



Basic Policy

The Mitsubishi Chemical Holdings Group identifies its stakeholders as its customers, shareholders, investors, communities, employees, business partners and everyone else who supports its corporate activities, as well as society at large and the foundation upon which it is built, the Earth. Based on this understanding, Mitsubishi Chemical works to earn the trust of its stakeholders by valuing and respecting stakeholders, engaging in dialogue and proper disclosure, and reflecting the fruits of such efforts in all its corporate activities.

Together with Customers

Basic Policy

In line with the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior, Mitsubishi Chemical (MCC) constantly strives to achieve customer satisfaction by keeping the promises made in contracts with them, ensuring the safety and quality of all the products and services it supplies, engaging in close customer communications and advancing R&D.

Making Product Information Available

Over 1,100 product information entries (approximately 530 in Japanese, 350 in English and 240 in Chinese), including information on the products of Group companies, are available on MCC's website. In addition, Safety Data Sheets (SDSs) and GPS Safety Summaries (GSSs) can also be accessed through the website (available in Japanese only).

For product information, please contact the department or Group company that handles the product in question. Lists of MCC's departments and Group companies with information on the products they handle are available on MCC's website.

<https://www.m-chemical.co.jp/en/products/departments/mcc/index.html>

If you are unsure which department to contact, please contact the call center for guidance.

Call center (+81) 3-6748-7300

9:00–12:00, 13:00–17:45 (Closed Saturdays, Sundays and national holidays)

Customer Satisfaction Surveys

The Mitsubishi Chemical Holdings (MCHC) Group believes that close customer communication is essential to achieving accurate insight into social issues and the challenges that customers face and to finding solutions together. Accordingly, the Group has been conducting customer satisfaction surveys since fiscal 2012. Specifically, we survey customers in and outside Japan about products handled by our core businesses, covering such topics as quality, supply systems, sales promotion and technical support, as well as the attitudes and reliability of individual operating companies. By analyzing the results of these surveys and implementing a PDCA cycle, MCC aims to provide even better customer service and improve customer satisfaction.

Together with Customers

■ KAITEKI SQUARE

KAITEKI SQUARE was established in October 2012 in our Tokyo headquarters as a showroom for the MCHC Group. It is an important platform for communication with our customers and clients, a place where we can interact and exchange ideas about a better future.

KAITEKI SQUARE comprises three zones. The first zone is the Special Exhibition Zone, which focuses on the role of science and technology in solving various challenges facing 21st-century society. The second zone is the Permanent Exhibition Zone, which highlights the technological capabilities and collective strength of the MCHC Group by showcasing products and technologies that the Group is working on that are aimed at realizing KAITEKI. The last is the Concept Zone, an interactive video exhibition that offers a glimpse into the societies of the future.

We look forward to welcoming more and more visitors to our showroom and having meaningful discussions on how to realize KAITEKI in the future together.



KAITEKI SQUARE at the Tokyo headquarters

Together with Business Partners

Aiming to realize KAITEKI, an original concept created by the Mitsubishi Chemical Holdings (MCHC) Group, Mitsubishi Chemical (MCC) works with business partners to promote purchasing and procurement that take into account CSR-related considerations based on the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior.

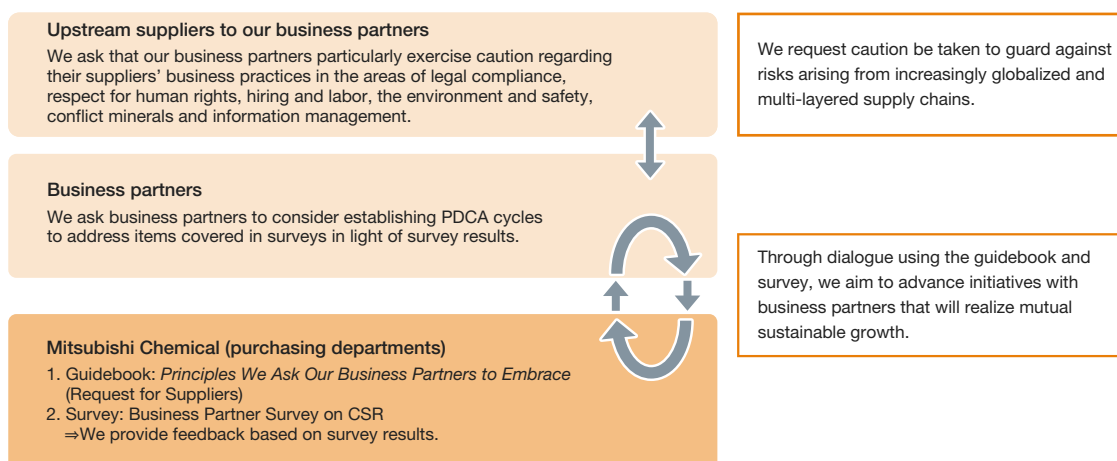
Promoting Communication

We facilitate communication with raw materials and packaging materials suppliers using a guidebook and survey to ensure suppliers share our understanding of CSR issues and to confirm the status of related initiatives.

We utilize survey results to provide feedback to business partners and engage in dialogue about making specific improvements. By doing so, MCC aims to build sound relationships with its business partners that enable mutual growth and improvement.

In fiscal 2018, we plan to again carry out a survey of our business partners. We believe that the survey, covering such topics as the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior and responses to recent external trends, will allow us to more accurately express our commitments and priorities, and improve the quality of communications with business partners.

