served (including geographical breakdown, sectors served, types of customers/beneficiaries).	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Overseas Subsidiaries & Affiliates ■Fact Book
2.8	Scale of the reporting organization, including: - Number of employees; - Net sales (for private sector organizations) or net revenues (for public sector organizations); - Total capitalization broken down in terms of debt and equity (for private ector organizations); and - Quantity of products or services provided	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Corporate Overview ■Fact Book ■INPUT⇒OUTPUT Data
2.9	Significant changes during the reporting period regarding size, structure, or ownership including: - The location of, or changes in operations, including facility openings, closings, and expansions; and - Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	×	—	—	—
2.10	Awards received in the reporting period.	○	—	—	■Commendations from Society
3. Report Parameters					
Report Profile					
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	○	—	—	■About CSR Report 2011
3.2	Date of most recent previous report (if any).	×	—	—	—
3.3	Reporting cycle (annual, biennial, etc.)	○	—	—	■CSR Reports

3.4	Contact point for questions regarding the report or its contents.	○	■Back cover	■For inquiries, please contact:	■ Contact Us
Report Scope and Boundary					
3.5	Process for defining report content, including: - Determining materiality; - Prioritizing topics within the report; and - Identifying stakeholders the organization expects to use the report.	○	■P2	■About CSR Report 2011	■ About CSR Report 2011
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	○	—	—	■ About CSR Report 2011
3.7	State any specific limitations on the scope or boundary of the report.	○	—	—	■ About CSR Report 2011 ■ Industrial Waste Reduction
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	×	—	—	—
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	○	■P14-15	■Harnessing our strengths to pave the way for a new growth trajectory	■ Creating a Safe and Secure Workplace ■ Industrial Waste Reduction ■ Substances Subject to the PRTR Act ■ Environmental Accounting ■ Assessment of Environmental Impact
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	○	—	—	■ Commitment to Global Warming Prevention
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	×	—	—	—
GRI Content Index					
3.12	Table identifying the location of the Standard Disclosures in the report.	○	—	—	■ GRI Guidelines Cross-reference List
Assurance					
3.13	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	○	—	—	■ Third-party comments regarding CSR Report 2011
4. Governance, Commitments, and Engagement					
Governance					
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	○	—	—	■ Framework for the creation of a "good and trustworthy company" ■ Corporate Governance ■ RC Management System
4.2	Indicate whether the Chair of the highest governance body is also an executive officer (and, if so, their function within the organization's management and the reasons for this arrangement).	○	—	—	■ Corporate Governance ■ Board of Directors
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	○	—	—	■ Corporate Governance
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	○	—	—	■ Corporate Governance ■ Disclosure of Information to Shareholders
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organization's performance (including social and environmental performance).	○	—	—	■ Security reports
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	○	—	—	■ Corporate Governance
	Process for determining the qualifications and expertise of the members of the highest				

4.7	governance body for guiding the organization's strategy on economic, environmental, and social topics.	×	—	—	—
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	○	■P14-15	■Harnessing our strengths to pave the way for a new growth trajectory	■Management Plan (Grand Design) ■Aims of CSR ■Efforts to improve awareness and conduct as a "good and trustworthy company" ■Responsible Care Policy
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	○	—	—	■The UN Global Compact ■Responsible Care Policy
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	×	—	—	—
Commitments to External Initiatives					
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	○	—	—	■RC Management System ■Ensuring the Safety of Chemicals and Chemical Products
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	○	■P2	■International Year of Chemistry 2011	■The UN Global Compact ■Biodiversity
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: • Has positions in governance bodies; • Participates in projects or committees; • Provides substantive funding beyond routine membership dues; or • Views membership as strategic.	○	—	—	■Promotion of Joint Research and Projects
Stakeholder Engagement					
4.14	List of stakeholder groups engaged by the organization.	○	—	—	■Identifying Key CSR Challenges ■Dialog with Local Communities ■Feedback on CSR Report 2010 ■Feedback from Inside and Outside the Company
4.15	Basis for identification and selection of stakeholders with whom to engage.	○	—	—	■Identifying Key CSR Challenges
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	○	—	—	■Identifying Key CSR Challenges ■Quality Improvement Initiatives ■CSR Procurement ■Disclosure of Information to Shareholders ■Dialog with Local Communities ■Feedback on CSR Report 2010 ■Feedback from Inside and Outside the Company ■Third-party comments regarding CSR Report 2011
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	○	—	—	■Feedback from Inside and Outside the Company ■Third-party comments regarding CSR Report 2011
5.Management Approach and Performance Indicators					
Economic					
	Disclosure on Management Approach	○	■P3-4 ■P14-15	■Message from the President ■Harnessing our strengths to pave the way for a new growth trajectory	■Message from the President

