

Approach to Personnel Development

Based on its Human Resource Management Policy, the Mitsui Chemicals Group develops human resources able to work on the world stage from a long-term perspective.

To foster human resources able to create the value demanded by society while engaging with global markets and interacting with colleagues on a daily basis, our basic approach to developing human resources is to proactively support employees who aim to grow on their own.

Global Human Resource Management Strategy

We focus on developing global human resources with the objective of accelerating global management.

Overseas business expansion requires exceptional human resources who are intimately familiar with local conditions. It is also important to strengthen global leadership and management capabilities to coordinate bases in Japan with bases overseas. As a medium-term initiative, the Mitsui Chemicals Group promotes global human resource management in a bid to methodically develop global leaders that fit its vision of global human resources, by securing talented personnel with diverse backgrounds and optimally assigning these personnel to bases around the world.

As platforms to implement the global human resource management system, we established common global competencies, human resources databases, and grading, assignment frameworks, and compensation systems.

To nurture the next generation of management personnel, we are proactively offering overseas practical job training to young and mid-career employees, sending employees in Japan to posts overseas, and sending local hires overseas to positions in Japan.

We have also put in place the Mitsui Chemicals Academy in a bid to globally standardize and share training programs that focus on spreading our corporate culture and strengthening leadership abilities. Through these training programs, a number of leaders in their 40s have emerged at overseas affiliates. Progress has also been made promoting locally hired employees to key positions. Currently, 45% of our general managers

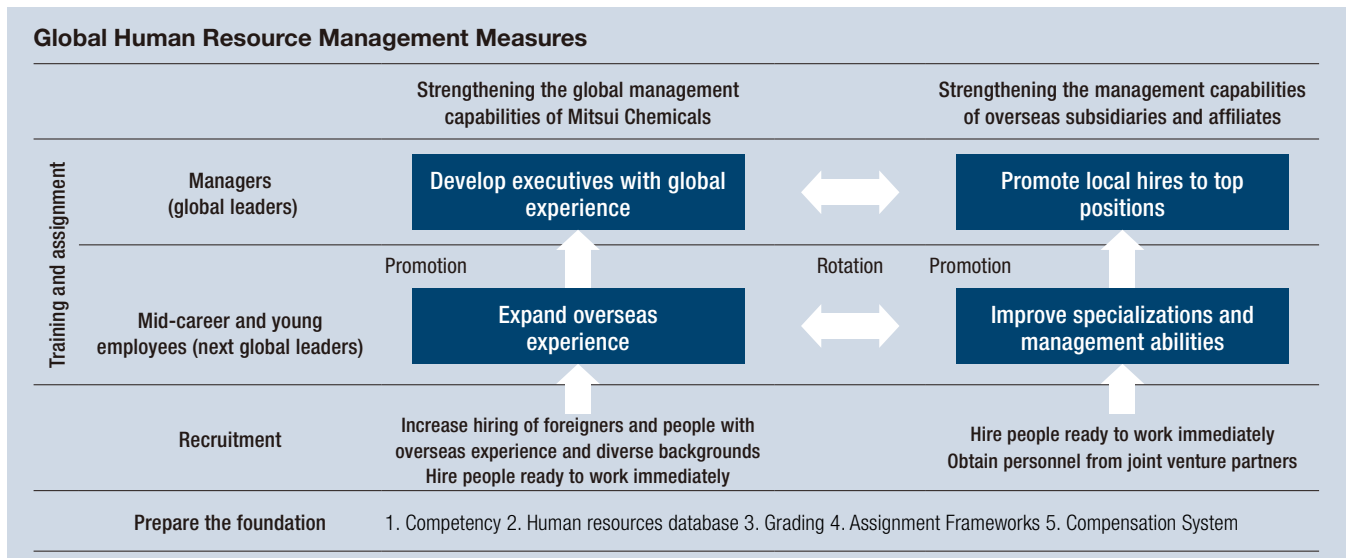
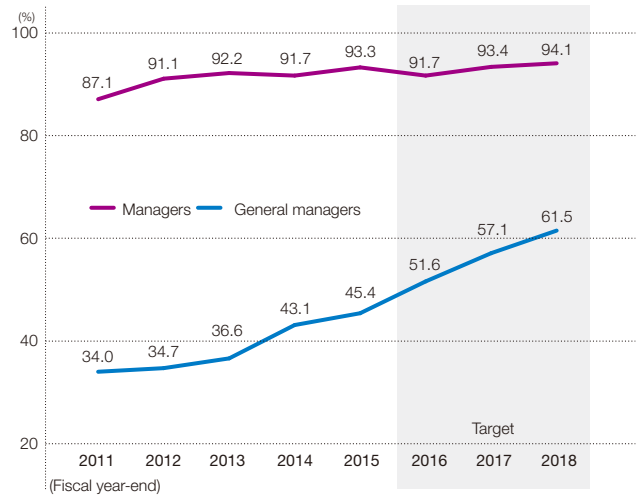
Qualities of a Global Leader