Mitsubishi Chemical's CSR Procurement



Compliance with the Subcontract Act

To maintain sound relationships with its business partners, MCC has clearly articulated a system for ensuring compliance with the Subcontract Act and established internal rules, including the Subcontract Act Compliance Regulations, in which the specific scope of application and compliance requirements of the Subcontract Act are laid out. To ensure that transactions are conducted pursuant to such internal rules, MCC systematically implements internal training and audits of related departments.

Together with Employees

Mitsubishi Chemical (MCC) is implementing a range of initiatives aimed at enabling employees—upon whom realizing KAITEKI depends—to exercise their abilities to the fullest as well as at achieving sustainable corporate development based on a new relationship of trust between employees and management.

Basic Policy

“Utilizing people’s capabilities” is one of the fundamental management policies of the MCC Group. We practice health and productivity management and carry out management with the aim of empowering all Group members to work with enthusiasm, motivation and initiative, allowing each individual to exercise their abilities to the fullest while promoting diversity and viewing the diversity of human resources as a strength.

■ The Human Resources and Organization We Aspire to Be

We, as individuals, aspire to:

- Think deeply about, take action according to, and take responsibility for our own duties and roles.
- Proactively embrace differences, respect one another and broadly connect with others.
- Look beyond the status quo and take new action to continuously and ambitiously seek to create value.

We, as an organization, aspire to:

- Share common goals and a common direction and create an organization where we can all thrive.
- Anticipate change and work together to take action quickly.
- Leverage diverse individuality and ways of thinking to continually seek value creation that is greater than the sum of our individual contributions ($1 + 1 > 2$).

Personnel Strategy for Sustainable Corporate Development

MCC is mainly implementing initiatives related to the following issues with the aim of utilizing people's capabilities.

- KAITEKI Health and Productivity Management
- Respect for human rights and promoting diversity
- Effective placement and human resource development

In implementing initiatives related to the first of these, KAITEKI Health and Productivity Management, we are focusing on both health support and workstyle reforms, aiming to improve health at the individual and workplace levels. That is, we are working to realize workstyles that facilitate health and job satisfaction for every employee as well as workplace environments that allow each individual to thrive and utilize their abilities to the fullest. MCC is working strategically—investing and building frameworks—to make this happen. We are encouraging every employee to proactively examine their own health, work and workplace, ask what they can do to enhance their own health and vigor at work, and take action accordingly. We believe that this approach will help each employee achieve a greater sense of satisfaction and achievement both at work and in their everyday lives. Furthermore, individuals and organizations backed up by health exert a positive influence their families and communities. In this way, we are confident that we can contribute to society through our businesses and thus contribute to realizing KAITEKI.

As for the second issue, respect for human rights and promoting diversity, we want the MCC Group to be an organization in which all employees respect one other's diverse individuality and values, including nationality, race, religion, age, gender, sexual orientation and disability or lack thereof, and together fulfill the Group's corporate social responsibility while enabling every individual in the Group to exercise their abilities to the fullest. Aiming to lay the foundations and create support to enable diverse human resources to thrive, we are further developing our existing initiatives related to respect for human rights, hiring people with disabilities, enabling woman to succeed, and providing support for child care and nursing care. At the same time, we are working to create environments that are accommodating of all employees, regardless of nationality, and to foster understanding and provide support for LGBT individuals.

The third issue is effective placement and human resource development, an area in which we aim to enable every employee to work with enthusiasm, motivation and initiative and to exercise their abilities to the fullest. Specifically, we are engaging in personnel placement on a Group-wide basis to meet the demands created by globalization. We have also adopted a career development program—a system for medium- to long-term strategic personnel placement and development with the aim of encouraging employees to pursue self-directed growth. Going forward, based on this program, while clearly delineating the roles of the Group in Japan and the regional headquarters, we will advance effective placement and human resource development across the MCC Group as a whole.

Together with Employees

Employee Perception Surveys

Once a year, the MCC Group conducts an employee perception survey of its employees in Japan and those temporarily stationed overseas. In fiscal 2017, approximately 33,000 Group employees answered the survey, for a response rate of approximately 94%.

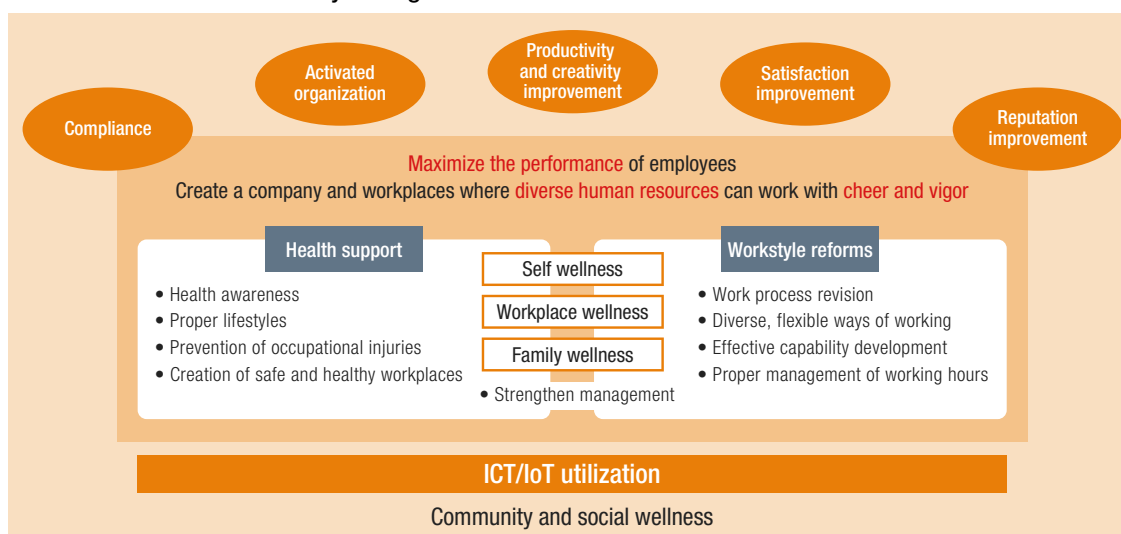
The survey covers a diverse range of topics, including employees' mindsets and values regarding work and their workplace conditions. The survey results provide useful information on employee satisfaction, one of the items in the MOS Indices, and we use them to reflect employee perspectives in management.

