

CSR Report 2008

Asahi Kasei Group

Asahi Kasei Group CSR Report 2008

Contributing to human life
and human livelihood

ASAHI KASEI CORPORATION

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CSR Report 2008

Basic Credo of the Asahi Kasei Group

Basic tenets

We the Asahi Kasei Group, through constant innovation and advances based in science and the human intellect, will contribute to human life and human livelihood.

Guiding precepts

- We will . . .
- . . . create new value, thinking and working in unison with the customer, from the perspective of the customer.
 - . . . respect the employee as an individual, and value teamwork and worthy endeavor.
 - . . . contribute to our shareholders, and to all whom we work with and serve, as an international, high earnings enterprise.
 - . . . strive for harmony with the natural environment and ensure the safety of our products, operations, and activities.
 - . . . progress in concert with society, and honor the laws and standards of society as a good corporate citizen.

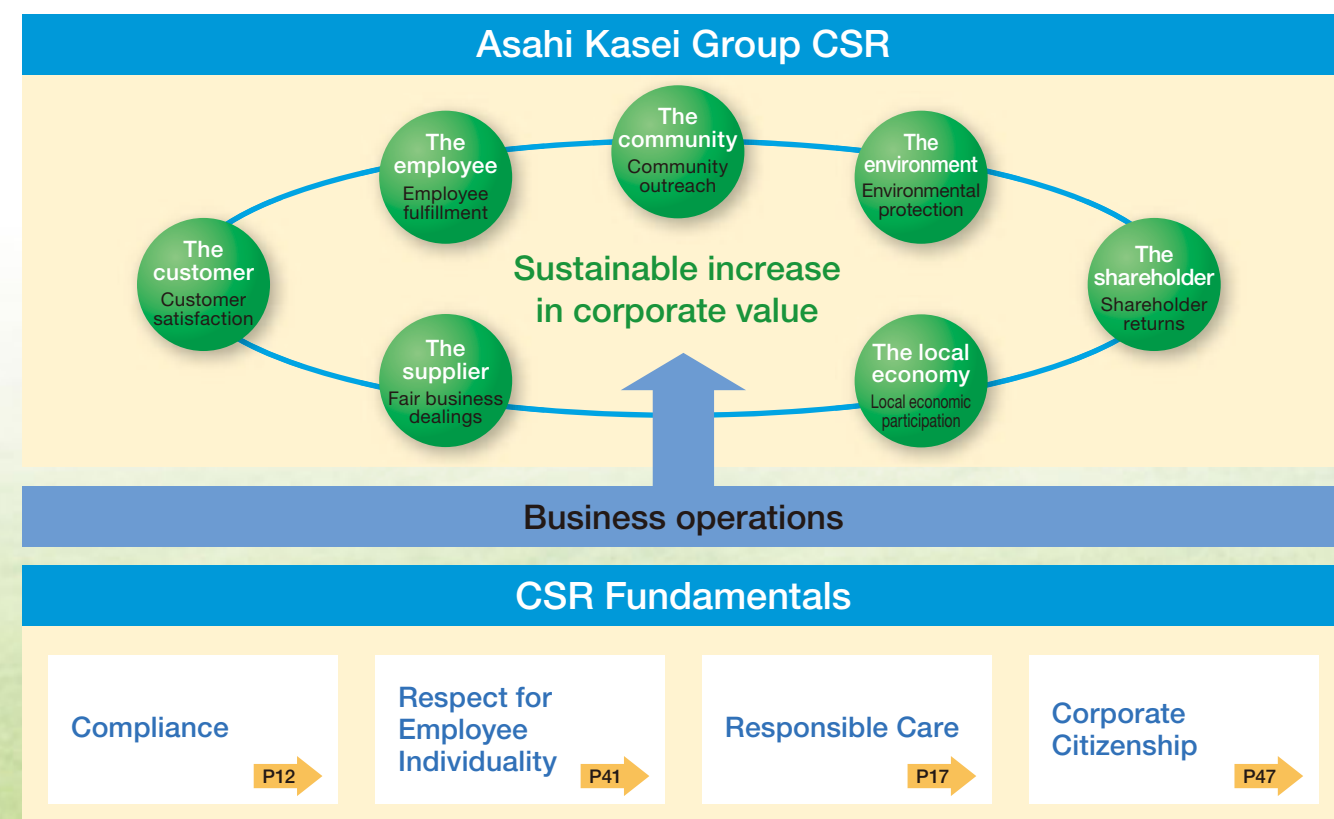
CSR at the Asahi Kasei Group

CSR in Action

We believe that CSR is achieved through the sustainable expansion of operations effecting increased corporate value, enabling fulfillment of the needs and expectations of our various stakeholders, in accordance with our basic tenets of contribution to human life and human livelihood through constant innovation and advances based in science and the human intellect.

CSR Fundamentals

Based in an understanding of the effects of our operations on the global environment and the global community, efforts and actions related to CSR are based in our four CSR Fundamentals: Compliance, Respect for Employee Individuality, Responsible Care*, and Corporate Citizenship.



*Responsible Care represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life-cycle through the individual determination and responsibility of each firm producing and handling chemical products. As of October 2007, fifty-three countries throughout the world have a Responsible Care program.

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Purview of report

Period under review

The primary focus of the report is fiscal 2007 (April 2007 – March 2008), and all data shown corresponds to this period unless otherwise indicated. Some information pertaining to events subsequent to the end of the fiscal has also been included.

Organizational scope

The scope of the report is Asahi Kasei Corporation and consolidated subsidiaries, except with respect to Responsible Care, in which case the scope is the Asahi Kasei Responsible Care Group shown on pp. 66–67.

As shown below, Asahi Kasei has six operating segments corresponding to its core operating companies and a seventh operating segment, Services, Engineering and Others, for the remainder of operations. Unless otherwise specified, the titles and positions of the corporate officers and other personnel shown in this report are current as of June 2007.

Operating segment	Consolidated subsidiaries
Chemicals	Asahi Kasei Chemicals Corp. and 26 others
Homes	Asahi Kasei Homes Corp. and 20 others
Pharma	Asahi Kasei Pharma Corp. and 5 others
Fibers	Asahi Kasei Fibers Corp. and 20 others
Electronics Materials & Devices	Asahi Kasei EMD Corp. and 7 others
Construction Materials	Asahi Kasei Construction Materials Corp. and 7 others
Services, Engineering and Others	15 consolidated subsidiaries

Publication

Published July 2008 in Japanese

Guidelines consulted

The Global Reporting Initiative's *Sustainability Reporting Guidelines* and the Japanese Ministry of the Environment's *Environment Report Guidelines* were consulted during the preparation of this report.

Information and reference

Asahi Kasei Group website

www.asahi-kasei.co.jp/asahi/en/

CSR and RC Reports

www.asahi-kasei.co.jp/asahi/en/csr/

Annual Reports

www.asahi-kasei.co.jp/asahi/en/ir/annual/

Message from the President

Contributing to human life and human livelihood through environmentally and socially responsible business operations, for sustainable growth of corporate value.



Shiro Hiruta
President, Asahi Kasei
Chair, CSR Council

The Asahi Kasei heritage for CSR

The corporate philosophy adopted at our founding in 1931 was supporting the advancement of general living standards with low-price, large-volume supply of high-quality materials for daily necessities. Operations initially centered in the production of manmade fibers and basic chemicals, utilizing hydroelectric power – a form of renewable energy. Over the following decades, the business portfolio has expanded to include petrochemicals, electronic materials and devices, pharmaceuticals and medical devices, and housing and construction materials.

In 2001 the company name was changed from Asahi Chemical Industry Co., Ltd. to Asahi Kasei Corporation, and “We the Asahi Kasei Group, through constant innovation and advances based in science and the human intellect, will contribute to human life and human livelihood” was adopted as our basic tenets. These basic tenets are at the heart of corporate social responsibility (CSR) for the Asahi Kasei Group.

Environmentally and socially responsible business operations

We have worked to heighten our performance with respect to CSR-related issues for several years. We began implementing our Responsible Care environmental management system in 1995 and established our Corporate Ethics Committee in 1998. The CSR Council, which I, as President of Asahi Kasei, chair, adopted the CSR Fundamentals of Compliance, Respect for Employee Individuality, Responsible Care, and Corporate Citizenship as part of our framework for CSR throughout the Asahi Kasei Group.

Tasks ahead

Modern civilization has long been reliant on the consumption of petroleum and other fossil fuels. With the prospect of climate change, we have now reached a turning point where this basic paradigm itself is in question. Global expansion and a growing contribution to the lives of people around the world are the ultimate objectives of the Asahi Kasei Group’s *Growth Action – 2010* strategic business plan. Through this initiative and the development and creation of new technologies and products that once seemed impossible, we will achieve heightened corporate value and sustainable growth as we fulfill these objectives.

Support for the Global Compact



Asahi Kasei supports the UN’s Global Compact and its ten universal principles. See p63.

Asahi Kasei Group overview



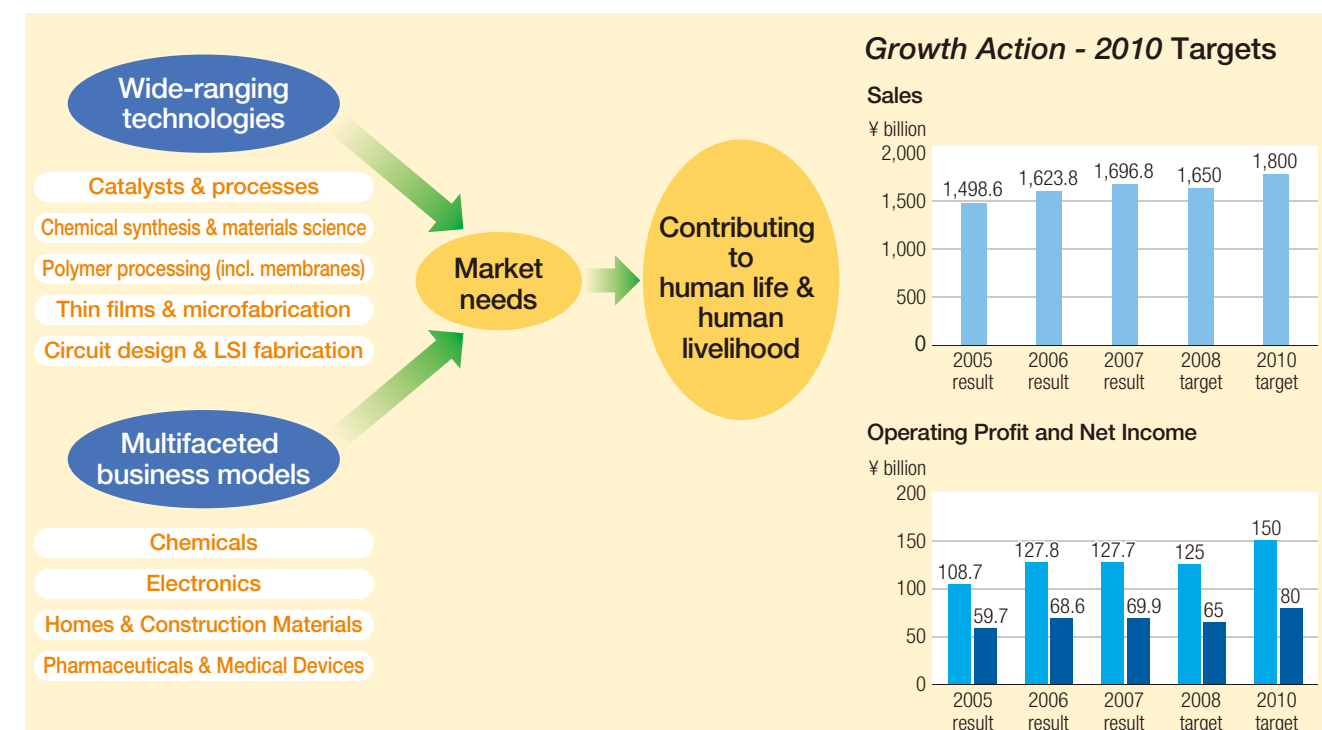
Growth Action – 2010

Our *Growth Action – 2010* strategic business plan for fiscal 2006–2010 is directed toward greater corporate value and brand strength, utilizing our competencies in wide-ranging technologies, multifaceted business models, and access to diverse markets, while creating new global businesses whose growth is unimpeded by the limits of the mature Japanese economy. Performance targets for fiscal 2010 include ¥1,800 billion in sales, ¥150 billion in operating profit, and maintaining ROE of at least 10%.

Ichiro Ito

Director, Vice-Presidential Executive Officer
Strategy; Accounting & Finance; Compliance
Asahi Kasei Corp.

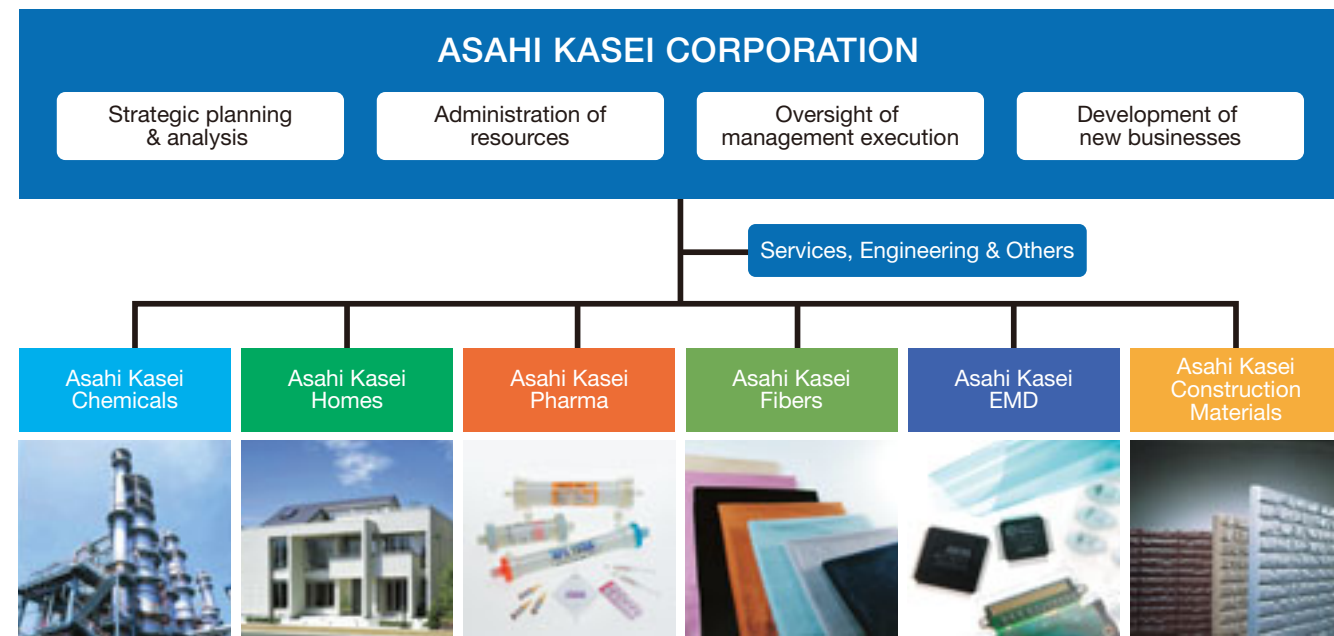
Growth Action – 2010 Framework



Holding company/core operating company structure

The Asahi Kasei Group is structured with Asahi Kasei Corp. as holding company and Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei EMD Corp., and Asahi Kasei Construction Materials Corp. as core operating companies focused on specific industry fields.

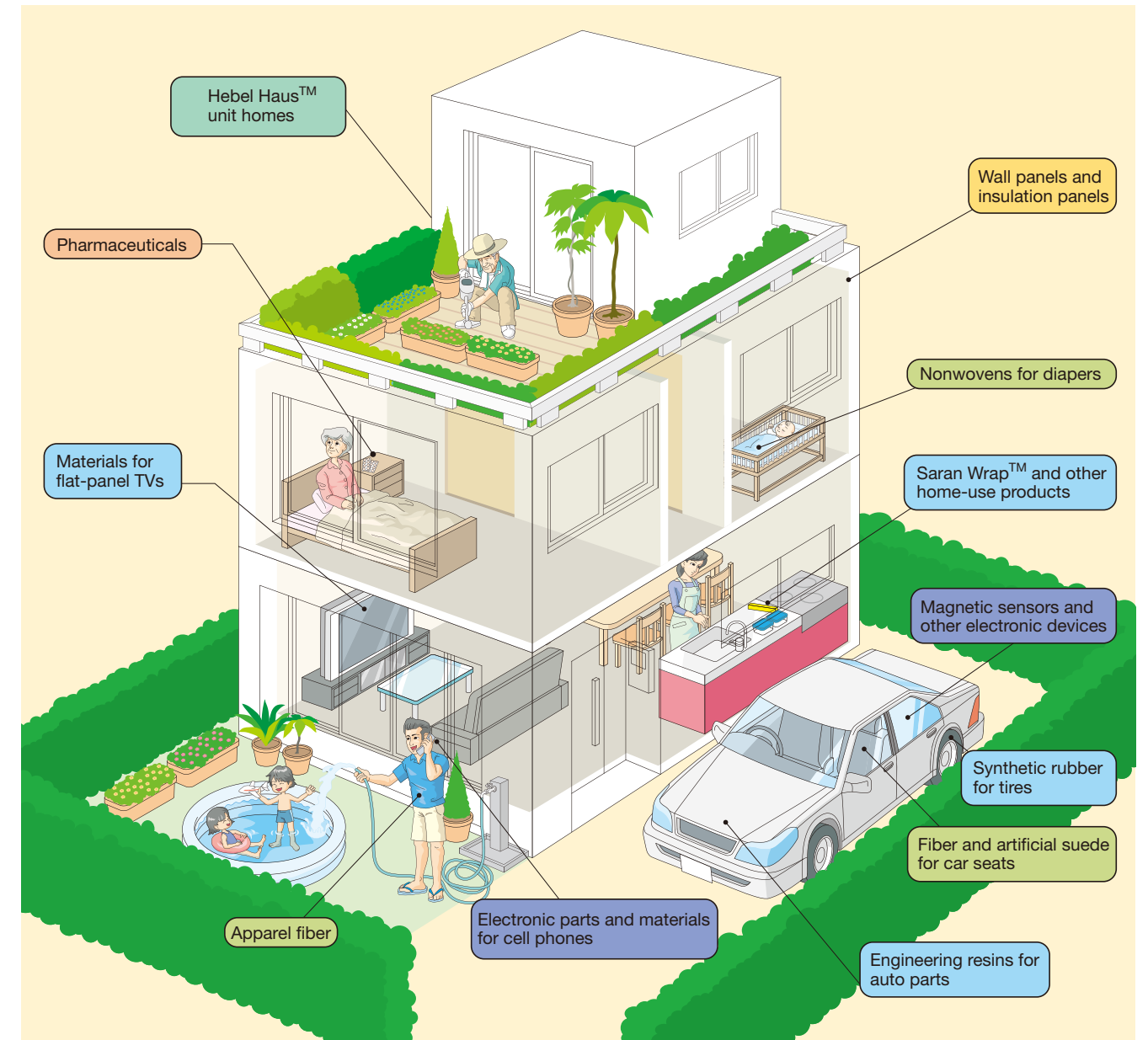
The six core operating companies enjoy broad independence and autonomy to swiftly adapt and respond to changes in the operating environment. The holding company is focused on strategic planning & analysis, administration of resources, oversight of management execution, and development of new businesses which extend beyond the scope of any single operating segment.



Major products by operating segment

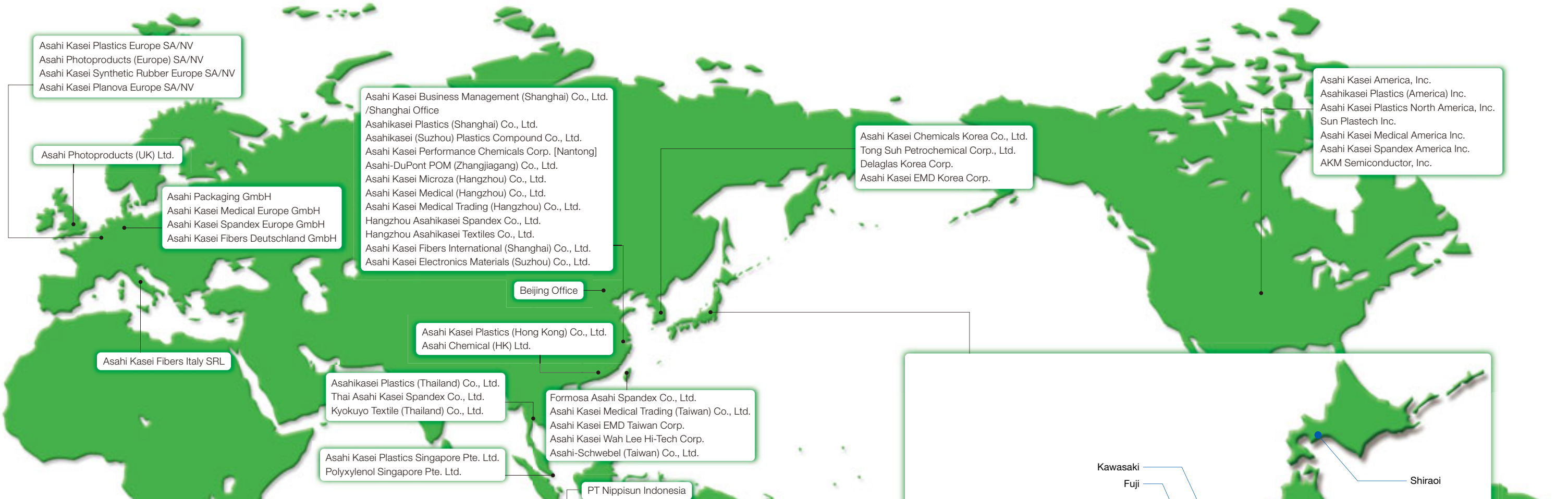
Chemicals	<p><i>Chemicals and derivative products</i> Ammonia, nitric acid, caustic soda, acrylonitrile (AN), styrene, adipic acid, methyl methacrylate (MMA), polymethyl methacrylate (PMMA).</p> <p><i>Polymer products</i> Suntec™ polyethylene (PE), Stylac™-AS styrene-acrylonitrile, Stylac™-ABS acrylonitrile-butadiene-styrene, synthetic rubber and elastomer, Tenac™ polyacetal, Xyron™ modified polyphenylene ether (mPPE), Leona™ nylon 66 polymer and filament.</p> <p><i>Specialty products</i> Coating materials, Ceolus™ microcrystalline cellulose, explosives, explosion-bonded metal clad, APR™ photosensitive resin, AFP™ photosensitive plates, printing plate making systems, Microza™ UF and MF membranes and systems, Hipore™ microporous membrane, ion-exchange membranes and electrolysis systems, Saran Wrap™ cling film, Ziploc™ storage bags, plastic film, sheet, and foam.</p>
Homes	Hebel Haus™ houses, Hebel Maison™ apartments, condominiums, remodeling, real estate, residential land development, home financing.
Pharma	Elcitonin™, Bredinin™, Flivas™, Toledomin™, and other pharmaceuticals, pharmaceutical intermediates, functional food additives, diagnostic reagents, APST™ artificial kidneys, Sepacell™ leukocyte reduction filters, Cellsorba™ leukocyte adsorption columns, Planova™ virus removal filters, contact lenses.
Fibers	Roica™ elastic polyurethane filament, Eltas™ spunbond, Lamous™ artificial suede and other nonwovens, Bemberg™ cupro cellulosic fiber, polyester filament.
Electronics Materials & Devices	Pimeil™ photosensitive polyimide precursor (PSPi), Sunfort™ dry film photoresist, photomask pellicles, Luminous™ plastic optical fiber, fine-pattern coils, LSIs, Hall elements, glass fabric.
Construction Materials	Hebel™ autoclaved lightweight concrete (ALC) panels, steel-frame structural components, piles and foundation systems, Neoma™ foam insulation panels.
Services, Engineering & Others	Plant engineering, environmental engineering, personnel staffing and placement, think tank services.

Asahi Kasei products and technologies in everyday life

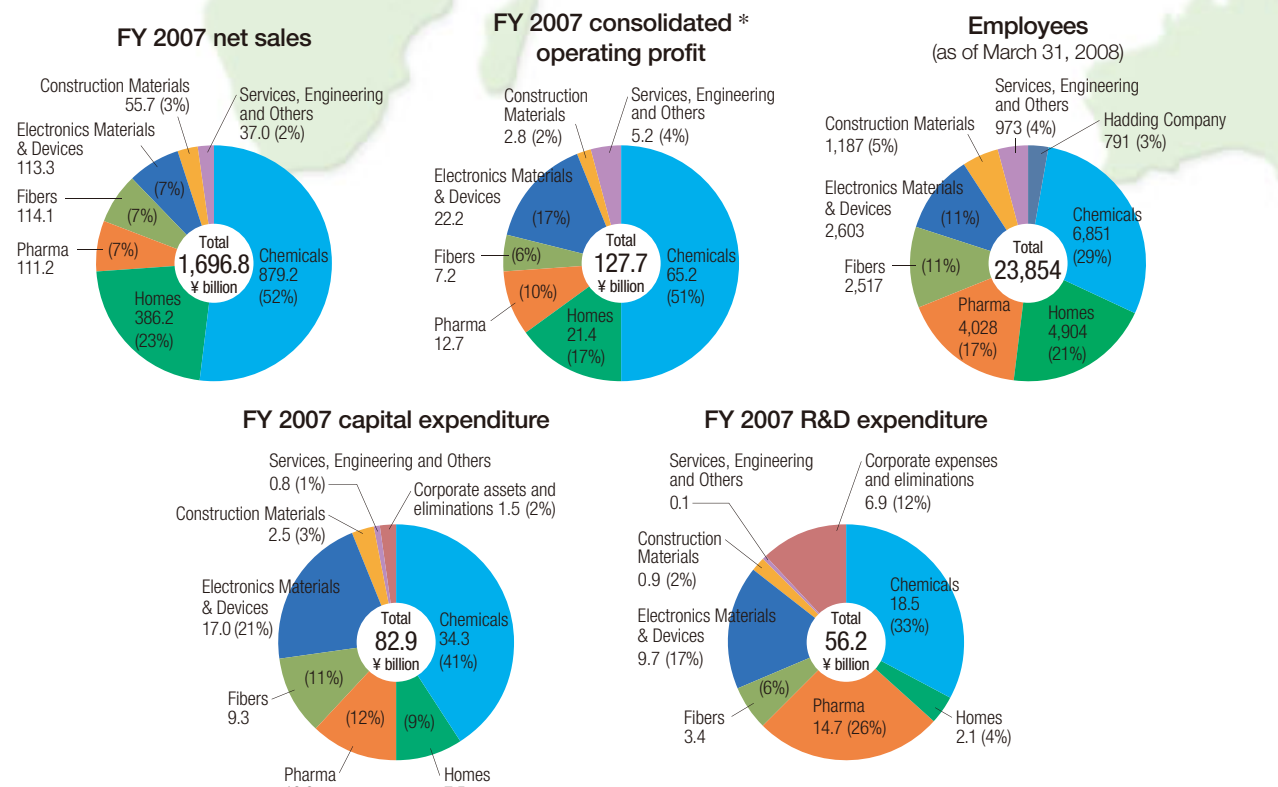


Geographical information

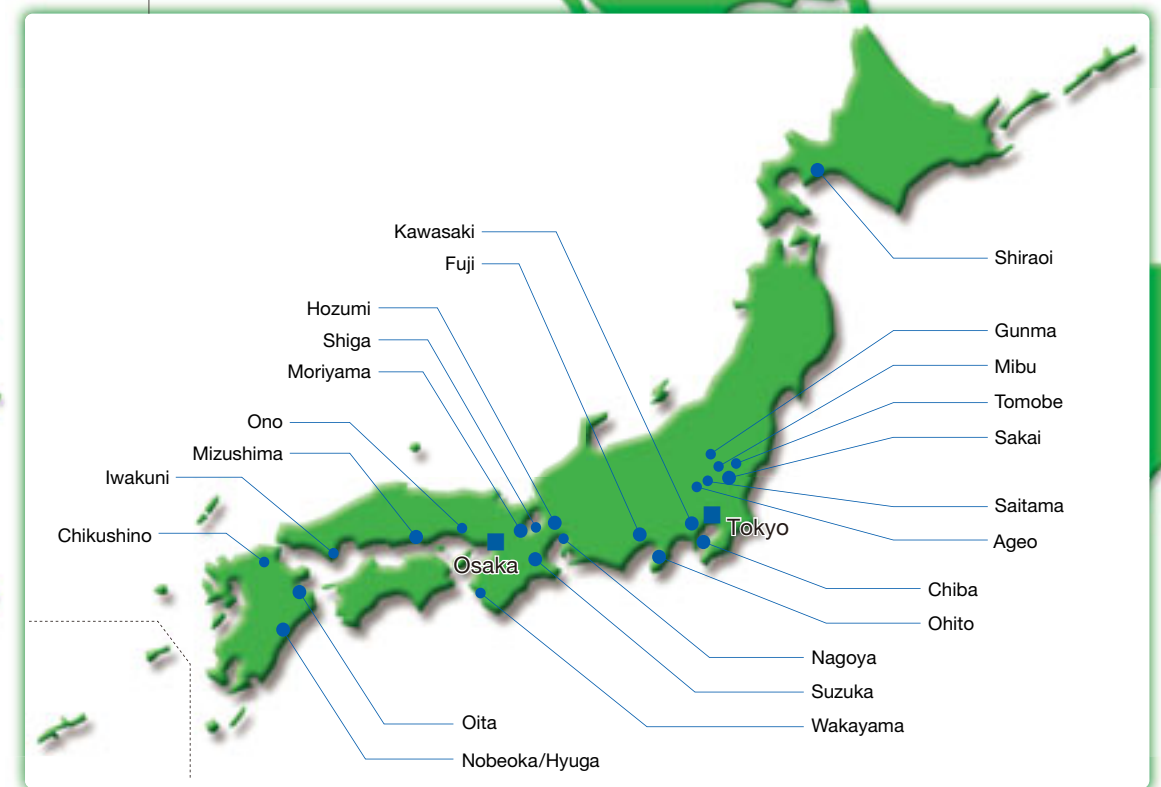
We have 23 major production locations throughout Japan, including Nobeoka, Miyazaki Prefecture, the place of our historic roots; Mizushima, Kurashiki, Okayama Prefecture; Fuji, Shizuoka Prefecture; and Kawasaki, Kanagawa Prefecture. Overseas sales were ¥487.3 billion, 29% of total consolidated net sales for fiscal 2007.



