MITSUBISHI GAS CHEMICAL COMPANY, INC.

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CSR Report 2010

MITSUBISHI GAS CHEMICAL COMPANY, INC.

Contents

About this Report

The purpose of the 'CSR Report 2010' is to provide information related to the various activities carried out by Mitsubishi Gas Chemical Company Inc. (MGC) in the area of Responsible Care (RC), the steps it is taking to improve corporate ethics and compliance, and to report our relations with our many stakeholders in addition to broadly promoting our (CSR) activities.

MGC began producing an environmental report in 2001. In 2007, the report was renamed the RC Report, and it continued to provide details about company activities related to the environment and safety. Starting in 2010, we are changing this report to the CSR Report to reflect our wide-ranging efforts in the area of Corporate Social Responsibility. As a result, you will find that this year's report provides a much broader selection of information.

We have put great effort into making this report easy to understand, and look forward to your honest opinion and feedback.

Scope of this Report

Organizations included
All offices in Japan. In the case of MGC Group companies, proper reference will be made where necessary.

Reporting period
April 1, 2009 through March 31, 2010 (includes some activities after April 2010)
However, Responsible Care (RC) activities are included from 1 January, 2009-December 31, 2009 (includes some RC activities in 2010)

Reference Guidelines

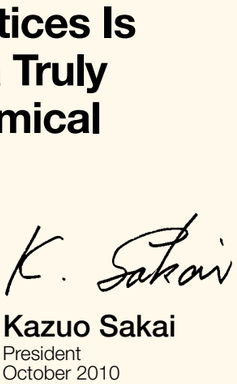
Ministry of the Environment, "Environmental Reporting Guidelines (2007)"
Ministry of the Environment "Environmental Accounting Guidelines 2005"
Global Reporting Initiative (GRI) "Sustainability Reporting Guidelines Version 3.0"

Publication Information

Date of publication: October 2010
Date of next scheduled publication: October 2011

Message from Our President & CEO

Adoption of CSR Practices Is Critical to Becoming a Truly Socially Engaged Chemical Company



Kazuo Sakai
President
October 2010

As one of society's corporate citizens, we exist solely because of the support of our various stakeholders including business partners, communities and company staff. Mitsubishi Gas Chemical (MGC) has conducted business activities so as to earn the trust and sympathy of society, based on our management concept of "making contributions towards development in harmony with society through the creation of a diverse range of value based on chemistry" and our group vision of "working to achieve sustainable growth while contributing to society as a highly profitable, research-driven industrial group."

Specifically, with improvements to corporate governance as a given, an effective internal control system was established throughout the group. While ensuring the soundness of corporate activities by implementing compliance and risk management, we are also proactively pursuing activities related to the environment and safety.

In particular, MGC does not simply stop at compliance with the law and company regulations. We are committed to actively responding to the demands of society by broadly defining a policy of "acknowledging our social responsibilities and conducting fair, transparent and free business activities in addition to follow the law, company regulations, and social norms." The "MGC Code of Conduct" defines the rules each employee must observe, and basic items to be observed during everyday work.

MGC is committed to Responsible Care activities, which are self-regulations for ensuring environmental safety in our products' whole lifecycle, from their fabrication to disposal. Furthermore, MGC is taking steps to adopt environmental accounting, develop environmental products, carry out green procurement, reduce greenhouse gas emissions, and achieve zero emission of waste products.

Under the principle of sustainable development, MGC is always conscious of the social and environmental impact of our business activities. At the same time, our desire is to consistently carry out our role as a chemical manufacturer to produce chemicals that provide the basis for all industries, while continuing to grow as a company that is needed by society. Furthermore, we will focus on developing new products and technologies that utilize our skills and knowledge. By providing products and technology that contribute to energy efficiency, conservation of resources, and reduction of environmental impact, we will be in a good position to meet corporate obligations.

Through the efforts of this group's employees, we will strive to fulfill our corporate social responsibilities in order to earn the trust and support of all our stakeholders.

To Continue Providing the Technology and Products that Help People Increase Their Quality of Life While Supporting the Sustainable Development of the Global Community.

Corporate Information

Company name
MITSUBISHI GAS CHEMICAL COMPANY, INC.
Corporate Logo MGC

Head office address
Mitsubishi Building, 5-2 Marunouchi 2-chome, Chiyoda-ku, Tokyo 100-8324, Japan

Established January 15, 1918

Incorporated April 21, 1951

Capital ¥41.97 billion (as of End of March, 2010)

Number of employees
2,282 (non-consolidated) 4,920 (consolidated)

Number of consolidated subsidiaries 35

Main Business Sites in Japan

Branch offices
Osaka branch

Research institutes
Tokyo Techno Park (Tokyo Research Laboratory, MGC Chemical Analysis Center), Niigata Research Laboratory and Hiratsuka Research Laboratory

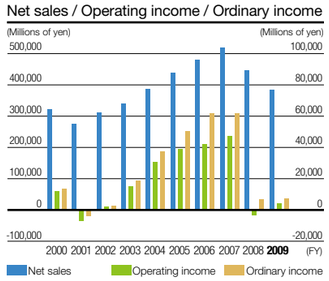
Plants
Niigata Plant, Mizushima Plant, Kashima Plant, Yokkaichi Plant, Yamakita Plant, Naniwa Plant and Saga Plant

* As of March 31, 2010

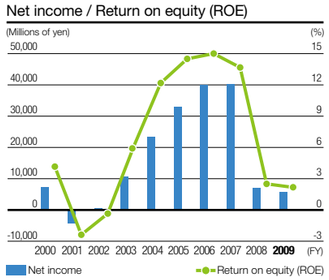
Tokyo Techno Park (TTP) opened in October 2009.
This urban research and development center is responsible for the study of specialty chemicals and advanced materials.

Financial highlights (Consolidated)

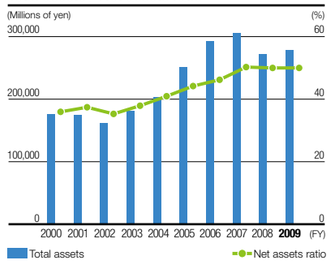
Net sales / Operating income / Ordinary income



Net income / Return on equity (ROE)



Total assets / Net assets ratio



Medium-Term Management Plan MGC Will 2011

Kyoso 2008 (FY2006-2008)
(MGC's previous medium-term plan)
Kyoso literally means 'collaborative innovation'

- Achieved record earnings in FY2006 and FY2007
- Lost growth momentum in FY2008 with impact of global recession

MGC Will 2011 (FY2009-2011)

- First stage toward the desired MGC Group of 2021
- Return to a growth path

The desired MGC Group in 2021, ranked in the Global Top 30

Sales exceeding ¥1 trillion

* 2021 will be MGC's 50th anniversary

Aiming to produce sustainable growth as a highly differentiated, widely recognized chemicals group operating from a strong platform of proprietary technology.

Major Products and Business Lines—Six businesses operated by four companies

Natural Gas Chemicals Company

Includes a wide product lineup, spanning from core chemical materials such as methanol, ammonia and their derivatives to CoenzymeQ10 made using biotechnology. Also involved in the exploration and drilling of petroleum and natural gas and geothermal development.

Major products
Methanol, Formalin, Methanol synthesis catalyst, Ammonia, Amine, Polyol, Methyl methacrylate, Dimethyl ether (DME), Catalase, CoenzymeQ10

Aromatic Chemicals Company

Develops unique aromatic products centered on the metaxylene chain, including aromatic aldehydes and aromatic polycarboxylic acids, which are used as intermediates in pharmaceuticals, agrochemicals and fragrances, monomers, and additives. One of our core products, Nylon-MXD6, is a derivative of metaxylene that is used for PET bottles and food packaging because of its excellent gas barrier property.

Major products
Metaxylene, Metaxylenediamine, Nylon-MXD6, Aromatic aldehydes, Aromatic polycarboxylic acids, Purified isophthalic acid (PIA), Plasticizers

Specialty Chemicals Company

Develops a range of products from industrial-use hydrogen peroxide, to chemicals for use in the electronics industry and environmental agents. Also involved in the development of resinous material for functional thermal curing, and has a product lineup that ranges from monomers for high refractive index plastic lenses to photoresist monomers.

Major products
Hydrogen peroxide, Chemicals for use in the electronics industry, Persulfates, Organic titanates, Water treatment agents, Environmental agents, Monomers for high refractive index plastic lenses, Adamantane derivatives

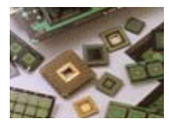
Mainly involved in development of engineering plastics, including polycarbonate and polyacetal. Also develops special polycarbonate for specific applications such as optics as well as polycarbonate sheet & film with excellent surface coating technology.

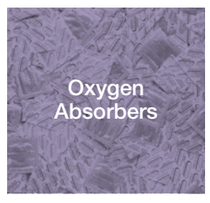
Major products
Polycarbonate lupilon®, Polyacetal lupital®, Polyamide MXD6 Reny®, Polycarbonate sheet lupilon® sheet, Special polycarbonate lupizeta®

Information & Advanced Materials Company

Mainly involved in laminate materials for printed circuit boards and entry sheets, used in mechanical drilling of printed circuit boards. Its core product BT laminate material led the move towards using plastic material for semiconductor packaging, and it still remains synonymous with semiconductor package boards.

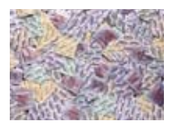
Major products
Laminate materials for printed circuit boards (epoxy-related materials, BT-related materials and entry sheets ("LE sheets") used for the mechanical drilling of printed circuit boards.





Expanding the business with a focus on oxygen absorber AGELESS® which was developed based on the idea to create an oxygen-free packaging environment that prevents food deterioration by oxidation. Currently it is not only used for preserving food freshness but also in other areas as a total solution for maintaining quality, including for pharmaceuticals, medical devices, electronic/metal parts and important cultural assets.

Major products
Oxygen absorber AGELESS®, PharmaKeep®, RP System®, anaerobic cultivation system AnaeroPack®, and desiccant AGELESS DRY®



Feature

Contributing to the diversification of energy sources

Towards the Promotion of Next-generation Fuel DME (Dimethyl Ether)

With concerns about high oil prices and the depletion of fossil fuels, the “diversification of energy sources” has become a pressing issue in Japan.
Against this backdrop, there are a number of candidates for next-generation fuel, one of which is gaining much attention in Asia: DME (Dimethyl ether).
Mitsubishi Gas Chemical Company (MGC) has been pioneering the technology needed to produce DME for more than 40 years, and MGC is committed to the promotion of DME as a promising fuel.

DME in the Spotlight as a Next-generation Fuel

DME is attracting attention as a next generation fuel, not only because of its environmental merits as a potential ‘clean’ alternative to the black smoke-producing diesel engines commonly in use today. DME’s strength lies in the fact that it can be made from various materials and put to use in a variety of applications. It is truly “Multi-Source, Multi-Use” energy (see Figure below), bringing with it the social benefit of a highly stable supply. In the future, we can expect to see locally available materials being used as a source to produce DME for local fuel applications based on the notion of “local production for local consumption of energy.”

Also, in addition to the fact that natural gas, which is a raw material for DME, is widely deposited in regions outside the Middle East, DME can be liquefied more easily than LNG (Liquefied Natural Gas) and, because it is easily transported and stored, it can be produced in small natural gas fields where LNG production would not be economically viable. And because existing LPG (Liquefied Petroleum Gas) infrastructure can be used, capital expenditure requirements are greatly reduced.

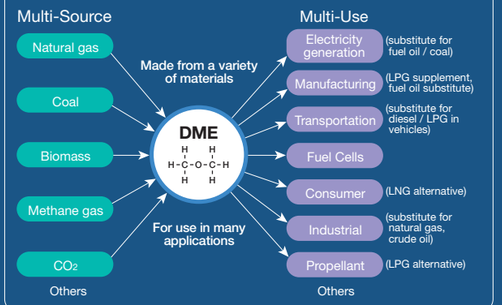
As one of the leading producers of methanol in the world, MGC has long been a major supplier of clean gas CFC propellant substitutes for use in products such as paint, cosmetics, and insecticides, thanks to its early leadership in developing the process technology for making DME. Furthermore, the company believes that its continued efforts to promote the widespread use of DME will make a positive contribution to society’s energy supply needs.

*1 Development of DME process technology: MGC uses natural gas to produce methanol, and established the DME production process in 1965 for methanol derivatives.

DME’s clean credentials

- No direct coupling of carbon, no PM (soot) during combustion
- Does not contain S (sulfur) or N (nitrogen), so does not cause SOx emissions
- Efficient combustion, with low CO_2 emissions

Multi-source, Multi-use DME



MGC Group methanol / DME production facilities and commercialization plans

Commercialization of DME Fuel, First Shipments in 2009

MGC took its first step toward commercializing DME fuel for energy applications in 2001 when Japan DME Ltd. was established*2 and a feasibility study of DME was launched in Western Australia. In 2004, the MGC played a pivotal role in the establishment of the DME Promotion Center which promotes the spread of and develops technologies for DME use*3, while in 2007, Fuel DME Production Co., Ltd. was established*4. Located inside the Niigata Plant is a fuel DME promotion plant that produces 80,000 tons of DME annually, enough for it to be utilized as DME fuel.

