

## Final Statement on a Specific Instance

between National Confederation of Trade Unions/National Union of General Workers, National Confederation of Trade Unions/National Union of General Workers/Aichi Regional Headquarters, and National Confederation of Trade Unions/National Union of General Workers /Aichi Regional Headquarters/Japan Acrylic Office

and

The Dow Chemical Company, Dow Chemical Japan Ltd., and Japan Acrylic Chemical Co., Ltd.

25 May 2026

Japanese National Contact Point (NCP)

for the OECD Guidelines for Multinational Enterprises on Responsible Business Conduct

### **1. The OECD Guidelines for Multinational Enterprises on Responsible Business Conduct**

- (1) The OECD Guidelines for Multinational Enterprises (2011 edition, hereinafter referred to as the “Guidelines”), adopted by the Organisation for Economic Co-operation and Development (OECD) in 1976, are recommendations addressed by governments to multinational enterprises operating in or from their territories. The Guidelines provide the voluntary principles and standards for responsible business conduct in a wide range of fields, including disclosure, human rights, employment and industrial relations, the environment, combating bribery and other forms of corruption, consumer interests, science, technology and innovation, competition, and taxation.
- (2) Governments adhering to the Guidelines establish the National Contact Points for responsible Business Conduct (hereinafter referred to as the “NCP”). In Japan, the Ministry of Foreign Affairs, the Ministry of Health, Labour and Welfare and the Ministry of Economy, Trade and Industry jointly constitute the Japanese NCP (hereinafter referred to as the “Japanese NCP”), which promotes awareness and uptake of the Guidelines and contributes to the resolution of issues that arise in relation to the implementation of the Guidelines in specific instances.
- (3) While the Guidelines are not legally binding, the Japanese NCP encourages enterprises to observe the Guidelines.
- (4) The Japanese NCP does not determine whether the enterprises’ activities are consistent with the Guidelines. Moreover, regarding the assertions by each party on the issues raised, the Japanese NCP does not make factual findings or judgements on its legitimacy.
- (5) The Japanese NCP may make recommendations on the implementation of the Guidelines and any observations the Japanese NCP deems appropriate to include on the reasons why the proceedings did not produce an agreement, if relevant.

### **2. Parties Concerned**

#### (1) Complainants

The complainants of this specific instance (hereinafter referred to as the “Specific Instance”) are three trade unions (collectively referred to as the “Complainants”) consisting of National Confederation of Trade Unions/National Union of General Workers, National Confederation of Trade Unions/National Union of General Workers /Aichi Regional Headquarters, and National Confederation of Trade Unions/National Union of General Workers /Aichi Regional Headquarters/Japan Acrylic Office (hereinafter referred to as the “Japan

Acrylic Office”).

Ten former employees of the Nagoya plant (hereinafter referred to as the “Plant”) of Japan Acrylic Chemical Co., Ltd. (hereinafter referred to as “Japan Acrylic Chemical”), who were dismissed by Japan Acrylic Chemical on 30 September 2020 (hereinafter referred to as the “Workers”), are members of the Complainants, i.e., the three trade unions.

## (2) Enterprises Involved

The enterprises involved in this specific instance are The Dow Chemical Company (hereinafter referred to as “Dow Chemical”), Dow Chemical Japan Ltd. (hereinafter referred to as “Dow Chemical Japan”) and Japan Acrylic Chemical (hereinafter these enterprises are collectively referred to as the “Enterprises Involved”).

Dow Chemical is a U.S.-based enterprise that indirectly owns 100% of the shares of Rohm and Haas Company, which in turn directly owns 100% of the shares of Dow Japan Holdings K.K. Dow Japan Holdings K.K. in turn directly owns 100% of the shares of Dow Chemical Japan, and Dow Chemical Japan directly owned 100% of the shares of Japan Acrylic Chemical until it dissolved in 2021.

## 3. Underlying Facts

On 14 June 2019, Japan Acrylic Chemical presented the Complainants with a document entitled “Business Environment at the Nagoya Plant”, held eight rounds of collective bargaining with the Complainants between 1 July and 10 December 2019. On 18 December 2019, it informed the Japan Acrylic Office of its decision to shut down the company's only workplace, the Plant, and to terminate production at the Plant by the end of June 2020. Subsequently, the Complainants and Japan Acrylic Chemical held six collective bargaining sessions from 18 December 2019. On 30 September 2020, Japan Acrylic Chemical dismissed all the Workers in the Specific Instance who were members of the Complainants. On 17 December 2021, Japan Acrylic Chemical was dissolved by the resolution of its shareholders' meeting.