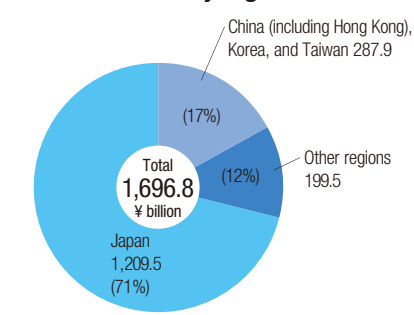
Operating segment information



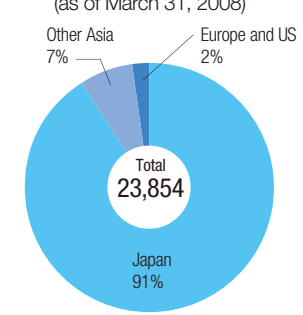
* Corporate expenses and eliminations were ¥9.0 billion.



FY 2007 sales by region



Employees by region (as of March 31, 2008)



Consolidated subsidiaries (as of March 31, 2008)

Japan	78
Other Asia	14
Europe	7
United States	7
Total	106

CSR framework for advancement



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CSR Fundamentals

The initiative for CSR is structured around our four CSR Fundamentals: Compliance, Respect for Employee Individuality, Responsible Care, and Corporate Citizenship, informed by an understanding of the effects of our operations on the global environment and our stakeholders around the world.

Organizational framework for CSR



Structure and organization for CSR

The CSR Council was formed in April 2005, chaired by the holding company President. The council serves to formulate policy, to guide the effort for CSR throughout the Asahi Kasei Group, and to monitor performance of the six committees under its authority, including the Corporate Ethics Committee to ensure regulatory compliance and the Responsible Care Committee to guide efforts for environment, health, and safety.



The CSR Council



Our operations have long had a foundation in CSR-related initiatives, ranging from reducing greenhouse gas emissions, strict legal compliance, and community fellowship guided by “education and growth of the next generation” as a Basic Framework. The CSR Council, established in April 2005, is implementing a comprehensive and strategic approach to CSR, heightening execution with timely disclosure both internally and externally, for a stronger relationship of trust with our stakeholders.

Yuji Mizuno
 Secretariat, CSR Council
 Director, Executive Officer
 Asahi Kasei Corp.

Notable CSR actions, results, and plans

	Notable actions and results in FY 2007	Plans for FY 2008				
General, Compliance	<ul style="list-style-type: none"> Preparation of internal control system Revision of <i>Corporate Ethics – Basic Policy and Code of Conduct</i> for Chinese subsidiaries and affiliates Formulation of guidelines for risk management Adoption of a business continuity plan (BCP) Introduction of a system to confirm the safety of personnel in the event of a major earthquake in the Kanto area 	<ul style="list-style-type: none"> Application of Internal Control System Formulation of Crisis Management Regulations for crisis response measures Operation of Compliance Hotline 				
Respect for employee individuality	<ul style="list-style-type: none"> Implementation of new system for human resources development in accordance with the Human Resources Credo Discussions on appropriate working hours by management and labor union representatives; adoption of working hours management system and provision of relevant brochures to raise awareness of working hours Utilization of parental leave by 268 male and 141 female employees Open Office Day held in Tokyo for children of employees to visit the workplace and take part in science experiments 	<ul style="list-style-type: none"> Adoption of new remuneration system for managers Increased hiring of people in mid-career Promotion of balance between work and private life 				
Responsible Care	See p. 19	See p. 19				
Corporate Citizenship	<table border="1"> <tr> <td>Information disclosure</td> <td> <ul style="list-style-type: none"> Meetings with analysts and institutional investors with cumulative attendance of 1,424 Seminars for 1,635 individual investors Periodic meetings with community members and suppliers at each production site Publication of CSR report Frequent postings of non-financial information on corporate website Publication of Annual Report </td> </tr> <tr> <td>Community fellowship</td> <td> <ul style="list-style-type: none"> Our engineers performed guest lectures at middle schools for some 1,000 students Internships for college/graduate students Sponsorship of Golden Games in Nobeoka 5 year's planting program promoted by Miyazaki Prefecture </td> </tr> </table>	Information disclosure	<ul style="list-style-type: none"> Meetings with analysts and institutional investors with cumulative attendance of 1,424 Seminars for 1,635 individual investors Periodic meetings with community members and suppliers at each production site Publication of CSR report Frequent postings of non-financial information on corporate website Publication of Annual Report 	Community fellowship	<ul style="list-style-type: none"> Our engineers performed guest lectures at middle schools for some 1,000 students Internships for college/graduate students Sponsorship of Golden Games in Nobeoka 5 year's planting program promoted by Miyazaki Prefecture 	<ul style="list-style-type: none"> Sustaining and enhancing of communication with stakeholders <ul style="list-style-type: none"> Enhancement of energy conservation at office sites Encouragement of measures to reduce CO₂ emissions at employee homes Science laboratories and guest lectures at schools in accordance with the Basic Framework “Education and development of the next generation” Holding workplace visits at Tokyo head office Partnership with National Museum of Emerging Science and Innovation
Information disclosure	<ul style="list-style-type: none"> Meetings with analysts and institutional investors with cumulative attendance of 1,424 Seminars for 1,635 individual investors Periodic meetings with community members and suppliers at each production site Publication of CSR report Frequent postings of non-financial information on corporate website Publication of Annual Report 					
Community fellowship	<ul style="list-style-type: none"> Our engineers performed guest lectures at middle schools for some 1,000 students Internships for college/graduate students Sponsorship of Golden Games in Nobeoka 5 year's planting program promoted by Miyazaki Prefecture 					

* The Export Control Committee did not meet in fiscal 2007, as there were no matters warranting discussion. Regular duties related to export control are performed by our Department of Export Control & Compliance.

Compliance

The ongoing trust of people throughout the world is earned by compliance with law, social norms, and internal corporate regulations, by respect for local culture and customs, and for human rights, and by conduct based on high ethical values.

Corporate Ethics – Basic Policy and Code of Conduct

Our *Corporate Ethics – Basic Policy and Code of Conduct* is the standard and guide for ethical conduct throughout the day-to-day work of each and every member of the Asahi Kasei Group. It has been translated into English and Chinese, and applies to all majority-held subsidiaries the world over.

Corporate Ethics – Basic Policy

- Creating value, contributing to society
- Caring for environment, health, and safety
- Honoring law and norms of society
- Excluding subversive elements
- Respecting the individual
- Ensuring transparency
- Respecting information and intellectual property
- Practicing corporate ethics

Compliance monitoring by the Corporate Ethics Committee

Monitoring of compliance and oversight of education and training for compliance throughout the Asahi Kasei Group are performed by the Corporate Ethics Committee, which was formed in 1998. Where shortcomings are discovered, the committee formulates and implements measures for improvement.

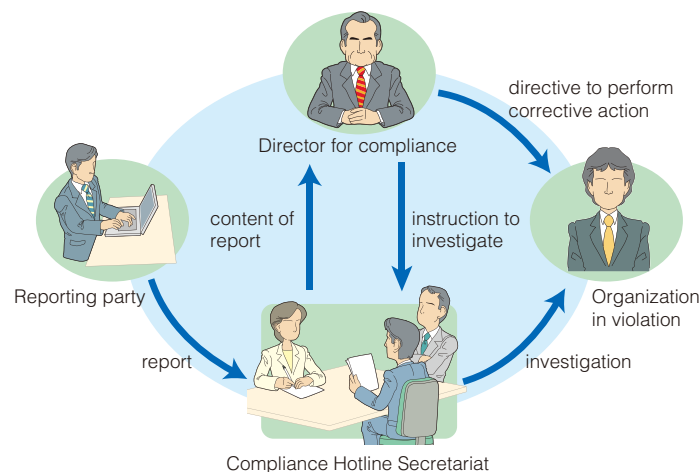
At its meeting in July 2007, the committee discussed the training programs implemented at each group company, measures for prevention of sexual harassment, environmental countermeasures, the state of compliance with personal information protection law, and operation of the Compliance Hotline.

Compliance Hotline

The Asahi Kasei Group began employing a Compliance Hotline in April 2005 to ensure that personnel have secure and trusted recourse to report any possible ethical lapses which may be encountered or observed. Reports can be made through the corporate intranet or by post, in the name of the reporting party or anonymously. Structures are in place to ensure that the reporting party incurs no disfavor or disadvantage as a result of having made a report.

Compliance Hotline Flow

Example: Anonymous intranet report, violation confirmed.



Arrest of former employee for misappropriation of funds

A former employee of an Asahi Kasei Group company was arrested on 13 March 2008 on suspicion of misappropriation of company funds for his own personal use. His employment with the company had previously been terminated upon discovery of the misappropriation, and the amount involved did not significantly affect the company's financial performance. It is nonetheless highly regrettable that this betrayal of trust occurred during his employ in the Asahi Kasei Group, and robust measures are being implemented throughout the Group to preclude any possible recurrence.

Protection of personal information

Asahi Kasei is committed to the proper handling and use of personal information, in accordance with our basic policy shown at right. Education and training for all employees, including the distribution of an information security handbook which covers issues related to personal information protection, is monitored by the Corporate Ethics Committee.

Basic policy for protection of personal information

- We handle personal information properly and in compliance with the Personal Information Protection Law and other applicable statutes, and in conformance with generally accepted norms and standards.
- We ensure that personnel throughout the Asahi Kasei Group thoroughly understand and faithfully comply with corporate standards and regulations for the handling of personal information.
- We use personal information only for the specific purposes which have been indicated or announced at the time of its receipt.
- We employ appropriate measures in the maintenance and management of personal information to ensure against unauthorized alteration, disclosure, and loss of personal information.
- We will respond in good faith to requests to confirm, revise, cease using, or delete personal information.

Prevention of antimonopoly violation by the Market Compliance Committee

The Market Compliance Committee, which was formed in 1976, oversees compliance with antimonopoly law. To ensure against any violation of antimonopoly law such as participation in a price cartel, all across-the-board price increases require the approval of the committee before they can be implemented. The committee met eighty-eight times in fiscal 2007.

Compliance with subcontracting law

In accordance with the Japan's *Act against Delay in Payment of Subcontract Proceeds, etc., to Subcontractors*, personnel placing an order for relevant work first determine if the envisioned transaction will be subject to this law, and if so then determine its terms together with the contractor, submit and retain the various stipulated documents, and then proceed with the transaction. Corporate Procurement & Logistics and Corporate Legal & General Affairs instruct and train personnel in the various business units concerning this law, and raise their understanding through seminars and auditing.

Risk management

Risk Management Committee

The Risk Management Committee, with the Director for Strategy serving as chair, studied responses to contingencies such as a major earthquake, ongoing preparedness, and continuity of operations in an emergency.

The Committee is responsible for supervision and oversight of risk management throughout the group in accordance with the Basic Risk Management Regulations enacted under the Basic Policy for Internal Control.

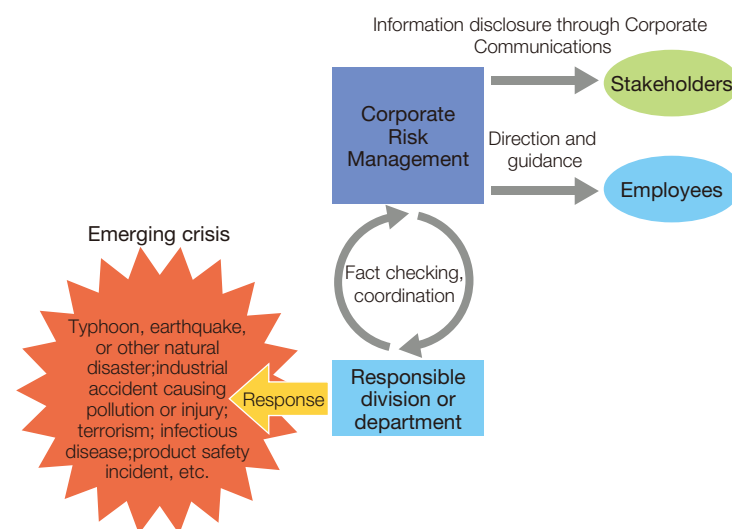
Under the direction of this Committee, a system was adopted at the Tokyo head office in January 2008 for the confirmation of employee safety by cellphone e-mail in the event of an earthquake or other contingency.



Corporate Risk Management

Corporate Risk Management works with the various divisions and departments to guide the proper response to any major accidents, incidents, or problems which cause significant damage to Asahi Kasei Group operations or which may foreseeably cause Asahi Kasei Group operations to have adverse effects on the general public. In fiscal 2007, Corporate Risk Management coordinated the response to the improper acquisition of fire-resistance certification by a supplier of soffit panels used in our housing products, and provided guidance to personnel traveling abroad on business or stationed abroad.

Role of Corporate Risk Management



Adoption of Shareholder Rights Plan

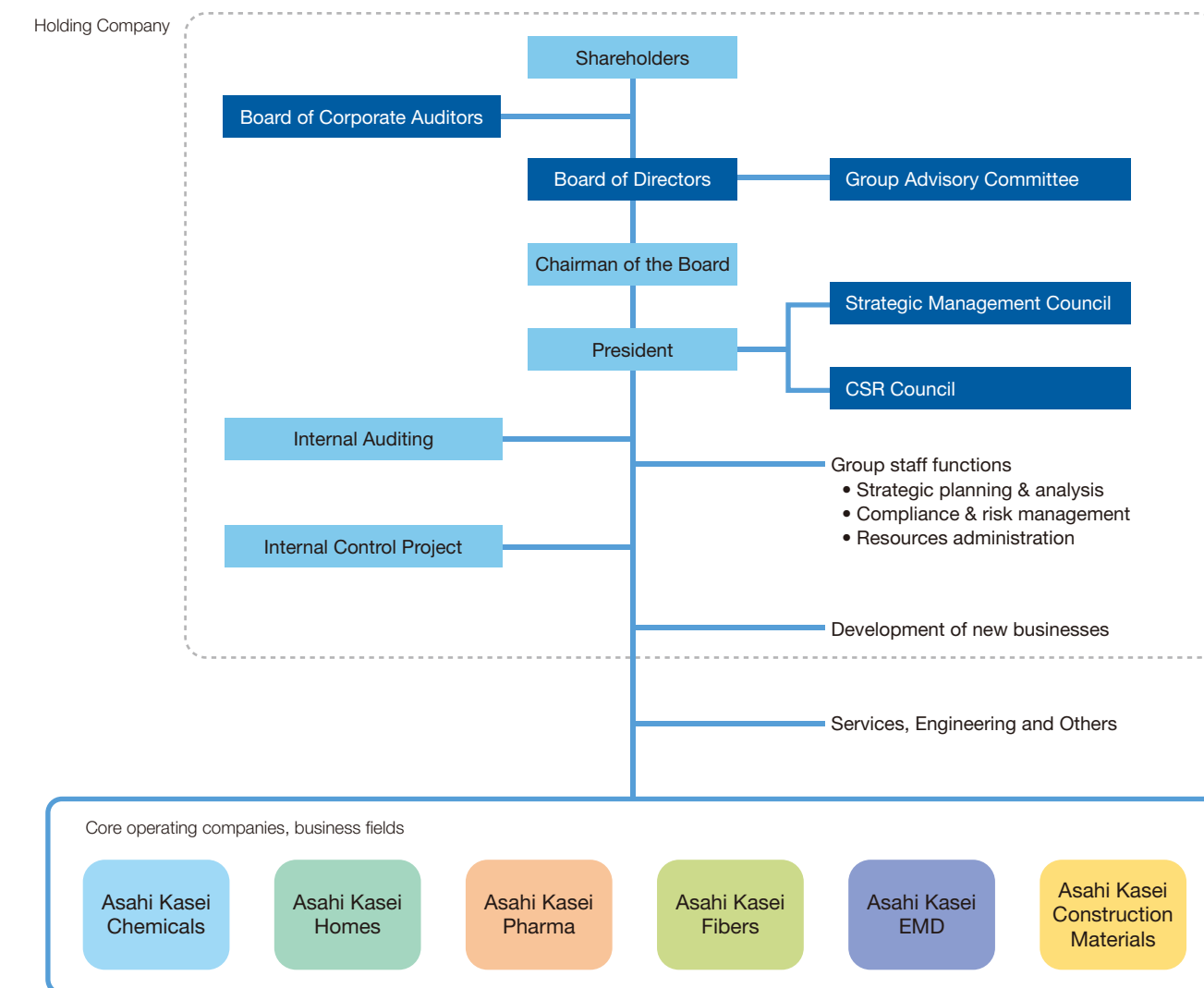
On April 23, 2008, the Asahi Kasei Board of Directors established a basic corporate policy concerning the nature of parties who would control the company's financial and operational decision. At the 117th Ordinary General Meeting of Shareholders held on June 27, 2008, the adoption of a Shareholder Rights Plan, comprising measures in response to large acquisition of shares to prevent control of the company's financial and operational decisions by inappropriate parties in light of this basic corporate policy, was approved by the majority votes of shareholders present.

The purpose of the Shareholder Rights Plan is to secure and heighten the company's corporate value and the common interest of shareholders in the event of a purchase of 20% or more of the company's shares, by ensuring necessary and sufficient information and time for shareholders to make proper judgment, by obtaining an opportunity to negotiate with the purchasing party, and otherwise. Please refer to the relevant news release at www.asahi-kasei.co.jp/asahi/en/news/2008/e080423.html for more details.

Corporate governance

The Asahi Kasei Group constantly endeavors to heighten fast-moving and transparent management as essential for maximum corporate value and greater earnings. The effort for enriched and enhanced corporate governance is ongoing, building on the October 2003 transformation to a holding company configuration with separate execution and oversight functions which established a management framework with clear delineation of executive authority and responsibility.

Corporate Governance System



Board of Directors

Oversees group management, and deliberates and decides on basic group policy and strategy, and on substantive proposals by the Strategic Management Council. Meets once or twice per month.

Group Advisory Committee

The management advisory body to the holding company Board of Directors, composed of the Chairman and the President of the holding company and outside advisors. Meets twice per year.

Strategic Management Council

Deliberates and decides on substantive matters relating to the operation of the holding company and of the group. Meets twice per month.

CSR Council

Enhances business operations in concert with environment and society. Meets once or three times per year.

Board of Corporate Auditors

Corporate Auditors exchange views, deliberate, and decide on substantive matters related to auditing. Meets at least once per quarter.



Executive officer system

An executive officer system of management is employed at the holding company and at each core operating company. Authority and responsibility for the management of each core operating company is held by the President and the other Executive Officers of that company. Authority and responsibility for the management of the holding company and of the group is held by the President and the other Executive Officers of the holding company.

The President of the holding company oversees the executive management and performance of the core operating companies and of their Presidents. The holding company Board of Directors oversees the executive management and performance of the holding company president and of the group.

For both the holding company and the core operating companies, the number of Board Directors and Executive Officers is as small as possible. In all cases, the term of office is one year, and management results and performance are reviewed each fiscal year.

Notable developments

Ten Directors, including three Outside Directors, were elected at the 117th Ordinary General Meeting of Shareholders held in June 2008. Outside Directors now comprise 30% of the membership of the Board of Directors.

Membership of Group Advisory Committee as of April 1, 2008

External Members	Norio Wada	Director and Chairman, Nippon Telegraph and Telephone Corp.
	Masumi Shiraishi	Professor, Faculty of Policy Studies, Kansai University
	Akio Makabe	Professor, Faculty of Economics, Shinshu University
	Morio Ikeda	Senior Advisor, Shiseido Corp.
	Koji Kobayashi	Koji Kobayashi, CPA; Professor, Graduate School of Chuo University; Guest Professor, Graduate School of Aoyama Gakuin University
Internal Members	Nobuo Yamaguchi	Chairman of the Board & Representative Director, Asahi Kasei Corp.
	Shiro Hiruta	President & Representative Director, Presidential Executive Officer, Asahi Kasei Corp.
Internal Observer	Ichiro Itoh	Director, Vice-Presidential Executive Officer, Asahi Kasei Corp.

Implementation of Internal Control System under Financial Instruments and Exchange Law

Objectives for internal control include reliable financial reporting, legal compliance, effective and efficient operations execution, and safeguarding of assets. As a market-listed company, beginning in fiscal 2008 Asahi Kasei's management is required by the Financial Instruments and Exchange Law to assess the effectiveness of internal controls for financial reporting, and to have these assessments audited by independent CPAs or auditing firms.

Internal Control was established in May 2008 as a corporate organ dedicated to maintenance and enhancement of our system for internal control, replacing the Internal Control Project which had focused on the design and development of the system since October 2005.

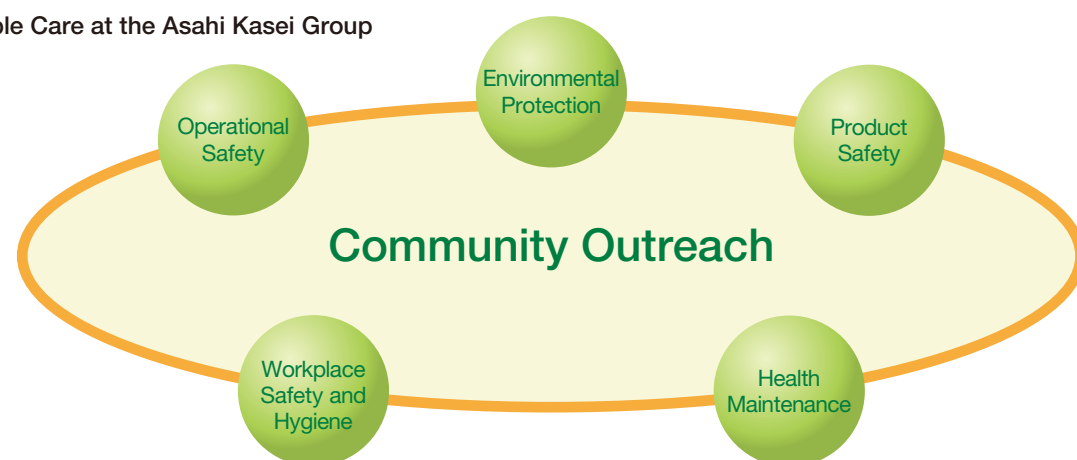
Responsible Care



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Operational safety	30
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Product safety	36
Managing chemical substances	38
Expenditure for environment and safety	40



Responsible Care at the Asahi Kasei Group



Responsible Care (RC) represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life-cycle through the individual determination and responsibility of each firm producing and handling chemical products, together with measures to gain greater public trust through communication and dialog.

RC was conceived in Canada in 1985, and in 1995 the chemical industry in Japan began implementing RC with the establishment of the Japan Responsible Care Council (JRCC). Asahi Kasei was among the founding members of the JRCC, and played a leading role in the expansion and development of RC in Japan.

The program of RC at the Asahi Kasei Group, comprising measures for environmental protection, product safety, operational safety, workplace safety, hygiene, and health, and community outreach, is not limited to chemicals-related operations but includes operations in all fields, including fibers, construction materials, housing, electronics, pharmaceuticals, and medical devices.

Production and all other levels of operation at Asahi Kasei are guided by the key tenets of RC – advancement of health, safety, and environment, beyond compliance with law and regulations, through awareness, autonomy, responsibility, and open disclosure. Training and education are central to this effort, and the related program was expanded and strengthened in fiscal 2007. Our progress in this and other programs is shown facing. In the areas such as operational and workplace safety in which we did not fully attain the program goals, and in all other areas, we are working for complete achievement of all RC goals in fiscal 2008.

Yoshio Hayashi

Executive for RC
Director, Executive Officer
Asahi Kasei Corp.



Asahi Kasei Group Responsible Care Principles

Throughout the product life-cycle from R&D to disposal, utmost consideration is given to environmental preservation, product safety, operational safety, and workplace hygiene and health as preeminent management tasks in all operations worldwide.

- Environmental preservation is achieved by ameliorating the environmental burden of operations while giving full consideration to the environment in the development of new technologies and products.
- Product safety is ensured by evaluating the safety of products and providing safety information.
- The safety of personnel and members of the community is secured through endeavors to maintain stable operation and improve technologies for safety and disaster prevention.
- Workplace accidents are prevented through improvements to the workplace environment and plant modifications to achieve inherent safety.
- Maintenance and promotion of employee health is supported by efforts to achieve a comfortable workplace environment.

In addition to maintaining legal compliance, continuous improvement is pursued through attainment of self-imposed targets based on results of risk assessment. Public understanding and trust is gained through proactive communication and information disclosure.

