

# CSR Report 2013

Asahi Kasei Group



Contributing to life and living  
for people around the world

Group Mission

# We, the Asahi Kasei Group, contribute to life and living for people around the world.

This is the Asahi Kasei Group's unchanging reason for being.  
 What we never cease to strive for, though the needs of society change throughout the ages.  
 It is in our very nature, deriving from a sincere regard for the people of the world.

Group Vision

Providing new value to society by enabling "living in health and comfort" and "harmony with the natural environment."

Group Values

- Sincerity** – Being sincere with everyone.
- Challenge** – Boldly taking challenges, continuously seeking change.
- Creativity** – Creating new value through unity and synergy.

Group Slogan

**Creating for Tomorrow**  
 The commitment of the Asahi Kasei Group:  
 To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.  
 Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.  
 This is what we mean by "Creating for Tomorrow."

Editorial policy

The Asahi Kasei Group is committed to fulfilling its Group Philosophy through our business activities. We also recognize the importance of contributing to sustainability of society and enhancing corporate value for the benefit of our various stakeholders as well as society as a whole.

This report features a description of our initiatives in the three fields of "Environment & Energy," "Residential Living," and "Health Care" where we are focusing on growth. We also describe our approach to contributing to the sustainability of society as well as report on various related measures. The Asahi Kasei Group will continue to actively communicate with our stakeholders through accurate and highly transparent information disclosure. We welcome the opinions of our readers so that we may continually improve the content of future CSR reports.

Period under review

The primary focus of the report is fiscal 2012 (April 2012 – March 2013), and all data shown corresponds to this period unless otherwise indicated.

Some qualitative information pertaining to events from April to June 2013 has also been included.

Organizational scope

The scope of the report is Asahi Kasei Corp. and its consolidated subsidiaries, except with respect to Responsible Care, in which case the scope is operations in Japan which implement Asahi Kasei Group's Responsible Care program.

Asahi Kasei has nine operating segments corresponding to its main fields of business and an "others" category for the remainder of its operations. Unless otherwise specified, the titles and positions of the corporate officers and other personnel shown in this report are current as of August 2013.

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Guidelines consulted

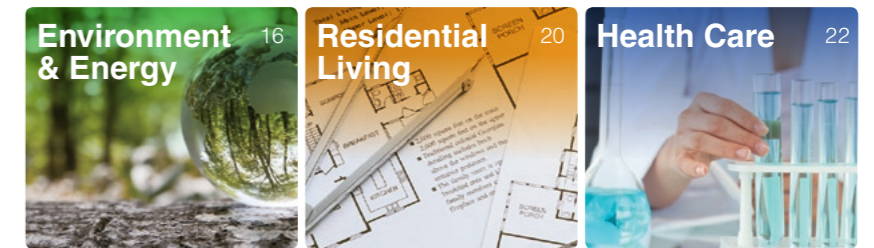
The Global Reporting Initiative's Sustainability Reporting Guidelines 3.1, ISO 26000, and other guidelines were consulted during the preparation of this report.

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Special Feature

**The Asahi Kasei Group is working to create new value through businesses that help society overcome various challenges.** 14



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# Continually creating for tomorrow through new combinations

The world today is faced with a number of challenges that pose risks to our way of life and living. In order to help overcome these challenges, the Asahi Kasei Group is determined to create new value for society by anticipating emerging changes and leveraging our diverse strengths.



## Contributing to life and living for people around the world

Our Group Mission is “Contributing to life and living for people around the world.” The word *life* here means a society where each and every person can live a healthy and comfortable life, while the word *living* means a society that thrives in harmony with the natural environment. To fulfill our social responsibilities, our business activities are performed in accordance with our Group Vision of providing new value to society by enabling “living in health and comfort” and “harmony with the natural environment,” with all personnel focused on the same goal.

Our Group Slogan of “Creating for Tomorrow” means anticipating changes that emerge in society, and contributing to solutions to the many challenges the world faces today. The key is to empower every one of our personnel to consider how they can continue to contribute to such solutions.

President  
Asahi Kasei Corp.

**Taketsugu Fujiwara**

## Combinations that creating new value for society

The world faces many challenges today, including resource depletion, global warming, environmental pollution, employment problems, human rights issues, and development challenges in emerging countries. Challenges for Japan include reconstruction from the Great East Japan Earthquake, the low birthrate and aging population, and energy supply. To address these increasingly complex and diverse challenges, we need to evolve from the conventional simplistic approach.

The Asahi Kasei Group is focused on creating new combinations that will effectively contribute to solutions to such challenges. We have a uniquely diverse range of operations, from petrochemicals and fibers to homes and construction materials, electronic devices and materials, and pharmaceuticals, medical devices, and critical care systems. We are working to create new value for society by combining our strengths in these diverse fields to advance solutions for the world’s various challenges.

Within the Asahi Kasei Group, we are focused on obtaining new combinations through our “One Asahi Kasei” initiative to enable new forms of business development by combining the functions of different business units. In addition, we are also building combinations with outside companies that have resources and technologies that complement our own. By enabling results to be achieved more quickly than if we performed R&D on our own, this represents new business model for us.

The key to such combinations will be the human element. By combining the efforts of our own personnel with people in other countries and the people at our alliance partners, we can obtain fresh perspectives that generate new ways of thinking.

## Results from “For Tomorrow” projects and our CSR activities

Concrete efforts to create new businesses through new combinations are directed under our “For Tomorrow” projects as part of our medium-term management initiative “For Tomorrow 2015.” These projects in the fields of the environment & energy, residential living, and health care are beginning to see results.

