

Safety

Taking Industrial Safety and Health, Security and Disaster Prevention, and Safety of Chemical Substances as Our Most Important Challenges

The Central Glass Group recognizes industrial safety and health, security and disaster prevention, and safety of chemical substances as the most important challenges in our corporate activities and promotes initiatives for each of them.

Mid-term Targets and Fiscal 2015 Results

Progress Accomplished: ⊙ Made steady progress: ○ Additional measures required: △

Major Issues	〈P〉 Mid-Term Targets	〈D〉 FY2015 Results	〈C〉 Ratings	〈A〉 FY2016 Plans
Industrial health and safety	<ul style="list-style-type: none"> ● No injuries causing lost work hours (try various timely measures) 	Among all our Group companies in Japan including affiliates, there were nine accidents resulting in lost work hours, which was one more than the previous year. The number of such accidents has mostly bottomed out since 2009. The total number of accidents, including those that did not result in lost work hours, was down 25% from the previous year.	△	Implement proactive measures against accidents based on the analytical results of annual reports on Group-wide industrial accidents (eliminate potential hazards through risk assessment and KY, etc.) and hold safety training workshops aimed at implementing sound measures to prevent recurrence.
	<ul style="list-style-type: none"> ● Enhance risk management for industrial health and safety 	Continue to maintain OHSAS18001 certification at our Ube Plant. Continued efforts toward establishment of risk management systems at our Matsusaka and Kawasaki Plants.	○	Maintain and continue management system and cross-deploy it to other workplaces.
Security and disaster prevention	<ul style="list-style-type: none"> ● Conduct voluntary safety audits on high-pressure gas by management ● Enhance preventative measures against disasters 	Periodic inspections were carried out by administrators at our Ube, Kawasaki, and Matsusaka Plants and Sakai Manufacturing Site. Voluntary safety audits on high-pressure gas were conducted. The state of management at workplaces with elevators, including statutory inspections, was confirmed for all group companies in Japan, including affiliates.	○	Continue to comply with laws and pass on safety techniques and know-how. Efforts toward establishing equipment safety measures.
Chemical and product safety	<ul style="list-style-type: none"> ● Implement appropriate management of chemical substances 	Compliance with the Act on the Evaluation of Chemical Substances, Act on Confirmation, etc. of Release Amounts of Specific Chemical Substances in the Environment and Promotion of Improvements to the Management. Thereof, and Industrial Safety and Health Act, and provision of information to the concerned parties (requiring various submissions). Sequentially improved SDS and labeling.	⊙	Continue compliance with laws & regulations and revision of our SDS and labeling.
	<ul style="list-style-type: none"> ● Promote alternatives to or detoxification of environmental impact substances <ul style="list-style-type: none"> •Asbestos •PCBs •Other environmental impact substances 	Removed and treated non-scattering asbestos-containing materials from manufacturing facilities when upgrades were made. Affiliates in the Chubu and Kinki regions completed final disposal of high-concentration PCB machinery. All plants and affiliates sequentially began final disposal of low-concentration PCB machinery.	○	Continued removal of asbestos used at workplaces when upgrades are made. Continued strict management of machinery containing PCBs and their disposal according to local administrative guidance.
	<ul style="list-style-type: none"> <Promotion of Green Procurement> ● Implement audits on chemical substances ● Provide information to customers promptly 	Each Group company in Japan, including affiliates, confirmed chemical substance management (compliance with laws) and customer response status using an environmental safety self-checklist.	○	Efforts to reduce the environmental impact of products by enhancing management of our database of information and to provide reliable and prompt information to our customers.

➤ Industrial Safety and Health

The Central Glass Group recognizes that maintaining a safe working environment is a basic requirement for all business operations. Accordingly, we carry out industrial safety and health activities at all of our workplaces, including affiliates.

In 2015, we have carried on with activities based around the mainstay of our Policies on Safety and Health, which include items such as “thoroughly ensure neat and tidy workplaces” and “enhance education and training on safety and health.” In addition, we called attention to safety measures by holding the “Summertime Industrial Accident Prevention Campaign,” as well as by issuing a white paper on “Industrial Accidents” and awarded “Safe Operation Awards” to further motivate awareness of industrial safety.