June 4, 2002

RC objectives, results, and goals

Note: The scope of RC reporting includes the holding company, core operating companies, and other subsidiaries in Japan.

	FY 2007 RC Objectives	FY 2007 summary results	Attainment	FY 2008 RC Objectives	Long-term goals
General	Enhance RC compliance	Checklist of regulations related to RC revised (80 laws and ordinances)	Satisfactory	<ul style="list-style-type: none"> • Enhance RC compliance • Advance RC education and training • Enhance RC at affiliates • Enhance dialog with the public 	<ul style="list-style-type: none"> • Enhance RC compliance • Advance RC education and training • Enhance RC at affiliates
	Advance RC education and training	RC education for Safety & Environment Managers	Complete		
	Extend RC to more affiliates	RC advanced both in Japan and overseas operations of each core operating company	Satisfactory		
	Enhance dialog with the public	RC reports published at 6 plant complex sites and 6 independent plants and; dialog enhanced through public forums, plant tours, and school visits by engineers	Complete		
Environmental protection	Avoid all environmental pollution from accidents	One accident causing environmental pollution occurred	Unsatisfactory	<ul style="list-style-type: none"> • Avoid all environmental pollution from accidents • Reduce final disposal volume of industrial waste by 75% from FY 2000 level • Curtailing greenhouse gas emissions: <ul style="list-style-type: none"> - Reduce unit energy consumption by $\geq 1\%$ - Maintain greenhouse gas emissions 50% lower than in baseline year - Monitor and reduce CO₂ emissions from product shipment • Advance CSR Procurement • Reduction of chemical release: <ul style="list-style-type: none"> - Reduce emission of PRTR-specified substances and VOCs - Prevent air and water pollution 	<ul style="list-style-type: none"> • No environmental pollution from accidents • Advance acquisition of ISO 14001 certification at overseas plants • Reduce final disposal volume of industrial waste by 90% from FY 2000 level by FY 2010 • Maintain average greenhouse gas emissions from FY 2008 to FY 2012 50% lower than in baseline year. • Advance CSR Procurement • Reduce chemical substance emission
	Reduce final disposal volume of industrial waste by 65% from FY 2000 level	Approximately 70% reduction achieved	Complete		
	Curtailing greenhouse gas emissions: <ul style="list-style-type: none"> • Reduce unit energy consumption by $\geq 1\%$ • Maintain average greenhouse gas emissions 50% lower than in baseline year • Monitor and reduce CO₂ emissions from product shipment 	<ul style="list-style-type: none"> • Target for unit energy consumption not achieved • 50% reduction of greenhouse gas emissions maintained • CO₂ emissions from product shipment reduced 	Satisfactory		
	Advance CSR Procurement	CSR Procurement advanced by Corporate Procurement and Logistics in addition to Green Procurement	Complete		
	Reduction of chemical release: <ul style="list-style-type: none"> • Reduce emission of PRTR-specified substances and VOCs • Prevent air and water pollution 	<ul style="list-style-type: none"> • Release of PRTR-specified substances reduced by 16% • Emission of VOCs on par with previous year 	Complete		
	Avoid all industrial accidents	One industrial accident occurred	Unsatisfactory		
Operational safety	Control changes to equipment and operating conditions	Format for Change Control established and applied	Satisfactory	<ul style="list-style-type: none"> • Avoid all industrial accidents • Control changes to equipment and operating conditions • Enhance risk assessment • Monitor for fire, explosion, and leak hazards; implement remediation • Enhance emergency response systems • Monitor for items in need of replacement and uninspected items; implement remediation 	<ul style="list-style-type: none"> • No industrial accidents • Control changes to equipment and operating conditions • Monitor for fire, explosion, and leak hazards; implement remediation • Enhance emergency response systems • Fully utilize systematic maintenance for accident prevention
	Enhance risk assessment	Risk assessment advanced	Satisfactory		
	Monitor for fire, explosion, and leak hazards; implement remediation	Hazards mitigation advanced	Satisfactory		
	Fully utilize systematic maintenance system for accident prevention	Application advanced	Complete		
	Enhance emergency response systems	Improvements applied, including in training and drills	Complete		
	Monitor for items in need of replacement and uninspected items; implement remediation	Monitoring performed, remediation implemented	Satisfactory		
Workplace safety and hygiene	Avoid all workplace injury	Nine lost-workday injuries; frequency rate ¹ of 0.21, severity rate ² of 0.042	Unsatisfactory	<ul style="list-style-type: none"> • Avoid all workplace injuries • Achieve frequency rate of 0.1 or less • Achieve severity rate of 0.005 or less • Thoroughly comply with safe operation standards • Enhance utilization of OHSMS • Follow up on asbestos-related measures • Enhance safety management guidance for firms contracted to work within plant grounds 	<ul style="list-style-type: none"> • Avoid all workplace injuries • Achieve frequency rate of 0.1 or less • Achieve severity rate of 0.005 or less • Thoroughly comply with safe operation standards • Heighten OHSMS performance • Heighten safety performance of firms contracted to work within plant grounds
	Thoroughly comply with safe operation standards	Compliance monitoring system applied at nearly all plants	Complete		
	Expand application of OHSMS; enhance utilization of OHSMS where it is applied	Utilization of OHSMS enhanced	Complete		
	Follow up on asbestos-related measures	Assisting applications for government support, replacement of gaskets containing asbestos	Complete		
	Enhance safety management guidance for firms contracted to work within plant grounds	Compliance enhanced	Complete		
Health maintenance	Reduce proportion of employees for whom health warning signs are found	No significant change	Satisfactory	<ul style="list-style-type: none"> • Reduce proportion of employees for whom health warning signs are found. • Reduce number of employees on extended leave of absence for emotional convalescence. 	<ul style="list-style-type: none"> • Reduce proportion of employees for whom health warning signs are found. • Reduce number of employees on extended leave of absence for emotional convalescence.
	Reduce number of employees on extended leave of absence for emotional convalescence.	Emotional care education and improvements of workplace environment performed, but the number of employees on leave of absence remained unchanged	Satisfactory		
Product safety	Avoid serious product safety incidents	No product safety incidents	Complete	Avoid serious product safety incidents	No serious product safety incidents.

¹ Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked.
² Lost workdays, severity-weighted, per thousand man-hours worked.

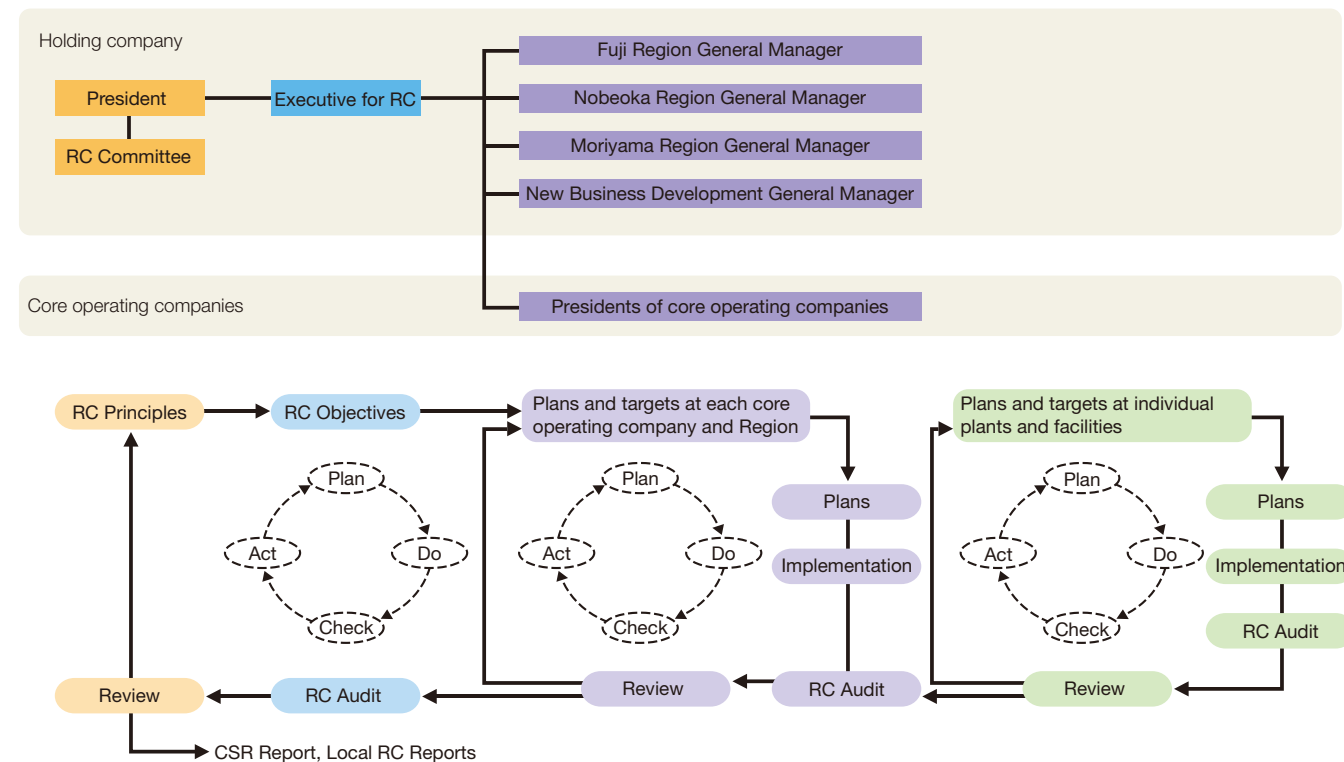


RC Management System

The efficiency and effectiveness of Asahi Kasei Group RC is maintained in accordance with its RC Management Guidelines and other internal standards. Core operating company Presidents hold responsibility for implementation within the core operating companies, and the President of Asahi Kasei, as chair of our RC Committee, holds responsibility for implementation throughout the group.

Certified compliance with internationally standardized management systems is obtained for the RC Management System of the Asahi Kasei Group. ISO 14001 environmental management system certification is obtained for environmental protection, ISO 9000-series quality management system certification is obtained for product safety, and an Occupational Health & Safety Management System (OHSMS) is adopted for workplace safety, hygiene, and health.

PDCA flow for RC



RC education and training

Our program for RC education and training was revised to further heighten the effectiveness of our RC initiative. A new textbook was produced that provides a general overview of RC, covers environmental protection and employee health, describes the fundamentals and principles of operational safety and workplace safety, and includes a large number of actual examples to learn from.

In fiscal 2007 a course using this textbook was held for the EHS Managers of plants and production departments, and such courses will be held for Production Managers and candidates for the positions of Production Manager and EHS Manager over the coming years.



RC training session in Kawasaki

RC Symposiums

Every year, RC Symposiums are held by each core operating company and at Nobeoka, Fuji, and other major operating sites, with awards presented to plants with outstanding safety performance records. In FY 2007, RC Symposiums were held at 7 operating sites. To share information and maintain the vitality of the initiative, RC results are reported, seminars are held, and Safety Awards are presented.



President Hiruta speaks at the Nobeoka RC Symposium



RC Committee meeting



FY 2007 RC Objectives

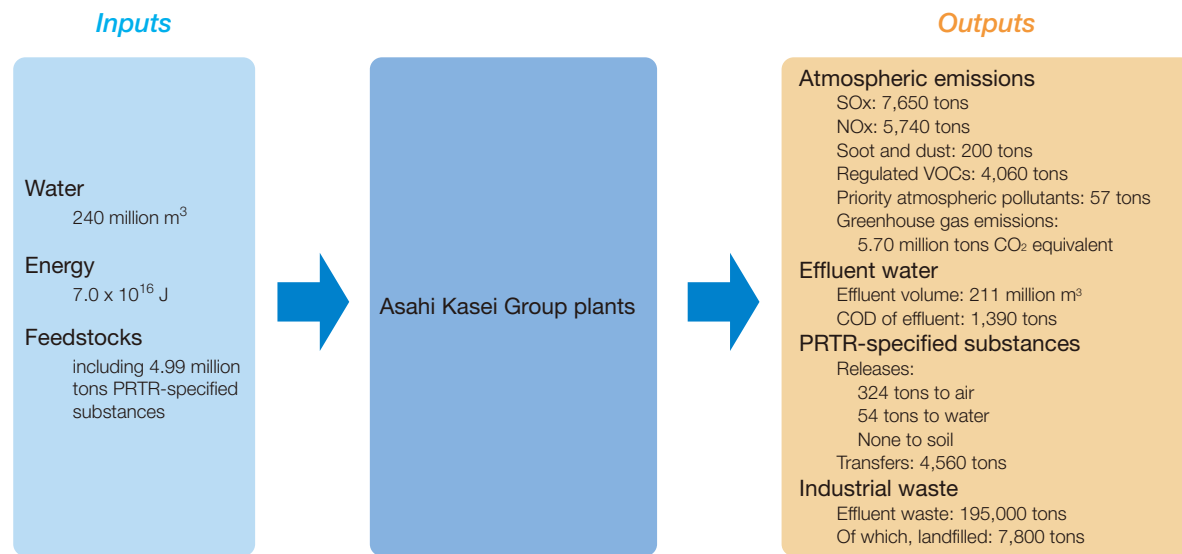
- Avoid all environmental pollution from accidents
- Reduce final disposal volume of industrial waste by 65% from fiscal 2000 level
- Reduce unit energy consumption by $\geq 1\%$
- Maintain greenhouse gas emissions 50% lower than in baseline year
- Monitor and reduce CO₂ emissions from product shipment
- Reduce emission of PRTR-specified substances and VOCs
- Prevent air and water pollution
- Advance CSR procurement

FY 2007 summary results

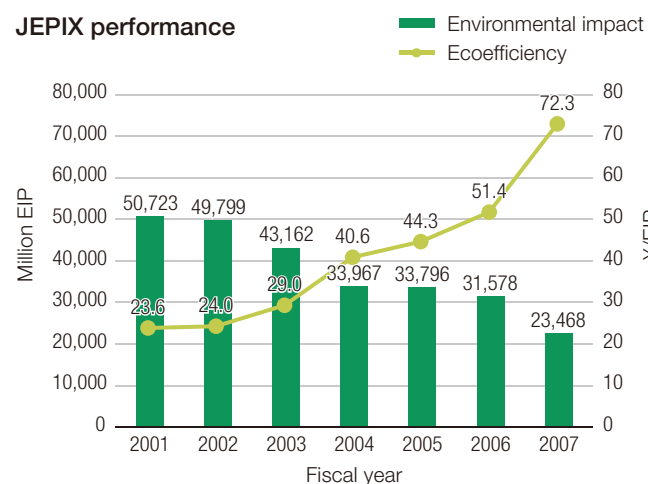
- One accident causing environmental pollution occurred
- Approximately 70% reduction of industrial waste from fiscal 2000 level achieved
- Unit energy consumption increased by 1.0% from fiscal 2006 level
- Greenhouse gas emissions maintained 50% lower than in baseline year
- CO₂ emissions from product shipment reduced
- Release of PRTR-specified substances reduced by 16%
- Emission of VOCs on par with previous year
- CSR Procurement advanced by Corporate Procurement and Logistics in addition to Green Procurement

Throughout the Asahi Kasei Group we strive to alleviate the environmental impact of our activities ranging from procurement and use of raw materials to disposal. Thus, our environmental impact point (EIP) score and our rate of ecoefficiency using the JEPIX* methodology were improved by reducing emission of greenhouse gases, ozone-depleting substances, and air and water polluting substances, and reducing the volume of industrial waste for landfill, as shown below.

Main environmental aspects, FY 2007



JEPIX performance



* Japan Environmental Policy Index, developed by the Japan Science and Technology Agency and the Sustainable Management Forum of Japan. Environmental performance data are converted to an environmental impact point (EIP) scale and aggregated to determine total environmental impact. Ecoefficiency is determined by dividing an economic indicator, in our case consolidated net sales, by total EIP.

Curtailling greenhouse gas emissions

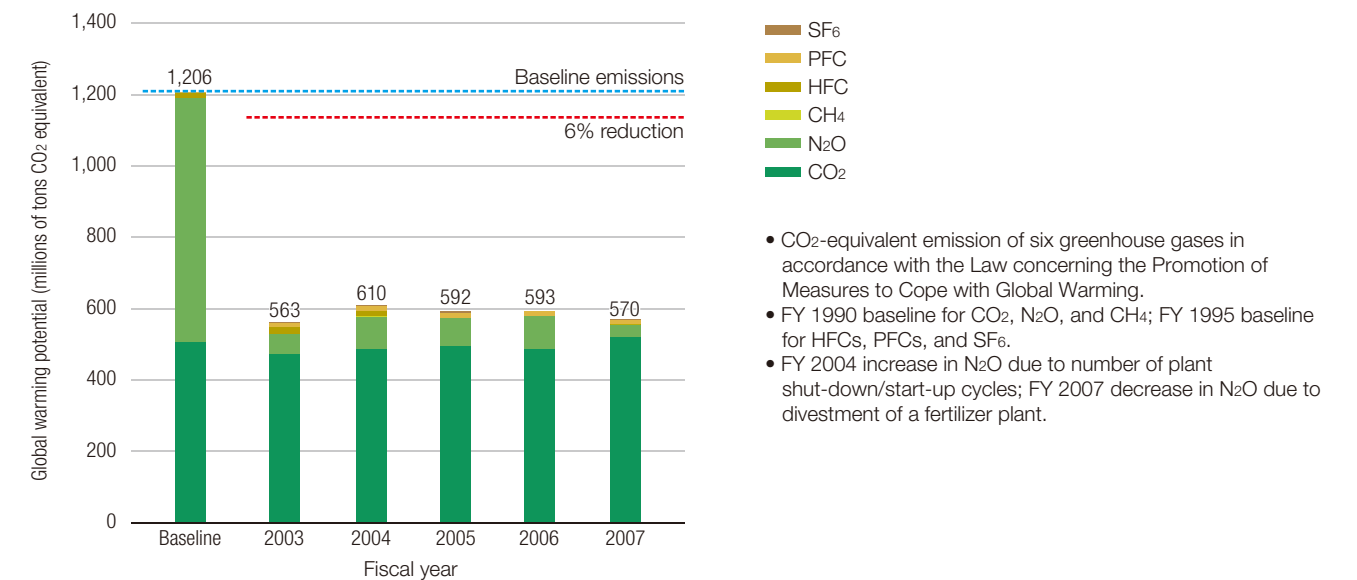
Asahi Kasei has played a leading role in the preparation and institution of the targets of the Japan Chemical Industry Association (JCIA) and the Japan Business Federation (Nippon Keidanren) for reduction of greenhouse gas* emissions. We implement emission reduction measures in the following three areas.

- Curtailment of CO₂ emission from power generation.
- Curtailment of emissions of greenhouse gases from production processes.
- Phase-out of greenhouse gases as process materials.

* Carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆).

As shown below, greenhouse gas emissions in fiscal 2007 were 5.70 million tons CO₂-equivalent, more than 50% reduction from baseline emissions.

Greenhouse gas emissions



- CO₂-equivalent emission of six greenhouse gases in accordance with the Law concerning the Promotion of Measures to Cope with Global Warming.
- FY 1990 baseline for CO₂, N₂O, and CH₄; FY 1995 baseline for HFCs, PFCs, and SF₆.
- FY 2004 increase in N₂O due to number of plant shut-down/start-up cycles; FY 2007 decrease in N₂O due to divestment of a fertilizer plant.

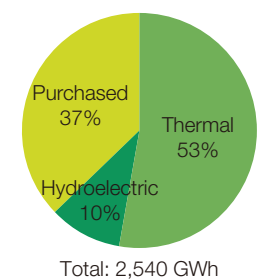
Unit energy consumption

We are targeting 1% reduction per year in unit energy consumption. Although unit energy consumption in fiscal 2007 increased by 1% from the previous year, we have achieved an average annual reduction of some 3% over the past five years.

Renewable energy

The Asahi Kasei Group has seven hydroelectric power generation plants which meet 10% of our electricity needs. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 140,000 tons of CO₂ emissions annually.*

Electricity sources, FY 2007



* Using Ministry of the Environment standard of 555 g CO₂/kWh.



Alleviating the environmental effects of physical distribution

Product shipments for Asahi Kasei Group operations in Japan amounted to some 1.3 billion ton-kilometers in fiscal 2007, generating approximately 100 thousand tons of CO₂ emissions. In cooperation with the transport firms contracted for shipment, a wide range of measures are employed to reduce energy consumption and moderate the environmental effects of physical distribution.

Both Asahi Kasei Chemicals and Asahi Kasei Fibers have been awarded Eco-Rail Mark certification in recognition of their preferential shipment of products by rail, an ecological mode of transport which results in one-eighth the CO₂ emissions of truck transport for a given weight and distance.

Measures to alleviate environmental effects of physical distribution

Improving unit energy consumption in shipment	<ul style="list-style-type: none"> Increasing sales lot sizes Transport mode changeover to roll-on/roll-off ships, ferries, and rail Mixed loading of materials for home construction
Reduction of energy consumption by shortening shipment distances	<ul style="list-style-type: none"> Product swaps with other producers Repositioning of stock points for optimal distribution Sharing of pallets with other producers to shorten empty pallet return distances
Reduction of energy consumption in storage	<ul style="list-style-type: none"> Direct shipment to users Direct reloading from large trucks to smaller trucks, without temporary warehousing
Use of returnable packaging to reduce material waste	<ul style="list-style-type: none"> Shipment of resins in flexible containers or bulk Use of intermodal containers, owned by Asahi Kasei and by shippers
Promotion of energy conservation by firms contracted for physical distribution through physical distribution safety conferences and inspections	<ul style="list-style-type: none"> Compliance with environmental laws and regulations Advancement of ISO certification Promotion of energy-efficient driving practices Conversion to energy-efficient transportation modes Promotion of efficient loading

Company-owned vehicles

The phased transition to low-pollution vehicles for use in marketing and within plant grounds continues to advance. In fiscal 2007, some 71% of company-owned vehicles were low-pollution vehicles, up from some 68% in the previous year.

Industrial waste

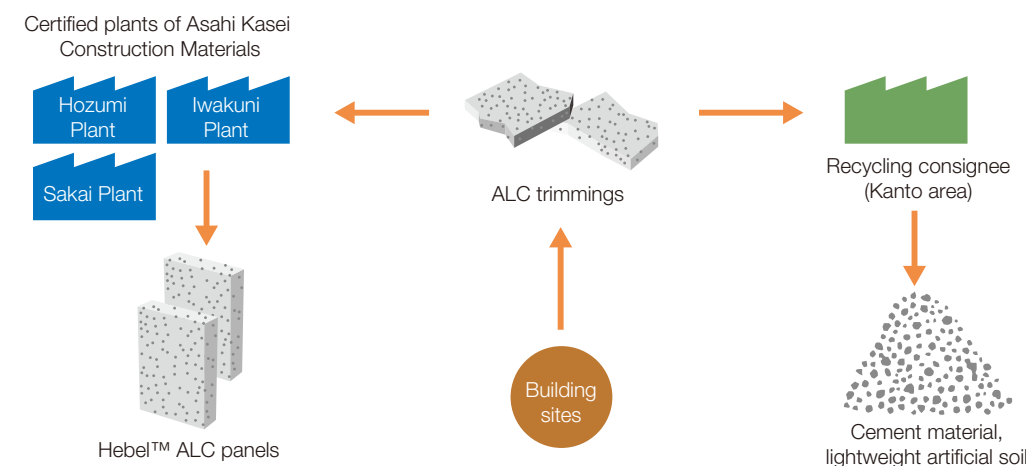
The Asahi Kasei Group is working toward zero emission* of industrial waste through the “3-Rs” of reduction, reuse, and recycling. In fiscal 2007 the volume of industrial waste transferred off-site for disposal was 70% lower than in fiscal 2000, achieving our target of a 65% reduction, through increased on-site waste separation and recycling.

Asahi Kasei Construction Materials and Asahi Kasei Fibers have received the Environment Minister’s certification for “wide-area recycling,” enabling the recycling of waste from different sites without obtaining separate waste transport permits. The former recycles waste from autoclaved lightweight concrete panels from construction sites, and the latter recycles used PET beverage bottles to produce polyester filament.

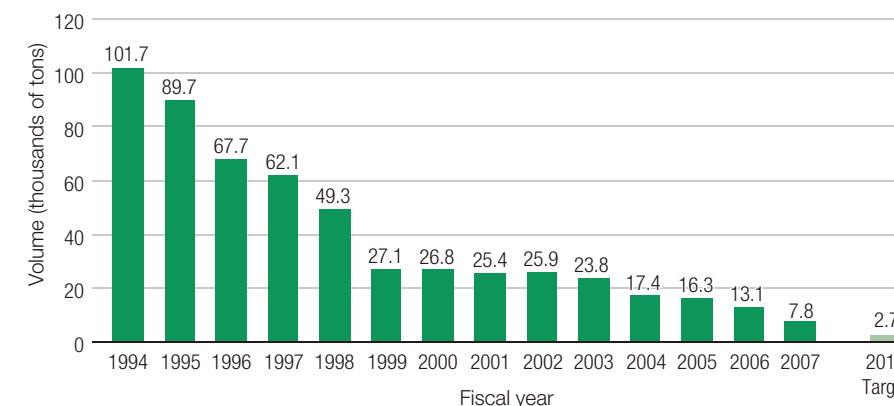
Where we consign the off-site treatment of industrial waste, records are kept in waste disposal manifests, and the consigned firms and disposal sites are periodically inspected to ensure that proper disposal is performed in accordance with sound systems of control.

* Reducing final landfill disposal volume toward zero involves measures to minimize the amount of industrial waste generated, and reusing or recycling industrial waste as material or energy. The “zero emission” target for the Asahi Kasei Group is a final disposal volume in fiscal 2010 which is one tenth or less than that of fiscal 2000, which would mean final disposal of less than one percent of the waste generated.

Recycle flow for trimmings of Hebel™ ALC panels

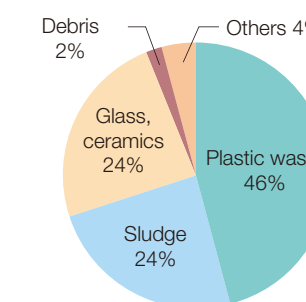


Off-site final disposal waste volume

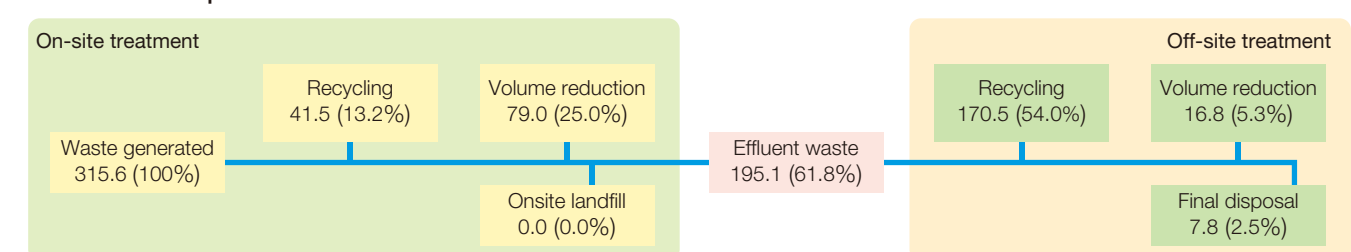


Note: Not including waste generated from non-recurring events such as dismantling closed plants or waste generated from dismantling old homes when constructing new homes sold by Asahi Kasei Homes.

