

# SUSTAINABILITY DATA BOOK 2020

April 1, 2019 to March 31, 2020

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### Reporting Period

April 1, 2019 to March 31, 2020 (FY2019)  
However, the reporting period for Responsible Care activities is from January 1, 2019 to December 31, 2019 (calendar year 2019).  
\*Some past and most recent data listed

### Report Scope

Mitsubishi Gas Chemical Company Inc. (MGC Alone)  
\*In cases in which the scope of data differs, the scope is noted alongside the relevant data.

# Corporate Social Responsibility (CSR)

CSR Management | Top Priorities (Materiality)

## CSR Management

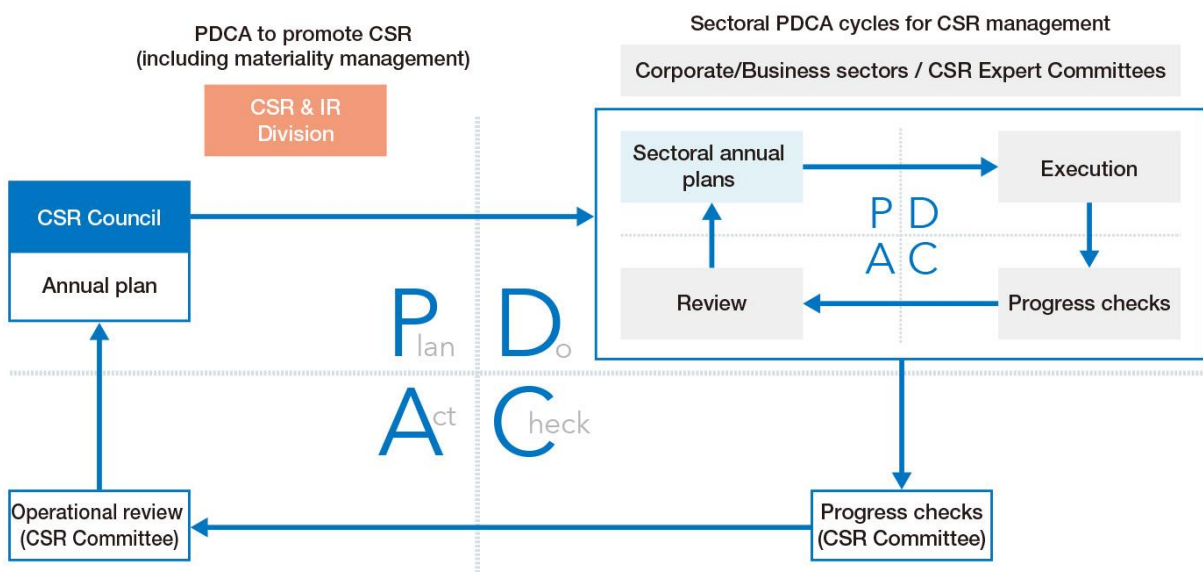
### CSR Basic Policy

The MGC Group contributes to realizing a harmonious and sustainable society that keeps growing, in accordance with its vision of “Creating value to share with society.” The Group is deeply aware of its corporate responsibilities in the areas of the environment, society, and corporate governance and carries out its business activities in line with the MGC Corporate Behavior Guidelines.

### MGC Corporate Behavior Guidelines

1. MGC will drive innovation to provide high-quality products and services that meet society’s needs in order to gain consumer satisfaction and trust and help customers resolve their problems and achieve sustainable growth
2. MGC will voluntarily and proactively address environmental issues and work to resolve them through all its business activities
3. MGC will comply with laws, regulations, and rules, and will conduct fair, transparent and open business activities, including appropriate transactions and responsible procurement
4. MGC will endeavor to ensure broad-ranging communication with society through its proactive, effective and fair disclosure of information
5. MGC will engage in business activities that are useful for society, and actively contribute to the development of society as a responsible corporate citizen
6. MGC will help its employees improve their competence and provide them with safe, healthful and rewarding working conditions to ensure that they may lead comfortable and productive lives
7. By closely monitoring changes in the environment of its corporate activities, MGC will continually review diversifying risks and develop ways to respond

### CSR Promotion System



## CSR Council

Chair	President (convener/approver)
Deputy Chair	Director in charge of the CSR & IR Division
Participants	Executive officers, Corporate Sector heads and others designated by the President. Auditors participate as observers.
Secretariat	Corporate Planning Division, CSR & IR Division
Meetings	Held at least annually
Objectives	(1) Deliberate and determine Company-wide policy (2) Deliberate and determine materiality and establish KPIs (3) Assess and finalize annual CSR plan (4) Verify progress in CSR management (5) Build and put in place a CSR promotion system (6) Deliberate and determine policies involving individual projects (7) Issue recommendations for corrective actions (8) Information sharing

## CSR Committee


Participating Divisions	The Corporate Planning, Administrative & Personnel, Finance & Accounting, Information Systems, CSR & IR, R&D Production, Advanced Business Development, Purchasing & Logistics, Environment Safety & Quality Assurance, Production Technology and Internal Audit divisions, and others as designated by the Secretariat
Secretariat	CSR & IR Division
Meetings	Held as needed depending on the agenda
Objectives	(1) Deliberate agenda items for submission to the CSR Council Company-wide policy, materiality, annual CSR plan, verification of progress with CSR promotion system, operational reviews, etc. (2) Establish expert committees

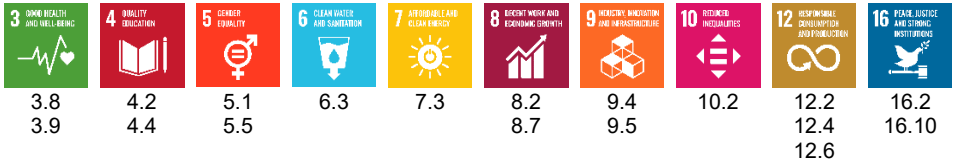


## Key Issues (Materiality)

### Materiality Determination Process

<b>Step 1</b>	<b>Identification of issues</b>	Compiled list of over 600 terms related to societal issues/changes from various sources, including requirements in GRI and SASB standards, ISO 26000 and SDGs and trends among other companies.
<b>Step 2</b>	<b>Winnowing</b>	Classified the terms by theme and winnowed them down to 39 materiality.
<b>Step 3</b>	<b>Prioritization</b>	Assessed the importance of materiality from the standpoint of both stakeholders and the MGC Group. The CSR Committee drafted a prioritized list of materiality and submitted it to the CSR Council.
<b>Step 4</b>	<b>Management deliberation/approval</b>	The materiality submitted by the CSR Committee was deliberated and determined by the CSR Council.
<b>Step 5</b>	<b>Updating of identified materiality</b>	Materiality is subject to change in response to changes in societal imperatives and stakeholders' needs and preferences. Materiality will accordingly be updated as needed in response to changes in society and/or the MGC Group's business activities.