In 2008, as next-generation clean energy was thrust into the spotlight, the government’s revised master plan contained a policy to “promote the installation of equipment using DME.” At the same time, the government publicly announced a plan to offer a subsidy for equipment using DME fuel. The first company chosen to take advantage of the subsidy was a food manufacturer in Niigata Prefecture, and in January of 2009, MGC made the first DME fuel shipment from its new plant. Another food manufacturer from Niigata became the second company to join this project, with DME fuel shipments expected to begin during FY 2010.

*2 Japan DME Ltd.: Established in collaboration with Itochu Corporation, JGC Corporation and Mitsubishi Heavy Industries Ltd.
*3 DME Promotion Center: Established in collaboration with JFE Holdings
*4 Fuel DME Production Co., Ltd.: Established in collaboration with ITOCHU Corporation, Japan Petroleum Exploration Co., Ltd., Taiyo Oil Co., Ltd., TOTAL Di-Methyl Ether Japan Ltd., Toyota Tsusho Corporation, JGC Corporation, Mitsubishi Heavy Industries Ltd. and Mitsubishi Chemical Corporation.

Fuel DME Promotion Plant inside MGC’s Niigata Plant

Numerous Experiments Bring Diesel Vehicles Closer to Practical Use

One of the difficulties of DME is that, similar to ethanol, it easily causes the swelling of particular rubbers. As a consequence, it is essential to establish DME’s safety before promoting it as a fuel.MGC has worked together with the concerned agencies and local authorities to thoroughly test DME in applications such as boilers, gas turbines, diesel generators and emergency power fuel cells, as well as by conducting experiments using an LP gas / DME mixture to confirm safety.

DME is particularly suitable for use in diesel vehicles, so now there are a variety of organizations and companies working on the commercialization of DME trucks and buses. MGC has been cooperating in DME vehicle testing as part of the Ministry of Land, Infrastructure, Transport and Tourism’s “next generation low emission vehicle development and commercialization promotion.” Using two common-rail diesel trucks developed by Isuzu Advanced Engineering Center Ltd., long-distance driving tests (96,000 km annually) have been carried out on public roads in the Niigata and Kanto regions.

It is possible to run for 600km on one tank of fuel

A Major Pillar of Next-generation Energy

Many evident demonstration projects are currently under way to prepare the path for DME’s commercialization. At the same time, process development is underway for DME production using bio-materials, where attention is focused on the successful production of bio-DME from eucalyptus under the collaboration between the DME Vehicle Promotion Committee and the Biomass Technology Research Center, National Institute of Advanced Industrial Science and Technology.

It has been said that it will take more time for DME to become popular, however once it is commercialized, it may become a major pillar of next-generation energy options.

MGC will continue to persevere in its research efforts, working steadily with respective agencies to make DME’s commercialization a reality.

MGC's Efforts in CSR

In December of 1997, we put in place the "MGC Corporate Behavior Guidelines," as a way for our company to gain the trust and understanding of society while ensuring that we could foster confidence and pride among our employees. Then in November 2007, we undertook a major revision to incorporate a more assertive Corporate Social Responsibility (CSR) function that plays a critical role in ensuring MGC's continued development as a healthy company that is worthy of society's trust and sympathy.

We are committed to the CSR activities in our medium-term plan—MGC Will 2011—launched in 2009 as part of our CSR program.

MGC Corporate Behavior Guidelines

Mitsubishi Gas Chemical Company, Inc. ("MGC," "the Company" or "we") aims to be a company that acts with sound judgment and maintains the trust and understanding of society. The Company operates under six behavioral principles, presented and explained below, and will share knowledge of these principles widely throughout Group companies.

Senior managers recognize that it is their role to embody the spirit of these principles, and while ensuring that they have a full understanding of the necessary information inside and outside the Company, they will take the initiative to promote a high level of corporate ethics, and strive to develop and operate an effective framework for this purpose through the internal control system. Furthermore, if an incident takes place in contravention of these guidelines, they will take command and fulfill their obligations for internal and external disclosure, strive to identify the cause of the incident and prevent its recurrence, and deal with the matter strictly and fairly in respect to all parties, including management itself.

(1) MGC will ensure customer and consumer satisfaction and trust by providing high-quality products and services that are useful, safe and reliable

(2) MGC will voluntarily and proactively address environmental issues

(3) MGC will comply with laws, regulations and rules, and will conduct fair, transparent, appropriate and open business activities

(4) MGC will endeavor to ensure broad-ranging communication with society through appropriate disclosure of information

(5) MGC will engage in business activities that are useful for society, and actively contribute to society as a responsible corporate citizen

(6) MGC will provide comfortable and productive working conditions for employees, and will ensure a safe and rewarding working environment

For entire guidelines, please refer to our website; http://www.mgc.co.jp/eng/about/compliance/index.html

Group Vision—'MGC Will 2011' Medium-Term Plan

MGC Group aims to thoroughly realize CSR goals in all its activities while developing and growing sustainably on the global stage as a highly differentiated, widely recognized chemicals group operating from a strong platform of proprietary technology.

Corporate Governance

The establishment and maintenance of a sound and transparent management system is a key management issue, and a number of measures are being pursued with the aim of improving transparency, ensuring fairness, and accelerating decision-making.

Basic Approach to Corporate Governance

The Company has adopted an executive officer system and positioned the Board of Directors as the organization responsible for making decisions on critical management issues, including basic policies, and for overseeing business execution. This has strengthened governance and enhanced the operational framework by clarifying functions and responsibilities. MGC has also adopted an internal company system for its business divisions, which has clarified responsibility and improved management performance.

MGC aims to enhance the transparency and fairness of management through internal audits performed by the Company's Board of Corporate Auditors and will develop effective corporate governance through appropriate disclosure of management information.

Overview of Corporate Governance Structure

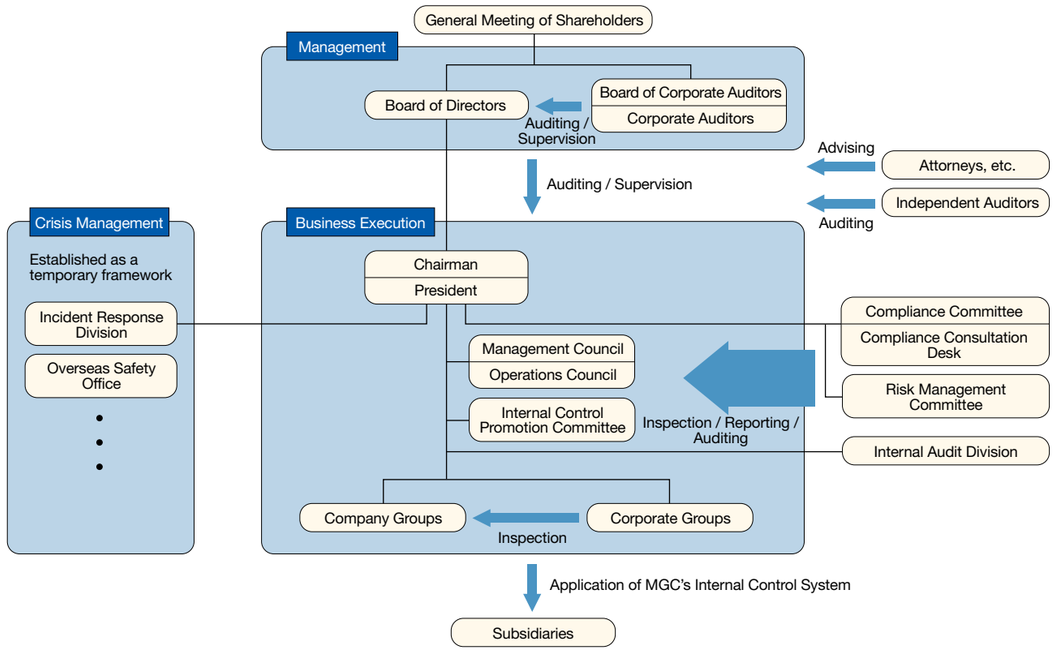
The current management structure consists of 10 directors and 22 executives (including people who concurrently serve as directors).

Any important matters affecting MGC are to be reviewed and decided with a broader perspective at management meetings where management policy may be discussed, and at executive officer meetings where definitive action plans may be discussed. In addition, MGC draws upon the expertise of legal counsel and other experts when required in the decision-making process and the business execution of the company.

There are five corporate auditors, three of whom are external. They attend important meetings as well as board meetings, conduct audits on subsidiaries, and strive to understand the decision-making process and status of business execution. In addition to ensuring a rational decision-making process and compliance with the law and corporate ethics, the auditors conduct inspections of our business operations.The auditor holds regular meetings with the CEO, and receives status reports from directors and employees on a regular basis or ad-hoc basis when concerning important matters, and may request surveys or reports concerning business compliance. The auditors also inspect important documents concerning business execution, and require information from directors and employees.

In order to enhance internal controls and improve efficiency of business management, we have established an Internal Audit Office that is separate from the statutory auditors. This office oversees the execution of MGC and MGC Group companies to ensure adherence to our annual plan.

■ Corporate governance, risk management structure figure



Compliance and Risk Management

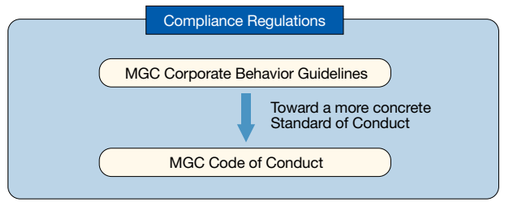
MGC Group Compliance

MGC established its “MGC Corporate Behavior Guidelines” in 1997 in an effort to strengthen its compliance system. In 2002 it established a Compliance Committee and a Compliance Consultation Desk. Moreover in 2004, the company laid down its “MGC Code of Conduct” and “Compliance Regulations,” and worked with its group companies to ensure that they were aware of the policies and adhered strictly to the compliance rules.

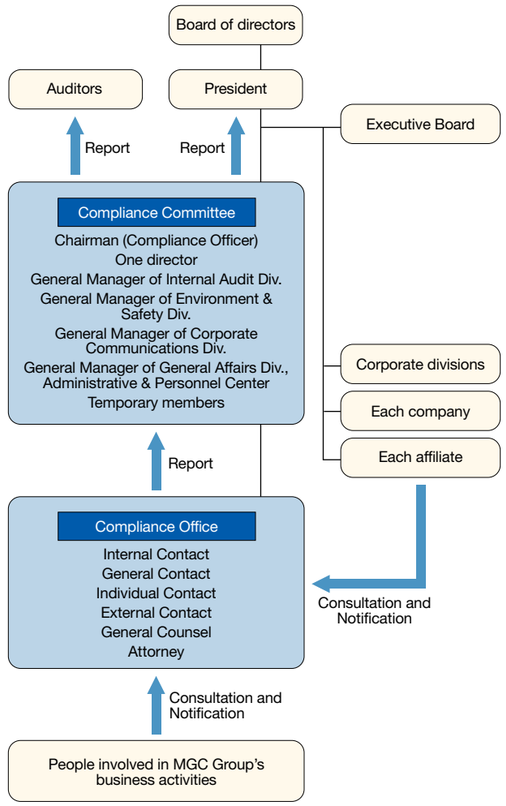
Within the MGC Group we strive to proactively meet the needs of society by not limiting “compliance” to a set of laws and internal rules, but by embracing a broader belief in “complying with the law, internal rules, and social norms, as well as recognizing our corporate social responsibility to create a company with fair, transparent and open business practices.”

MGC Compliance Handbook

■ MGC compliance concepts



■ MGC compliance structure



Compliance System and the Initiatives

At MGC we have established a Compliance Committee to oversee matters concerning the Group’s compliance program, headed by the Chief Compliance Officer and reporting directly to the President. In addition, we set up a “Compliance Consultation Desk” to detect and rectify non-compliance issues at the earliest stage.

Also, we set aside October each year as “Ethics Month” for compliance training. MGC’s intranet contains materials covering roughly 40 types of compliance requirements. We select some particular agenda, which match the social conditions of the time, and have our staff learn them through our e-learning system. In an effort to raise awareness of “Ethics Month,” the President actively promotes the program by communicating the details to all of our offices.

Risk Management

MGC created a Risk Management Committee in 2006 to respond to various risks related to our business activities. This committee helped to raise awareness of risk management’s importance by conducting seminars for senior management and for all employees at every MGC offices. The committee identified risks specific to each business sector, and created a detailed list of hundreds of risks for further evaluation.

In 2007, we selected the pressing risks among the listed in order to prioritize them and consider potential solutions, and formulated a Business Continuity Plan (BCP).

Since 2008, we have worked to ensure that risk management permeates even deeper within the company, while at the same time implementing measures to reduce potential risks, and re-evaluating the BCP on an ongoing basis.