KAITEKI Health and Productivity Management

Basic Policy

Mitsubishi Chemical (MCC) is implementing KAITEKI Health and Productivity Management, aiming to ensure that every employee can thrive and find purpose and satisfaction in their job while leading a rich life, striking a good balance between work and private life. We have defined what KAITEKI Health and Productivity Management is and set out initiatives and goals in this area under a name that incorporates our ideal of KAITEKI—KAITEKI Health and Productivity Management. Accordingly, we are strategically investing management resources in order to maximize the performance of one of the greatest assets of any company—the people who work there—from the perspective of health.

KAITEKI Health and Productivity Management



We are advancing KAITEKI Health and Productivity Management, based on health support and workstyle reforms, by carrying out specific initiatives and measures based on the three perspectives shown below.

Self Wellness

Being Healthy Ourselves

In line with the principle that the primary responsibility for one's health lies with oneself and to ensure that we can work effectively, we will each take the initiative to manage our own well-being.

Workplace Wellness

Creating Healthy Workplaces

We will respect the individuality of the people we work with and support one another in order to build vibrant, creative workplaces by improving workplace environments and work processes.

Social Wellness

Building Healthy Families and Nurturing Our Ties to the Community

By enhancing self wellness and workplace wellness, we will aim to broadly contribute to society as members of our respective families and communities.

We have established a vitality index, workstyle index, and health index as key performance indicators (KPIs) of the progress and results of the initiatives and measures based on the above three perspectives. We use these KPIs to implement PDCA cycles.

We are also working with our health insurance union and labor unions while promoting information sharing and coordination with Group companies.

KAITEKI Health and Productivity Management

Health Support

Basic Policy for Managing and Enhancing Health

MCC has laid out necessary rules for managing employees' physical and mental health in its Health Management Regulations. We maintain a health and safety management system and provide health check-ups and stress check tests in compliance with relevant laws and regulations. While duly respecting our employees' privacy, we actively work to maintain and improve their physical and mental health and implement health management activities. Managers and specialized staff, including human resource department staff and industrial physicians, each aware of their own roles and duties, coordinate to maintain and improve conditions, namely working hours, work content and burden, and work environments. Furthermore, should any physical or mental health problems that may affect an employee's ability to do their job arise, said staff responds appropriately.

Occupational Accident Countermeasures Focusing on Human Factors

KAITEKI Exercises and Safety Fitness Tests

In Japan and within the company, falls are one of the most frequently occurring causes of injury. We have made company-wide efforts to prevent such falls, including improving facilities, revising work practices and implementing various forms of training, but these initiatives have not reduced the number of injuries caused by falls.

To address this problem, in addition to existing measures, we have begun focusing on human factors, namely physical strength and dexterity. Specifically, we are advancing fall-prevention physical training as part of KAITEKI exercises and carrying out safety fitness tests to assess employees' fall risk. Beginning in fiscal 2017, we steadily began such initiatives across the company. At the plants that began such initiatives first, employee surveys and medical interviews found that the number of times employees reported having fallen in the past year had declined, and more than 60% of employees showed improvement in their fitness test results. Going forward, we will work to develop internal tools using IoT technologies to enhance the precision and continuity of these initiatives while looking for ways to increase the variety of exercises so that physically handicapped employees can readily take part. Through such measures, we are working to help employees of all ages develop the physical strength and skills to prevent falls.

Raising Health Awareness and Improving Lifestyle Habits

Adopting Health Support Tools That Use ICT/IoT

We have introduced i² Healthcare, a system to support employee health, as infrastructure to back up KAITEKI Health and Productivity Management. We are using the system as part of our initiatives to promote healthy lifestyle habits, seeking to increase health awareness and help employees improve their lifestyle habits.

To this end, we are loaning wearable activity-tracking devices to employees who request them. Fitting like a wristwatch, such devices allow users to monitor their physical condition, including heart rate and the amounts of exercise and sleep they are getting. Data collected from such devices are being used with the i² Healthcare system to enhance employee health.

Health Promotion Declarations by All Employees

To encourage each employee to be more aware of Self Wellness and Workplace Wellness, think about what they can do to enhance their own health and vigor at work, and take action, we have begun an initiative in which each employee makes a health promotion declaration in their own words.

■ Creation of Safe and Healthy Workplaces

■ Second-Hand Smoke Countermeasures

To reduce second-hand smoke in work environments as much as possible and create workplaces where all employees can work in good health and with peace of mind, we plan to ban smoking by employees at all company workplaces, including the head office and branches, effective April 1, 2020. At the same time, in consideration of the health of individuals from outside the company, local residents and employees' families, we will ban smoking during work hours even when employees are working outside company premises. We are currently advancing a range of preparations to this end.