Economic Performance Indicators					
Aspect:Economic Performance					
CORE EC1.	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	×	—	—	—
CORE EC2.	Financial implications and other risks and opportunities for the organization's activities due to climate change.	○	■P3-4 ■P14-15	■Message from the President ■Harnessing our strengths to pave the way for a new growth trajectory	■Message from the President ■Identifying Key CSR Challenges
CORE EC3.	Coverage of the organization's defined benefit plan obligations.	×	—	—	—
CORE EC4.	Significant financial assistance received from government.	×	—	—	—
Aspect: Market Presence					
ADD EC5.	Range of ratios of standard entry level wage compared to local minimum wage at significant locations of operation.	×	—	—	—
CORE EC6.	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	×	—	—	—
CORE EC7.	Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.	×	—	—	—
Aspect:Indirect Economic Impacts					
CORE EC8.	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, inkind, or pro bono engagement.	○	■P3-4 ■P5	■Message from the President ■Responding to the Great East Japan Earthquake	■International Symposiums and the Mitsui Chemicals Catalysis Science Award ■Exchange with Local Communities ■Nurturing the Next Generation ■Environmental Protection ■Disaster Recovery Support ■Contributing to local communities and community exchange ■Support for Intellectual Property Education
ADD EC9.	Understanding and describing significant indirect economic impacts, including the extent of impacts.	×	—	—	—
Environmental					
Disclosure on Management Approach		○	■P3-4 ■P14-15	■Message from the President ■Harnessing our strengths to pave the way for a new growth trajectory	■Message from the President ■Environmental Protection>Goals and Results
Environmental Performance Indicators					
Aspect: Materials					
CORE EN1.	Materials used by weight or volume.	○	—	—	■INPUT⇒OUTPUT Data
CORE EN2.	Percentage of materials used that are recycled input materials.	×	—	—	—
Aspect:Energy					
CORE EN3.	"Direct energy consumption by primary energy source."	○	—	—	■INPUT⇒OUTPUT Data
CORE EN4.	Indirect energy consumption by primary source.	×	—	—	—
ADD EN5.	Energy saved due to conservation and efficiency improvements.	○	—	—	■Commitment to Global Warming Prevention
ADD EN6.	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	○	■P16-17	■The Mitsui Chemicals' Group's Business Categories and Main Products	■STORY 03: Research on the Frontline>Extensive Research Activities ■Commitment to Global Warming Prevention
ADD EN7.	Initiatives to reduce indirect energy consumption and reductions achieved.	×	—	—	—
Aspect:Water					
CORE EN8.	Total water withdrawal by source.	○	—	—	■Environmental Impact (NOx, COD, etc.) ■INPUT⇒OUTPUT Data
ADD EN9.	Water sources significantly affected by withdrawal of water.	×	—	—	—
ADD	Percentage and total volume of water recycled				

EN10.	and reused.	×	—	—	—
Aspect:Biodiversity					
CORE EN11.	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	×	—	—	—
CORE EN12.	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	○	—	—	■Environmental Protection
ADD EN13.	Habitats protected or restored.	×	—	—	—
ADD EN14.	Strategies, current actions, and future plans for managing impacts on biodiversity.	×	—	—	—
ADD EN15.	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	×	—	—	—
Aspect:Emissions, Effluents, and Waste					
CORE EN16.	Total direct and indirect greenhouse gas emissions by weight.	○	—	—	■Commitment to Global Warming Prevention ■INPUT⇒OUTPUT Data ■Assessment of Environmental Impact
CORE EN17.	Other relevant indirect greenhouse gas emissions by weight.	×	—	—	—
ADD EN18.	Initiatives to reduce greenhouse gas emissions and reductions achieved.	○	■P3-4	■Message from the President	■Message from the President ■STORY 03: Research on the Frontline> Extensive Research Activities ■Commitment to Global Warming Prevention
CORE EN19.	Emissions of ozone-depleting substances by weight.	○	—	—	■Substances Subject to the PRTR Act ■INPUT⇒OUTPUT Data
CORE EN20.	NOx, SOx, and other significant air emissions by type and weight.	○	—	—	■Hazardous Air Pollutants ■Volatile Organic Compounds ■Environmental Impact (NOx, COD, etc.) ■INPUT⇒OUTPUT Data ■Assessment of Environmental Impact
CORE EN21.	Total water discharge by quality and destination.	○	—	—	■Environmental Impact (NOx, COD, etc.) ■INPUT⇒OUTPUT Data
CORE EN22.	Total weight of waste by type and disposal method.	○	—	—	■Industrial Waste Reduction ■INPUT⇒OUTPUT Data ■Assessment of Environmental Impact
CORE EN23.	Total number and volume of significant spills.	○	—	—	■Preventing Production-Related Accidents and Injuries ■Handling Environmental Complaints
ADD EN24.	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.	×	—	—	—
ADD EN25.	Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.	×	—	—	—
Aspect:Products and Services					
CORE EN26.	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	○	■P16-17	■The Mitsui Chemicals' Group's Business Categories and Main Products	■STORY 03: Research on the Frontline> Extensive Research Activities ■Industrial Waste Reduction
CORE EN27.	Percentage of products sold and their packaging materials that are reclaimed by category.	×	—	—	—
Aspect: Compliance					
CORE EN28.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	○	—	—	■RC Management System
Aspect:Transport					
ADD EN29.	Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.	○	—	—	■Commitment to Global Warming Prevention
Aspect:Overall					