**Materiality and Main Initiatives: Pursuing Creation of Value to Share with Society**

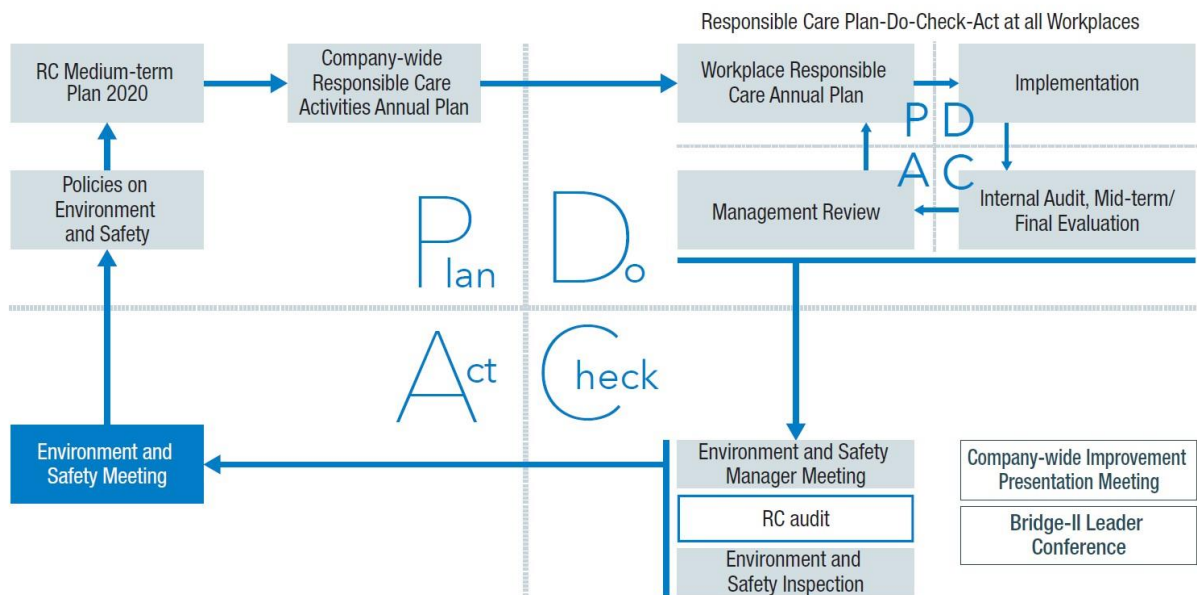
Materiality		Why it is material	MGC's main initiatives
Category	Elements		
<b>Creating Shared Value (CSV)</b>	<b>Contribution through business operations</b> <ul style="list-style-type: none"> <li>Contribute to development of ICT/mobility society</li> <li>Solve energy and climate change problems</li> <li>Solve medical and food problems</li> </ul>	Pursuing creation of value to share with society leads to improvement in corporate value from economic, social and environmental standpoints.	Helping to move society forward and solve problems through business operations, including by contributing to development of an ICT/mobility society with polycarbonates, polyacetal, super-pure hydrogen peroxide, electronic chemicals, optical polymers and semiconductor packaging materials (BT resin); solving energy and climate change problems with geothermal and LNG-fired power penetration projects and functional monomers; and solving medical and food problems with life science products (e.g., antibody drugs, fermented foods), oxygen absorbers and MX-Nylon
	<b>Related SDGs (targets)</b> 		
<b>Foundation for shared-value creation (S)</b>	<b>Cultivating a corporate culture of job satisfaction</b>	An organizational culture that enables all employees to confidently give full play to their abilities over the long term while finding individualized meaning in their jobs is the foundation of corporate value creation.	Promoting work-life balance; offering generous child/family care systems, creating dynamic workplace environments
	<b>Promotion of diversity and inclusion</b>	A culture of collaboration among individuals with diverse values is conducive to new ideas and technological innovation.	Providing more opportunities to women; supporting career advancement and work/life balance; promoting employment of individuals with disabilities
	<b>Stakeholder engagement</b>	Corporate value creation is a result of stakeholders' contributions, including the resources they provide.	Disclosing information in compliance with laws and securities exchanges' regulations; fairly and transparently disclosing information online and via news media
	<b>Promotion of socially responsible sourcing</b>	Companies have a societal responsibility to upgrade CSR compliance throughout their supply chains with respect to the environment, working conditions, human rights, etc.	Building safe, legally compliant and environmentally friendly supply chains
	<b>Occupational safety and health / Process safety and disaster prevention</b>	Safety is the foundation of business activities. Companies have a societal duty to ensure safety.	Continuing to conduct occupational safety and health risk assessments, daily safety activities and safety education/training in the aim of zero occupational injuries

	<p><b>Highly energy- and resource-efficient production</b></p> <p>Companies have a duty to harmonize their operations with global environmental protection in accord with the principle of sustainable development.</p>	Minimizing environmental impacts in sourcing resources; efficiently using resources (energy, raw materials, water, etc.)
	<p><b>Chemical/product quality and safety assurance</b></p> <p>Quality assurance is the basis of stakeholders' trust. Companies have a duty to provide highly safe and reliable products and services.</p>	Promoting company-wide quality assurance activities (Q-MGC) throughout supply chains
	<p><b>Promotion of innovative R&amp;D</b></p> <p>Developing valuable new products and technologies that help to move society forward and solve problems is the pursuit of creation of value to share with society.</p>	Developing/adopting new processes that maximally leverage core technologies cultivated over many years; founding and developing new businesses
	<p><b>Related SDGs (targets)</b></p> 	
<p><b>Harmonization of shared-value creation with environmental protection (E)</b></p>	<p><b>Proactive response to environmental problems</b></p> <ul style="list-style-type: none"> <li>Air Quality Control</li> <li>Water and Biodiversity Conservation</li> <li>Reduction of Industrial Waste</li> </ul>	<p>Addressing environmental problems is imperative for all of humanity. Companies must proactively do so as a prerequisite for their existence and activities.</p> <ul style="list-style-type: none"> <li>Formulating medium-term and annual RC* plans and endeavoring to achieve their targets</li> <li>*RC: Responsible Care</li> <li>Reducing GHG emissions while supporting the Task Force on Climate-related Financial Disclosures</li> </ul>
	<p><b>Related SDGs (targets)</b></p> 	
<p><b>Value-creative discipline (G)</b></p>	<p><b>Strengthen systems:</b></p> <ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance</li> <li>Internal controls</li> <li>Risk management</li> </ul>	<p>Developing disciplined ways steadily execute strategies to bring business models to fruition and to sustainably grow corporate value.</p>
	<p><b>Related SDGs (targets)</b></p> 	

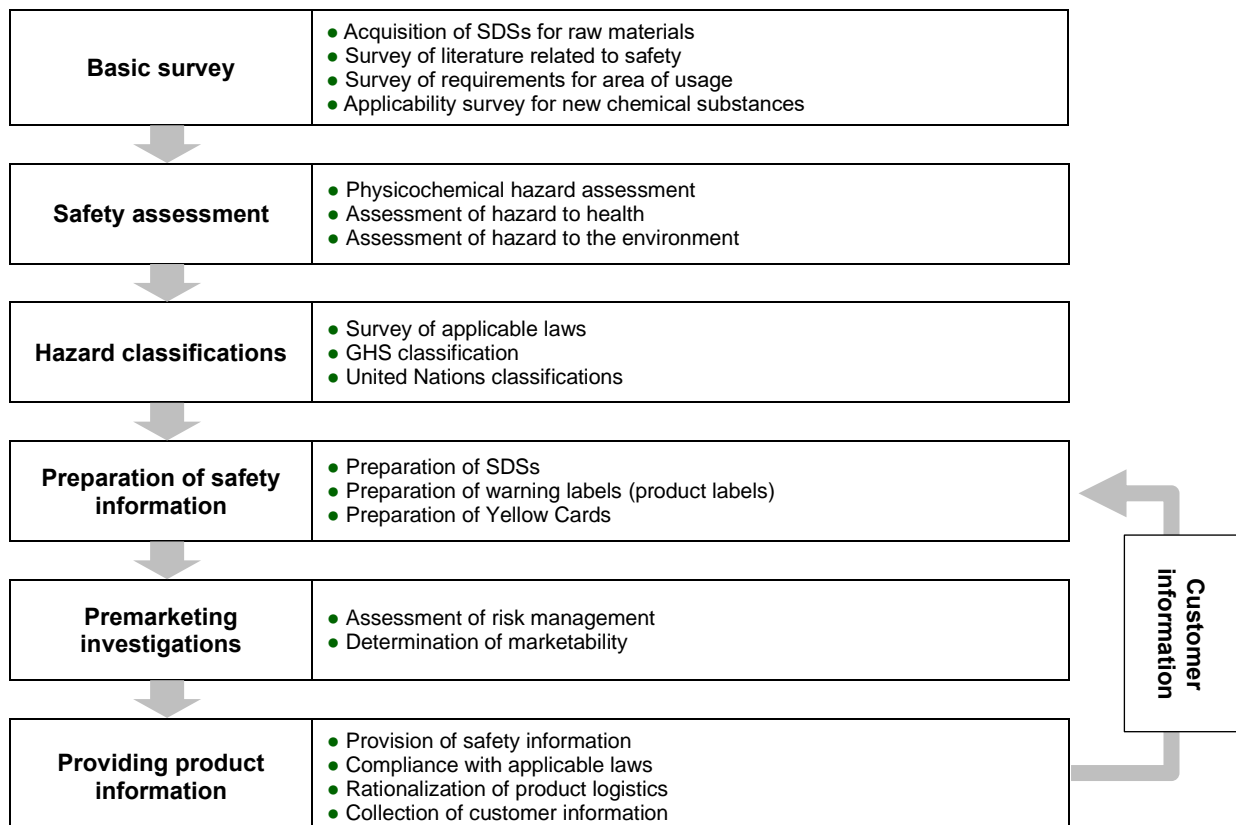
## Responsible Care (RC)

Responsible Care Plan-Do-Check-Act (PDCA) | Safety Assessment Process and Provision of Product Information | Responsible Care Medium-term Plan 2020

