



Special Issue

Strengthening Compliance in the New Mitsubishi Plastics

In April 2008, the former Mitsubishi Plastics, Mitsubishi Polyester Film, Mitsubishi Chemical Functional Products, Mitsubishi Chemical MKV and the Functional Products Division of Mitsubishi Chemical were integrated to launch the new Mitsubishi Plastics, Inc. Positioning compliance as the highest priority among management policies, Mitsubishi Plastics will steadily address the accomplishment of CSR management.

Compliance Promotion Program Development

While we strove to strengthen compliance in each company before the integration, we seized upon the opportunity presented by the integration and creation of the new Mitsubishi Plastics (MPI) to develop a Compliance Promotion Program including basic compliance regulations, a promotion system, an enlightenment and education program, an auditing and monitoring structure and a hotline. Based on Mitsubishi Chemical Holdings Corporation (MCHC) Group Corporate Ethics and MCHC Group Compliance Code of Conduct, we formulated the MPI Group Compliance Promotion Regulations and we are strengthening compliance management.



Compliance Guideline

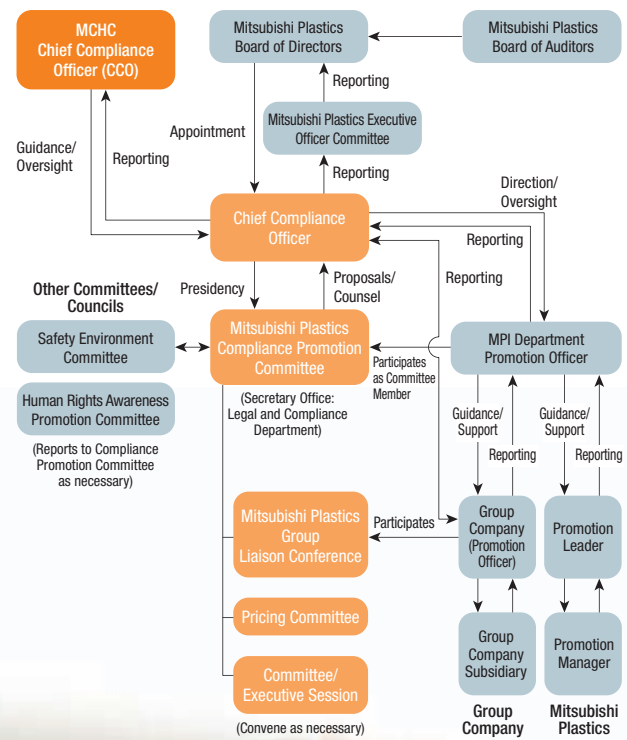
In an attempt to make the compliance promotion program common knowledge, we created the Mitsubishi Plastics Group Compliance Guidelines, which were distributed in June 2008 to all personnel including executives, full-time and contract employees of all the Group companies in Japan. In December 2008, we created an English version of the guidelines that was distributed to our overseas Group companies.

The Chief Compliance Officer (CCO) elected by the Board of Directors oversees the development and management of the MPI Group compliance promotion program and provides guidance and support for Group companies.

The CCO is required to report all Group compliance problems to the Board of Directors and the MCHC Group Chief Compliance Officer.

Furthermore, we have instituted a Compliance Promotion Committee that offers proposals and counsel to the CCO regarding basic policies, management status,

Mitsubishi Plastics Group Compliance Promotion System



response in the event of a compliance violation, and formulation and any changes related to the creation and management of Mitsubishi Plastics Group Compliance Promotion Program upon deliberation.

In June 2007, the Japan Fair Trade Commission took administrative action against the former Mitsubishi Plastics for violating the Antimonopoly Law. As a result, a Pricing Committee was created in October 2007 with the CCO as committee chairman. The structure was created to strengthen the observance of antimonopoly laws when determining product and bidding prices.

In addition to strengthening the structures that prevent compliance violations, we are aware of the importance of the early detection of future violations and the creation of a system of corrective actions and prevention of recurrence. The MPI Group established a Compliance Hotline that employees can contact for problematic issues, but in a compliance awareness survey conducted in fiscal 2008, a large number of employees indicated that they were unaware of the hotline.

Using training facilities and message boards in an attempt to inform employees of the hotline, we changed the rule that required disclosure of an employee's name when reporting an incident to enable anonymous reporting in an effort to create a user-friendly environment.