One focus of the Environment & Energy for Tomorrow project is to utilize our advanced technology to help provide solutions to water resource problems around the world. In 2012, our membrane filtration technology was adopted at a large-scale wastewater

treatment plant in Korea. The Residential Living for Tomorrow project is working to create innovative new lifestyle proposals that meet the changing needs of society. In 2012, we began selling a house designed for a family living with their parents and an unmarried sibling. The biggest result from our Health Care for Tomorrow project was our 2012 acquisition of ZOLL Medical Corporation of the United States to heighten critical care technology. We are now marketing ZOLL’s automated external defibrillators (AEDs) and intravascular temperature management systems in Japan. The “For Tomorrow” projects are described in greater detail later in this report.

The Asahi Kasei Group works in close accord with local communities near to our manufacturing sites throughout Japan. To gain greater understanding of our operations, we regularly hold meetings with community members, and participate in neighbourhood clean-up and tree-planting activities. We also give lectures at schools and sponsor student science contests as part of our efforts to help educate the next generation and encourage interest in science and technology among the youth.

Finally, the underlying foundation for all business activity, which is compliance. There have been a number of corporate legal violations in the news recently. I believe such problems can largely be prevented with better interpersonal communication and placing greater value on personal connections. Our Group Values are “Sincerity,” “Challenge,” and “Creativity.” Our personnel act with sincerity not only as individuals, but also collectively, which demonstrates the company’s integrity and earns the trust of our various stakeholders.

## Asahi Kasei’s aspirations

At times like this when there is much uncertainty regarding the future, it’s more important than ever to adhere closely to our unwavering Group Mission and Group Vision. Our strength lies in our people, our technologies, and our materials that we have built up through the ages. We will continue to create new products and new businesses through the combined strength of our diverse people and things united as “One Asahi Kasei.” By additionally including ideas and knowledge from outside, we will be able to create even more new value for society. The Asahi Kasei Group will continue to focus on Creating for Tomorrow through such combinations, taking on new challenges with a creative spirit.

Under the holding company configuration, the Asahi Kasei Group consists of nine core operating companies and Asahi Kasei Corp., which holds ownership of the core operating companies.

The 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 and analysis, administration of resources, oversight of management execution, and development of new businesses which extend beyond the scope of any single operating segment.

## Asahi Kasei Corporation

Strategic planning and analysis

Administration of resources

Oversight of management execution

Development of new businesses

### Core operating companies and main businesses

#### Chemicals



##### Asahi Kasei Chemicals

Organic and inorganic industrial chemicals, synthetic resin, synthetic rubber, coating materials, latex, pharmaceutical and food additives, explosives, separation and ion-exchange membranes, systems, and equipment, Saran Wrap™ cling film, Ziploc™ storage bags, plastic film, sheet, and foam

#### Fibers



##### Asahi Kasei Fibers

Bemberg™ cupro cellulosic fiber, Bemliese™ cupro cellulosic nonwoven, Roica™ elastic polyurethane filament, Eltas™ spunbond, Lamous™ artificial suede, Leona™ nylon 66 filament

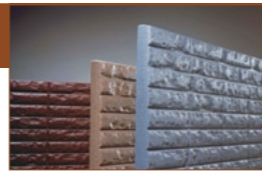
#### Homes



##### Asahi Kasei Homes

Hebel Haus™ houses, Hebel Maison™ apartments, condominiums, remodeling, real estate, residential land development, home financing

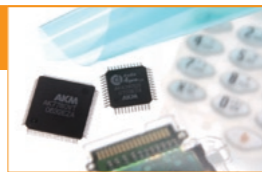
#### Construction Materials



##### Asahi Kasei Construction Materials

Hebel™ autoclaved aerated concrete (AAC) panels, Eazet™ and other piles and foundation systems, Neoma™ foam insulation panels, steel-frame structural components

#### Electronics



##### Asahi Kasei Microdevices Asahi Kasei E-materials

Hall elements, LSIs, fine-pattern coils, Hipore™ microporous membrane, photomask pellicles, plastic optical fiber, APR™ photopolymer and printing-plate making systems, epoxy resin, Pimel™ photosensitive polyimide precursor, Sunfort™ photosensitive dry film, glass fabric

#### Health Care



##### Asahi Kasei Pharma Asahi Kasei Medical

Teribone™, Recomodulin™, Elcitonin™, and other pharmaceuticals, diagnostic enzymes and reagents, APS™ artificial kidneys, Cellsorba™ leukocytapheresis columns, Planova™ virus removal filters, Sepacell™ leukocyte reduction filters

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#### Critical Care



##### ZOLL Medical

ZOLL AED Plus™ automated external defibrillator (AED), Thermogard System™ temperature management system

#### Others

Plant engineering, environmental engineering, personnel staffing and placement, think tank services

|                       |  |
|-----------------------|--|
| Company Name          | Asahi Kasei Corp.                      |
| Date of Establishment | May 21, 1931                           |
| Paid-in Capital       | ¥103,389 million                       |
| Stock Listings        | Tokyo, Osaka, Nagoya, Fukuoka, Sapporo |