ADD EN30.	Total environmental protection expenditures and investments by type.	○	—	—	■Environmental Accounting
Social Performance Indicators					
Labor Practices and Decent Work					
Disclosure on Management Approach		○	—	—	■Message from the President ■Occupational Health and Safety> Goals and Results ■Safety and Disaster Prevention> Goals and Results ■Together with Employees> Goals and Results
Labor Practices and Decent Work Performance Indicators					
Aspect: Employment					
CORE LA1.	Total workforce by employment type, employment contract, and region.	○	■P18-19	■The Mitsui Chemicals Group's Global Operations	■Corporate Overview ■Overseas Subsidiaries & Affiliates ■Other Data
CORE LA2.	Total number and rate of employee turnover by age group, gender, and region.	×	—	—	—
ADD LA3.	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	○	—	—	■Creating an Employee-Friendly Working Environment
Aspect:Labor/Management Relations					
CORE LA4.	Percentage of employees covered by collective bargaining agreements.	×	—	—	—
CORE LA5.	Minimum notice period(s) regarding operational changes, including whether it is specified in collective agreements.	×	—	—	—
Aspect:Occupational Health and Safety					
CORE LA6.	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.	○	—	—	■RC Management System
CORE LA7.	Rates of injury, occupational diseases, lost days, and absenteeism, and number of workrelated fatalities by region.	○	—	—	■Creating a Safe and Secure Workplace
CORE LA8.	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	○	—	—	■Employee Health
ADD LA9.	Health and safety topics covered in formal agreements with trade unions.	×	—	—	—
Aspect: Training and Education					
CORE LA10.	Average hours of training per year per employee by employee category.	○	—	—	■Compliance Training ■Safety and Disaster Prevention> Goals and Results ■Preventing Accidents and Disasters in Production ■Quality Improvement Initiatives ■Personnel Advancement and Utilization
ADD LA11.	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	○	■P8-9	■Story 01: Manufacturing on the Frontline	■Story 01: Manufacturing on the Frontline ■Personnel Advancement and Utilization
ADD LA12.	Percentage of employees receiving regular performance and career development reviews.	×	—	—	—
Aspect:Diversity and Equal Opportunity					
CORE LA13.	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	○	—	—	■Creating an Employee-Friendly Working Environment
CORE LA14.	Ratio of basic salary of men to women by employee category.	×	—	—	—
Human Rights					
Disclosure on Management Approach		○	—	—	■Purchasing Policy ■CSR Procurement
Human Rights Performance Indicators					
Aspect: Investment and Procurement Practices					
	Percentage and total number of significant				

