



Special Issue

Creating Safety Culture Awareness and Behavior

Reflecting on the fire that broke out at the Kashima Plant in December 2007, the Mitsubishi Chemical Corporation (MCC) formulated a basic policy for fiscal 2008 RC activities under the theme of reemphasizing Safety First Awareness, with all Group companies proactively engaged in recurrence prevention. In addition, committees have been established at the Kashima Plant, where five measures to cultivate a safety culture have been established.

Kashima Plant Initiatives

Measures to Prevent Recurrence

Since December 21, 2007, when the fire broke out at the No. 2 ethylene facility of Mitsubishi Chemical Corporation (MCC)'s Kashima Plant, MCC has undertaken a companywide effort to investigate the cause of the accident. To prevent recurrence, under the guidance of the Mitsubishi Chemical Corporation Kashima Plant Accident Investigation Committee, established by Ibaraki Prefecture and related agencies, we have installed safety equipment, enhanced our safety management systems and implemented measures to prevent recurrence.

At the sixth meeting of the Accident Investigation Committee, held on April 21, 2009, recurrence prevention measures and measures to cultivate a safety culture formulated by MCC after the accident were approved.

Cultivating a Safety Culture

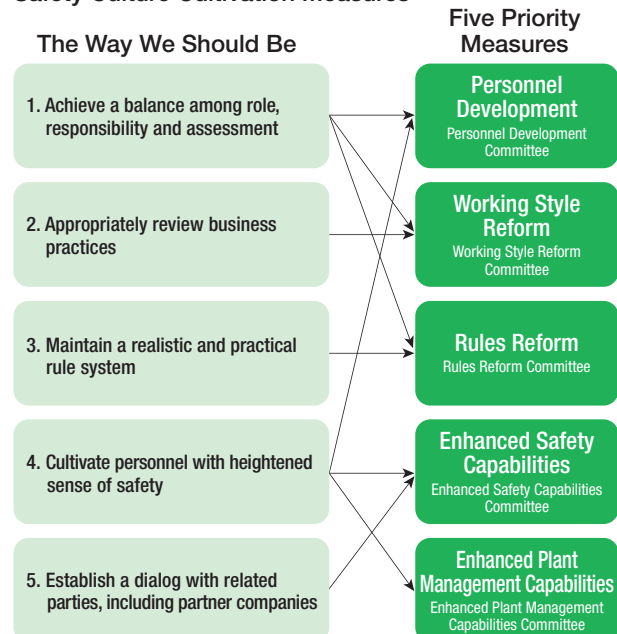
The Way We Should Be: Formulating the Five Priority Measures

In response to the indication by the Accident Investigation Committee that "MCC must resolve the problems and issues inherent in its staff and organization, which are considered to be among the causes that prevented a culture and climate focused on safety from thoroughly penetrating every aspect of its operations at the Kashima Plant, which is also considered to be the background of this accident," MCC, with the cooperation of a third party (Mitsubishi Research Institute, Inc.), identified and analyzed the problems and issues inherent in its staff and organization. As a result, we confirmed that, among such other problems and issues as excessive on-site supervisor duties, a gap existed between our organizational safety awareness and the fact that our rules regarding safety and security were complex and enormous, making their practical application difficult. In light of these discoveries, we formulated a policy for the way we should be—a plant that places the highest priority on safety—and measures centered on initiatives that will realize our goal of cultivating a safety culture.

To realize the way we should be, we formulated five priority measures for the Kashima Plant. To ensure these measures are faithfully implemented, one committee was established to oversee implementation of each measure. In addition, the Safety Culture Promotion Meeting, chaired

by the plant manager, will be held each month to discuss and manage the overall progress of the activities overseen by each committee. These committees and meetings are managed by the Safety Culture Promotion Office, which was established after the accident.

Safety Culture Cultivation Measures



Comments From a Committee Participant

We are engaged in the promotion of a PDCA cycle for reform to "notice, tell, change and confirm."

The Enhanced Safety Capabilities Committee provides opportunities and systems to discover potential accident failures from tense and frightening moments at work, construction, operation and facilities and to go through a PDCA cycle to Notice, Tell, Change and Confirm.

We are also involved in activities to raise the reform and awareness capabilities among all our employees through various recognition systems, presentations and enhanced know-why collection. By implementing reforms, if we can feel that we have heightened work safety, everyone will agree and voluntarily undertake reforms and be able to work with a sense of satisfaction and meaning. I want to contribute as much as I can to creating this kind of workplace climate.



Masayuki Watanabe
Leader
Enhanced Safety Capabilities Committee
Mitsubishi Chemical Corporation

Participation in RC Regional Dialogue

MCC proactively participates in RC Regional Dialogue, an event featuring discussions with regional communities on safety and the environment organized by the Japan Responsible Care Council.