In 2015, among all our Group companies in Japan including affiliates, there were nine accidents resulting in lost work hours, which was one more than the previous year. The number of such accidents has bottomed out at around 10 per year

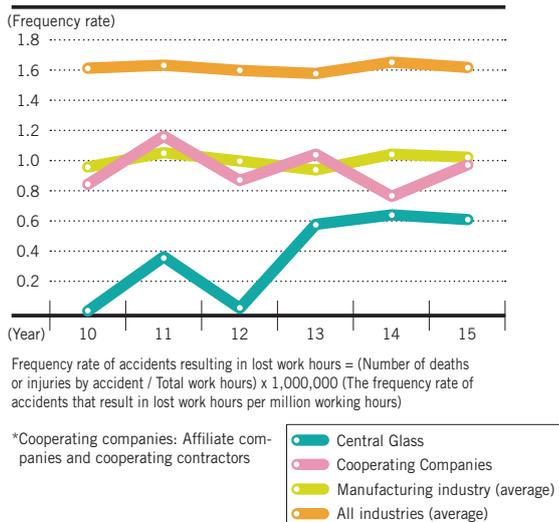
since 2009.

To make further improvements in the future, it is essential that we eliminate latent dangers through risk assessments and thoroughly implement measures to prevent the recurrence of similar accidents.

Compared to 2014, the rate of accidents resulting in lost work hours (see the next page) improved at Central Glass but worsened at cooperating companies. Both, however, were below the averages for all industries and the manufacturing industry.

We will continue to make efforts to reduce the occurrence of accidents, including through such initiatives, in the future.

Frequency rate of accidents resulting in lost work hours



<2015 Policies on Safety and Health—Priority Implementation Items>

1. Ensure workplaces are kept tidy and in order (remove unsafe conditions).
2. Reinforce safety and health education and training (prevent similar accidents).
3. Review basic operation manuals and ensure thorough compliance with them.
4. Establish a system for industrial safety and health management (risk assessments)
5. Promote healthcare, the maintenance of health, and mental healthcare
6. Prevent traffic accidents during everyday driving as well as commutes.
7. Further improve the emergency reporting system and ensure thorough compliance with it.

➤ Security and Disaster Prevention

Since most major plants of Central Glass are located in areas designated according to the Act on the Prevention of Disaster in Petroleum Industrial Complexes and Other Petroleum Facilities, each plant has established a full-scale security and disaster prevention system under the guidance of authorities concerned with the environment, security, and disaster prevention as we aim to completely eliminate facility disasters.

We make efforts to preemptively prevent accidents and disasters through efforts like activities at each plant that are based on the “Security and Accident Prevention Guidelines” compiled by the Japan Chemical Industry Association (JCIA) and the passing down of know-how to our young employees.

We carry out drills at our plants and workplaces that simulate various different disasters and abnormal conditions in the aim of raising our level of disaster preparedness with our employees and the employees of each plant’s contractors.

Moreover, each business division is moving forward with the formulation of a business continuity plan (BCP) to allow us to continue or resume operations as quickly as possible in the event that operations are temporarily impacted by a disaster such as an earthquake.

We will continue with such activities in the future with safety as our highest priority.



Disaster prevention drill (Kawasaki Plant)

➤ Logistical Safety

Central Glass and its domestic affiliate companies implement periodic training and education for not only their employees but also employees at the workplaces to which they consign transporting. This is done to prevent accidents during the transportation of chemical substances and to minimize the damage if accidents occur. For example, at our Ube Plant, when drivers are appointed to transport things like high-pressure gases, they are given instruction by transportation managers. Furthermore, our domestic affiliate companies that handle chemical logistics provide education via SDS at monthly safety meetings and other such occasions.

When chemical substances are to be transported by road, we prepare emergency contact cards (yellow cards) for drivers which they carry not only when obligated by law, such as in the transportation of high-pressure gases and poisonous substances, but also in the

transportation of other chemical substances. On the cards, measures to be taken to minimize damage and details to be reported are clarified so that the transporter, firefighters or police officers can respond appropriately and promptly should an accident occur during transportation by road. The details listed on these cards are periodically revised by the relevant departments.