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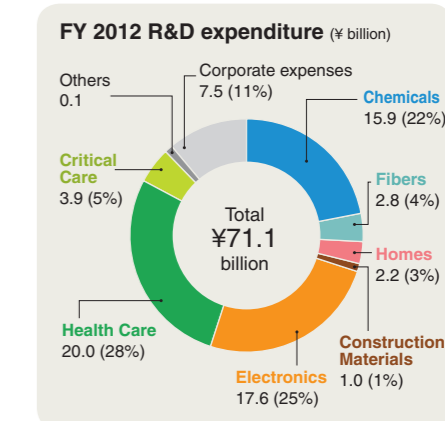
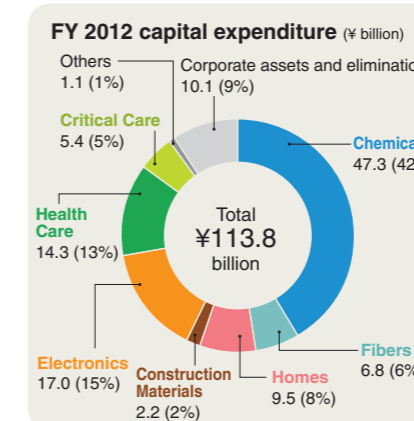
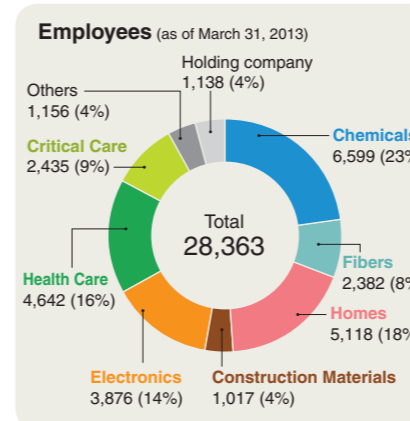
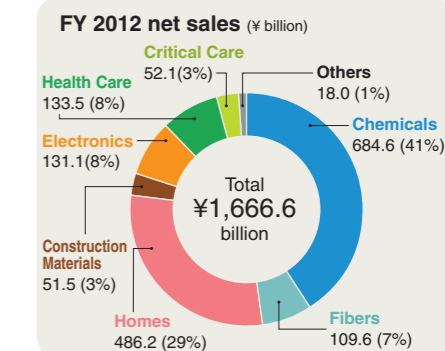
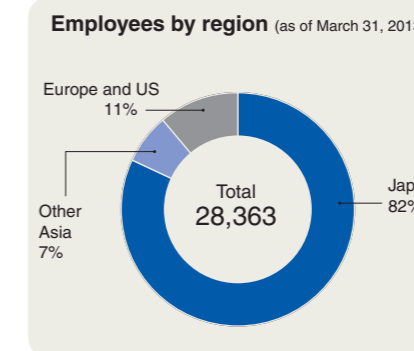
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**ZOLL Medical Corporation**  
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Phone : +1-978-421-9655

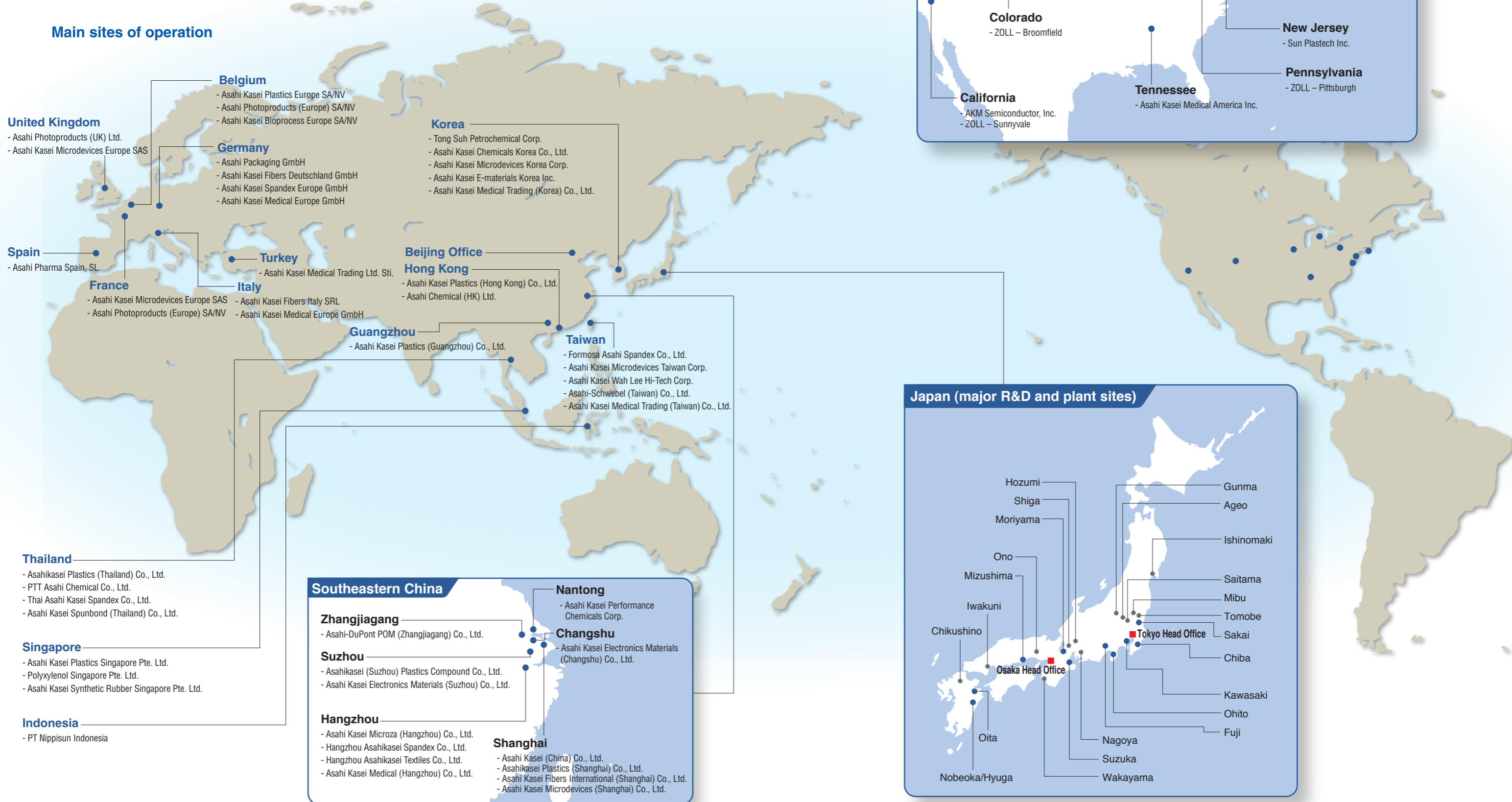
### Consolidated Results



# We have a wide variety of businesses in various locations around the world.

We have more than 20 major production locations in Japan, including Nobeoka, Miyazaki Prefecture, the location of our historic roots. Our rapidly expanding international business is supported by some 60 operating bases, including affiliated companies and sales offices.