Workstyle Reforms

■ Work Reform

By achieving radical innovations at the workplace level under the leadership of on-site managers, we are eliminating inefficiencies and freeing up time. By doing so, we aim to pursue more value-creating work and improve work-life balance. Corporate departments, such as human resources and administration, suggest guidelines for running meetings and preparing documents and e-mails. At the same time, we are supporting such work reforms by providing enhanced IT communication tools. We are advancing work reforms in coordination with the UPI20 company-wide productivity improvement initiative.

■ Proper Management of Working Hours

As part of workstyle reforms under KAITEKI Health and Productivity Management and to prevent excessive working hours and ensure compliance, MCC is working to appropriately manage working hours.

■ Eliminating Excessive Working Hours and Increasing the Paid Vacation Usage Rate

To accurately track actual working hours, our attendance system records when employees log on and off of the computers they use. This helps prevent discrepancies between actual and reported working hours.

We are also implementing awareness-raising activities, such as presentations for managers about the proper management of working hours, aimed at reducing overtime through self-directed work improvement in each department.

Furthermore, we are working to make it easier for employees to take time off using such programs as the refresh leave system¹ and by setting planned annual days off.² Furthermore, to support employees' self-directed social contribution efforts, we have established a volunteer leave system (up to five days per year) and donor leave system (as many days as needed).

1 Once a year, employees who take two or more consecutive annual paid vacation days can receive one additional day off on the following business day. Employees who have been with MCC for more than a year as of April 1 are eligible to use this system.

2 A system that makes it easier for daytime employees to use their annual paid vacation by designating certain days for everyone in the company to take off at once. Up to three days per year.

KAITEKI Health and Productivity Management

■ Promoting Flexible Workstyles

|| Remote Work System

In November 2017 we introduced a remote work system, enabling employees to work from home or elsewhere.³ Eligibility for this system is not limited to employees engaged in child care or nursing care; all daytime employees who have been with MCC for a year or more can use the system up to two days a week. We believe this system will benefit employees, helping to improve work-life balance and reduce the burden of commuting. Going forward, we are setting up satellite offices to create environments that facilitate more flexible workstyles.

³ The status of system implementation varies by location.

|| Overview of Leave Systems

MCC has established the following leave systems to enable employees to balance their work and private lives.

■ Main Leave Systems (Besides Child Care and Nursing Care Leave)

Leave to accompany a spouse on overseas assignment; volunteer leave with the Japan Overseas Cooperation Volunteers; fertility treatment leave

■ Livelihood Support Leave

Employees can accumulate up to 40 expired annual paid vacation days (which are valid for two years after being granted) as days they can use under the livelihood support leave system. These days can be used by employees if they are ill or injured, pregnant, engaged in nursing or child care, undergoing fertility treatment, victims of a natural disaster or volunteering.

■ Principal Special Types of Time Off

Bereavement/memorial service leave; marriage leave; menstrual leave; leave for employees directly affected by or unable to get to work due to a natural disaster; volunteer leave; donor leave; workplace transfer leave; home visit leave; refresh leave; jury duty leave; public service leave; maternity leave; paternity leave; nursing care leave

Respect for Human Rights and the Development of Diversity

Basic Policy

Mitsubishi Chemical (MCC) regards respect for human rights as the basis of its management and the development of diversity as part of its management strategy. MCC has established its Basic Policy on Respect for Human Rights and the Development of Diversity to focus efforts on these issues.

■ Basic Policy on Respect for Human Rights and the Development of Diversity

Within the MCC Group, all employees shall respect one another's diverse individuality and values, including nationality, race, religious beliefs, age, gender, sexual orientation and disability or lack thereof, and together fulfill the Group's corporate social responsibility. Building on this foundation, we aim to enable every individual in the Group to develop their abilities to the fullest.

Ⅱ Respect for Human Rights

In line with the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior, we shall respect the dignity and rights of all people and shall not unfairly discriminate under any circumstances. Furthermore, each employee shall endeavor to correctly understand human rights and related issues and help create workplaces that realize KAITEKI and are free of discrimination and harassment.

Ⅱ Developing Diversity

In line with the Mitsubishi Chemical Holdings Group Charter of Corporate Behavior, we shall build organizations that take strength from diversity, in which each individual is aware of their role, strives to enhance their abilities as needed, and utilizes said abilities to the fullest to contribute to the creation of KAITEKI value. Furthermore, we shall endeavor to balance our work and personal lives and, by deepening dialogue and mutual understanding, create a workplace culture that is rich in drive and energy and that realizes KAITEKI.

To promote respect for human rights and diversity on a company-wide basis, we have established the Human Rights and Diversity Development Committee, chaired by the supervising officer in charge of Human Resources and comprising the chief operating officer of each business domain and corporate function domains. The members of this committee regularly monitor performance and discuss new initiatives as they implement PDCA cycles.

Respect for Human Rights and the Development of Diversity

Respect for Human Rights

The Mitsubishi Chemical Holdings (MCHC) Group has established the Mitsubishi Chemical Holdings Group Global Policy on Respecting Human Rights, Employment and Labor. In light of the Universal Declaration of Human Rights and United Nations Global Compact, MCC has adopted this policy as its action guidelines.

In addition to implementing the necessary employee education to ensure respect for individual dignity and rights, MCC forbids child labor and forced labor and strives to maintain proper working conditions. Through these efforts, MCC seeks to fulfill its corporate social responsibility to ensure that the rights of all its stakeholders are respected. We are now preparing to create a human rights due diligence system based on the United Nations Guiding Principles on Business and Human Rights.

Within the company, we maintain systems for dealing with human rights issues appropriately. Specifically, we are implementing a variety of educational and other initiatives, including rank-specific training and e-learning, aimed at deepening awareness and knowledge of human rights. In addition, we are promulgating a clear message of zero tolerance for harassment while working to improve awareness and mindsets. At each plant, we have appointed harassment counselors, to whom employees can go to seek help or guidance related to harassment or human rights issues.