Off-site final disposal waste by category, FY 2007



Off-site final disposal waste volume





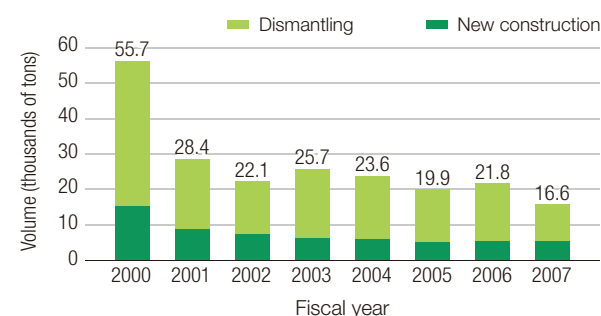
Waste reduction in housing operations

Industrial waste generated from housing operations includes leftover materials, packing materials, and trimmings from new construction, and waste generated from the dismantling of old homes to be replaced. Asahi Kasei Homes has long worked to reduce the amount of waste, both from new construction and dismantling, for final disposal.

In fiscal 2007, the company received the Environment Minister's certification for "wide-area recycling" and established a recycling system using its own recycling center to enable all wastes generated in new construction to be recycled. A target of "zero emission" of waste from new construction is scheduled to be achieved in fiscal 2008. Ongoing efforts include the reduction of on-site waste generation by precutting materials at the factory and the employment of returnable packing materials in cooperation with suppliers of fixtures and building materials in a system utilizing RFID tags for packing material tracking.

To reduce waste disposal, the sorting of waste to facilitate recyclability is vital, and a policy of thorough waste sorting has been instilled among personnel and contracted firms involved. In fiscal 2007, the volume of waste for final disposal from construction of new homes and dismantling of old homes decreased by some 24%.

Final disposal of industrial waste generated at construction sites



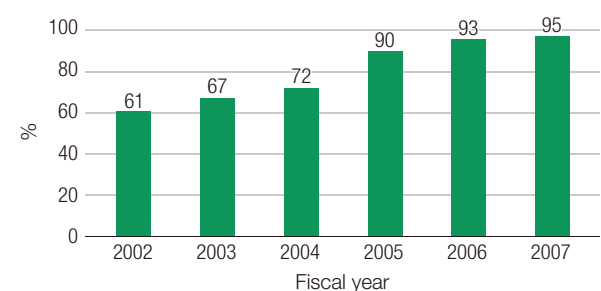
Polychlorinated biphenyls (PCBs)

Disused condensers, transformers, and fluorescent lamp ballasts which contain PCBs are employed in stainless steel vessels, recorded in a ledger, and stored under strict control. These are scheduled to be disposed of by July 2016 through consignment to Japan Environmental Safety Corp. facilities equipped to render them harmless.

ISO 14001 certification

In fiscal 2007 the number of Asahi Kasei Group plants having ISO 14001* certification was increased to 94, or 95% of the total.

Plants with ISO 14001 certification



* An international standard for environmental management systems which meet specified requirements to prevent and minimize environmental effects and environmental risks.

Prevention of polluting accidents

Despite the Asahi Kasei Group's standing commitment and constant effort to prevent any accident involving general or local environmental pollution, one such accident occurred in fiscal 2007, at a brief leakage of plant waste water of abnormally low pH into the adjacent river.

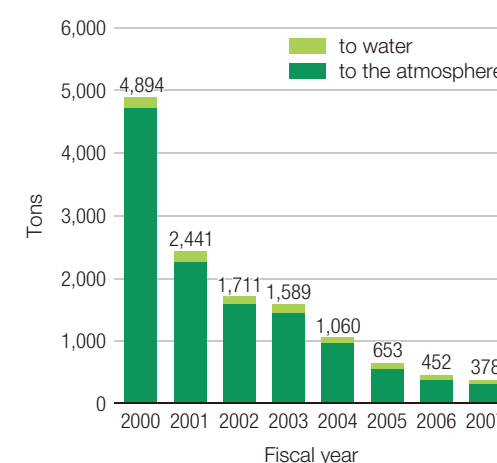
Since the occurrence of this accident in September 2007, the neutralizing systems at all of our plants throughout Japan were inspected and if necessary, repair or modification was made to prevent future occurrence of any similar accident.

Fiscal year	2003	2004	2005	2006	2007
No. of polluting accidents	0	0	0	0	1

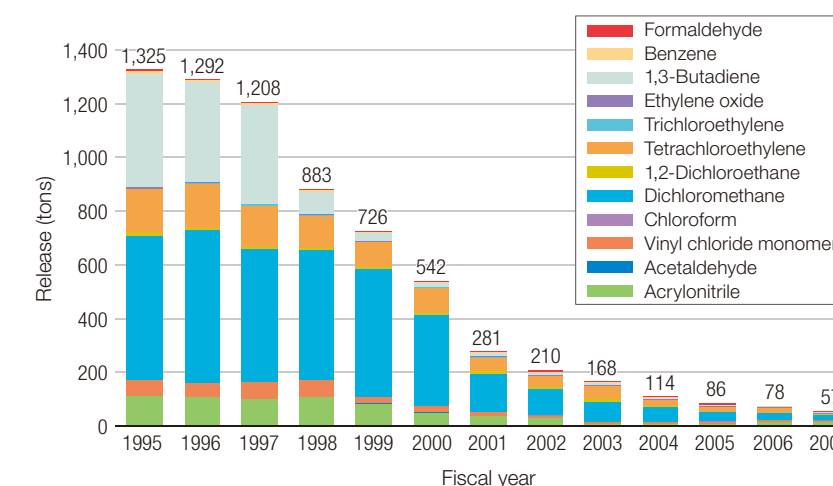
Reduction of hazardous chemical release

The Asahi Kasei Group monitors the release and transfer of PRTR¹-specified substances defined by the PRTR Law and substances designated for PRTR by the Japan Chemical Industry Association (JCIA). Priority for reduction is based on degree of hazardousness and amount of release. As shown in the graph below, release of PRTR-specified substances was reduced by 16% from the fiscal 2006 level and that of priority atmospheric pollutants² was reduced by 27%. Emission of VOCs³ in fiscal 2007 was on par with the previous year, 61% lower than in the baseline year of fiscal 2000.

Releases of PRTR-specified substances



Release of priority atmospheric pollutants



¹ Pollutant release and transfer register. Under the PRTR Law, releases to the environment and off-site transfers of specific hazardous chemical substances must be monitored and recorded for each production facility and operating site. Results are reported to the government, which publishes aggregate results.

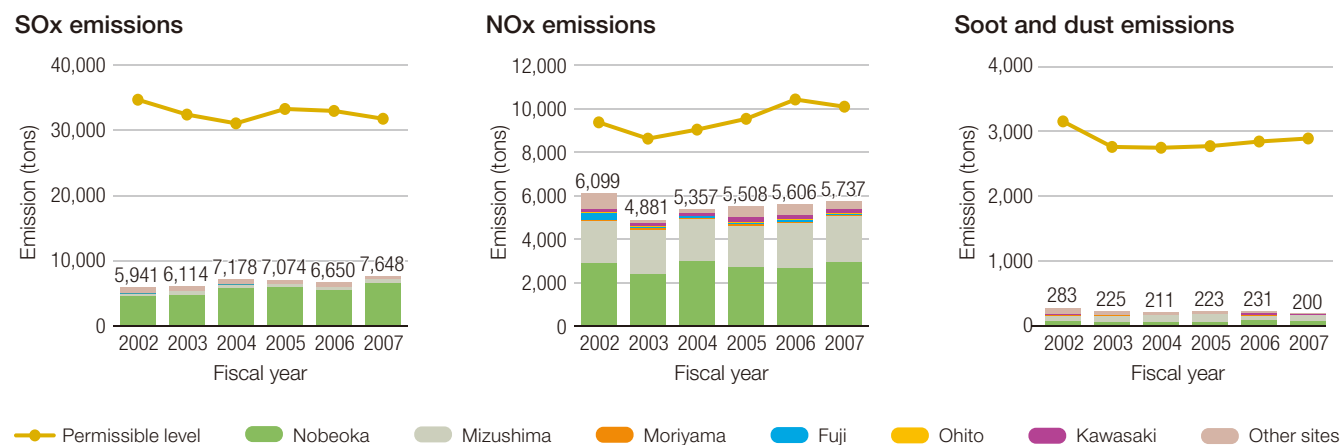
² Priority atmospheric pollutants are the twelve hazardous atmospheric pollutants designated for priority reduction: Acrylonitrile, acetaldehyde, vinyl chloride monomer, chloroform, 1,2-dichloroethane, dichloromethane, tetrachloroethylene, trichloroethylene, 1,3-butadiene, benzene, formaldehyde, and ethylene oxide.

³ Volatile organic compound. Although the term generally applies to any organic compound which is in gaseous state at the time of release, regulations for the control of their release exclude methane and some fluorocarbons which do not form oxidants.



Preventing air pollution

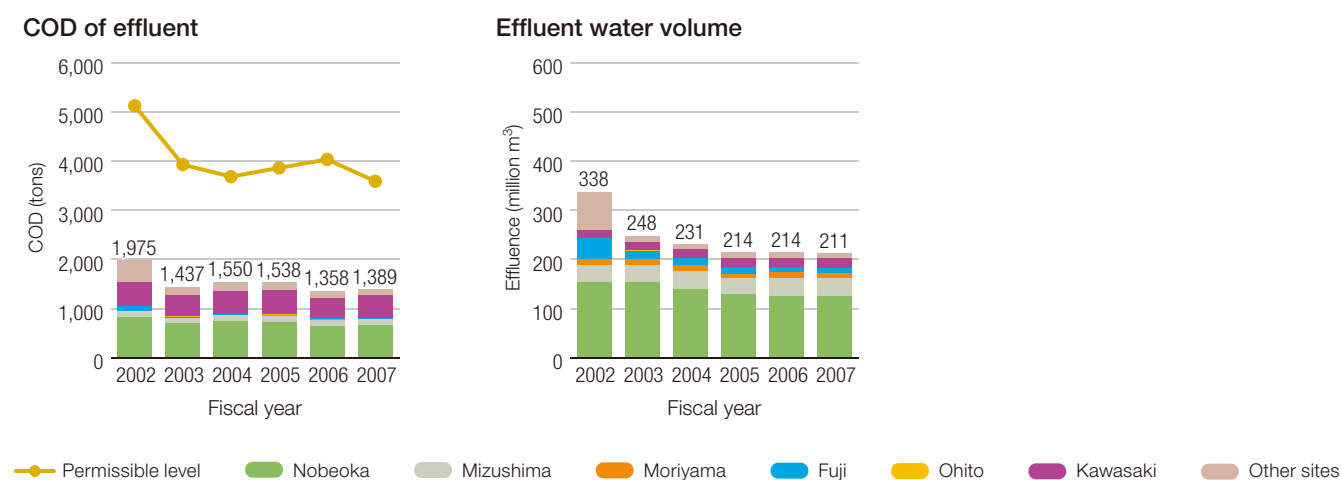
The Asahi Kasei Group undertakes a number of measures to curtail emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x), and soot and dust. While emissions are consistently maintained well below regulatory limits, as shown below, we also have more stringent emissions standards as set forth in accords with local authorities and our own voluntary targets.



Note: At some sites, regulation by total pollutant amount applies for some pollutants in addition to concentration limits. Permissible levels shown are the sums of gross emission limits where they apply and concentration limits times amount of emitted gas where they do not. Permissible levels therefore fluctuate from year to year with fluctuations in production volumes.

Preventing water pollution

Measures implemented throughout the Asahi Kasei Group have resulted in a significant reduction in the amount of pollutants in effluent water. As shown below, COD* of effluent has been maintained well below permissible levels at all sites in terms of both COD concentrations and total COD.



Note: At some sites, regulation by total COD applies in addition to COD concentration limits. Permissible levels shown are the sums of total COD limits where they apply and concentration limits times amount of effluent water where they do not. Permissible levels therefore fluctuate from year to year with fluctuations in production volumes.

* Chemical oxygen demand. An indicator of water pollution by organic substances, COD is expressed in terms of the amount of oxygen required by an oxidizer to chemically oxidize the organic substances contained in the water.

Soil and groundwater contamination

A range of measures including covering floors to ensure against soil and groundwater contamination are employed at plants where hazardous chemicals are handled. In the event that soil or groundwater contamination is discovered at one of our sites, we promptly act to ensure against effects on the surrounding area, report the matter to the local community, relevant authorities, and the media, and implement remediation in consultation with the authorities and independent specialists.

In the past we have discovered soil and groundwater contamination at our sites in Nobeoka, Moriyama, Fuji, and Suzuka. Measures were immediately implemented to prevent the contamination from spreading beyond the plant grounds. Soil remediation was performed, and ongoing groundwater purification programs were established, including monitoring of groundwater samples to confirm that contamination has not spread beyond the plant grounds.

Green Procurement

“Green Procurement” has been implemented to entail giving purchasing priority to office supplies, feedstocks, materials, and services based on environmental impact. As an extension of Green Procurement, we are advancing “CSR Procurement” to include matters of social responsibility in the evaluation of suppliers.

Stratospheric ozone layer-depleting substances

Stratospheric ozone layer-depleting substances used in the Asahi Kasei Group include freezer refrigerants and solvents. Refrigeration equipment is being replaced or modified with the best practical technology for operation without refrigerants specified as ozone-depleting, and ozone-depleting solvents are being replaced with substitutes which are not thus specified.

Biodiversity

We are advancing activities for preservation of biodiversity, as well as for extension of the amount of greenery and gardening space at our plant grounds and participation in a variety of tree-planting initiatives. The activities for biodiversity preservation include participation in a program of reforestation by Miyazaki Prefecture, the tree-planting for what will be known as the Asahi Forest in Nobeoka district, and creation of a biotope, the Asahi Woods of Life, at the Asahi Kasei Group plant and laboratory complex in Fuji.

To prevent the spread of genetically modified organisms into surrounding environments, Asahi Kasei Pharma manages and controls the use of living modified organisms, in research and in production processes, in accordance with the Cartagena Protocol on Biosafety.



Operational safety

FY 2007 RC Objectives

- Avoid all industrial accidents
- Control changes to equipment and operating conditions
- Enhance risk assessment
- Monitor for fire, explosion, and leak hazards; implement remediation
- Fully utilize systematic maintenance for accident prevention
- Enhance emergency response system
- Monitor for items in need of replacement and uninspected items; implement remediation

FY 2007 summary results

- One industrial accident occurred
- Format for Change Control established and applied
- Risk assessment advanced
- Hazards mitigation advanced
- Application of systematic maintenance system advanced
- Improvements applied to emergency response system, including in training and drills
- Monitoring for replacement and inspection performed, remediation implemented

Industrial accidents

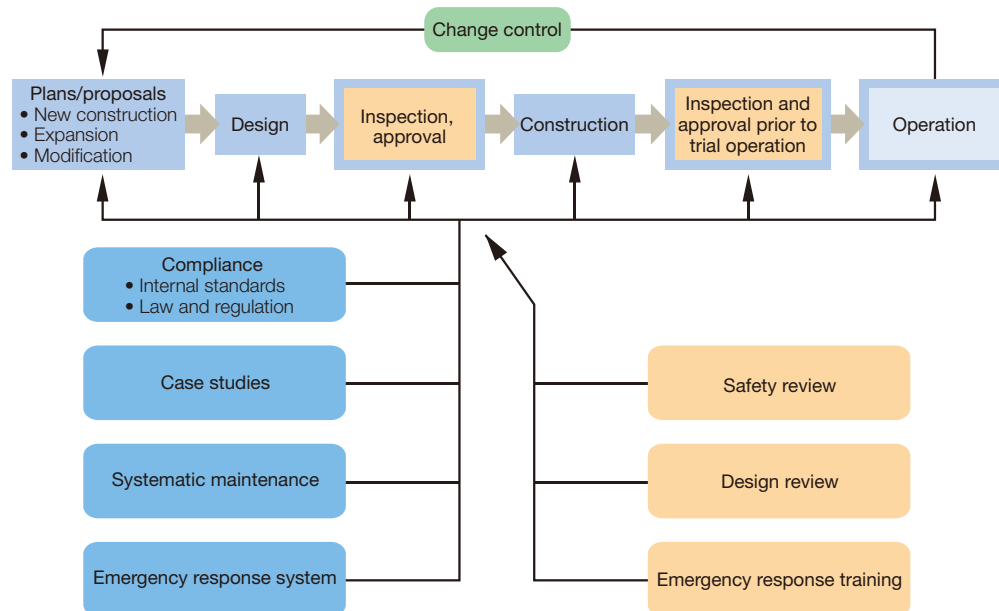
In fiscal 2007 we had an industrial accident: A gas leak in a pressure gauge access line at the Mizushima Works. There were no injuries or adverse effects on the surrounding area. Measures to prevent recurrence were immediately implemented both at the affected facility and at similar facilities throughout the Asahi Kasei Group.

In our effort to prevent industrial accidents, risks of fire, of explosion, and of leaks have been identified, and measures have been implemented to reduce these risks. Facilities are continuously monitored for items in need of replacement, with remediation implemented as necessary.

Management of operational safety

In the spirit of RC, operational safety is based on a self-directed, autonomous, and self-managed approach, for both new plant construction and the ongoing operation of established plants. Safety assessment is a vital part of our system of inspection prior to capital investment, together with reviews and training including compliance, case studies, systematic maintenance, emergency response, and change control.

Asahi Kasei Group plant safety management system

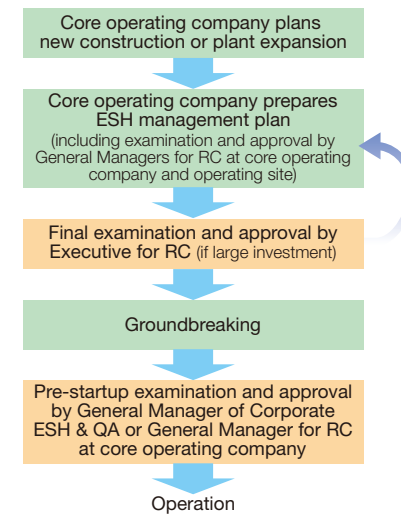


Pre-investment inspection system

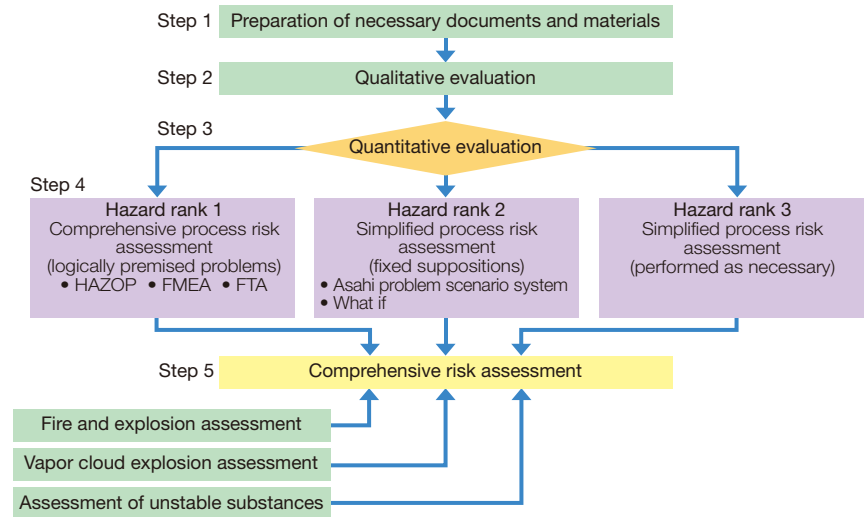
Internal regulations require a pre-investment inspection to verify plant safety when there are plans to invest in new plant, plant expansion, or plant modification. Inspection and approval prior to trial operation provides an additional confirmation of plant safety before commercial operation begins. For large investments, the holding company performs safety inspections in addition to the safety inspections performed by the core operating companies. In fiscal 2007, holding company safety inspections were performed for 17 investments.

A five-step safety assessment is performed as part of the pre-investment inspection. Ranks are assigned based on degree of hazard, and process risk assessment is performed for low-risk plants which are deemed to be vital. A final comprehensive risk assessment is then performed.

System for inspection prior to capital investment



Safety assessment



Safe, stable plant operation

Given our diverse range of operations, the Asahi Kasei Group has plants with a wide variety of different characteristics. No single approach to safety would be appropriate for all plants. We employ a systematic process to tailor the safety effort to each plant's specific requirements. This includes determination of a rank of priority for safety measures to be implemented, identification of equipment which requires additional safety measures, and regular reviews of the term specified for periodic inspection and of maintenance procedures. Each plant thus has an individually adapted system to ensure its physical integrity and safe operation.

Thirteen systematic maintenance steps for plant safety

01. Setting basic maintenance policy
02. Defining equipment subject to maintenance
03. Comprehensive evaluation of importance, setting ranking standards
04. Evaluation of importance of plant safety, setting ranking standards
05. Ranking plant safety elements by importance
06. Identification of equipment to be specified for added safety
07. Identification of elements of equipment specified for added safety subject to maintenance
08. Elucidation of necessity for maintenance of each element subject to maintenance
09. Defining maintenance work operations for each element subject to maintenance
10. Designating personnel for maintenance work for each element subject to maintenance
11. Determining period for maintenance work for each element subject to maintenance
12. Defining maintenance procedure for each element subject to maintenance
13. Preparation of mid-long term maintenance plan for each element subject to maintenance



Workplace safety and hygiene

Preparation for emergency situations

A comprehensive set of internal regulations guides the proper response to any industrial accidents or natural disasters which occur. The smooth operation of the emergency response system ensures that personal safety is secured, that effects of the situation are prevented from spreading to surrounding areas, and that damage is held to a minimum, through close communication between the plants, regional management, and the head office.

Our operations located in industrial petrochemical districts have cooperative arrangements with nearby petrochemical manufacturers for mutual emergency assistance, and joint training drills are performed regularly. Such drills confirm the effective operation of the systems of communication within the plant site and between the site and the head office, and the ability of on-site personnel to react swiftly with proper response measures.



Emergency response training

Training for operational safety

At our petrochemical sites in Mizushima and Kawasaki, the Asahi Operation Academy (AOA) serves as the training center to cultivate the skills necessary to operate petrochemical plants. Miniature plants and simulators are used at AOA to provide hands-on experience with controls and instrumentation, for the technical skills and practical understanding of chemical engineering necessary for safe and reliable plant operation.

Physical distribution safety

Physical distribution of our products is consigned to specialist logistics firms. Physical distribution safety programs of core operating companies include safety instruction and guidance for contracted firms to ensure the safe storage, loading, unloading, and transportation, especially of hazardous products.

The program at Asahi Kasei Chemicals

Many products of Asahi Kasei Chemicals are highly hazardous and could cause significant environmental or health damage if spilled. To ensure the safe and proper handling of such products during physical distribution, the company employs a variety of measures to promote safe practices and safety initiatives by firms contracted for storage, loading, unloading, and transportation. Such measures are not limited to the safe performance of such contracted duties, but encompass a broad effort to heighten the overall quality of physical distribution, including the securement of operational safety as related to product safety and safe product handling.

Physical Distribution Safety Symposiums

Asahi Kasei Chemicals holds annual Physical Distribution Safety Symposiums to share safety information and reinforce vigilance for safety among physical distribution firms. The Symposium held in October 2007 was attended by some 150 persons – 101, including upper management, from 41 contracted firms and some 50 from Asahi Kasei Chemicals and its subsidiaries and affiliates. The agenda included analysis of problems occurring in distribution, safety information including accident case studies, safety lectures by specialist guest speakers, and presentation of awards by the President of Asahi Kasei Chemicals to firms with an outstanding safety record. An additional range of awards were newly instituted to recognize particularly exceptional individuals and teams.

FY 2007 RC Objectives

- Achieve frequency rate¹ of 0.1 or less
- Achieve severity rate² of 0.005 or less
- Expand adoption of OHSMS³; enhance utilization of OHSMS where it is implemented
- Thoroughly comply with safe operation standards
- Follow up on asbestos-related measures

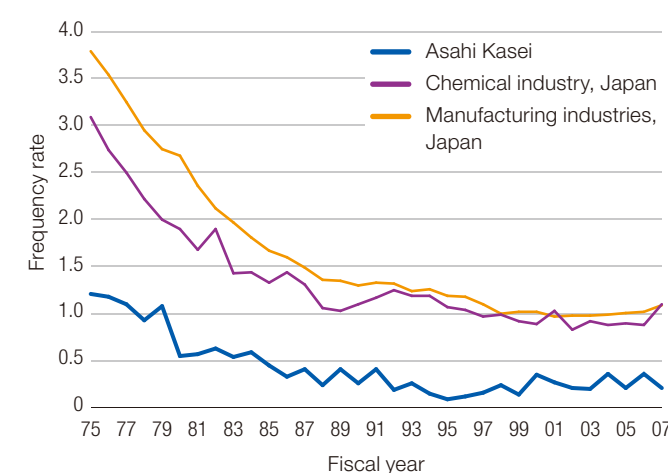
FY 2007 summary results

- Frequency rate of 0.21
- Severity rate of 0.042
- Utilization of OHSMS enhanced
- Compliance monitoring system applied at nearly all plants
- Assisting applications for government support, replacement of gaskets containing asbestos

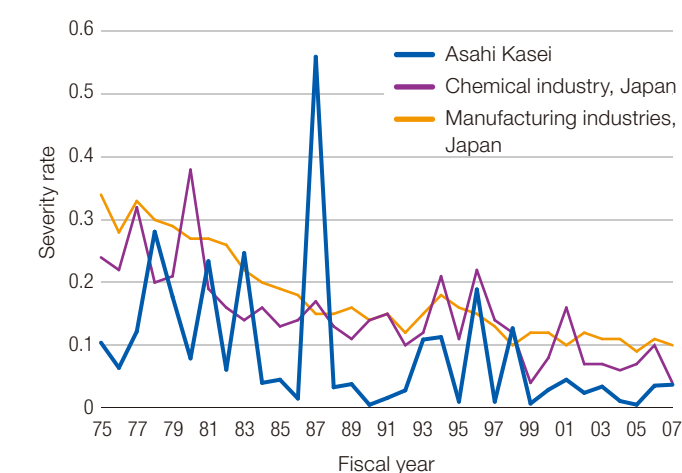
Preventing workplace accidents

We did not achieve our targets for frequency rate and severity rate in fiscal 2007. Accidents in the category of “caught in or compressed or crushed” accounted for 50% of all injuries. The various production sites are implementing measures through OHSMS to reduce risks in plant operation and to identify potential hazards. Particular emphasis is placed on prevention of the “caught in or compressed or crushed” category of accident, which is likely to cause severe injury.

Frequency rate



Severity rate



¹ Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked.

² Lost workdays, severity-weighted, per thousand man-hours worked.

³ Occupational Health and Safety Management System. A standardized management system used to confirm that continuous improvement is being applied to measures to minimize the risks of workplace injuries and to prevent the emergence of future risks.

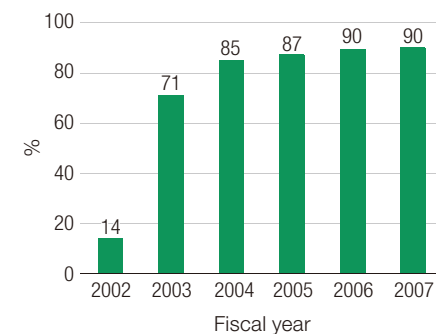
Health maintenance

OHSMS

The effort for workplace safety includes the Asahi Safety Training curriculum, initiatives for reporting of near-accidents and potential hazards, case studies of workplace injury, safety patrols, and safety symposiums. The result has been a steadily declining trend in our frequency rate for lost-workday injuries, which is now about one sixth what it was in 1975. In recent years, however, we have not been able to consistently meet our extremely demanding target. We are adopting OHSMS in an effort to obtain better safety performance in line with our targets.