## 4. Complaint

### (1) Overview of the Complaint

It was Dow Chemical and Dow Chemical Japan that substantially decided to shut down the Plant and dissolve Japan Acrylic Chemical.

The nondisclosure regarding the dissolution of Japan Acrylic Chemical and the details of capital investment expenses is, first, inconsistent with paragraph 1 of Chapter III Disclosure, and paragraphs 6 and 8 of Chapter V Employment and Industrial Relations of the Guidelines. Similarly, the nondisclosure of the distribution of profits between Japan Acrylic Chemical and Dow Chemical Japan is inconsistent with paragraph 1 of Chapter III and paragraph 8 of Chapter V of the Guidelines. In addition, the discriminatory treatment of the Complainants' union members and the members of the Jacryl Trade Union (the Trade union founded by some employees of Japan Acrylic Chemical on 9 September 2020) by the Enterprises Involved regarding the date of dismissal and benefits is inconsistent with paragraph 1 (e) of Chapter V of the Guidelines. Furthermore, the refusal of the Enterprises Involved to engage in collective bargaining is inconsistent with paragraph 8 of Chapter V of the Guidelines.

### (2) Requests made by the Complaints

The Enterprises Involved should respond to collective bargaining for the resolution of labour disputes with the Complainants based on the settlement proposal including compensation presented by Japan Acrylic Chemical to the Complainants in July 2022 (hereinafter referred to as the “July 2022 Settlement Proposal”).

## **5. Views of the Enterprises Involved**

- (1) Dow Chemicals and Dow Chemical Japan are not employers under the Trade Union Act with respect to the union members of the Complainants, and are not obligated to engage in collective bargaining with the Complainants.
- (2) Japan Acrylic Chemical explained the situation to the Complainants and proposed a solution that made the maximum concessions, but the Complainants did not accept it; that is, Japan Acrylic Chemical presented the July 2022 Settlement Proposal as a maximum concession from the perspective of quickly resolving the dispute with the Complainants and the Workers in this case without further pursuing the legal proceedings. However, the Complainants continued to demand excessive compensation without accepting the proposed solution, resulting in a failure to reach an agreement between Japan Acrylic Chemical and the Complainants. Nevertheless, after the Nagoya District Court issued the judgment as described in section 6(1) below on 15 February 2023, the Complainants stated that they had not rejected the July 2022 Settlement Proposal and began to demand that the settlement negotiations be resumed. Given this background, the request of this Specific Instance for consultations based on the July 2022 Settlement Proposal seems too convenient for the Complainants and untimely. Furthermore, as stated in section 6 (1) below, the claims made by the Complainants were not upheld in the Japanese court proceedings, and the judgment has been finalized.

As described above, this Specific Instance does not merit further examination since one may not expect different resolutions through the good offices of the Japanese NCP than those provided by the Japanese dispute resolution bodies as described in section 6 below.

## **6. Domestic Dispute Settlement Procedures for the Dismissal**

Regarding this case, there were civil litigation and procedures at the labour relations commissions in Japan, and the former has now been completed.

### **(1) Civil Litigation**

The Workers and the Complainants filed a lawsuit against Japan Acrylic Chemical, claiming that the Workers' dismissal following the shutdown of the Plant and dissolution of Japan Acrylic Chemical was invalid and illegal. They sought a declaration that the Workers' entitlements under their employment contracts remained valid, and demanded the payment of wages and bonuses, which would have been paid but for the dismissal, and compensation for damages based on tort.

The Complainants filed a lawsuit with the Nagoya District Court, claiming that Japan Acrylic Chemical had performed unfair labour practices such as bad-faith collective bargaining and union-busting, demanding compensation for damages based on tort.

In this lawsuit related to these complaints, the Nagoya District Court dismissed a claim of one of the Workers on 15 February 2023 and handed down a judgment rejecting all the remaining claims. This judgment was finalised after the Nagoya High Court dismissed the appeal on 20 October 2023, and the First Petty Bench of the Supreme Court dismissed the final appeal and decided not to accept the final appeal on 7 March 2024

### **(2) Procedures at the Labour Relations Commission**

Since 16 December 2019, the Complainants sought a relief order from the Tokyo Metropolitan Government Labour Relations Commission to (i) have the Enterprises Involved respond in good faith to collective bargaining requests for the continuation of operations at the Plant and the continued employment of the Workers. They also sought a relief order of unfair labour practices against Japan Acrylic Chemical to (ii) reinstate the Workers' original job positions and to (iii) make compensation in accordance with the July 2022 Settlement Proposal. The Complainants withdrew the cases (i) and (ii) at the recommendation of the Tokyo Metropolitan Government Labour Relations Commission and maintained only the case (iii) against Japan Acrylic Chemical. As stated in the order dated 21 October 2025, which was issued by the Tokyo Metropolitan

Labour Relations Commission on 10 December 2025, the conduct of the Enterprises Involved in case (iii) was found not to constitute unfair labour practices. Accordingly, the application filed by the Complainants was dismissed. At the time of this Final Statement, the Japanese NCP has been informed that the Complainants have filed a motion for re-examination with the Central Labour Relations Commission.