## Main sites of operation



# Asahi Kasei products and technologies in everyday life

● Chemicals ● Fibers ● Homes ● Construction Materials ● Electronics ● Health Care ● Critical Care ● Holding company  
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## Home

### Houses

#### Detached houses

- Hebel Haus™

#### Wall panels

- Hebel™ autoclaved aerated concrete (AAC)
- Hebel Lite™ AAC
- Hebel Powerboard™ AAC

#### Insulation panels

- Neoma™ foam
- Jupij™

#### Underfloor panels for wood-frame homes

- Yukatec™ AAC

#### Column base attachment system

- BasePack™

#### Foundation piles

- Eazet™

#### Exterior paint

- Polydurex™

#### Facial masks

- Bemliese™

#### Innerwear

- Bemberg™
- Roica™

#### Bedlinen

- Bemberg™

#### Air conditioners

- Hall elements

#### Kitchen goods

- Saran Wrap™ cling film
- Cookper™ bakery paper
- Frosch™ dishwashing detergent

#### Filtration of imported wine

- Microza™ hollow-fiber membrane

#### Surfactant for shampoo

- AminoSurfact™

#### Toys

- Polystyrene
- Stylac™

#### Doll hair

- Saran™ fiber

### Automobiles

#### Power windows

- Hall ICs

#### Taillights

- Delpet™

#### Li-ion battery (LIB) for hybrid/electric vehicles

- Hipore™ LIB separator

#### Tires

- Tufdene™
- Asaprene™
- Leona™ filament for tire cord

#### Car seats

- Lamous™

#### Airbags

- Leona™ filament

#### Car navigation & audio systems

- LSIs
- VOCLE™ hands-free middleware

#### Engine parts, etc.

- Xyron™
- Tenac™
- Leona™ resin

#### Asphalt modifier

- Tufprene™

#### Home LAN

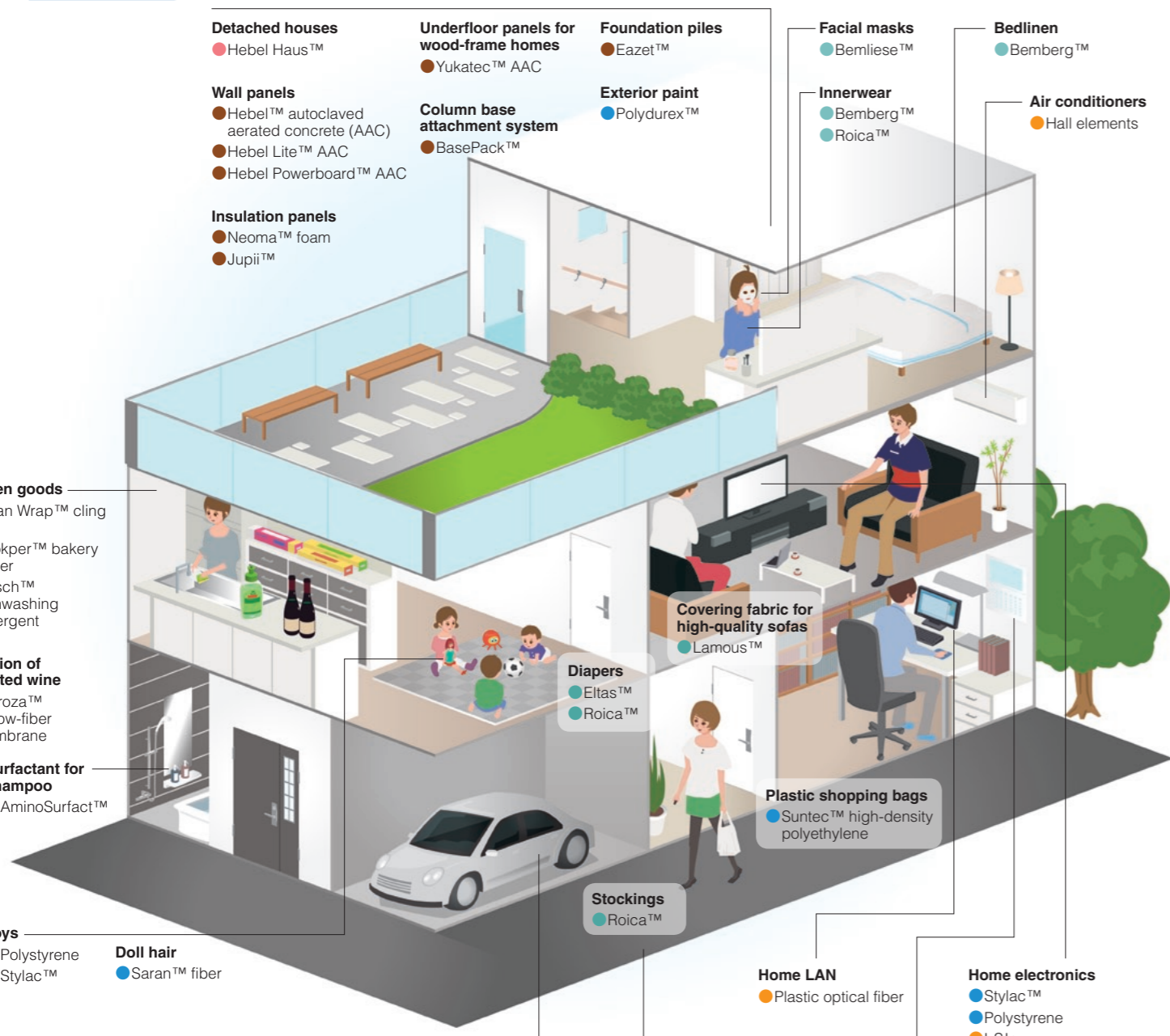
- Plastic optical fiber

#### Home electronics

- Stylac™
- Polystyrene
- LSIs

#### Paper coating for calendars

- Styrene-butadiene latex



## Office

### Computers and printers

- Stylac™
- Polystyrene
- Xyron™
- Tenac™
- Hall elements
- LSIs
- Sunfort™
- Photomask pellicles
- PimeI™
- Fine-pattern coils
- Glass fabric



#### Office equipment

- LSIs
- Hall elements

#### Packaged meals

- Suntec™-S film

#### Linings for suits

- Bemberg™

### Cell phones & smartphones

- Delpet™ for displays
- Aluminum paste for metallic paint
- Hipore™ Li-ion battery separator
- Hall ICs
- LSIs

### Automated external defibrillator

- ZOLL AED Plus™

## Hospital

### Gauze

- Bemliese™

### Nursing bed pads

- Cubit™ 3D honeycomb fabric

### Artificial kidneys

- APS™

### Leukocytapheresis column

- Cellsorba™

### Temperature management system

- Thermogard System™



### Drugs (prescription)

- Teribone™ and Elcitonin™ for osteoporosis
- Flivas™ for benign prostatic hyperplasia
- Recomodulin™ recombinant thrombomodulin
- Lucica™ GA-L glycosylated albumin assay kit
- Ceolus™ pharmaceutical excipient

### Nutrition-fortified products

- Acure™ enriched liquid diets
- Nutritional drink

## Outdoors

### Plastic storage containers

- Ziploc™ container

### Storage bags

- Ziploc™ bags

### Packaging film for ham and sausage

- Barrialon™



#### Shrink labels for PET bottles

- Asaflex™

### Plastic zippers

- Tenac™

### Sportswear

- Roica™
- Bemberg™

## Business activities and CSR

We believe that corporate social responsibility (CSR) is achieved by addressing a wide range of social challenges through the advancement of our diversified businesses in accordance with our Group Mission of contributing to life and living for people around the world.

### Group Philosophy and CSR

#### Group Mission

Contributing to life and living for people around the world.

#### Group Vision

Leveraging our diversified strengths, we will offer new value from the perspectives of *living in health and comfort* and *harmony with the natural environment* by "Creating for Tomorrow."