At the RC Regional Dialog held in 2009, the Kashima Plant presented its current countermeasures and long-term initiatives under the title of Aiming to Create a Safe Plant and the Prevention of a Recurrence of the Fire Accident at the No. 2 ethylene facility of MCC to 135 attendees, comprising residents, local authorities and NPO groups. Also, the procedures to minimize damage from future accidents and a communication system to inform local residents were confirmed.



RC Regional Dialog

Comments From a Director on Administrative Communication Committee of the City of Kamisu, Ibaraki Prefecture

I want the image of production facilities to change in the eyes of local citizens through a continued attitude of safety as proposed to the citizens.

Although the production of new chemical substances is necessary for our modern society, we cannot deny that we have considered the facilities a symbol of potential danger from explosions and poison gas leaks since the accident. In February 2009, I attended my first meeting of the Japan Responsible Care Council's Kashima Region Dialog as a city council committee member, and listened to the report on the progress, causes and countermeasures related to the fire that broke out at the end of 2007. The report, which was produced from the perspective of the average citizen, greatly exceeded my expectations, and I fully understood Mitsubishi Chemical Corporation's sincere attitude in striving to prevent any recurrences. Through this dialog between regional communities and corporations, I felt confident that the image of chemical substance production had changed for the better in the eyes of the citizens.



Shouichi Sato
Director, Liaison Council
Kamisu City Council
Member (City Council)
Doai Eastern District,
District Chief

MCC Group Initiatives

Reemphasizing Safety-First Efforts in Facilities and Management

At each MCC plant, in accordance with reemphasizing efforts to make safety first the basic policies for RC¹ activities, in all Group companies, in fiscal 2008 we implemented four safety measures aimed at preventing recurrence: (1) facility safety measures, (2) safety management measures, (3) fire safety measures and (4) safety measures to prevent the spread of damage. While considering the special characteristics and differences among products manufactured at each plant, we concentrated on effective safety measures for facilities and the formulation of valid criteria for management and audited the status of implementation. We requested corrections of the safety measures that the fiscal 2008 RC audits indicated to be insufficient, and confirmed thorough efforts to implement safety measures in the areas of facilities and management.

Joint Emergency Drills with Partner Companies

To enhance the dialog with related parties and partner companies as established in The Way We Should Be, we listen to our partner companies' staff, reflecting their ideas in our initiatives and regularly conduct joint emergency drills where we can confirm our understanding and procedures with each other.



November 2008: 1,378 participants



March 2009: 985 participants

¹ RC: Responsible Care. Voluntary actions that companies handling chemical substances take to improve the environment, safety and health in every stage of the product life cycle, beginning with the development of chemical products and continuing through their production, distribution, use and final disposal. Companies pursuing RC activities report the results of their efforts and engage in a dialog with society regarding them.





Enhancing CSR

Compliance

The Mitsubishi Chemical Corporation (MCC) Group positions compliance as the indispensable basis for continued business activities and gives the highest management priority to strengthening compliance. More than simply legal compliance, these activities have a broad meaning that includes the observance of corporate ethics and societal rules, and we consider it very important that the corporate activities conducted with society stay within the scope of common sense by following rules and engaging in all activities justly, equitably and sincerely.

Based on these considerations, the MCC Group established a compliance promotion program for basic regulations, promotional structures, education and training programs, auditing and monitoring structures and the employee hotline, and works to ensure that they are appropriately implemented and managed.

In fiscal 2008, we conducted the 30,000 Person Workplace Training program focusing on expansion and thorough understanding of the training among all Group employees.

Risk Management

MCC's risk management system places the president at the top of the risk management structure, as the Chief Risk Management Officer. The Chief Risk Management Officer strives to ensure the appropriate and smooth operation and management of the Mitsubishi Chemical Group risk management system, which was created to enhance the corporate value of the entire Group. In addition, executive officers supervising their own departments or Group companies in such areas as research, production, operations and technology provide support as executives responsible for unit risk management. They provide direction and support of risk management system operation and preparation for their own departments, as well as Group companies.

Furthermore, the Risk Management Committee, which meets regularly, was established to assist the president as the Chief Risk Management Officer. The Risk Management Committee, comprising the Chief Risk Management Officer and the executives responsible for unit risk management, deliberates important matters pertaining to MCC Group risk management.

In fiscal 2008, the Risk Management Committee confirmed areas of risk that might significantly affect the Group and discussed the necessary Group responses to social risks that might affect the MCC Group.

Together with Customers

Yokkaichi Chemistry Plaza

In addition to plazas at the MCC Head Office building and the Yokohama Research Center, the Yokkaichi Chemistry Plaza—the third Chemistry Plaza—was completed in October 2008.

The three Chemistry Plazas represent strengthened efforts to establish an environment to interface with customers and provide them with various MCC Group solutions to their needs.



Yokkaichi Chemistry Plaza

Together with Business Partners

Conducting a General Safety Rally with Our Partner Companies

In May 2009, we conducted a Regular Maintenance (Periodic Maintenance) Construction General Safety Rally at our Kashima Plant. The objective of this meeting was to ensure safety during regularly scheduled chemical plant maintenance. The meeting was attended by 2,100 MCC Group and partner company staff. On the day of the event, after an admonitory speech by the plant manager and safety declarations by the safety and health management and partner company representatives, all in attendance recited the safety slogan and confirmed their resolve to work safely and enhance safety awareness to achieve the goal of zero accidents.