Fiscal 2017 Human-Rights Related Training

	In-house training		Human rights slogans ¹
	Sessions	Participants	Slogans submitted
Mitsubishi Chemical	108	2,629	4,842
Group companies	324	6,415	8,388
Total	432	9,044	13,230

¹ To promote employee awareness of human rights, every summer we ask employees and their families to submit human rights-related slogans.

Enabling Women to Succeed

MCC is working to develop female managers, provide career development support for female employees, implement workstyle reforms and develop its workplace culture. We are also aiming to double the percentage of management positions (line manager or equivalent and above) held by women by 2021 from the 2017 level. MCC is implementing a range of initiatives to achieve these goals.

To develop female managers, the general manager of the HR & Organization Development Department meets with women who are not in line management positions and their supervisors to hear their opinions and requests and better understand where they are in their careers. Based on these meetings, we formulate and execute development measures. To provide career development support, we send employees to training programs organized by external organizations and offer training on various specific themes that is open to all. Through such initiatives, we are providing opportunities for employees to expand their perspectives and enhance their skills.

In coordination with the new Mitsubishi Chemical Women's Council (a company-wide project sponsored by the president and aimed at promoting the success of women), MCC is providing support to enable its female employees to achieve greater success as part of efforts to utilize its people's capabilities in line with its basic policy on promoting diversity. At the same time, we are building a foundation to ensure that women and all employees can succeed in their own ways by providing accurate evaluations and increasing awareness of flexible workstyles.

We have formulated the action plan below based on the Act on Promotion of Women's Participation and Advancement in the Workplace.

■ MCC's Action Plan

We have established the following action plan to support the development and success of female employees.

1. Plan Duration

April 1, 2017–March 31, 2021 (four years)

2. Numerical Target

Double the percentage of management positions (line manager or equivalent and above) held by women from the 2017 level

3. Initiatives

- (1) Implement systematic career development support for female employees
- (2) Develop female managers
- (3) Enhance educational opportunities for motivated employees
- (4) Implement workstyle reforms and develop workplace culture

Respect for Human Rights and the Development of Diversity

Balancing Work and Personal Lives

To effectively promote diversity and enable every employee to utilize their abilities, employees must be able to balance their work and personal lives. MCC supports its employees with numerous systems designed to meet the needs attendant to a range of life stages.

Initiatives Related to Child Care

In fiscal 2017, as part of a support program for employees using child care leave, we made pre-maternity leave meetings between employees and their line managers mandatory and, to facilitate an earlier return from child care leave, set up a “concierge service” to assist parents in finding and securing a spot in a daycare facility. As a safety net in case employees are unable to get a place for their child, we partnered with an external daycare facility near our head office (in the Marunouchi/Otemachi area) to secure a number of places for the company from April 2018. Through such measures, we have created an environment that helps employees return to work with confidence.

We have formulated the action plan below based on the Act for the Promotion of Measures to Support the Nurturing of the Next Generation.

MCC's Action Plan

To facilitate balanced work and personal lives for employees and enable all employees to exercise their abilities, we have established the following action plan and are creating accommodating work environments.

1. Plan Duration

April 1, 2017–March 31, 2021 (four years)

2. Targets and Initiatives

Target 1: Create environments that facilitate the success of employees engaged in child care

- Monitor the usage of systems to support employees in balancing their work and personal lives as well as the results of related initiatives and share findings broadly with employees
- Provide support to help employees continue working and return to work smoothly and promptly after child care leave

Target 2: Develop a workplace culture that is supportive of employees balancing work and home responsibilities

- Foster increased understanding of company systems
- Respect employees' diverse values and workstyles while creating a workplace culture in which each employee recognizes their role and can exercise their abilities to the fullest
- Reduce working hours
- Encourage the use of paid leave

Target 3: Carry out other initiatives to support the development of the next generation

- Provide opportunities for children to come into contact with workplaces, such as plant tours
- Foster understanding of the meaning of work among young people and provide work experience opportunities

■ Initiatives Related to Nursing Care

In recent years, enabling individuals to both work and perform nursing care duties for family members has become a major social issue. To find out more about employees' nursing care duties, we added questions about nursing care to the regular Employee Perception Survey conducted in autumn 2017.

To help solve issues identified through the survey, we created and distributed a support handbook on the topic of balancing work and nursing care. The handbook provides knowledge about preparing for nursing care and information on company support systems. The handbook also covers how to handle related requests or inquiries from subordinates and content intended to deepen understanding of related issues among workplace management-level supervisors.



Nursing care handbook (24 pages)



The "Tomonin" mark, created by the Ministry of Health, Labour and Welfare, can be used by companies that strive to ensure workplace environments that enable employees to balance work and nursing care.