#### Basic strategy

##### Business strategy

1. Expansion of world-leading businesses
2. Creation of new value for society
  - Environment/energy-related
  - Residential living-related
  - Health care-related

##### Reformation of corporate systems

1. Global business expansion
2. Creation of new businesses
3. Propagation of our mission, values, and vision
4. Human resource policies
5. Management control and resource allocation

#### Basic CSR policies

##### CSR in Action

We believe that CSR is achieved by raising corporate value for our various stakeholders through our business operations in accordance with our Group Mission of contributing to life and living for people around the world.

##### CSR Fundamentals

Based on a clear understanding of the effects of our operations on the global environment and local communities, our efforts and actions related to CSR are focused on four CSR Fundamentals: Compliance, Responsible Care, Corporate Citizenship, and Respect for Employee Individuality.

### Message from the Executive Officer for Management Strategy



**Hideki Kobori**  
Director  
Senior Executive Officer  
Asahi Kasei Corp.

The Asahi Kasei Group is expanding its world-leading businesses and concentrating resources on the three fields of the environment & energy, residential living, and health care to achieve the Group Vision of enabling *living in health and comfort* and *harmony with the natural environment*, based on the medium-term management initiative "For Tomorrow 2015" which began in fiscal 2011.

Fiscal 2013 represents the mid-way point of our medium-term management initiative. By combining our strengths in various materials and technologies in these fields, we will strive to help solve social issues around the world and create new value for society.

As our operating environment undergoes dramatic change, the Asahi Kasei Group will act as one to leverage our ability to adapt, enhancing our corporate value and contributing to the sustainable development of society.

## Business Activities

### Asahi Kasei Group Vision and Strategic Management Initiative

The Asahi Kasei Group engages in business activities under the ultimate goal of creating new value for society from the perspectives of *living in health and comfort* and *harmony with the natural environment* in accordance with our medium-term management initiative "For Tomorrow 2015" for the period of fiscal 2011 to fiscal 2015.

#### Recognition of the Business Environment

The operating environment for the Asahi Kasei Group is one that faces many environmental and social challenges on a global scale. These include growing international competition with the growth of emerging countries, resource depletion, global warming, and environmental degradation. In Japan, we face a major challenge related to recovery from the Great East Japan Earthquake as well as an aging population and declining birthrate. Companies today need to find ways to adapt to such change and contribute to solutions to the increasingly diverse challenges facing society.

The Asahi Kasei Group believes that this situation presents new opportunities to exhibit leadership in anticipating the world's emerging needs. We will leverage our strengths in the production and efficient utilization of resources, as well as health care and residential living, to create new value for society and capture new markets.

#### "For Tomorrow 2015" and its basic strategy

The Asahi Kasei Group tackles social issues through our diversified businesses ranging from chemicals and fibers to homes and construction materials, electronics, health care, which we operate in accordance with our Group Mission of *contributing to life and living for people around the world*.