Message from the Director in Charge of Corporate Communications Division

Companies operate within the society, receive the capital necessary to run their businesses from society, and offer society the products and services that they produce. A company, therefore, needs to gain the trust of all of its stakeholders if it is to continue and grow its business.

Since 2001 the role of the “RC (Responsible Care) Report” has mainly been to provide information on our environmental and safety activities; however, commencing with our 2010 edition we are changing its name to the “CSR Report” to reflect the increased focus on our social and an economic activities as well.

While maintaining a balance of environmental, social and economic perspectives, we will continue to improve our CSR efforts for sustainable growth.

Jin Hata
Representative Director &
Senior Managing Executive Officer

Risk Management Promotion System

The Risk Management Committee, headed by the risk management officer, is responsible for assessing and prioritizing the status of risk management and providing instructions and supervision to the appropriate division so that mitigating actions can be taken.

In terms of risks associated with project implementation, we have developed an action plan to identify and evaluate risks inherent in our operations or internal control systems. We then take the appropriate steps to prevent, avoid, reduce or divert the risk. In the event that a serious risk is identified, we set up a special group to cope with it according to internal rules.

Countermeasures for Company-wide Risk and BCP Development

At MGC, all of our facilities cooperate closely in the formulation of business continuity plans (BCP) that ensure the company can cope with such company-wide risks as caused by earthquakes, poisons, hazardous material leaks, fires, explosions, and information leaks.

Countermeasures for Metropolitan Epicentral Earthquake

In 2008, MGC put special measures in place to cope with a major earthquake in the Tokyo metropolitan area (a magnitude 7.3 earthquake north of Tokyo Bay assumed by the Cabinet Office). We introduced a safety confirmation system and provided each office with satellite phones and radiotelephone so that we are able to contact each office even in the event of a major earthquake.

As part of our BCP, we conduct emergency training sessions using these systems and equipment each year, so that even if headquarters becomes paralyzed, each of our facilities such as plants and research centers may continue supporting customers and maintaining other services, supplementing the headquarter’s function.

Response to Pandemic Influenza

Influenza (H1N1) was confirmed in Mexico in April 2009. In response to this, MGC has enforced prevention efforts by redeveloping its entire global network of contacts and following WHO and Japanese (Ministry of Health) directives.

Influenza remains a concern, however, we will develop measures to cope with the spread of influenza by utilizing our enhanced network and following BCP which is currently under development.

Together with Stakeholders

As a member of society MGC contributes to the community, and by fulfilling its responsibilities to various stakeholders, the company will earn society's trust and sympathy.

Working with Local Communities

MGC is deeply aware of its role as a member of society, working to improve its position of trust through a variety of communication channels, and promoting activities that contribute to the community.

Neighborhood council briefings

Every year, we actively participate in an open dialog with our neighborhood council. For example, in 2009, we invited the neighboring residents' association to the Tokyo Techno Park opening and held a briefing to inform them about our facilities and research.

The public briefing at Tokyo Techno Park opening

Facility tours

In response to requests from neighborhood schools, we organize tours for students to be conducted at our facilities.

Mizushima Plant / Local high school students taking a tour of facilities

To provide junior high school science kits

To help students become more interested in science, especially in chemistry, we provide junior high schools near our facilities with chemistry kits to make their own portable heating pads. These kits teach the students about the oxidation of iron, which generates heat and makes the pads warm.

Science experiment kits

Blood donations

Employees donate blood in mobile vans that we invite into our premises.

Niigata Plant / Blood donations

Cleanup around plant

At each of its sites MGC participates in voluntary cleanup activities such as roads and nearby river beds.

Hiratsuka Research Laboratory / Collecting trash with elementary school students at Sagami River

Yokkaichi Plant / Cleaning the roads around the plant

Our Business Partners

Efforts to improve customer satisfaction

In order to provide customer satisfaction to our clients, from our business partners to end consumers, MGC is committed to providing safe and reliable products and services. All of our plants have received ISO9000 series accreditation for international quality management.

We also conduct customer satisfaction surveys in an effort to constantly improve product quality and service.

Building better relationships with partner companies

At the Logistics Department, Purchasing & Logistics Center, we work with our partner, transportation companies, to ensure the safety of our supply chain, to improve the quality of distribution, and work towards a modal shift. We conduct audits of our partner companies from both a legal and compliance standpoint, and strive to build even stronger relationships with them.

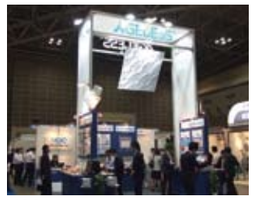
In addition, each of our offices conducts a Safety Day together with partner companies, enhancing safety awareness.

Mizushima Plant Safety Day

Participation at tradeshow

MGC actively participates in various exhibitions as a way to listen to the voice of our customers, which in turn helps us to develop better products.

A good example of this was the "Health Ingredients Japan 2009" show held at Tokyo Big Sight, where we introduced our oxygen absorber "Ageless®" and Coenzyme Q10. The exhibition brought new materials and functional materials, safety and quality all together under one roof. As Asia's largest technology-related food exhibition focusing on the two big trends of 'health' and 'safety,' this show has drawn a great deal of interest at home in Japan and abroad.



MGC booth

Employees

Personnel system and human resources development

MGC's management concept is, "making contributions towards development in harmony with society through the creation of a diverse range of value based on chemistry." Our desire is to foster a team of professionals, empowering individuality in each employee and creating a vibrant workplace.

Personnel system

MGC's personnel system is a multi-stream vocational qualification grading system based on objective management. Up to the standard age of 28, employees belong to the same basic career path regardless of gender or educational background, and then move on to select courses that will help them in their career. It is a system that treats all employees equally, providing them with a range of career opportunities in line with individual aspirations that meet their role, achievements and capabilities.

Human resource development

In order to create an environment for each employee to achieve individual goals, we are working to enhance self-development programs (language training and distance learning, support for qualifications, external training, etc.) for each rank and sector using tools such as skill-development training and distance education.

Retention of new employees (three years after joining)

	FY2005	FY2006	FY2007	FY2008
Number of new employees	23	24	47	69
Number of employees at third year after joining, as of April	21	23	47	69
Retention	91.3%	95.8%	100%	100%

Employee tenure (as of March 2010)

	Male	Female	Total
Average age	41 years old and 9 months	41 years old and 7 months	41 years old and 9 months
Average continuous tenure	19 years and 4 months	19 years and 5 months	19 years and 1 month

Re-employment

In response to measures that raise the eligibility age for special payments of the old age pension, we have introduced a retiree re-employment scheme to ensure a stable life after retirement. MGC provides in principle all employees the opportunity to continue working if they are healthy and desire to do so. Having motivated employees continue to play an invaluable role in the company helps to make it a vibrant workplace.

Re-employment of retirees

	FY2006	FY2007	FY2008	FY2009
Workers desiring re-employment	76	77	65	68
Re-employed workers	76	77	65	68
Re-employment rate	100%	100%	100%	100%

Social contributions and other support

We take pride in the fact that our employees contribute to various social activities in their everyday lives. In 2009, to encourage more social activities, we introduced a special paid leave such as "volunteer holiday" or "donor holiday."

We also provide employees with paid leave for public service activities such as the saibanin (jury) system, creating an environment in which employees can actively contribute to society.

Work-life balance

At MGC we believe that a proper work-life balance is vital. To help promote this idea we have implemented a no-overtime day, encourage our employees to take their paid leaves, and introduced flextime as well as a system that allows employees to roll-over expired annual leave.

In order to support employees with children or aging parents who need assistant care, we introduced a childcare leave and nursing-care leave system, in addition to a system allowing shorter working hours, to help employees balance work with family life.

Together with Stakeholders

Maternity leave

	FY2006	FY2007	FY2008	FY2009
Number of employees on maternity leave before & after birth	4	6	5	4
Number of employees on childcare leave*	5 (1)	5	6 (1)	4

* Number in ( ) indicates men on childcare leave

Family care leave

	FY2006	FY2007	FY2008	FY2009
Employee exercising leave	0	1	1	0

Ensuring mental health

It is important that our employees maintain their physical health, at MGC we have implemented programs to ensure mental health as well. The Employee Assistance Program (EAP) is one of these, in which employees can freely contact external professional institutes by e-mail, telephone or in person to discuss concerns. In addition, we conduct an annual “mental health” test to assess stress conditions and provide opportunities for self-evaluation while striving to raise stress awareness through workshops.

We also conduct mental health training during sessions designed for new employees and employees receiving a promotion. For new employees in particular, we have a “mentor system,” which helps new staff gain independence as both an MGC employee, and as a member of society.

Respect for human rights

At MGC, we strictly adhere to our Corporate Behavior Guidelines and MGC Code of Conduct, to respect individual personality and human rights, to not hurt anyone by discriminating against them based on their race, gender, nationality, age, religion or place of origin. We provide separate training courses on human rights for new employees and managers to raise awareness of human rights among all employees.

Our Code of Conduct also articulates that sexual harassment and power harassment are prohibited. We are committed to preventing them within our company, and reinforce this principle through training sessions, internal communications and a special consultation desk.
These guidelines and code—along with guidelines for the prohibition of child labor and forced labor—have been communicated to our group companies overseas.

Union / labor-management relations

Over the years MGC and the Mitsubishi Gas Chemical Workers Union have built up mutual trust and respect between each other based on positive labor-management relations, which allows them to work together to solve various issues. We regularly hold management council meetings to discuss issues related to management, and organize a joint management committee (such as a Personnel System Review Committee, etc.) for more specific agendas.

Together we have revised the personnel system, the re-employment system, and retirement plans. Other issues such as wages and bonuses are determined through yearly collective bargaining and other negotiations.

With Shareholders and Investors

Basic policy on profit distribution

Returning profits to shareholders is considered one of MGC’s most important management issues. Distributions are determined by a combination of performance-linked factors and stable dividends.

General meeting of shareholders

The annual shareholders meeting is held avoiding peak days so that as many shareholders can attend as possible. MCG is also endeavoring to send the convocation notice as earlier to give shareholders more time to consider what to vote, and adopt an electronic voting system for better convenience.

Briefings for institutional investors and securities analysts, facilities tours

MGC holds results presentations for securities analysts and institutional investors following the announcement of its interim and year-end financial results, in addition to conducting tours of its facilities. In 2009, tours of Tokyo Techno Park and Saudi Methanol Company (Saudi Arabia) were arranged.

The interim results briefing in March 2010

Tokyo Techno Park tour

Responsible Care (RC) Activities

Responsible Care

At every stage of their operations, companies dealing with chemicals must ensure that the environment, safety and health are safeguarded. This starts with the development and manufacturing of chemicals, and goes all the way through to distribution, use and final disposal after consumption. It also involves publishing the results of those activities, being engaged and willing to communicate with society. The chemical industry refers to this conscientious activity as Responsible Care (RC).

Responsible Care®
OUR COMMITMENT TO SUSTAINABILITY

Scope of this Report

Organization
All domestic business sites of MGC and its Group companies in Japan dealing with chemicals

Reporting period
RC activities: from January 1, 2009—December 31, 2009 (includes some activities in 2010).
Environmental performance data: from April 1, 2009—March 31, 2010.

Environment and Safety Management

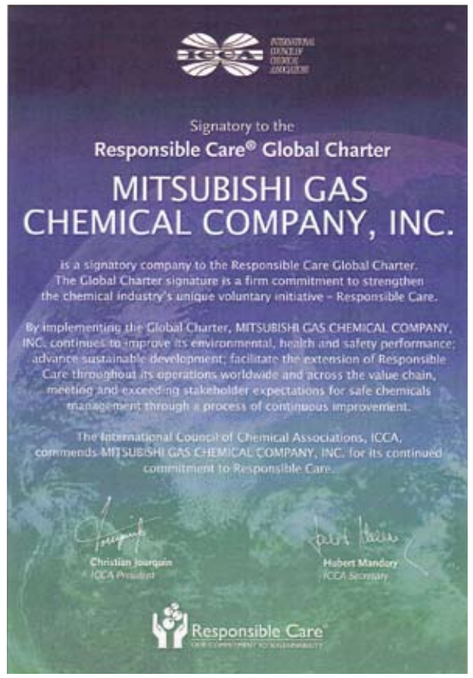
Sustainable development, building a recycling-based society, and safe operations are the three critical business challenges that MGC faces. Responsible Care (RC) is our response to both the environment and safety issues, and it has been rolled out throughout the company.

Support for the Responsible Care Global Charter

In conjunction with chemical industry associations worldwide, MGC signed the “RC Global Charter” in June 2009, to strengthen global Responsible Care related activities.