- Able to strategically and efficiently lead global business development
- Able to rapidly develop business in regions in tune with regional characteristics

at overseas affiliates are locals, and we aim to raise this ratio to 60% by 2018. We are also promoting locals to positions of president and vice president. (This excludes cases of mergers and acquisitions.)

In fiscal 2015, we updated both our succession plans for key positions inside and outside Japan as well as our key talent management, which comprises screening standards and training processes for next-generation management candidates. In fiscal 2016, we began to implement these initiatives in earnest, working across the Group to accelerate global management.

Promotions of Locally Hired Employees



Our Diverse, Young and Talented Team is the Driving Force of Our Growth



Mitsui Chemicals India (MCIND) was established in 2008. The culture at MCIND is vibrant, caring, youthful and always moving forward because of its balanced mix of visionary leaders, innovative managers and hardworking staff members.

Top management ensures that each member is aligned with the global vision and mission of the organization by engaging in clear communication and setting appropriate goals for team members. They ensure our growth and development through a variety of seminars, conferences and leadership programs.

MCIND trusts its employees, makes them feel valued and ensures their contributions to the growth of the organization are recognized at all levels. Employees are instilled with the ability to become leaders and provided the freedom to explore new horizons.

Unifying employees with diverse perspectives helps MCIND make better decisions and complete tasks successfully as it allows Team India to analyze problems from multiple angles and come up with effective and innovative solutions.

We—the members of Team MCIND—are proud to work at this company.

Rajni Srivastava, Senior Manager, Human Resources
Priti Sahoo, Junior Executive, General Affairs & Administration

Respect for Diversity—Diversity & Inclusion

It is vital that we have a corporate culture that respects diversity in order to strategically promote exceptional personnel.

The Mitsui Chemicals Group established the Promotion and Development of Women Team in 2006, to improve the work environment and provide training for career advances.

In 2011, this team was reorganized into the Diversity Promotion Team to include cross-cultural awareness in a rapidly changing business environment of globalization. Making a fresh start as the Diversity Promotion Department in 2015, we have commenced initiatives to address changing values about work styles and raise awareness of diversifying career paths among employees.

In Japan, we set up a team dedicated to supporting foreign employees at work and in their private lives and established a career consultation office for helping employees shape their own careers. In these and other ways, we have strengthened our systems for supporting the livelihoods of each and every employee without regard to their gender or nationality.

We have also set up a program dedicated to helping foreign employees maintain their lifestyles while working in Japan, as well as a career consultation service that encourages employees to be proactive about their careers. We continue to enhance our systems to support each and every employee regardless of their gender or nationality.

