SEKISUI

Corporate Social Responsibility Report

CSR Report 2015
Data Book

SEKISUI CHEMICAL CO., LTD.

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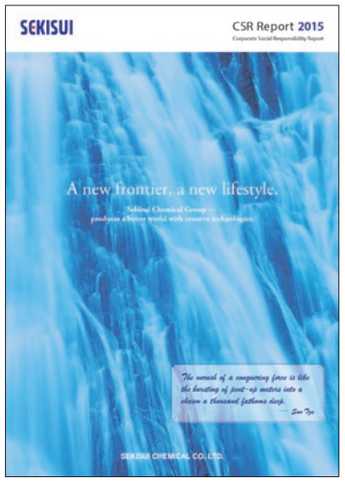


Scope of Independent Practitioner's Assurance

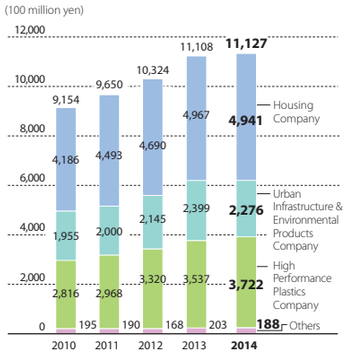
The environmental and social information in this report has been subjected to the independent practitioner's assurance for the appropriateness of calculation methods and the accuracy of the results of calculation. The "Verified" logo Verified is used to indicate that each item of such subject information has been verified.

SEKISUI CHEMICAL CO., LTD.

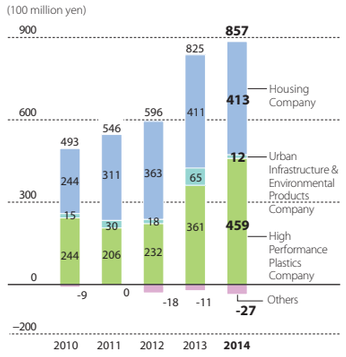
Management Benchmarks (Consolidated)

* Fiscal 2012: Performance for overseas subsidiaries is for the 15-month period January 2012 through March 2013 (in connection with standardization of the fiscal years of consolidated subsidiaries to end in March beginning with fiscal 2012).

Sales (by Each Division Company)



Operating Income (by Each Division Company)



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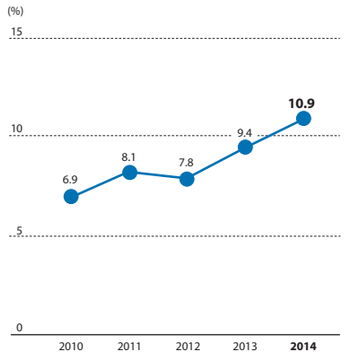
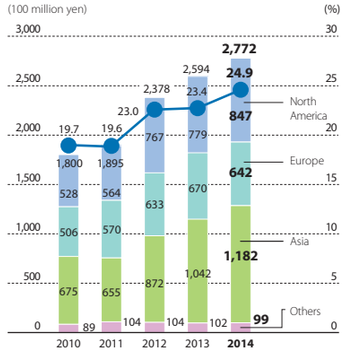
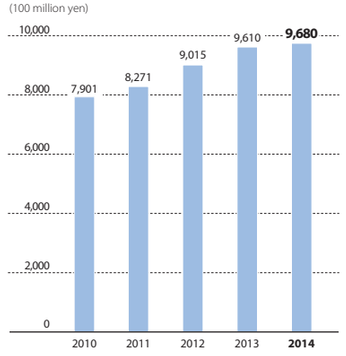


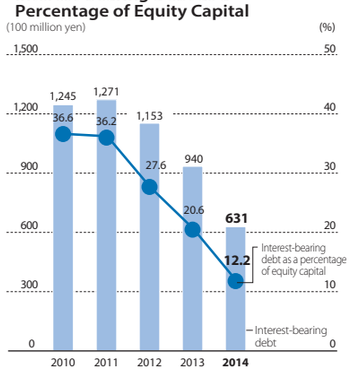
Overseas Sales and Sales Ratio



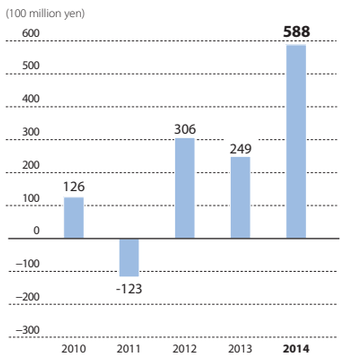
Total Assets



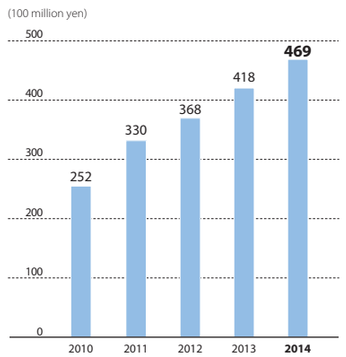
Interest-bearing Debt and Interest-bearing Debt as a Percentage of Equity Capital



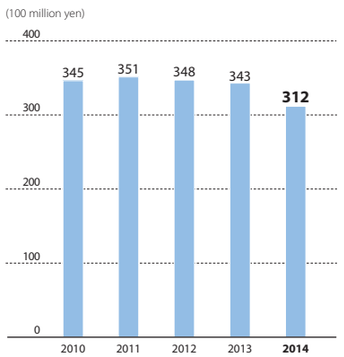
Free Cash Flows



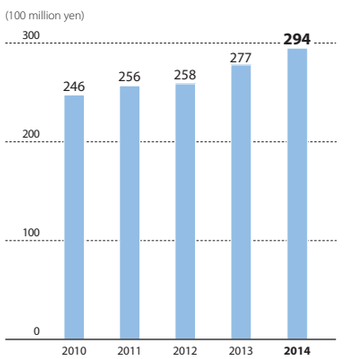
Capital Expenditures



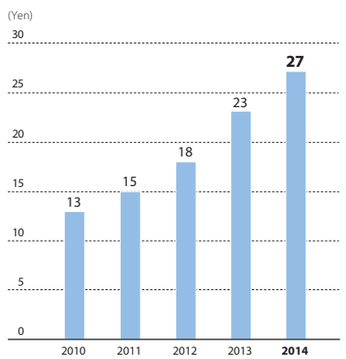
Depreciation and Amortization



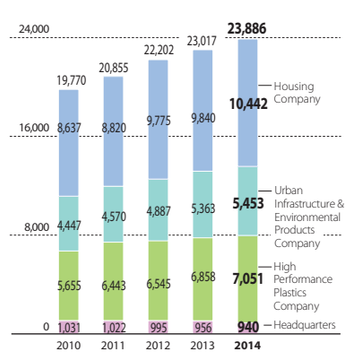
R&D Costs



Annual Dividend per Share



Number of Employees



Coverage of the Environmental Performance Data

Scope of data collection revised to fiscal 2014, the first fiscal year of the environmental medium-term SEKISUI Environmental Sustainability Plan Take-Off.

Japan

Housing Company

R&D institutes — **1 company and 1 business site**

Sekisui Chemical Co., Ltd. Tsukuba R&D Site

Production plants — **11 companies and 10 business sites**

Kanto Sekisui Heim Industry Co., Ltd.
Kinki Sekisui Heim Industry Co., Ltd.
Sekisui Board Co., Ltd., etc.

Sales and construction companies — **28 companies and 106 business sites**

Sekisui Heim Sales Companies
Construction and Service Companies

40 companies and 117 business sites in total

Urban Infrastructure & Environmental Products Company

R&D institutes — **1 company and 1 business site**

Sekisui Chemical Co., Ltd.
Kyoto Research & Development Laboratories

Production plants — **19 companies and 11 business sites**

Sekisui Chemical Co., Ltd. Shiga-Ritto Plant
Sekisui Chemical Co., Ltd. Gunma Plan
Sekisui Chemical Hokkaido Co., Ltd.
Toto Sekisui Co., Ltd. Ota Plant
Chiba Sekisui Industry Co., Ltd. / Nara Sekisui Co., Ltd.
Okayama Sekisui Industry Co., Ltd. / Shikoku Sekisui Co., Ltd.,
Kyushu Sekisui Industry Co., Ltd. / Hanyu Sekisui Co., Ltd.
Yamanashi Sekisui Co., Ltd. etc.

Sales — **1 company and 13 business sites**

Sekisui Chemical Co., Ltd. Higashinihon Branch,
Nishinihon Branch etc.

19 companies and 25 business sites in total

High Performance Plastics Company

R&D institutes — **2 companies and 2 business sites**

Sekisui Chemical Co., Ltd. Minase Site
Sekisui Medical Co., Ltd. ADME & Tox. Research Institute

Production plants — **11 companies and 14 business sites**

Sekisui Chemical Co., Ltd. Musashi Plant
Sekisui Chemical Co., Ltd. Shiga-Minakuchi Plant
Sekisui Chemical Co., Ltd. Taga Plant
Sekisui Techno Molding Co., Ltd. / Sekisui Film Co., Ltd.
Sekisui Medical Co., Ltd., etc. / Sekisui Fuller Co., Ltd.
Sekisui Nano Coat Technology Co., Ltd. etc.

11 companies and 16 business sites in total

Headquarters

R&D institutes — **1 company and 1 business site**

Sekisui Chemical Co., Ltd. Development Center

Production Plants and Headquarters — **7 companies and 10 business sites**

Sekisui Seikei, Ltd.
Hinomaru Co., Ltd.
Tokuyama Sekisui Industry Co., Ltd.,
Osaka Headquarters and Tokyo Headquarters etc.

7 companies and 11 business sites in total

Total: 74 companies and 169 business sites

Note: The total number of companies and business sites do not match, since some companies have two or more business sites, and some business sites are shared by two or more companies.

Overseas

Urban Infrastructure & Environmental Products Company

SEKISUI Polymer Innovations, LLC. Bloomsburg Plant
SEKISUI Polymer Innovations, LLC. Holland Plant
Sekisui Industrial Piping Co., Ltd.
Sekisui (Qingdao) Plastic Co., Ltd.
Sekisui (Wuxi) Plastics Technology Co., Ltd.
Sekisui Eslon B.V.
Yongchang Sekisui Composites Co., Ltd.
Sekisui Rib Loc Australia Pty. Ltd.

18 business sites in total

High Performance Plastics Company

Sekisui S-Lec America, LLC.
Sekisui S-Lec Mexico S.A. de C.V.
Sekisui S-Lec B.V. Film Plant
Sekisui S-Lec B.V. Resin Plant
Sekisui S-Lec (Thailand) Co., Ltd.
Sekisui S-LEC (Suzhou) Co., Ltd.
Sekisui Specialty Chemicals America, LLC. Pasadena Plant
Sekisui Specialty Chemicals America, LLC. Calvert City Plant
Sekisui Specialty Chemicals Europe, S.L.
Sekisui Voltek, LLC. Lawrence Plant
Sekisui Voltek, LLC. Coldwater Plant
Sekisui Alveo B.V.
Sekisui Alveo Ltd.
Sekisui Alveo BS G.m.b.H.
Thai Sekisui Foam Co., Ltd.
Sekisui Pilon Pty. Ltd.
YoungBo Chemical Co., Ltd. Daejeon Plant
YoungBo Chemical Co., Ltd. Cheongwon Plant
YoungBo HPP (Langfang) Co., Ltd.
Sekisui TA Industries, LLC. Buena Park Plant*
Sekisui TA Industries, LLC. Tennessee Plant
Sekisui High Performance Packaging (Langfang) Co., Ltd.
Sekisui Medical Technology (China) Ltd.
XenoTech, LLC.
Sekisui Diagnostics, LLC. Stamford*
Sekisui Diagnostics, LLC. San Diego
Sekisui Diagnostics (UK) Ltd.
Sekisui Diagnostics P.E.I. Inc.
Sekisui Virotech G.m.b.H.
Sekisui DLJM Molding Private Ltd. Greater Noida Plant
Sekisui DLJM Molding Private Ltd. Tapukara Plant

31 business sites in total

* Data was collected only for wastes and CO_2 emissions.

New Environmental Medium-Term Plan

Targets and Results of Initiatives under Environmental Medium-Term SEKISUI Environmental Sustainability Plan Take-Off (FY 2014-2016)

		Efforts			Subjects: Production sites in Japan	Laboratories	Domestic offices	Overseas production sites	Overseas offices	Other	Indicators	Medium-Term Targets (2014-2016)	Fiscal 2014 Targets	Fiscal 2014 Results (Verified)	Evaluation	Page
Contribute to the return of natural capital	Reduce environmental impact	Expand and create Environment-Contributing Products	Increase sales of Environment-Contributing Products		○		○	○	○		Environment-Contributing Product sales ratio (consolidated)	50%	44%	44.5%	○	31 Data Book 8
			Create Environment-Contributing Products		○	○		○			Number of new Environment-Contributing Product registrations	30 products	10 products	22 products	○	—
		Greenhouse gases, energy	Reduce greenhouse gas emissions	Emissions reductions	○			○			GHG emissions	Total emissions level maintained (compared to fiscal 2013)	±0%	-2.5% (Japan: -5.7%, overseas: -0.2%)	○	27 Data Book 9
			Energy conservation	Reduce energy use	○			○			Energy consumption per unit of output	-3% (compared to fiscal 2013)	-1%	+3.6% (Japan: ×1.0%, overseas: +4.8%)	×	27 Data Book 9
						○					Energy consumption per capita	-3% (compared to fiscal 2013)	-1%	-4.3%	○	—
							○		○		Energy consumption per unit of area	-3% (compared to fiscal 2013)	-1%	+0.3% (Japan: +0.4%, overseas: -8.8%)	×	—
										○	Energy consumption per unit of transportation	-3% (compared to fiscal 2013)	-1%	+1.7%	×	Data Book 10
		Resources, waste	Waste reduction	Reduce waste generation by production volume	○			○			Waste generated per unit of output	-12% (compared to fiscal 2013)	-4%	+8.6% (Japan: +6.5%, overseas: +10.9%)	×	28 Data Book 11
				Reduce use of resources in offices			○		○		Copier paper use per capita	-6% (compared to fiscal 2013)	-2%	-2.9% (Japan: -2.9%, overseas: -6.5%)	○	Data Book 12
				Reduce waste generation at new construction sites						○	Waste generated per building	Sekisui Heim 825kg/building Two-U Home 1,375kg/building	Sekisui Heim: 915kg/building Two-U Home: 1,465kg/building	Sekisui Heim: 1,233kg/building Two-U Home: 1,748kg/building	×	28 Data Book 12
		EMS, zero emissions	EMS certification		○	○		○			Number of business sites with EMS certification	15 business sites certified (compared with fiscal 2013)	1 business site	2 business sites	○	26 Data Book 15
			Expand zero emissions activities		○	○		○			Number of business sites that have achieved zero emissions	13 business sites achieved (compared with fiscal 2013)	1 business site	2 business sites	○	28 Data Book 11
		Other environmental impact	Reduce water use		○			○			Water usage	No change in total volume (compared with fiscal 2013)	±0%	-5.1% (Japan: -6.0%, overseas: -0.8%)	○	Data Book 12
			Reduce atmospheric VOC emissions		○			○			VOC emissions	No change in total volume (compared with fiscal 2013) (Overseas 2014 BM)	±0%	Japan -6.6% Still tallying overseas data	○	29 Data Book 14
	Conserve natural environment	Business site activities	Improve quality of green space on business sites		○	○					JBIB Land Use Score Card® points	+ 10 points (compared to fiscal 2013)	+3 points	+4.6 points	○	30
			Promote Sekisui Environment Week		○	○	○	○	○		Ratio of participants to total employees	100%	60%	54%	×	—
		Activities in partnership with local communities	Japan	Activities centered on production sites	○	○					Number of business sites implementing self-guided activities	25 business sites	8 business sites	14 business sites	○	—
				Activities centered on sales companies			○				Number of activity blocs	7 blocs	2 additional blocs	2 additional blocs	○	—
			Overseas					○	○		Five sites continue the activities at least once a year	5 bases	5 bases	5 bases	○	—

Sekisui Chemical Group's Environmental Accounting Verified

To promote efficient environmental management and fulfill corporate accountability responsibilities, Sekisui Chemical Group employs environmental accounting that makes it possible to ascertain the costs and effects of environmental conservation activities. Calculation is conducted by referring to the *Environmental Accounting Guidelines 2005* issued by the Japanese Ministry of the Environment, with the addition of Sekisui Chemical Group's own concepts, such as external economic benefits (estimated effects).

In fiscal 2014, the number of production business sites with collectible data increased.

Total costs declined year on year, reflecting a decrease in costs for global warming countermeasures, waste reduction costs, upstream and downstream costs, and R&D spending, despite an increase in costs for preventing atmosphere, water and noise pollution and higher spending on environmental education.

At the same time, investments decreased, reflecting the absence of large-scale environmental investments, such as the megasolar power plant constructed in the previous fiscal year. R&D spending also declined.