### Responsible Care Plan-Do-Check-Act (PDCA)



### Safety Assessment Process and Provision of Product Information



## Responsible Care Medium-term Plan 2020 (2018-2020)

Category of Activities	Mid-Term Plan
Occupational Health and Safety	<p><b>(Basic policy) Maintain occupational health and safety processes across all operations</b></p> <ul style="list-style-type: none"> <li>● Aim to eliminate occupational injuries at the work sites of MGC and its partner companies <ul style="list-style-type: none"> <li>● Implement regular safety activities and ensure all personnel are informed of them</li> <li>● Share and utilize information about cases of occupational injuries</li> <li>● Maintain healthy workplace environments and make improvements when necessary</li> </ul> </li> </ul>
Process Safety and Disaster Prevention	<p><b>(Basic policy) Ensure process safety and security at work sites</b></p> <ul style="list-style-type: none"> <li>● Aim to eliminate accidents in the workplace <ul style="list-style-type: none"> <li>● Ensure proper management of equipment and facilities</li> <li>● Share and utilize information about cases of workplace accidents</li> <li>● Improve the ability of employees to ensure safety and manage workplaces through MGC's Bridge-II activities</li> </ul> </li> </ul>
Environmental Protection	<p><b>(Basic policy) Reduce environmental impacts and contribute to the sustainable development of communities</b></p> <ul style="list-style-type: none"> <li>● Aim to protect the natural environment and contribute positively to communities through business activities <ul style="list-style-type: none"> <li>● Comply with environmental regulatory requirements</li> <li>● Work to achieve targets for reduction in environmental impact</li> <li>● Contribute to improving MGC's credibility and reputation in society with respect to environmental protection</li> </ul> </li> </ul> <p><b>[Quantitative Environmental Protection Targets through Fiscal 2020]</b></p> <ol style="list-style-type: none"> <li>1. Energy intensity: Reduce to no more than 89% of the fiscal 1990 level</li> <li>2. GHG emissions intensity: Reduce to no more than 66% of the fiscal 1990 level (or 90% of the fiscal 2016 level) <ul style="list-style-type: none"> <li>● Total GHG emissions (CO<sub>2</sub> equivalent): Reduce by at least 320,000 tons compared with the fiscal 1990 level (or by at least 100,000 tons compared with the fiscal 2016 level)</li> </ul> </li> <li>3. Zero emissions from waste: Reduce waste matter disposed of in landfills to no more than 0.3% of the Group's total waste (by weight)</li> <li>4. Chemical substances subject to the Pollutant Release and Transfer Register (PRTR) system: Reduce by 10% compared with the fiscal 2017 level</li> </ol>
Chemical and Product Safety	<p><b>(Basic policy) Ensure the safe handling, usage, and disposal of chemical products</b></p> <ul style="list-style-type: none"> <li>● Work to consistently maintain safety across the entire lifecycle of chemical products <ul style="list-style-type: none"> <li>● Research and distribute a wealth of chemical-related safety information</li> <li>● Practice risk management of chemical products</li> <li>● Comply with chemical management regulations in each country of operations and international rules and regulations</li> </ul> </li> </ul>
Safe Transport and Storage of Chemicals	<p><b>(Basic policy) Ensure the safe transport and storage of chemicals and related products</b></p> <ul style="list-style-type: none"> <li>● Aim to eliminate accidents and problems when transporting and storing chemicals by: <ul style="list-style-type: none"> <li>● Continually analyzing problems that occur in the transport and storage of chemicals, and distributing results across to all relevant workplaces</li> <li>● Sharing information on the safe transport and storage of chemicals with the logistics departments of each group company</li> <li>● Analyzing handling of shipments at their final destinations and making improvements when necessary</li> </ul> </li> </ul>
Communication with Stakeholders	<p><b>(Basic policy) Build the trust of stakeholders</b></p> <ul style="list-style-type: none"> <li>● Implement initiatives for gaining the trust of stakeholders <ul style="list-style-type: none"> <li>● Proactively disclose information</li> <li>● Expand opportunities for dialogue with members of local communities</li> </ul> </li> </ul>
RC Initiatives and Management	<p><b>(Basic policy) Implement MGC group-wide environmental and safety initiatives</b></p> <ul style="list-style-type: none"> <li>● Promote environmental and safety activities across the entire MGC Group <ul style="list-style-type: none"> <li>● Strengthen communication within the Group</li> <li>● Practice environmental management on a group-wide basis</li> </ul> </li> </ul>
	<p><b>(Basic policy) Improve environmental and safety management systems on a regular basis</b></p> <ul style="list-style-type: none"> <li>● Continuously make improvements to RC management systems</li> </ul>



## Environment

Production-related Inputs and Outputs | Raw Materials / Production Volume | Basic Approach to Climate Change Mitigation | Greenhouse Gas (GHG) Emissions | Energy Management | Water Resources | Resource Recycling | PRTR Substances | Pollution Prevention | Environmental Accounting | Environment-related Accidents / Violations of Environmental Laws and Regulations | Acquisition of ISO14001 Certification

### Production-related Inputs and Outputs (MGC Alone)

Input		Output	
Raw materials, Container/packaging materials	0.77Mt	Production volume	1.37Mt
Energy (as crude oil equivalent)	475ML	GHG emissions	1.01Mt-CO <sub>2</sub> -e
Water withdrawal	31Mm <sup>3</sup>	Water discharge	29Mm <sup>3</sup>
		External waste discharge	12kt
		Recycling	24kt

### Raw Materials / Production Volume (MGC Alone)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Raw material input	kt	630	743	798	764
Production volume	kt	1,288	1,469	1,416	1,373

### Basic Approach to Climate Change Mitigation

1. Formulate targets for reducing Scope 1 and 2\*<sup>1</sup> GHG emissions and steadily reduce them through planning, execution, monitoring and reassessment.
2. Assess, manage, monitor and proactively disclose Scope 3\*<sup>2</sup> GHG emissions and take action to reduce them in collaboration with suppliers.
3. Improve energy efficiency and raw materials' carbon cycle and promote energy transition toward realization of a zero-carbon society by 2050.
4. Contribute to solving energy and climate change challenges through business operations by deploying innovative process technologies and factoring whole-lifecycle GHG emissions into design and development processes.
5. Disclose information through climate change initiatives\*<sup>3</sup>.

\*1. Scope 1 emissions are GHG emissions directly generated by MGC. Scope 2 emissions are indirect GHG emissions associated with use of energy (mainly electric power) purchased from external suppliers.

\*2. Scope 3 emissions are indirect GHG emissions generated in supply chains through organizational activities such as raw material sourcing, manufacturing, distribution, sales and waste disposal.

\*3. MGC proactively participates in various collaborative activities to mitigate climate change (climate change initiatives).

## Greenhouse Gas (GHG) Emissions (MGC Alone)

### Scope1+2

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
CO <sub>2</sub> emissions from energy use	t-CO <sub>2</sub> -e	889,261	928,933	922,370	929,426
CO <sub>2</sub> emissions from non-energy use	t-CO <sub>2</sub> -e	78,576	87,062	83,557	84,366
N <sub>2</sub> O	t-CO <sub>2</sub> -e	491	524	513	563
CH <sub>4</sub>	t-CO <sub>2</sub> -e	840	796	753	841
HFCs	t-CO <sub>2</sub> -e	2,654	1,325	4,257	1,212
PFCs	t-CO <sub>2</sub> -e	0	0	0	0
SF <sub>6</sub>	t-CO <sub>2</sub> -e	0	0	0	0
NF <sub>3</sub>	t-CO <sub>2</sub> -e	0	0	0	0
Total*1	t-CO <sub>2</sub> -e	971,822	1,018,640	1,011,450	1,016,408
Scope 1	t-CO <sub>2</sub> -e	749,010	789,021	732,937	783,368
Scope 2 (market based)	t-CO <sub>2</sub> -e	222,812	229,619	278,513	233,040
GHG emissions intensity ratio per unit to sales	*2	3.2	2.8	2.7	2.9
Index of GHG emissions intensity (GHG emissions intensity ratio per unit to sales, FY2011 as a base of 100)	—	89	76	74	79
GHG emissions intensity ratio per Mton of products	*3	0.75	0.69	0.71	0.70

\*1. Due to rounding off figures, there are places where the sums for each item do not match the total.