In fiscal 2002 and 2003, we began applying OHSMS at our main production sites in accord with OHSAS 18001* standards. In fiscal 2007 the rate of implementation was 90% of the 86 plants in total.

OHSMS implementation

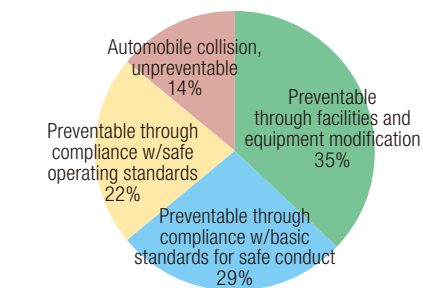


Compliance with safe operating standards

All operations with high risk potential are classified as operations requiring special control. Together with a program of hazard prediction for each such operation, compliance with the safe operating standards is advanced to ensure the safety of operation and the maintenance of safe conduct.

A wide range of efforts to raise safety awareness are performed, and systems to confirm compliance are applied. The method and frequency of confirming safety, by the individual and by the supervisor, are adapted to fit the specific characteristics of each workplace.

Workplace injuries, 85 cases, FY 2000 – 2007



Maintaining workplace hygiene

Each autumn we hold a group-wide Workplace Hygiene Week, during which workplace environments are reviewed and plans for improvement are prepared. Workplaces where potential health hazards are present are subject to regular monitoring under the Working Environment Measurement Law.

Where radioisotopes are present, radiation dose rates are maintained below regulatory limits, with measurement results reported each year to Japan's Office for Radiation Regulations.

Records of noise and heat exposure data for each individual are maintained to enable exposure to be managed and minimized. We are advancing plant modification and review course of our work to reduce the noise generation and heat emission.

Asbestos

We have implemented a comprehensive response to health-related issues associated with occupational asbestos exposure.

- Follow up on asbestos-related health checkups held in March 2006, including assistance for retirees who have had a finding for asbestos-related health effects to apply for government support for periodic medical examinations.
- Implementation of asbestos-related measures for all buildings where asbestos is present.
- Identification of all gaskets and seals containing asbestos.

We are aware of 6 former employees for whom the cause of death was determined to be mesothelioma, and two former employees who are being treated for mesothelioma, as of March 2008.

* Occupational Health and Safety Assessment Series, number 18001. A standard for certification of OHSMS.

FY 2007 RC Objectives

- Reduce proportion of employees for whom health warning signs are found
- Reduce number of employees on extended leave of absence for emotional convalescence

FY 2007 summary results

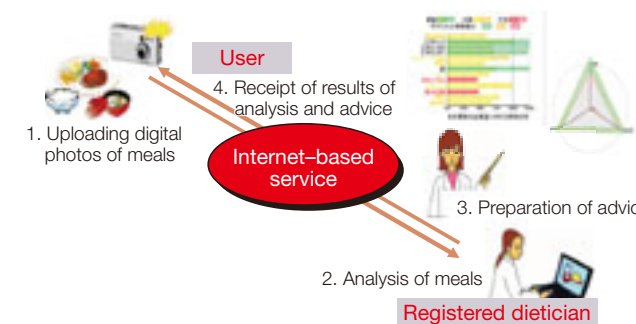
- No significant change in proportion of employees for whom health warning signs are found
- Emotional care education and improvements of workplace environment performed, but the number of employees on leave of absence remained unchanged

Reducing health warning signs

In fiscal 2007, the proportion of our personnel for whom one or more health warning signs were found was largely unchanged from the previous year.

We are expanding the use of our internet-based personal diet management system as part of the effort to promote employee health and fitness. Diet management is believed to be an effective approach to countering so-called "metabolic syndrome." The system is featured in a campaign to counter metabolic syndrome at the Sakai Plant of Asahi Kasei Construction Materials. Health seminars are also held regularly at our various operating sites.

Personal diet management system



Baselines for health warning signs

	Measurement	Warning sign baseline
1	Blood pressure Systolic Diastolic	140 mmHg 90 mmHg
2	Total cholesterol (TCHO)	240 mg/dL
3	Neutral fats (TG)	180 mg/dL
4	Fasting blood sugar (FBS)	110 mg/dL
5	HbA1c	5.9%
6	γ-GTP	80 IU/L
7	Uric acid (UA)	7.0 mg/dL
8	BMI	25

Emotional health and care

The maintenance of employees' emotional health and care is advanced in tandem with our physical health and fitness programs. The corporate Emotional Health Guideline provides for measures to improve the workplace environment together with four complementary approaches to care: By the individual employee, by line of authority, by industrial medical staff, and by specialists. The four approaches to care are summarized below.

- **Self-care by individual employee**
Prevention and alleviation of one's own stress
- **Care by line of authority**
Consultation of the employee with the supervisor, improvement of the workplace environment
- **Care by industrial medical staff**
Consultation with the individual or supervisor, support for improvement of the workplace environment
- **Care by specialists**
Care by specialist institutions and specialist physicians

To promote self-awareness and care, we began implementing the Japan Mental Health Inventory (JMI) survey in fiscal 1993. In fiscal 2001 we began expanding coverage include to all personnel, with completion in fiscal 2003. The survey is repeated for all personnel on a rolling three-year cycle, with nearly all of our personnel completing the second cycle by the end of fiscal 2007. The results of the survey are also analyzed by workplace unit to help guide improvements in the workplace environment. The JMI survey was developed by the Mental Health Research Institute of the Japan Productivity Center for Socio-Economic Development, a non-profit organization advocating advanced industrial productivity.

A provision for shortened working days is available for personnel returning from leave of absence for psychiatric convalescence as well as for any other injury or illness, enabling a gradual recovery of a full work load. Nearly all persons who used this provision have successfully returned to full-time work. Workplace improvements at various plant sites and office locations have been made through utilization of the JMI survey results.

In the Nobeoka/Hyuga region, licensed industrial medical staff provide psychiatric counseling, working for early detection and early treatment, and hold seminars for improvement of the workplace environment.



FY 2007 RC Objectives

- Avoid serious product safety incidents

FY 2007 summary results

- No serious product safety incidents

To ensure the provision of products that the customer can use safely and reliably, we constantly strive to improve product safety and product quality, while maintaining consistent production control.

Consumer satisfaction

Products sold by the Asahi Kasei Group range from industrial materials to consumer products. Many of the materials we sell are used in products which are ultimately purchased by ordinary consumers. Consumer satisfaction is therefore the ultimate measure of our success in the provision of safe, high-quality products.

Product liability

Securement of product safety became an important imperative with the 1995 initiation of Japan's Products Liability Law. To avoid liability, any product defects must be discovered before the product reaches the customer. Product quality and safety are ensured through constant attention to production control.

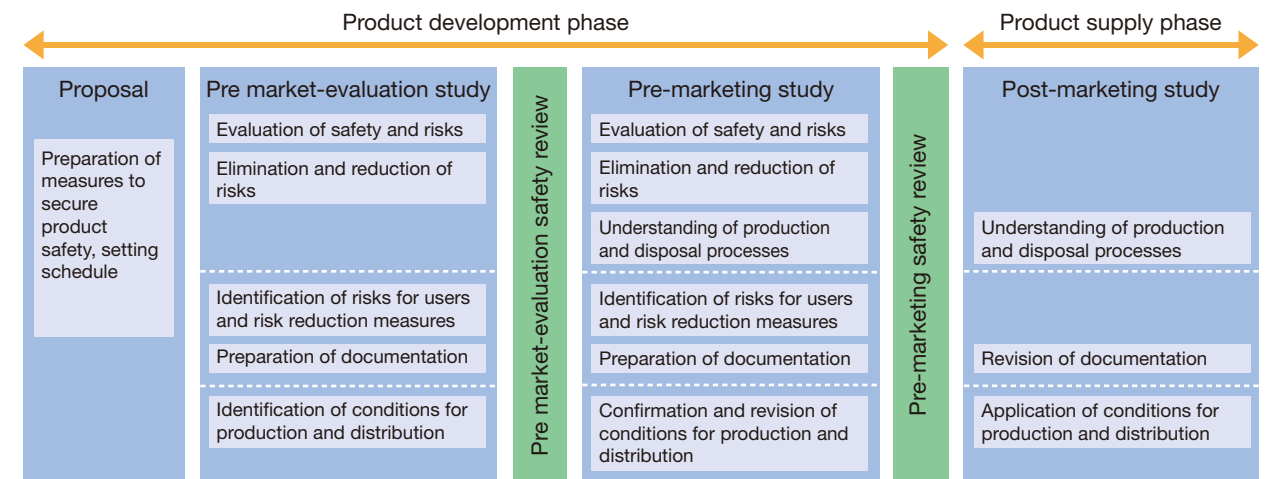
Product safety guidelines

Group-wide product safety guidelines have been prepared to secure product safety and prevent the occurrence of product safety incidents. The guidelines specify matters to be controlled throughout the process from material purchase through use and disposal. Product safety measures for individual products are performed by each core operating company in accordance with the guidelines.

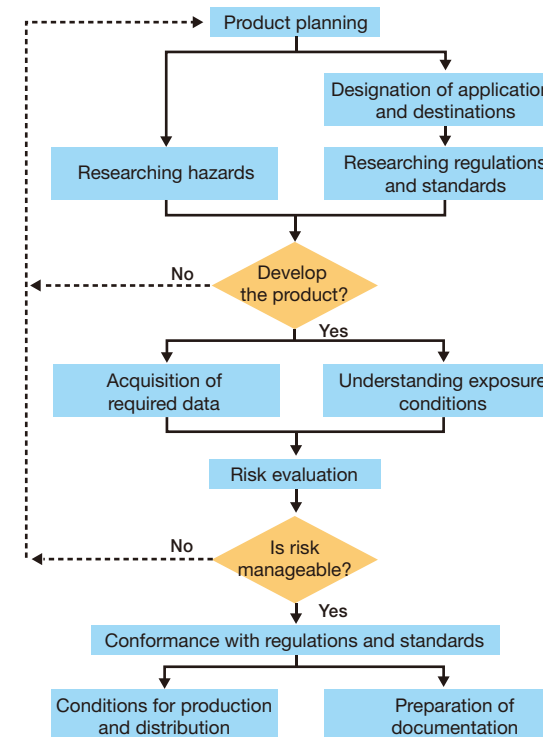
Product safety measures

As shown at right, the flow of measures to secure product safety is centered on risk assessments during the development stage, prior to product marketing. Separate procedures are followed for chemicals and equipment. Material safety data sheets (MSDSs) are prepared to ensure the safe handling of chemical products sold to other businesses. Instructions for safe use are included in the product manuals of equipment sold to other businesses and of consumer products.

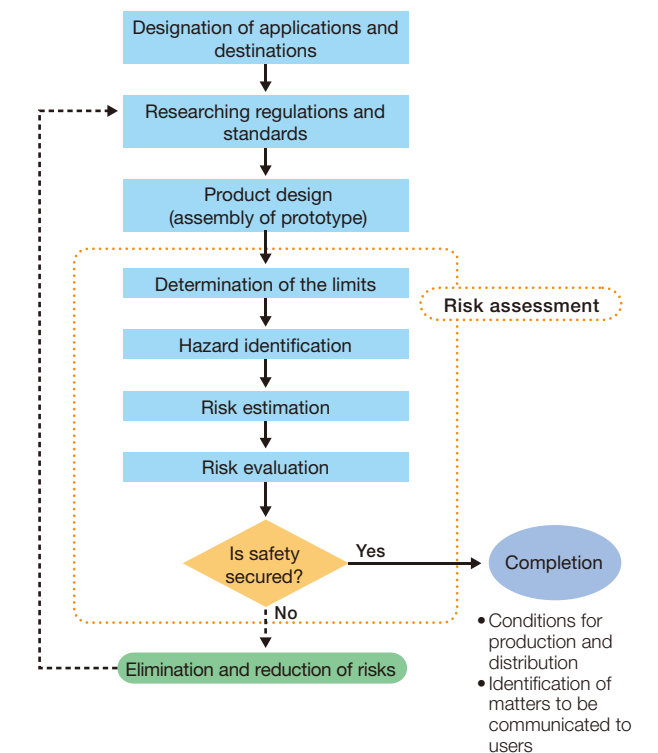
Flow of product safety measures



Product safety procedure for chemicals



Product safety procedure for equipment



Product safety results

Avoidance of serious product safety incidents was specified as an RC Objective for fiscal 2007, and no serious product safety incidents occurred. We work to maintain this incident-free product safety record through our ongoing program of education and training for product safety to maintain knowledge of issues related to product liability, safe handling of chemical substances, and safety of equipment sold as products, together with the risk assessments and other day-to-day product safety measures we employ.

In 2006, Japan became one of the first countries to adopt the Globally Harmonized System of Classification and Labeling of Chemicals (GHS) as recommended by the UN. We are accordingly revising our MSDSs, reviewing our chemical product labeling to ensure inclusion of clear safety information, and conducting extensive personnel training for this purpose.

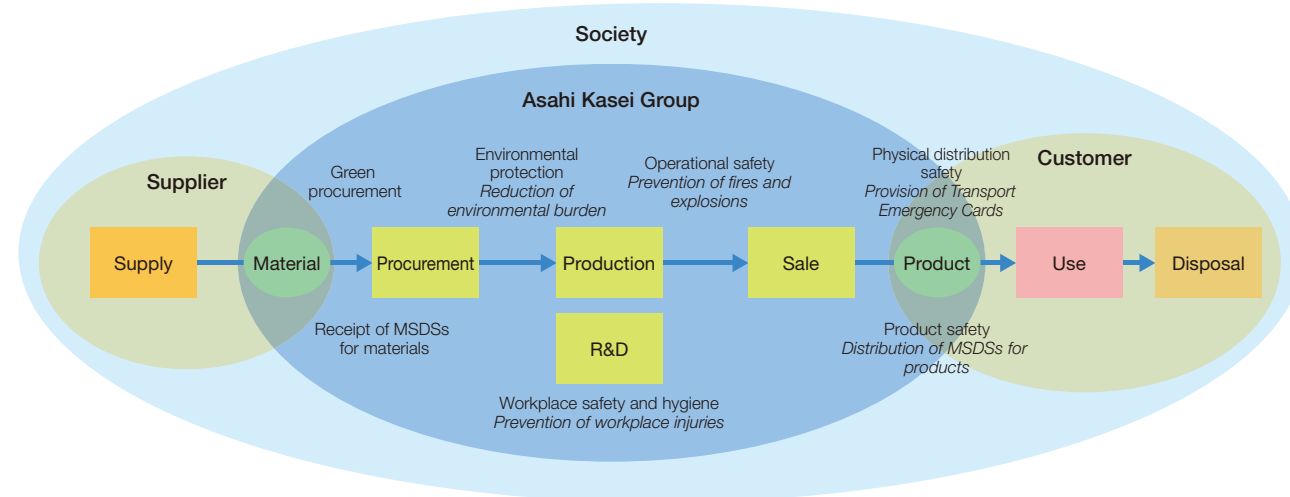
In addition to useful characteristics, products also have hazards which could result in injury as a result of improper handling. While a variety of information is provided to customers to ensure safe and proper handling and use, this information is not always utilized completely. The information we provide is revised as necessary for greater ease of understanding and ease of use.

Managing chemical substances

The Asahi Kasei Group effort

Strict management and control of chemical substances is a key element in the effort to ensure environmental protection, operational safety, workplace safety and hygiene, health maintenance, and product safety. Chemical substances are managed at each stage from development to use and disposal, as shown below.

Chemical substance management flow



Materials purchase

When purchasing materials, information related to the safety of chemical substances is received from the supplier. This information serves as a guide to safe storage and handling.

Production

The safety of the local community and the protection of the environment are secured by proper handling of chemical substances to suppress environmental release (see pp. 22–29) and to prevent fires, explosions, and leaks (see pp. 30–32). The health of employees is protected by preventing workplace exposure to hazardous substances (see pp. 33–34).

Use and disposal

Guidance for proper use and disposal of chemical substances and chemical products is provided in MSDSs, technical bulletins, and product brochures. Transport Emergency Cards are provided to guide proper environmental and safety response in the event of an accident during physical distribution.

Research and development

The management of chemical substances begins with R&D, which is guided throughout every stage by a commitment to developing products and process characterized by safe, environmentally sound production, handling, and use. This is exemplified in our development of the non-phosgene process for polycarbonate production, which has been recognized by many prestigious awards including the Green and Sustainable Chemistry Award.

Education and training

Asahi Kasei Chemicals conducts extensive education and training on management and control of chemical substances, for all personnel in research, manufacturing, and sales. This includes intensive study on the Chemical Substance Control Law and the Industrial Safety and Health Law, and is an inherent part of our pervasive corporate-wide chemical substances management.

Global trends on management of chemical substances

The Asahi Kasei Group is enhancing management of chemical substances in conformity with relevant global trends.

Developments in management of chemical substances

Organization	Development
UN	<ul style="list-style-type: none"> Resolution to minimize adverse effects on human health and environment due to production, handling, and use of chemical substance; implementation of Action Plans to achieve certain targets by 2020 Implementation of a Globally Harmonized System (GHS) for the classification and labeling of chemicals
OECD	<ul style="list-style-type: none"> Collection of safety data under the High Production Volume (HPV) Chemicals initiative by each member country and its chemical industry
EU	<ul style="list-style-type: none"> REACH Regulation for the registration, evaluation, authorization and restriction of chemicals RoHS Directive for the restriction of the use of certain hazardous substances in electrical and electronic equipment

HPV Chemicals Initiative

The Asahi Kasei Group began participation in the ICCA HPV Chemicals Initiative in fiscal 1999, cosponsoring assessments for ten of the thirty chemical substances we produce which are among the 1,000 subject to HPV criteria. Assessment for five of the ten substances has been completed by the OECD, and is in progress for the other five in coordination with other participating companies.

Japan Challenge Program

The Asahi Kasei Group is a leading participant in the Japan Challenge Program launched in 2005 as a nation-wide public/private sector alliance to accelerate the collection of chemical safety information for public disclosure.

Long-range Research Initiative (LRI)

The ICCA is advancing study on the long-term effects of chemical substances on health and the environment through the LRI. The JCIA is advancing research in four fields: Endocrine disruption, chemical carcinogenesis, hypersensitivity, and neurotoxicity.

The Asahi Kasei Group is represented on the Planning and Management Panels for endocrine disruption and neurotoxicity, participating in the preparation of research white papers, examination of proposed research projects, and follow-up of research that has been adopted.

Globally Harmonized System (GHS)

We are advancing a program to classify all of our chemical products based on their hazardousness, revise our MSDSs, and label our products with clear safety information in accordance with GHS.

REACH compliance

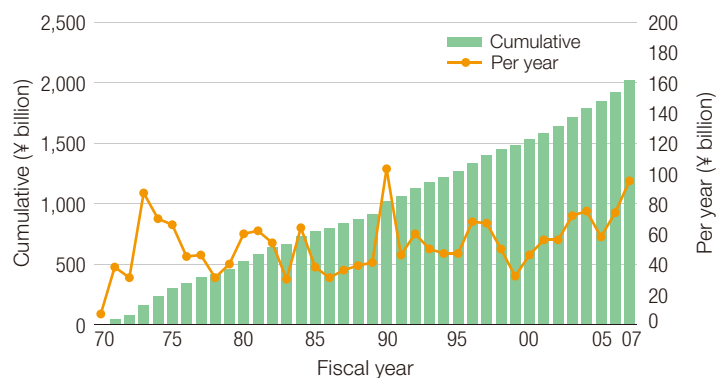
Education and training were performed to ensure proper compliance with REACH regulations. The Japan Article Management Promotion (JAMP) consortium was established in September 2006 for management of relevant chemical substance information and systematic conveyance of the information through supply chains. Asahi Kasei, as one of its founders, has been an active participant in JAMP since its establishment.

Expenditure for environment and safety

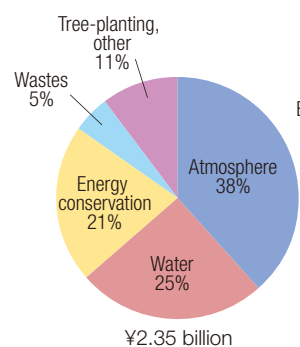
Environmental and safety investments

Investments in modification for environmental protection and safety in fiscal 2007 were ¥9.50 billion.

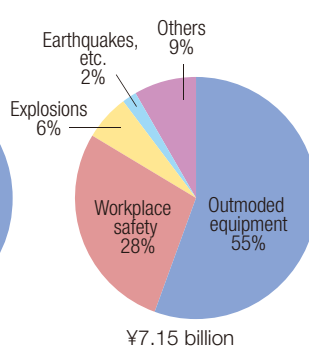
Investment in environmental and safety modification



FY 2007 environmental investment



FY 2007 safety investment



Environmental accounting

The cost of measures for environmental protection in fiscal 2007 was tracked as shown below in our Chemicals, Fibers, and Electronics Materials & Devices operating segments, in accordance with cost classification standards promulgated by the Ministry of the Environment.

Operating segment	Cost class	Principal measures	Investment ¥ million	Expense ¥ million	Notable change from FY 2006	
Chemicals	Combined operating area		1,209	4,829		
	comprising:	Pollution prevention	Effluent water and flue gas treatment, groundwater purification	1,035	3,098	Release of atmospheric pollutants reduced from 66.8 to 46.9 tons.
		Global environmental protection	Energy conservation through heat recovery, reduced greenhouse gas emissions	157	366	
		Resource circulation	Waste treatment and recycling	17	1,364	Release of PRTR-specified substances reduced from 386 to 329 tons.
	Upstream and downstream	Green Procurement, recovery of containers	0	43		
	Management	Sprucing up plant sites, monitoring effluent gas and effluent water, ESH training	46	590		
	Research and development	Biodegradable plastic products and other ecoefficient products	369	1,046		
	Community outreach	Community fellowship and dialog, litter pick-up campaign	0	17	Release of ozone-depleting substances reduced from 20.3 to 1.1 tons ODP equivalent.	
	Environmental damage	Compensation pursuant to Pollution Health Damage Compensation Law, groundwater purification	3	205		
	Total		1,628	6,730		
Fibers	Combined operating area		207	2,232		
	comprising:	Pollution prevention	Installation of emergency drain pit, modification of absorber to prevent chemical substance release	145	1,030	Release of PRTR-specified substances reduced from 10.6 to 10.0 tons.
		Global environmental protection	Energy conservation through heat recovery	34	141	
		Resource circulation	Recycling to feedstock, recycling to valuable material	27	1,060	Recycling of industrial waste increased from 98.6% to 99.6%.
	Upstream and downstream	Green Procurement, recovery of packaging and paper tubes	0	19		
	Management	Tree-planting on plant grounds, training, ISO inspection	0	74		
	Research and development	Resource conservation technology, recycling technology	0	12		
	Community outreach	Community fellowship and dialog	0	7		
	Environmental damage	—	0	0		
	Total		207	2,344		
Electronics Materials & Devices	Combined operating area		48	333		
	comprising:	Pollution prevention	Deodorization equipment, effluent gas and wastewater treatment equipment	13	95	Release of PRTR-specified substances reduced from 8.6 to 6.8 tons.
		Global environmental protection	Replacement of thermal insulation on steam pipes, installation of energy conservation equipment	0	8	
		Resource circulation	Treatment of industrial waste, reduction of power consumption through equipment modification	35	230	Industrial waste for final disposal reduced from 0.3% to 0.2%.
	Upstream and downstream	Reuse and recycling of containers and packaging	0	123		
	Management	Maintenance and operation of environmental management system	0	95		
	Research and development	Products with reduced environmental burden	0	19		
	Community outreach	Cleaning activity	0	1		
	Environmental damage	—	0	0		
	Total		48	572		

Note: Sums may not equal totals due to rounding.

Respect for employee individuality



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- Balancing work and family life 45
- Regular meetings between management and labor 46

Respect for employee individuality

The Asahi Kasei Group considers fulfilling and satisfying working conditions and workplace culture, in which personnel feel motivated to achieve and take pride in their career, to be a key to business performance.

Human Resources Credo

The Human Resources Credo of the Asahi Kasei Group is a distillation of the values and principles held in common by all employees, a key aspect of a corporate culture where personal growth and corporate development are mutually reinforcing.

Human Resources Credo of the Asahi Kasei Group (abbreviated)

Commitment	Providing the venue for dynamic and fulfilling endeavor and accomplishment, as a key to development and growth of the Asahi Kasei Group
People	<ul style="list-style-type: none"> • Enterprise growth through challenge and change • Integrity and responsibility in action • Respect for diversity
Leaders	<ul style="list-style-type: none"> • Building the team, heightening performance and achievement • Going beyond conventional boundaries, in thought and action • Contributing to fellow development and growth



Purpose of the Human Resources Credo

The Asahi Kasei Group is entering into a new phase of expansion and growth, guided by the *Growth Action – 2010* business plan. From the executive management to each individual employee, seeking challenges with new ideas and initiative will bring corporate success together with a sense of personal accomplishment. The Human Resources Credo elucidates the base of common values and principles shared throughout the Asahi Kasei Group. Corporate growth and public contribution are made possible by the consistent application of this Credo in day-to-day work.

Kiyoshi Tsujita
Executive for Human Resources
Director, Senior Executive Officer
Asahi Kasei Corp.

Career development support

Employees are given a wide range of training to develop the skills needed to successfully advance their careers. A regular program of training is applied throughout the Asahi Kasei Group at key career steps – upon hiring, promotion to manager, promotion to department general manager, promotion to division general manager, and assumption of an executive position. Other individual training programs such as for global management are implemented according to business need. Each core operating company also implements training programs to support the development of employee skills required for its specific field of business. In fiscal 2007, we began applying a new system for the development of leaders and global human resources, and for fostering the basic skills of younger personnel.

Two-foundation, three-pillar structure



Overseas study

Each year personnel are dispatched for overseas study as part of the effort to develop the skills and abilities needed to do business in the globalized operating environment.

Group Masters

The Group Masters program was established in fiscal 2007, to recognize members of the Asahi Kasei Group who have developed and exercised extraordinary expertise and skills that hold universal value, and to facilitate their application throughout the Group. Twelve Group Masters were named in the first year – four as Group Fellows and eight as Senior Group Experts, with rank and remuneration commensurate with executive officer and department general manager, respectively. As Group Masters, they will extend their expertise and skills to personnel and operations development throughout the Asahi Kasei Group.

Independent study

In October 2003, the Asahi Kasei Group instituted a program to support independent study by employees. To encourage employees to acquire high level specialist or technological ability, the company will pay part of the cost of attending courses or lectures.

Career development training

A new program of company-wide career development seminars for lower to middle ranking personnel instituted in 2007 is dedicated to the nurturing of individual responsibility, initiative, and skills for long-range career development and growth.

Personnel mobility

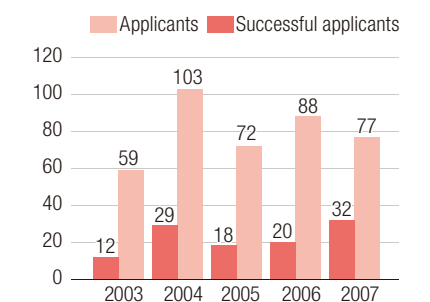
Available position postings

In October 2003 we began a system for business units to post available positions on the corporate intranet. Personnel in other business units who are eligible for transfer can apply. Positions are posted quarterly, with a steady stream of postings, applications, and transfers completed. The system has proven to be a valuable tool to help heighten personnel interchange within the Asahi Kasei Group.

