

Group Intellectual Property Strategy

1. MISSION AND GOAL

The fundamental objective of the Mitsui Chemicals Group's Intellectual Property (IP) Strategy is to ensure that Group companies can freely develop businesses and that sustainable business advantage is preserved, all from an IP standpoint. For this task, the IP Division at Mitsui Chemicals fulfills and pursues the following mission and goal:

<Mission>

To build up and strengthen portfolios of IP rights that serve as key advantages in the Mitsui Chemicals Group's competitive strategies, to utilize the portfolios for contributing to

- (1) enhanced business competitiveness,
 - (2) faster incubation of new business, and
 - (3) comply with pertinent laws related to intellectual property,
- all in close cooperation among the business, R&D and IP divisions

<Goal>

To expand businesses in the performance materials sector by enhancing and upgrading IP in all relevant businesses and products, enabling Mitsui Chemicals to forge strong business foundations by

- (1) securing licensing and prior user's rights, and
- (2) expanding its portfolio of exclusive property rights.

2. ENHANCING TIES BETWEEN BUSINESS, R&D AND INTELLECTUAL PROPERTY DIVISIONS

To maintain the supremacy of the Group's businesses over competitors, the Mitsui Chemicals Group has started a new IP Strategy. This strategy aims to build,

strengthen and utilize the Group's IP rights portfolio, and outlines measures for clearing obstacles to patenting those rights. The strategy rests on close ties between the Group's business, R&D and IP divisions based on key themes identified by the business divisions. Similarly, the ability of business divisions to freely develop businesses is preserved through collaboration and joint implementation between the three divisions on the development of new products.

Stronger support for IP-related activities is also extended to subsidiaries and affiliates important to Group strategies in an effort to improve Group capabilities with respect to IP.

3. MEASURES TO PROMOTE VALUABLE INVENTIONS

While focusing resources on carefully selected businesses and product development initiatives, Mitsui Chemicals conducts Patent Portfolio Management in accordance with the IP Strategy, which is closely linked to its Business Strategy and R&D Strategy. Through such management, in conjunction with a system introduced in fiscal 2005 for evaluating inventions, Mitsui Chemicals strives to acquire and maintain high-quality patents. In this way, the Group is eyeing development of an IP portfolio that will add options to its Business Strategy, including more robust licensing of rights, in the push to expand its presence in performance materials.

4. INITIATIVES FOR MANAGING STRATEGIC EXPERTISE

Prompted by guidelines pertaining to prior user's rights announced by the Japan Patent Office in June 2006, Mitsui Chemicals has formulated a strategy for managing critical expertise. This initiative was taken to ensure the Group's freedom to conduct business activities from an IP standpoint.

The aggressive push to utilize IP rights by many firms today has increased the potential to become embroiled in disputes over prior user's rights. Moreover, the discarding of documentation in line with ISO and other standards could make it difficult for supplying evidence of prior use. For these reasons, Mitsui Chemicals has drafted criteria for identifying, preserving and storing documents and products that can confirm its prior user's rights. Preservation work in this area is already under way.

Number of Patent and Utility Model Applications (non-consolidated)