\*2. Amount of emissions (t-CO<sub>2</sub>-e)/sales (million yen)

\*3. Amount of emissions (t-CO<sub>2</sub>-e)/production volume (t)

### Scope3

Category	Unit	FY2016	FY2017	FY2018
Purchased goods and services	t-CO <sub>2</sub> -e	4,606,274	5,329,064	5,128,802
Capital goods	t-CO <sub>2</sub> -e	70,151	38,576	53,370
Fuel- and energy- related activities not included in Scope 1 or 2	t-CO <sub>2</sub> -e	83,904	89,624	84,102
Transportation and distribution (upstream)	t-CO <sub>2</sub> -e	654,329	722,895	715,052
Waste generated in operations	t-CO <sub>2</sub> -e	3,522	<4,000	<4,000
Business travel	t-CO <sub>2</sub> -e	3,567	<4,000	<4,000
Employee commuting	t-CO <sub>2</sub> -e	646	<1,000	<1,000
Leased assets (upstream)	t-CO <sub>2</sub> -e	6,755	<8,000	<8,000
Transportation and distribution (downstream)	t-CO <sub>2</sub> -e	157,039	176,928	108,647
Processing of sold products	t-CO <sub>2</sub> -e	—	—	—
Use of sold products	t-CO <sub>2</sub> -e	—	—	—
End-of-life treatment of sold products	t-CO <sub>2</sub> -e	1,534,860	1,760,180	1,312,169
Leased assets (downstream)	t-CO <sub>2</sub> -e	13,392	13,241	14,365
Franchises	t-CO <sub>2</sub> -e	—	0	0
Investments	t-CO <sub>2</sub> -e	—	589,307	513,276
Total	t-CO <sub>2</sub> -e	7,134,439	8,736,816	7,946,782

\*Figures for FY2019 are currently being calculated (as of October 1, 2020)

### GHG Emissions/Calculated Value-added GHG Emissions Intensity

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
GHG emissions	kt CO <sub>2</sub> -e	966	1,014	1,009	1,010
Calculated value added of GHG emissions intensity	100 million yen/ kt CO <sub>2</sub> -e	0.83	0.97	0.96	0.90

\*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

### GHG Emissions in Transportation Sector

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
By rail	kt CO <sub>2</sub> -e	0.46	0.54	0.59	0.58
By ship	kt CO <sub>2</sub> -e	11.3	11.5	11.3	10.8
By truck	kt CO <sub>2</sub> -e	16.6	17.5	17.0	16.2

## Energy Management (MGC Alone)

### Energy Use (Ratio of grid power, renewable energy and self-generated energy)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Total energy use*	MWH	4,256,746	4,499,938	4,256,431	4,432,455
Ratio of grid power	—	7.3%	7.0%	9.1%	7.7%
Ratio of renewable energy	—	0.0%	0.0%	0.0%	0.0%
Total self-generated energy	MWH	268,332	296,313	205,432	272,094

\*Calculated based on SASB standards

### Energy Use (Ratio of renewable/non-renewable energy)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Nonrenewable fuels purchased and consumed (A) (nuclear fuels, coal, oil, natural gas, etc.)	MWH	3,633,017	3,829,603	3,519,561	3,789,472
Nonrenewable Electricity purchased (B)	MWH-purchased electricity	309,444	316,996	388,671	340,648
Steam, heating, cooling and other energy (nonrenewable) purchased (C)	MWH	340,850	378,879	375,333	334,288
Renewable energy purchased or generated. (D) (wind, energy solar, biomass, hydroelectric, geothermal etc.)	MWH	0	0	0	0
Non-renewable energy sold (E) (electricity and heating & cooling)	MWH	26,564	25,540	27,134	31,952
Total non-renewable Energy Use (A+B+C-E)	MWH	4,256,746	4,499,938	4,256,431	4,432,455

### Energy Use (crude oil equivalent)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Production and research divisions, Corporate Sector	ML-crude oil equivalent	455	480	468	475
Energy intensity index (rate of energy use / sales (FY2011 as a base of 100))	—	96	83	79	86
Logistics division	ML-crude oil equivalent	11	11	11	10
Energy intensity	KL/million ton kilo	19	20	19	19

### Energy Use/Calculated Value-added Energy Intensity

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Energy use	ML-crude oil equivalent	455	480	470	475
Energy intensity of calculated added value	100 million yen /ML-crude oil equivalent	1.76	2.04	2.07	1.91

\*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

## Water Resources (MGC Alone)

### Water Resource Risk Management

MGC uses large quantities of water, both as a raw material of chemical products and for various other purposes, including steam-heating and cooling in chemical manufacturing processes, product refining and cleaning containers. To sustainably use water resources essential to manufacturing chemicals, MGC manages a variety of risks. Specifically, MGC monitors its actual water consumption and uses water efficiently by measuring water withdrawal, water discharge, water usage and water recycling. In drawing from water sources, MGC restricts its intake to permitted quantities in accord with applicable laws or agreements with municipalities. Additionally, MGC discharges wastewater into rivers, the sea or other public water bodies in compliance with effluent standards after treating it to filter out identified pollutants. Data on these water-related environmental impacts are presented in detail on page 13 below.

Additionally, MGC maintains a sanitary water-use environment at all its sites to provide its workforce with access to properly functioning, safely managed sanitary facilities (wash service).

From a business continuity standpoint, MGC has identified production downtime due to drought or flooding of production facilities as a water-related risk, formulated a business continuity plan (BCPs) that addresses this risk and implemented measures to mitigate it. None of the areas in which MGC's plants are located has experienced either adverse impacts on production activities due to water stress or conflicts with stakeholders regarding use of water resources.

Meanwhile, MGC sees opportunities in businesses that provide solutions for issues surrounding the coolant water of air conditioning equipment and cooling systems. Such solutions include water treatment agents that maintain healthy coolant water quality by killing disease-causing legionella bacteria and a comprehensive water treatment system service offered through affiliate Dia Aqua Solutions Co., Inc.

Going forward, MGC will set qualitative and quantitative targets for efficient water usage to more effectively preserve water resources.

## Use of Water Resources

Indicator		Unit	FY2016	FY2017	FY2018	FY2019
Water withdrawal	Municipal water supplies (tap water)	1000m <sup>3</sup>	413	440	420	407
	Fresh surface water (lakes, rivers, etc.)	1000m <sup>3</sup>	9,978	10,415	9,892	9,601
	Ground water	1000m <sup>3</sup>	427	406	391	368
	Total	1000m <sup>3</sup>	30,811	30,919	29,370	31,089
Water discharge		1000m <sup>3</sup>	28,852	29,046	27,248	28,827
Net fresh water consumption*1		1000m <sup>3</sup>	1,960	1,873	2,122	2,262
Percentage of water recycled for use*2		1000m <sup>3</sup>	—	—	23,585	455,345
Ratio of water recycled for use		%	—	—	45	94

\*1. Water withdrawal — Water discharge

\*2. Value for FY2018 is small due to a narrow survey scope

## Water Withdrawal/Calculated Value-added Water Withdrawal Intensity

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Water withdrawal	Mm <sup>3</sup>	30.8	30.9	29.4	31.1
Calculated added value of water withdrawal intensity	100 million yen/Mm <sup>3</sup>	26.0	31.7	33.1	29.3

\*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

## Water Consumption/Calculated Value-added Water Consumption Intensity

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Water consumption	Mm <sup>3</sup>	2.0	1.9	2.1	2.3
Calculated added value of water consumption intensity	100 million yen/Mm <sup>3</sup>	409	523	458	402

\*Calculated value added: The estimated amount of added value calculated based on MGC Alone net sales of MGC multiplied by the value added rate for the chemical industry published by the Ministry of Economy, Trade and Industry.

## Resource Recycling (MGC Alone)

### Waste

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Volume of waste generation	ton	78,607	82,130	80,575	83,969
Recycled volume	ton	20,909	24,733	23,700	24,228
Final disposal volume	ton	1,054	466	580	671
Recycling rate	%	27	30	29	29

## PRTR Substances (MGC Alone)

### Emissions of PRTR Substances

Indicator		Unit	FY2016	FY2017	FY2018	FY2019
Emissions of PRTR Substances	Atmosphere	ton	241	213	227	270
	Water bodies	ton	15	15	8	10
	Soil	ton	0	0	0	0
	Total*	ton	256	228	234	280

\*Due to rounding off figures, there are places where the sums for each item do not match the total.