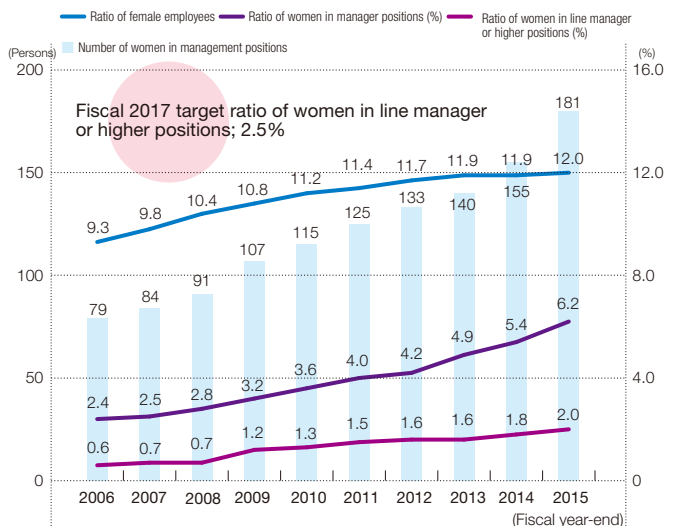
To promote work-life balance, we are enhancing support systems, such as shortened work hours, leave for nursing care, and assistance for baby sitter and caregiving services. We are working diligently to create environments that facilitate work for employees who hold diverse values.

The Mitsui Chemicals Group proactively employs people with disabilities, and has met the legally mandated ratio for

employing persons with disabilities since fiscal 2004.

We continue to focus efforts on providing work environments and fostering a corporate culture that supports persons with disabilities.

Female Employees (Non-consolidated)



Fiscal year-end	2011	2012	2013	2014	2015	
Employees taking childcare leave	Female	21	23	19	29	33
	Male	58	48	50	67	62
	Total	79	71	69	96	95
Employees taking nursing care leave	0	0	1	1	0	

Fiscal year-end	2011	2012	2013	2014	2015
Ratio of employees with disabilities (%)	1.9	1.8	2.2	2.1	2.2

Health Management

Based on the principle that healthy employees make for a healthy company—meaning that the health of its employees is key not only to increasing corporate activity but also to improving corporate value—the Mitsui Chemicals Group regards employee health as an important management issue.

Promotion of Occupational Health

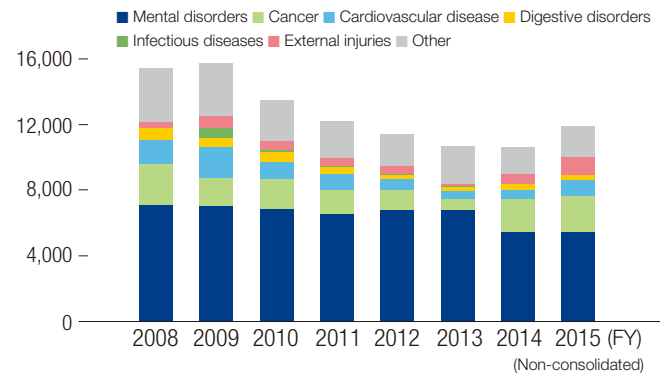
Based on regularly gathered and reviewed data on health management issues and measures taken to address them, the Group's industrial physicians formulate medium-term occupational health plans and annual plan proposals. In addition to annual plans enacted primarily by healthcare sections at each site, full-time industrial physicians, nurses and healthcare managers support the enhance-

ment of employee health. Occupational health audits that cover subsidiaries and affiliates are also regularly conducted and improvements carried out. In the case of overseas business sites, the industrial physicians from Head Office makes annual tours during which they conduct health interviews with employees and offer support from both the physical and the mental health standpoints.

Employee Health

It is now eight years since we introduced comprehensive medical checkups that combine regular medical examinations with specialized medical tests and cancer screening. We have managed to increase the take-up ratio of those employees advised to receive special health guidance (aimed at combating metabolic syndrome) from 25% in 2009 to approximately 45% today. To support the self-motivated efforts of employees to secure their own health, we encourage not only individual workplace but also group-wide health promotion activities, such as health mileage contests. As a result, the observed rate of hypertension risk has remained at a significantly reduced level, and although the number of days off due to cancer has increased compared with fiscal 2013, given the increase in re-employed workers, it is felt that this rate is being kept sufficiently low. In addition, the number of days off taken on mental health grounds has also declined.