■ Main Systems to Support Employees in Balancing Their Work and Personal Lives

- Temporary retirement for childcare: Until the April 30 after the child's third birthday
- Reduced work hours for childcare: Until the end of the child's third grade school year
- Injury/illness nursing care leave: Up to 10 days per year (can be used in half-day units)
- Temporary retirement for family care: One year per qualifying family member
- Reduced working hours for nursing care: Maximum two-hour reduction in working hours per day (as long as necessary)
- Reduced work days for nursing care: Maximum five-day reduction in working days per month (as long as necessary)
- Nursing care leave: Up to 20 days per year (can be used in half-day units)
- Life support leave (system for accumulating expired annual paid leave): Can be used for recovery from illness or injury, child care, nursing care, etc.
- Declaration of desired place of work: Allows employees to specify their desired place of work to accommodate family circumstances
- Temporary retirement for spouse's overseas service: Allows employees to take leave of up to three years to accompany their spouse on an overseas work assignment
- Fertility treatment leave: Allow employees to take leave of up to a total of one year for advanced fertility treatment that meets certain standards
- Remote work system: Employees whose work is suitable for telecommuting can do so up to two days a week
- Day care cost stipends
- Day care information service
- Nursing care stipends and financial support
- Home care worker stipend
- Establishment of external nursing care consultation points

Respect for Human Rights and the Development of Diversity

Support to Enable People with Disabilities to Exercise Their Abilities

MCC's basic policy is to ensure that the individuality of every employee, disabled or not, is respected and that all employees can thrive. In accordance with this policy, MCC is advancing initiatives to promote the hiring of people with disabilities and enable them to exercise their abilities. Each business site partners with special-needs schools and institutions to proactively provide work experience opportunities. We also strive to develop working environments that are accommodating to employees with disabilities and seek to retain such employees. Furthermore, we are advancing such initiatives as making toilets barrier-free, improving work-rooms to suit the needs of people with disabilities, and adopting flex-time and other flexible work systems.

In 1993, we established the special subsidiary Kasei Frontier Service, Inc., which mainly provides PC data entry and printing services, to help people with disabilities achieve growth by taking on work responsibilities and thus contribute to society. As of June 2018, said company had 72 employees with disabilities (of 102 total employees).

In June 2018, 2.08% of MCC employees were people with disabilities. At each site and at Kasei Frontier Service, we provide appropriate support for employees with disabilities and actively seek to hire such employees.

A Company Where People with and without Disabilities Work as One to Take on Ambitious Goals

Koji Nakano
Managing Director
Kasei Frontier Service, Inc.

At Kasei Frontier Service, Inc., although we provide both tangible and intangible accommodations to enable people with disabilities to thrive at work, we do not give such employees special treatment. This is because our aim is to be a company where people with and without disabilities work as one to take on ambitious goals.

In managing Kasei Frontier Service, we continually strive to make the company an organization we can be proud of as a team of human beings. To that end, it must be a company where anyone can work comfortably in a friendly but competitive environment. At the same time, as employees age, their circumstances and abilities change. Even so, we must cooperate and help one another to develop working environments that offer each employee the joy of working and a true sense of participating in and contributing to society.



Effective Placement and Human Resource Development

Basic Policy

At Mitsubishi Chemical (MCC), we aim to achieve our vision—realizing KAITEKI. To that end, we strive to secure and retain human resources who are understanding of diverse values, identify issues on their own, and involve those around them as they continually take on new challenges.

Hiring

We do not hire individuals younger than 18 years old, and practice fair, non-discriminatory hiring.

Specifically, hiring managers who interview perspective employees are instructed to conduct interviews in a manner that respects human rights by not asking questions related to nationality, religion, gender, sexual orientation, disability, pregnancy, or other topics unrelated to the applicant's suitability and capabilities.

Effective Placement and Human Resource Development

We aim to realize optimal personnel placement on a Group-wide basis to meet the demands created by changes in the business environment and globalization. To this end, we have also adopted a career development program—a system for medium- to long-term strategic personnel placement and development with the aim of encouraging employees to pursue self-directed growth. The specifics of these efforts are as follows.

For employees of MCC in Japan, as a part of personnel measures designed to encourage employees to think about their careers, we conduct career design interviews. Such interviews involve an employee and their supervisor discussing the employee's current situation and how said employee plans to grow over the medium to long term. This approach is designed to help employees take the initiative and grow. Each employee works to identify their own strengths and consider for themselves how they can hone and utilize those strengths to contribute to society. At the same time, the company systematically examines ways to utilize and enhance each individual's strengths in order to achieve corporate growth.

Across the entire MCC Group, including overseas sites, we are working to effectively place and develop promising human resources in each region¹ and the next generation of executive management candidates for the MCC Group.

With regard to promising human resources in each region, the regional headquarters² established in April 2017 implement systematic human resource development and placement within their respective regions. At the same time, regarding the next generation of executive management candidates, we are working with the regional headquarters to implement unified global management, identifying key positions and preparing succession plans for them as well as monitoring the placement of management candidates who are expected to fill such positions in the future. The company-wide HR Committee convenes on a regular basis to manage such efforts. Furthermore, we are applying these initiatives across the entire MCC Group, including overseas companies, working to implement more systematic and effective human resource development and placement.

1 Refers to the four regions that the MCC Group has designated as its units for global business development, namely the Americas; Europe, the Middle East and Africa; the ASEAN region, India and Australia; and China and Hong Kong.

2 Regional headquarters: The following four companies, established to accelerate Mitsubishi Chemical's overseas business development by supporting business and revenue growth in their respective regions.

- Mitsubishi Chemical America, Inc.
- Mitsubishi Chemical Europe GmbH
- Mitsubishi Chemical (China) Co., Ltd.
- Mitsubishi Chemical Asia Pacific Pte Ltd.

Effective Placement and Human Resource Development

Human Resource Development System

MCC believes that on-the-job training—learning through actual, on-site work experience—is the foundation of employee growth. We expect on-the-job training to lead employees to grow autonomously through the process of identifying issues in the course of their ordinary work and solving said issues with support from those around them.

To support and reinforce this process, we have introduced measures that enable employees to proactively design their own careers. We also maintain an off-the-job training program that enables employees to learn how to fulfill their expected roles.