### High-emission Substances Notified under the PRTR Law

Government-designated number	Substance	Unit	FY2016	FY2017	FY2018	FY2019
296	1,2,4-Trimethylbenzene	ton	144	91	99	150
186	Dichloromethane	ton	58	78	87	74
80	Xylene	ton	16	22	16	18
300	Toluene	ton	10	12	10	12

## Pollution Prevention (MGC Alone)

### Air Emissions

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Volatile organic compounds (VOCs)	ton	320	296	318	376
NOx	ton	488	573	478	472
SOx	ton	58	62	55	54
Dust	ton	13	12	17	25

### Control of Water Discharge

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
COD emissions	ton	182	161	144	157
Total phosphorus emissions	ton	68	60	72	59
Total nitrogen emissions	ton	191	257	230	247

## Environmental Accounting (MGC Alone)

### Environmental Accounting

Breakdown			Unit	FY2016		FY2017		FY2018		FY2019	
				Investment	Expenses	Investment	Expenses	Investment	Expenses	Investment	Expenses
Onsite cost	Pollution prevention cost	Air pollution prevention	Million yen	213	736	57	771	10	1,021	6	926
		Water pollution prevention	Million yen	103	1,627	56	1,602	83	1,750	106	1,669
		Soil, Noise	Million yen	8	0	17	0	138	12	80	0
		Global environmental protection cost	Million yen	115	1,323	90	1,928	115	1,664	139	1,806
		Resource recycling cost	Million yen	7	873	0	932	70	1,119	0	837
Up or down stream cost			Million yen	0	52	0	56	0	43	0	35
Management activity cost			Million yen	34	517	25	488	43	471	25	475
R&D cost			Million yen	284	2,900	259	2,498	222	2,376	337	2,716
Social contribution cost			Million yen	0	11	0	10	0	9	0	8
Environmental damage cost			Million yen	0	75	0	78	0	71	0	74
Total*			Million yen	763	8,116	504	8,363	680	8,536	692	8,546

\*Due to rounding off figures, there are places where the sums for each item do not match the total.

### Economic Benefits Associated with Environmental Protection Measures

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Income	Million yen	32	29	30	45
Reduction of expenses	Million yen	564	1,064	183	398

## Environment-related Accidents / Violations of Environmental Laws and Regulations (MGC Alone)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Violations of environmental laws and regulations	No. of violations	1	0	0	0
Accidents or pollution that could cause (or have caused) environmental problems	No. of cases	0	0	0	1
Complaints regarding environmental problems	No. of complaints	0	0	0	0

## Acquisition of ISO14001 Certification (MGC Alone)

Certified Facility	Registration Number	Date Acquired	
		1996 version	2015 version
Niigata Plant	1162-1998-AE-KOB-RvA	June 1998	November 2017
Mizushima Plant	JCQA-E-0145	May 2000	May 2018
Yokkaichi Plant Naniwa Plant Saga Plant	JQA-EM0502	August 1998 (as the Yokkaichi Plant)	August 2017
Kashima Plant	JQA-EM0345	February 1999	January 2018
Yamakita Plant	JQA-EM0859	May 2000	May 2018

## Social

Employees | Diversity | Human Resource Development | Work-life Balance | Respect for Human Rights | Employee Health | Occupational Health and Safety / Process Safety and Disaster Prevention | Ensuring the Quality and Safety of Chemicals and Products | Communication with Stakeholders | Social Contribution Activities | Participation in External Initiatives

### Employees (MGC Alone)

\*Data is as of March 31 of each fiscal year, unless otherwise noted

#### Average Age, Average Length of Service

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Average age	Male	Years old	40.4	40.2	40.4	40.8
	Female	Years old	38.7	38.9	38.7	38.3
	Overall	Years old	40.3	40.1	40.2	40.5
Average length of service	Male	Years	17.2	17.5	17.6	17.8
	Female	Years	15.3	16.2	15.7	15.0
	Overall	Years	17.1	17.4	17.4	17.5

#### Full-time Employees\*

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Overall	Male	People	1,967	1,929	2,000	2,051
	Female	People	208	210	218	229
	Total	People	2,175	2,139	2,218	2,280
	Ratio of females	%	9.6%	9.8%	9.8%	10.0%
By age	20s and under	People	445	424	448	461
	30s	People	593	579	594	593
	40s	People	721	696	679	704
	50s	People	380	435	489	516
	60 and over	People	36	5	8	6

\*Excluding part-time employees and those employees on outside assignment from MGC to other companies, but including employees on outside assignment from other companies to MGC.



## Managers\*

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Overall	Male	People	601	597	611	633
	Female	People	12	11	11	15
	Total	People	613	608	622	648
	Ratio of females	%	2.0	1.8	1.8	2.3
Under general manager	Males	People	353	344	338	344
	Female	People	11	10	9	13
	Total	People	364	354	347	357
	Ratio of females	%	3.0	2.8	2.6	3.6
General manager and above	Male	People	248	253	273	289
	Female	People	1	1	2	2
	Total	People	249	254	275	291
	Ratio of females	%	0.4	0.4	0.7	0.7

\*Excluding those employees on outside assignment from MGC to other companies, and employees on outside assignment from other companies to MGC.

## Temporary and Contract Employees

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
Number of temporary employees*		People	0	0	0	0
Contract employees	Male	People	9	9	13	17
	Female	People	91	90	92	106
	Total	People	100	99	105	123

\*Average number per year

## Diversity (MGC Alone)

### New Employees

Indicator	Category	Unit	FY2016	FY2017	FY2018	FY2019
New employees (graduates)* <sup>1</sup>	Male	People	35	35	48	66
	Female	People	8	6	7	12
	Total	People	43	41	55	78
	Ratio of females	%	18.6	14.6	12.7	15.4
New employees (mid-career hires)* <sup>2</sup>	Males	People	6	13	57	19
	Females	People	8	2	11	10
	Total	People	14	15	68	29
	Ratio of females	%	57.1	13.3	16.2	34.5

\*1. Number of people who joined the company in April of each fiscal year

\*2. Number of people who joined the company from April to March of the following year

### Ratio of Employees with Disabilities

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Ratio of employees with disabilities*	%	2.23	2.28	2.33	2.30
(Statutory minimum rate)	%	2.00	2.00	2.20	2.20

\*Data as of June 1 of each fiscal year

## Re-employment of Retired Employees

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Re-employment of retired employees	People	78	19	36	24
Ratio of re-employment of retired employees	%	73%	100%	89%	76%

## Number of Employees/Managers who are Foreign Nationals

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Number of employees who are foreign nationals	People	10	9	10	11
Number of managers	People	1	1	1	3

## Human Resource Development (MGC Alone)

### Average Training Hours

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Average training and development hours per full-time employee	Hours	5.0	4.9	5.9	6.1

### Training Programs (FY2019)

Program	Content	Duration	Attendees
New Employee Training	Personnel system, company overview, business etiquette, compliance, teamwork, safety education, human rights, mental health, English conversation, etc.	17 days	52
New Employee Follow-up Training	Trainee presentations, mental health, PBI training	2 days	40
New Employee Training (mid-career/local hires)	Personnel system, mental health, group discussion	1 day	65
P3 Promotee Training	Personnel system, company overview, career building, compliance	1 day	150
Optional Training Course A	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	28
Optional Training Course B	Personnel system, company overview, trainee presentations, compliance, theme-specific training, DC follow-up training	2 days	45
A3-level Promotee Training	Company overview, trainee presentations, compliance, mid-level leadership training	2 days	29
A4-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	21
B2-level Candidate Training	Personnel system, company overview, trainee presentations, compliance, theme-specific training	2 days	53
A4/B2-level Promotee Training	Evaluator training	1 day	75
M1-level Candidate Training	Time management training	1 day	51
M1-level Promotee Training	Trainee presentations, compliance, role of managers/supervisors, evaluator training, organizational management, finance/accounting training	3 days	47
Senior M1-level Training	Trainee presentations, compliance, internal controls, MBC training	3 days	32
M2-level Promotee Training	Trainee presentations, compliance, internal controls, MINE training	3 days	41
Life/Career Design Training	Self-analysis, understanding of own strengths and career environment, career/life balance, retirement plan, corporate pension plan, re-employment system.	2 days	29
Negotiation Strategy Training	Fundamental mechanisms and practical theories of negotiation	2 days	47
Logical Communication Training	Improvement of business communication skills based on logical thinking	2 days	36
Facilitation Training	Facilitation skills training	2 days	50
HAZOP Training	Understanding of HAZOP, accident case studies, HAZOP drills	2 days	29

## Work-life Balance (MGC Alone)

### Work-life Balance Data

Indicator	Unit	FY2016	FY2017	FY2018	FY2019	
Average overtime per month (union members)	Hours	14.2	14.4	14.2	13.6	
Ratio of taking annual leave	%	86	90	91	85	
Employees who started maternity leave	People	19	13	11	19	
Employees who started parental leave	Male	People	2	1	0	3
	Female	People	18	13	26	20
Return to work rate after taking maternity/parental leave	Male	%	100	100	100	100
	Female	%	100	100	100	100
Employees who took shortened working hours for childcare	Male	People	0	0	0	1
	Female	People	19	20	28	35
Voluntary retirement	People	28	29	33	44	
Involuntary retirement	People	0	0	0	0	
Other retirement	People	0	0	0	0	
Total	People	28	29	33	44	
Rate of employee turnover	%	1.3	1.4	1.5	1.9	
Rate of employee turnover due to voluntary retirement	%	1.3	1.4	1.5	1.9	
Employee turnovers within three years*2	People	2	1	4	0	
Rate of employee turnover within three years	%	4.7	2.2	6.0	0.0	
Transfers	People	8	20	16	0	

\*1. Does not include those who are still on leave that started in the previous fiscal year.