A look at economic effects shows that earnings from the sale of electricity generated at megasolar power plants have increased since fiscal 2013, while gains from disposals at price decreased. Moreover, cost reductions from energy conservation activities and cost savings from waste reduction activities expanded. External economic effects increased steadily, such as from the sale of homes with solar power generation systems.

Scope of environmental accounting

(1) Summation period: April 1, 2014 through March 31, 2015

(2) Scope of summation: 47 target production sites (as listed on page 2 of this Data Book) + 5 laboratories + each department of Headquarters + back offices of division companies + 15 housing sales companies.

Notes:

Under the scope of data collection in fiscal 2012, there were 40 target production sites + 4 laboratories + each department of Headquarters + back offices of division companies + 15 housing sales companies.

Under the scope of data collection in fiscal 2013, there were 44 production business sites + 5 laboratories + each department at Headquarters + back offices of Division Companies + 15 housing sales companies.

The following business sites were added and removed.

Added: Sekisui Medical Co., Ltd. Iwate Plant, Tsukuba Plant, Amagasaki Plant, ADME & Tox. Research Institute
Sekisui Fuller Co., Ltd. Shiga Plant, Hamamatsu Plant

Removed: Sekisui Chemical Co., Ltd. Amagasaki Plant (plant closed)

Under the scope of data collection in fiscal 2014, the following business sites were added:
Yamanashi Sekisui Co., Ltd., Hanyu Sekisui Co., Ltd., Sekisui Nano Coat Technology Co., Ltd.

(3) Principle of summation

• Depreciation amounts are the same as those for financial accounting. • Investment amounts are based on budget approvals during the summation period.
• Expenditures and investments that contain other than environmental conservation activities are distributed pro-rata in 10% increments.

Environmental Conservation Costs (Sekisui Chemical Group)

(Yen in millions)

Items		FY2012		FY2013		FY2014	
Category	Description of main activities	Costs	Investments	Costs	Investments	Costs	Investments
1) Costs within business areas	Prevention of air, water, and noise pollution, etc.	1,589	215	1,243	192	1,284	318
	Countermeasures against global warming (energy saving), etc.	504	993	732	885	503	1,026
	Waste reduction, recycling, disposal, etc.	4,914	195	4,467	280	4,442	84
2) Upstream/downstream costs	Cost increases due to URU, switching to packaging/packing methods involving reduced environmental impact, greener purchasing, etc.	248	0	334	5	231	0
3) Administrative costs	Environmental education, EMS maintenance, running costs for green action organization, information disclosure, etc.	2,408	4	1,818	4	2,077	37
4) Research & development costs	Research and development on environmental conservation	3,222	244	3,183	999	2,849	230
5) Social activities costs	Social contributions, etc.	78	0	338	1,754	331	0
6) Environmental damage costs	Nature restoration, etc.	26	0	30	0	32	0
Total		12,990	1,652	12,144	4,120	11,748	1,694
Total amount of R&D costs* and investment in the fiscal period (million yen)		25,895	15,473	27,721	16,217	29,453	18,560
Ratio of amount related to environmental conservation activities to total (%)		12.4	10.7	11.5	25.4	9.7	9.1

* R&D costs are the total for all consolidated companies.

Environmental Conservation Benefits (Sekisui Chemical Group)

Environmental Conservation Benefits										Environmental performance criteria: per unit of output; Total				Self-evaluation
Description of effects		Item		Unit	FY2012	FY2013	FY2014	Effect (14-13)	See page	Item	Unit	FY2013	FY2014	
Effects within business areas	Effects on invested resources	Amount of energy usage 1	(1) Electricity	TJ	3,315	3,360	3,423	63	Data Book 9	(1) Energy usage per unit of output (electricity + fuel) 1	GJ/ton	1.64	1.71	×
			(2) Fuel	TJ	2,142	2,259	2,172	-87	Data Book 9					
	Effects on environmental impact and waste	(3) CO_2 emissions 2		Thousand tons	303.9	312.1	311.6	-0.5	Data Book 9	—	—	—	—	○
		(4) Volume of environmental pollutants discharged 3		Tons	532.5	554.3	630.9	76.6	Data Book 14	—	—	—	—	×
		(5) Waste generated 4		Thousand tons	35.2	33.9	34.1	0.2	Data Book 12	(2) Waste generated per unit of output	kg/ton	33.7	36.0	×
		(6) Outsourced disposal 5		Thousand tons	0.02	0.00	0.04	0.04	—	(3) Outsourced disposal per unit of output	kg/ton	0.00	0.04	×
Upstream/downstream effects	Effects related to products/services	CO_2 reduction by photovoltaic power generation, etc. (cumulative)		Thousand tons	271	316	362	46	—	—	—	—	—	◎
Other benefits to environmental conservation	Others 6	Business sites attaining ISO 14001 and other certifications	New acquisitions	Sites	1	4	2	—	—	Business sites attaining ISO 14001 and other certifications 7	Total number of business sites	92	94	○
			Renewals	Sites	15	17	15	—	—					
		Number of business sites achieving zero emissions 8		Sites	4	2	2	—	—	Number of business sites achieving zero emissions 8	Total number of business sites	150	152	○
		CO_2 reduction from use of megasolar facilities		Thousand tons	—	2.95	5.32	2.37	—	—	—	—	—	—

1 Conversion into thermal units uses the coefficient published by the Ministry of Economy, Trade and Industry. 2 Emissions at the time of manufacturing and conversion to CO_2 use coefficients used in environmental medium-term SEKISUI Sustainable Plan Take-Off (Data (See p. 9) Book P9) 3 Class I Designated Chemical Substances specified by PRTR Law. 4 Amount discharged + Amount disposed of at price + Amount incinerated within own premises. 5 Simple incineration + Landfill. 6 Including business sites not subject to environmental accounting summation, such as overseas business sites. 7 A cumulative total number of sites reviewed for factors, such as consolidation and return of certifications for housing sales companies. 8 A business site affiliated to multiple companies is counted as one.

Economical Effects Related to Environmental Conservation Measures (Sekisui Chemical Group)

(Yen in millions)

Description of effects		FY2012	FY2013	FY2014	Remarks
Revenue	(1) Profit on sales of valuable resources	257	245	165	Profit on sales of valuable resources from promotion of waste segregation and recycling
	(2) Revenues from sale of electricity	—	216	393	Revenues from sale of electricity generated by megasolar facilities
Cost savings	(3) Savings from simplified packaging	21	6	5	
	(4) Cost savings through energy-saving activities	436	546	669	
	(5) Cost savings through waste-reduction activities, etc.	896	698	1,118	Including resource-saving activities
Subtotal (actual effects)		1,610	1,712	2,350	
(6) Contribution to environmental conservation activities 9		6,888	7,517	7,150	Contribution of environmental conservation activities to added value at business sites 10
(7) External economic effect		19,135	21,215	23,898	Monetary conversion of impact from photovoltaic generation systems and No-Dig pipe rehabilitation method
Subtotal (estimated effects)		26,023	28,732	31,049	
Total		27,633	30,444	33,399	

9 Excluding housing sales companies 10 (Added value from business sites) × {(Costs within business areas + Administrative costs)/(Total production costs excluding materials costs)}

Environmental Conservation Cost (by Each Division Company)

(Yen in millions)

Items		Housing Company1		Urban Infrastructure & Environmental Products Company		High Performance Plastics Company		Sekisui Chemical Group2	
Category	Description of main activities	Costs	Investments	Costs	Investments	Costs	Investments	Costs	Investments
1) Costs within business areas	Prevention of air, water, and noise pollution, etc.	1,056	10	59	16	106	108	1,284	318
	Countermeasures against global warming (energy saving), etc.	154	654	87	168	184	100	503	1,026
	Waste reduction, recycling, disposal, etc.	3,739	1	318	19	358	64	4,442	84
2) Upstream/downstream costs	Cost increases due to URU, switching to packaging/packing methods involving reduced environmental impact, greener purchasing, etc.	205	0	2	0	6	0	231	0
3) Administrative costs	Environmental education, EMS maintenance, running costs for green action organization, information disclosure, etc.	539	1	292	0	351	8	2,077	37
4) Research & development costs	Research and development on environmental conservation	112	22	1,061	0	752	0	2,849	230
5) Social activities costs	Social contributions, etc.	178	0	49	0	37	0	331	0
6) Environmental damage costs	Nature restoration, etc.	0	0	0	0	32	0	32	0
Total		5,984	687	1,868	203	1,825	279	11,748	1,694
Total amount of R&D costs3 and investment in the fiscal period (million yen)		4,884	3,875	5,067	5,310	15,878	6,783	29,453	18,560
Ratio of amount related to environmental conservation activities to total (%)		2.3	17.7	20.9	3.8	4.7	4.1	9.7	9.1

1 Including 41 business sites of housing sales companies. 2 Total of three division companies and departments of Headquarters. 3 R&D costs are the total for all consolidated companies.

Environmental Conservation Cost (by Environmental Conservation Measures)

(Yen in millions)

Items		Housing Company1		Urban Infrastructure & Environmental Products Company		High Performance Plastics Company		Sekisui Chemical Group2	
Category	Description of main activities	Costs	Investments	Costs	Investments	Costs	Investments	Costs	Investments
1. Prevention of global warming	Reduction of CO_2 emissions, etc.	149	74	101	168	180	76	508	387
2. Ozone layer protection	Reduction of chlorofluorocarbon emissions, etc.	4	3	0	0	0	23	6	63
3. Conservation of air quality	Prevention of air pollution by reducing polluting substances	218	3	46	14	46	8	340	25
4. Prevention of noise and vibration	Prevention of noise and vibration pollution	5	0	3	0	5	8	15	8
5. Conservation of water environment, soil environment, ground quality	Preservation of water quality, prevention of subsidence	228	7	21	0	90	88	373	279
6. Waste reduction and recycling	Reduction and treatment of waste, recycling, etc.	3,903	1	337	19	373	64	4,642	84
7. Reduction of chemical substances	Risk management of chemical substances, etc.	581	0	2	0	5	0	589	0
8. Conservation of natural environment	Nature conservation, etc.	44	0	91	0	33	8	234	8
9. Others	Others	852	599	1,267	2	1,092	5	5,042	841
Total		5,984	687	1,868	203	1,825	279	11,748	1,694

1 Including 41 business sites of housing sales companies. 2 Total of three division companies and departments of Headquarters.

Environmental Conservation Benefits (by Each Division Company)

Environmental Conservation Benefits					Unit	Housing Company1			Urban Infrastructure & Environmental Products Company			High Performance Plastics Company			Sekisui Chemical Group2			See Data Book page
Description of effects		Items				FY2013	FY2014	Effect (14-13)	FY2013	FY2014	Effect (14-13)	FY2013	FY2014	Effect (14-13)	FY2013	FY2014	Effect (14-13)	
Effects within business areas	Effects on invested resources	Amount of energy usage4	(1) Electricity		TJ	425	381	-43	1,365	1,363	-2	966	1,094	128	3,360	3,423	63	9
			(2) Fuel		TJ	117	108	-9	108	101	-6	1,788	1,729	-59	2,259	2,172	-87	9
	Effects on environmental impact and waste	(3) CO_2 emissions5			Thousand tons	31.4	28.2	-3.2	84.6	83.7	-0.9	146.7	152.1	5.4	312.1	311.6	-0.5	9
		(4) Volume of environmental pollutants discharged6			Tons	5.6	4.8	-0.8	82.1	61.4	-20.6	462.6	560.9	98.3	554.3	630.9	76.6	14
		(5) Waste generated7			Thousand tons	7.4	7.0	-0.4	5.4	6.1	0.0	19.2	19.2	0.0	33.9	34.1	0.2	12
		(6) Outsourced disposal8			Thousand tons	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.04	0.04	0.00	0.04	0.04	—
Upstream/downstream effects	Effects related to products/services	CO_2 reduction by photovoltaic power generation, etc.			Thousand tons	316	362	46	—	—	—	—	—	—	316	362	46	—
Other benefits to environmental conservation	Others9	Business sites attaining ISO 14001 and other certifications	New acquisitions		Sites	1	0	—	0	1	—	3	1	—	4	2	—	—
			Renewals		Sites	5	0	—	5	5	—	2	6	—	17	15	—	—
		Number of business sites achieving zero emissions10			Sites	0	0	—	0	1	—	2	1	—	2	2	—	11
		CO_2 reduction from use of megasolar facilities			Thousand tons	2.13	3.31	1.18	0.23	0.89	0.66	0.59	1.12	0.53	2.95	5.32	2.37	—

4 Conversion into thermal units uses the coefficient published by the Ministry of Economy, Trade and Industry. 5 Emissions at the time of manufacturing and conversion to CO_2 use the coefficients used in the environmental medium-term SEKISUI Sustainable Plan Take-Off (see Data Book, p. 9). 6 Class I Designated Chemical Substances specified by PRTR Law. 7 Amount discharged + Amount disposed of at price + Amount incinerated within own premises 8 Simple incineration + landfill 9 Including business sites not subject to environmental accounting summation, such as overseas business sites 10 A business site affiliated to multiple companies is counted as one.

Economic Effects Related to Environmental Conservation Measures (by Each Division Company)

(Yen in millions)

Description of effects		Housing Company1	Urban Infrastructure & Environmental Products Company	High Performance Plastics Company	Sekisui Chemical Group2	Remarks
Revenue	(1) Profit on sales of valuable resources	24	15	106	165	Profit on sales of valuable resources from promotion of waste egregation and recycling
	(2) Revenues from sale of electricity	249	64	80	393	Revenues from sale of electricity generated by megasolar facilities
Cost savings	(3) Savings from simplified packaging	0	4	1	5	
	(4) Cost savings through energy-saving activities	10	87	506	669	
	(5) Cost savings through waste-reduction activities, etc.	27	125	955	1,118	Including resource-saving activities
Subtotal (actual effects)		309	295	1,648	2,350	
(6) Contribution to environmental conservation activities11		1,749	2,020	3,121	7,150	Contribution of environmental conservation activities to added value at business sites12
(7) External Economic Effect		18,914	4,984	—	23,898	Monetary conversion of impact from photovoltaic generation systems and No-Dig pipe rehabilitation method
Sub-total (estimated effects)		20,663	7,005	3,121	31,049	
Total		20,972	7,300	4,769	33,399	

11 Excluding housing sales companies 12 (Added value from business sites) × {(Costs within business areas + Administrative costs)/(Total production costs excluding materials costs)}

Integrated Index: SEKISUI Environmental Sustainability Index

P26 Verified

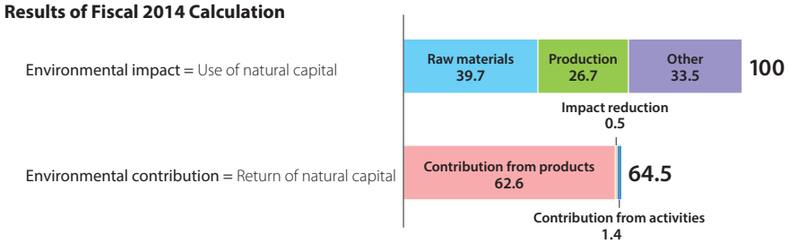
What is SEKISUI Environmental Sustainability Index?

The SEKISUI Environmental Sustainability Index is a single indicator of the level of impact on the environment by all of the corporate activites of Sekisui Chemical Group (i.e. use of natural capital) and contributions back to the environment (i.e. return of natural capital) . This index integrates all of the effects of the key implementation objectives of our medium-term plan: reduce various environmental impact, increase products and services that contribute to the environment, and preserve the natural environment, and others.

Results of calculation

Based on fiscal 2014 performance , the SEKISUI Environmental Sustainability Index was calculated as follows. With environmental impact equal to 100 representing the use of natural capital, the return of natural capital as contributions back to the environment is 64.5.

Results of Fiscal 2014 Calculation



Calculation Method

(1) Gather quantitative data on the level of environmental impact and benefits of environmental activities by category

Environmental impact and environmental activities (i)

- Raw material usage
- Water used
- Environmental contribution of each product
- GHG emissions
- Emissions of chemical substances
- Employee participation rate in activities to preserve the natural environment
- Volume of waste generated
- Area of land used

(2) A database of coefficient to calculate the environment impact collected by experts was used for calculating the impact (negative factors) and contributions (positive factors) by category

Raw data by category Ai x Coefficient ki = Environmental impact (Ti)

(3) Total of Environmental impact and contribution for each category (integrated total)

Σ(Raw data for each category)Ai × Coefficient ki = Σ (Environmental impact Ti)

* Units are the amount of damage calculated (= amount necessary to restore the environment to the original conditions [living organisms, plants, and global warming] if our activities damaged the environment)

After collecting the raw data in (1) above, stages (2) and (3) are calculated using a customized version of the Life-cycle Impact assessment Method based on Endpoint modeling2 (LIME2) developed in Japan by Professor Norihiro Itsubo at Tokyo City University. (See p. 26 of this Data Book for calculation basis.)