Key elements of the Responsible Care® Global Charter

1. Adopt global Responsible Care core principles
2. Implement fundamental features of national Responsible Care programs
3. Commit to advancing sustainable development
4. Continuously improve and report performance
5. Enhance the management of chemical products worldwide—Product Stewardship
6. Champion and facilitate the extension of Responsible Care along the chemical industry’s value chain
7. Actively support national and local Responsible Care Governance processes
8. Address stakeholder expectations about the chemical’s industry’s activities and products
9. Provide appropriate resources to effectively implement Responsible Care



Responsible Care Global Charter certificate

Fundamental Policies on Environment and Safety

MGC, as an important member of the community, makes an effort to earn social trust by recognizing our responsibility to contribute to the community and to secure the environment and safety, and by thinking of how to put our corporate activities in harmony with the protection of the global environment under the principle of sustainable development.

Environmental and Safety Targets	Zero Accident, Zero Occupational Injury and Environmental Preservation
Fundamental Policies	• Ensuring of health and safety in our operations • Securing security management of facilities and increasing self-maintenance technologies and skills • Reducing environmental burden in business activities • Ensuring safety in use, handling and disposal of products • Development of environmentally-friendly and safety-conscious products and technologies • Ensuring environmental conservation and safety in the logistics of obtaining raw materials, and storing and delivering our products • Building society’s confidence in us • Providing support to subsidiaries and affiliates in implementing their own RC activities • Continuously improving our RC management system We shall comply fully with applicable domestic laws and foreign rules and shall also cooperate with related international organizations, international and national administrative organs and nongovernmental organizations as required.

Message from the Director in Charge of Environment and Safety

MGC Group does not limit its compliance to observing laws and regulations. We undertake a variety of environment and safety activities based on our firm belief in RC, taking voluntary and responsible steps to ensure both environmental preservation and safety in our operations.

In terms of environmental preservation, we have set and are trying to achieve numerical targets for chemical emissions reduction, industrial waste reduction and energy conservation. In terms of safety, we are working towards an accident- and injury-free workplace.

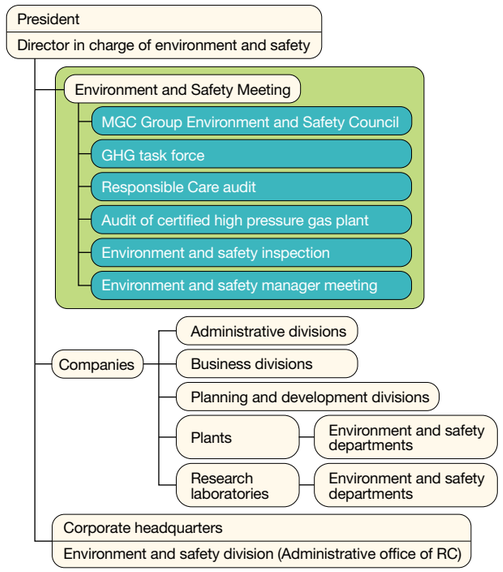
In order to reduce the risk of accidents and injuries further, we are promoting a company-wide project to foster a culture of organizational safety, as with importance of natural healing capacity for human health.

We will continue to improve and strengthen these activities. While we address new challenges we will concentrate on environmental and safety activities as our corporate responsibility.


Ageishi Kuniaki
Managing Executive Officer

Responsible Care Promotion System

All of MGC’s divisions from both a company and corporate level, follow fundamental environmental and safety principles that promote Responsible Care. Every December, MGC holds environment and safety meetings, which are chaired by the president and consist of all executive officers, division heads, and plant managers, and takes steps to make continuous improvements in the PDCA cycle based on the RC mid-term targets and annual activity targets.



RC Audit in 2009

The director in charge of environment and safety, together with an auditing team, conducts the RC audit. This audit assesses the implementation status of RC action plans at each of our sites. In 2009, this comprehensive audit included an assessment of our adherence to applicable business laws (acknowledgment), compliance (responsibility), as well as a check of conditions and operating status of our standard procedures. Finally, it evaluated our efforts to foster a safety culture.

Audit period
August—October, 2009

Auditee
6 Plants (including former Tokyo Techno-Center)
3 Laboratories
Business divisions of 4 companies
Purchasing & Logistics Center

Audit findings
Full conformity (23 cases)
Non-conformity (0 cases)
Improvement orders (34 cases)
Comments (21 cases)

Follow-up issues identified in previous year
After items had been identified in the previous year, the response of each plant confirms that the proper measures were taken.


Auditee presentation

Confirmation of documented evidence

Results and Plans for RC Activities

Every five years MGC announces a new medium-term RC plan, and establishes yearly plans in pursuit of achieving the goal. It then evaluates the results of the activities to help the company meet its designated targets.

* Description of Distribution Safety, Dialogue with Society, and RC in general, has been omitted.
★★★ Achieved ★★ Mostly achieved ★ Further efforts required

RC Area of Activity	RC Medium-Term Plan 2006 - 2010	2009 RC Action Plan		2009 Achievements	Evaluation	2010 RC Action Plan
Occupational Health and Safety	■ Achieving Zero Occupational Injury	1. Promote participation by all in *Hiyari-Hatto* (near miss) suggestion activities 2. Promote occupational safety and process safety risk assessment 3. Improve construction safety management		1. Achieved full participation at some sites, now working to ensure success in other sites. 2. Revised guideline in March 2009, now embed risk assessment based on this new focus. 3. Clarified roles and responsibilities, and educated respective staffs about them.	★	1. Continue daily activity (hazard foreseeing activities, *Hiyari-Hatto* (near miss) extraction activities, 5S activities) 2. Practice risk assessment 3. Establish AZ Project • Construct a safety education system • Enhance communications
Process Safety and Disaster Prevention	■ Achieving Zero Accidents	1. Promote AZ Project (cultivation of safety culture, verifying and complying with safety rules, thorough education and training, promotion of preventive maintenance) 2. Improve management of aging facilities (including piping)		1. Working on various activities to cultivate safety culture. 2. By introducing a company-wide facility management system, the work of “transparency,” “information sharing” and building up facility management information have all helped to improve general facility management.	★	• Improve management of aging facilities (including piping) 4. Devise emergency response training 5. Improve guidance for subcontractors’ occupational injury prevention
Environmental Preservation	■ Reduce energy consumption rate index to below 85% of 1990 levels	1. Strive to implement energy-saving measures while ensuring the stable operation of each process, and aim to reduce energy consumption rate index by 1% or more than the previous year.		1. Energy consumption rate index worsened by 5.1% than the previous year. We implemented energy saving measures, which helped us achieve a 2.2% reduction in energy consumption compared with 2008 levels; however the economic slowdown and equipment problems resulted in a worsening energy consumption rate index.	★	1. By working on energy saving measures while ensuring the stable operation of each process, we will improve energy consumption rate index and reduce greenhouse gas emissions. (We take part in Japan Chemical Industry Association (JCIA) activities as part of the Japan Business Federation’s Low Carbon Society Action Plan.)
	■ Reduce greenhouse gas emissions rate to below 80% of 1990 levels	1. Through Energy saving measures and promotion of fuel conversion, we plan to reduce greenhouse gas emissions rate by 1% or more than the previous year.		1. Greenhouse gas emissions rate has worsened by 0.5% over previous year A fuel conversion at the Mizushima Plant helped increase the use of natural gas, which reduced the negative impact of the higher emissions rate.	★	
	■ Reduce PRTR substances emissions by 10% over 2004 levels. ■ Reduce VOC emissions by 10% over 2004 levels.	1. Devise and execute a plan to focus on reduction program for high-emission amount substances (setting a target value)		1. For sites with high substance emissions, we have created and executed plans for reduction. The specific substances are: dichloromethane, xylene, acetone, n-hexane, etc. Emissions of chemicals on JCIA’s PRTR substance list have been reduced 13%, VOC emissions have been reduced 17% over 2004 levels.	★ ★ ★	1. Identify key PRTR substances (including pseudocumene) and VOC need to be reduced, then devise and execute a reduction plan with specific target values.
	■ Achieve Zero Waste Emissions	1. Each of our sites has either a zero emission ratio or a final landfill reduction target, which they aim to achieve as part of our efforts towards zero emissions.		1. Achieved zero emissions at 5 production sites Final landfill at our production sites totaled 134 tons, a reduction of 25% compared with 2008’s total of 179 tons.	★ ★ ★	1. Sites where targets have been met will continue their efforts to further reduce final landfill. 2. Sites where targets were not achieved will set a landfill target and strive to achieve zero emissions.
		1. Promote green purchasing (office supplies, etc.)		1. Green purchasing efforts are an established practice at all of our sites.		
Chemicals and Product Safety	■ Offering the latest Material Safety Data Sheet (MSDS) • Support for the Globally Harmonized System of Classification and Labeling of Chemicals (GHS)	1. Revising and Offering Support for GHS Harmonized MSDS Improve efficiency of GHS classification and label element editing		1. Use of GHS classification and labeling standard for MSDS even when if not legally required. We are offering customers GHS adapted versions in order. We are making improvements to GHS classification and label element editing procedure to increase efficiency.	★ ★ ★	1. GHS support (JIS compatible) for MSDS will be implemented by December 2010, And they will be offered to customers.
	■ Product safety assessment • Participate in Japan Challenge Program (Check existing chemicals) • Comply with REACH regulations • Assess new substances appropriately ■ Promote the development of environmentally friendly products and energy saving technologies	1. Respond appropriately to the Japan Challenge Program 2. Implement REACH registration accurately 3. Promote safety assessment of new products at times of development 4. Promote development of products with lower environmental burden and energy saving technologies		1. Participating in 4 substance safety information programs, and proceeding as planned 2. Fast-track support for substances with a 2010 registration deadline 3. Aim to promote safety assessment of new substances by carrying out “new product risk assessment” 4. Products with an environmental or energy saving focus, such as new technologies in soil remediation, oil pollution detergents and high performance-damping materials.	★ ★ ★	1. Respond appropriately to the Japan Challenge Program 2. Respond appropriately to the REACH regulations, including Europe’s new CLP rules 3. Promote safety assessment at times of new product development (eg. acute toxicity, Ames test, primary skin irritation) 4. Promote development of products with lower environmental burden and energy saving technologies

Occupational Health and Safety, Process Safety and Disaster Prevention

MGC's top priority is to ensure safety, and we have a proactive approach aimed to zero accident and zero occupational injury.

Safety Philosophy

The top priority of our business activity is ensuring safety.
Safety is the basis of our business activity and ensuring safety is our duty to society.

Occupational Health and Safety Initiatives

In order for MGC to achieve its no accident goal, each site must take part in daily safety activities (*Hiyari-Hatto* (near miss) activities, 5S activities, hazard foreseeing activities, etc.), in addition to our efforts in the areas of safety training and education for risk assessment, and measures to promote mental health.


Niigata Research Laboratory / Mental health workshop


Tokyo Techno Park / Emergency response training


Kashima Plant / Hazard foreseeing training

Safety performance

In 2009 there were two occupational injuries that caused lost time. One of them was an electric shock with after effects (grade of disability: grade 3).

Change in lost time injury frequency rate*1

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
MGC	0.29	0.92	0.59	1.43	0.57
Chemical industry	0.90	0.88	1.10	0.84	0.72
Manufacturing industry	1.01	1.02	1.09	1.12	0.99

*1 Frequency Rate: Number of casualties of occupational injuries per one million actual working hours

Change in lost time injury severity rate*2

	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009
MGC	0.00	0.20	0.01	0.07	2.14
Chemical industry	0.07	0.10	0.04	0.07	0.13
Manufacturing industry	0.09	0.11	0.10	0.10	0.08

*2 Severity rate: Number of lost working days per 1,000 actual working hours

Preventing occupational injuries at subcontractors

MGC strives to prevent work-related injuries from occurring at our subcontractors by establishing construction safety rules, providing information about all types of safety measures, as well as inviting them to participate in MGC-sponsored safety workshops. Our subcontractors also benefit from the improved guidance through mutual participation in Health and Safety Committee meetings.


Mizushima Plant / Yard work safety workshop

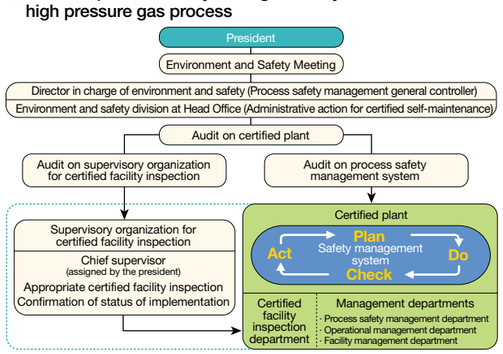
Process Safety and Disaster Prevention Activities

To prevent the occurrence of accidents and injuries, it is important to ensure the safety of production processes and the soundness of facilities. Moreover, it is critical that the company maintain safe operations. At each site we conduct inspections and renewal planning for aging facilities, and prioritize inspections, repairs and renewals according to its (each aging facility) risk and importance.

Certified high pressure gas plants

We conduct audits of our certified high pressure gas plants under the direction of the Director in charge of environment and safety (Process Safety Management General Controller). Accordingly, our Niigata Plant and Mizushima Plant are "high pressure gas safety management code certified" high pressure gas plants. The aim of our audits is to objectively evaluate the high pressure gas safety management system and the certified inspection management framework to ensure that they are working effectively.