CORE HR1.	investment agreements that include human rights clauses or that have undergone human rights screening.	×	—	—	—
CORE HR2.	Percentage of significant suppliers and contractors that have undergone screening on human rights and actions taken.	○	—	—	■Purchasing Policy ■CSR Procurement
ADD HR3.	Total hours of employee training on policies and procedures concerning aspects of human rights that are relevant to operations, including the percentage of employees trained.	×	—	—	—
Aspect: Non-discrimination					
CORE HR4.	Total number of incidents of discrimination and actions taken.	×	—	—	—
Aspect: Freedom of Association and Collective Bargaining					
CORE HR5.	Operations identified in which the right to exercise freedom of association and collective bargaining may be at significant risk, and actions taken to support these rights.	×	—	—	—
Aspect: Child Labor					
CORE HR6.	Operations identified as having significant risk for incidents of child labor, and measures taken to contribute to the elimination of child labor.	○	—	—	■CSR Procurement
Aspect: Forced and Compulsory Labor					
CORE HR7.	Operations identified as having significant risk for incidents of forced or compulsory labor, and measures to contribute to the elimination of forced or compulsory labor.	○	—	—	■CSR Procurement
Aspect: Security Practices					
ADD HR8.	Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.	×	—	—	—
Aspect: Indigenous Rights					
ADD HR9.	Total number of incidents of violations involving rights of indigenous people and actions taken.	×	—	—	—
Society					
Disclosure on Management Approach		○	—	—	■Together with Employees> Goals and Results ■Together with Industry and Academia> Goals and Results ■Together with Local Communities> Goals and Results ■Social Contribution Activities> Goals and Results
Society Performance Indicators					
Aspect: Community					
CORE SO1.	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	×	—	—	—
Aspect: Corruption					
CORE SO2.	Percentage and total number of business units analyzed for risks related to corruption.	○	—	—	■RC Audits
CORE SO3.	Percentage of employees trained in organization's anti-corruption policies and procedures.	○	—	—	■Compliance Training
CORE SO4.	Actions taken in response to incidents of corruption.	×	—	—	—
Aspect: Public Policy					
CORE SO5.	Public policy positions and participation in public policy development and lobbying.	○	—	—	■Creating an Employee-Friendly Working Environment ■Promotion of Joint Research and Projects ■Exchange with Local Communities ■Contributing to local communities and community exchange
ADD SO6.	Total value of financial and in-kind contributions to political parties, politicians, and related institutions by country.	×	—	—	—
Aspect: Anti-Competitive Behavior					

ADD SO7.	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	×	—	—	—
Aspect: Compliance					
CORE SO8.	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	×	—	—	—
Product Responsibility					
Disclosure on Management Approach		○	■P10-11 ■P14-15	■STORY 02: Sales on the Frontline ■Harnessing our strengths to pave the way for a new growth trajectory	■STORY 02: Sales on the Frontline ■Chemical Management>Goals and Results ■Quality>Goals and Results
Product Responsibility Performance Indicators					
Aspect: Customer Health and Safety					
CORE PR1.	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	○	—	—	■RC Promotion System ■Quality Improvement Initiatives ■Ensuring the Safety of Chemicals and Chemical Products
ADD PR2.	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	×	—	—	—
Aspect: Product and Service Labeling					
CORE PR3.	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	○	—	—	■The Mitsui Chemicals Group's Business Categories and Main Products
ADD PR4.	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	×	—	—	—
ADD PR5.	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	○	—	—	■Quality Improvement Initiatives ■Marketing "Meister" system
Aspect:Marketing Communications					
CORE PR6.	Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.	×	—	—	—
ADD 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.	×	—	—	—
Aspect:Customer Privacy					
ADD PR8.	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	×	—	—	—
Aspect:Compliance					
CORE PR9.	Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.	×	—	—	—



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Download CSR Reports

All of the CSR Reports and Responsible Care Reports published to date by the Mitsui Chemicals Group are available as PDF files and in digital book format. We hope that publishing these two reports will help to promote communication with all of our stakeholders and enable us to keep on expanding and improving our activities in the future.

Digital Books

CSR Report

Please click below to view our CSR activity reports in the area of society and environment.



CSR Report 2010
[All Pages \(PDF : 5.58MB\)](#)

[Digital book](#)



CSR Report 2009
[All Pages \(PDF : 4.78MB\)](#)

[Digital book](#)



CSR Report 2008
[All Pages \(PDF : 2.59MB\)](#)

[Digital book](#)



CSR Report 2007
[All Pages \(PDF : 1.62MB\)](#)

[Digital book](#)



CSR Report 2006
[All Pages \(PDF : 3.24MB\)](#)

[Digital book](#)



CSR Report 2005
[All Pages \(PDF : 1.77MB\)](#)

[Digital book](#)

Responsible Care Report

Please click below to view our RC reports regarding environment, safety, occupational health, and quality.