## **7. Initial Assessment**

The Japanese NCP, in line with the Guidelines and the Procedural Guidance for the Japanese National Contact Point (NCP) under the Guidelines, conducted an initial assessment as described below and issued it with a conclusion as described in (8) below on 31 January 2025.

### **(1) Whether the Japanese NCP is the Correct Entity to Assess the Complaint**

The Specific Instance involves the shutdown of a workplace in Japan, dissolution of an enterprise, and dismissal of the Workers in connection with these issues, and it is appropriate for the Japanese NCP to take the lead.

Since Dow Chemical is located in the United States, the Japanese NCP coordinated with the US NCP consistent with the Implementation Procedures of the Guidelines, and as a result, the two NCPs decided that the Japanese NCP would act as the lead NCP for this Specific Instance while the US NCP would act as the supporting NCP.

### **(2) The identity of the parties concerned and their interests in the matter**

The Complainants are the trade unions whose members are employees of Japan Acrylic Chemical, i.e., the Workers, and the Workers, who were dismissed due to the shutdown of the Plant, the only workplace of Japan Acrylic Chemical.

The Enterprises Involved are Japan Acrylic Chemical and its direct and indirect parent companies, Dow Chemical Japan and Dow Chemical. The Complainants seek negotiations regarding the settlement money associated with the aforementioned shutdown and dismissals at the Plant. Therefore, the Complainants have standing as a party involved in the Specific Instance, in which the Complainants have interests.

### **(3) Whether the issue is material and substantiated**

In its initial assessment, the Japanese NCP does not determine whether or not any of the issues submitted in the parties' claims or the documents and other materials submitted by the parties are factually correct.

However, the issues raised by the Complainants, such as the shutdown of the Plant and the dismissal of the Workers, are material and substantive per se.

### **(4) Whether there seems to be a link between the activities of the Enterprises Involved and the issue raised in the Specific Instance**

The Workers were dismissed due to the shutdown of the Plant, which was operated by Japan Acrylic Chemical. There is a link between the activities of Japan Acrylic Chemical and the Specific Instance that has been raised.

As mentioned in section 2 above, Dow Chemical Japan has a capital relationship with Japan Acrylic Chemical, and Dow Chemical also has an indirect capital relationship with Dow Chemical Japan and Japan Acrylic Chemical. Therefore, there is a certain link between the activities of these enterprises and the Specific Instance.

### **(5) Relations with applicable law and procedures, including court rulings**

As mentioned in section 6 above, the civil litigation in the Japanese courts has ended with the finalised judgment, and the case of the unfair labour practice remains pending before the Tokyo Metropolitan

Government Labour Relations Commission. (At the time of this Final Statement, the motion brought by the Complainants was dismissed upon the issuance of the order dated 21 October 2025; however, the Japanese NCP has been informed that the Complainants have filed a motion for re-examination with the Central Labour Relations Commission.)

(6) How similar issues have been, or are being, treated in other domestic or international proceedings

In Japan, similar issues are commonly treated the same way as described in section 7 (5) above.

(7) Whether Consideration of Specific Instance Would Contribute to the Purposes and Effectiveness of the Guidelines

While the existence of parallel dispute resolution procedures does not warrant that specific instances are not worthy of further examination, the claims made by the Complainants regarding the shutdown of the Plant and the Workers' dismissal as a result of the dissolution of Japan Acrylic Chemical have already been decided in a civil court judgment, with the rights of the Workers not being recognised by Japan Acrylic Chemical.

In addition, procedures are pending before a labour relations commission between the Complainants and the Enterprises Involved. Furthermore, among the Enterprises Involved, Dow Chemical Japan and Japan Acrylic Chemical alleges that Dow Chemical and Dow Chemical Japan are not employers of the Complainants' members under the Trade Union Act, and expressed their views that the Complainants' complaint submitted to the Japanese NCP after the court ruling, requesting discussions based on the July 2022 Settlement Proposal presented by Japan Acrylic Chemical for the purpose of an early resolution of the dispute, was untimely considering that the Complainants once turned down the same proposal during the civil litigation referred to in section 6 (1).