Development of Policies for Pervasive Compliance Awareness

A pervasive awareness of compliance among employees whose individual actions are in line with compliance regulations is the most important aspect of compliance management promotion. Mitsubishi Plastics regularly conducts training for new employees, employees recently promoted to managerial positions and employees in charge of compliance promotion in each department, implementing compliance education for use in daily business activities.

In fiscal 2008, we held lectures at the Head Office and seven domestic branch offices on antimonopoly law for employees in the Sales and Marketing Function that were presented by an outside lecturer (lawyer). Also, we held lectures at our four main plants focused on inculcating awareness of compliance with rules that must be observed to prevent accidents.

In fiscal 2009, we will hold successive compliance training sessions for Group Companies and safety lectures at plants and manufacturing sites where no lectures were held in fiscal 2008.



Lecture on Antimonopoly Law

Comments

Naturally doing what is expected is the basis of compliance.

Compliance is the foundation of CSR, and I think that naturally doing what is expected is important for the promotion of compliance. As a lecturer conducting training and education seminars for employees, I try to instill compliance by encouraging employees to reflect on their daily business and activities and ask themselves, "Do I observe laws and regulations? Do I respect human rights."



Masanori Kondo
Senior Manager
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Regarding Mitsubishi Plastics' Antimonopoly Law Violations

In June 2007, the Japan Fair Trade Commission took administrative action against the former Mitsubishi Plastics, Inc., which found that it had violated the Antimonopoly Law in setting prices for polyethylene pipes and fittings for gas. In July of the same year, Mitsubishi Plastics had also been the subject of a compulsory investigation by the Japan Fair Trade Commission concerning the determination of selling prices for PVC pipes and other related products with other manufacturers. (Mitsubishi Plastics has requested a trial in response to the Japan Fair Trade Commission's administrative actions regarding its PVC pipes and fittings after examining the contents of the administrative action. At the time of this writing, trial procedures were still pending).

Given this state of affairs, the President of Mitsubishi Plastics and the Compliance Promotion Committee Chair have instructed all employees in the Mitsubishi Plastics Group to redouble their compliance efforts, and on August 1, 2007, established a third-party investigation committee chaired by attorney and former public prosecutor Yuichi Suzuki. The purpose of this committee was to perform a thorough investigation into whether or not there were any compliance violations, and in particular, violations concerning the Antimonopoly Law, as well as to recommend detailed measures to prevent recurrence. In July 2008, the committee completed its approximately 10-month-long investigation and presented its report and recurrence prevention recommendations. Mitsubishi Plastics is now acting on the findings of that report and implementing recommendations based on the Compliance Promotion Committee's review.



Enhancing CSR

As a management policy for the accomplishment of CSR management based on our corporate principle that Mitsubishi Plastics (MPI) Group always creates higher values and contributes to establish a better society, we aim to be a company familiar to and widely trusted by society including our customers.

Mitsubishi Plastics' five pillars of CSR are social contribution, compliance promotion, safe environment, human rights awareness and risk management.

Overview of the CSR Implementation Framework

CSR Committee

The Mitsubishi Plastics Group established 5 committees to promote CSR activities. The Social Contribution Working Team comprises young employees who create corporate-wide initiatives for social contribution activities.

Social Contribution Promotion Committee

Discusses basic principles regarding the promotion of social contribution in the Mitsubishi Plastics Group and reports on activities regarding social contribution.

Compliance Promotion Committee

Reports on basic principles regarding organization and operation of Compliance Promotion Programs in the Mitsubishi Plastics Group, and makes necessary suggestions and recommendations to the person responsible for promotion.

Safety Environment Committee

Plans, discusses and decides basic principles of Company-wide safety environment and ascertains the status of the environmental and safety activities.

Human Rights Awareness Promotion Committee

Recognizing the importance of raising awareness about human rights, the committee plans awareness raising activities as part of the Company's corporate social responsibility as well as thoroughly promotes related measures.

Risk Management Committee

Assists risk manager decision-making, reports on important issues regarding the organization and operation of the risk management system of the Mitsubishi Plastics Group, conducting discussions as necessary.

Together with Customers

Developing a New Corporate PR Campaign Using Characters and Renewed PR Catch Copy

In April 2009, at the start of the second year since the corporate merger that created the new Mitsubishi Plastics, we launched a new PR campaign based on the idea that "Mitsubishi Plastics is a company with a lot of plus factors." We made this change to firmly express our corporate stance of providing our customers and society with more than they expect. In addition, we created a new PR character called "Plus-kun."