➤ Safety of Chemical Substances

The regulations on chemical substances in countries around the world have grown more sophisticated, moving from traditional hazard management to risk management that takes into account exposure factors. The intention is to achieve the goal of the accord of the 2002 World Summit on Sustainable Development in Johannesburg, "Aiming to achieve, by 2020, the use and production of chemicals in ways that lead to the minimization of significant adverse effects on human health and the environment." Such regula-

Management of Chemical Substances

Central Glass has been surveying, aggregating, and reporting PRTR* data voluntarily since 1995, prior to the enactment of the Chemical Substances Management Act (2000), in an effort to reduce emissions of chemical substances into the environment. The number of substances subject to notification in FY2015 at Central Glass and its domestic affiliate companies increased by four substances compared with the previous fiscal year to 60 substances (results for each of Central Glass's plants are given in the section "Activities at Plants" at the end of the report). What is more, we will continue to comply with laws and regulations such as the revised Industrial Health and Safety Act issued in 2014 and taking effect in June 2016, as well as the Poisonous and Deleterious Substances Control Act and High Pressure Gas Safety Act, in order to further enhance our measures to ensure the safety and health of workers. Our affiliate companies in both Japan and overseas work to get a grasp of local laws and the chemical substances they handle in an effort to promote the management of chemical substances from a global perspective.

We will continue working to properly manage chemical substances.

* PRTR: Pollutant Release and Transfer Register

Handling Asbestos

Structural components containing asbestos are still used in some of the buildings and production facilities at Central Glass and our domestic affiliate companies. We therefore identify the locations where those components are used and manage them appropriately. Components used for such applications as insulation or packing for piping in production facilities are being removed one by one as facilities are upgraded. Moving forward, we will continue to comply with laws and ordinances and promote appropriate measures for this.

Management of PCB Machinery

Central Glass and our affiliates in Japan rigorously store and manage and properly dispose of waste condensers and other equipment containing PCBs (polychlorinated biphenyls) in compliance with Japan's Waste Management and Public Cleansing Act and Act on Special Measures concerning Promotion of Proper Treatment of PCB Waste. In fiscal 2015, the Matsusaka Plant and some affiliate companies disposed of their PCB waste.

tions include Europe's REACH regulations and Japan's revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. Furthermore, in recent years revisions to laws on chemical substances have been pushed forward in Asian countries, and we must continue to comply with these in the proper manner. Against this background, the Central Glass Group is working to ensure safety through a variety of different initiatives at every stage in which chemical substances are handled.

SDS and Labeling

Central Glass and our domestic affiliate companies strive to provide information through SDS*¹ that conform to GHS.*² When handling chemical substances and the like, measures necessary for risk abatement can be taken based on the information listed in the SDS, which is conducive to protecting safety and the environment. In addition, in an effort to manage safety, we strive to ensure that employees are thoroughly familiar with the SDS for not only our products but also for purchased raw materials.

In addition, to address the provision of information through the labeling of containers and packaging in conformity with GHS, we made preparations for reliable implementation in anticipation of the amended Industrial Safety and Health Act that came into effect in June 2016. These SDS and labels are included in a company database that is used to share safety information.

*¹ SDS: Safety Data Sheet. These are data sheets that list information related to the hazardousness of chemical substances and the like as well as information concerning the environment.

*² GHS: The Globally Harmonized System of Classification and Labeling of Chemicals

Initiatives for Green Procurement

Central Glass is promoting the following initiatives across the entire company in order to proactively advance "green procurement." Green procurement gives priority to procuring raw materials and materials that have less of an impact on the environment when obtaining such goods.

Nowadays, as a result of moves like the enactment of Europe's REACH regulations and the revised Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc., thoroughly ensuring the management of chemical substances throughout the entire supply chain and sharing information related to the chemical substances contained in products have grown increasingly important. Through these initiatives, we will promote the reliable management of chemical substances and accommodate requests for the public disclosure of information.

- ◆ Select environmentally conscious raw materials from the R&D through to the trial manufacturing stages
- ◆ Manage raw materials based on the "Green Procurement Guidelines"
 - Confirm the environmental management systems of our suppliers
 - Confirm whether or not substances that we have voluntarily chosen to restrict are contained within the raw materials we purchase
- ◆ Prevent the intermixing of environmental impact substances through appropriate process management
- ◆ Manage products (management of packaging materials and confirmation that targeted chemical substances are not contained within products)
- ◆ Share information among the concerned parties through the creation and use of a "Green Procurement Database"
- ◆ Provide education for the persons in charge of the relevant departments