General Safety Rally

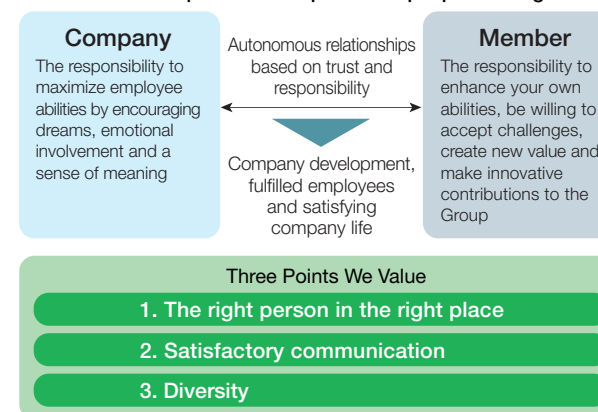
Together with Employees

Clarified Thoughts on Personnel Policies Announced as a Presidential Proclamation

In November 2008, the Basic Thinking on Personnel Policies was announced as a presidential proclamation. Based on this thinking, the MCC Group has engaged even more aggressively in personal development and the creation of a positive organization and culture as keys to corporate development.

Basic Thinking on Personnel Policies

Developing Personnel to Unlock the Future
The sources of corporate development are people and organization



Proactive Promotion of Human Rights Education and Information Programs Aiming to Become a Comfortable and Spiritually Rich Corporate Group

Aiming for a comfortable and spiritually rich corporate group, since 1980 the MCC Group has been proactively engaged in education and enlightenment activities to correctly understand and deepen the awareness of human rights issues.

In addition, to ensure a prompt and appropriate response to discrimination and harassment consultation, human rights counselors are designated to handle inquiries and complaints at all our offices in Japan.

Together with Society

Participation in Yume Kagaku 21 to Convey the Fascination of Chemistry to Children

In August 2008, MCC participated for the second straight year in Yume Kagaku 21, sponsored by the Japan Chemical Industry Association. This event aims to enlighten children about chemistry and enables the chemical industry to contribute to society. Young employees from the Yokohama Research Center and the Head Office area participated in classroom experiments for children under the theme Mix and Separate to See the Mysterious Colors! By separating colored water made from natural food coloring and bath powders using silica gel and filter paper, and using LED lamps to check a white light created by mixing the three primary colors, the children experienced the joy of chemistry.



Yume Kagaku 21

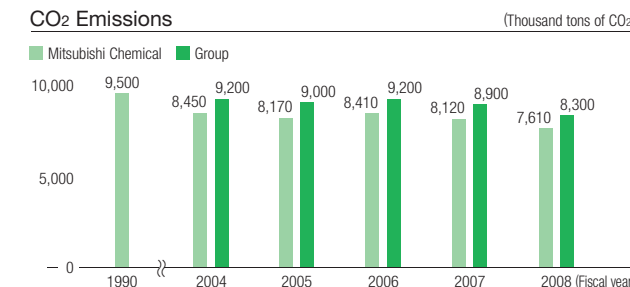
For the Global Environment

Group CO₂ Emissions Reduced 6.4% from the Previous Year

CO₂ emitted by the MCC Group represents a significant portion of the overall emissions of the Mitsubishi Chemical Holdings Corporation (MCHC) Group. Consequently, we engage in ongoing initiatives to prevent global warming in the areas of production, logistics, the office and home. We aggressively participate in Team Minus 20%, an MCHC Group activity that aims to reduce CO₂ emissions at the office and at home.

In addition to CO₂ emissions resulting from business activities, we focus on reducing CO₂ throughout society by providing environmentally considerate technology and products.

In fiscal 2008, our efforts to reform manufacturing processes combined with a decline in manufacturing as a result of the global recession resulted in a 6.4% year-on-year reduction in CO₂ emissions.



Note: CO₂ emissions are calculated based on energy consumption volumes reported in accordance with the Law Regarding the Rational Use of Energy. However, figures may differ from those reported in accordance with the Law Concerning the Promotion of Measures to Cope with Global Warming because of different emission coefficients.

Thorough and Proper Management of All Chemical Substances

From the chemical products we manufacture to the raw materials, manufacturing process byproducts, waste material and chemical substances in our recycled products, we handle all chemical substances with a precise understanding of related information and voluntarily ensure the strict management and safety of production processes and chemical substances that can have an adverse effect on humans and the environment.

In addition, we are engaging in international chemical substance management activities by striving to comply with REACH regulations¹ and participating in the International Council of Chemical Associations (ICCA).

¹ REACH regulations: A new set of EU chemical substance regulations aimed at ensuring that human health and the environment are protected against the effects of chemical substances.