Tracking career development

The corporate intranet is also used to enable employees to record their specialist abilities, certified qualifications, working experience, and career ambitions. The recorded information is utilized in the evaluation of candidates for assignment transfers, and to provide newly transferred supervisors with a concise overview of their subordinates.

Position postings



Valuing diversity

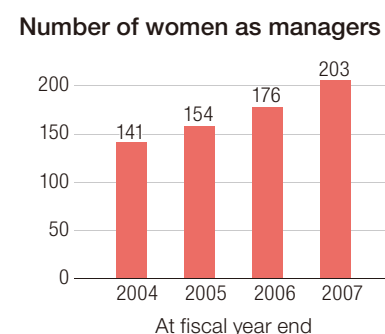
Corporate HR & Labor Relations leads the effort to ensure against unreasonable discrimination on the basis of gender or otherwise, to maintain a workplace culture in which employee fulfillment and working performance are free from hindrance, to advance employment of persons with disability, and to rehire personnel after mandatory retirement.

Fiscal 2008 hiring

In April 2008, 399 new graduates were hired, 311 men and 88 women. In addition, 169 persons were hired in mid-career between January and December 2007.¹

Expansion of opportunities for women

We have proactively increased the proportion of women among hirings and expanded the distribution of job assignments for women. In 1993, only five employees at the rank of manager or above were women. This has risen to 203 at the end of fiscal 2007, and the variety of posts where women are assigned continues to expand.



Preventing sexual harassment

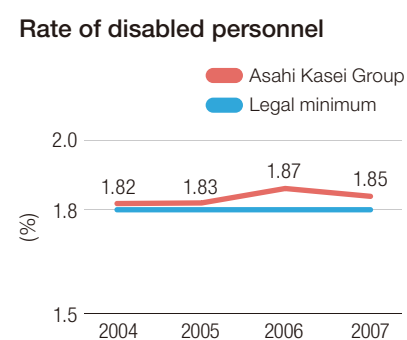
Sexual harassment in the Asahi Kasei Group is clearly prohibited by our *Corporate Ethics – Code of Conduct* and by our corporate employment regulations. Prevention is reinforced through training at each level of promotion in rank and through periodic company-wide training within each core operating company for conformance with corporate ethics.

EO Promotion serves as a central point of consultation for the Asahi Kasei Group, and consultation centers have been established in each core operating company, at each operating site, and by each labor union. Training and consultation is not limited to regular full-time employees, but includes staff from placement agencies and employees of affiliated companies.

Employment of persons with disability

Our employment of disabled persons stood at 400 employees as of June 1, 2007, or 1.85% of the 21,598 employees of Asahi Kasei Corp. and certain subsidiaries.² The rate of disabled personnel has exceeded the legal minimum since 1994. The legal minimum has been 1.8% since 1998.

Asahi Kasei Ability Corp. was established in 1985 for the employment of disabled persons, performing a wide range of services for the Asahi Kasei Group including website design, document printing and binding, copying, mounting and framing, gardening, and cleaning, with offices in Tokyo, Fuji, Mizushima, and Nobeoka. Of our 400 personnel with disability in June 2007, 211 were employed at Asahi Kasei Ability.



¹ Totals for Asahi Kasei Corp. and its core operating companies. Not including persons hired by other consolidated subsidiaries or hired as contract employees.

² Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei EMD Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Amidas Co., Ltd., Asahi Kasei Medical Co., Ltd., Asahi Kasei Engineering Co., Ltd., Asahi Kasei Electronics Co., Ltd., Asahi Kasei Microsystems Co., Ltd., and Asahi Kasei Ability Corp.

Award recipients at International Abilympics

Three workers at the Mizushima Office of Asahi Kasei Ability, one working there on consignment, advanced to the International Abilympics at Shizuoka in November 2007, where a total of 378 contestants from 26 countries and regions competed. Koichi Tomitaka won the Silver Medal for Computer Programming, and Tatsuto Nishida won the Special Award for PC Assembly. Kayoko Shinohara served as Representative for Japan's team.



Tatsuto Nishida in PC Assembly



Kayoko Shinohara (right front) speaks at the Opening Ceremony

Rehiring retirees

We have instituted a program to enable the rehiring of union members after mandatory retirement, providing the opportunity for motivated persons with valuable skills and experience to continue to work.

Balancing work and family life

We encourage personnel to take advantage of a full complement of provisions and benefits to enable the flexibility to maintain a career while raising a family or attending to family members who require care. These are among the most advanced in Japan, including short-term and extended leaves of absence, paid days off, and shortened working days. Such measures are a reflection of our corporate culture of mutual respect for diverse values and lifestyles, including different working styles and practices.



Brochure advising employees to avoid overwork

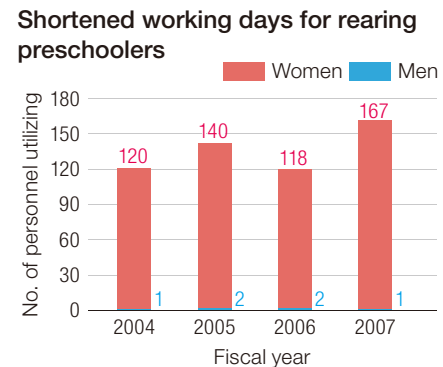
Parental leave

Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2007, 409 personnel utilized parental leave, 268 men and 141 women. This is 40% of the men who qualified.



Utilization of shortened working days for child-rearing

In fiscal 2007, 167 personnel utilized shortened working days for rearing preschoolers. This provision enables the working day to be shortened by up to two hours until the child enters elementary school. In September 2007, a provision called “Kids Support” was added for employees with children in the first and second grades of elementary school to similarly work shortened working hours. These provisions may be used concurrently with “flex-time” for flexible working hours, and with “child-rearing time” for temporary absence during the working day to spend time with a child under the age of one year.



Leave of absence for family care

In fiscal 2007, eight personnel utilized leave of absence for family care. This provision enables a leave of up to one year for the purpose of attending to a family member who requires care. An additional 93 working days of leave for the same purpose can also be utilized.

Acquisition of 2007 Kurumin seal of approval



In June 2007, Asahi Kasei Corp., all six core operating companies, and Asahi Kasei Home Products Corp. were awarded the Kurumin seal of approval by the Ministry of Health, Labor, and Welfare, in recognition of their contribution to next-generation welfare, growth, and development through their encouragement and support for optimum balance in career and family life, full utilization of annual leave days, avoidance of excessive overtime, and other measures.

Open Office Day in Tokyo

The second “Open Office Day” was held in August 2007, with employees at the several Asahi Kasei Group offices in Tokyo bringing their children to visit their workplace, and gathering at our Head Office to observe and take part in a variety of science and technology demonstrations and experiments. A total of 290 parents and children, of 99 families, took part. This ongoing program accords with our basic framework of “education and development of the next generation.”



Regular meetings between management and labor

Discussions between management and labor union representatives are held on a regular basis to ensure that a constructive partnership and mutual understanding is maintained. In August 2007, discussions were held between management of the holding company and labor union representatives. Discussions between management of the core operating companies and representatives of the labor unions are held on a regular basis.

Corporate citizenship



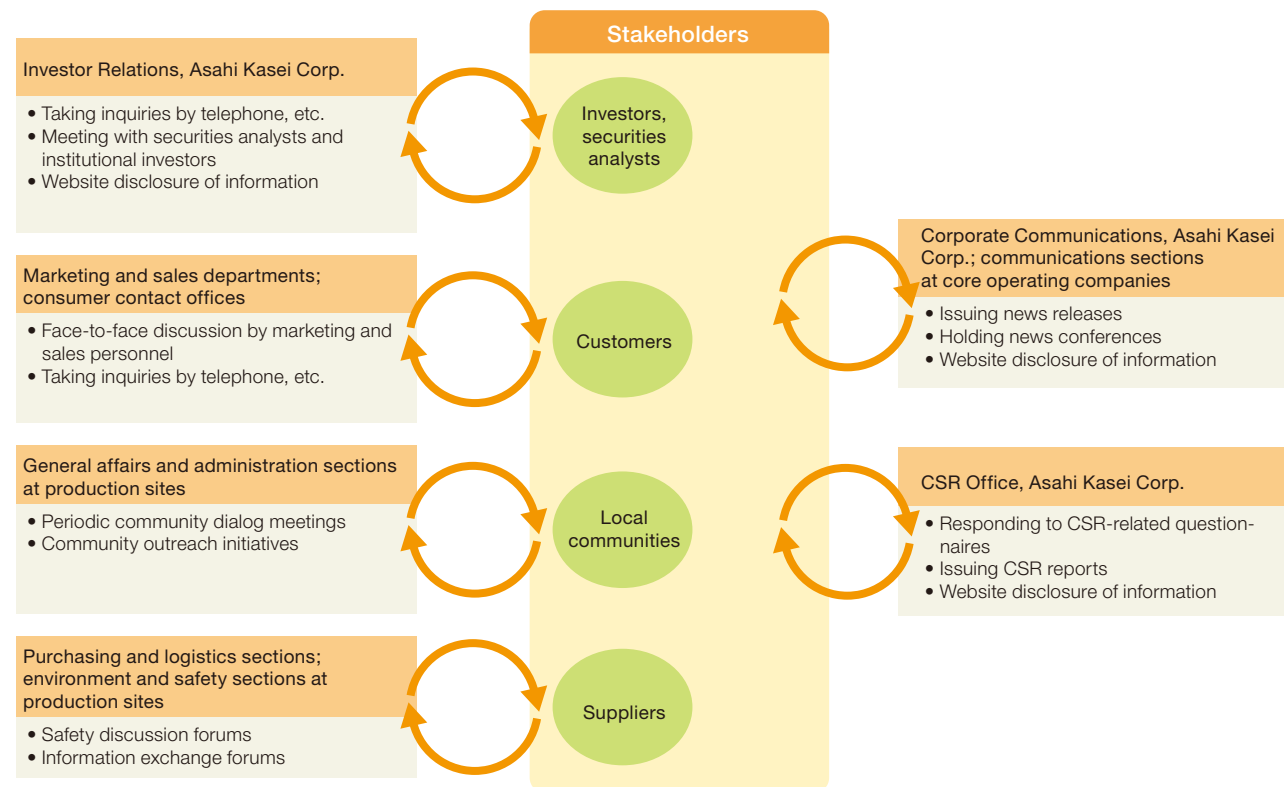
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Corporate citizenship

A favorable relationship is maintained with interested parties throughout the world through fair information disclosure and the proactive employment of management resources for corporate responsibility and citizenship.

Stakeholder dialog

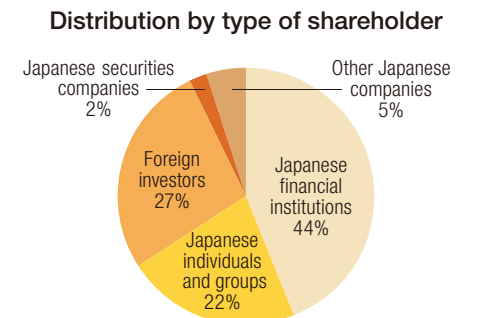
Different corporate organs hold responsibility for fair and open dialog with each of our different groups of stakeholders. In the holding company, Investor Relations is responsible for dialog with investors, and Corporate Communications is responsible for dialog with the media. At each production site, the general affairs and administration section is responsible for dialog with the local community. Where a core operating company sells final products for consumer use, customer hotlines and contact offices are responsible for dialog with the consumer.



Investor relations

Shareholder distribution

Asahi Kasei Corp. has some 130 thousand shareholders. At the end of March 2008, approximately 44% of shares were held by Japanese financial institutions, 22% by Japanese individuals and groups, and 27% by foreign investors.



Meetings with institutional investors and securities analysts

In fiscal 2007, Investor Relations held 221 meetings in Japan with institutional investors and securities analysts, including large conferences to discuss quarterly financial results. A further 132 meetings were held with investors and analysts overseas, with total cumulative attendance of some 1,424 for the 353 meetings. This includes attendance at conferences held by securities firms both in Japan and overseas.



Naomitsu Fujita, General Manager, IR (right), meets with a securities analyst

Seminars for individual investors

To provide individual investors with a better understanding of the operations of the Asahi Kasei Group, several seminars were held with a total of 1,635 individual investors in attendance, including one in Tokyo in September 2007 featuring a presentation by President Hiruta, attended by some 350 individual investors.



Seminar for individual investors



Presentation by President Hiruta

Customer relations

We highly value frank and honest customer feedback as vital to our effort to provide value in products and services. It is only through customer satisfaction with our products and services that the value they hold is translated to the general public and contributes to general progress.

Satisfying the needs of manufacturers Asahi Kasei Medical Co., Ltd.

Planova™ filters from Asahi Kasei Medical were launched in 1989 as the world's first filters designed specifically for virus removal. Planova™ filters are used by pharmaceutical companies around the world for the removal of viruses during the manufacture of biotherapeutic drug products such as biopharmaceuticals and plasma derivatives.

Planova™ filters have a particularly high rate of overseas sales, with dedicated staff at Asahi Kasei Medical's sales offices in the US and Europe maintaining close, direct communication with customers in their respective markets.



Comment from personnel involved

It's often said that business isn't personal. I believe that there is nothing more personal than the way one does business.

At Asahi Kasei Medical America, Planova Division, we compete by offering a superior product. As a Sales and Marketing Manager I am charged with offering superior customer service. At the beginning of a new relationship, I try to think about what would help me if I were in the customer's position. This is followed by active listening. Our customers are faced with many difficult challenges in bringing their product to market. Budget limitations, tight schedules and regulatory requirements are only a few of the hurdles they must overcome. With many years of experience in the industry, my team and I have faced many of these issues before and can often suggest solutions.

Perhaps most important in my job is to be able to illustrate the value of our product, and how it would benefit our customers. Planova filters are the most reliable in the industry, but to demonstrate reliability takes time, and we do this by establishing relationships of trust and confidence at every stage of process development, from research to large scale manufacturing.

Our customers make the world a better place by developing healthcare solutions to treat and cure countless diseases. I am part of this process, and I am humbled by the opportunity to extend and improve the lives of so many. This inspires me to pursue excellence in every aspect of our business so that we and future generations will benefit from our efforts.

Tamara P. Smith
Sr. Regional Marketing
& Sales Manager
Planova Division
(West Coast)
Asahi Kasei Medical
America, Inc.



The customer's perspective

I rely on Tamara as the main person at Asahi to help me prepare Amgen to successfully scale up the Planova filter into Amgen plants. Tamara has helped in many ways:

- (1) She has carefully maintained and tracked a list of questions and issues that Amgen and Asahi need to solve for Amgen to design equipment and run equipment using Planova filters.
- (2) She has helped me coordinate my work with other Amgen scientists that are studying Planova at other Amgen sites
- (3) She has a lot of technical knowledge about Planova herself, and can directly give me answers to some questions.
- (4) For questions that need to be answered by other experts at Asahi, or by Asahi doing special studies, she has helped persuade Asahi to do this work and has helped to evaluate and interpret the work.
- (5) She has kept me informed about new products coming from Asahi.

There is more for Amgen to learn about Planova to be totally ready to use them in our plants, but I think Tamara has helped us make progress. With Tamara's help, I am looking forward to finishing the basic structure of how Amgen will use Planova filters in the next few months.

Dr. Tom Belval
Sr. Engineer
Process Engineering
Manufacturing Technology
and Science
Amgen Inc.



Maintaining a good relationship with consumers

In businesses where our products are used directly by consumers, we have consumer support centers to take inquiries and respond to complaints with sincerity and in good faith. The feedback we receive is often used as the basis for product modification and improvement. We also provide consumers with useful tips and advice on product use.

Remediation to restore performance specifications to homes

In October 2007 it came to light that Nichias Corp. improperly obtained certification from the Ministry of Land, Infrastructure, and Transport for the fire-resistance for an eave assembly using certain soffit panels which were supplied to Asahi Kasei Homes, and that homes which had the panels in question installed therefore did not meet performance standards as per original specifications. Asahi Kasei Homes made a public announcement about this matter forthwith, and contacted all owners of the some 38,000 home units affected to arrange for remediation to be performed at the earliest possible date to fully restore the relevant portion of each home to its original specification.

Asahi Kasei Home Products Corp.

Asahi Kasei Home Products, subsidiary of Asahi Kasei Chemicals, sells a wide range of finished products for consumer use, including Saran Wrap™ cling film, Ziploc™ storage bags and containers, Cookper™ nonstick baking sheets, and Zubizuba™ kitchen and bathroom cleaning sponges.

With its customer support center, Asahi Kasei Home Products maintains direct communication with consumers who use its products, incorporating consumer feedback in the effort to develop new and improved products, and providing consumers with advice and guidance on effective product use.



Principled supplier relationships

A relationship of mutual trust with our suppliers is fostered through fair and principled purchasing practices based on regulatory compliance and respect for the environment and human rights.

Purchasing and Procurement Policy

Corporate purchasing is based on the tenets of transparency, fairness, and equality with suppliers, with extensive information gathering, a strategic perspective, and a global outlook to ensure that the best possible products and services are obtained. The CSR-related performance of suppliers is a primary consideration in their selection, and transactions are made based on a comprehensive evaluation thereof.

Principal aspects of supplier evaluation

- Financial soundness, sustainable supply
- Compliance
- Management philosophy, management policy
- Safety
- The environment
- Human rights
- Workplace hygiene
- Competitive pricing
- Product quality, technological innovation
- On-time delivery
- Information disclosure
- Risk management
- Personnel training and development
- Corporate citizenship

Gaining understanding for CSR

Following up on our issuance of a proclamation of our Purchasing and Procurement Policy to our 7,500 suppliers in 2005, and our CSR procurement questionnaire for our 1,500 main suppliers in 2006, we performed visits with suppliers to discuss and gain a deeper understanding of our procurement principles and our CSR initiative. In these and other efforts, we will maintain an ongoing dialog to ensure that we have the full understanding and support of our suppliers.

Kiyoshi Rurigaki
General Manager
Corporate Procurement & Logistics
Asahi Kasei Corp.



Supplier relations at production sites

Safety seminars are periodically held at our principal production sites to discuss accident prevention and exchange information with suppliers.

Safety seminar at the Mizushima Works of Asahi Kasei Chemicals



Public outreach

We work to honor and respect the local customs and culture of each community where our operations are based, and to maintain effective dialog and communication with community members.

Dialog and interaction

Measures for community dialog and interaction include regularly held forums and meetings with representative of local government and members of local residents associations, opening gymnasiums, playgrounds, and other facilities for public use and enjoyment, and employee campaigns for sprucing up the local environs, employee volunteerism to assist community recovery after natural disasters, and joint tree-plantings with volunteers from the community.

• Ohito

In January 2008 a public environmental forum was held jointly with the Shizuoka prefectural government at the Ohito complex of Asahi Kasei Pharma, site of the company's main pharmaceuticals research and production facilities.



Environment Forum

Culture

Asahi Himuka Cultural Foundation

The Asahi Himuka Cultural Foundation was established in 1985 to enrich the environment of day-to-day life and culture in Miyazaki Prefecture, the cradle of Asahi Kasei. A wide range of cultural activities includes musical and dramatic events, support for local cultural promotion, and fostering familiarity with and understanding of folk culture. In fiscal 2007, in addition to its regular concerts and art exhibitions, the foundation held a special exhibition for the youth of the community to mark the 90th anniversary of the Nobeoka City Public Library.



Photos: The Yukan Daily

Community support at APNA

Asahi Kasei Plastics North America (APNA), the Asahi Kasei Group's North American base for plastic compounding, located in the US state of Michigan, donates a portion of its income to charitable organizations to support children, community infrastructure, and charitable work by APNA employees. The company also matches employee contributions to the local chapter of the United Way, and participates in the planning and implementation of community activities of this and other charitable organizations.



APNA employees at YMCA Kids Day

Community fellowship

Basic commitment

Our basic commitment for community fellowship is reflected in our Community Fellowship Policy, and our wide range of community-rooted initiatives for learning and growth, sports and culture, and environment and ecology, in accordance with our Guiding Concept of broadening horizons and opening pathways, and our Basic Framework of education and development of the next generation.

Community Fellowship Policy

- Fulfilling our roles and responsibilities as a good corporate citizen.
- Effective utilization of management resources to advance community fellowship based on the unique characteristics of the Asahi Kasei Group.
- Striving for meaningful community fellowship actions with a constant awareness of our objectives and effectiveness.
- Supporting and nurturing participation in community fellowship by all who work in the Asahi Kasei Group, encouraging volunteerism and individual initiative.
- Proactive information disclosure, both internally and externally.

Guiding Concept

Broadening horizons, opening pathways

Basic Framework

Education and development of the next generation

Education and development of the next generation

School visits and science lab for students

The Asahi Kasei Group has engaged in school visits to promote understanding and heighten interest of science technology among elementary, middle, and high school students. This program began in 1999, with a visit of engineers from our operations in Nobeoka to explain and demonstrate some of the science and technology used in commercial application, at a middle school in Nobeoka area, in cooperation with the Nobeoka Board of Education. The program has expanded beyond the Asahi Kasei Group, and now includes six other companies in Nobeoka and the surrounding area. In the Asahi Kasei Group, we have expanded the program to include other locations where we have plants and offices.

• Nobeoka

Fourteen middle school visits were held in the Nobeoka region by Asahi Kasei Group engineers from October to December 2007, with over 400 students in attendance.



• Fuji

In November 2007, twenty-one third-year students from Tagoura Junior High School visited the Asahi Kasei plant and laboratory complex in Fuji to take part in experiments and demonstrations including filtration with hollow-fiber membranes, making original ink stamps with photosensitive resin, using Hall elements to detect magnetic fields by observing changes in voltage, and making fruit batteries to demonstrate the electrochemical mechanism of electric cells.

Four second-year students from Fujiminami Junior High School visited the Analysis and Simulation Center at the same site in December 2007 to take part in demonstrations of the work performed there.



• Tokyo and other regions

School visits, lectures, labs, etc. performed by Asahi Kasei Group companies

	School	No. of students in attendance	Content	Company
June 2007	Kurashiki University of Science and the Arts	≈140	Lecture on pet accommodating home design	Asahi Kasei Homes
August 2007	Bunkyo Gakuin University Girls' Senior High School	≈80	Lecture on the science of Saran Wrap™ (history and product development)	Asahi Kasei Home Products
	Shiba Junior High School	7	Lecture on Asahi Kasei's environmental program and Neoma Foam™ insulation panel, visit to construction materials showroom	Asahi Kasei Construction Materials
November 2007	Atsugi School of Nursing	≈230	Lecture on prevention of global warming and "Eco-Footprint Club"	Asahi Kasei Homes
	Ebina High School	≈40	Lecture on Asahi Kasei's environmental program and Ecosensor™ chemically recycled polyester filament	Asahi Kasei Fibers
	Kudan Secondary School	5	Lecture on kitchen design 10 years from now and products of Asahi Kasei Home Products	Asahi Kasei Home Products
December 2007	Shonan Junior College	≈30	Lecture on Hebel Haus™ product development	Asahi Kasei Homes
March 2008	Tama Technical High School	≈70	Lecture on prevention of global warming, demonstration of thermal insulation materials	Asahi Kasei Construction Materials



Lecture for Kudan Secondary School students



Lecture at Tama Technical High School

Sports

Asahi Kasei has long supported athletic activity and maintains top-tier judo and track teams, with nearly forty employees having competed in the Olympics over the years. Support for sports and athletics also includes sponsorship of the Golden Games in Nobeoka, a notable long-distance track competition in Japan, and provision of judo lessons for elementary, middle, and high school students by members of our corporate judo team.



Judo team practice

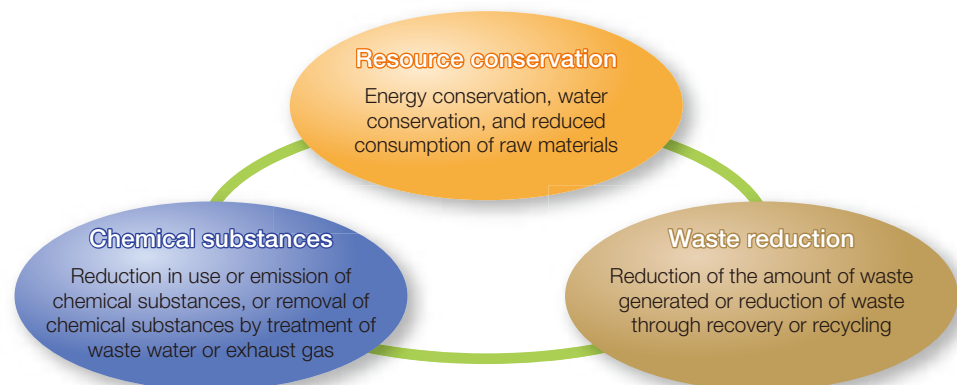


Track team practice

Ecoefficient products and technologies

Asahi Kasei Group guidelines and standards for evaluation of the ecoefficiency of products specify methods to determine the relative environmental impact of products and technologies throughout the product life cycle in comparison with conventional alternatives, including “life cycle assessment” (LCA), a method of analyzing the environmental impact throughout a product life cycle from material selection to production, use, and disposal.

Basic categories of ecoefficiency



Ecoefficient technologies

Operating segment	Company	Technology	Ecological aspects	Category				
				Resource conservation	Chemical substances	Waste reduction	Other*	
Chemicals	Asahi Kasei Chemicals	Methyl methacrylate production process by direct oxidative esterification	Eliminates ammonium sulfate by-product.	✓		✓		
		Phosgene-free, methylene chloride-free polycarbonate production process	Eliminates the need for the hazardous phosgene as reactant and methylene chloride as solvent. Uses CO ₂ as feedstock.		✓			
		Cyclohexanol process via cyclohexene	Resource-efficient process with minimal waste gas and waste liquid.	✓		✓		
		N ₂ O decomposition process	Reduces N ₂ O gas release from production of adipic acid, a nylon 66 intermediate.			✓		
		PAOSS (cushioning design system)	Design simulation to minimize the amount of cushioning material used.	✓				
	Asahi Kasei Techno Plus	Suwming™ process	System for rapid adsorption of VOCs which cause sick house syndrome.		✓			
	Asahi Kasei Clean Chemical	SEASTM process	Biological water treatment technology generating 1/20 the excess sludge of ordinary process.	✓				
Homes	Asahi Kasei Homes	Geothermal heating/cooling system	Releases waste heat from air conditioning to the ground, avoids contributing to the urban heat-island effect. Reduces energy consumption.	✓				
		Eco-footprint Club™	Website supporting and promoting reduction of CO ₂ emissions from households.	✓				
		Arios™ simulation system	Sunlight and air flow simulation in home design, for interior comfort with reduced energy consumption in heating, cooling, and lighting.	✓				
		Returnable packing	Transport system for management and reuse of packing of home components. Eliminates need for cardboard.	✓		✓		
		Roof gardening, greenery	Roof-top gardening and ivy or other wall greenery, for energy conservation.	✓				
Fibers	Asahi Kasei Fibers	PET chemical recycling process	Recycling of used PET bottles and polyester fiber.	✓		✓		
Construction Materials	Asahi Kasei Construction Materials	Piling systems with low soil disposal	Eazet™, ATT Column™, and Dynawing™ piling systems enabling installation with large reduction in amount of waste soil for disposal. The high retaining strength of each pile also enables the use of fewer piles for each foundation, reducing the material and energy required.	✓		✓		
		Recycling of trimmings from Hebel™ ALC panels	ALC trimmings and breakage are recycled into new Hebel™ ALC panels etc.	✓		✓		
Services, Engineering and Others	Toyo Kensa Center	Environmental analysis	Environmental analysis for asbestos, PCB, and dioxins, inspection and analysis of soil, support for Green Procurement.				✓	

* Biodegradability or measurement, analysis, or consulting related to environmental protection.