Certified process safety management system of high pressure gas process



Emergency response

As a precaution, MGC has established a disaster prevention system at each of its sites, and conducts various drills according to the annual plan.


Yokkaichi Plant / Disaster drill


Kashima Plant / Joint disaster drill


Mizushima Plant / Training of fire protective clothing & respirator


Yamakita Plant / Ammonia leak training


Hiratsuka Research Laboratory / Fire extinguisher training

Accident and injury information sharing

MGC has a "transmission of safety information policy," outlining how to take advantage of the information and confirm the situation. In addition, we share information about any occupational injuries and incidents (accidents, irregularities) that occur among our Group companies.


Form of sharing safety information

Accident Eradication Project (AZ Project)

MGC launched the Accident Eradication Project (AZ Project: Accident Zero) in February 2008, in order to prevent the occurrence of serious accidents such as the one that took place at Niigata Plant in December 2007, and to curtail the increasing tendency of such incidents. This project is active at all of our sites.This project is active at all of our sites.

Priority objectives and key policies

Priority objectives

Eradicate accidents and occupational injuries

Key policies

(1) Cultivate a safety culture
(2) Reaffirm and ensure compliance with regulations, company rules and policies concerning safety
(3) Thorough education and training
(4) Promote preventive maintenance

2-year achievement and future activities

Since 2008, we have tried to devise activities that match the characteristics of each site and instill the concept of "safety culture." However, in 2009, there were eight accidents (including at subcontractors), so we were unable to meet our zero accidents target.

Based on our 2-year review, from 2010 we will focus more efforts on communications as a soft tool while continuing to take specific actions for improvement of hardware.


Tokyo Techno Park / Fire Service Act (Japan) Education


Niigata Plant / Scaffolding training including subcontractors


Mizushima Plant / Practice in FTA course


Hiratsuka Research Laboratory / AZ education using CAI

Environmental Burden of Business Activities

The overall environmental burden of our business in 2009 is displayed in the table below. Each MGC Group business has continued to make headway in making efficient use of the input resources and making reductions in the environmental emissions.

Total of MGC Group*1

FY 2008	FY 2009
Number of production sites: 38	Number of production sites: 39

INPUT		Units	2008	2009
Energy consumption (crude oil equivalent)		1,000 kℓ	628	593
Water consumption		1,000 m^3	44,570	45,420
Breakdown	Tap water	%	2	2
	Industrial water	%	59	58
	Groundwater	%	3	3
	River water	%	34	34
	Others	%	2	3

OUTPUT	Units	2008	2009
Emissions to atmosphere			
Greenhouse gas emission (CO_2 equivalent)	k tons	1,577	1,364
SOx emissions	tons	393	263
NOx emissions	tons	956	744
Soot and dust emissions	tons	72	24
Released to water area			
Drainage volume	1,000 m^3	37,310	37,785
COD emissions	tons	300	261
Total nitrogen emissions	tons	278	299
Total phosphorus emissions	tons	54	71
Generation of waste			
Transfer to off-site	tons	34,410	33,164
Final landfill	tons	3,508	1,678
Notified substances under PRTR Law			
Emissions (Air)	tons	1,188	1,166
Emissions (Water)	tons	49	46
Emissions (soil)	tons	0	0
Transfers	tons	693	741

MGC Stand Alone*2

FY 2008	FY 2009
Number of production sites: 8	Number of production sites: 8

INPUT		Units	2008	2009
Energy consumption (crude oil equivalent)		1,000 kℓ	531	493
Water consumption		1,000 m^3	39,600	40,475
Breakdown	Tap water	%	1	1
	Industrial water	%	58	57
	Groundwater	%	1	1
	River water	%	38	38
	Others	%	2	3

OUTPUT	Units	2008	2009
Emissions to atmosphere			
Greenhouse gas emission (CO_2 equivalent)	k tons	1,334	1,161
SOx emissions	tons	280	174
NOx emissions	tons	863	680
Soot and dust emissions	tons	60	15
Released to water area			
Drainage volume	1,000 m^3	33,789	34,263
COD emissions	tons	250	226
Total nitrogen emissions	tons	252	273
Total phosphorus emissions	tons	51	68
Generation of waste			
Transfer to off-site	tons	7,634	7,392
Final landfill	tons	179	134
Notified substances under PRTR Law			
Emissions (Air)	tons	167	190
Emissions (Water)	tons	39	38
Emissions (soil)	tons	0	0
Transfers	tons	323	342

*1 The data used for the total of MGC Group is the sum of the main domestic manufacturing and processing businesses.
*2 The former Tokyo Techno-Center is included in the number of MGC's stand-alone production sites

Environmental Accounting

Using the Ministry of the Environment's guidelines on environmental accounting, the cost of environmental preservation through MGC's business activities and the result of those activities have been calculated quantitatively, and published for the public's review.

Environmental Preservation Cost

The cost of environmental preservation activities includes the investment costs of installing environmental preservation facilities and the expenses associated with running and managing those facilities as well as the cost of research and development into environmentally friendly products.

Investments

The total investment in 2009 was 990 million yen. The main items of that investment were the enhancement of tank vent gas recovery facilities at the Mizushima Plant, and enhancement of the exhaust gas treatment facilities at the Kashima Plant.

Expenses

Total expenses in 2009 were 10.22 billion yen. Of these, the highest expense was 3.48 billion yen for research and development, accounting for 34% of the total. Representing 23% of the total, the second largest expense was 2.34 billion yen being for environmental preservation activities.

Benefits of Environmental Preservation Activity

Apart from the reduction in environmental burden that resulted from our environmental preservation efforts, there were positive economic benefits, too, such as cost savings.

Environmental preservation benefit

Greenhouse gas emissions were reduced in FY2009 compared with FY2008. The results are shown on the environmental burden of business activities page.

Economic benefit

We generated additional revenue by selling valuable waste for recycling and re-use by other companies, and by cost savings from reduced energy consumption.

Economic benefit

Title	Item	Amount (millions of yen)
Income	Cost saving	86
Profit on sale of valuable waste	Effect by energy saving	418

Environmental preservation cost (Breakdown of investment and cost by business)

Breakdown			Main areas of activity	Investment (millions of yen)	Expense (millions of yen)
Onsite cost	Pollution prevention cost	Air pollution prevention	Renewal, repairs and maintenance of emission gas scrubber, etc.	391	651
		Water pollution prevention	Renewal, repairs and maintenance of waste water treatment facility, etc.	207	2,060
		Soil, Noise	Prevention of soil infiltration, odor control, and groundwater level measurement	36	11
	Global environmental preservation cost		Maintenance of cogeneration facilities, reducing energy loss	40	2,343
	Resources recycling cost		Material and thermal recycling of waste	13	894
Up or down stream cost			Retrieval and reuse of product container	0	36
Management activity cost			Maintaining green spaces, maintaining environment management systems	25	612
R & D cost			Development of energy-saving technologies and environmentally friendly products	282	3,487
Social contribution cost			Greening the surrounding area, and supporting crusades against illegal dumping, etc.	0	10
Environmental damage cost			Compensation for environmental preservation	0	125
Total				992	10,229

* Compliance with the Ministry of the Environment's Environmental Accounting Guidelines 2005
Period: From April 1, 2009 to March 31, 2010
Range: MGC only
Methods: Investments are proportionally related to the approved or enforced amount of capital expenditure to environmental preservation. Expenses are proportionally related to the ratio of environmental preservation. This includes depreciation allowance.

Global Warming Prevention

Each sector—manufacturing, transportation, office and residence—is making efforts to prevent global warming.

MGC's Overall Performance

In FY 2009, MGC's total energy consumption and greenhouse gas emissions were as follows. In both cases, our manufacturing plants accounted for more than 97% of the total.

	Energy consumption (10^3 kl—crude oil equivalent)	Greenhouse gas emissions (k tons—CO_2 equivalent)
Manufacturing sector	493.3	1160.6
Office sector	2.0	3.3
Transportation sector (shipper)	9.1	24.2
Total business activities	504.3	1188.1

Focusing on the manufacturing operations, the results for FY 2009 and targets for FY 2010 are as follows.

Energy consumption rate index
Result: 1.00 compared to FY 1990
(Target: 0.85 or less by FY 2010)

Greenhouse gas emissions rate index
Result: 0.84 compared to FY 1990
(Target: 0.80 or less by FY 2010)

Manufacturing Plant Initiatives

Through various efforts to conserve energy and convert to natural gas, we are working towards reductions in Greenhouse gas (GHG) emissions in the manufacturing section of our plants.

In 2009 energy consumption and GHG emissions were substantially lower than the previous year, although this was partly due to decreased production. GHG emissions, in particular, were 13% lower thanks to the fuel conversion to natural gas (LNG) at the Mizushima Plant. This resulted in lower emissions than in FY 1990.

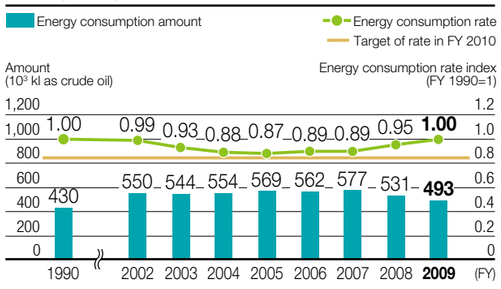
However, the energy consumption rate—as part of our global warming prevention target—was approximately 5% worse than the previous year, while the GHG emissions rate was 0.5% worse.

One of the energy conservation measures undertaken in 2009 can be seen in the following cases, in which we achieved an energy reduction equivalent to 12,000 kl of crude oil (GHG emissions were reduced by 20,000 tons or more). One of the best examples came from the Mizushima Plant, where Exhaust Gas Re-burning System is expected to contribute significantly to an improvement in energy efficiency once the utilization rate improves.

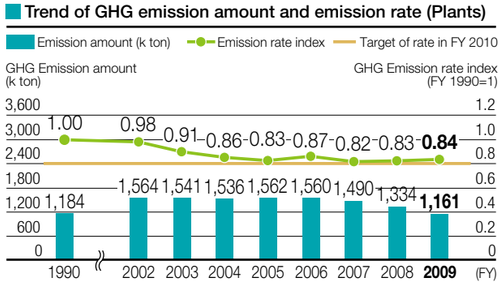
Energy conservation measures in 2009

- Improved thermal efficiency by installing Exhaust Gas Re-burning System
- Reduced steam vapor by improving distillation tower efficiency
- Improved yield and extended catalyst life through catalyst modification
- Energy reduction through optimized operating conditions

Trend of energy consumption amount and consumption rate (Plants)



Trend of GHG emission amount and emission rate (Plants)



Actual emission coefficient from the Act on Promotion of Global Warming Countermeasures (Japan) is adopted as CO_2 emission coefficient of purchased electricity.

Mizushima Plant / Exhaust gas re-burning system

Development and Utilization of Clean Energy

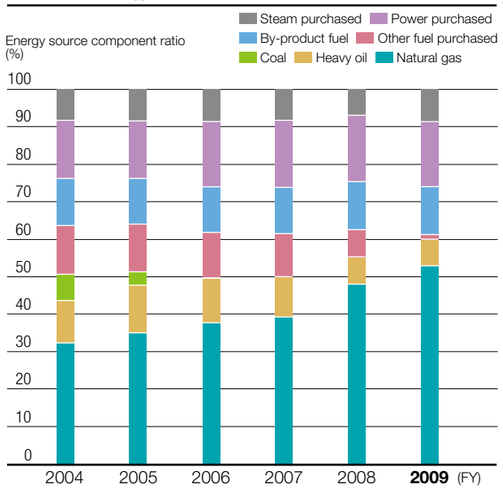
In Niigata Prefecture, MGC has been actively conducting exploration and development work of natural gas, a clean fuel that has low emissions of CO_2 for each calorie of energy, less sulfur and other impurities. We have deployed natural gas at our Niigata Plant, where it is used as both a raw material and an energy source.

Also, at other plants, we are promoting fuel conversion from coal and heavy oil to natural gases (including city gas, LNG).

In 2009, due to an increase in the use of LNG at Mizushima Plant, the use of energy derived from natural gas topped 50% company-wide.

In addition to using natural gas, we are also participating in a project in Hachimantai, Akita Prefecture, that supplies geothermal steam—a type of renewable energy—to neighboring powerplants.

Trend of energy source component ratio



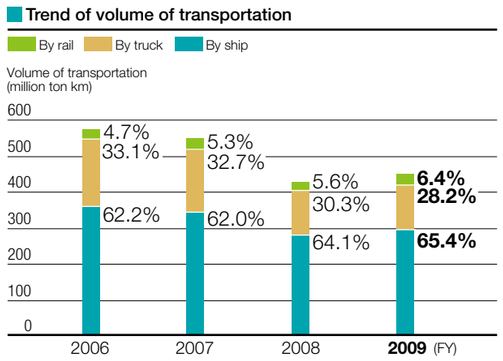
Initiatives in the Transportation Sector

In the transportation sector (freight transport as a shipper), we are endeavoring to reduce energy consumption by using larger trucks and through a modal shift to rail transportation.