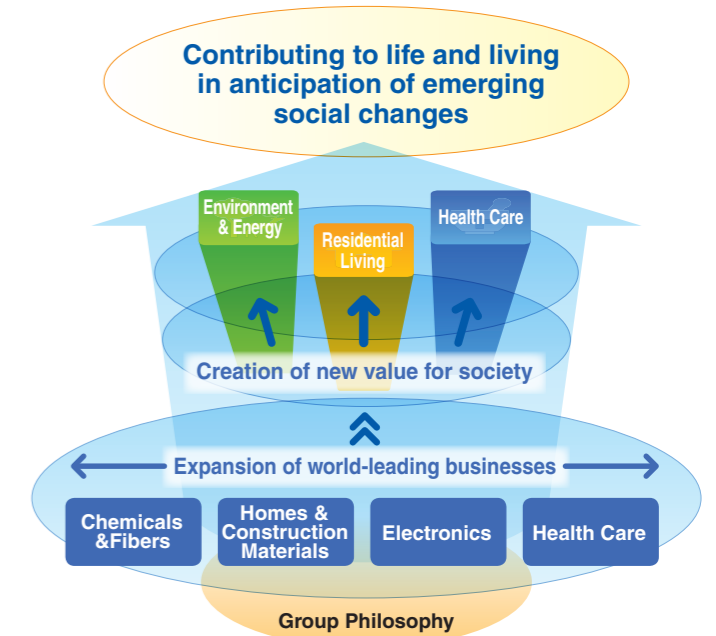
One objective of our mid-term management initiative "For Tomorrow 2015" is to fulfill our Group Slogan of *Creating for Tomorrow* from the perspectives of *living in health and comfort* and *harmony with the natural environment*. Our key business strategies to achieve this are the expansion of world-leading businesses and creation

of new value for society.

For the expansion of world-leading businesses, we are proactively developing global businesses to build market leadership in growing markets.

For the creation of new value for society, we are concentrating resources on expanding businesses in fields related to the three fields of *the environment & energy*, *residential living*, and *health care* to meet emerging social needs for *living in health and comfort* and *harmony with the natural environment*. We have established "For Tomorrow" projects in these fields that combine different business units to find new solutions to society's challenges.

#### "For Tomorrow" projects



#### Net sales (consolidated)



#### Operating income and net income (consolidated)



# CSR at the Asahi Kasei Group

Our efforts and actions related to CSR are focused on our four CSR Fundamentals: Compliance, Responsible Care, Corporate Citizenship, and Respect for Employee Individuality.

## Relationships with Stakeholders

We believe that CSR is achieved by raising corporate value for our various stakeholders through our business operations in accordance with our Group Mission of contributing to life and living for people around the world.

In addition, based on a clear understanding of the effects of our operations on the global environment and local communities, our efforts and actions related to CSR are focused on four CSR Fundamentals: Compliance, Responsible Care, Corporate Citizenship, and Respect for Employee Individuality.

## Structure and organization for CSR

The CSR Council, formed in April 2005 with the holding company President serving as chair, formulates CSR policy and guides the CSR effort throughout the Asahi Kasei Group. At the same time, it monitors specific CSR initiatives implemented by its seven committees, including the Corporate Ethics Committee to ensure regulatory compliance and the Responsible Care Committee to guide efforts for environment, health, and safety.

Note: The Export Control Committee did not meet in fiscal 2012, as there were no matters warranting discussion. Regular duties related to export control are performed by our Export Control Dept.



## Objectives and results

### Notable CSR actions, results, and plans

| Organization                   | Medium- to long-term targets (goals)  | Fiscal 2012 targets  | Fiscal 2012 results   | Fiscal 2013 target  | Related page |
|--------------------------------|---|--|---|---|--------------|
| Corporate Ethics Committee     | <ul style="list-style-type: none"> <li>Develop Basic Policy and Code of Conduct for Corporate Ethics</li> <li>Advance corporate ethics education</li> <li>Operate the Compliance Hotline</li> </ul> | <ul style="list-style-type: none"> <li>Continue compliance education and training at all core operating companies and departments</li> <li>Operate the Compliance Hotline appropriately</li> </ul>                                       | <ul style="list-style-type: none"> <li>Received reports of minor compliance violations and measures to prevent recurrence</li> <li>Operated the Compliance Hotline appropriately</li> </ul>   | <ul style="list-style-type: none"> <li>Support education activities to eliminate compliance violations</li> <li>Revise Basic Policy and Code of Conduct for Corporate Ethics</li> <li>Operate the Compliance Hotline appropriately</li> </ul> | → P26        |
| Risk Management Committee      | <ul style="list-style-type: none"> <li>Prepare measures to deal with potential or actual risks</li> </ul>   | <ul style="list-style-type: none"> <li>Respond to the Great East Japan Earthquake</li> <li>Respond to the new influenza outbreak</li> </ul>  | <ul style="list-style-type: none"> <li>Revised rules concerning large-scale earthquakes</li> <li>Enhanced stock of emergency supplies</li> <li>Performed disaster drill including establishment of an emergency response headquarters</li> </ul>  | <ul style="list-style-type: none"> <li>Revise company-wide emergency response headquarters manual for large earthquakes</li> <li>Review response measures for an outbreak of a new influenza virus</li> </ul>                                 | → P27        |
| Market Compliance Committee    | <ul style="list-style-type: none"> <li>Perform preliminary reviews and checks prior to all across-the-board price revisions to confirm compliance with the Antimonopoly Act</li> </ul>              | <ul style="list-style-type: none"> <li>Hold Market Compliance Committee meetings as needed</li> </ul>  | <ul style="list-style-type: none"> <li>Held total of 23 meetings (reviewed 57 cases)</li> </ul>   | <ul style="list-style-type: none"> <li>Hold Market Compliance Committee meetings as needed</li> </ul>   | → P26        |
| Export Control Committee       | <ul style="list-style-type: none"> <li>Compliance with export-related regulations</li> </ul>  | <ul style="list-style-type: none"> <li>Hold Export Control Committee meetings as needed</li> </ul>   | <ul style="list-style-type: none"> <li>No meetings held because there were no relevant cases to address</li> </ul>  | <ul style="list-style-type: none"> <li>Hold Export Control Committee meetings as needed</li> </ul>  | —            |
| Responsible Care Committee     | <ul style="list-style-type: none"> <li>Deliberate on plans and results in regard to environmental protection, product safety, operational safety, etc.</li> </ul>                                   | → P29  |   |   |              |
| Global Environment Committee   | <ul style="list-style-type: none"> <li>Deliberate and determine group-wide measures to counter global warming</li> </ul>  | <ul style="list-style-type: none"> <li>Expand scope of activities with the transition from the Global Warming Response Committee</li> </ul>  | <ul style="list-style-type: none"> <li>Finalized company policy on the global environment</li> <li>Established targets and metrics</li> </ul>   | <ul style="list-style-type: none"> <li>Help build a low-carbon society (develop system to achieve targets in fiscal 2020)</li> <li>Protect water resources (develop system to achieve targets in fiscal 2015)</li> </ul>                      | → P32-33     |
| Community Fellowship Committee | <ul style="list-style-type: none"> <li>Formulate policy, plans, and courses of action in regard to community fellowship activities</li> </ul>   | <ul style="list-style-type: none"> <li>Continue to give lectures at schools (including in disaster-affected areas)</li> <li>Sponsor educational contests and events</li> <li>Continue participation in tree-planting projects</li> </ul> | <ul style="list-style-type: none"> <li>Some 1,700 students took part in our school lectures</li> <li>Continued sponsorship of the Japan Student Science Awards and the Earth Classroom program</li> <li>Participated in tree-planting project at the Asahi Forest in Miyazaki Prefecture</li> </ul> | <ul style="list-style-type: none"> <li>Implement various measures for the development of the next generation</li> <li>Examine new community fellowship activities related to harmony with the natural environment</li> </ul>                  | → P52-56     |