Responsible Care Report
2004

[All Pages \(PDF : 1.19MB\)](#)



Digital book



Responsible Care Report
2003

[All Pages \(PDF : 1.34MB\)](#)



Digital book



Responsible Care Report
2002

[All Pages \(PDF : 690KB\)](#)



Digital book



Responsible Care Report
2001

[All Pages \(PDF : 950KB\)](#)



Digital book



Responsible Care Report
2000

[All Pages \(PDF : 582KB\)](#)



Digital book

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About CSR Report 2011

We produce comprehensive and detailed reports on the Mitsui Chemicals Group's CSR activities, taking advantage of the unique features of online media.

Editorial Policy

We produce CSR reports to maintain dialog with our stakeholders. Our reports highlight the Mitsui Chemicals Group's main CSR initiatives from three key perspectives (economy, environment and society), with a focus on environmental and social initiatives in particular. Please see our Annual Report for a more in-depth economic viewpoint.

[Investor Relations](#) [Annual Report](#)

Online version

We post the full version of the Mitsui Chemicals Group's CSR Report on our website, which provides comprehensive and detailed content. We edit our reports with the aim of constantly making them more nicely varied, readable and accessible.

[CSR Site Map](#)

Printed version

Until last year, we published an abridged printed version of our CSR Report, which summarized the key points of the online version. This year, however, we have published CSR Communication 2011, which focuses on aspects of the Mitsui Chemicals Group's activities that we particularly want our stakeholders to read about. The printed version of our report, the contents of which are outlined below, is freely available in the same way as the online version.

Main contents of CSR Communication 2011

- Message from the President (P3)
- Responding to the Great East Japan Earthquake (P5)
- Special Feature: Mitsui Chemicals' Frontline Capabilities (P6-13)
- Harnessing our Strengths to Establish a New Growth Trajectory (P14-15)
- The Mitsui Chemicals' Group's Business Categories and Main Products (P16-17)
- The Mitsui Chemicals Group's Global Operations (P18-19)

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Scope of the Report

Coverage

Our 2011 report covers activities during fiscal 2011 (April 1, 2010 to March 31, 2011). It may also include data relating to more recent activities however, from April 2011 onwards.

Data

Unless specifically indicated to include affiliates or subsidiaries, all data in this report refers to Mitsui Chemicals.

Referenced Guidelines

- Global Reporting Initiative (GRI)
- Sustainability Reporting Guidelines 2006
- Environmental Reporting Guideline 2007 (Ministry of the Environment)
- Environmental Accounting Guideline 2005 (Ministry of the Environment)

[GRI Guidelines Cross-Reference List](#)



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Report on Accident at the Filling Area of the Nitrogen Trifluoride(NF3) Production Facility at Shimonoseki Mitsui Chemicals, Inc.

On November 4, 2009, a fire broke out and explosions occurred in the nitrogen trifluoride filling area at Mitsui Chemicals subsidiary Shimonoseki Mitsui Chemicals Inc. We would like to extend our sincerest apologies to victims, local residents, the authorities, our customers and everyone else who was affected by this accident.

The cause of the accident was investigated and preventive measures mapped out by the "Joint Committee for Investigation" consisting of members of staff from Mitsui Chemicals and Shimonoseki Mitsui Chemicals and independent academic experts. The committee then compiled a report and submitted it to the relevant authorities that accepted the report in April 2010.

We are committed to working together with Shimonoseki Mitsui Chemicals to reinforce safety management, and intend to focus our efforts on implementing preventive measures and improving safety awareness amongst all of our employees.

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CSR News Archives

2009.4.14	Mitsui Chemical's Akihiro Yamaguchi Receives Singapore's Public Service Medal
2009.3.13	Mitsui Chemicals Successfully Hosts the Fourth Catalysis Science Symposium
2008.12.22	Mitsui Chemicals to Host "The Fourth Mitsui Chemicals International Symposium on Catalysis Science (MICS2009)"
2008.12.22	Announcement of the Winners of The "2009 Mitsui Chemicals Catalysis Science Award"
2008.8.25	Mitsui Chemicals to Establish a Pilot Facility to Study a Methanol Synthesis Process from CO₂
2008.8.19	Mitsui Chemicals Won the Prestigious Distinguished Partners In Progress Award from the Singapore Government
2008.5.28	Donation to Cyclone in Myanmar and Massive Earthquake in Sichuan, China
2008.4.23	Mitsui Chemicals to Host the "Professor Jean-Marie Lehn Symposium on Advanced Materials at Mitsui Chemicals"
2008.3.19	About the Participation to the UN Global Compact
2008.3.17	Mitsui Chemicals to Issue Invitation to the "2009 Mitsui Chemicals Catalysis Science Award" and to Organize "The Fourth Mitsui Chemicals International Symposium on Catalysis Science(MICS2009)"

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CSR Report 2011 Survey

We welcome your comments and feedback on our CSR Report 2011 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](#) 

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CSR Site Map

The following is a full list of the contents of the CSR section of the Mitsui Chemicals Group website.
Click on the links (Booklet P00) to view the relevant pages of CSR Communication 2011 in PDF format.