Material Balance (in Japan) Verified

Main Raw Materials

- Metals ····· 119,000 tons
- Wood, wooden building materials ····· 55,000 tons
- Cement for exterior walls ····· 84,000 tons
- Concrete for foundations ····· 424,000 tons
- PVC ····· 157,000 tons
- Polyethylene ····· 51,000 tons
- Polypropylene ····· 32,000 tons
- Kraft paper ····· 18,000 tons
- PRTR-designated substances ····· 109,000 tons

Energy ····· 5,596TJ

- Purchased electricity ····· 353,553MWh
- Heavy oil A ····· 3,305kL
- City gas ····· 42,249,000 m³

Industrial water ····· 16,019,000 tons

Input → **Sekisui Chemical Group** → Output

To the atmosphere

- CO_2 from energy consumption ····· 312,000 tons-CO_2
- NOx ····· 197 tons
- SOx ····· 10 tons
- Soot particles ····· 3 tons
- PRTR-designated substances ····· 590 tons

To water

- Water discharged ····· 14,999,000 tons
- COD ····· 71 tons
- PRTR-designated substances ····· 0.1 tons

Waste

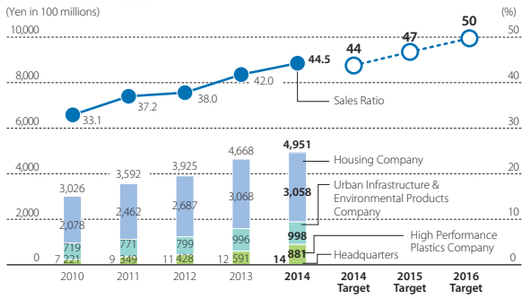
- Total generated waste ····· 34,000 tons

Note: Certain main raw materials are undisclosed for business strategy reasons.

Environment-Contributing Products

P31

Environment-Contributing Products Sales and Sales-Ratio Trends Verified

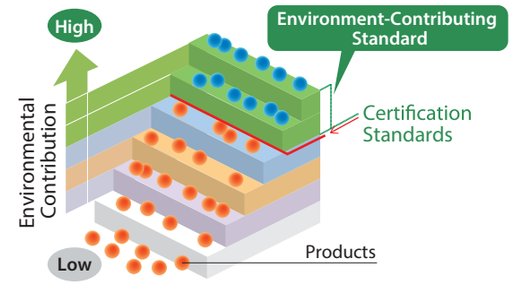


Prerequisites for Environment-Contributing Products

Environments targeted[1]	Natural/social environments
Scope of contribution[2]	All / socity-wide
Level of contribution[3]	A level above conventional products/systems

1 Excluding living environments
2 Excluding own business activities
3 Set approved standards for each type of environmental contribution

Environment-Contributing Products Conceptual Diagram



Criteria for Environment-Contributing Products

Definition (products that satisfy the two conditions below)

- Products and businesses able to reduce environmental impact of our customers and society as a whole.
- Products or systems having at least a certain degree of effect in reducing environmental impact compared with similar conventional products and systems.

Types of environmental contribution

- Able to reduce CO_2 emissions and generate energy
- Able to reduce waste
- Able to achieve resource conservation
- Able to save water and improve aquatic environments
- Able to prevent chemical substance pollution
- Able to directly preserve biodiversity
- Interlayer materials essential for functionality of end-user products that contribute to the environment
- Able to reduce environmental impact during disasters

Product Assessment System for Environmental Impact

P29

Targets: Products and processes
Scope: All stages of the product lifecycle

Compliance Evaluation
- Laws and regulations
- Self regulation
- Requirements of industries, etc.

Chemical Substance Assessment
- Laws and regulations
- Prohibited substances
- Restricted substances

Product Assessment System for Environmental Impact

Environment-friendly design	Raw material procurement	Manufacture	Transportation	Construction and assembly	Use	Disposal
• Invested resources • Raw materials, composition, and structure • Information disclosure • Environment-Contributing Products standards • LCCCO_2 evaluation	• Environmental impact Means of transportation Packaging materials • Green procurement (Suppliers, raw materials)	• Capital Investments • Invested resources, energy • Secondary resources used • Environmental impact Atmosphere, water, waste, chemical substances, etc.	• Environmental impact Means of transportation Load-efficient design • Information disclosure	• Invested resources, energy • Secondary resources used • Environmental impact Atmosphere, water, waste, chemical substances, etc.	• Invested resources, energy • Secondary resources used • Environmental impact Atmosphere, water, waste, chemical substances, etc.	• Composition and structure • Recyclability • Environmental impact Transportation, disposal, soil/groundwater contamination

Biodiversity

P30

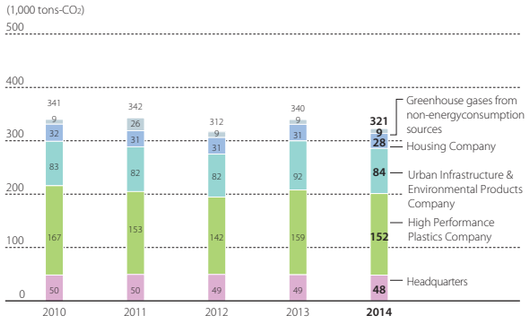
Initiatives Envisioned under Biodiversity Guidelines

1. Assessment and reduction of the impact of business activities on biodiversity	• Developing assessment methods and conducting assessment, reducing impact • Promoting biodiversity-conscious purchasing • Greening of business sites (promoting landscaping and biotope development)
2. Development and promotion of related technologies and products	• Incorporating biodiversity assessment at product development stage
3. Raising employees' awareness	• Conducting nature conservation activities at all business sites • Expanding Sekisui Nature Study Course and nature conservation activities
4. Dialogue and cooperation with external stakeholders	• Supporting Innovations Inspired by Nature, and holding periodic forums on subject • Supporting nonprofit and other organizations through Keidanren (Japan Business Federation)
5. Transmittance of information	• Exhibiting at Eco-Products Exhibition and other events • Providing information in CSR Report, Site Reports, and websites • Educating next generation (Children's Nature Study Course, school visits)

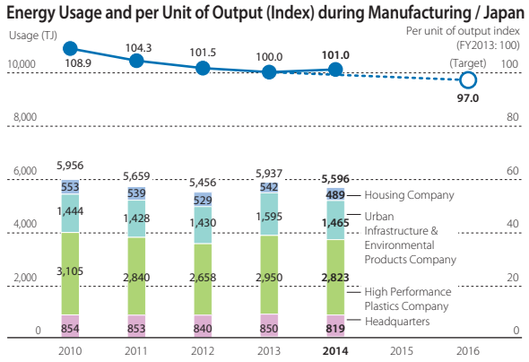
Global Warming Prevention P27 Verified

* Due to the revised scope of aggregation, figures have been revised retroactively to fiscal 2013, the base year for the target amounts.

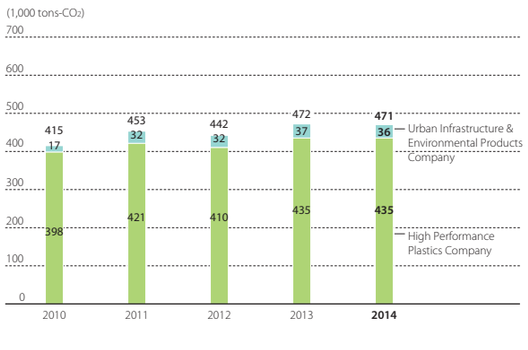
Greenhouse Gas (GHG) Emissions during Manufacturing / Japan



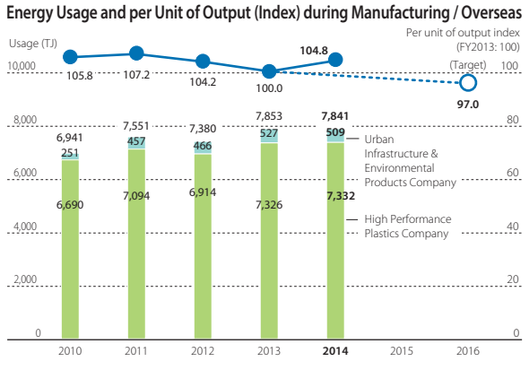
Energy Usage and per Unit of Output (Index) during Manufacturing / Japan



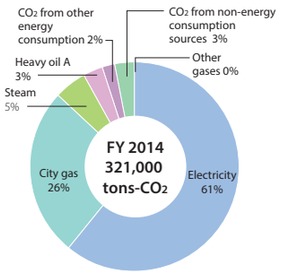
Greenhouse Gas (GHG) Emissions during Manufacturing / Overseas



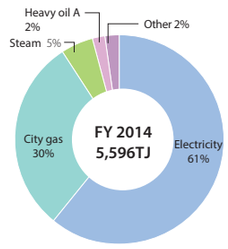
Energy Usage and per Unit of Output (Index) during Manufacturing / Overseas



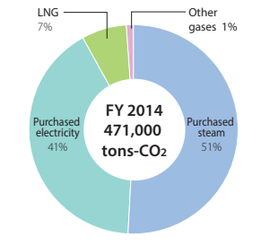
Breakdown of Greenhouse Gas (GHG) Emissions / Japan



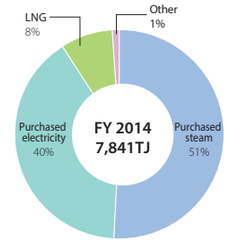
Breakdown of Energy Usage / Japan



Breakdown of Greenhouse Gas (GHG) Emissions / Overseas



Breakdown of Energy Usage / Overseas



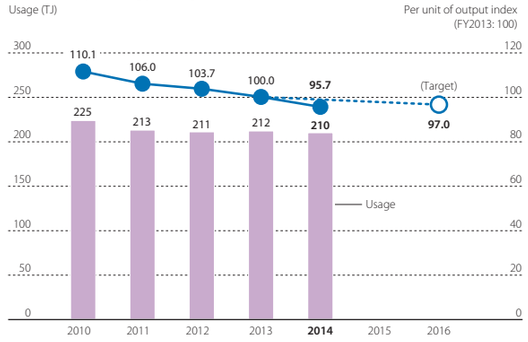
CO2 Emissions Coefficient (SEKISUI Environmental Sustainability Plan Take-Off)

We aim to reduce all types of greenhouse gases under the environmental medium-term SEKISUI Environmental Sustainability Plan Take-Off.
The conversion coefficients for CO_2 emissions are the values specified (as of March 2009) under the greenhouse-gas emissions calculation, reporting, and disclosure system established by Japanese law, with uniform figures used for each fiscal year.

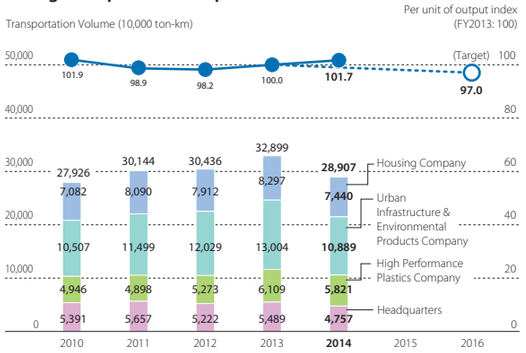
Purchased electricity	0.555 tons-CO_2/MWh
Heavy oil A	2.71 tons-CO_2/kL
City gas	2.08 tons-CO_2/thousand Nm3
LNG	2.70 tons-CO_2/ton
Heating oil	2.49 tons-CO_2/kL
Diesel oil	2.62 tons-CO_2/kL
Gasoline	2.32 tons-CO_2/kL
LPG	3.00 tons-CO_2/ton
Purchased steam	0.179 tons-CO_2/ton

Source: Calculation and Reporting Manual for Greenhouse Gas Emissions (published in March 2009 by Japanese Ministry of the Environment and Ministry of Economy, Trade and Industry)

Laboratory Energy Usage and per Unit of Output (Index)



Transportation Volume and Energy per Unit of Output (Index) during Transportation / Japan

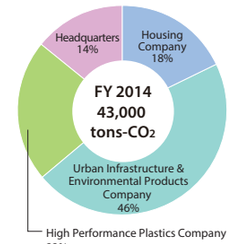


Greenhouse Gas Emissions from Supply Chain

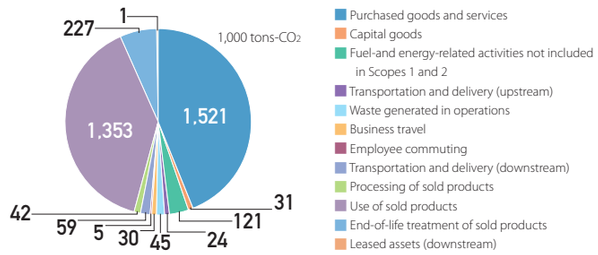
(1,000 tons-CO_2)

	Category	Estimated emissions
Upstream	Purchased goods and services	1,521
	Capital goods	31
	Fuel-and energy-related activities not included in Scopes 1 and 2	121
	Transportation and delivery (upstream)	24
	Waste generated in operations	45
	Business travel	30
	Employee commuting	5
Downstream	Transportation and delivery (downstream)	59
	Processing of sold products	42
	Use of sold products	1,353
	End-of-life treatment of sold products	227
	Leased assets (downstream)	1
Total (upstream and downstream)		3,461

CO_2 Emissions at the Transportation Stage / Japan



- Amount transported in fiscal 2014: 290 million ton-kilometers
- Calculation method: Either the improved ton-kilometer method, fuel consumption method, or fuel cost method, depending on the product and transportation method

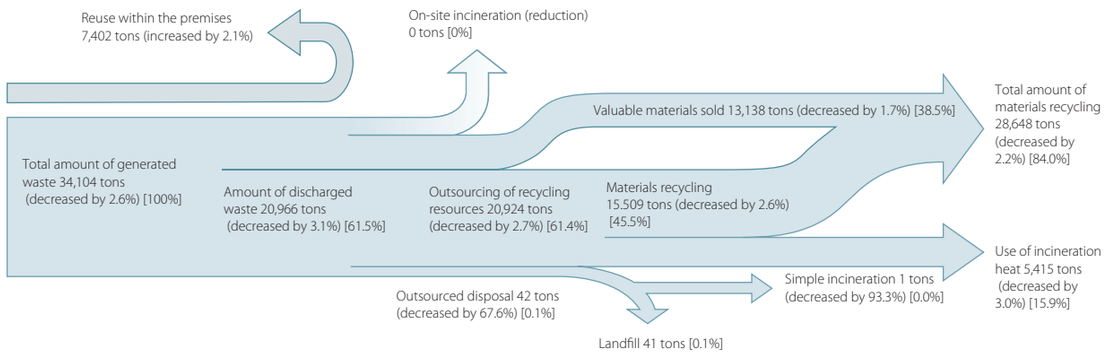


Resource Recycling and Saving P28 Verified

* Due to the revised scope of aggregation, figures have been revised retroactively to fiscal 2013, the base year for the target amounts.

Fiscal 2014 Annual Production Site Waste Generation and Disposal Conditions / Japan

Change over the previous year is in ( ) and proportion of the total generation is in [ ].



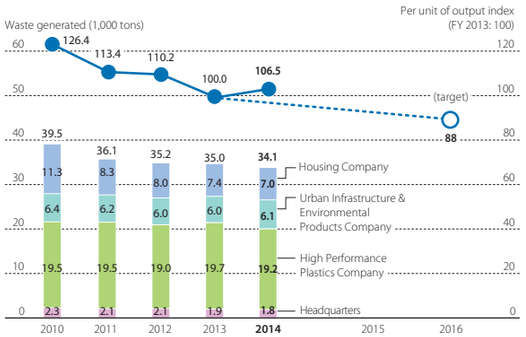
Zero Emissions Achievement Criteria and Accreditation System of Sekisui Chemical Group

(1) Not engaging in any outside incineration without thermal utilization (thermal recycling), or landfill outside or inside of facilities (recycling ratio: 100%)
(2) If the waste quantity is small and it is a type of waste that has never been recycled before, recycling methods and relevant contractors must be identified and a service agreement must be executed.
We also have established uniform evaluation criteria known as the Zero Emissions Achievement Evaluation List. We have established a system designed to conduct internal checks and issue approvals for the status of observance of the evaluation criteria as well as legal compliance, rules and signage for waste segregation and storage, management of related facilities, and waste reduction planning and management. The list obliges us to conduct inspections of outside contractors and to clarify treatment routes in order to enhance the management system through these activities.