## Supporting The UN Global Compact

Asahi Kasei supports the UN Global Compact and its ten universal principles



### The ten principles of the UN Global Compact

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

## Message from the Executive Officer for CSR



**Hiroshi Sawayama**  
 Director  
 Lead Executive Officer  
 Secretariat, CSR Council  
 Asahi Kasei Corp.

The Asahi Kasei Group believes that fulfilling its Group Mission of contributing to life and living for people around the world through its diversified businesses embodies the fundamental essence of CSR activities.

The CSR Council guides measures throughout the Asahi Kasei Group to advance our four CSR fundamentals of compliance, responsible care, corporate citizenship, and respect for employee individuality through our business activities. We are also committed to appropriate and timely information disclosure to enhance our relationship of trust with our stakeholders.

We have launched "For Tomorrow" projects in three fields under our medium-term management initiative. Through these projects, we aim to create new value for society and contribute to sustainable development.





**Challenges facing society**

The world faces a wide range of environmental and energy problems, including global warming, depletion of forest, water, oil, and coal resources, and loss of biodiversity.

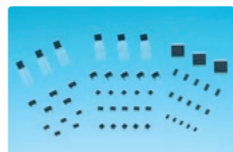
**Solutions**

Asahi Kasei Group technologies are contributing to solutions, including advanced battery materials, lithium ion capacitors, next-generation devices, and LED materials for energy conservation and low-carbon energy generation, as well as Microza™ filtration membranes and water treatment services that provide solutions to water problems around the world.



**Hipore™ lithium-ion battery separator**

Hipore™ supports the high performance of lithium-ion batteries (LIBs), which are widely used to power mobile devices.



**Sensors/power-saving LSIs**

Asahi Kasei produces some 70% of the world's Hall elements, which are essential for making home appliances more energy efficient.



**Microza™**

Asahi Kasei developed a proprietary hollow-fiber membrane technology called Microza™ that achieves highly stable filtration performance.



**Acrylonitrile**

Asahi Kasei developed a method to manufacture acrylonitrile from propane gas obtained from natural gas.



**The Asahi Kasei businesses**



**Challenges facing society**

Japan faces many challenges related to residential living, including an aging population, a declining birthrate, an increase in single-member households, and diversifying family composition. There is a growing need for homes that provide enhanced safety and environmental performance, with long-term durability to enable lasting quality and value.

**Solutions**

Our homes for mature urban markets offer health and comfort with innovative lifestyle proposals that provide new value to society, including homes that enhance interpersonal bonds, enable resource and energy conservation with environmentally friendly low-carbon solutions, and maximize the utilization of land value.



**Urban houses**

In addition to features required in dense urban areas such as fire resistance and adaptability to small plots of land, our houses enable effective utilization of sunlight, wind, and other natural elements even in an urban environment.



**Insulation**

Our Neoma™ foam insulation panels for exterior walls and Jupii™ floor insulation panels provide world-leading insulation performance, contributing to greater energy efficiency in residential living.



**Long Life Homes**

Long Life Homes from Asahi Kasei enable residents to live in safety and comfort for generations.

**Group is working to create new value through that help society overcome various challenges.**

The operations of the Asahi Kasei Group span from petrochemicals, fibers, and homes and construction materials, to electronic materials and devices, and pharmaceuticals, medical devices, and critical care systems. In various ways, each of these businesses contributes to solutions to many of the challenges the world faces today. We are committed to fulfilling society's expectations by contributing to such solutions through our existing businesses and by continuing to develop new businesses which do so.



**Challenges facing society**

Society's expectations regarding health care continue to rise. Solutions are required for unmet medical needs, and efforts are advancing to suppress increasing costs and provide greater equity in access to care, while there is a growing need for at-home care solutions as the population ages.