\*2. Number of employee turnovers within three years from among new graduate hires in each fiscal year.

### Programs to Promote Work-Life Balance

Program	Description
Flexitime	Available on company-wide basis (to dayshift personnel only); MGC's headquarters and research laboratory are trialing super flexitime with no core time
Teleworking	Trial underway at headquarters and research laboratory, with employees allowed to telework up to three days per week
Parental leave	Employees unable to secure child care can take leave until child is two years old
Paternity leave	Employees can take five days of (paid) leave when spouse gives birth
Nursing leave	Employees can take one year of leave per family member requiring care; the year can be split into up to three intervals
Shortened work schedule for caregivers	Employees with young children (up to third grade) or other family members requiring care can work a shortened schedule (up to six hours per day in 30-minute units)
Nursing leave for children	Employees can take up to 10 personal days per year to care for children not yet of school age
Nursing leave	Employees can annually take five days per family member requiring care, up to a maximum of 10 days if two or more family members require care
Annual paid leave by "half-day"	Employees can take a half-day leave up to 30 times per year
Accumulating annual leave	Employees can accumulate up to 40 unused paid leave from prior years for emergency use (e.g., personal illness/injury, family illness, natural disaster)
Refresh leave	Upon turning 50 years old, employees are granted five days of special (paid) vacation and paid a one-time bonus
Volunteering leave	Employees who volunteer to assist with emergency disaster relief can take up to three (paid) days per year to do so
Medical donor leave	Employees can take up to three (paid) days per year for bone marrow donation, including registration, screening and extraction
Re-hiring of former employees	MGC re-hires qualified former employees with at least three years of service who resigned within the previous 10 years as a result of circumstances beyond their control

## Respect for Human Rights (MGC Alone)

### Freedom of Association\*1

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Union members*2	People	1,877	1,846	1,883	1,887
Ratio of union members*3	%	100	100	100	100

\*1. Includes some affiliates

\*2. Data is as of March 31 for each fiscal year

\*3. Number of union members / number of eligible people (excluding management level and others stipulated by agreement)

### Employee Health (MGC Alone)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Ratio of employees receiving regular health checkups*1	%	100	99	100	99
Ratio of employees receiving stress checks*1	%	98	98	99	98
Employees taking leave due to mental health issues	People	10	5	4	15
Employees taking leave due to personal injury/sickness (excluding those due to mental health issues)	People	5	4	2	3

\*Employees on temporary retirement excluded

## Occupational Health and Safety / Process Safety and Disaster Prevention (MGC Alone)

### Occupational Health and Safety / Process Safety and Disaster Prevention Policies

In accord with its Safety Philosophy and Safety Philosophy Behavior Guidelines, MGC conducts safety activities aimed at completely eliminating occupational injuries with the participation of all personnel, including partner companies' employees working at MGC sites in addition to MGC employees. Every MGC site also conducts their own safety activities spearheaded by front-line personnel. Additionally, MGC conducts company-wide improvement activities through its cross-organizational Bridge-II program. MGC systematically maintains its facilities and is stepping up TPM\* (total productive maintenance) activities at production plants as an effective means of not only preventing accidents but also reducing equipment breakdowns and production downtime.

\*TPM activities: activities that continuously improve productivity and contribute to profits by eliminating all types of losses that exist in production systems.

- **Safety Philosophy**

Ensuring safety is the top priority of our business activity

- **Safety Philosophy Behavior Guidelines**

- (1) Fostering a safety culture
- (2) Thorough education and drills
- (3) Confirming and abiding by safety rules
- (4) Promoting preventive safety measures

- **Safety Slogan**

Build a safety culture together through keen awareness and certain knowledge.

## Occupational Health and Safety

Indicator		Unit	2016* <sup>1</sup>	2017* <sup>1</sup>	2018* <sup>1</sup>	2019* <sup>1</sup>
Ratio of sites with OHSAS (Occupational Health and Safety Assessment Series) 18001 certification		%	0	0	0	0
Accidents involving fatalities and major work-related accidents	Employee	Cases	0	0	0	0
	Partner* <sup>2</sup>	Cases	0	0	0	0
Work-related fatalities	Employee	People	0	0	0	0
	Partner* <sup>2</sup>	People	0	0	0	0
Lost-time injury frequency rate* <sup>3</sup>	Employee	—	0	0	0.29	0
	Partner* <sup>2</sup>	—	1.45	0.57	1.91	1.41
Lost-time injury severity rate* <sup>4</sup>	Employee	—	0	0	0	0
	Partner* <sup>2</sup>	—	0.06	0.02	0.03	0.04
Occupational illness frequency rate (per one million hours worked)	Employee	—	0.00	0.00	1.47	0.29
	Partner* <sup>2</sup>	—	0.58	0.29	1.64	1.13
Tier 1 process safety events (per one million hours worked)		—	0.87	0.57	0.82	0.85
Number of violations of occupational health and safety regulations and codes		Cases	3	0	0	0

\*1. Calendar year

\*2. Including contract employees

\*3. Total number of deaths and injuries caused by labor accidents per one million actual hours worked

\*4. Total number of working days lost per one million actual hours worked

### • Selected Initiatives

With safety as its top priority, MGC proactively pursues initiatives aimed at zero accidents and zero injuries.

Intensification of everyday safety activities	MGC is stepping up workplace safety activities, including hazard prediction, finding near-miss incidents, pointing and calling, 5S activities and supervisor patrols.
Workplace improvement presentations	MGC aims to encourage workplace safety activities by sharing and commending outstanding activities at workplace and company-wide improvement presentations.
Accident recurrence prevention	MGC endeavors to prevent recurrence of accidents similar to ones that have occurred at its sites or at Group companies by sharing and analyzing case studies of the accidents.
Disaster prevention support for partner companies	MGC strengthens communications with partner companies through such means as holding disaster prevention conferences and providing information on accidents that occurred at other plants/companies. Additionally, it supports partner companies' safety activities by, e.g., making internal educational facilities available for them.
Safety awards	MGC's president presents awards to plants without any occupational injuries for a certain period of time. Two sites received such awards in 2019.
Safety consciousness-raising through, e.g., posters	MGC's Safety Philosophy, and Policies on Environment and Safety are displayed on banners and posters at every workplace. Additionally, MGC promote safety consciousness by having all personnel carry a Safety Slogan card while on the job.

## Process Safety and Disaster Prevention

### • Average unplanned downtime per plant

Metric	Unit	FY2016	FY2017	FY2018	FY2019
Avg. unplanned downtime per plant	hours	92.5	53.3	118.4	135.4

• **Process Safety Incidents**

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Number of process safety incidents	Number	3.0	2.0	3.0	3.0
Process safety total incident rate (PSTIR)	—	1.7	1.2	1.8	1.7
Process safety incident severity rate (PSISR)	—	2.8	5.8	2.9	2.9

**Investment in Safety and Disaster Prevention Measures**

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
		Amount invested	Amount invested	Amount invested	Amount invested
Explosions, fires and leaks	Million yen	95	181	205	515
Aging equipment	Million yen	2,041	1,866	2,316	4,226
Work environment improvements	Million yen	840	1,228	1,612	697
Earthquakes and other natural disasters	Million yen	26	30	95	23
Others	Million yen	42	37	260	1,062
Total	Million yen	3,045	3,341	4,488	6,523

**Ensuring the Quality and Safety of Chemicals and Products (MGC Alone)**

**Policy on Chemical and Product Safety**

Under its Safety Philosophy and Safe Behavior Guidelines, the MGC Group's basic policy is to ensure the safe handling, use and disposal of chemical products.