Ecoefficient products

Operating segment	Company	Product	Ecological aspects	Category				
				Resource conservation	Chemical substances	Waste reduction	Other*	
Chemicals	Asahi Kasei Chemicals	Halogen-free flame-retardant acrylonitrile-butadiene-styrene resins	Flame retardance without using halogens.		✓	✓		
		Styrene-butadiene latex coating for moisture-resistant paper and release paper	Enables production of recyclable moisture-resistant paper and release paper.			✓		
		Asaclean™ purging agent for plastic molding machines	Reduces the amount of waste during material changeover.	✓		✓		
		Buster Mild™ liquid cleaning agent	Made of 100% natural ingredients, non-polluting to soil and air.		✓			
		Duranate™ MF-K HDI-based polyisocyanate	Enables low-temperature hardening (90°C) for energy conservation.	✓	✓			
		Asahi Kasei PCDL™ polycarbonate diol	For polyols with outstanding hydrolysis resistance, as water-soluble paints and adhesives. Reduces VOC emissions from solvents.	✓	✓			
		Elase™ halogen-free cleaning agent	Metal cleaning, precision cleaning, electronics cleaning without ozone-depleting halogen compounds.		✓			
		Aciplex™ F ion-exchange membrane	Eliminates the need for asbestos and mercury in chlor-alkali production.		✓			
		Microza™ MF and UF modules and systems	Purification of drinking water, treatment of waste water; enables closed water systems in industrial and commercial applications.	✓	✓			
		Acclima™	Saran™ fiber biological membrane carrier for water treatment.		✓			
		Ecoloop™ film	Made from punch-out scrap from biaxially oriented polystyrene sheet. Eco Mark and Mebius Loop mark certified.	✓		✓		
		Bioclear™	Biodegradable plastic used in envelope windows, etc. Certified as “GreenPla” by the Biodegradable Plastics Society.	✓		✓	✓	
		Asahi Kasei Geotechnologies	ADK™ sheet	Capping sheet that promotes decomposition of organic matter, for early stabilization of landfills.		✓		
		Asahi Kasei Home Products	Grease trap cleaning product series	Improved kitchen hygiene, prevention of grease release in wastewater.		✓		
		Asahi Kasei Pax	Green Promax™	Containers and cups made of biodegradable plastic.	✓	✓	✓	✓
Super Conex™	Containers made of plastic and paper to reduce plastic usage and facilitate separation for disposal.		✓	✓	✓	✓		
Asahi Kasei Clean Chemical	Environmental reagents	Microbial enzymes and chemical deodorants used to accelerate bioprocessing, for sludge volume reduction, and for deodorization of waste water.		✓	✓			
Homes	Asahi Kasei Homes	Long Life Home products	60-year durability enables reduction of waste from demolition and rebuilding.	✓		✓		
Pharma	Asahi Kasei N&P	Dehydrated microbe fertilizer no. 2 (Hokkaido No. 2813)	Surplus sludge from treatment of waste liquid from fermentation is dehydrated and sold as organic fertilizer.			✓		
Fibers	Asahi Kasei Fibers	Bemberg™ regenerated cellulose filament	Made from natural cotton linter, biodegradable. Eco Mark certification for products containing at least 70% Bemberg™. Oeko-tex 100 certified.			✓	✓	
		Bemliese™ regenerated cellulose nonwoven	Made from natural cotton linter, biodegradable. Eco Mark certification for Haize™ gauze, made from Bemliese™.			✓	✓	
		Ecosensor™, Technofine™, and other polyesters	Eco Mark certification for Ecosensor™ chemically recycled polyester. Oeko-tex 100 certification for Technofine™ water-absorbing, quick drying polyester, etc.	✓	✓	✓	✓	
		Roica™ spandex yarn	Featuring stretch/recovery and other performance functions. Oeko-tex 100 certified.		✓		✓	
		Eutec™ oil-water separators	Waste reduction by extending usable life of industrial cleaning agents and treating bilge water.		✓	✓		
		Eltas™ EL, ET, and EO series spunbond	Spunbond for civil engineering made with Ecosensor™ chemically recycled polyester. Eco Mark certified.	✓		✓		
		Lamous™ and Sensuede™ artificial suede	Made without organic solvents. Oeko-tex 100 certified products available.	✓	✓	✓		
Electronics Materials & Devices	Asahi Kasei Technosystem	Apolarm™ C oil leak detector, Apolarm™ M waste water monitor	Detection of oil leaks and monitoring of industrial waste water for surface oil.				✓	
Construction Materials	Asahi Kasei Construction Materials	Neoma™ foam	Energy-conserving, CFC-free, phenolic foam insulation panels for houses, buildings, and industry.	✓				
Services, Engineering and Others	Asahi Kasei Engineering	Exhaust gas treatment equipment	Elimination of hazardous substances and recovery of useful substances from exhaust gases.	✓	✓			
		Biorise™	High-performance activated sludge treatment system with wastewater recycling capability when combined with membrane technology.	✓	✓	✓		
		Waste liquid incinerator	Treatment of highly concentrated organic waste liquids, and waste liquids containing inorganic salts.		✓	✓		
		READ-F	Fluorine-adsorbent resin and wastewater treatment system.		✓			

* Biodegradability or measurement, analysis, or consulting related to environmental protection.

Third-party awards and certification

Awards received in FY 2007

Award/certification	Awarded/certified by	In recognition of	Recipient*
Kurumin seal of approval	Ministry of Health, Labor, and Welfare	Contribution to next-generation welfare, growth, and development	Asahi Kasei Corp., Asahi Kasei Chemicals, Asahi Kasei Homes, Asahi Kasei Pharma, Asahi Kasei Fibers, Asahi Kasei EMD, Asahi Kasei Construction Materials, Asahi Kasei Home Products Corp.
Technology Award	International Institute of Synthetic Rubber Producers, Inc.	Advancement of rubber technology: Technology for fuel-efficient tires	Asahi Kasei Chemicals
Safety Award	Japan Responsible Care Committee, Japan Chemical Industry Association	Exemplary safety program	Asahi Kasei Chemicals/ Kawasaki Works/Chiba Plant, Asahi Kasei Metals Ltd./ Tomobe Plant
Director General's Award	Fire Disaster Management Agency	Excellence in hazardous substances management	Asahi Kasei Metals Ltd./ Tomobe Plant
Minister's Award	Ministry of Health, Labor, and Welfare	Exemplary operational safety and hygiene	Asahi Kasei Chemicals/ Suzuka Plant
Special Award, PC Assembly	Japan Organizing Committee, 7th International Abilitympics		Asahi Kasei Ability Corp.
Minister's Award for Science and Technology Development	Ministry of Education, Culture, Sports, Science, and Technology	Non-phosgene polycarbonate production process	Asahi Kasei Corp./ New Business Development
Shibusawa Award	Japan Electric Association	Nine-year accident-free operation	Asahi Kasei EIC Solutions Corp.
2007 Best Process Innovation Award	ICIS	Non-phosgene polycarbonate production process	Asahi Kasei Corp./ New Business Development
ASP/SaaS/ICT Outsourcing Awards, IDC Grand Prize	ASP/SaaS Industry Consortium	Data center with outstanding security, environmental efficiency, etc.	Asahi Kasei Networks Corp.
National Invention & Innovation Award	Japan Institute of Invention and Innovation	Development of catalyst for direct oxidative esterification process for MMA production	Asahi Kasei Chemicals
42nd IAAJ Awards, Honorable Mention	The Nikkan Kogyo Shimbun, Ltd.	Corporate Advertising	Asahi Kasei Corp.
46th Business Advertising Awards, Grand Prize	Fuji Sankei Business-i	Corporate Advertising	Asahi Kasei Corp.
56th Nikkei Advertising Award, Grand Prize	Nikkei Inc.	Corporate Advertising	Asahi Kasei Corp.
Grand Prize, Newspaper Advertising	Fujisankei Communications Group	Corporate Advertising	Asahi Kasei Corp.
Award for Excellence, Creative Newspaper Advertising	Fujisankei Communications Group	Corporate Advertising	Asahi Kasei Corp.
56th Asahi Advertising Award	The Asahi Shimbun Company	Corporate Advertising	Asahi Kasei Corp.
75th Mainichi Advertising Design Award, Grand Prize	The Mainichi News Papers	Corporate Advertising	Asahi Kasei Corp.

* Some awards received by organizations or individuals within the company shown.

OHSMS certification

Core operating company	Registered entity	Standard	Date of registration	Registration No.
Asahi Kasei Chemicals	Asahi Kasei Metals Co., Ltd./Tomobe Plant	OHSAS 18001	2002.07.22	JCQA-0-0004
	Kawasaki Works/Ion Exchange Membranes Div.	OHSAS 18001	2003.06.27	JCQA-OH0044
Asahi Kasei EMD	Asahi Kasei Microsystems Co., Ltd./Nobeoka Plant	JISHA OHSMS Standards	2005.12.14	171214-05-45-1-1

ISO 14001 certification

Registered unit	Entities included in registration*	Date of initial registration	Registration No.	Affiliation
Nobeoka	Ceolus Plant, Kayaku Japan Co., Ltd./Tohmi Plant, Leona Plastics & Materials Plant, Kayaku Japan Co., Ltd./Detonators Plant, Asahi Chemitech Co., Ltd., Power Supply Dept., Electronics Devices Manufacturing Center/Fab 1, Electronics Devices Manufacturing Center/Fab 2, Polyester Plant, Nonwovens Plant, Finepattern Devices Dept., Bemberg Plant, Asahi Kasei Newport Terminal Co., Ltd., Leona Filament Plant, Asahi Kasei Kuraray Medical Co., Ltd./Tsunetomi Plant, Asahi Kasei Kuraray Medical Co., Ltd./Okatomi Plant, Electrolysis Systems Plant Technology Dept., Asahi Cord Co., Ltd., Pellicle Dept., Nobeoka Pharmaceuticals Plant, Planova Plant, Asahi Kasei Eltas Co., Ltd., Hyuga Chemicals Plant, Asahi Kasei Techno Systems Co., Ltd./Nobeoka Office, Asahi Kasei Aime Co., Ltd./Nobeoka Plant and R&D Dept., Atago Plant	1999.10.22	JQA-EM0561	Asahi Kasei Corp., Asahi Kasei Chemicals, Asahi Kasei Pharma, Asahi Kasei Fibers, Asahi Kasei EMD
Fuji	Asahi Kasei Corp., Power Supply Dept., Fertilizers Plant, Plastics Fabrication Plant, Microza Plant, Photo Products Plant, Electronics Interconnecting Materials Plant, Electronics Materials Plant, EMD R&D Center, Biologics Bulk Production & Technology Dept., Pharma Research Center, Asahi Kasei Electronics Co., Ltd., Asahi Kasei Epoxy Co., Ltd./Fuji Plant, Chisso Asahi Fertilizer Co., Ltd./Fuji Plant, FPC/FPD Materials Marketing Center	1998.12.25	JQA-EM0302	Asahi Kasei Corp., Asahi Kasei Chemicals, Asahi Kasei Pharma, Asahi Kasei EMD
Moriyama	Roica Plant, Spunbond Plant, Power Supply Dept., Hipore Plant, Hipore Technology & Development Dept., Electronics Materials Plant, Asahi-Schwebel Co., Ltd./Moriyama Plant, Electronics Insulation Materials Technology & Development Dept., Asahi Kasei Engineering Co., Ltd./Moriyama Engineering Dept.	1997.12.26	JQA-E-90093	Asahi Kasei Corp., Asahi Kasei Fibers, Asahi Kasei Chemicals, Asahi Kasei EMD
Mizushima	Asahi Kasei Epoxy Co., Ltd./Mizushima Plant, Sanyo Petrochemical Co., Ltd./Mizushima Plant, PS Japan Corp./Mizushima Plant,	1998.03.06	JQA-E-90117	Asahi Kasei Chemicals
Kawasaki	Nippon Crenol Co., Ltd., PS Japan Corp./R&D Dept., Asahi Kasei Home Products Corp./Product Development Dept., Chiba Plant, PS Japan Corp./Chiba Plant, Plastic Optical Fibers Dept., Asahi Kasei EMS Co., Ltd., Japan Elastomer Co., Ltd./Oita Plant	1997.04.21	JQA-E-90033	Asahi Kasei Corp., Asahi Kasei Chemicals, Asahi Kasei EMD
Oita	—	2007.04.20	BSKE0025	Asahi Kasei Chemicals
Wakayama	—	2004.01.09	JQA-EM3667	
Suzuka	—	1998.08.21	JQA-EM0207	
Asahi Kasei Pax Corp.	Gunma Plant, Ono Plant, Ageo Plant	2002.04.12	JQA-EM2343	
Asahi Kasei Technoptus Co., Ltd.	—	2001.04.20	SGS/J/E127	
Asahi Kasei Color Tech Co., Ltd.	—	2006.04.03	JCQA-E-0743	Asahi Kasei Homes
Asahi Kasei Metals Ltd.	—	1998.05.18	JCQA-E-0021	
Asahi Kasei Shiga Plant	Shiga Plant	1998.03.31	BL-QEE002	Asahi Kasei Pharma
Asahi Kasei Jyuko Co., Ltd.	—	—	—	
Asahi Kasei Medical Co., Ltd.	Oita Plant	2005.11.25	BSI Japan-EJ01789	Asahi Kasei Pharma
Asahi Kasei N&P Co., Ltd.	Shiraio Plant	2007.05.16	EMS 515325	
Ohito	Ohito Pharmaceuticals Plant, Asahi Kasei Clean Chemical Co., Ltd., Toyo Kensa Center Co., Ltd., Asahi Kasei Pharma Support Co., Ltd., Asahi Kasei Benefits Management Corp.	1998.08.28	JSAAE053	Asahi Kasei Pharma, Asahi Kasei Corp., Asahi Kasei Chemicals
Asahi Kasei Construction Materials	Hozumi Plant, Sakai Plant, Neoma Foam Plant, Iwakuni Plant	2005.05.28	RE0426	Asahi Kasei Construction Materials
Asahi Kasei Engineering Co., Ltd.	Head Office	2003.02.07	JQA-EM2969	Asahi Kasei Corp.

* Where all organizational entities of Asahi Kasei Corp. and core operating companies at a given site are included, their individual listing is omitted.

ISO 9001-series certification

Operating segment	Registered entity	Date of initial registration	Registration No.
Chemicals	Synthetic Rubber Div.	1994.01.10	ISO9001-JQA0374
	Polyethylene Div.	1994.01.10	ISO9001-JQAQMA11537
	Basic Chemicals Div.	1994.01.10	ISO9001-JQAQMA11541
	Inorganic Chemicals Div.	1994.01.10	ISO9001-JQAQMA11539
	Intermediate Products Div. 1	1994.01.10	ISO9001-JQAQMA11538
	Intermediate Products Div. 2	1994.01.10	ISO9001-JQAQMA11540
		2003.07.18	ISO9001-JQAQMA10228
	Polymer Products Div./Sheet Business Group	1994.01.10	ISO9001-JQAQMA11535
	Polymer Products Div./Asaclean Business Group	1999.01.22	ISO9001-JQAQMA11639
	Polymer Products Div./Leona Filament Business Group	2005.07.22	ISO9001-JQAQMA12286
	Functional Additives Div.	2003.07.18	ISO9001-JQAQMA10218
	Asahi SKB Co., Ltd.	2006.03.19	ISO9001-05QR1367
	Hipore & Battery Materials Div.	2001.02.23	ISO9001-JQAQM6160
	Asahi Kasei Color Tech Co., Ltd.	1998.01.12	ISO9001-JQA0278
	Asahi Kasei Techno Plus Co., Ltd.	1998.08.05	ISO9001-SGS/J051/98
	Performance Plastics Div.	1999.01.22	ISO9001-JQA3013
		2002.05.17	QS-9000-JQA-QS0195
	Performance Coating Materials Div.	1993.12.21	ISO9001-JQA0350
	Asahi Kasei Finechem Co., Ltd.	1999.12.28	ISO9001-JQAQM4180
	Microza & Water Processing Div.	1994.02.21	ISO9001-JQAQM4618
	Photoproducts & Epoxy Resins Div.	1995.04.07	ISO9001-JQAQM5364
	Ion Exchange Membranes Div.	1997.03.31	ISO9001-JQA1668
	Explosives Div./Metal Cladding	1998.08.01	ISO9001-98QR120
	Explosives Div./Industrial Explosives	1998.10.23	ISO9001-JQA2717
	Explosives Div./Fastenings	1999.03.12	ISO9001-JQA3154
	Explosives Div./Defense Explosives	1999.09.27	ISO9001-BSK0041
	Asahi Kasei Home Products Corp./Packaging Div.	1993.12.15	ISO9001-JQA0344
	Asahi Kasei Pax Corp.	1998.09.25	ISO9001-JQA2654
	Asahi Kasei Homes Corp. (part)	2002.11.19	ISO9001-BLQ741
	Asahi Kasei Medical Co., Ltd.	1994.11.10	ISO9001-BSIFM29731
	Diagnostics Dept., Ohito Diagnostics Plant	2002.08.23	ISO9001-JQAQM8669
	Asahi Kasei Fibers Corp.	1994.07.08	ISO9001-JQA0549
	Electronics Materials & Devices	Electronics Materials Div.	1995.04.07
Asahi Kasei Microsystems Co., Ltd.		1995.06.09	ISO9001-JQA0899
Asahi-Schwebel Co., Ltd./Moriyama Plant		1995.10.20	ISO9001-JQA1008
Asahi Kasei Electronics Co., Ltd.		1996.06.07	ISO9002-JQA1301
Plastic Optical Fibers Dept.		2002.05.31	ISO9001-JQAQM8303
Asahi Kasei Techno Systems Co., Ltd./Nobeoka Office		1998.12.18	ISO9001-JQA-2894
Electronics Performance Products Div./Pellicle Dept.		2005.07.01	ISO9001-JQA-QMA12249
Hozumi Plant, Sakai Plant, Iwakuni Plant		1998.04.24	ISO9001-RQ1838
Asahi Kasei Engineering Co., Ltd.		2002.03.29	ISO9001-JQAQM8040
Marketing Center, FPC/FPD Materials		2008.03.28	ISO9001-JQA-QMA13578
Toyo Kensa Center Co., Ltd.	1999.08.13	ISO9001-JQA-QM3656	

Independent Review

[translation from Japanese]

June 16, 2008

Japan Responsible Care Council
Verification Advisory Committee
Chairman
Akio Yamamoto

Responsible Care Verification Center
Chief Director
Yasuo Tanaka

To: Shiro Hiruta, President
Asahi Kasei Corporation

Scope and Objectives of Verification

Responsible Care Report Verification was performed with respect to the *Asahi Kasei Group CSR Report 2008 Edition* ("the Report") prepared by Asahi Kasei Corporation, with the objective of expressing an opinion as a chemical industry specialist with respect to the following:

1. Reasonableness of methods of calculation and aggregation of performance metrics (numerical values), and the accuracy of numerical values.
2. Consistency of reported information other than performance metrics (numerical values) with supporting documents and materials.
3. Evaluation of Responsible Care activities.
4. Characteristics of the Report.

Verification Procedure

- At the head office: Examination of the reasonableness of methods of aggregation and compilation of performance metrics reported from each site (office, plant) and confirmation of the consistency of reported information with supporting materials were performed through interviews of responsible parties and compilers of the Report and receipt of internal documents and explanation thereof.
- At the Kawasaki Works and in the Moriyama Region of the Asahi Kasei Group: Examination of the reasonableness of methods of calculation and aggregation of performance metrics reported to the head office, examination of the accuracy of numerical values, and confirmation of the consistency of reported information with supporting documents and materials were performed through interviews of responsible parties and compilers of the Report and receipt of internal documents and explanation thereof.
- Performance metrics and reported information were verified by sampling.

Opinion

1. Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values.
 - Performance metrics at the Kawasaki Works and in the Moriyama Region have been calculated and aggregated by a reasonable method.
 - Performance metrics within the scope of examination have been calculated and aggregated accurately.
2. Consistency of reported information other than the performance metrics with supporting documents and materials.
 - Information contained in the report was confirmed to be consistent with supporting materials. Some minor issues related to appropriateness of expression and ease of understanding were identified in the draft stages, but these are rectified in the present Report and no important matters warranting correction are believed to exist at present.
3. Evaluation of Responsible Care (RC) measures.

It is particularly noteworthy that:

 - The President signed his support for the Responsible Care Global Charter and is actively engaged in the Group's RC activities.
 - The Group as a whole is successfully reducing its environmental burden, including release of PRTR-specified substances, hazardous atmospheric pollutants, and final disposal of industrial waste.
 - Safety management is enhanced throughout the Group, including pre-investment inspection for new plant, inspection and approval prior to trial operation, employment of systematic maintenance process for plant safety, and adoption of OHSMS. Group-wide safety management is being enhanced, in an effort that includes implementation of pre-investment review, planned safety maintenance, and OHSMS systems.
 - Operations in the Moriyama Region have built a relationship of mutual trust with the local community, with which precious groundwater is shared, including for irrigation.
 - The Kawasaki Works has integrated its formerly separate systems for environmental protection, operational safety, and workplace safety and hygiene, thus facilitating their ready understanding by employees and third parties.
4. Characteristics of the Report.
 - The Report includes ample content related to corporate citizenship and increased information about its overseas operations.

Universal Principles of the Global Compact

Human Rights	Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights.
	Principle 2: Businesses should make sure that they are not complicit in human rights abuses.
Labor Standards	Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
	Principle 4: Businesses should uphold the elimination of all forms of forced and compulsory labor.
	Principle 5: Businesses should uphold the effective abolition of child labor.
	Principle 6: Businesses should uphold the elimination of discrimination in respect of employment and occupation.
Environment	Principle 7: Businesses should support a precautionary approach to environmental challenges.
	Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
	Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
Anti-Corruption	Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.

Environmental and safety data

JEPIX-method ecoefficiency

Fiscal year	2001	2002	2003	2004	2005	2006	2007
Environmental impact (million EIP)	50,723	49,799	43,162	33,968	33,796	31,578	23,468
Sales (¥ million)	1,195,393	1,193,615	1,253,534	1,377,697	1,498,620	1,623,791	1,696,789
Eco efficiency (¥/EIP)	23.6	24.0	29.0	40.6	44.3	51.4	72.3

FY 2007 treatment and disposal of industrial waste¹ by operating segment

(thousand tons)

	On-site				Effluent	Off-site		
	Waste generated	Recycling	Volume reduction	Landfill		Recycling	Volume reduction	Final disposal
Chemicals ²	235.9	35.6	78.1	0.0	122.1	105.4	11.0	5.8
Homes	0.1	0.0	0.0	0.0	0.1	0.1	0.0	0.0
Pharma	7.2	0.0	0.9	0.0	6.3	6.1	0.1	0.1
Fibers	40.1	5.7	0.0	0.0	34.5	34.3	0.0	0.1
Electronics Materials & Devices	7.2	0.0	0.0	0.0	7.2	3.5	3.7	0.0
Construction Materials	24.8	0.3	0.0	0.0	24.5	20.8	2.0	1.8
Services, Engineering & Others	0.4	0.0	0.0	0.0	0.4	0.4	0.1	0.0
FY 2007 total	315.6	41.5	79.0	0.0	195.1	170.5	16.8	7.8
FY 2006	293.5	61.7	67.0	0.0	164.8	135.3	16.4	13.1
FY 2005	301.4	63.2	80.2	0.0	158.0	122.5	19.1	16.3
FY 2004	355.4	87.9	107.7	0.0	159.7	124.1	18.2	17.4
FY 2003	424.1	126.3	120.6	0.1	177.1	135.9	17.4	23.8
FY 2002	395.4	53.6	182.9	0.1	158.8	114.7	18.3	25.9
FY 2001	362.9	44.0	183.3	0.1	135.5	98.6	11.4	25.4
FY 2000	361.9	3.5	187.5	0.1	170.8	122.0	21.9	26.8

FY 2007 off-site final disposal waste¹ by category

	Plastic waste	Sludge	Glass, ceramics	Debris	Others	Total
Volume (thousand tons)	3.6	1.9	1.9	0.1	0.3	7.8
Percent of total	46	24	24	2	4	100

Final disposal of industrial waste generated at construction sites of Asahi Kasei Homes

(thousand tons)

Fiscal year	2000	2001	2002	2003	2004	2005	2006	2007
New construction	16.6	8.7	7.1	6.1	5.8	4.9	5.2	3.1
Dismantling	39.1	19.7	15.0	19.6	17.9	15.0	16.6	13.5
Total	55.7	28.4	22.1	25.7	23.6	19.9	21.8	16.6

ALC trimmings recycled by Asahi Kasei Construction Materials

(tons)

Fiscal year	2001	2002	2003	2004	2005	2006	2007
Recycled to:	Hebel™ panels	535	630	749	796	388	429
	Cement material	3,859	4,348	4,183	4,925	5,789	6,940
	Lightweight artificial soil	0	0	0	0	78	117
Total	4,394	4,977	4,932	5,721	6,255	7,487	7,182

Release and transfer of PRTR-specified substances by fiscal year

(tons)

Fiscal year	2000	2001	2002	2003	2004	2005	2006	2007
Recycled	To air	4,724	2,273	1,594	1,457	968	566	382
	To water	170	168	117	133	92	87	70
	To soil	0	0	0	0	0	0	0
	Total	4,894	2,441	1,711	1,589	1,060	653	452
Transfer	2,134	1,986	2,685	3,550	4,384	4,211	4,935	4,561

¹ Not including waste generated from non-recurring events such as dismantling closed plants or waste generated from dismantling old homes when constructing new homes sold by Asahi Kasei Homes.

² Not including data for a divested fertilizer plant in Fuji.

FY 2007 release and transfer of PRTR-specified substances

(tons)

Operating segment	Site	Substance	Release to:			Transfer	
			Air	Water	Soil		
Chemicals	Nobeoka	1,1-Dichloroethylene (vinylidene chloride)	29.7	0.0	0.0	2.2	
		Tetrafluoroethylene	27.1	0.0	0.0	0.0	
		trans-1,2-Dichloroethylene	9.4	0.0	0.0	34.4	
		Boron and its compounds	0.0	8.4	0.0	1.8	
		Toluene	6.8	0.3	0.0	2.9	
		3-Chloropropene (allyl chloride)	4.4	0.6	0.0	0.0	
	Mizushima	Styrene	88.0	0.0	0.0	84.8	
		Acrylonitrile	9.2	0.0	0.0	13.2	
	Moriyama	Dichloromethane (methylene chloride)	18.1	0.0	0.0	0.4	
	Kawasaki	Ethylbenzene	22.0	0.0	0.0	220.0	
		Xylene	15.1	0.0	0.0	58.5	
		Methyl methacrylate	13.1	0.6	0.0	166.4	
		Methyl acrylate	2.4	4.4	0.0	6.8	
		Molybdenum and compounds	0.0	6.3	0.0	0.0	
		Inorganic cyanides (except complex salts and cyanates)	5.3	0.7	0.0	0.0	
		All specified substances at other sites	40.4	17.1	0.0	3751.7	
		Subtotal	290.9	38.6	0.0	4343.0	
	Pharma	Nobeoka	Dichloropentafluoropropane (HCFC-225)	20.1	0.0	0.0	0.6
			All specified substances at other sites	6.9	0.0	0.0	15.5
		Subtotal	27.0	0.0	0.0	16.1	
Fibers	Nobeoka	Water-soluble copper salts (except complex salts)	0.0	4.0	0.0	0.0	
		All specified substances at other sites	4.1	1.9	0.0	127.5	
	Subtotal	4.1	5.9	0.0	127.5		
Electronics Materials & Devices	Nobeoka	Hydrogen fluoride and its water-soluble salts	0.0	9.8	0.0	0.6	
		All specified substances at other sites	1.8	0.1	0.0	24.1	
	Subtotal	1.8	9.9	0.0	24.6		
	All specified substances in other segments	0.4	0.0	0.0	49.8		
	Total	324.2	53.6	0.0	4561.0		

Note: • Substances listed are those of which total release was 5 tons or more.
• All figures rounded to the nearest tenth of a ton.