Number of Days Off due to Illness (sick days and special leave)



Mental Healthcare

Mitsui Chemicals' efforts to address mental healthcare have several distinguishing features. Besides providing individual counseling to people in need of help, the Company conducts mental health-related training for new employees while working to improve its corporate culture through workplace stress questionnaires.

The Company utilizes its *New Workplace Stress Level Questionnaire*, a simplified questionnaire that combines occupational stress and mental health questionnaires to formulate an assessment along the two axes of general health risk and mental health culture, since 2011.

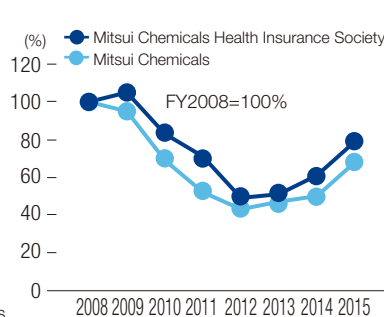
In addition to training and e-learning sessions, both new recruits and other employees are interviewed by an industrial physician every six months. The examining physician determines the state of each new employee in terms of lifestyle habits, physical condition and communication skills, gives advice, holds discussions that include managers when necessary, and offers new employees support related to their adaption to corporate life.

In addition to providing feedback to individuals based on questionnaire results, we explain results for each department to their heads and implement communication improvement plans designed to reduce stress in workplaces where the stress levels are found to be high. We also horizontally distribute case studies of workplaces where the mental health culture is good to serve as best practice examples.

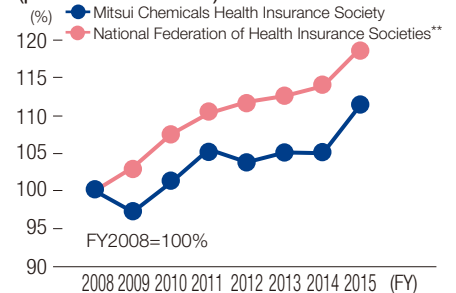
Reducing Healthcare Costs

Compared with fiscal 2008, the amount of accident and sickness benefits is about 70% lower due to health promotion efforts. It has trended upward slightly since fiscal 2013 onward due to the increase in re-employed workers, who tend to be older, and we are strengthening our health measures accordingly. Given the general market increase in statutory benefit expenses,* we feel confident that our control of healthcare costs is sufficient.

Trends in Accident and Sickness Benefits



Growth in Statutory Benefit Expenses* (per insured worker)



* Statutory benefit expenses: In addition to healthcare costs, such expenses include accident and sickness benefits, lump sum allowances for childbirth and nursing care, maternity allowances, and funeral expenses

** Source: 2016 Health Insurance Society Budget Outlook prepared by the National Federation of Health Insurance Societies

External Recognition

In March 2013, Mitsui Chemicals received a special award from the Development Bank of Japan (DBJ) under the DBJ Health Management Rating scheme.* Mitsui Chemicals was given the highest ranking and recognized as a model company for health management, with attention drawn to the excellence of its initiatives for caring for the health of employees.

which go back many years, and contributions to the improvement and development of health and safety standards, have also received accolades, with the Head Office Health Section general manager and coordinating industrial physician having been commended by the Minister of Health, Labour and Welfare for "excellent workplaces, groups or meritorious individuals relating to health and safety."



In connection with a health guidance program conducted as part of the enhancement of employee health, the industrial physician at the Head Office Healthcare Section received the Best Thesis Award from the Japan Society for Occupational Health. In addition, the Company's guidance in health and safety activities,

* One of the conditions of this financing scheme is that the company receiving the loan has excellent measures in place to manage the health of its employees, as evaluated by the Development Bank of Japan.