Through this new campaign, we aim to strengthen communications with our customers and society, and to become a more familiar and trusted company.



MPI's new corporate advertisement

Mitsubishi Plastics Partner Clubs Established

We established the Mitsubishi Plastics Partner Clubs comprising key customers in the Kansai, Chubu, Kyushu, Hokkaido, Tohoku, Chugoku and Shikoku areas to achieve the goal of deepening trust as partners by fostering mutual learning and friendship through the sales of Mitsubishi Plastics products. The Partner Clubs strive to develop the healthy business of all members.



Kansai Branch Partner Club Inaugural Ceremony

Together with Business Partners

Green Procurement of Raw Materials

To conduct transactions appropriately with our business partners, we formulated principles for purchasing activities, which comprises six items such as fairness, impartiality and equal opportunities including the observance of laws and regulations. This policy is disclosed on our corporate website.

Furthermore, we are proactively engaged in the green procurement of raw materials to develop environmentally-friendly technologies and products, as well as to observe the environment-related substance standards required by our customers.

Together with Employees

The President's School

From November 2008, we have held the President's School with the objective of sharing management issues, fusion and unity, improvement of field power and realizing the effects of synergy. In the first year, 25 participants from the division manager, department chief and senior manager (Head Office manager) class attended the program, which was held at the Hiratsuka training Center.

President Yoshida asked the attendees "What kind of company do we want to create?" as the basis of a Q&A session. As of the 8th session conducted in February 2009, the program has had over 180 participants. We plan to expand this program in the future.



The President's School

Together with Society

Providing Children in Developing Countries with the Polio Vaccine! Eco-Cap Campaign Launched

The Eco-Cap campaign involves collecting caps from empty PET bottles and providing them to an NGO that recycles them and uses the proceeds to provide the polio vaccine to children in developing countries. Each day, 4,000 children die from preventable infectious diseases because they do not have access to vaccines.

Since fiscal 2008, Mitsubishi Plastics has conducted the Eco-cap campaign to promote social contribution among its employees, starting at the Head Office and extending out to all Group companies.



An employee gathers collected eco-caps

Primary School Fieldtrip to the Hiratsuka Plant

Each Mitsubishi Plastics plant welcomes visits from local primary and middle schools. On January 23, 2009, the Hiratsuka plant welcomed 80 students from nearby

Matsugaoka Elementary school as part of their social studies field trip. After a presentation on the company and a factory overview, the students engaged in a Q&A session. Mitsubishi Plastics will continue to welcome factory tours as one aspect of its social contribution efforts.



Students visit the Hiratsuka Plant

Together with the Global Environment

World's First Next-Generation Adsorption Chiller to Achieve Stable Operation Using Solar Heat

Mitsubishi Plastics and cooling and heating equipment manufacturer MAYEKAWA MFG. CO., LTD. realized the successful operation of a next-generation adsorption chiller that uses solar heat and a zeolite adsorbent.

The chiller uses Mitsubishi Plastics' AQSOA, a high-performance adsorbent material that efficiently absorbs and regenerates moisture at temperatures as low as 50°C to 80°C. Compared to traditional cooling system that use silica gel as the adsorbent, the new chiller generates two-three times the volume of cooling (cool water) from the water warmed by solar energy. When compared to an average air-cooled chiller used for producing cold water, CO₂ emissions are reduced by more than 60%. Furthermore, the chiller makes use of the factory's exhaust heat at temperatures of 80°C or below. Whereas in the past this heat was wasted due to recycling inefficiency, the heat can be used by the new chiller, thereby reducing environmental impact.

In recognition of the environmental contribution of this achievement, the chiller was awarded the Nikkei BP Technology Award¹ in the Ecology Category at the 2009 (19th Annual) Nikkei BP Technology Awards.



Adsorption Chiller
Fiscal 2005 to 2007 New Energy and Industrial Technology Development Organization (NEDO) New Solar Energy Systems Technology Development Project
Photo: MAYEKAWA MFG. CO., LTD.

¹ Nikkei BP Technology Award: Nikkei BP selects some excellent achievements published in its magazines and other publications during the previous year and presents awards for those making a significant impact on industry and society.