These facts raise doubts regarding whether this Specific Instance will contribute to the purposes and effectiveness of the Guidelines given that the civil litigation already ended and the procedures at the labour relations commission are still pending.

However, among the Enterprises Involved, Japan Acrylic Chemical was the only party involved in the civil litigation referred to in section 6 (1) above, and Dow Chemical and Dow Chemical Japan are not directly affected by the final judgment. In addition, facilitating voluntary dialogue between the Complainants and the Enterprises Involved regarding this Specific Instance through the good offices of the Japanese NCP would not raise any issues in relation to the judicial authority of Japan. Furthermore, in the procedures described in section 6 (2), it is not decided whether Dow Chemical and Dow Chemical Japan are recognised as employers (under Article 7 of the Trade Union Act). (After the initial assessment was concluded, the Japanese NCP has been informed that the issue of whether Dow Chemical and Dow Chemical Japan fall under the definition of an employer was not considered during the proceedings before the labour relations commission due to the withdrawal by the Complainants.) Moreover, the dialogue between the Complainants and the Enterprises Involved, to which the Japanese NCP proposes mediation, will not necessarily be focused on collective bargaining under the Trade Union Act.

Considering that the dispute over this issue is still ongoing, there remains room for the good offices of the Japanese NCP to facilitate dialogue between the two parties, and consideration of this Specific Instance may contribute to the purposes and effectiveness of the Guidelines.

Nonetheless, in considering the July 2022 Settlement Proposal (including the settlement amounts), the Japanese NCP will respect the final decisions made on the matter in domestic parallel procedures based on domestic judicial procedures.

(8) Conclusion of the Initial Assessment

The Japanese NCP concluded that the Specific Instance merits further examination.

## **8. The Japanese NCP's Assistance in Dealing with the Issues**

<b>Date</b>	<b>Japanese NCP's Assistance</b>
12 March 2024	The Complainants raised issues before the Japanese NCP.
12 April 2024	The Japanese NCP notified the letter of receipt.
18 April 2024	The Japanese NCP notified the US NCP of the issues raised.
21 April 2024	The Complainants submitted the additional documents to the Japanese NCP.
25 April 2024	The US NCP responded to the Japanese NCP.
30 April 2024	The Complainants submitted the additional documents to the Japanese NCP.
16 May 2024	The Japanese NCP notified the Enterprises Involved of the issues raised.
24 May 2024	A meeting was held between the Complainants and the Japanese NCP.
11 June 2024	The Japanese NCP received an opinion letter from the Enterprises Involved.
18 June 2024	The Japanese NCP shared the opinion letter from the Enterprises Involved with the Complainants.
7 January 2025	The Japanese NCP shared the draft of the Initial Assessment with the US NCP.
31 January 2025	The Japanese NCP notified the Initial Assessment to both parties with a request to confirm whether they were willing to participate in dialogue mediated by the Japanese NCP.
13 February 2025	The Enterprises Involved submitted a response letter to the Japanese NCP that they will decline the offer of good offices or mediation from the Japanese NCP.
16 February 2025	The Complainants responded to the Japanese NCP that they are willing to participate in dialogue.
1 April 2025	The Enterprises Involved contacted the Japanese NCP regarding the response letter submitted to the Japanese NCP.
30 April 2025	An online meeting was held between the Enterprises Involved and the Japanese NCP.
2 May 2025	The Enterprises Involved submitted a revised response letter, declining the good offices or mediation offered by the Japanese NCP.
14 May 2025	The Japanese NCP shared the revised response letter from the Enterprises Involved to the Complainants.
7 January 2026	The Japanese NCP shared the draft of the Final Statement with the US NCP.
15 January 2026	In the preparation of the Final Statement, the Japanese NCP provided the draft to both parties and requested their comments on it.

## **9. Conclusion**

- (1) The Japanese NCP concluded in its initial assessment that this case merits further examination. Upon confirming the parties' willingness to participate in mediation proceedings, it was confirmed that one party did not wish to participate in the dialogue.

- (2) The assistance of NCPs in resolving issues cannot be provided without the agreement of parties, and as one of the parties to this specific instance has declined the mediation offered by the Japanese NCP, the Japanese NCP will regrettably terminate the proceedings in this specific instance in line with paragraph 43 of “Commentary on the Implementation Procedures” of the Guidelines.
- (3) The Japanese NCP recommends the Enterprises Involved that they continue to ensure observance of the Guidelines and implementation of due diligence, taking into account the impact on employment and workers’ livelihoods. While acknowledging the differences in views between the Complainants and the Enterprises Involved and ongoing parallel proceedings, the Japanese NCP encourages the parties concerned to make efforts to engage in constructive dialogue regarding the issues.

(End of Document)