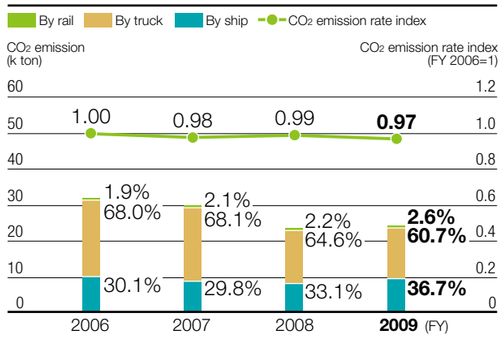
With regard to the modal shift, proportion of rail transportation has increased from 4.7% to 6.4% over these four years, while over the same period transport by truck has decreased from 33% to 28%.

These measures have contributed to CO_2 emissions rate index reduction of approximately 3% over four years.

Trend of volume of transportation



Trend of CO_2 emission



Activities in the Office and Employee Residence Area

We conduct a number of proactive measures to reduce energy consumption at our head office and laboratories These include Cool Biz during summer, Warm Biz during winter, and turning off lights and computers when not in use.

At the Tokyo Techno Park, which opened in October 2009, the main building has adopted a new high-performance air conditioning, lighting, and insulation, which are expected to lead to significant energy savings.

In the residence sector, we participated in the ABC (Accelerate By Chemicals) Initiative which is a voluntary CO_2 reduction activity promoted by the Japan Chemical Industry Association (JCIA). In 2009, more than 500 volunteers participated in it. They achieved an average CO_2 reduction of nearly 2 kg per person (per family), amounting to over 300 tons in total.

We are encouraging all our employees to participate it in this year again.

Chemical Emissions

We continue to make efforts to reduce emissions of Pollutant Release and Transfer Register (PRTR) law specified substances and Volatile Organic Compounds (VOC). The numerical targets for these reductions are set out in our Responsible Care medium-term plan.

PRTR Law Specified Substances

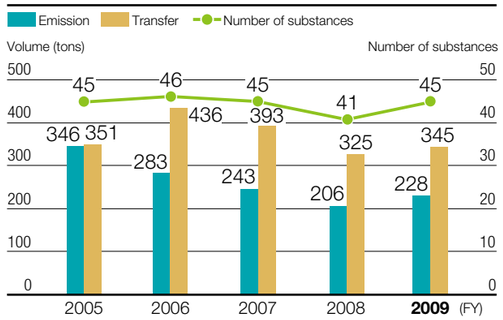
There are 354 substances listed in the PRTR law. In adherence with this law, MGC made notifications for 45 substances in FY 2009.

Total annual emissions were 228 tons, an increase of 22 tons (11%) over the previous year.

Transfer was 345 tons, an increase of 20 tons (6%) over the previous year.

These results are mainly due to a production rise in associated with PRTR emissions.

Trend of the chemicals on PRTR list



* The previously reported total transfer amount for FY 2008 has been corrected.

PRTR Substances on the JCIA List

The Japan Chemical Industry Association (JCIA) lists 481 PRTR substances voluntarily, which include PRTR law chemicals. Of these, MGC has released 75 substances in FY 2009, resulting in total annual emissions of 441 tons.

This was an increase of 38 tons (9%) over the previous year, however according to our Responsible Care (RC) medium-term plan, it was a reduction of 13% compared with our benchmark year, FY 2004, in which 507 tons were emitted.

Volatile Organic Compounds (VOC)

In terms of VOC in FY 2009, from highest to lower emissions we had: dichloromethane, methanol, xylene, methyl ethyl ketone, etc. There were 21 substances in total, with an emission of 369 tons, an increase of 44 tons (14%) over the previous year. Out of the four listed above (except methanol), the increase in emissions is due to increased production.

Comparing this with our RC medium-term plan, there was a reduction of 17% over our benchmark 443 tons of FY 2004.

The registered chemicals on the basis of the PRTR Law (results in FY 2009) (tons)

No.	Reg. No	Chemicals	FY 2009				
			Emission amount				Transfer total
			Air	Water	Soil	Total	
1	145	Dichloromethane	144.7	0.0	0.0	144.7	9.6
2	283	Hydrogen fluoride and its water soluble salt	0.3	32.8	0.0	33.1	0.1
3	63	Xylene	24.7	0.0	0.0	24.7	5.8
4	227	Toluene	8.3	0.0	0.0	8.3	35.8
5	40	Ethylbenzene	5.0	0.0	0.0	5.0	0.0
6	304	Boron trifluoride and its compounds	0.1	2.9	0.0	2.9	1.2
7	224	1,3,5-Trimethylbenzene	2.2	0.0	0.0	2.2	36.7
8	310	Formaldehyde	0.2	1.6	0.0	1.8	5.2
9	42	Ethylene oxide	1.3	0.0	0.0	1.3	0.0
10	217	Trichlorofluoromethane (CFC-11)	1.1	0.0	0.0	1.1	0.0
11	299	Benzene	0.7	0.0	0.0	0.7	0.0
12	253	Hydrazine	0.2	0.3	0.0	0.5	0.0
13	266	Phenol	0.0	0.4	0.0	0.4	11.2
14	320	Methylmethacrylate	0.3	0.0	0.0	0.3	54.3
15	312	Phthalic anhydride	0.2	0.0	0.0	0.2	42.7
16	54	Epichlorohydrin	0.2	0.0	0.0	0.2	0.4
17	108	Inorganic cyanide	0.0	0.1	0.0	0.1	0.0
–	–	Other chemicals	0.2	0.2	0.0	0.1	141.8
Total (45 chemicals)			189.8	38.2	0.0	228.0	344.6

Waste Reduction

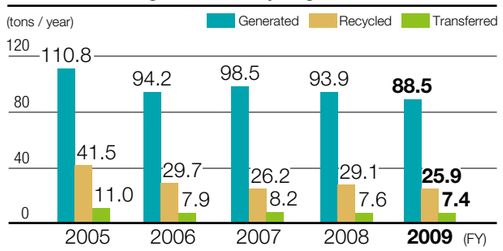
MGC defines its zero emissions as “Reduce final landfill to 0.3% or less to total generated waste amount through promotion of 3Rs*”

*3Rs: Reduce, Reuse, Recycle (of waste)

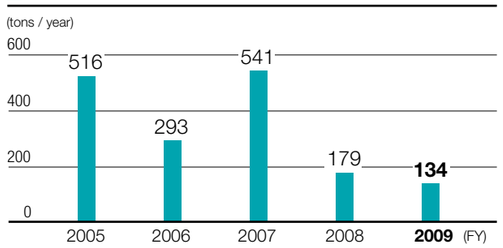
Waste Reduction Achievements

In FY 2009, total final landfill continued to fall, and was 134 tons. The increase experienced in FY 2007 was due to one-off sludge and soil waste of 285 tons.

Trend of waste generation, recycling and transfer



Final landfill



Zero Emissions of Waste

In FY 2009, five of our eight production sites keep zero emissions. The total emissions at the eight production sites also achieved the target.

Plants achieved zero emissions in fiscal 2009

	FY 2008	FY 2009
Niigata Plant	0.16%	0.18%
Mizushima Plant	0.05%	0.07%
Yamakita Plant	0.14%	0.01%
Naniwa Plant	0.09%	0.05%
Saga Plant	0.00%	0.00%
Total of 8 production sites	0.19%	0.15%

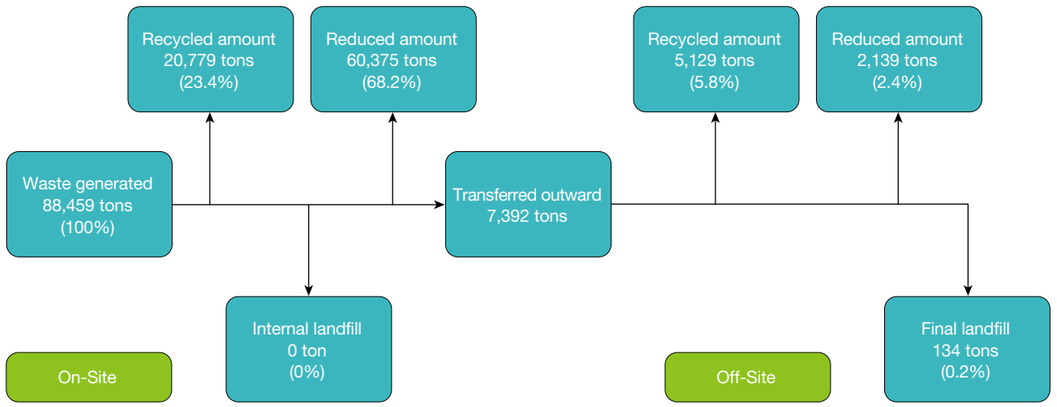
Zero emissions : 0.3%≧Final landfill÷Waste generated

Polychlorinated Biphenyl (PCB) Management

We take special precautions in the storage management of PCB-contaminated equipments, in accordance with the PCB Waste Disposal Act.

We completed early disposal registration with the Japan Environmental Safety Corporation in 2006, but no disposal was carried out in FY 2009.

Actual Results of Waste Treatment in Fiscal 2009



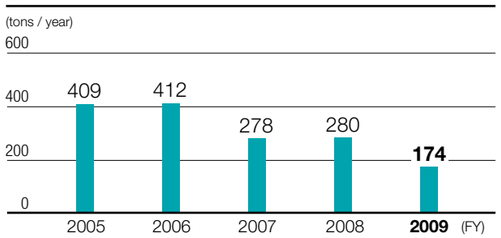
Air, Water, Water Resources

To protect the environment's air and water resources, we follow every relevant law and regulation, and comply with their respective limits to reduce any pollution and contamination.

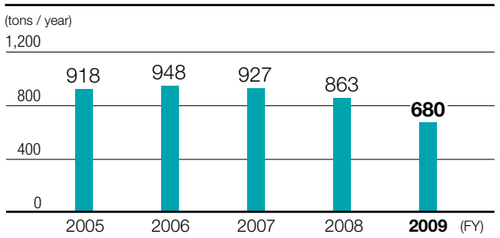
Prevention of Air Pollution

We measure the emissions of sulfur oxides (SOx), nitrogen oxides (NOx), soot and dust, and other toxic substances, contained in the emission gas of boilers and other combustion facilities, to ensure that we stringently adhere to regulated limits through our operations.

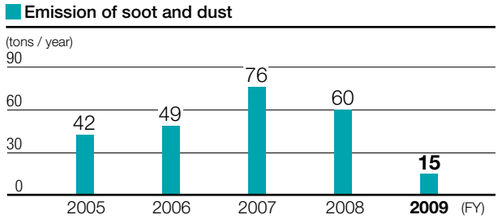
Emission of SOx



Emission of NOx



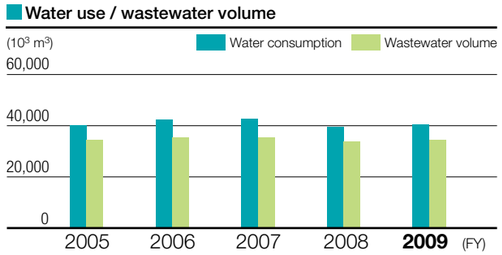
Emission of soot and dust



Effective Use of Water Resources

We are committed to understanding and efficiently using water resources.

Water use / wastewater volume

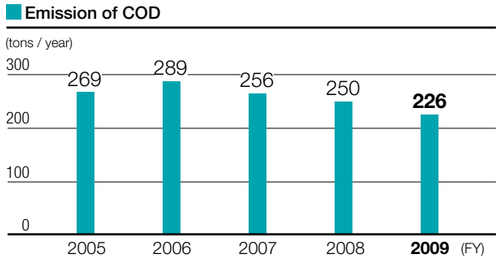


Prevention of Water Pollution

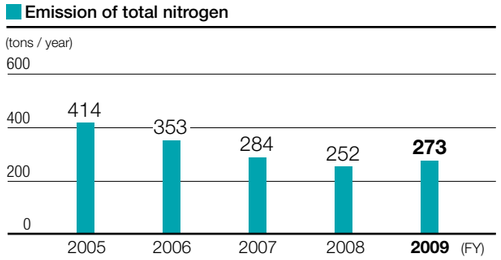
Wastewater from the production process goes through a treatment facility where it is pH balanced and treated for microorganisms before being sent into rivers, seas, and sewerage systems. We are committed to operating in compliance with regulations for wastewater by ensuring that chemical oxygen demand (COD), total nitrogen, total phosphorus, pH and other chemicals are within tolerance levels.

COD and total nitrogen emissions were revised to reflect a correction of the past results.