Release of priority atmospheric pollutants by fiscal year

(tons)

	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Acrylonitrile	109.0	100.9	108.7	83.5	51.2	40.4	28.6	6.3	6.4	6.8	14.1	13.7
Acetaldehyde	-	-	-	3.8	3.0	0.9	0.5	0.5	0.6	0.7	0.6	1.6
Vinyl chloride monomer	53.2	63.2	60.8	22.9	21.0	13.8	12.3	11.9	12.2	8.7	8.1	4.0
Chloroform	0.3	0.3	0.2	0.3	0.2	0.2	0.5	0.2	0.1	0.4	0.3	0.7
Dichloromethane	568.0	495.2	485.7	476.3	340.5	140.6	96.2	72.3	52.0	37.1	27.2	24.5
1,2-Dichloroethane	8.6	9.0	8.3	5.7	5.9	9.8	8.4	10.6	3.6	2.0	2.4	3.7
Tetrachloroethylene	161.0	150.0	118.0	94.0	92.0	48.5	38.3	46.3	21.6	17.8	15.9	0.1*
Trichloroethylene	4.6	6.4	2.1	1.8	2.0	2.5	0.3	0.0	0.0	0.1	0.1	0.2
Ethylene oxide	5.3	5.3	4.7	4.3	3.6	5.1	4.9	4.9	4.9	4.1	3.2	2.2
1,3-Butadiene	370.8	366.6	83.3	26.3	14.9	10.1	10.2	5.3	3.3	2.1	2.2	2.3
Benzene	7.2	7.6	7.3	4.7	4.9	3.1	4.9	6.1	3.9	1.5	0.6	1.0
Formaldehyde	4.0	4.0	4.0	3.3	3.6	6.2	5.6	3.9	5.4	4.6	2.8	3.0
Total	1,292.1	1,208.5	883.1	726.8	542.7	281.2	210.9	168.3	114.0	85.8	77.5	56.9

* Decrease due to divestment of fertilizer plant in Fuji.

FY 2007 release of priority atmospheric pollutants by operating segment

(tons)

	Chemicals	Pharma	Fibers	Electronics Materials & Devices	Construction Materials	Total
Acrylonitrile	13.7	-	-	-	-	13.7
Acetaldehyde	-	-	1.6	0.04	-	1.6
Vinyl chloride monomer	4.0	-	-	-	-	4.0
Chloroform	0.7	-	-	-	-	0.7
Dichloromethane	21.4	3.1	-	-	-	24.5
1,2-Dichloroethane	2.1	1.6	-	-	-	3.7
Tetrachloroethylene	0.1	-	-	-	-	0.1
Trichloroethylene	0.2	-	-	-	-	0.2
Ethylene oxide	-	2.2	-	-	-	2.2
1,3-Butadiene	2.3	-	-	-	-	2.3
Benzene	1.0	-	-	-	-	1.0
Formaldehyde	1.5	-	1.5	0.02	0.03	3.0
Total	46.9	6.9	3.0	0.1	0.03	56.9

VOC emissions

Fiscal year	2000 baseline year	2006	2007
Volume (tons)	10,411	4,062	4,056
Reduction rate (%)	-	61	61

Release of air and water pollutants by fiscal year

(tons except water effluence, million m³)

	2003	2004	2005	2006	2007
SOx	6,114	7,179	7,073	6,650	7,648
NOx	4,881	5,356	5,507	5,607	5,737
Soot and dust	224	211	224	229	200
Waste water effluence	249	232	213	214	211
COD	1,438	1,549	1,536	1,357	1,389
Nitrogen	5,960	5,948	6,378	5,493	6,043
Phosphorus	28	14	12	18	30

FY 2007 release of air and water pollutants by site

(tons except water effluence, million m³)

	Nobeoka	Mizushima	Moriyama	Fuji	Ohito	Kawasaki	Others	Total
SOx	6,593	534	0	9	6	10	497	7,648
NOx	2,951	2,095	76	17	76	167	356	5,737
Soot and dust	80	85	1	1	5	8	21	200
Waste water effluence	125	36	12	9	1	19	10	211
COD	663	116	11	9	1	470	120	1,389
Nitrogen	5,145	384	13	59	2	424	16	6,043
Phosphorus	11	4	2	5	0	5	3	30

Greenhouse gas emissions by fiscal year

(million tons CO₂ equivalent)

	Baseline*	2003	2004	2005	2006	2007
Carbon dioxide	5.06	4.86	4.87	4.96	4.86	5.20
Nitrous oxide	6.82	0.56	0.90	0.76	0.93	0.35
Methane	0.00	0.00	0.01	0.01	0.001	0.003
HFCs	0.16	0.19	0.16	0.02	0.004	0.005
PFCs	0.01	0.09	0.13	0.14	0.13	0.13
Sulfur hexafluoride	0.00	0.02	0.03	0.04	0.01	0.02
Total	12.06	5.72	6.10	5.92	5.93	5.70

* FY 1990 for carbon dioxide, nitrous oxide, and methane; FY 1995 for HFCs, PFCs, and sulfur hexafluoride.

Note: Our target is to maintain average greenhouse gas emissions at 50% of the baseline level from FY 2008 to FY 2012.

FY 2007 greenhouse gas emissions by operating segment

(thousand tons CO₂ equivalent)

	Chemicals	Pharma	Fibers	Electronics Materials & Devices	Construction Materials	Services, Engineering and Others	Total
Carbon dioxide	4,570	153	265	92	115	5	5,199
Nitrous oxide	344	0	3	0	0	0	348
Methane	0	0	0	0	0	3	3
HFCs	0	2	2	1	0	0	5
PFCs	0	46	0	83	0	0	129
Sulfur hexafluoride	0	0	0	16	0	0	16
Total	4,915	200	269	192	115	8	5,700

Unit energy consumption

Fiscal year	Energy consumed (million L crude oil equivalent)	Product output, as converted to benchmark product (kt)	Unit energy consumption	Change from previous year
2006	1,740	5,878	0.296	-
2007	1,772	5,908	0.300	+1%

Note: Calculated in accordance with the Energy Conservation Law.

Investment in environmental and safety modification (¥ billion)

Fiscal year	2003	2004	2005	2006	2007
Environmental protection	3.10	2.41	2.51	2.08	2.35
Safety	4.10	5.08	3.26	5.37	7.15
Total	7.20	7.49	5.77	7.44	9.50

CO₂ emissions from product shipment

Segment	2006		2007	
	Shipment volume (million ton-km)	CO ₂ emissions (tons)	Shipment volume (million ton-km)	CO ₂ emissions (tons)
Chemicals	1,000	60,200	983	59,100
Homes	140	18,700	146	18,200
Pharma	16	3,100	11	3,400
Fibers	46	3,500	46	3,300
Electronics Materials & Devices	8	7,400	7	5,200
Construction Materials	136	13,500	124	12,200
Total	1,344	106,400	1,316	101,400

ISO 14001 certification (94 applicable plants)

Fiscal year	2003	2004	2005	2006	2007
Plants	63	68	85	87	89
Percent of total	67	72	90	93	95

OHSMS implementation (86 applicable plants)

Fiscal year	2003	2004	2005	2006	2007
Plants	61	73	75	77	77
Percent of total	71	85	87	90	90

Lost workday injury indices

Fiscal year		2003	2004	2005	2006	2007
Frequency rate	Asahi Kasei Group	0.20	0.36	0.21	0.36	0.21
	Chemical industry, Japan	0.92	0.88	0.90	0.88	1.10
	Manufacturing industries, Japan	0.98	0.99	1.01	1.02	1.09
Severity rate	Asahi Kasei Group	0.034	0.011	0.005	0.036	0.042
	Chemical industry, Japan	0.07	0.06	0.07	0.10	0.040
	Manufacturing industries, Japan	0.11	0.11	0.09	0.11	0.100

Note: Fatalities contributed to the FY 1987 and FY 1996 peaks in the severity rate graph on p. 42. Three fatalities occurred in FY 1987, due to an automobile collision, an airplane crash, and a collapsing mound; one fatality occurred in FY 1996, due to crushing by machinery.

The Asahi Kasei Responsible Care Group

Prefecture	Location	Operating Segment	Company	Plant, laboratory, or department	Main products/business line				
Hokkaido	Shiraoi	Construction Materials	Asahi Kasei Construction Materials Corp.	Shiraoi Plant	Autoclaved lightweight concrete panels				
			Hokkaido Shiba Kogyo Co., Ltd.	—	Construction materials processing				
Gunma	Ota	Chemicals	Asahi Kasei N&P Co., Ltd.	Shiraoi Plant	Functional food additives				
			Asahi Kasei Pax Corp.	Gunma Plant	Molded plastic containers				
Ibaraki	Tomobe	Chemicals	Asahi Kasei Metals Ltd.	Tomobe Plant	Aluminum paste				
			Asahi SKB Co., Ltd.	—	Shotgun cartridges				
			Asahi Kasei Construction Materials Corp.	Sakai Plant	Autoclaved lightweight concrete panels				
			Neoma Foam Plant	Phenolic foam insulation panels					
			Chuha Kogyo Co., Ltd.	—	Construction materials processing				
Tochigi	Mibu	Chemicals	Asahi Kasei Color Tech Co., Ltd.	Mibu Plant	Plastic coloring & compounding				
			Asahi Kasei Techno Plus Co., Ltd.	Saitama Plant	Molded plastic products				
Saitama	Kamiasato	Chemicals	Asahi Kasei Pax Corp.	Ageo Plant	Film lamination				
			Asahi Kasei Chemicals Corp.	Xyron Prod. Dept.	Modified polyphenylene ether				
Chiba	Chiba	Chemicals	Asahi Kasei Chemicals Corp.	Acrylic Plastics Prod. Dept./Chiba Plant	Acrylic resin				
				Compound Prod. Coordination Dept.	Development of compound production technology, support for processing facilities				
				Chiba Power Supply Dept.	Utilities (electricity, steam, water), operation of power plant of NS Energy Sodegaura Co., Ltd.				
				Performance Plastics Dev. Dept.	Applied research for performance plastics and plastic processing				
				PS Japan Corp.	Chiba Plant	Polystyrene			
				Asahi Kasei Energy Service Corp.	—	Operation of power plant of Nakasode Clean Power Corp.			
				Electronics Materials & Devices	Asahi Kasei EMD Corp.	Plastic Optical Fibers Dept.	Plastic optical fiber R&D		
				Asahi Kasei EMS Co., Ltd.	Chiba Plant	Plastic optical fiber			
				Asahi Kasei Geotechnologies Co., Ltd.	—	Sale of industrial explosives			
				Asahi Kasei Home Products Corp.	—	Development and sale of cling film and other household products			
Tokyo	Tokyo	Chemicals	Asahi Kasei Chemicals Corp.	Sun Delta Corp.	Sale of synthetic resin products				
				Asahi Kasei Foundation Systems Co., Ltd.	Installation of piles				
				Asahi Kasei Extech Corp.	—	Installation of exterior wall panels			
				Casanavi Co., Ltd.	—	Building and home fixtures e-marketplace			
				Sun Associates Co., Ltd.	—	Patent-related subcontracting			
				Sun Trading Co., Ltd.	—	Sale of fibers, chemicals, and medical devices			
				Asahi Kasei Create Co., Ltd.	—	Real estate brokerage, subcontracted office work			
				Asahi Kasei Amidas Co., Ltd.	—	Personnel placement, agency and training; ISO consulting			
				Asahi Kasei Ability Corp.	—	Printing, bookbinding, and office work			
				Asahi Kasei Engineering Co., Ltd.	—	Plant, equipment, process engineering			
				Sun Foods Co., Ltd.	—	Provision of employee meals			
				Asahi Finance Co., Ltd.	—	Investment, finance			
				Asahi Research Center Co., Ltd.	—	Information and analysis			
				Asahi Kasei Benefits Management Corp.	—	Company housing, recreational facilities			
				Asahi Kasei Trading Service Co., Ltd.	—	Sale of Asahi Kasei Group products			
				Asahi Kasei Life Support Corp.	—	Personal diet management system, etc.			
				Kanagawa	Kawasaki	Chemicals	Asahi Kasei Chemicals Corp.	AN/XY Prod. Dept.	Acrylonitrile, 2,6-xyleneol
								MMA Prod. Dept.	Methyl methacrylate, cyclohexyl methacrylate
ABS & SB Latex Prod. Dept.	Styrene-acrylonitrile resin, styrene-butadiene latex								
Synthetic Rubber Prod. Dept.	Synthetic rubber								
Acrylic Plastics Prod. Dept.	Polymethyl methacrylate								
Ion Exchange Membranes Prod. Dept.	Ion-exchange membranes								
Power Supply Dept.	Utilities (electricity, steam, water)								
R&D units	Creation of new high performance materials, R&D for performance products and systems, applied research for plastics and plastic processing								
Nippon Crenol Co., Ltd.	—	2,6-xyleneol							
PS Japan Corp.	R&D Dept.	Polystyrene R&D							
Kanagawa	Atsugi	Services, Engineering and Others	Asahi Kasei Engineering Co., Ltd.	—	Development, design, and installation of plant and equipment				
				Asahi Kasei Corp.	Information Tech. Lab.	Establishment of new solution-oriented businesses			
Shizuoka	Fuji	Chemicals	Asahi Kasei Chemicals Corp.	Photo Products Plant	Photopolymer				
				Plastics Fabrication Plant	Polymethyl methacrylate sheet				
				Microza Plant	Filtration membranes and modules				
				Fuji Power Supply Dept.	Utilities (electricity, steam, water)				
				Asahi Kasei Epoxy Co., Ltd.	Fuji Plant	Epoxy hardener			
				Asahi Kasei Homes Corp.	Housing Tech. R&D Laboratories	Long Life Home R&D			
				Asahi Kasei Pharma Corp.	Fuji Pharmaceuticals Plant	Bulk pharmaceuticals and trial medicines			
				Asahi Kasei EMD Corp.	Electronics Materials Plant	Photosensitive polyimide			
				Electronic Interconnecting Materials Plant	Photosensitive dry film resist				
				R&D Center	New electronics materials and devices R&D				
				Asahi Kasei Electronics Co., Ltd.	Fuji Plant	Hall elements			
				Asahi Kasei Engineering Co., Ltd.	—	Development, design, and installation of plant and equipment			
				Sun Business Services Co., Ltd.	—	Subcontracting			
				Asahi Kasei Fukuri Service Corp.	—	Welfare			
				Asahi Kasei Corp.	Central R&D Labs.	Advancement of technology, development of new interdisciplinary technology			
				Fundamental Tech. Lab.	Analysis and computer simulation				
				Marketing Center, FPC/FPD Materials	R&D for flexible printed circuit & flat panel display materials				
				Shizuoka	Ohito	Chemicals	Asahi Kasei Clean Chemical Co., Ltd.	—	Environmental chemicals, water treatment equipment
Asahi Kasei Pharma Corp.	Ohito Pharmaceuticals Plant	Pharmaceutical intermediates and animal feed additives							
Ohito Diagnostics Plant	Diagnostic enzymes, diagnostic reagent kits								
Kamishima Pharmaceuticals Plant	Pharmaceuticals								
Engineering Dept.	Design, construction, and maintenance; utilities management								
Pharmaceuticals Research Center	New pharmaceuticals R&D								
Asahi Kasei Pharma Support Co., Ltd.	—	Subcontracting of animal care for Asahi Kasei Pharma Corp. and printing services							
Toyo Kensa Center Co., Ltd.	—	Environmental and other analysis, clinical testing, soil pollution evaluation							
Aichi	Miyoshi	Pharma	Asahi Kasei Pharma Corp.					Nagoya Pharmaceuticals Plant	Pharmaceuticals
								Asahi Kasei Construction Materials Corp.	Hozumi Plant
Gifu	Mizuho	Construction Materials	Hozumi Kako Co., Ltd.	—	Construction materials processing				

Prefecture	Location	Operating Segment	Company	Plant, laboratory, or department	Main products/business line				
Shiga	Moriyama	Chemicals	Asahi Kasei Chemicals Corp.	Hipore Plant	Microporous membrane				
				Hipore R&D Dept.	Membranes R&D				
				Power Supply Dept.	Utilities (electricity, steam, water)				
		Fibers	Asahi Kasei Fibers Corp.	Spunbond Plant	Spunbond				
				Roica Plant	Elastic polyurethane filament				
				Electronics Materials & Devices	Asahi Kasei EMD Corp.	Electronics Materials Plant	Photosensitive polyimide		
		Construction Materials and Others	Asahi-Schwebel Co., Ltd.	Electronics Insulation Materials	Glass fabric R&D				
				Tech. & Dev. Dept.	—				
				Moriyama Plant	Glass fabric				
				Marine Materials Dev. Dept.	Artificial fish reefs				
Higashiomi	Homes	Asahi Kasei Engineering Co., Ltd.	Moriyama Office	Contract work					
			Moriyama Engineering Dept.	Development, design, and installation of plant and equipment					
Mie	Suzuka	Chemicals	Asahi Kasei Chemicals Corp.	Shiga Plant	Steel frames				
				Suzuka Plant	Cling film, plastic foam and film				
				—	Plastic processing				
Wakayama	Gobo	Chemicals	Asahi Kasei Chemicals Corp.	Mie Plant	Polystyrene sheet				
				Osaka	Osaka Plant	Acrylic latex, performance paper			
Osaka	Osaka	Chemicals	Asahi Kasei Finechem Co., Ltd.	—	Specialty chemicals				
				Fibers	Asahi Kasei Fibers Corp.	R&D Lab. for Applied Product	Evaluation of new fibers, R&D for fiber processing technology		
Hyoogo	Ono	Chemicals	Asahi Kasei Pax Corp.	Ono Plant	Molded plastic containers				
				Okayama	Mizushima	Chemicals	Asahi Kasei Chemicals Corp.	Basic Petrochemical Prod. Dept.	Ethylene, benzene
Miyazaki	Nobeoka/Hyuga	Chemicals	Asahi Kasei Chemicals Corp.	1st Monomers Prod. Dept.			Styrene monomer, cyclohexanol, ammonia		
				2nd Monomers Prod. Dept.	Acrylonitrile, styrene monomer, polycarbonatediol				
				1st Polymers Prod. Dept.	ABS, SB latex, epoxy				
				2nd Polymers Prod. Dept.	High density polyethylene, low density polyethylene, polyacetal				
				Power Supply Dept.	Utilities (electricity, steam, water)				
				Chemical Tech. Lab.	Research on monomers, catalysts, chemical processes, and functional products				
				Sanyo Petrochemical Co., Ltd.	Mizushima Plant	Petrochemical feedstocks			
				PS Japan Corp.	Mizushima Plant	Polystyrene			
				Mizushima Sun Business Co., Ltd.	—	Subcontracting			
				Services, Engineering and Others	Asahi Kasei Engineering Co., Ltd.	—	Development, design, and installation of plant and equipment		
Yamaguchi	Iwakuni	Construction Materials	Asahi Kasei Construction Materials Corp.	Iwakuni Plant	Autoclaved lightweight concrete panels				
				—	Construction materials processing				
Fukuoka	Chikushino	Chemicals	Asahi Kasei Chemicals Corp.	Chikushino Plant	Metal cladding				
				Osaka	Osaka Plant	Explosives			
Oita	Oita	Chemicals	Asahi Kasei Chemicals Corp.	Oita Plant	Synthetic rubber				
				Pharma	Asahi Kasei Medical Co., Ltd.	Sepacell Plant	Leukocyte reduction filters		
				Asahi Kasei Kuraray Medical Co., Ltd.	Oita Plant	Artificial kidneys and other medical devices			
				Dialyzer Plant	Artificial kidneys and other medical devices				
				Apheresis Plant	Therapeutic apheresis devices				
				Atago Plant	Nitric acid, caustic soda, chlorine, hydrochloric acid, vinylidene chloride resin and latex				
				Electrolysis Systems Plant Tech. Dept.	Electrolyzers for chlor-alkali				
				Ceolus Plant	Microcrystalline cellulose				
				Leona Plastics & Materials Plant	AH salt, adipic acid, hexamethylenediamine, nylon 66				
				Leona Filament Plant	Nylon 66 filament				
Miyazaki	Nobeoka/Hyuga	Chemicals	Asahi Kasei Chemicals Corp.	Fastening Prod. Planning & Tech. Dept.	Resin anchors for civil engineering				
				Hyuga Chemicals Plant	Coating materials				
				Nobeoka Power Supply Dept.	Utilities (electricity, steam, water)				
				Asahi Kasei New Port Terminal Co., Ltd.	—				
				Nobeoka Plastic Processing Co., Ltd.	—				
				Leona Kiko Co., Ltd.	—				
				Asahi Chemitech Co., Ltd.	—				
				Asahi Cord Co., Ltd.	—				
				Asahi Kasei NS Energy Corp.	—				
				Asahi Kasei Finechem Co., Ltd.	Nobeoka Plant	Specialty chemicals			
Miyazaki	Nobeoka/Hyuga	Pharma	Asahi Kasei Kuraray Medical Co., Ltd.	Nobeoka Pharmaceuticals Plant	Bulk pharmaceuticals				
				Kayaku Japan Co., Ltd.	Tohmi Plant	Industrial explosives			
				Detonator Plant	Detonators				
				Nobeoka Plant	Contact lenses				
				Tsunetomi Plant	Artificial kidneys and other medical devices				
				Okatomi Plant	Artificial kidneys and other medical devices				
				EV Plant	Hollow fiber for artificial kidneys and plasma component separators				
				Asahi Kasei Medical Co., Ltd.	Planova Plant	Virus removal filters			
				Miyazaki	Nobeoka/Hyuga	Fibers	Asahi Kasei Fibers Corp.	Polyester Plant	Polyester filament
								Bemberg Plant	Cuprammonium rayon, nonwoven cellulose filament
Nonwovens Plant	Artificial suede, melt-blown and spunlace nonwovens								
R&D Lab. for Fibers & Textiles Tech.	R&D for new fibers								
Asahi Kasei Eltas Co., Ltd.	—								
Asahi Kasei Fibers Nobeoka Co., Ltd.	—								
Nobeoka Kakoshi Co., Ltd.	—								
Electronics Materials & Devices	Asahi Kasei EMD Corp.	Finepattern Devices Dept.	Fine-pattern coils						
Pellicle Dept.	Pellicles								
Fab 1	Hall elements								
Fab 2	LSIs								
Miyazaki	Nobeoka/Hyuga	Services, Engineering and Others	Asahi Kasei Kankyoujigyou Co., Ltd.	Asahi Kasei Microsystems Co., Ltd.	Nobeoka Plant	LSIs			
				Asahi Kasei Techno Systems Co., Ltd.	Nobeoka Plant	Plant diagnostic and environmental surveillance devices			
				Asahi Kasei Electronics Co., Ltd.	Nobeoka Plant	Hall elements			
				Asahi Kasei EMS Co., Ltd.	Hyuga Plant	Fine-pattern coils			
				Nobeoka Plant	Pellicles				
				Asahi Kasei Office One Co., Ltd.	—	Disposing of Asahi Kasei Group industrial waste			
				New Asahi Services Co., Ltd.	—	Utilization of Asahi Kasei Group assets, subcontracting			
				Asahi Kasei Engineering Co., Ltd.	—	Insurance agency, cellular phone sales, bowling center			
				Toyo Kensa Center Co., Ltd.	—	Development, design, and installation of plant and equipment			
				Nobeoka Office	—	Environmental and other analyses, clinical testing, soil pollution evaluation			

Correspondence with GRI reporting elements and performance indicators

Reporting elements

Strategy and Analysis		Page
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	2
1.2	Description of key impacts, risks, and opportunities.	Inside cover, 3,6,7
Organizational Profile		
2.1	Name of the organization.	67
2.2	Primary brands, products, and/or services.	5
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	4,6,7
2.4	Location of organization's headquarters.	Back cover
2.5	Number of countries where the organization operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.	6,7,67
2.6	Nature of ownership and legal form.	4,6,7
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	6,7
2.8	Scale of the reporting organization.	6,7
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	14
2.10	Awards received in the reporting period.	58
Report Parameters		
Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.2	Date of most recent previous report (if any).	1
3.3	Reporting cycle (annual, biennial, etc.).	1
3.4	Contact point for questions regarding the report or its contents.	Back cover
Report Scope and Boundary		
3.5	Process for defining report content.	10,11
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	1
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the indicators and other information in the report.	22,23
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	66
Assurance		
3.15	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	60
Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	15,16
4.3	For organizations that have a unitary board structure, state the number of members of the highest governance body that are independent and/or non-executive members.	16
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	14,15
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	14,15
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	10,12,18, 35,36,42, 48,52,54
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	2,10,11
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	10,11
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	10-16, 18,30,31, 36-40
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	2
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	18
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization.	Inside cover, 48
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	49-55
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	50-53

Performance indicators

Economic Performance Indicators		Page
Economic Performance		
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	6,40
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	23,56,57
Market Presence		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	52
Indirect Economic Impact		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	53-55
Environmental Performance Indicators		
Materials		
EN1	Materials used by weight or volume.	22
EN2	Percentage of materials used that are recycled input materials.	23-25
Energy		
EN3	Direct energy consumption by primary energy source.	22
EN4	Indirect energy consumption by primary source.	22
EN5	Energy saved due to conservation and efficiency improvements.	23
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	23
EN7	Initiatives to reduce indirect energy consumption and reductions achieved.	23
Water		
EN8	Total water withdrawal by source.	22
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	29
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	29
EN13	Habitats protected or restored.	29
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	29
Emissions, Effluents, and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	23,63
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	23,24
EN20	NO, SO, and other significant air emissions by type and weight.	27,28 61-63
EN21	Total water discharge by quality and destination.	28
EN22	Total weight of waste by type and disposal method.	25,61
Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	56,57
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	27,28
Overall		
EN30	Total environmental protection expenditures and investments by type.	40,63
Social Performance Indicators		
Labor Practices and Decent Work Performance Indicators		
Employment		
LA1	Total workforce by employment type, employment contract, and region.	7
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	43-46
Occupational Health and Safety		
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	33
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	35
Training and Education		
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	42,43
Diversity and Equal Opportunity		
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	44,45
Society		
Community		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	53
Corruption		
SO4	Actions taken in response to incidents of corruption.	12
Anti-Competitive Behavior		
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	13
Product Responsibility		
Customer Health and Safety		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	36,37
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	37
Product and Service Labeling		
PR3	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	36
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	36-39
PR5	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	50,51

Corporate profile

Company Name	Asahi Kasei Corporation
Date of Establishment	May 21, 1931
Paid-in Capital	¥103.3 billion
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CSR Office
Asahi Kasei Corp.

Preparing the Report

We have published annual CSR Reports since 2006, with fuller coverage of compliance and corporate citizenship than the Responsible Care Reports and Environmental Reports published previously.

The proper provision of information through these reports and otherwise is part of our ongoing effort to maintain the trust of our customers, employees, shareholders and investors, the local communities we belong to, and our many other stakeholders, to gain a greater understanding of and appreciation for our ongoing endeavor as a responsible enterprise for sustainable development and growth.