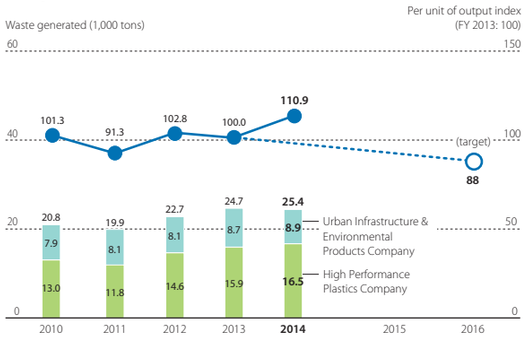
Status of Zero Emissions Achievement

Production sites	Achieved at 43 plants in Japan and 6 overseas plants, including those of affiliates. (Includes one plant in Japan and one overseas plant that achieved zero emissions in fiscal 2014)
Laboratories	Achieved at all laboratories by fiscal 2012
New house construction sites	Achieved at all locations by fiscal 2003
House renovation sites	Achieved at all locations as of fiscal 2004
Osaka and Tokyo Headquarters buildings	Achieved as of fiscal 2005
Home demolition sites	As of end of fiscal 2014, 99% recycling rate for Designated Construction Materials (scrap concrete and wood chips)

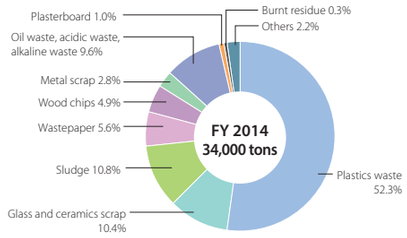
Waste Generated by Production Sites and per Unit of Output (Index) / Japan



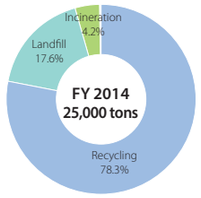
Waste Generated by Production Sites and per Unit of Output (Index) / Overseas



Breakdown of Generated Waste / Japan

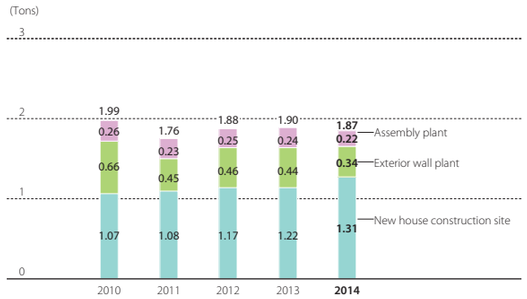


Waste Treatment Methods / Overseas

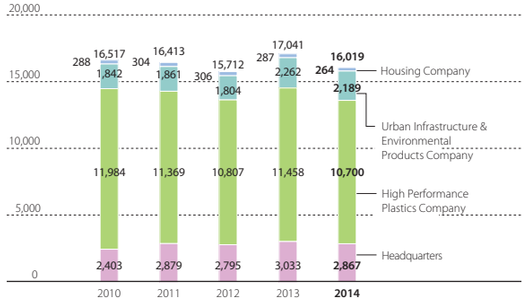


Note: See page 2 of this Data Book for scope of summation

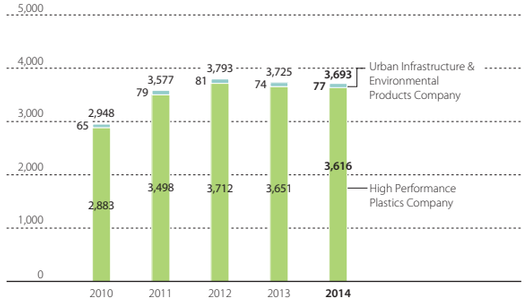
Waste Generated by New House Construction (per House) / Japan



Amount of Water Extracted for Use at Production Sites / Japan



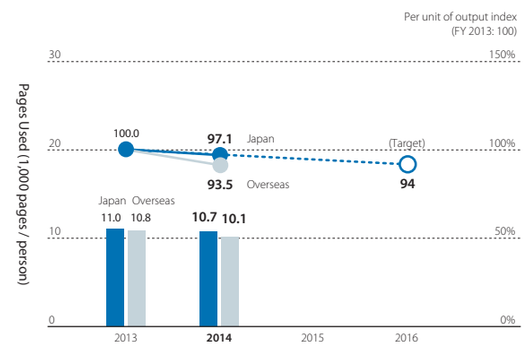
Amount of Water Extracted for Use at Production Sites / Overseas



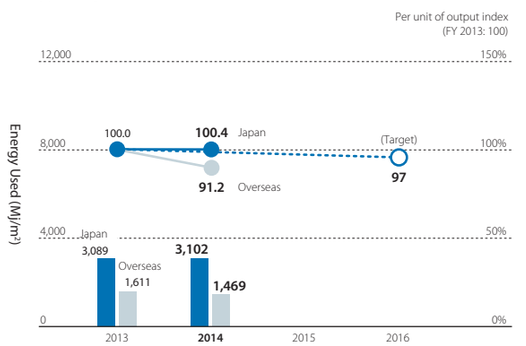
Note: See page 2 of this Data Book for scope of summation

Environmental Performance in Offices Verified

Copier Paper Use at Offices per Unit of Output (Index)



Energy Usage at Offices per Unit of Output (Index)

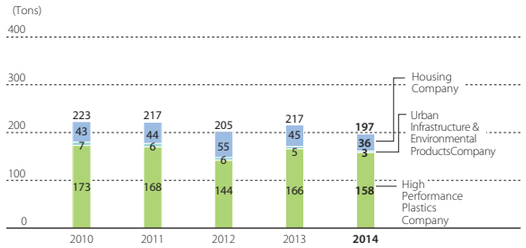


* Calculated using electricity and fuel for company cars for Japan, only electricity for overseas.

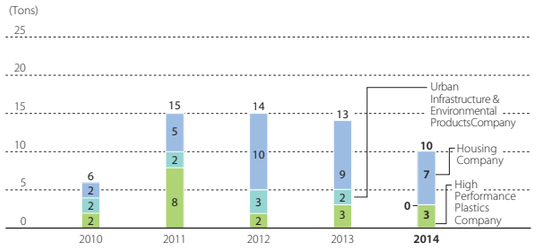
Atmospheric and Water-Related Emissions P29

* Due to the revised scope of aggregation, figures have been revised retroactively to fiscal 2013, the base year for the target amounts.

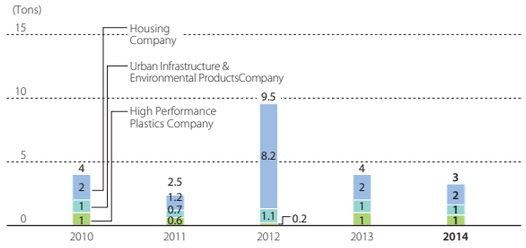
NOx Emission Volume Verified



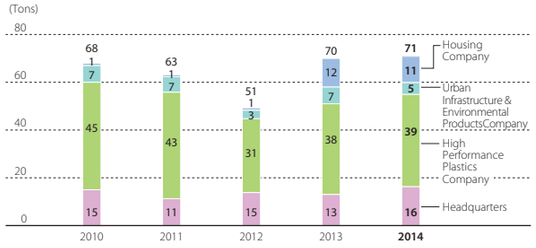
SOx Emission Volume Verified



Soot and Dust Emission Volume Verified



COD Discharge Volume Verified



Preventing Pollution

Sekisui Chemical Group is working to meet the targets of legal and regulatory restrictions and to reduce discharge of pollutants through appropriate maintenance and control and periodic inspection of the wide range of equipment it uses.

Disposal and Storage of Machines and Equipment That Contain PCBs

Stored transformers and condensers that contain PCBs are being disposed of steadily, beginning with sites for which acceptance at PCB treatment facilities is available.

In addition, at sites with machines and equipment that contain PCBs in storage, such devices are managed strictly and thoroughly, through means including locked storage and periodic inspection.

Environmental Incidents, Complaints, and Emergency Responses

Environmental Incidents, Complaints, etc. Verified

In fiscal 2014, there were two fire accidents and six complaints.
We have implemented measures to prevent a reoccurrence of environmental complaints.

Environmental Complaints, etc.

		Description	Countermeasures
Incidents	Fire	Fire started from resin waste	Installed a receiving bin only for resin waste
		Fire started from residue stuck on filters	Added cooling process at the distillation tower
Complaints	Bad odors	Chlorine gas leak from a cylinder	Disposed of cylinder
	Noise	Noise from ground drilling work	Installed sound-insulating net
		Noise from blowers	Changed direction of ventilation tubes
		Noise from line alarms	Lowered alarm volume
		Noise from pump operation	Soundproofed pump building
	Other	Cargo dropped during transport	Created and implemented carrier's checklist

Emergency Response

In order to prevent the occurrence and spread of environmental contamination in the event of an emergency, at least once every year each of our business sites carries out emergency response and reporting drills, assuming a variety of hypothetical cases relevant to the nature of each business site. Major drills performed for fiscal 2014 are as follows:

Emergency Response and Reporting Drills

Simulated emergency situation	Drills performed
Leakage and outflow of oils	37
Atmospheric discharge of solvents	0
Fire	57
Earthquake	8
Emergency communication training	14
Comprehensive disaster drills	33
Responding to other equipment-related emergencies	31

Chemical Substances P29 Verified

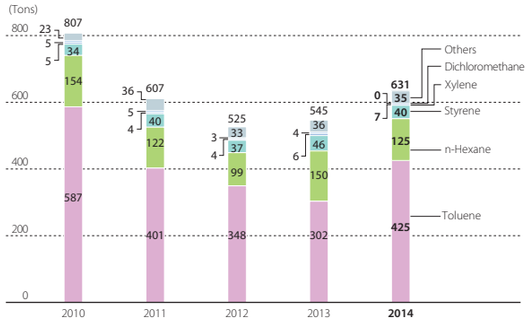
* Due to the revised scope of aggregation, figures have been revised retroactively to fiscal 2013, the base year for the target amounts.

Summation Results Based on the PRTR Law (Calculations have been made for substances with handling volume of one ton or more at the individual business sites surveyed.)

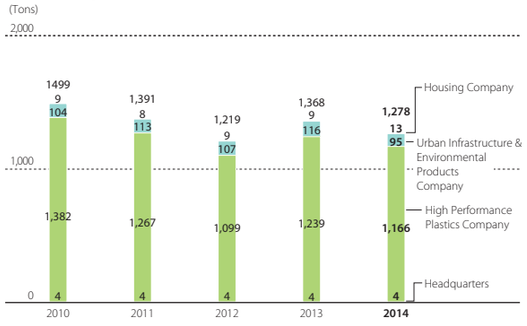
(Tons)

Substance	Government ordinance notification no.	Transaction volume	Emission volume				Transfer volume			Detoxification
			Atmospheric	Public water areas	In-house soil	In-house landfill	Sewage system	Transfer in waste disposal	Transfer in waste recycling	
Ethyl acrylate	[3]	1.5	0.12	0	0	0	0	0.20	0	1.1
Acrylic acid and aqueous salt solutions thereof	[4]	12.9	0	0	0	0	0	0	1.3	12
n-Butyl acrylate	[7]	254.2	0.603	0	0	0	0	0.974	1.5	251
Acrylonitrile	[9]	414.0	3.2	0	0	0	0	0	0.010	410
Acetaldehyde	[12]	279.3	0.2	0	0	0	0	0	0	279
Acetonitrile	[13]	89.2	7.1	0	0	0	0	0	82	0
2,2'-Azobisisobutyronitrile	[16]	4.2	0	0	0	0	0	0	0	4.2
2-Aminoethanol	[20]	2.5	0.49	0	0	0	0	0	0	2.0
Antimony and its compounds	[31]	10.8	0	0	0	0	0	0	1.1	0
Isobutyraldehyde	[35]	79.4	1.1	0	0	0	0	0	0	78
Ethylbenzene	[53]	2.3	2.3	0	0	0	0	0	0	0
ε-Caprolactam	[76]	44.2	0	0.014	0	0	0	0	0	44
Xylene	[80]	7.3	7.3	0	0	0	0	0	0	0
Vinyl chloride	[Special 94]	102,245.2	3.8	0.13	0	0	0	0	0	102,237
Chloroform	[127]	4.2	0.29	0	0	0	0	0	0.7	3.2
Vinyl acetate	[134]	46.2	1.803	0	0	0	0	2.415	0	42
Inorganic cyanide compounds (not including complex salts and cyanate)	[144]	37.1	0	0	0	0	0	0	0	37
Cyclohexylamine	[154]	5.6	0.31	0	0	0	0	0	0	5.3
2,6-di-t-butyl-4-cresol	[207]	54.2	0	0	0	0	0	0	0	54
N,N-dimethylacetamide	[213]	3.1	0	0	0	0	1.5	0	1.6	0
N,N-dimenthylformamide	[232]	1.4	0	0	0	0	0	0	0	1.4
Organic tin compounds	[239]	70.9	0	0	0	0	0	0.052	0.17	0
Styrene	[240]	1,952.6	40	0	0	0	0	0	3.7	1,210
Terephthalic acid	[270]	68.2	0	0	0	0	0	0	0	68
1,2,4-Trimethylbenzene	[296]	3.0	1.9	0	0	0	0	0	0	1.1
Toluene	[300]	761.3	390	0	0	0	0	35	28	271
Lead compounds	[Special 305]	703.5	0.0004	0.0017	0	0	0.0010	0.39	3.1	0
Phenol	[349]	95.6	0.0096	0	0	0	0	0	0	94
Bis- (2-ethylhexyl) phthalate	[355]	115.7	0	0	0	0	0	0.087	2.2	0
n-Hexane	[392]	131.0	124	0	0	0	0	0.20	3.8	2.7
Benzaldehyde	[399]	12.0	0	0	0	0	0	0	0	12
Poly (oxyethylene) = alkyl = ether (C = 12-15 and other blends)	[407]	1.9	0	0	0	0	0	0	0	0
Formaldehyde	[Special 411]	73.0	0.0007	0	0	0	0	0	0	73
Manganese and its compounds	[412]	4.2	0	0	0	0	0	0	4.2	0
Methacrylate	[415]	210.0	1.2	0	0	0	0	0	0.0050	209
Methyl methacrylate	[420]	154.4	1.2	0	0	0	0	0	0	153
Methylnaphthalene	[438]	8.0	0.040	0	0	0	0	0	0	8.0
Methylenebis (4,1-phenylene) = diisocyanate	[448]	1,046.0	2.9	0	0	0	0	0	0.26	0
		109,011.1	590	0.15	0	0	1.5	39	133	105,564

Emission and Transfer Volume by Substance (PRTR Law)



Discharge of Volatile Organic Compounds (VOCs) into the Atmosphere



Environmental Management P26

Environmental Management System Third-Party Certified Business Sites

Housing Company

Sekisui Chemical Co., Ltd. Tsukuba R&D Site*
Hokkaido Sekisui Heim Industry Co., Ltd.
Tohoku Sekisui Heim Industry Co., Ltd.
Kanto Sekisui Heim Industry Co., Ltd.
Tokyo Sekisui Heim Industry Co., Ltd.
Chubu Sekisui Heim Industry Co., Ltd.
Kinki Sekisui Heim Industry Co., Ltd.
Chushikoku Sekisui Heim Industry Co., Ltd.
Kyushu Sekisui Heim Industry Co., Ltd.
Sekisui Board Co., Ltd. Minakuchi Plant
Sekisui Board Co., Ltd. Gunma Plant
Sekisui-SCG Industry Co., Ltd.
SCG-Sekisui Sales Co., Ltd.

Urban Infrastructure & Environmental Products Company

Sekisui Chemical Co., Ltd. Shiga-Ritto Plant
Sekisui Chemical Co., Ltd. Gunma Plant
Sekisui Chemical Co., Ltd. Kyoto R & D Laboratories
Chiba Sekisui Industry Co., Ltd.
Sekisui Chemical Hokkaido Co., Ltd.
Toto Sekisui Co., Ltd. Ota Plant
Okayama Sekisui Industry Co., Ltd.
Shikoku Sekisui Co., Ltd.
Kyushu Sekisui Industry Co., Ltd.
Nara Sekisui Co., Ltd.
Hanyu Sekisui Co., Ltd.
Yamanashi Sekisui Co., Ltd.
Sekisui Home Techno Co., Ltd.
Nippon No-Dig Technology Co., Ltd.
Sekisui Polymer Innovations, LLC.
Bloomsburg Plant
Sekisui Polymer Innovations, LLC.
Holland Plant
Sekisui Eslon B.V.
Sekisui SPR Europe G.m.b.H.
Sekisui SPR Europe G.m.b.H.
Schieder Plant
Sekisui SPR Europe G.m.b.H. Liege Plant
SEKISUI SPR Czech s.r.o.
SEKISUI SPR Romania s.r.l.
SEKISUI SPR Germany G.m.b.H.
Sekisui Rib Loc Australia Pty. Ltd.
Sekisui Refresh Co., Ltd.
Sekisui Industrial Piping Co., Ltd.
Sekisui (Wuxi) Plastics Technology Co., Ltd.
Yongchang-Sekisui Composites Co., Ltd.
Sekisui (Qingdao) Plastic Co., Ltd.
Sekisui (Shanghai) Environmental Technology Co., Ltd.