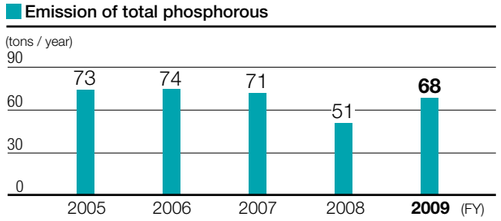
Emission of COD



Emission of total nitrogen



Emission of total phosphorous



Mizushima Plant activated sludge treatment equipment

Environmentally Friendly Products and Research and Development

Under the principles of sustainable development, we are working aggressively to develop products and technologies that help energy and resource conservation, low environmental burden and reduction of waste.

MGC's Environmentally Friendly Products and Technologies

Field	Products/Technologies	Contribution to Environmental Preservation
Plastics	MX nylon resin	Non chlorinated resin with high gas barrier capability, contributing to easy recycling and energy savings through weight saving of plastic bottle
	Iupilon® (Polycarbonate)	Resin with excellent transparency, durability and weatherability, used for various purposes, contributing to resources savings
	Reny® (Polyamide MXD6)	Mainly used for side mirror stay of vehicle, contributing to the energy saving by light weight property
	Iupital® (Polyacetal)	Resin with excellent mechanical properties and used as the substitute for metals in various purposes
	Iupiace® (Modified polyphenylene ether)	Resin mainly used for office automation equipment, contributing to the energy saving for its light weight property
	AI polymer® (Polyamideimide)	Contributing to smaller and lighter electronic office equipment on the basis of excellent heat resistance
Water treatment agents	Diafresh® series (wastewater treatment)	
	OR-SON AT	Agent making persistent organic materials decomposable and drastically reducing the generation of sludge
	F-SON	Agent for separation and treatment of fluorine compounds, which can easily reduce the fluorine content to 8 ppm or less
	NEOSOL	Agent to prevent the oil-base paint mist from adhering and to make easy the recovery of dispersed paint in the recycled water in a painting booth
	NEOPOCK	Chemical agent for effective aggregation and separation of water-based paint, water soluble polymer, etc.
	Deslime®, Contlime®	Water treatment agent for recycled cooling water in piping aiming both the cleaning and long-life of said water, and high thermal efficiency
	DEOPOWER	Deodorant agent to solve the issue of bad odor at sewage-treatment plant, etc.
Better preservation ability	AGELESS®	Agent keeping quality and freshness in food sector and, as a result, reducing waste of foods and promoting efficiency of production and distribution
	AGELESS OMAC®	New packaging film with an oxygen absorbing ability, can act as an alternative to canned foods, contributing to weight saving and waste reduction
	RP System®	Oxidation and corrosion resistant system for metals and electronic parts, contributing to reduction of waste
	PharmaKeep®	Agent keeping quality and performance in medicines and medical device, and improving their shelf life
	AIR-G	Eco-friendly system for insect proof and preservation of cultural property, used as the substitute for methyl bromide referred to as ozone layer depleting substance
Chemicals	Dimethyl ether (DME)	Application of clean fuel DME made from natural gas to the automobile fuel, etc.
	Hydrogen peroxide	Substitute for bleaching agents containing chlorine, used in a pulp and paper production process
	GASKAMINE 240®	Reduction of solvent by applying it to non-solvent epoxy resin (two liquid type) because of its lower viscosity
Technologies, etc.	Development of fuel cell	Research and development of methanol fuel cell which enables direct electricity generation without fuel reforming into hydrogen. Under test of introduction as a power supply for welfare electric vehicle
	Materials for environmentally friendly printed circuit board	Heat resistant materials for printed circuit board, suitable for lead-free solder. Printed circuit board without brominated flame retardant
	Persulfates	Cleaning up contaminated underground water and soil
	Mild Fenton method	Soil/underground water clean up technology that decomposes organic substances under neutral conditions in combination with hydrogen peroxide and catalyst
	Production process of aromatic aldehydes	Reduction of harmful waste by the completely closed process of super acid catalyst
	MGC-MH process	Process for the production of high purity hydrogen gas from methanol and water
	Geothermal power generation	Application of geothermal steam to electric power generation
	AR	Capacitor mainly consisted of AR(carbon) and aluminum is the electricity storage system with benefit of long life and less harmful materials
	Neofade® (damping material)	High performance damping material, preventing vibration and noise

Safety Management of Chemicals and Products

MGC clearly explains properties, safety and handling of its chemical products, as well as deploys various activities to protect the environment, and to ensure the health and safety of all who use it. Additionally, MGC participates in domestic and international chemicals safety assessment activities which publicly disclose chemicals safety information.

Safety Assessment of Chemical Substances and Products

MGC has established regulations for product safety assessment and operates a system that ensures product safety. The company makes its products available only after it has reviewed a product's marketability by analyzing, classifying, and assessing product hazard (hazardous nature of the material) and risk (hazard and exposure) at each step of the production process, beginning with a basic survey of raw materials through marketing (supply) to final disposal of the product.

Participation in the Japan Challenge Program

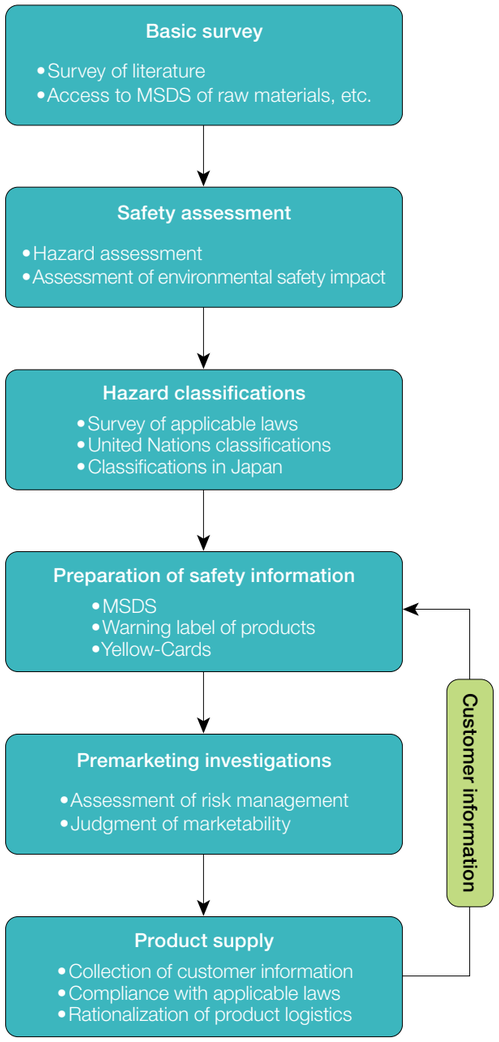
The Japan Challenge Program is a program in which the government works in conjunction with industry to accelerate the collection of safety information for existing chemical substances, and disseminates that information widely to the public.

Of these substances, there are 126 organic compounds produced in Japan and imported in quantities greater than 1,000 tons per year that are either not contained in the Organization for Economic Cooperation and Development (OECD)'s HPV Program* or there is no plan to collect information for them in other countries. MGC is committed to this program, and is contributing by collecting safety information about four substances.

* HPV Program: HPV (High Production Volume Chemicals): A safety assessment program covering production of chemicals greater than 1,000 tons annually in a single country.

Compliance with REACH Regulations

With the implementation of the new European Chemicals Management Regulations "REACH (Regulation concerning the Registration, Evaluation, Authorization and Restriction of Chemicals)", MGC and MGC Group companies are adding information collected regarding import volume (in EU) and product use to their existing store of safety information. Using the additional support required by REACH enables them to offer users a safer way of handling chemical products.



GLP Certified Testing Facility

MGC operates Good Laboratory Practice (GLP) certified testing facilities at its Niigata Research Laboratory for biodegradability testing and mutagenicity (Ames) testing, which complies with legal notifications based on the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. and the Industrial Safety and Health Law.

In addition to these tests, MGC also has facilities to conduct acute oral toxicity tests, primary skin irritation tests, and pathogenicity tests, and carries out safety testing of chemicals handled within the MGC Group.

* GLP (Good Laboratory Practice): GLP is a system which ensures the reliability of test results, through government recognition of excellent testing facilities that have GLP standards-based management, test facilities, test planning, internal auditing systems, reliability assurance systems, and that are compliant with test result standards.

Providing Safety Information

MGC provides Material Safety Data Sheets (MSDS) to customers and transporters through its sales channels and agents. Products are also clearly labeled, and we provide transporters with yellow-cards that they are required to carry with them during the time of transportation.


MGC

製品安全データシート

GHS compliant MSDS

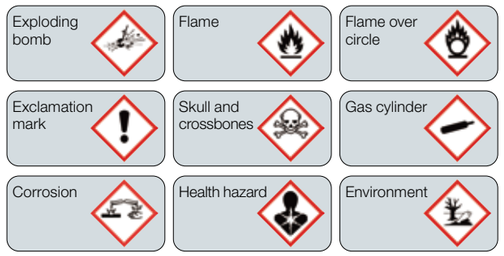
GHS Compliant MSDS and Labels

MGC prepares and provides MSDSs for all of its products, including items which are not legally required to do so. Based on revision of Japanese Industrial Standards, MGC is gradually shifting to new revised MSDS which are compliant with GHS* by December of 2010. With regard to the label, all of MGC's product labels will be GHS compliant by the end of March 2011.

* GHS: The Globally Harmonized System of Classification and Labeling of Chemicals. Hazards of chemicals are classified under certain standards and are indicated clearly with pictograms on labels and MSDS documentation. Ultimately, the information contributes to disaster prevention, human health, and environmental preservation.

GHS compliant product labels

Hazard pictograms



Emergency Response in Distribution

MGC requires all transporters to carry yellow cards in the event of an accident that occurs during product transportation. We have set up a wide-area support system that includes supplying emergency goods and equipment to production sites and establishing communication between sites so that there can be an emergency response to accidents that occur during transportation. Because of our materials and equipment, and our response system preparation, we are able to assist local police or fire departments on request if an accident occurs during transportation of the other companies' product in the vicinity of our plant.

Yellow-Cards

Wide-area support vehicles carrying emergency goods and equipments

RC Activities on Site

Niigata Plant

Address: 3500 Matsuhama-cho, Kita-ku, Niigata-shi, Niigata 950-3121, Japan
Tel: +81-25-258-3474

A Message from the Niigata Plant Manager

Takuji Shitara
Plant Manager

Surrounded by beautiful greenery and abundant water and natural resources (natural gas), it is our mission to ensure that the Niigata Plant maintains good relations with the local community and coexists in harmony with nature.

Since the start of operations more than fifty years ago, we have worked to build trust in our environment, safety and product quality improvement efforts while upgrading our infrastructure. We also aim to create new value by developing environmentally friendly products in the fields of polymers, energy and life sciences.

Technical High School students on a Plant tour

Main products

- Methanol, Ammonia, and their derivatives
- Methaxylene diamine
- MX Nylon
- Bio-related products

ISO14001 certification

ISO14001 certification date	Certification body
June 1998	DNV

Environmental burden data (FY 2009)

Water consumption (10^3m^3)	12,481
GHG emission (k tons-CO_2)	367
NOx emission (tons)	283
SOx emission (tons)	0
Total drainage volume (10^3m^3)	9,489
BOD emission (tons)	33
Waste transferred offsite (tons)	2,402
Final landfill (tons)	85

PRTR substance	Emission (tons)	Transfer (tons)
Ethylene oxide	1.2	0.0
Dichloromethane	0.7	6.9
Methyl methacrylate	0.3	54.2

Niigata Research Laboratory

Address: 182 Tayuhama Shinwari, Kita-ku, Niigata-shi, Niigata 950-3112, Japan
Tel: +81-25-259-8211

Message from the Research Laboratory Director

Takafumi Abe
Laboratory Director

The Niigata Research Laboratory is located in the northern part of Niigata city. We cooperate with our neighbor, the Niigata Plant, in a variety of RC activities. At this laboratory we have GLP compliant facilities for a wide variety of chemical safety testing, and play an important role within MGC to conduct the whole company's chemical safety assessments.

We aim to maintain good relations with our local community, and develop new products that contribute to the formation of a recycling-based society, with the participation of all.

Main research themes

- Process improvement
- Catalyst
- Pharmaceutical intermediates
- New energy-related research
- Biotechnology
- Life science

Fire extinguisher training

"The fear of fire and explosions" learning experience

Mizushima Plant

Address : 3-10 Mizushima Kaigan Dori, Kurashiki-shi, Okayama, 712-8525, Japan
Tel: +81-86-446-3822

A Message from the Mizushima Plant Manager

Kenji Inamasa
Executive Officer
Plant Manager

At the Mizushima Plant, we have several themes aimed at for environmental preservation. These include: "promotion of rational use of energy," "reduce emissions of harmful air pollutants," "reduce emissions of water pollutants," and "promotion of reduced waste and zero emissions."

In recent years, we have seen the positive impact of fuel conversion to natural gas, the installation of energy-efficient boilers and turbines, and implementation of improved emission gas recovery equipment. In FY 2010, we plan to make improvements to our facilities that will reduce fluoride emissions.

