

Initiatives Aimed at Addressing Key Issues

Selection of Key Issues (Materiality)

By engaging in business activities that emphasize the balance between economic, environmental, and social considerations, the Mitsui Chemicals Group is reinforcing its management foundation.

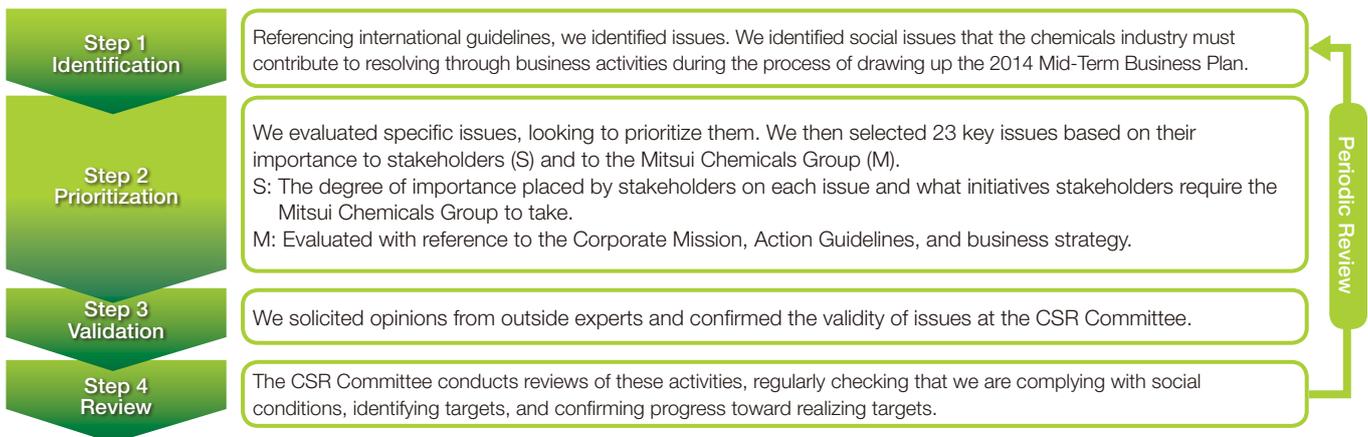
Since establishing a dedicated CSR department in 2005, the Mitsui Chemicals Group has engaged in CSR activities based on the Group's concept of realizing its corporate mission through its main businesses. In 2008, Mitsui Chemicals became a signatory to the United Nations Global Compact and has endeavored to meet the growing call for international guidance.



When drawing up the fiscal 2014 Mid-Term Business Plan, we took stock of our Corporate Vision. Having thus identified the social issues we must help resolve through our business

activities in order to secure the sustainable development of society and of the Group, we are focusing on realizing "a cohesive society that is in harmony with the environment," "health and happiness in an aging society," and "industrial platforms that are in harmony with local communities."

Looking to realize these aims, we selected a number of key issues (Materiality) to address. With reference to a number of international guidelines, the Group took into consideration the qualities that distinguish its businesses and the characteristics of the areas in which it operates—factors that greatly influence how its business activities contribute to society—as well as the opinions of stakeholders. In the years to come, in addition to reflecting changes in society and changes in the Group's business activities, we will reassess the materiality of these issues as necessary.



Identification of Key Issues (Materiality)

We organized the selected key issues into the three categories presented below while designating corporate governance and risk management as fundamental group-wide issues.

Through initiatives addressing these key issues, we are contributing to the resolution of issues identified in the Sustainable

Development Goals (SDGs) formulated in 2015 and are aiming to promote the sustainable growth of both society and the Group through our business activities.



Impact of the Mitsui Chemicals Group business on society	Social challenges that the Mitsui Chemicals Group should help to resolve
Measures to address climate change (reducing GHG emissions)	Low environmental-footprint products and services
Air environment preservation	Development of renewable energy
Water resource protection and control	Shift to urbanization and smart cities
Biodiversity	Declining birthrate and aging population
Industrial waste control	Quality of life (QOL)
Efficient use of resources	Advancement of medical and pharmaceutical fields
Stable supply of industrial materials	Food problem
Optimization of domestic production	Basic subjects
Safety and prevention	CSR procurement
Product stewardship	Compliance
Quality of products and services	
Employment and human resources	Fundamental issues for the entire Group
Labor conditions	Corporate governance
Communication with society	Risk management

To track contributions to the resolution of social issues the Group has made through business activities, we are creating indicators. One such indicator is Blue Value™, which calculates product value in terms of contribution to the environment.



For more detailed information on our key issue (Materiality) initiatives, please visit the relevant page on our website. <http://www.mitsuichem.com/csr/materiality/>

Creating a Better Future with Blue Value™

To help realize a sustainable society that is in harmony with the environment, the Mitsui Chemicals Group developed Blue Value™, which provides a way of sharing value with stakeholders by visualizing how the environmental orientation of products can be furthered.