Furthermore, we organize training programs according to five perspectives that are based on business, work-place and individual needs. These are the junior employee development perspective, management perspective, global perspective, skill and specialist knowledge perspective and career perspective. Using such training programs, we support the growth of each employee while encouraging self-directed career development.

Participants	Management perspective Junior employee development perspective	Career perspective	Global perspective	Skill and specialist knowledge perspective			MCHC Programs
				Conceptualization skills	Interpersonal skills	Business execution skills	
Supervisors	New supervisor training	Career design interview training (for interviewers)					
Managers	Practical management training II Practical management training I New manager training	Career design training (e-learning)	TOEIC Global business (S) training Overseas survival training Overseas business challenge training English skills training (BEST)	Logical thinking training Document preparation training Problem solving training	Communication style training Consensus building training Situational leadership training		
Career group Professional career group	Management basics training I Management basics training II						
	Third year training (General career group)						
	Second year training (General career group)						
	New employee training (General career group)						
						External courses/Correspondence and online courses/ Qualification attainment support system (self-improvement)	U.S.-related seminar Understanding cultural differences in China seminar China business training Business model training

At the same time, Mitsubishi Chemical Holdings (MCHC) holds such programs as Group New Executive Training. The MCC Group actively sends its employees to participate in these programs, which offer opportunities for them to develop themselves through friendly competition within the MCHC Group.

Global Executive Development

The MCC Group is forcefully globalizing its management structure. To encourage the development of the human resources needed to handle global management, we are carrying out a range of training and other programs in and outside Japan.

The development of globally oriented management personnel requires the cultivation of global mindsets and amassing of global experience. To this end, we offer programs to develop global mindsets in Japan as well as overseas dispatch programs, including the Overseas Business Challenge Training, which combines foreign language training with internship programs at overseas Group companies, and the Overseas Survival Training, in which participants work to solve problems in a multicultural environment. By providing opportunities to gain global experience tailored to the specific level of each individual, we are working to develop globally oriented management personnel.

Furthermore, for employees of Group companies who work at overseas sites, we have introduced a program called “Experience JAPAN,” in which they can come to Japan for around a year. By providing work experience in Japan, this program enables such employees to learn about Japanese culture, the particular characteristics of Japanese companies and Mitsubishi Chemical while promoting mutual understanding between such employees and those based in Japan, fostering a sense of unity across the MCC Group.

Labor-Management Relations

Labor-Management Relations Based on Mutual Trust

After the former Mitsubishi Chemical, Mitsubishi Plastics and Mitsubishi Rayon, merged in April 2017 to create the new Mitsubishi Chemical, the three former companies' existing labor unions at first continued to operate in parallel. However, in April 2018, the Mitsubishi Chemical Workers Union, MITSUBISHI PLASTICS LABOR UNION and MITSUBISHI RAYON UNION combined to form the new Mitsubishi Chemical Workers Union.

Because Mitsubishi Chemical and Nippon Kasei Chemical merged in April 2018, the Mitsubishi Chemical Labor Union and Nippon Kasei Chemical Rodo Kumiai currently exist in parallel. Mitsubishi Chemical is working to build labor-management relations based on mutual trust with the two labor unions through such means as holding meetings that bring management and the unions together to exchange opinions and by maintaining close dialogue.

Together with Communities and Society

Basic Policy

In line with the Mitsubishi Chemical Holdings Group Corporate Citizenship Activities Policy, the Mitsubishi Chemical (MCC) Group provides not only monetary and material support, but contributes to actual activities (providing human support) in such areas as creating an inclusive society, fostering the development of the next generation, protecting the global environment, communicating with local communities and disaster support.

■ Mitsubishi Chemical Holdings Group Corporate Citizenship Activities Policy

The Mitsubishi Chemical Holdings (MCHC) Group strives to deepen its understanding of the culture and customs of the communities and countries where it operates and to contribute to society through its businesses. Furthermore, as a good corporate citizen, the MCHC Group works to meet the demands and expectations of society and communities and realize KAITEKI.

Approach

- Conduct corporate citizenship activities in communities and countries where we operate from a viewpoint of sustainability [Green], health, and comfort.
- Deepen our understanding of social needs through communication with various stakeholders and other organizations.
- Conduct activities together with employees and encourage their positive participation.
- Support employees in their volunteer activities.

Social Contribution Activities

■ Creating an Inclusive Society

In April 2017, MCC signed an agreement to become an official partner of the Japanese Para-Sports Association (JPSA), as it agrees with JPSA's mission of creating a vibrant, inclusive society.

At JPSA sporting events, employees volunteer (operating reception, setting up facilities, etc.) in addition to watching and cheering the matches. We also hold internal Boccia competitions, actively promoting understanding of parasports among employees. By helping to further spread and develop such sports, MCC seeks to contribute to the realization of an inclusive society that is healthy, both physically and mentally, and where each individual's individuality is respected.

■ Fostering the Development of the Next Generation

The MCC Group holds chemistry experiment workshops at various locations, aiming to spark an interest in chemistry and science among children, who represent the next generation. Furthermore, by performing chemistry experiment shows for children at events held by the Yume Kagaku-21 Committee, we actively support the committee's activities. (The Yume Kagaku-21 Committee comprises the Chemical Society of Japan; Society of Chemical Engineers, Japan; Japan Association for Chemical Innovation; and Japan Chemical Industry Association.)