Participation in the Takahashigawa River watershed clean-up

Main products

- Xylene isomers
- m-Xylene derivatives
- Specialty aromatic products
- Polyols

ISO14001 certification

ISO14001 certification date	Certification body
May 2000	JCQA

Environmental burden data (FY 2009)

Water consumption (10^3m^3)	12,432
GHG emission (k tons-CO_2)	519
NOx emission (tons)	361
SOx emission (tons)	171
Total drainage volume (10^3m^3)	11,065
COD emission (tons)	140
Waste transferred offsite (tons)	2,997
Final landfill (tons)	23

PRTR substance	Emission (tons)	Transfer (tons)
Xylene	24.7	5.7
Hydrogen fluoride and its water-soluble salt	33.0	0.0
Ethylbenzene	4.9	0.0

Hiratsuka Research Laboratory

Address: 6-2 Higashiyawata 5-chome, Hiratsuka-shi, Kanagawa 254-0016, Japan
Tel: +81-463-21-8600

Message from the Research Laboratory Director

Toshiya Takagi
Laboratory Director

At the Hiratsuka Research Institute, we have implemented several activities to help increase our safety awareness. Firstly, we have set a monthly goal of one *Hiyari-Hatto* (near miss) for each staff member. We also conduct pre-experiment safety reviews, risk assessment, and a safety patrol. In addition, we ensure that the employees of each department are involved in training exercises to prepare them to respond to potential industrial accidents, hazardous material leaks and earthquakes. The institute, located inside the Yahata industrial complex, is committed to working closely with neighboring MGC Group companies or others to ensure safety.

Main research themes

- Specialty plastics
- Transparent heat resistant film
- Packaging materials
- Resist materials

Hiratsuka City Deputy Mayor on tour

Hiratsuka area small-scale emergency training

RC Activities on Site

Yokkaichi Plant

Address: 4-16 Hinagahigashi 2-chome Yokkaichi-shi, Mie 510-0886, Japan
Tel: +81-59-345-8800

A Message from the Yokkaichi Plant Manager

The Yokkaichi Plant is located in the northern part of Mie Prefecture, surrounded by the natural beauty of Ise Bay and the Suzuka Mountains. The formerly polluted town has changed dramatically due to the establishment of basic environmental regulations, environmental planning as an environmental protection city. In response to these local initiatives the Yokkaichi Plant also received ISO14001 certification, changed boiler fuel to city gas, and has worked on environmental risk assessment.

We will continue to protect the living conditions in the area and promote activities that will help MGC enhance trust in the local community.

Yoshihiko Sekine
Plant Manager

Plant disaster prevention activity

Main products

- Hydrogen peroxide, Other industrial chemicals
- Polyacetal plastics

ISO14001 certification

ISO14001 certification date	Certification body
August 1999	JQA

Environmental burden data (FY 2009)

Water consumption (10^3m^3)	7,364
GHG emission (k tons-CO_2)	77
NOx emission (tons)	22
SOx emission (tons)	2
Total drainage volume (10^3m^3)	5,834
COD emission (tons)	29
Waste transferred offsite (tons)	531
Final landfill (tons)	4

PRTR substance	Emission (tons)	Transfer (tons)
Hydrazine	0.4	0.0
Formaldehyde	1.0	0.0

Yamakita Plant

Address: 950 Kishi Yamakita-machi, Ashigarakami-gun, Kanagawa, 258-0112, Japan
Tel: +81-465-75-1111

A Message from the Yamakita Plant Manager

The Yamakita Plant, established in 1933, is nestled in the natural environment of the Tanzawa mountains. Even after all these years it is a unique plant in the way it exists side-by-side with the community. We aim to further strengthen the relationship of trust with the community by striving to develop a plant that can coexist with nature. In terms of environmental preservation activities we will proactively drive CO_2 reductions and zero emissions plans. We will also entrench process safety training through disaster prevention based on AZ activities.

Kuniaki Jinnai
Plant Manager

Safety training program by external instructors

Main products

- Derivatives of hydrogen peroxide
- Persulfates

ISO14001 certification

ISO14001 certification date	Certification body
May 2000	JQA

Environmental burden data (FY 2009)

Water consumption (10^3m^3)	6,444
GHG emission (k tons-CO_2)	21
NOx emission (tons)	4
SOx emission (tons)	0
Total drainage volume (10^3m^3)	5,238
COD emission (tons)	9
Waste transferred offsite (tons)	340
Final landfill (tons)	0

PRTR substance	Emission (tons)	Transfer (tons)
Hydrogen fluoride and its water-soluble salt	0.0	0.1

Kashima Plant

Address: 35 Higashi Wada, Kamisu-shi, Ibaraki 314-0102, Japan
Tel: +81-299-96-3121

A Message from the Kashima Plant Manager

The Kashima Plant, located in the Kashima Eastern Industrial Complex, is surrounded by the Pacific Ocean to the east, and Tonegawa River to the west. Typified by the spreading riverside region, nearby are Itako and Kasumigaura, and Mt. Tsukuba can be seen in the distance here in this naturally rich environment.

The factory's basic business philosophy is taken from MGC's environment and safety policy of "No accidents, no occupational injury, and environmental preservation." Through a variety of RC activities we have garnered the trust of everyone in the area, and we strive to create a plant that contributes to society.

Katsushige Hayashi
Executive Officer
Plant Manager

Toxic substances leakage drill

Main products

- Hydrogen peroxide
- Polycarbonate plastics

ISO14001 certification

ISO14001 certification date	Certification body
February 1999	JQA

Environmental burden data (FY 2009)

Water consumption (10^3m^3)	1,609
GHG emission (k tons-CO_2)	160
NOx emission (tons)	4
SOx emission (tons)	0
Total drainage volume (10^3m^3)	1,479
COD emission (tons)	15
Waste transferred offsite (tons)	387
Final landfill (tons)	11

PRTR substance	Emission (tons)	Transfer (tons)
Dichloromethane	144.0	2.6

Tokyo Techno Park

Address: 1-1, Niijuku 6-chome Katsushika-ku, Tokyo 125-8601, Japan
Tel: +81-3-3627-9411

A Message from Tokyo Techno Park General Manager

After dismantling and removing old buildings and transforming the property into a magnificent new tower, we opened our Tokyo Techno Park in October 2009 as an urban research and development base. There are now plans for a university and a high-rise apartment close by, and we aim at a green techno park that is in harmony with the surrounding landscape.

The first priorities in research and development are environmental preservation and safety. Everyone working at the Techno Park is highly sensitive to them, and we are steadfast in our desire to build a safety-oriented culture.

Makoto Mizutani
Managing Executive Officer
General Manager

First emergency drill

Fire extinguisher training at Oxygen Absorbers Techno Center

TTP internal organization

- Management Center
- Oxygen Absorbers Techno Center
- Electronics Materials R&D Center
- Tokyo Research Laboratory

  Main research topics
  Electronic materials, specialty chemicals, environmental medicine, nanotechnology, next generation materials
- MGC Chemical Analysis Center

MGC Group's Environmental and Safety Activities

Twelve domestic subsidiaries of the MGC Group that handle the Group's chemical products (as of August 2010) are promoting environmental and safety initiatives at the MGC Group Environment and Safety Council. In addition, the director in charge of the environment and safety carries out environmental and safety audits on domestic and overseas affiliates.

Activities of MGC Group Environment and Safety Council

Twice each year, MGC and the member companies in the council review the results of their environmental and safety activities as well as their annual plans, activity results, and reports regarding accidents and occupational injuries.

Accident and Occupational Injury Information Sharing

Since 2008, MGC and other Group companies have been sharing information about all occupational injuries and incidents (accidents or irregularities) that occur.

To further strengthen information sharing, in April 2009 MGC has formulated a Group-wide policy outlining "Rules for the Transmission of Safety Information," and established mechanisms for MGC Group companies to utilize such information and check its status.

Environmental and Safety Audits

With the director in charge of the environment and safety as team leader, we conduct 3 or 4 domestic and 2 or 3 overseas environmental and safety audits each year in support of the Group companies' environment and safety activities.

In 2009, audits were carried out on the following seven companies.

- **Japan Circuit Industrial Co., Ltd. Headquarters Plant**
- **Eiwa Chemical Industry Co., Ltd. Ujitawara Plant**
- **Toyo Kagaku Co., Ltd. Mizushima Plant**
- **Fudow Co., Ltd. Hiratsuka Plant**
- **Thai Polycarbonate Co., Ltd.**
- **Thai Polyacetal Co., Ltd.**
- **AGELESS (Thailand) Co., Ltd.**

Fudow Co., Ltd. / Hiratsuka Plant

AGELESS (Thailand) Co., Ltd.

MGC Group Companies Topics

Participating in a waste reduction competition in Fukushima prefecture (2009–2010). In October 2009 the Fukushima Prefecture Caravan came onto our site to boost activity.
(Electrotechno Co., Ltd.)

The Osaka Plant conducted a training session to learn regular rescue methods from Toyonaka City fire brigade rescue personnel. 16 people took part.
(MGC Filsheet Co., Ltd., Osaka Plant)

Participated in joint drills in the district. Rope tying, fire extinguisher training. Also participated in putting out a fire from an oil pan, and experienced big quake inside an earthquake simulator van.
(Japan Finechem Co., Inc., Hiratsuka Plant)

Participated in the combined self-defense fire brigade indoor fire hydrant games in September 2009. Succeeded in raising fire awareness.
(JSP Corporation, Kyushu Plant)

MGC Group Environment and Safety Council Secretariat visits each Group plant once every year, aiming to share activities by exchanging environmental and safety information.
(At Japan Pionics Co., Ltd.)

Partner companies also participated in assessing electric cart risk
(Toyo Kagaku Co., Ltd., Mitake Plant)

12 Member Companies of MGC Group Environment and Safety Council

Eiwa Chemical Industry Co., Ltd.

Manufacture and sale of blowing agents

Daido Seimei Co. Kyoto Bldg., 595-3 Manjuya-Cho Sanjo-sagaru Karasuma-dori, Nakagyo-ku, Kyoto-shi, Kyoto 604-8161, Japan
Tel: +81-75-256-5131
http://www.eiwa-chem.co.jp/en/

MGC Filsheet Co., Ltd.

Manufacture of polycarbonate film and sheet

4-2242, Mikajima, Tokorozawa-shi, Saitama 359-1164, Japan
Tel: +81-4-2948-2151
http://www.mgcfs.jp/en/

Electrotechno Co., Ltd.

Manufacture of copper-clad laminates

9-41, Aza-Sugiyama Oaza-Yone, Nishigo-mura, Nishishirakawa-gun, Fukushima 961-8031, Japan
Tel: +81-248-25-5000

JSP Corporation

Manufacture and sale of foamed plastics

Shin-Nisseki Bldg., 4-2, Marunouchi 3-chome Chiyoda-ku Tokyo 100-0005, Japan
Tel: +81-3-6212-6300
http://www.co-jsp.co.jp/english/

Japan Finechem Co., Inc.

Manufacture and sale of fine chemicals and electronic products

Kayaba-cho Nakano Bldg., 22-15, Shinkawa 1-chome, Chuo-ku, Tokyo 104-0033, Japan
Tel: +81-3-3552-7611 http://www.jfine.co.jp/eng/

Shin Sanso Kagaku Co.

Manufacture of hydrogen peroxide

148-58, Yufutsu, Tomakomai-shi, Hokkaido 059-1372, Japan
Tel: +81-144-55-7337
http://www.sskc.co.jp/

Toyo Kagaku Co., Ltd.

Resinous molding processing

51-497, Aza-Doudou, Oaza-Morowa, Togo-cho, Aichi-gun, Aichi 470-0151, Japan
Tel: +81-561-39-0531
http://www.toyo-kagaku.co.jp/

Japan Pionics Co., Ltd.

Manufacture and sale of gas purifiers and abatement system

3-3-32 Tamura, Hiratsuka-shi, Kanagawa 254-0013, Japan
TEL: +81-46-353-8300
http://www.japan-pionics.co.jp/en/

Fudow Co., Ltd.

Manufacture and sale of molding resin

5F, NOF Shin-Yokohama Bldg., 2-15-16 Shin-Yokohama, Kouhoku-ku, Yokohama-shi, Kanagawa 222-0033, Japan
TEL: +81-45-548-4210
http://www.fudow.co.jp/e-index.html

Japan Circuit Industrial Co., Ltd.

Manufacture and sale of printed circuit boards

2-1236, Kamiike-cho, Toyoda-shi, Aichi 471-0804, Japan
Tel: +81-565-88-3718
http://www.jci-jp.com/

Japan U-PiCA Co., Ltd.

Manufacture and sale of unsaturated polyester resin and coating resins

Madre Matsuda Bldg., 4-13, Kioi-cho, Chiyoda-ku, Tokyo 102-0094, Japan
Tel: +81-3-6850-0241 http://www.u-pica.co.jp/English/

Yonezawa Dia Electronics Co., Inc.

Manufacture of printed circuit boards, auxiliary materials for processing

446-3, Hachimanbara 3-chome, Yonezawa-shi, Yamagata 992-1128, Japan
Tel: +81-238-28-1345