**System for Promoting the Safety of Chemicals and Products**

The MGC Group promotes responsible care (RC) in all divisions in accordance with the MGC Group Policies on Environment and Safety. It establishes RC medium-term and annual plans, and progress with those plans is reported to the Environment and Safety Council, chaired by the president, at a meeting held in December of each year. One approved, the plans ensure continuous improvements through a PDCA cycle.

**Chemical and Product Safety Activities**

At MGC, we conduct basic surveys and safety assessments at the product development stage. When products correspond to new chemical substances, we first conduct safety testing and then classify the products according to whether they do or do not come under applicable regulations, as well as according to their degree of hazard under standards such as GHS\*, before preparing safety information such as safety data sheets (SDSs). Based on these, we perform risk assessments (based on hazards of the substances themselves and hazards related to exposure) for every stage of a product, from manufacture to disposal. Products are offered once this screening (premarketing investigation) is complete.

Many of MGC's products are chemicals, and potential product-related accidents include fires and chemical burns. We present hazard information about chemicals with SDSs, product labels, and yellow cards given to customers and others concerned to ensure that products are handled safely. Hazard information is also provided for products aimed at overseas markets, via translated SDSs and other means.

\*GHS: The Globally Harmonized System of Classification and Labelling of Chemicals. Chemical hazards are classified under fixed standards and are indicated clearly with pictograms on labels and through SDS documentation. Ultimately, the information contributes to accident prevention and to protecting human health and the environment.

## Communication with Stakeholders (MGC Alone)

Stakeholder	Communication philosophy	Main means of communication	Frequency
Customers	MGC offers a wide range of products. To respond to customer expectations and the trust they place in our products, MGC incorporates customer requests and feedback in product development and in improving its services.	Direct contact by sales staff	Daily
		Incoming phone calls, website contacts	Daily
		Survey requests from customers	Daily
		Responses to CDP climate change questionnaires	Once yearly
		Responses to CDP water security questionnaires	Once yearly
Shareholders/ Investors	MGC conducts a broad range of communication activities and ensures shareholders and the investment community have a correct understanding of MGC, we strive to disclose information timely in a fair and transparent manner	Earnings briefings	Twice yearly
		IR inquiries/responses	As necessary
		Information disclosure in compliance with laws or securities exchanges' regulations	Timely
		IR section of website	Daily
		General meetings of shareholders	Once yearly
		Reports to shareholders	Twice yearly
Business Partners	we consider a supporting supplier's CSR activity to be an important factor in this regard. In this way, we endeavor to build a supply chain that takes due account of regulatory compliance, the environment, and safety.	Communication through purchasing activities	Daily
		Inquiries about product sourcing	Daily
		Responses to CSR surveys	As necessary
Local communities	We encourage community interaction and contributes to their development through participation in local festivals, blood drives, and traffic safety campaigns in Japan, as well as through participation in local activities outside of Japan.	Incoming phone calls, website visits	Daily
		Community activities (e.g., disaster relief, litter cleanup, tree planting, traffic safety)	As necessary
		Scholarships for foreign students through Mitsubishi Gas Chemical Memorial Foundation	Twice yearly
		Youth educational support (e.g., donation of chemical experiment kits)	Periodically
		Community meetings at plants	As necessary
		Plant tours	As necessary
		Participation in local events	As necessary
Employees	MGC aims to create dynamic workplace environments where all employees know their respective roles, give full play to their creativity, produce impressive results and find meaning in their jobs.	Training programs, interviews	Periodically
		Management council meetings / management briefings (worker consultation)	Periodically
		Personnel System Review Committee for joint labor-management discussion	Periodically
		Collective bargaining	As necessary
		Internal newsletter	Quarterly
		Intranet	Daily
		Consultation desk, whistleblower hotline	Daily
		Occupational Safety and Health Committee meetings	Periodically

## Social Contribution Activities (MGC Alone)

### Main Donations

Recipient	Amount (Million yen)
Typhoon Hagibis Disaster (2019) Relief Fund, Japan Red Cross	5.0
Typhoon Hagibis Disaster (2019) Relief Fund, Fukushima Prefecture	5.0
Typhoon Hagibis Disaster (2019) Relief Fund, Shirakawa-shi, Fukushima Prefecture	2.0
Chemistry Human Resource Development Program Conference, Japan Chemical Industry Association	2.5
Mitsubishi Memorial Foundation for Educational Excellence	2.0
Bookcase of Biodiversity Donation Program, Japan Committee for UN Decade on Biodiversity	0.7

\*Amounts are funds donated by MGC

### Main Social Contribution Activities

Activity
Hosting of plant/laboratory tours
Promotion of communication with production plants' local communities
Sponsorship of community youth sports
Provision of instructors for university courses
Internship program (for university/technical college students)
University scholarship program (Mitsubishi Gas Chemical Memorial Foundation)
Donation of science experiment kits to middle schools

## Participation in External Initiatives (MGC Alone)

### Main External Initiatives

Entity
Japan Business Federation
Japan Business Federation's Committee on Nature Conservation
Japan Chemical Industry Association
Japan Petrochemical Industry Association
United Nations Global Compact
Task Force on Climate-related Financial Disclosures (TCFD)
Zero-Emission Challenge (Japan Business Federation)
Tokyo Zero-emission Innovation Bay (Ministry of Economy, Trade and Industry)
Partnership-Building Declaration (Japan Chemical Industry Association)
Responsible Care Global Charter
Japan Chemical Industry Association's Responsible Care Committee
Global Compact Network Japan

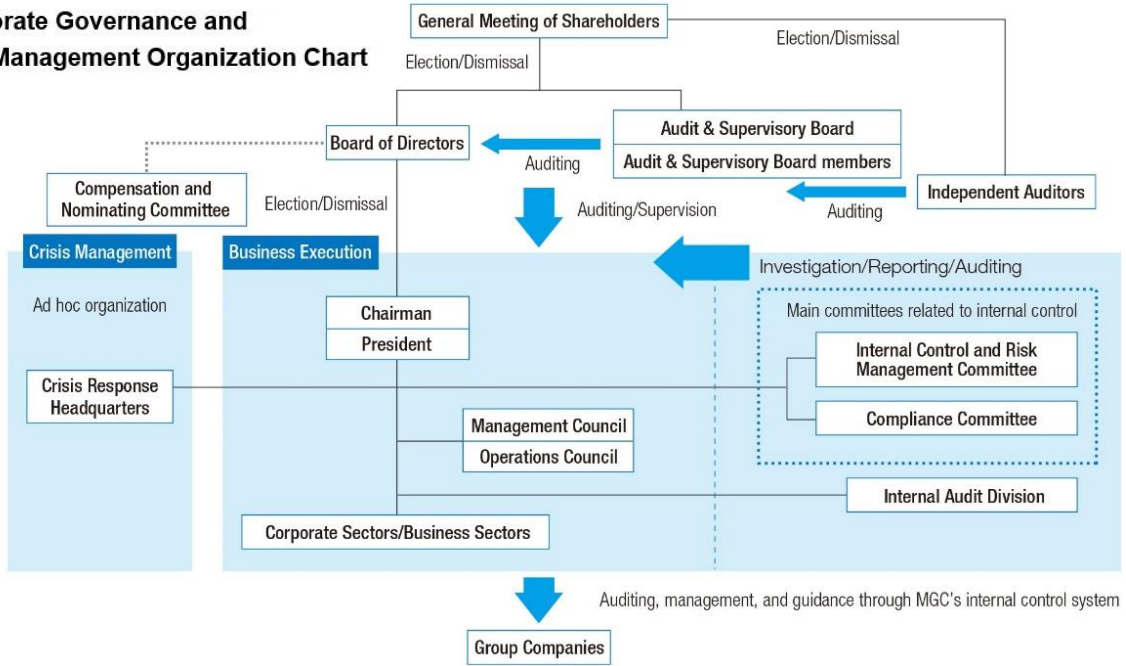


# Governance

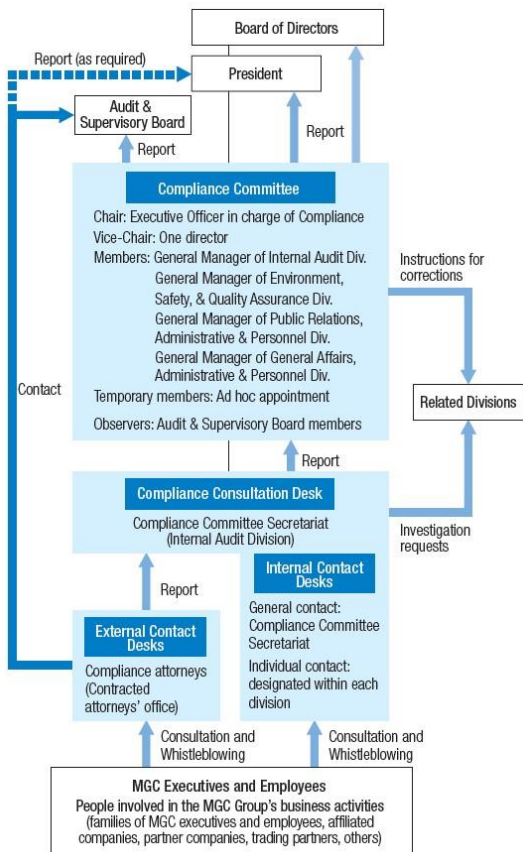
Management System | Governance Structure | Number of Major Meetings and Attendances | Officer Remuneration | Compliance Violations | Political Contributions | Categories of Shares Issued