May 2017 Japan Para Wheelchair Rugby Championship



October 2017 internal Boccia competition (head office)

Together with Communities and Society

Protecting the Global Environment and Communicating with Local Communities

The MCC Group enthusiastically carries out woodland conservation and local area and waterway cleanup activities. For example, we participate twice a year in Tokyo Greenship Action, under which the Tokyo Metropolitan Government, NPOs and companies work together to maintain nature conservation areas in Tokyo. Furthermore, we participate in local events, invite local residents to events at plants, and open our sports fields and athletic facilities to the public. We also proactively host tours for students as part of ongoing efforts to communicate with local communities.



June 2018 Tokyo Greenship Action



April 2018 Asakura River clean-up activities
(Toyohashi Plant)



November 2017 Plant tour for students
of Nagahama City Nagahama-Kita
Elementary School (Shiga Plant)

Disaster Support

In and outside Japan, MCC provides monetary and material donations to areas affected by natural disasters, such as hurricanes Harvey and Irma, which struck the United States in August 2017, and the devastating flooding in West Japan in July 2018.

Furthermore, we actively provide human support. For example, we backed employee volunteer activities carried out in partnership with an NPO to aid recovery after the July 2018 flooding.

As part of efforts to support recovery in Japan's Tohoku region, since 2013, the MCHC Group has held an annual market featuring local specialty products from Iwate, Miyagi and Fukushima prefectures. Beginning in 2017, we also carried out a project in which high school students directly sell products they develop and manufacture themselves using locally produced goods. Going forward, we will continue to support recovery directly and the recovery initiatives of Tohoku residents.



July 2018 Volunteers in areas affected by floods (Mizushima Plant)

Collaboration with Industry, Academic and Governmental Partners

Basic Policy

Based on Mitsubishi Chemical Holdings Corporation's medium-term management plan, we are working to effectively use internal and external technological resources to expand and deepen our existing technologies, accelerate the development of current and new technologies, and thus contribute to the creation of highly profitable new businesses. To achieve this, we are implementing measures in the following three areas.

1. Open Innovation through Collaboration with Industry, Academic and Government Partners

By strategically collaborating with external research institutions, we are strengthening and expanding our organizational research capabilities, thereby increasing our odds of success in R&D and shortening R&D lead times. We are also striving toward disruptive innovation, which is difficult to achieve through internal R&D alone. Furthermore, by using external R&D resources with untapped potential, we are working to identify and create research themes that will lead to new businesses.

2. Integration with Our Technology Platform

By integrating the proprietary technologies (our technology platform) that we have developed through our wide-ranging and diverse businesses and research with technologies and expertise secured through external collaboration, we are creating differentiated products and services.

3. Globalizing Research and Development

By closely collaborating with institutions in and outside Japan that boast cutting-edge technologies and innovative potential, we are maintaining and enhancing the international competitiveness of our R&D and thus continuously developing world-leading products. To this end, we are promoting and expanding joint research and personnel exchange, principally in Japan, the United States, Asia and Europe, working to build a global R&D network. At the same time, we are recruiting and developing globally oriented leaders with the ability to take a broad, global perspective, provide KAITEKI Value and effectively communicate information in an ever-changing, diverse society.

Collaboration in Fiscal 2017

1. United States

- Comprehensive partnership with the University of California, Santa Barbara (UCSB), to develop advanced functional materials
- Partnership with Georgia Institute of Technology to develop photoelectric materials

2. China

- Comprehensive partnership with Dalian University of Technology for organic synthesis and process development

3. Europe

- Partnership with the Swiss Federal Institute of Technology in Lausanne for polymer development

4. Japan

- Summer internship program for students of the University of Tokyo Graduate School of Engineering Department of Chemical System Engineering ("Todai Practice School")
- Partnership with the National Research and Development Institute for Materials Science (NIMS) for functional inorganic materials development and materials informatics
- Evaluation of organic devices as a member of Chemical materials Evaluation and REsearch BAse (CEREBA)

Company Data (Social)

Employee Composition

Employees Working at Mitsubishi Chemical

By gender		By employment type		By age group	
Male	11,491	Open ended	12,459	29 or younger	1,890
Female	1,834	Fixed term (rehired retirees, contractors)	767	30 to 39	3,276
		Other (part-time, etc.)	99	40 to 49	4,180
				50 to 59	3,237
				60 to 69	729
				70 to 79	4

Total: 13,325

As of April 2018

Employees Employed by Mitsubishi Chemical

By gender		By employer		Average age
Male	14,527	Mitsubishi Chemical	13,105	43.5
Female	2,366	Group companies	3,788	
		Auxiliary organizations		

Total: 16,893

As of April 2018

Managers Employed by Mitsubishi Chemical

Male	4,730 (94%)
Female	303 (6%)
Total	5,033

As of April 2018

Total Working Hours

Average total annual working hours	1,995 hours
Average monthly overtime pay	¥44,988

Year ended March 31, 2018

New Hires to Mitsubishi Chemical

Male	241 (87%)
Female	36 (13%)
Total	277

Individuals hired during the regular annual hiring period, whose employment began April 1, 2018 (includes individuals other than new college graduates).

Paid Time Off Usage

Paid time off usage rate	68.5%				
Employees who used maternity leave	77				
Employees who used child care leave	<table> <tr> <td>Male</td><td>13</td></tr> <tr> <td>Female</td><td>151</td></tr> </table>	Male	13	Female	151
Male	13				
Female	151				

Year ended March 31, 2018 (except for the paid time off usage rate, which is for the year ended December 31, 2017)

Employment of People with Disabilities

Full-time positions held by employees with disabilities	356.0
Total number of employees used to calculate the percentage of employees with disabilities	17,119.5
Percentage of employees with disabilities	2.08%

As of June 1, 2018

Employee Union Membership Rate

65.4% (As of March 31, 2018)