Headquarters

Sekisui Chemical Co., Ltd. Development Center*
Tokuyama Sekisui Industry Co., Ltd.
Hinomaru Co., Ltd. Tosu Plant
Hinomaru Co., Ltd. Kanto Plant
Sekisui Seikei, Ltd. Chiba Plant
Sekisui Seikei, Ltd. Kanto Plant
Sekisui Seikei, Ltd. Hyogo Plant
Sekisui Seikei, Ltd. Hyogo-Takino Plant
Sekisui Seikei, Ltd. Izumo Plant

High Performance Plastics Company

Sekisui Chemical Co., Ltd. Musashi Plant
Sekisui Chemical Co., Ltd. Shiga-Minakuchi Plant
[Sekisui Fuller Co., Ltd. Shiga Plant]
Sekisui Chemical Co., Ltd. Taga Plant
Sekisui Chemical Co., Ltd. Minase Site
Sekisui Techno Molding Co., Ltd. Nara Plant
Sekisui Techno Molding Co., Ltd. Mie Plant
Sekisui Techno Molding Co., Ltd. Aichi Plant
Sekisui Film Co., Ltd. Sendai Plant
Sekisui Film Co., Ltd. Nagoya Plant
Sekisui Film Co., Ltd. Shinshu-Takato Plant
Sekisui Film Co., Ltd. Kyushu-Izumi Plant
Sekisui Fuller Co., Ltd. Hamamatsu Plant
Sekisui Medical Co., Ltd. Iwate Plant
Sekisui Medical Co., Ltd. Tsukuba Plant
Sekisui Medical Co., Ltd. Amagasaki Plant
Sekisui Medical Co., Ltd. ADME & Tox. Research Institute**
Sekisui Nano Coat Technology Co., Ltd.
Sekisui Techno Shoji Higashi Nihon Co., Ltd
Sekisui TA Industries, LLC.
Sekisui S-Lec B.V. Film Plant
Sekisui S-Lec B.V. Resin Plant
Sekisui Alveo B.V.
Sekisui Alveo Ltd.
Sekisui Alveo BS G.m.b.H.
Sekisui S-Lec America, LLC.
Sekisui Specialty Chemicals America, LLC.
Pasadena Plant
Sekisui Specialty Chemicals America, LLC.
Calvert City Plant
Sekisui Specialty Chemicals Europe, S.L.
Sekisui S-Lec Mexico S.A. de C.V.
Sekisui S-Lec (Thailand) Co., Ltd.
Thai Sekisui Foam Co., Ltd.
Sekisui Pilon Pty. Ltd.
Sekisui Diagnostics (UK) Ltd.
YoungBo Chemical Co., Ltd.
YoungBo HPP (Lanfang) Co., Ltd.
Sekisui High Performance Packaging (Langfang) Co., Ltd.
Sekisui S-LEC (Suzhou) Co., Ltd.

[ ]: Organizations in parentheses are included in the scope of certification. Some sites not shown above may include related sections that have attained ISO 14001 certification.
* The Sekisui Chemical Co., Ltd. Tsukuba R&D Site and Development Center share a single certification.
** Eco Action 21; others ISO 14001

Number of Issues of Concern in Environmental Auditing for Fiscal 2014

(for production sites and laboratories, as of end of March 2015) Verified

			Number of cases	Correction completed	Undergoing correction
Headquarters environmental auditing (16 business sites)		Issues of concern	59	29	30
		Issues to work on	163	82	81
		Proposals	1	1	0
		Total	223	112	111
Auditing by certification body	Renewal (15 business sites)	Nonconformity (major)	0	0	0
		Nonconformity (minor)	0	0	0
		Observations	77	44	33
		Total	77	44	33
	Surveillance (35 business sites)	Nonconformity (major)	0	0	0
		Nonconformity (minor)	9	6	3
		Observations	123	64	59
		Total	132	70	62
Internal auditing of business sites (49 business sites; 49 audits)		Nonconformity (major)	1	1	0
		Nonconformity (minor)	99	58	41
		Observations	421	219	202
		Total	521	278	243

* Categories of instructions for Headquarters environmental auditing:
Issues of concern: Matters recommended for swift improvement
Issues to work on: Matters recommended for planned improvement
Proposals: Matters to be considered for improvement, advice

Numbers of Persons with Qualifications Verified

				Those who acquired qualifications during fiscal 2014	End of fiscal 2014
Number of participants in Environmental Management Systems (EMS) internal auditor development/ training courses	Number of internal training course participants			32	713
	Number of external training course participants			14	265
	Total			46	978
Number of persons with major qualifications	Registered examiner of the Center of Environmental Auditor Registration (CEAR)	Qualifications	Lead Auditor	0	1
			Auditor	0	1
			Provisional Auditor	0	1
	Pollution Control Managers	Qualifications	Air Classes 1-4	0	50
			Water Classes 1-4	6	93
			Noise/Vibration	1	32
			Dioxins	0	1
	Certified Environmental Measurers			0	4
	Energy Managers			0	57
	Olfactory Measurement Operators			0	1
	Environmental Specialists (Eco Test)			3	109

CS & Quality P35 - 40

Quality Management System Third-Party Certified Business Sites

Housing Company

Sekisui Chemical Co., Ltd. Housing Company (integrated certification)
Housing Product Research&Development Departments
Technology Department
Hokkaido Sekisui Heim Industry Co., Ltd.
Tohoku Sekisui Heim Industry Co., Ltd.
Kanto Sekisui Heim Industry Co., Ltd.
Tokyo Sekisui Heim Industry Co., Ltd.
Chubu Sekisui Heim Industry Co., Ltd.
Kinki Sekisui Heim Industry Co., Ltd.
Chushikoku Sekisui Heim Industry Co., Ltd.
Kyushu Sekisui Heim Industry Co., Ltd.
Sekisui Global Trading Co., Ltd.
Sekisui Heim Supply Co., Ltd. Technology Department
Sekisui Board Co., Ltd. Gunma Plant
Sekisui Board Co., Ltd. Minakuchi Plant

Headquarters

Sekisui Chemical Co., Ltd. R&D Center, IM Project
Sekisui Seikei, Ltd. (integrated certification)
Chiba Plant
Kanto Plant
Hyogo Plant
Hyogo-Takino Plant
Izumo Plant
Tokuyama Sekisui Industry Co., Ltd.
Sekisui Insurance Service Co., Ltd.

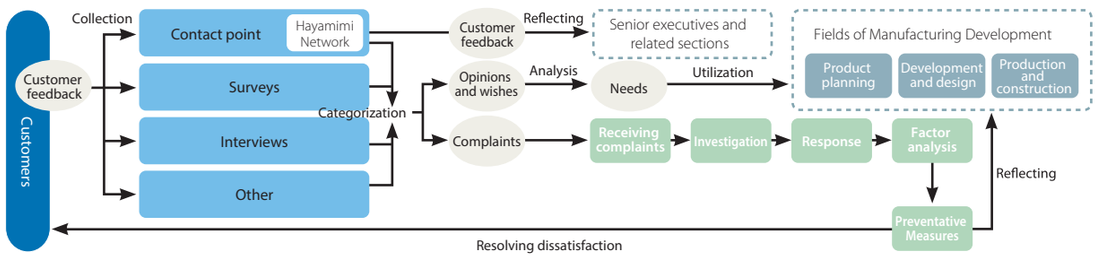
Urban Infrastructure & Environmental Products Company

Sekisui Chemical Co., Ltd. Gunma Plant
Sekisui Chemical Co., Ltd. Shiga-Ritto Plant
Sekisui Aqua Systems Co., Ltd.
Plant Engineering Division
Sekisui Aqua Systems Co., Ltd.
Civil Engineering & Water Treatment Division
Sekisui Aqua Systems Co., Ltd.
Water Supply & Drainage Division
Sekisui Home Techno Co., Ltd.
Hanyu Sekisui Co., Ltd.
Yamanashi Sekisui Co., Ltd.
Sekisui Chemical Hokkaido Co., Ltd.
Toto Sekisui Co., Ltd. Headquarters, Ota Plant
Chiba Sekisui Industry Co., Ltd.
Okayama Sekisui Industry Co., Ltd.
Shikoku Sekisui Co., Ltd.
Kyushu Sekisui Industry Co., Ltd.
Nippon No-Dig Technology Co., Ltd.
Sekisui Polymer Innovations, LLC.
Bloomsburg Plant
Sekisui Polymer Innovations, LLC. Holland Plant
Sekisui SPR Europe G.m.b.H.(integrated certification)
Headquarters
Production Division (Schieder)
Production Division (Liege)
Division Engineering
Sales and Engineering Office
Sekisui Rib Loc Australia Pty. Ltd.
Sekisui SPR Construction G.m.b.H.
Sekisui SPR Austria G.m.b.H.
Sekisui SPR Czech s.r.o.
Sekisui SPR Romania s.r.l.
Sekisui SPR Germany G.m.b.H.
Sekisui Eslon B.V.
Sekisui Refresh Co., Ltd.
Yongchang-Sekisui Composites Co., Ltd. (Xinjiang)
Sekisui (Shanghai) Environmental Technology Co., Ltd.
Yili Xiang Run Pipe Industry Co., Ltd.
Sekisui (Wuxi) Plastics Technology Co., Ltd.
Sekisui (Qingdao) Plastic Co., Ltd.
Sekisui Industrial Piping Co., Ltd.

High Performance Plastics Company

Sekisui Chemical Co., Ltd. Musashi Plant
Sekisui Chemical Co., Ltd. Shiga-Minakuchi Plant
Sekisui Chemical Co., Ltd. Taga Plant
Sekisui Techno Molding Co., Ltd. Aichi Plant
Sekisui Techno Molding Co., Ltd. Nara Plant
Sekisui Techno Molding Co., Ltd. Mie Plant
Sekisui Film Co., Ltd. Sendai Plant
Sekisui Film Co., Ltd. Shinshu-Takato Plant
Sekisui Film Co., Ltd. Nagoya Plant
Sekisui Film Co., Ltd. Kyushu-Izumi Plant
Sekisui Nano Coat Technology Co., Ltd.
Sekisui Fuller Co., Ltd. (integrated certification)
Hamamatsu Plant
Shiga Plant
Tokyo Office
Osaka Office
Sekisui Medical Co., Ltd. Headquarters
Sekisui Polymatech Co., Ltd.
Sekisui High Performance Packaging (Langfang) Co., Ltd.
Sekisui Voltek, LLC. Lawrence Plant
Sekisui Voltek, LLC. Coldwater Plant
Sekisui Alveo(integrated certification)
Sekisui Alveo A.G.
Sekisui Alveo G.m.b.H.
Sekisui Alveo (Benelux) B.V.
Sekisui-Alveo S.A.
Sekisui Alveo S.r.L.
Sekisui Alveo S.a.r.L.
Sekisui Alveo Ltd.
Sekisui Alveo B.V.
YoungBo Chemical Co., Ltd.
Thai Sekisui Foam Co., Ltd.
Sekisui Pilon Pty. Ltd.
Sekisui S-Lec America, LLC.
Sekisui S-Lec B.V.
Sekisui Medical Technology (China) Ltd.
Sekisui S-Lec (Thailand) Co., Ltd.
Sekisui S-Lec Mexico S.A. de C.V.
Sekisui Diagnostics,LLC.
Sekisui Diagnostics,LLC. San Diego
Sekisui Diagnostics,LLC. Stamford
Sekisui Diagnostics P.E.I. Inc.
Sekisui Diagnostics(UK) Ltd.
Sekisui Virotech G.m.b.H.
Sekisui Specialty Chemicals America, LLC. Calvert City Plant
Sekisui Specialty Chemicals America, LLC. Pasadena Plant
Sekisui Specialty Chemicals America, LLC. Dallas HQ
Sekisui Specialty Chemicals Europe, S.L. Tarragona Plant

Flow of Utilizing Customer Feedback in Management



Human Resources P43 - 50 Verified

Number of Employees (Sekisui Chemical)

Number of employees		2,293
	Male	1,982
	Female	311

Employees' Years of Continuous Service (Sekisui Chemical) (Years)

Average years of continuous service		17.2
	Male	17.4
	Female	15.4

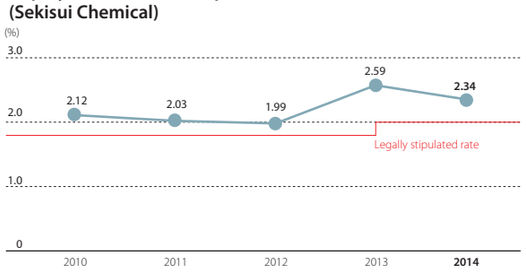
Employee Turnover Rate in First Three Years of Employment (Sekisui Chemical)

	Employed in FY2010	Employed in FY2011	Employed in FY2012
Employee Turnover Rate in First Three Years of Employment	3.3	8.6	5.7

Number of Women Directors and Percentage of Management Positions Filled by Women

	FY2014	
Directors	1	(Sekisui Chemical Group)
Percentage of management positions (%)	1.9	(Sekisui Chemical Group in Japan)

Employment Ratio of People with Disabilities (Sekisui Chemical)



Main Recruitment and Selective-Type Training Programs

	Training	Details	Number of participants in FY2012	Number of participants in FY2013	Number of participants in FY2014
Recruitment-Type Training	The Saijuku School	This program combines intensive courses led by visiting university professors with practice tasks so that participants can improve their skills and knowledge to become globally oriented leaders. It is intended to develop the next generation of leaders.	40	36	35
Selective-Type Training	Open Seminars	These intra-group seminars aim to improve employees' business skills. Employees can select freely seminars on skills that meet their needs, to acquire skills that can be applied immediately to their daily work.	190	104	100

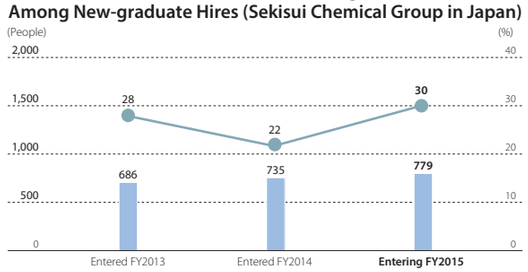
Results of Intra-group Job Posting

	FY2013	FY2014	Cumulative total since 2000
Recruitments (cases)	23	53	298
Employees recruited	55	172	686
Applicants	111	144	1,463
Employees transferred	23	30	295

Number of Employees (Sekisui Chemical Group)

Number of employees		23,886
By region		
	Japan	17,743
	North America, Central and South America	1,579
	Europe	1,425
	Asia/Pacific (including China)	3,139

Number of New-Graduate Hires/Percentage of Women Among New-graduate Hires (Sekisui Chemical Group in Japan)



Number of Elderly Employees Reemployed and Reemployment Rate (Sekisui Chemical)

	FY2012	FY2013	FY2014
Number of elderly employees reemployed	65	56	83
Reemployment rate (%)	72.2	87.5*	82.2*

Note: The reemployment rate for applicants is 100%.