Many chemical products find use as final products following their manufacture and initial processing; however, many others are further processed and undergo several life cycle stages prior to disposal. We endeavor to anticipate and visualize what kind of environmental loading reduction can be made. By sharing that information with stakeholders we hope to join them in making our products even more environmentally oriented.

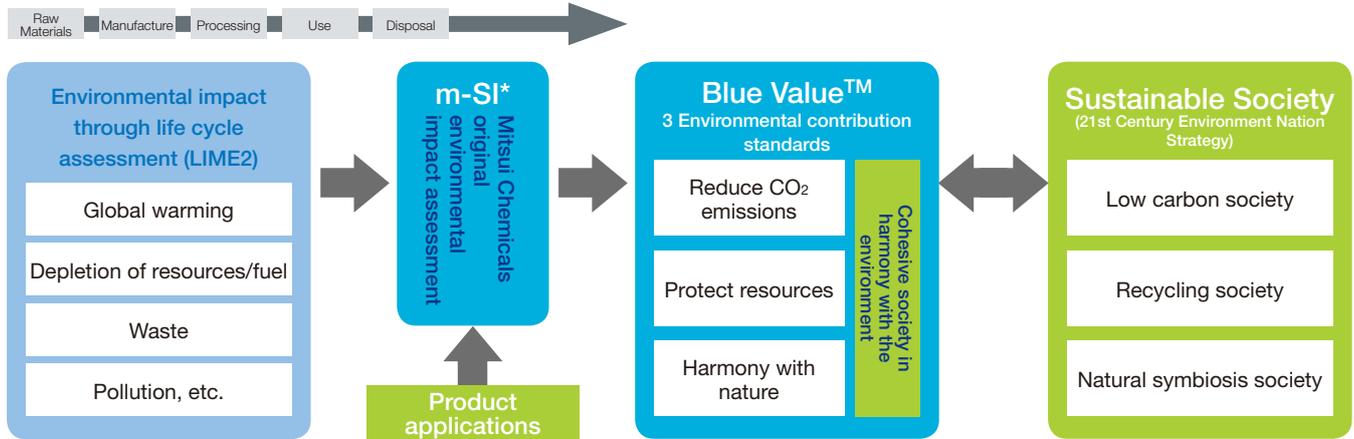
To assess the environmental impact of products and technologies, the Group applies its exclusive Mitsui Sustainability

Index (m-SI), which evaluates products and technologies based on three environmental contribution elements—CO₂ reduction, resource protection, and coexistence with nature. Products that are certified as exhibiting Blue Value™ are considered complete products and technologies.

Aims of Blue Value™

- Quantify levels of environmental contribution throughout product life cycle stages, from development to disposal
- Ensure that stakeholders know and understand how the Group is making significant contributions to the environment through product development and release as well as the provision of services
- Develop a Blue Value™ Chain to support a sustainable society coexisting in harmony with the environment

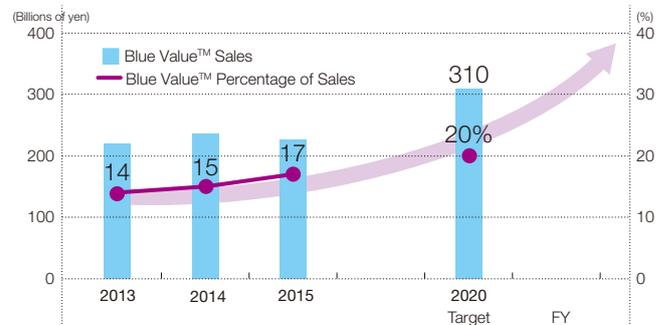
Assessing Environmental Contributions throughout Product Life Cycle Stages



*m-SI: Mitsui Sustainability Index established in 2013

The expansion of Blue Value™ products not only allows us to quantify our level of contribution to the environment, it is indicative of our steady progress toward helping realize a sustainable society that coexists in harmony with the environment. This year, we set our targets up to and including 2020.

Increasing the value added of its Blue Value™ products, the Group will share the Blue Value™ brand with its many stakeholders while aiming to further deepen and expand its engagement in joint environmental load reduction.



Blue Value™-Certified Product, No-Paint Instrument Panel Materials for GHG Reduction

In terms of global market share, the Mitsui Chemicals Group's PP compounds for automotive applications rank second. PP compounds are utilized in many automotive components, including instrument panels. Up to around 30 years ago, the plastics used in instrument panels were mainly high-density engineering plastics. Since that time, technological advances have led to them being superseded by low-density PP compounds, resulting in instrument panels that are 15% to 16% lighter.

Through further technological innovation, the Group has developed a PP compound that enables the painting process to be eliminated.

As plastics are easily scratched, conventional plastic automotive components often must be painted. The painting process requires the use of volatile organic compounds (VOCs) and leads to the emission of greenhouse gases

(GHGs), which are contributory factors to air pollution and global warming, respectively. The Group's no-paint instrument panel materials thus enable a reduction in environmental impact. By eliminating the painting process, we have achieved a 13.3% reduction in GHG emissions for our customers at the processing stage.