Message from the President

Message from the President

Responding to the Great East Japan Earthquake

UN Global Compact

Special Features

Story 01 Manufacturing on the Frontline

Story 02 Sales on the Frontline

Story 03 Research on the Frontline

The Mitsui Chemicals Group's Business Categories and Main Products

The Mitsui Chemicals Group's Business Categories and Main Products

CSR management

CSR in the Mitsui Chemicals Group

The Aims of CSR

Framework for the Creation of a "Good and Trustworthy Company"

Identifying Key CSR Challenges

Management Framework

Goals and Results

Corporate Governance

Risk Management Framework

Compliance Training

Responsible Care

Occupational Health and Safety

Goals and Results

Creating Safe and Secure Workplaces

Employee Health

Process Safety and Disaster Prevention

Goals and Results

Preventing Production-Related Accidents and Injuries

Environmental Protection

Goals and Results

Commitment to Preventing Global Warming

Reducing Industrial Waste

Substances Subject to the PRTR Act

Hazardous Air Pollutants
Volatile Organic Compounds
Environmental Impact (NOx, COD, etc.)
Biodiversity
Environmental Accounting
Input⇒Output Data
Environmental Impact Assessment (Eco-Efficiency)
Handling Environmental Complaints

Chemical Management

Goals and Results
Ensuring the Safety of Chemicals and Products

Quality

Goals and Results
Quality Improvement Initiatives

Logistics

Goals and Results
Transporting Products Safely

RC Promotion System

Goals and Results
RC Management System
Responsible Care Policy
RC Audits

Communication with Society

Working with our Customers

Goals and Results
Marketing Master Scheme

Working with our Suppliers

Goals and Results
Purchasing Policy
CSR Procurement

Working with our Shareholders

Goals and Results
Disclosure of Information to Shareholders

Working with our Employees

Goals and Results
Promoting and Utilizing Human Resources
Creating an Employee-Friendly Working Environment
Employee Health

Working with Industry and Academia

Goals and Results
International Symposiums and the Mitsui Chemicals Catalysis Science Award
Promoting Joint Research and Projects

Working with Local Communities

Goals and Results

[Dialog with Local Communities](#)
[Exchange with Local Communities](#)
[Public Recognition](#)

Social Contribution Activities

[Goals and Results](#)
[Nurturing Future Generations](#)
[Environmental Preservation](#)
[Disaster Recovery Support](#)
[Contributing to Society/Exchange with Local Communities](#)
[Support for Employees' Social Contribution Activities](#)
[Support for Intellectual Property Education](#)

Feedback from Inside and Outside the Company

[Comments Regarding CSR Report 2010](#)
[CSR Survey 2010 Results](#)
[Feedback from Inside and Outside the Company](#)
[Third-Party Comments Regarding CSR Report 2011](#)











Performance Data

[Performance Data](#)

GRI Guidelines Cross-Reference List

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[CSR Report 2009 \(PDF : 5.80MB\)](#) 
[CSR Report 2008 \(PDF : 2.28MB\)](#) 
[CSR Report 2007 \(PDF : 6.58MB\)](#) 
[CSR Report 2006 \(PDF : 2.89MB\)](#) 
[CSR Report 2005 \(PDF : 2.80MB\)](#) 
[Responsible Care Report 2004 \(PDF : 2.28MB\)](#) 
[Responsible Care Report 2003 \(PDF : 2.15MB\)](#) 
[Responsible Care Report 2002 \(PDF : 750KB\)](#) 
[Responsible Care Report 2001 \(PDF : 920KB\)](#) 

About CSR Report 2011

[Editorial Policy](#)
[Scope of the Report](#)
[Referenced Guidelines](#)

Report on Accident at the Filling Area of the Nitrogen Trifluoride (NF3) Production Facility at Shimonoseki Mitsui Chemicals, Inc.

[Report on Accident at the Filling Area of the Nitrogen Trifluoride \(NF3\) Production Facility at Shimonoseki Mitsui Chemicals, Inc.](#)

CSR News

CSR Site Map

CSR Report 2011 Survey