Overtime Hours Worked (Sekisui Chemical) (Hours)

	FY2012	FY2013	FY2014
Monthly average per person	15.6	16.0	16.8

Percentage of Paid Leave Used (Sekisui Chemical) (%)

	FY2012	FY2013	FY2014
Average per person (not including managers)	38.3	40.0	43.2

Career Plan Training by Age

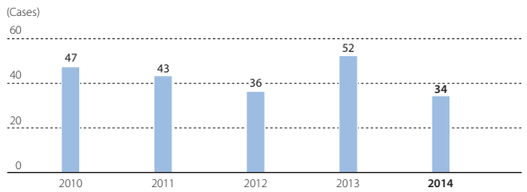
	30s	40s	50s	57	Total Number of Participants
Themes by Age Groups	Self-establishment	Market value	Continuing to work even after retirement	Preparedness and motivation	—
Training Content	Recognition of abilities and interviews with superiors on career-related matters	Affirmation of specialization, values, and the meaning of work	Aiming to keep working at age 65 and thinking about succession	Putting into words desired styles for ages 60-69	—
Number of participants in FY2014	102	86	88	40	316
Cumulative total number of participants through FY2014	1,950	1,777	1,049	109	4,885

Main Programs for Promoting Diverse Working Styles and Program Usage (Sekisui Chemical)

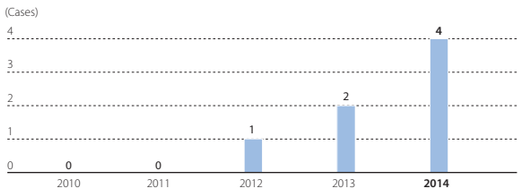
System		Main Content	FY2012	FY2013	FY2014
Support for childcare	Childcare leave	Leave which previously extended only until the child was a year and a half old now extends to the end of the month of the child's third birthday.	24 (including 6 males)	28 (including 8 males)	31 (including 9 males)
	Shortened working hours	Period that previously extended until the child was three years old now extends until the child starts fourth grade.	19	23	26
	Use of flexible working hours	Times of starting and finishing work may be moved earlier or later by up to 60 minutes until the child reaches junior high school age.	2	2	3
Other support	Family leave	Three days of special paid leave per year granted until the child or grandchild starts high school (this leave can be taken for reasons such as childbirth-related events, parents day, athletic meets, and PTA meetings)	98 (including 41 males)	101 (including 35 males)	104 (including 59 males)
Total number of system users			143	154	164

Safety P51 - 52 Verified

Number of Occupational Accidents

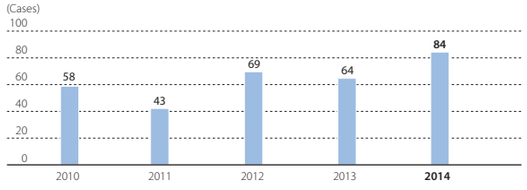


Number of Equipment-Related Accidents*



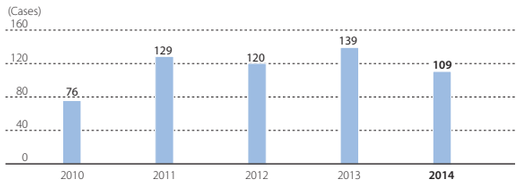
* Equipment-related accidents: Any accident that meets one or more of the following conditions (1) – (3) (Sekisui Chemical Group standards):
(1) Personnel-related injury: occupational accidents accompanied by 30 lost working days or more
(2) Property damage: 10 million yen or more
(3) Loss of opportunity: 20 million yen or more

Number of Cases of Extended Sick Leave*



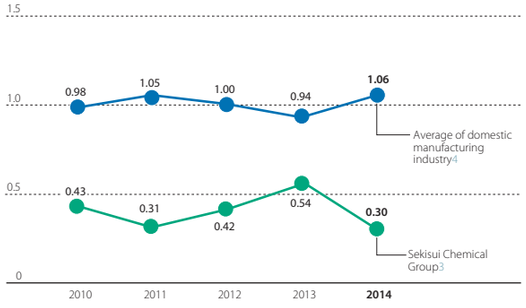
* Extended sick leave: This refers to a new absence of 30 calendar days or longer due to illness or injury. Reoccurrences within six months of returning to work are not included in the above count. Absences due to occupational accidents are not considered extended sick leave.

Number of Commuting Accidents*

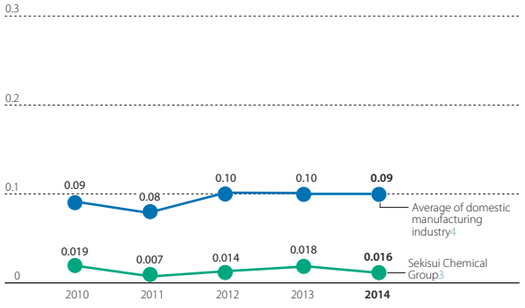


* Number of Cases: Total number of cases in which injury was suffered or damage caused (including injury to the person and property damage).

Frequency Rate[1]

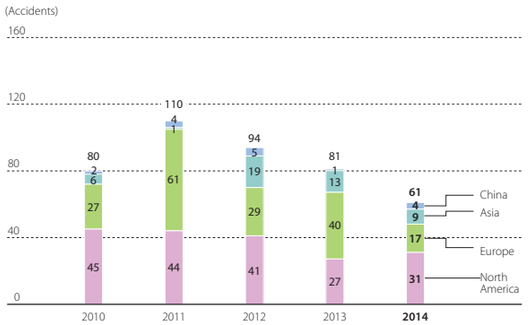


Severity Rate[2]

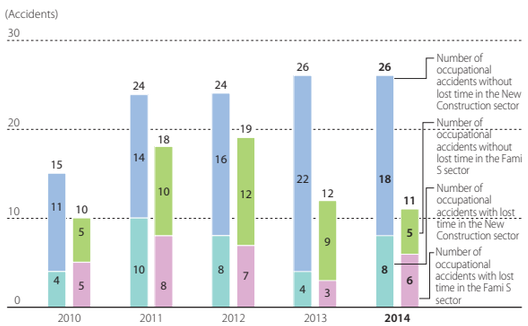


1 Frequency rate = (number of deaths and injuries in occupational accidents with lost time / total work hours) × 1,000,000
2 Severity rate = (number of work days lost / total work hours) × 1,000
3 Sekisui Chemical Group data: 47 production sites and four R&D laboratories
4 Source of information for Japanese manufacturing industry: Ministry of Health, Labour and Welfare *Survey on Occupational Accidents*

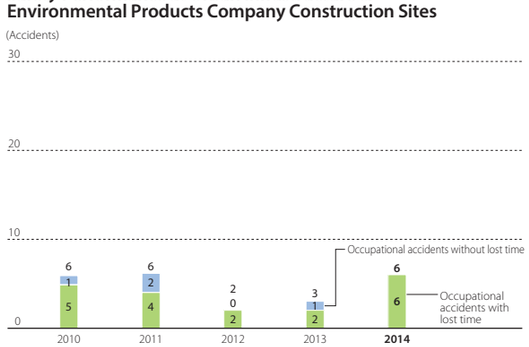
Status of Occupational Accidents at Overseas Production Sites



Safety Performance at Housing Company Construction Sites



Safety Performance at Urban Infrastructure & Environmental Products Company Construction Sites



Note: The number of accidents represents the total for the following four companies: Sekisui Home Techno Co., Ltd., Nippon No-Dig Technology Co., Ltd., Sekisui Aqua Systems Co., Ltd., and Seiryu Maintenance Co., Ltd.

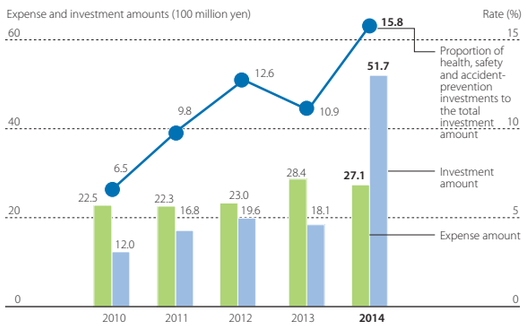
Health, Safety and Accident-Prevention Costs

(Millions of yen)

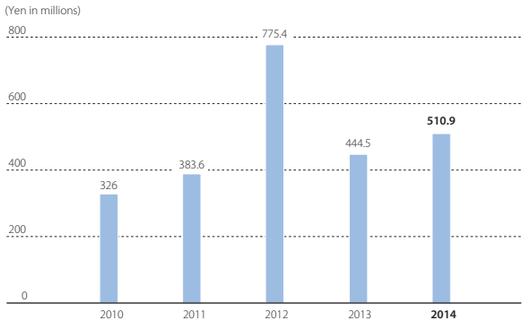
Item		Sekisui Chemical Group*	
Classification	Details	Expense amount	Investment amount
1) Costs within business-site areas	Health and safety measures, rescue and protective equipment, measurement of work environment, health management, workers' accident compensation insurance, etc.	891	5,175
2) Administrative costs	Establishment and implementation of OHSMS, safety education, personnel costs, etc.	1,809	—
3) Other	Safety awards, etc.	5	—
Total		2,705	5,175

* Data above include 47 production sites/4 laboratories + all departments of Headquarters + back offices of division companies.

Expenses and Investments



Loss Costs*



* Loss costs: Expenses, including man-hours, required to respond to occupational accidents, equipment-related accidents, commuting accidents, and long-term illness absences.

Compliance P55 - 56 Verified

Main Training Implemented in Fiscal 2014

Training		Trainees	Attendance
Regular training	Training for new managers	New Sekisui Chemical Group managers	175
	Training for new employees	New employees of Sekisui Chemical	84
Training for specific employee ranks	Operating officer training	Sekisui Chemical	3
	Director training	Sekisui Chemical Group company	30
	Introductory management training	Sekisui Chemical Group company	123
	Manufacturing section leader training	Sekisui Chemical Group manufacturing sections	26
Area-specific training	Compliance training	Sekisui Chemical Group company	1,017
	U.S. compliance training	Sekisui Chemical Group companies (U.S.)	22
	U.S. litigation response training	Sekisui Chemical Group business sections	27
	China compliance training	Sekisui Chemical Group business sections	26
	Antimonopoly Law training	Sekisui Chemical and Sekisui Chemical Group companies	181
	Bribery prevention training	Sekisui Chemical Group company	129
	Harassment prevention training	Sekisui Chemical Group company	1,081
	Product Liability Act	Sekisui Chemical Group company	52
	Act against Delay in Payment of Subcontract Proceed, etc. to Subcontractors training	Sekisui Chemical Group company	192
	Misleading representations law training	Sekisui Chemical Group company	41

Training		Trainees	Attendance
Area-specific training	Labor Relations Act	Sekisui Chemical Group company	181
	Contract business basic training	Sekisui Chemical Group company	74
	Confidential information management	Sekisui Chemical Group company	16
	Accounting (accounts receivable)	Sekisui Chemical Group company	206
	Inventory management training	Sekisui Chemical Group company	24
	Stamp Tax Act training	Sekisui Chemical Group company	53
	Mental health training	Sekisui Chemical Group company	67
	International business contracts training	Sekisui Chemical Group company	17
	Promotion codes	Sekisui Chemical Group company	11
	Safe driving	Sekisui Chemical Group company	82
	Economic Partnership Agreement (EPA) training	Sekisui Chemical Group company	14
	Construction Industry Act	Sekisui Chemical Group company	99
Global training	Training for overseas company presidents	Sekisui Chemical Group company (overseas)	51
	Basic training for global personnel development	Employees engaged in work related to overseas business	12
Open seminars	Labor laws, subcontractor laws, export control	Sekisui Chemical and Sekisui Chemical Group companies	151

Environmental and Social Contribution Activities P60

Recipients of Fiscal 2014 Sekisui Chemical Grants for Research on Manufacturing Based on Innovations Inspired by Nature

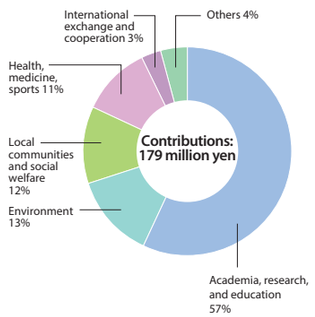
Researcher	Affiliation/University, Title*	Supported Research Theme
Yuji Kishima	Professor Laboratory of Plant Breeding, Research Faculty of Agriculture, Hokkaido University	A method of producing virus-resistant rice focused on virus fossils mined from the rice genomes.
Tsuguyuki Saito	Associate Professor Department of Biomaterials Science, Graduate School of Agricultural and Life Sciences, The University of Tokyo	Optically transmissive and thermally insulating porous materials made of a strong wood component
Ayako Gotoh	Assistant professor Department of Biology, Faculty of Science and Engineering, Konan University	Long-term sperm mechanisms learning from ant queens
Yuko Ikeda	Associate Professor Kyoto Institute of Technology Graduate School of Science and Technology	A key to creation of high-performance soft materials to learn from natural rubber
Atsushi Hozumi	Group Leader National Institute of Advanced Industrial Science and Technology (AIST) Materials Research Institute for Sustainable Development	Pattern Formation on the Skin of a Melon Development of high performance film artificially mimicking biological repairing system
Kunio Kimura	Professor Graduate School of Environmental and Life Science, Okayama University	Development of novel methodology for morphological control of polymers : Quest for origin of helical structure-
Takeharu Haino	Professor Department of Chemistry, Graduate School of Science, Hiroshima University	Functionalization of nano graphene through chemical modification
Eiji Ihara	Professor Graduate School of Science and Engineering, Ehime University	Synthesis of new functional polymers by precision polymerization of a variety of diazoacetates based on learning from relationship between structure and function of polypeptides
Takashi Hayashi	Professor Department of Applied Chemistry Graduate School of Engineering, Osaka University	Generation of an artificial light harvesting system using a hemoprotein assembly
Yasushi Shigeri	Principal Research Manager National Institute of Advanced Industrial Science and Technology (AIST), Kansai Center, Health Research Institute	Creation of nanodiscs and skin care materials based on learning from Xenopus tropicalis
Masayuki Endo	Associate Professor Institute for Integrated Cell-Material Sciences, Kyoto University	Creation of an artificial signal transduction system inspired by the cellular receptors
Makoto Sato	Professor Brain/Liver Interface Medicine Research Center, Kanazawa University	Mathematical modeling and genetic analysis of the wave of differentiation
Song-Ju Kim	Special Researcher Atomic Electronics Unit, WPI Center for Materials Nanoarchitectonics (MANA), National Institute for Materials Science (NIMS)	Intelligent nanostructure : amoeba-inspired efficient decision maker using atomic switches
Zensho Yoshida	Professor Department of Advanced Energy, Graduate School of Frontier Sciences The University of Tokyo	VORTEX –an approach from fluctuation analysis
Cross-sector collaborative research: Mitsuru Komatsu	Associate Professor Division of Sustainability of Resources, Graduate School of Environmental and Life Science, Okayama University Waste Management Research Center, Okayama University	Development of a rainfall infiltration monitoring system and hydrogeological model of groundwater recharge areas through lessons learnt from IKUSUI ; water resource rearing and preservation of rural natural environment.
Masato Futagawa	Associate Professor Department of Electrical and Electronic Engineering, Graduate School of Engineering, Shizuoka University	
Hikofumi Suzuki	Vice-Director of Center, Associate Professor Integrated Intelligence Center, Shinshu University	

* Affiliations, universities, and titles shown are current as of the time the grant was provided.

Examples of Main Environmental Contribution Activities Conducted in Fiscal 2014

	Site	Program
Activities of business sites in Japan	Tohoku Sekisui Heim Industry Co., Ltd.	Japanese beech tree planting at Minamizaou
	Kanto Sekisui Heim Industry Co., Ltd.	Sekisui Children's Nature Study Course (observing water bugs and testing water quality)
	Tokyo Sekisui Heim Industry Co., Ltd.	Green Trust Kurohama Lake Environs Outing (nature field trip for children)
	Sekisui Heim Kyushu Co., Ltd.	Forest conservation activities, terraced rice fields in Tsuzura, Ukiha, Fukuoka Prefecture
	Chiba Sekisui Industry Co., Ltd.	Uruoi no Mori (Moist Forest) woodland development project
	Toto Sekisui Co., Ltd. Ota Plant	Clean-up activities around Yadaijin-numa (Wakimizu-numa)
	Sekisui Medical Co., Ltd. Iwate Plant	Tree planting around Matsuo Kosan
	Sekisui Film Co., Ltd. Shinshu-Takato Plant	Tenryu river aquatic environment picnic (clean-up of Mibu river waterway)
	Sekisui Seikei, Ltd. Izumo Plant	Izumo Children Nature School (living organism observation)
	Tokuyama Sekisui Industry Co., Ltd.	Sekisui no Mori forest maintenance activities
	Sekisui Chemical Co., Ltd. Gunma Plant	Gunma Children's Nature Class (nature field trip for children)
	Tsukuba Site	Afforestation activities at the base of Mt. Tsukuba and in the Kasumigaura headspring
	Sekisui Chemical Co., Ltd. Tokyo Headquarters	Tree-planting activities at Umi-no-Mori (Sea Forest) in Tokyo
Activities of overseas business sites	Sekisui S-Lec B.V. Sekisui Alveo B.V.	Environmental preservation activities at De Meinweg National Park (Netherlands)
	Sekisui SPR Europe G.m.b.H. KMG Pipe Technologies G.m.b.H. Sekisui Nordi Tube Technologies SE	Tree planting and birdhouse building (Germany)
	Sekisui America Corporation	Hackensack River eco-tour and clean-up activities (U.S.)
	Sekisui Voltek, LLC.	Coldwater River clean-up activities (U.S.) Manchester Street Park tree and plant preservation (U.S.)
	Sekisui S-Lec (Thailand) Co., Ltd.	Pattaya Beach clean-up activities (Thailand)
	Sekisui Industrial Piping Co., Ltd.	Wuqi Citizens Elementary School clean-up activities (Taiwan)
	Sekisui DLJM Molding Private Ltd.	New Delhi train station clean-up activities (India)
	Sekisui S-LEC (Suzhou) Co., Ltd. Sekisui (Shanghai) International Trading Co., Ltd. Sekisui Medical Technology Ltd. Sekisui (Shanghai) Environmental Technology Co., Ltd. Sekisui (Wuxi) Plastics Technology Co., Ltd. Sekisui KNT (Hebei) Environmental Technology Co., Ltd. YoungBo HPP (Lanfang) Co., Ltd.	Tree planting in Yupingshan, Suzhou (China)