## Management System

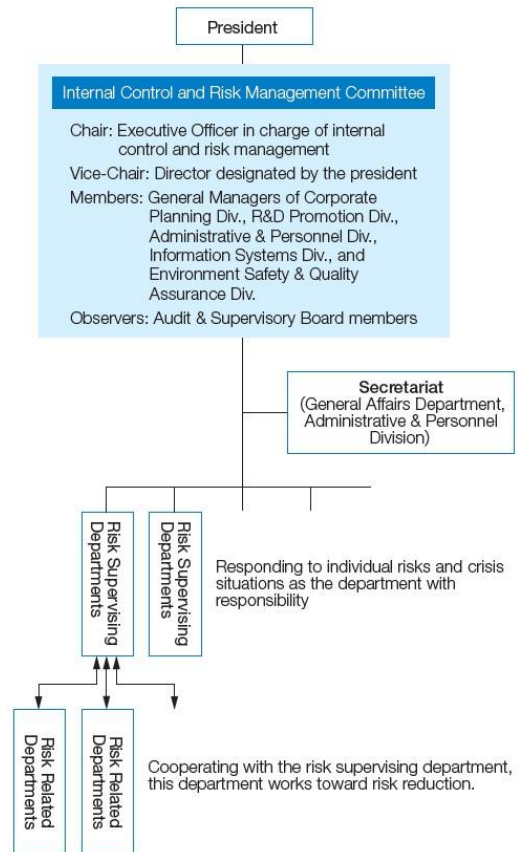
### Corporate Governance and Risk Management Organization Chart



### Compliance Structure



### Risk Management Promotion System



## Governance Structure\*

Indicator	Scope		Unit	FY2016	FY2017	FY2018	FY2019	FY2020
Directors	Inside directors	Male	People	10	10	10	9	8
		Female	People	0	0	0	0	0
		Total	People	10	10	10	9	8
	Outside directors (independent)	Male	People	2	2	2	2	3
		Female	People	0	0	0	0	1
		Total	People	2	2	2	2	4
	Altogether		People	12	12	12	11	12
Average term			Years	4y5m	4y8m	5y2m	5y11m	—
Ratio of independent outside directors (actual)			%	17	17	17	18	—
Ratio of female directors			%	0	0	0	0	8
Executive directors			People	10	10	10	9	8
Audit & Supervisory Board Members	Inside Audit & Supervisory Board members	Male	People	2	2	2	2	2
		Female	People	0	0	0	0	0
		Total	People	2	2	2	2	2
	Outside Audit & Supervisory Board members	Male	People	2	2	2	2	2
		Female	People	0	0	0	0	0
		Total	People	2	2	2	2	2
	Altogether		People	4	4	4	4	4
Average term			Years	2y3m	3y3m	3y9m	4y9m	—
Ratio of independent outside Audit & Supervisory Board members (actual)			%	50	50	50	50	—
Ratio of female Audit & Supervisory Board members			%	0	0	0	0	0

\*Data as of the conclusion of the General Meeting of Shareholders held each fiscal year

## Number of Major Meetings and Attendances\*

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Board meetings	Times	12	12	14	12
Average attendance of directors at board meetings	%	100	100	100	99
Average attendance of Audit & Supervisory Board members at board meetings	%	12	100	100	98
Audit & Supervisory Board meetings	Times	14	14	14	14
Average attendance at Audit & Supervisory Board meetings	%	100	100	100	98

\*Data from April to March of each fiscal year

## Officer Remuneration

Indicator	Scope	Unit	FY2016	FY2017	FY2018	FY2019
Directors (excluding outside directors)	Total remuneration	Million yen	469	496	549	489
	Number of officers*	People	12	11	11	13
Audit & Supervisory Board members (excluding outside Audit & Supervisory Board members)	Total remuneration	Million yen	51	52	52	52
	Number of officers*	People	4	2	3	2
Outside officers	Total remuneration	Million yen	52	54	55	55
	Number of officers*	People	4	5	4	4
Total		Million yen	572	602	656	596

\*Above number of Directors and Audit & Supervisory Board members, remuneration, etc. include remuneration for officers who resigned at the close of the General Meeting of Shareholders.

There is no Officer Remuneration, etc. received by outside officers from our subsidiaries.

## Compliance Violations

\*Refer to boundaries noted below

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Number of reports to the Compliance Consultation Desk	Cases	18	18	16	17
Legal actions received for anti-monopoly/anticompetitive practices (cases under investigation)	Cases	0	0	0	0
Fines charged and settlement fees for anti-monopoly/anticompetitive practices	Thousand yen	0	0	0	0
Confirmed corruption incidents (cases under investigation)	Cases	0	0	0	0
Fines charged and settlement fees for corruption	Thousand yen	0	0	0	0
Other incidents related to compliance (excluding environmental)	Cases	0	0	0	0
Fines charged and settlement fees for other compliance-related incidents (excluding environmental)	Thousand yen	0	0	0	0
Reported cases of discrimination	Cases	0	0	0	0
Reported cases of child labor	Cases	0	0	0	0
Reported cases of forced labor	Cases	0	0	0	0
Reported cases of infringement of rights of indigenous peoples	Cases	0	0	0	0

Boundaries:

### Domestic Group Companies

Ryoko Chemical Co., Ltd.  
JAPAN FINECHEM COMPANY, INC.  
TOHO EARTHTECH, INC.  
Tokyo Shokai, Ltd.  
JSP CORPORATION  
Ryowa Enterprise Co., Ltd.  
RYOYO TRADING CO., LTD.  
Yonezawa Dia Electronics Co., Inc.  
Polyols Asia Company, Inc.  
FUDOW COMPANY LTD.  
Toyo Kagaku Co., Ltd.  
KYOUDOU KASANKASUISO CORP.

### Overseas Group Companies

MGC Advanced Polymers, Inc.  
MGC MONTNEY HOLDINGS LTD  
MGC Pure Chemicals America, Inc.  
MGC Pure Chemicals Singapore Pte. Ltd.  
MGC Pure Chemicals Taiwan, Inc.  
Mitsubishi Gas Chemical Engineering-Plastics (Shanghai) Co., Ltd.  
PT Peroksida Indonesia Pratama  
SamYoung Pure Chemicals Co., Ltd.  
Thai Polyacetal Co., Ltd.  
Suzhou MGC Suhua Peroxide Co., Ltd.

EIWA CHEMICAL IND. CO., LTD  
MGC Filsheet Co., Ltd.  
MGC Terminal Company, Inc.  
MGC Electrotechno Co., Ltd.  
MGC Advanced Chemical Inc.

### Political Contributions (MGC Alone)

Indicator	Unit	FY2016	FY2017	FY2018	FY2019
Political contributions	Thousand yen	453	469	590	496

### Categories of Shares Issued (As of March 31, 2020)

Category	Number of shares		Number of voting rights	Notes
Non-voting shares	—		—	—
Shares with restricted voting rights (treasury shares, etc.)	—		—	—
Shares with restricted voting rights (others)	—		—	—
Voting shares (treasury shares, etc.)	Ordinary shares	17,832,200	—	Number of shares per unit: 100 shares
Voting shares (other)	Ordinary shares	207,670,800	2,076,708	Number of shares per unit: 100 shares
Shares less than one unit	Ordinary shares	236,199	—	Shares that are less than one unit (100 shares)
Total issued shares	225,739,199		—	—
Total number of voting rights	—		2,076,708	—

(Notes) 1. Shares less than one unit includes the following treasury shares and cross-held shares:

Treasury shares: 65 shares, Yamada Kasei Co., Ltd. 5 shares

2. Voting shares (others) includes 500 shares (five voting rights) held in the name of the Japan Securities Depository Center, Inc.