

Security Export Control

Basic Policy

The international security environment is changing rapidly, the threat of weapons of mass destruction growing, and the dangers of terrorism ongoing. Amid these circumstances, security export control initiatives are growing more important than ever.

Mitsubishi Chemical (MCC) produces and possesses numerous products and technologies that can be used for both civilian and military applications (“dual-use” goods), such as carbon fiber. Appropriate security export control compliant with the Foreign Exchange and Foreign Trade Law and other relevant laws is necessary to prevent MCC’s broad-ranging products and technologies from reaching countries under export bans, countries of concern, terrorist organizations or other improper destinations or recipients. Accordingly, we have designated officers responsible for security export control and established a security export control system that we continually enhance.

Security Export Control System

MCC has established an export control system based on its Security Export Control Rules. The chief executive of this system is MCC’s president and chief executive officer, under whom are the supervisor of security export control, the Export Control Department and the chief export control officers of exporting departments. Through this system, we work to prevent legal violations, including improper exports, whenever possible, using such means as strict, thorough export screening, the notification of information about legal changes, raising internal awareness about security export control and internal audits of exporting departments.

Export Control Mechanisms

Security control comprises three steps: Item classification, customer screening and transaction verification. Each step is uniformly managed using a dedicated system so that the results can be used as part of an activity trail if needed.

Item classification is the process of determining whether the product or technology being exported or supplied is subject to legal restrictions (namely, listed as a restricted item). We implement a double-check process wherein, based on the latest restricted item lists, the exporting departments perform the initial check and the Export Control Department grants final approval.

Customer screening entails using the export control system, which contains the latest risk information to screen customers, including both customers in Japan who indirectly export and end-users at the item’s final destination. This screening system is highly effective in preventing the circumvention of regulations through third-country exports. As with item classifications, a double-check process is applied to customer screenings.

For transaction verification, the exporting departments fill out a transaction verification form using the results of the item classification and customer screening. Based on this form, the export control system then automatically assesses the riskiness of the transaction and determines who will be responsible for granting final approval. The Export Control Department grants final approval for items listed as restricted that are considered high-risk, such as carbon fiber.

Training and Education

In fiscal 2017, to spread awareness of the new export management system, MCC held more than 50 explanatory meetings (for approximately 1,200 attendees) targeting business domains, corporate function domains, plants, and our R&D center. We also invited an external instructor to hold an explanatory meeting for the members of the Executive Management Committee to deepen their understanding of the importance of compliance with the Foreign Exchange and Foreign Trade Law and other relevant laws.

Going forward, we will carry out training and education that covers the basics of legal compliance while finding new ways to increase its effectiveness, such as introducing topics related to the real-life practice of compliance.