Charitable Contributions Verified



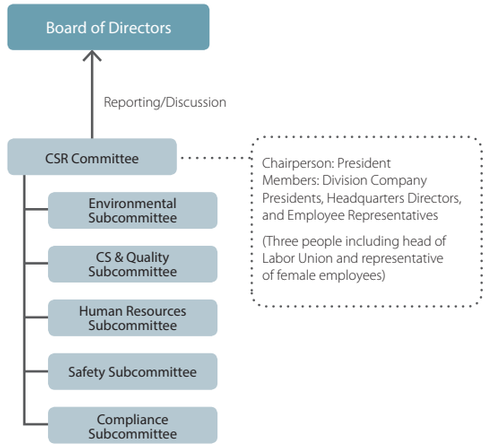
Main Social Contribution Activities Conducted in Fiscal 2014

Program	FY2014 performance				Performance to date			
Heart+Action	Times implemented	8 times	Participants	169 persons	Cumulative number of times implemented	28 times	Cumulative participants	474 persons
TABLE FOR TWO	Sites	12 sites	Number of school meals provided in developing countries	10,517 meals	Implementing sites	12 sites	Number of school meals provided in developing countries	115,995 meals
			Amount of food aid to the Tohoku region	210,340 yen			Amount of food aid to the Tohoku region*	439,570 yen
TABLE FOR TWO (Vending machines)	Sites	1 site	Number of school meals provided in developing countries	3,275 meals	Implementing sites	1 site	Number of school meals provided in developing countries	5,450 meals
Houses and the Environment Learning Program	Implementing schools	17 schools	Participating students	2,171 persons	Cumulative number of implementing schools	93 schools	Approx. cumulative number of participating students	approximetely 11,500 persons
Chemical Classroom	Times implemented	23 times	Participating students	3,223 persons	Cumulative number of times implemented	147 times	Cumulative number of participating students	16,985 persons
BOOK MAGIC	Times implemented	12 times	Amount donated	67,559 yen	Cumulative number of times implemented	84 times	Cumulative amount donated	742,785 yen

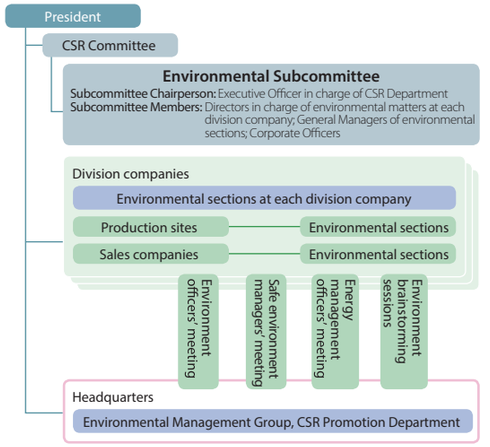
* Food assistance to the Tohoku region from April 2013 to December 2014

Sekisui Chemical Group's CSR Management System

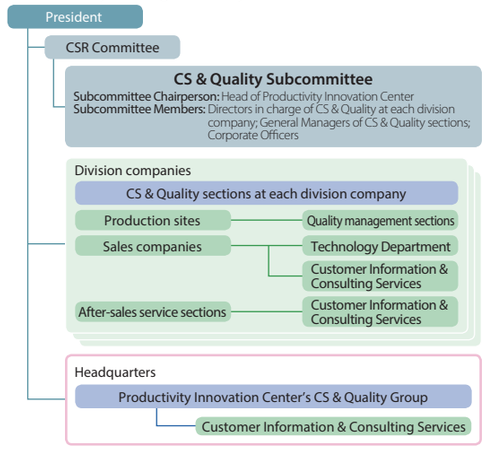
CSR Committee/Subcommittee Structure



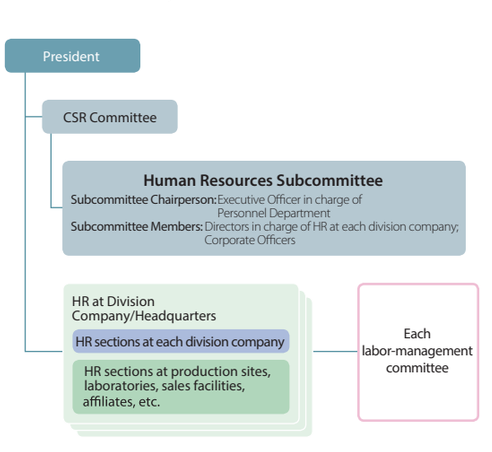
Environmental Management System



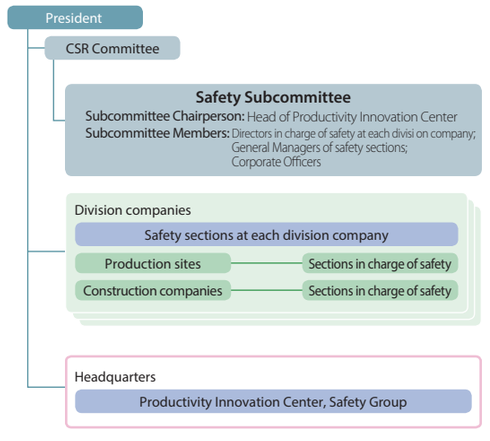
CS & Quality Management System



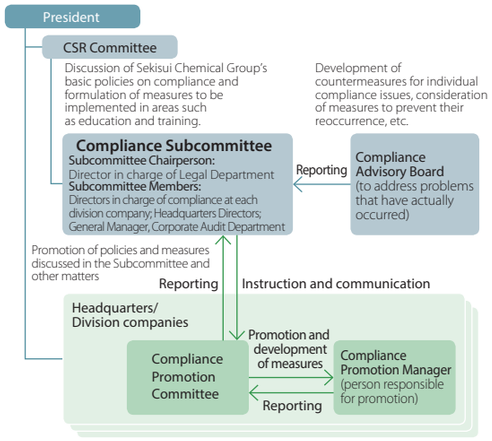
Human Resources System



Safety System



Compliance Management System



Sekisui Chemical Group's CSR Management Policies

Sekisui Chemical Group Environmental Management Policy

Mission

We, Sekisui Chemical Group, aim to be a Global Environmental Top Runner that contributes to the realization of a sustainable society by enabling the continuous growth and co-existence of ecology and the economy.

Basic Policy

Each company in Sekisui Chemical Group advances approaches that contribute to the prevention of global warming, the preservation of biological diversity and the construction of a recycling-based society in all countries and regions where they have operations, in order to leave this beautiful Earth for our children in the future.

1. We contribute to the environment through our products and services, with consideration given to the environment at all stages of the product life cycle, from research to procurement, production, sales, use, and disposal as waste.
2. We carry out environmentally conscious business activities in all our workplaces and offices, and promote our approach to the environment through cooperation with our customers and business partners.
3. We make efforts to reduce the environmental impact of greenhouse gas emissions and hazardous chemicals, etc., and to prevent pollution by promoting the effective use of limited resources and energy.
4. We observe the relevant laws, regulations, international rules, etc.
5. We make efforts to improve environmental consciousness through education and advance continual improvements by setting our own objectives and targets.
6. We enhance trust through close communications with society.
7. We actively engage in social contribution activities such as nature conservation activities in each region.

Sekisui Chemical Group CS & Quality Management Policy

Mission

We, Sekisui Chemical Group, consider CS & Quality as our central concept of management and will consistently innovate to maintain the quality of products throughout all our activities, continuously provide value (products and services) that meet customer expectations, strive for selection by our customers on an ongoing basis, and develop and grow with the customer over the long term.

Basic Policy

We, Sekisui Chemical Group, consider Customer [p. 16] Feedback as a precious resource for management and strive to innovate with regard to the Quality of Products, Quality of People and Quality of Systems based on the motto "We consider customer's feedback as the beginning of our manufacturing." Furthermore, we contribute to the realization of a safe and affluent society by continuously providing our customers and their communities with new value.

1. Ensuring Basic Qualities
   To ensure the reliability and safety of our manufactured products, which form the basis of Product Quality, we effectively leverage customer feedback and dedicate ourselves with a strong belief in forestalling any potential trouble and preventing any future recurrence throughout our entire value chain.
2. Creating Attractive Qualities
   We aim to share the emotional values of our customers by thoroughly pursuing "what the customers value" and constantly creating attractive products and services that should realize such customer values.
3. Upgrading Technological Capabilities
   For the sake of ensuring Basic Qualities and for creating Attractive Qualities, we are upgrading our technological capabilities in all fields in order to achieve superb manufacturing development.
4. Enhancing Communications
   We value communication with our customers and the society and make sincere efforts when dealing with them as well as complying with the relevant laws and regulations in each country and region. We place special emphasis on resolving customer complaints or claims at an early stage by responding promptly and empathetically.
5. Providing Thorough Employee Education
   To gain and maintain the full trust of and leave a lasting impression on our customers, we provide employees with continuous CS & Quality education and motivate them to achieve self-realization through customer satisfaction.

Sekisui Chemical Group Human Resources and Human Rights Policy

Mission

Based on our belief that "employees are precious assets bestowed on us by society," we, Sekisui Chemical Group, are committed to developing an environment where employees can work enthusiastically. We also offer various opportunities through which we help individual employees enhance their specialties and grow as individuals.

With the recognition that it is our social responsibility to protect individual human rights, we respect the diversity, personality and individuality of each person, promote various working styles and create safe and secure work environments in response to the conditions in each country and region.

Basic Policy on Human Resources

1. Creating opportunities to take on challenges
   We encourage employees to "positively set their own goals and aggressively to take on challenges."
2. Culture where employees learn and grow on their own
   We strive to enrich our education/training programs and develop a culture where employees learn and grow on their own.
3. Enhancement of the performance-based remuneration system
   We emphasize our employees' personal commitment and strive to constantly improve the fairness and acceptance of our assessment system regarding performance and processes.
4. Acceptance of various working styles
   We respect various values, develop workplaces where every employee can work with enthusiasm, and help employees achieve a balance between life and work.
5. Creating safe and secure work environments
   We promote employees' health enhancement and mental health care.

Basic Policy on Human Rights

1. Respect for human rights and the prohibition of discrimination
   Being aware of our position as a member of the international community, we appreciate and respect the cultures, customs, and values of each region and neither violate human rights ourselves nor participate in any such violations. We also never become involved in any conduct that might lead to discrimination.
   We never discriminate on the grounds of race, color, gender, age, language, religion, creed, disability, sexual orientation, nationality, geographical or social origin, property, or other status or any similar basis, and we neither violate human rights ourselves nor participate in any such violations.
2. Prohibition of harassment
   We never commit sexual harassment or other actions that stain personal character.
   1) We do not commit sexual harassment or any conduct that might be misunderstood as sexual harassment.
   2) We do not misuse the power of a superior position nor use any language or conduct that could sexually annoy any person. In addition, we prevent other employees from using such offensive language or conduct.
3. Prohibition of forced labor and child labor
   We shall never accept forced labor or child labor in any country or region.
   1) We comply with the laws for the minimum working age in each country and region and do not use child labor.
   2) We do not carry out any form of forced labor in any of our corporate activities.
4. Respect for basic labor rights
   We respect basic labor rights, including the right of workers to organize and to bargain, in accordance with the laws and customs of each country or region, and do not infringe on these rights.

Sekisui Chemical Group Safety Policy

Mission

We, Sekisui Chemical Group, recognize that employee safety is essential to achieving sustainable growth. We aim to be a "Safe and Secure" enterprise that establishes safe and secure work environments and has the full trust of its customers and the community as well as its employees.

Basic Policy

Based on the concept of human dignity that "everyone is invaluable," we "prioritize safety over anything else" as a basic rule in all of our business activities from development, production, construction to servicing. We are committed to promoting comprehensive safety activities with the aim of achieving zero occupational accidents, facility accidents, commuting accidents or long-term sick leave.

1. We strive to develop a safe and comfortable workplace where everyone is taken care of both mentally and physically, which should lead to good health for each of our employees, whom we highly value.
2. We thoroughly disseminate the legal requirements concerning health and safety/disaster prevention to our employees to ensure compliance.
3. We carry out risk assessment and promote risk reduction measures in a systematic way to eliminate hazardous factors that compromise health and safety/disaster prevention.
4. We strive to raise awareness regarding health and safety/disaster prevention through employee education/training and promote continuous improvements by setting voluntary objectives/goals.
5. We proactively disclose any necessary information as well as gain a higher level of trust by having close communication with public administrations and local communities.

Sekisui Chemical Group Social Contribution Policy

As a good corporate citizen, we, Sekisui Chemical Group, engage in activities that focus on the environment, the next generation and local communities, while contributing not only to business activities but also to society.

All employees working for the Sekisui Chemical Group are proactively involved in society and act so that they can serve as prominent human resources in society as well. In addition, their activities are supported by each company of the Group in order to generate synergistic effects.

Sekisui Chemical Group Procurement Policy

Sekisui Chemical Group will perform its procurement of goods according to the five basic ideas set out below.
We will strengthen our harmonious and mutually beneficial partnership with our business partners through fair transactions. Also, Sekisui Chemical Group will engage in the promotion of CSR activities through the cooperation of business partners in the Group's procurement activities.

1-1. Procurement Policy

Openness
Sekisui Chemical Group opens its doors not only to domestic companies but also widely to overseas companies.

Impartiality and fairness
Sekisui Chemical Group selects business partners based on impartial and fair evaluation standards with emphasis on quality, price and delivery lead-time, services, etc., as well as environmental considerations.

Compliance with Laws and Regulations
When engaging in purchasing transactions, Sekisui Chemical Group will comply with relevant laws, regulations and administrative instructions in Japan and overseas.

Mutual Trust
Along with conducting transactions with mutual trust and in fulfillment of contractual obligations, we will build and maintain relationships with our business partners that allow for our mutual profitability.

Environmental Considerations
Sekisui Chemical Group will further promote the purchase of raw materials and goods that have minimal negative impact on the environment and strive to establish a resource-recycling society through concerted efforts with business partners.

1-2. A Request to Our Business Partners Concerning Procurement

The company is aware of CSR in all spheres of its business operations based on its philosophy of contributing to society through its business activities. To do so, it is absolutely necessary to engage in activities in mutual cooperation with business partners. We ask all business partners to carry out the following activities proactively.

(1) Securing Excellent Product Quality
Establish a quality assurance system to improve and maintain the quality of products offered to customers
- Establish a quality assurance system in conformity with ISO 9000

(2) Environmental Considerations
Sekisui Chemical Group is working to reduce any negative impact its products may have the environment from the development and production stages to disposal. To do so, the environmental consideration of our suppliers concerning raw materials and goods is essential.
- Environmental management system in conformity with ISO 14001
- Reduction of harmful chemical substances, etc.; procurement of goods and materials with minimal environmental impact

(3) Compliance with Laws, Regulations and Social Customs
Suppliers are requested to ensure compliance with relevant laws, regulations and appropriate social norms of the countries and regions in which they conduct business operations.
- Compliance with relevant laws and regulations in the business operations
- Prohibition of forced labor
- Prohibition of child labor
- Prohibition of discrimination toward employees

(4) Safety and Hygiene
Quality is built through human resources and facilities. The safety management of these resources is the basis of production. Business partners are requested to perform the following.
- Safety and hygiene control of the workplace and maintenance of employee health
- Machine safeguarding and safety and hygiene control of facilities
- Appropriate response to occupational accidents, facility disasters, accidents, etc.

Calculation Standards of Key Performance Indicators

Environment

Items	Indicator	Calculation Method
Environment efficiency	SEKISUI Environmental Sustainability Index	SEKISUI Environmental Sustainability Index = Groupwide return of natural capital / Groupwide use of natural capital x 100 Calculation of amounts of natural capital used and returned Our calculations use LIME2, Japanese life-cycle impact assessment method developed by Professor Norihiro Itsubo at Tokyo City University. Of the four safeguard subjects covered by LIME2, we selected three safeguard subjects (primary production, biodiversity, and damage to human health from global warming) that are regarded as having a direct relationship with the natural capital in our calculations and created a single index. The amount of return of the natural capital is calculated as the reduction in risk of damages to the natural capital that results from Groupwide efforts to contribute to the environment, compared to if no actions were taken. • Items included in calculation of the natural capital used Direct use: Land use, greenhouse gas emissions, emissions of PRTR substances and atmospheric pollutants, emissions of COD into water Indirect use: Procured raw materials, energy used, water used, waste generated, indirect GHG emissions (Scope 3) from supply chain • Items included in calculation of the natural capital returned Contribution from of Environment-Contributing Products to reductions in use of the natural capital, contributions from environmental preservation activities, environment-related donations, electricity generated at megasolar power plants Scope of calculation / breakdown of components. The following assumptions are used in the calculations. • Raw materials: Estimates of procured raw materials For housing, breakdown of raw materials used per housing unit multiplied by a total number of housing unit built • Production / emission of harmful chemical substances: (Japan) PRTR substances in excess of one ton of emissions / year; Change to (Overseas) Not included • Production / land maintenance: Land used for buildings include the entire site area of plants and laboratories in Japan; estimates of site areas for overseas plants. Impact of land usage measured for 30 years after land purchase • Other: Capital goods as supply chain, other combustibles and energy-related activities, transportation and distribution, waste, business trips, employees, commutes to work, lease assets (downstream), processing, use and disposal of products sold Business trips and employee work commutes: Covers consolidated employees, including some estimates Use of products sold: Covers houses sold during the fiscal year, based on estimates of energy usage over 60 years Processing of products sold: Includes estimates of energy used during processing at customer locations of products likely to consume large usages of energy Disposal of products sold: Covers main raw materials during the fiscal year, based on estimates of products being disposed during same fiscal year *Product contributions: (1) A qualitative assessment is performed to evaluate the differences in environmental contribution between target products and previous technologies in terms of six categories (CO_2 and energy reduction, waste reduction, resource conservation, water conservation and recycling, pollution prevention, and direct preservation of biodiversity) by stage of product's lifecycle (five stages from raw materials procurement, production, product distribution, product use and maintenance, and product disposal and recycling). Any significant difference identified is further investigated using the data by product unit. (2) Based on the investigation results obtained, the environmental contribution by product unit is calculated using environmental load coefficient multiples applicable for each data. (3) The environmental contribution by product is determined by multiplying the result in (2) by total units sold for the fiscal year. The effect of Environment-Contributing Products is calculated on a trial basis for approximately 90% of their sales. • Direct contribution / preservation of the natural environment: The total number of participants and the time they spent in preservation activities is multipled by the quantity of CO_2 Japanese ceder trees would absorb if planted.(1.1 tons-CO_2 / man hours) • Direct contribution / donations: Donations made with the intent of environmental preservation are assumed at an amount equivalent to the amount of environmental damages. • Direct contribution / megasolar power plants: Electricity generated is converted into CO_2 equivalent as total energy created
Environment-Contributing Products	Environment-Contributing Products Sales and Sales Ratio	Sales of Environment-Contributing Products = Sekisui Chemical Group consolidated net sales of products certified internally as Environment-Contributing Products Environment-Contributing Products sales ratio = Sales of Environment-Contributing Products/consolidated net sales Subject: All Group businesses in Japan and overseas
Energy and Greenhouse Gases*	Greenhouse-Gas (GHG) Emissions	GHG emissions = Σ [volume of fuel usage purchased electricity and steam × CO_2 emission coefficient] + GHG emissions from non-energy consumption sources GHG emissions from non-energy consumption sources = CO_2 emissions from non-energy consumption sources + Σ [non-CO_2 GHG emissions × global warming coefficients] [CO_2 Emission Coefficients] Fuels: Heavy oil A 2.71 tons- CO_2/kL, city gas 2.08 tons-CO_2/thousand Nm3, LNG 2.70 tons- CO_2/ton, heating oil 2.49 tons-CO_2/kL, diesel oil 2.62 tons- CO_2/kL, gasoline 2.32 tons-CO_2/kL, LPG 3.00 tons-CO_2/ton Purchased electricity: 0.555 tons-CO_2/MWh (Japan) Emission coefficient of each country and region announced by GHG protocols (overseas) Purchased steam: 0.179 tons-CO_2/ton [Global-warming coefficients]: Coefficients established under greenhouse-gas emissions calculation, reporting, and publication systems
	Energy Usage	Energy usage = Σ [volume of fuel usage purchased electricity and steam × heat generated per unit of output]
	CO_2 Emissions at the Transportation Stage	Aggregating the results of both the fuel-based method (for transportation of modular home units, etc.) and the ton-kilometer-based method (for transportation of products other than modular home units, etc.) CO_2 emissions = Σ [volume of fuel usage × CO_2 emission coefficient] + Σ [transport weight (tons) × transport distance (km) × fuel usage per unit of output × CO_2 emission coefficient] Figures used for fuel usage per unit of output are those employed in the reporting system for specified consigners under the Act on the Rational Use of Energy Subject: domestic logistics (product shipments)
	Greenhouse Gas Emissions from Supply Chain	Purchased goods and services: CO_2 emissions = Σ [amount of main raw materials used listed in material balance section on page 7 of this Data Book x emission coefficient (IDEA v.1.1 (greenhouse gas emissions database compiled by the National Institute of Advanced Industrial Science and the Technology (AIST) and Japan Environmental Management Association for Industry (JEMA1)))] Capital goods: CO_2 emissions = Σ [year-on-year increase in buildings, structures, equipment and vehicles x emissions coefficient (per unit emissions database (v.2.0, Ministry of the Environment (MOE), Ministry of the Economy, Trade and Industry) (METI) used to calculate greenhouse gas emissions of organization throughout supply chain)] Fuel- and energy-related activities not Included in Scope 1 and 2: CO_2 emissions = Σ [(volume of fuel usage electricity and steam purchased) × emission coefficient] Emission coefficients used are from IDEA v.1.1 (GHG emissions database from AIST and JEMAI) for fuel, and the Emissions per Unit Database for the Purpose of Calculating the Greenhouse Gas and Other Emissions of Organizations throughout the Supply Chain (Ver. 2.0) (MOE and METI) for electricity and steam purchased. Subject: domestic and overseas production sites and laboratories, domestic and overseas offices Transportation and delivery (upstream): CO_2 emissions = Σ [amount (weight) of key raw materials used listed in material balance section on page 7 of this Data Book x distance traveled x emissions coefficient (IDEA v.1.1 (greenhouse gas emissions database compiled by AIST and JEMAI for Industry))] Calculation assumes distance traveled was 200 km Waste generated in operations: CO_2 emissions = Σ [volume of waste generated (by type) × emission coefficient (IDEA v.1.1 [GHG emissions database from AIST and JEMAI])] Subject: domestic and overseas production sites and laboratories Business travel: CO_2 emissions = Σ [transportation costs by means of transportation × emission coefficient (Emissions per Unit Database for the Purpose of Calculating the Greenhouse Gas and Other Emissions of Organizations throughout the Supply Chain [Ver. 2.0] [MOE and METI])] (Transportation costs for Group companies include estimates.) Subject: domestic and overseas Group companies

* Calculation of greenhouse gases influenced by inherent unknowns in incomplete scientific knowledge used to determine emissions coefficients and numerical data required to find total emissions of various gases.

Calculation Standards of Key Performance Indicators

Items	Indicator	Calculation Method	
Energy and Greenhouse Gases	Greenhouse Gas Emissions from Supply Chain	Employee commuting	CO_2 emissions = Σ [amount of commuting allowances paid × emission coefficient (Emissions per Unit Database for the Purpose of Calculating the Greenhouse Gas and Other Emissions of Organizations throughout the Supply Chain [Ver. 2.0] [MOE and METI])] (Calculated by assuming all employees travel by passenger rail; commuting costs for Group companies include estimates.) Subject: domestic and overseas Group companies
		Transportation and delivery (downstream)	Aggregating the results of using both the fuel-based method (for transportation of modular home units, etc.) and the ton-kilometer-based method (for transportation of products other than modular home units, etc.) CO_2 emissions = Σ [volume of fuel usage × CO_2 emission coefficient] + Σ [transport weight (tons) × transport distance (km) × fuel usage per unit of output × CO_2 emission coefficient (using figures employed in the reporting system for specified consigners under the Act on the Rational Use of Energy)] (Figures for overseas are estimates.) Subject: shipments of products of domestic and overseas Group companies
		Processing of sold products	CO_2 emissions = Σ [production volume of subject products × emission coefficient for processing of the subject products (IDEA v.1.1 [GHG emissions database from AIST and JEMAI])] Subject: automotive products of domestic and overseas Group companies
		Use of sold products	CO_2 emissions = Σ [number of homes sold during the fiscal year × annual volume of electricity purchased from power companies × 60 years × emission coefficient for electricity], reflecting the effects of photovoltaic (PV) systems. Figures used for annual volume of electricity purchased from power companies are from Sekisui Chemical press release ("Survey of net energy balance (volume) of homes installed with PV systems (2013)". dated March 13, 2014). For the emission coefficient for electricity, the internally used figure of 0.555 tons-CO_2/MWh is used. Calculations assume a useful life of 60 years for homes.) Covers homes sold in Japan during the fiscal year
		End-of-life treatment of sold products	CO_2 emissions = Σ [volume of main raw materials used in products sold during the fiscal year × emission coefficient (IDEA v.1.1 [GHG emissions database from AIST and JEMAI])] Calculations assume products sold during the fiscal year were disposed of during the same fiscal year
		Leased assets (downstream)	Calculated for construction works where machinery leased by Sekisui Chemical is used. CO_2 emissions = Σ [units of relevant work × emission coefficient (IDEA v.1.1 [GHG emissions database from AIST and JEMAI])]
Waste	Waste Generated	Waste = outsourced disposals + recycling resources (use of incineration heat + materials recycling + valuable materials sold) + on-site incineration, not including the following: Waste from demolition of former homes of customers, scrap construction materials from construction at business sites, disposal of equipment, office automation appliances, etc., infectious waste generated from medical treatment and activities	
	Waste Generated by New House Construction	Waste generated by new house construction = waste generated by housing exterior wall plants + waste generated by housing assembly plants + waste generated at new house construction sites Waste generated by new house construction per unit = waste generated by new house construction / units of houses sold Subject: domestic housing business	
	Number of Business Sites with Zero Emissions	Number of business sites that achieved zero emissions during the fiscal year	
Water, Air, Water Quality	Amount of Water Extracted	Amount of water extracted = tap water volume + industrial water volume + on site groundwater intake volume	
	NOx Emissions Volume	Emissions volume = Σ (annual exhaust gas air volume × NOx concentration × 46 / 22.4)	
	SOx Emissions Volume	Emissions volume = Σ (annual SOx volume × 64/22.4)	
	Soot and Dust Emissions Volume	Emissions volume = Σ (annual exhaust gas air volume × soot/dust concentration)	
	COD Discharge Volume	Volume discharged = Σ [COD concentration (annual average of measured values) × volume of discharged water	
Chemical Substances	Volume of Chemical Substances Handled	Volume of handled substances subject to the PRTR Law Subject: Domestic production sites and laboratories	
	Volume of Chemical Substances Discharged and Transported	Volume of discharged and transported substances subject to the PRTR Law Volume discharged = volume discharged into the atmosphere + volume discharged into public waters + volume discharged into soil on site + on site landfill volume Volume transported = volume transported into sewers + volume transported as waste Subject: domestic production sites and laboratories	
	Volume of Chemical Substances Detoxified	Volume of detoxified substances subject to the PRTR Law Volume detoxified = volume consumed through chemical reaction + volume consumed through incineration, etc. Subject: domestic production sites and laboratories	
	VOC Emissions	Volume of atmospheric discharge of volatile organic compounds (VOCs) included among substances subject to the PRTR Law and PRTR substances subject to the Japan Chemical Industry Association (JCIA)	
Management, etc.	Number of EMS-certified business sites	Number of business sites that acquired EMS external certifications during the fiscal year EMS external certifications: ISO 14001, Eco Action 21, etc.	
	Percentage of employees of business sites that have attained external EMS certification to all Sekisui Chemical Group employees	Percentage of employees of business sites that have attained external EMS certification to all Sekisui Chemical Group employees = Σ [number of employees of business sites that have attained external EMS certification] / consolidated total number of employees Number of employees: number of employees at end of fiscal year	
	JBIB Land Use Score Card® points	The JBIB Land Use Score Card® is a tool promoted by Japan Business Initiative for Biodiversity (JBIB)® to measure the level of contributions to biodiversity on company-owned land. Each business site is scored (up to 100 points) on the size and quality of green areas, their management systems and other factors. In the fiscal year under review, each business site was assessed using the JBIB Land Use Score Card®, and the increase in points compared with fiscal 2013 is calculated. The average increase in points for all business sites is used as an index.	
	Ratio of participants in SEKISUI Environment Week	Total number of participants in SEKISUI Environment Week / Number of employees at applicable business sites x 100	
	Environmental Accounting	Environmental accounting calculations are performed by referring to the Environmental Accounting Guidelines 2005 issued by the MOE, with the addition of Sekisui Chemical Group's own concepts such as external economic benefits (estimated effects). The scope of our procedures consisted of 45 production sites, five laboratories, 15 housing sales companies, headquarters departments, and back offices of division companies, all located in Japan. External economic benefits included in the economic benefits of environmental conservation measures represent the energy conservation benefits from homes sold and installed with PV systems and the benefits of the No-Dig pipe rehabilitation method for sewers, etc., converted into monetary values.	

CS & Quality

Items	Indicator	Calculation Method
Quality Performance	External Loss Costs	Costs of responding to product-related claims
	Major Quality Issues	These refer to product and service quality issues determined by the Division Company president, based on evaluations and judgments by the quality assurance manager, which could cause significant damage to customers, society, or Sekisui Chemical Group and lead to the loss of society's trust in the Group if not thoroughly resolved on an urgent basis including: 1) Problems that could have a serious impact on (or cause severe damage to) society, such as product recalls 2) All serious problems involving human safety and those acknowledged by the Division Company to be serious problems involving the safety of property 3) Compliance-related problems concerning the quality of products or services (e.g., those involving compliance with relevant laws and regulations) 4) Problems that could inflict serious financial damage on customers
	Claim Costs	Same as external loss costs (costs of responding to product-related claims)

Human Resources

Indicator	Calculation Method
Employee Turnover Rate in First Three Years of Employment	Employee turnover rate in first three years of employment for each fiscal year
Global Talents	Japanese employees with experience working overseas (including overseas trainees)
International Hiring	Hiring of human resources meeting one of the following criteria: those of non-Japanese nationality, returnee students from abroad, those with at least one year's experience studying abroad, and those with TOEIC scores of 750 or higher
Employment Ratio of People with Disabilities	(Number of regular workers with disabilities / total number of regular workers) × 100
Percentage of Management Positions Filled by Women	(Number of women in management positions / total number of personnel in management positions) × 100
Reemployment Rate for the Elderly	(Number reemployed / total number of employees retired at mandatory retirement age) × 100 Note: The number of employees retired at mandatory retirement age includes some retirees who do not desire reemployment.
Overtime Hours Worked	(Total overtime hours worked + total time worked on weekends and holidays) / number of employees
Percentage of Paid Leave Used	(Days of leave taken/days of leave awarded) × 100

Safety

Items	Indicator	Calculation Method
Safety Performance	Number of Occupational Accidents	Number of occupational accidents (both those with lost time and those without lost time) at production sites and laboratories in Japan during the subject fiscal year (April through March)
	Number of Equipment-Related Accidents	Number of equipment-related downtime events (such as fires or leakages) meeting one or more of the following conditions (1) – (3) (Sekisui Chemical Group standards) at production sites and laboratories in Japan during the subject fiscal year (April through March): (1) Personnel-related damage: Occupational accidents with 30 lost working days or more (2) Property damage: 10 million yen or more (3) Loss of opportunity: 20 million yen or more
	Number of Cases of Extended Sick Leave	Number of absence cases of 30 days or longer due to injury or illness at production sites and laboratories in Japan during the subject fiscal year (April through March). Absences due to occupational accidents are not considered extended sick leave.
	Number of Commuting Accidents	Number of commuting accidents for employees at production sites and laboratories in Japan during the subject fiscal year (April through March). These include cases in which injury was suffered or damage caused (including injury to the person and property damage) while driving automobiles or other vehicles.
	Frequency Rate	Number of injuries, illness and fatalities in occupational accidents with lost time per 1,000,000 total working hours during the subject fiscal year (April through March) Formula: Number of injuries, illness and fatalities in occupational accidents with lost time/ total work hours × 1,000,000
	Severity Rate	Number of workdays lost per 1,000 total working hours during the subject fiscal year (April through March) Formula: Number of work days lost / total work hours × 1,000
	Status of Occupational Accidents at Overseas Production Sites	Number of occupational accidents (both those with lost time and those without lost time) at overseas production sites during the subject fiscal year (April through March)
	Safety Performance at Housing Company Construction Sites	Number of occupational accidents (both those with lost time and those without lost time) at construction sites under the supervision of the Housing Company during the subject fiscal year (April through March)
	Safety Performance at Urban Infrastructure & Environmental Products Company Construction Sites	Number of occupational accidents (both those with lost time and those without lost time) at construction sites under the supervision of the Urban Infrastructure & Environmental Products Company during the subject fiscal year (April through March)
Health, Safety and Accident Prevention Costs	Scope of summation: Production sites and laboratories, headquarters departments, and back offices of division companies, all located in Japan	
	Costs within Business-Site Areas	Health and safety measures, rescue and protective equipment, measurement of work environment, health management, workers' accident compensation insurance, etc.
	Administrative Costs	Establishment and implementation of OHSMS, safety education, personnel costs, etc.
	Other	Safety awards, etc.
	Investment Amount	Amount of investments related to health, safety, and accident prevention approved during the subject fiscal year (April through March)
	Loss Costs	Expenses, including person-hours, required to respond to occupational accidents, equipment-related accidents, commuting accidents, and extended sick leave during the subject fiscal year (April through March)