**Solutions**

We supply Planova™ virus removal filters, artificial kidneys, and therapeutic apheresis devices, and continue to develop new pharmaceuticals. To further contribute to a healthy and lively society of longevity, we are focusing on the three themes of "heightening acute critical care," "utilizing medical IT to support healthy life," and "applying cell therapy and regenerative medicine."



**Planova™**

Planova™ virus removal filters are used around the world to improve viral safety in the manufacture of biotherapeutics.



**Sepacell™**

Sepacell™ leukocyte reduction filters use a fine fiber mesh to trap leukocytes that could cause side effects such as fever during blood transfusions.



**Artificial kidneys**

APS™ polysulfone-membrane artificial kidneys help to improve the quality of life for dialysis patients around the world.



**Therapeutic apheresis devices**

Therapeutic apheresis devices are used in preventative medicine and to treat intractable diseases for which drugs are ineffective.

# Environment & Energy

## Our Vision

### Addressing environmental challenges and limitations with diverse technology, for a brighter future

Asahi Kasei provides many value-added products and services that are applied throughout the energy lifeline of power generation, transmission, storage, and use.



#### Main Achievements in Fiscal 2012

##### June

Start-up of Microza™ hollow-fiber membrane system at a large-scale MBR wastewater treatment plant in Korea  
[Asahi Kasei Chemicals]

##### August

Start-up of power plant using wood biomass fuel in Nobeoka, Miyazaki, Japan  
[Asahi Kasei Chemicals]

##### September

Start-up of processing facility for Hipore™ LIB separator in China  
[Asahi Kasei E-materials]

##### December

Completion of construction of the Kawasaki Innovation Center  
[Asahi Kasei Chemicals]

##### January 2013

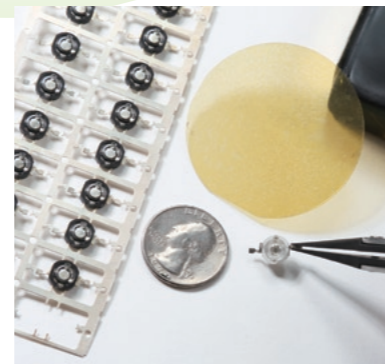
Start-up of acrylonitrile (AN) and methyl methacrylate (MMA) plants in Thailand  
[Asahi Kasei Chemicals]



#### Working to quickly commercialize UV-LEDs

In December 2011, Asahi Kasei made Crystal IS, Inc. (CIS) a subsidiary with the goal of quickly commercializing UV-LEDs, and we advanced R&D together during fiscal 2012. Asahi Kasei and CIS developed an aluminum nitride single crystal substrate based on CIS's world leading AlN single crystal growth technology and UV-LED technology. We are combining CIS's technologies with the advanced thin-film and device technology and the compound semiconductor technology platform developed in our electronics business to create high-performance UV-LEDs.

We have already achieved the world's highest UV-LED output, and are preparing for commercialization in the fields of sterilization and air purification.



#### Challenge

- Reduce energy consumed in production processes

#### Solution

### Utilizing UV-LEDs as a power-saving light source

Power-saving and long-life light-emitting diodes that emit ultraviolet (UV) light are expected to be used in a wide range of applications. Ultraviolet light is a strong source of energy that activates chemical reactions, making it an effective means of sterilization in the fields of water treatment and health care. Today, mercury-vapor lamps are the most common UV light source, but replacing them UV light-emitting diodes (UV-LEDs) would enable greater energy efficiency, lighter weight, smaller size, and offer a longer service life. This will make it possible for use in portable sterilization equipment, in addition to conventional uses.

#### Challenge

- Depletion of water resources around the world
- Stricter regulations for drinking water and wastewater

#### Solution

### Leveraging advanced technology to help resolve water problems around the world

Depletion of water resources has become a problem around the world, and there are growing needs for improved water quality, increased supplies of clean water, and recycling of wastewater. In order to use the world's limited water resources more effectively, Asahi Kasei Chemicals is marketing its Microza™ filtration systems to water treatment plants around the world. Microza™ features a proprietary hollow-fiber microporous membrane filter liquids. Asahi Kasei Chemicals has continually improved the functionality and performance of Microza™ for over 30 years, advancing both membrane production technology and module technology for various applications, as well as operational control systems to maximize filtration performance. Its cutting edge nanostructure control technology and exceptional filtration system performance are helping to make sustainable water use a reality.



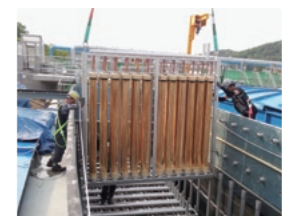
#### June 2012

### Start-up of Microza™ hollow-fiber membrane system at a large-scale MBR wastewater treatment plant in Korea

A large-scale municipal wastewater treatment facility in Paju, Gyeonggi-do, Korea, began operation in June 2012 using a Microza™ hollow-fiber membrane bioreactor (MBR) system\* from Asahi Kasei Chemicals. The company's rich experience and superior technology were major factors in the selection of Microza™ for this project, which is Korea's largest wastewater treatment plant.

As the Korean government continues to tighten wastewater regulations, MBR systems are expected to be increasingly in demand as an effective and efficient solution for maintaining high water quality standards. Asahi Kasei Chemicals holds a share of some 25% of the market for water filtration membranes in Korea, and plans to increase its share with increased adoption of MBR systems.

There are challenges associated with water resources all around the world, including water pollution problems in China and tighter drinking water regulations in North America. We are determined to advance the use of Microza™ to help provide solutions to the world's water problems.



\* MBR systems use microorganisms to break down organic substances in wastewater, and then filter the water through membranes for clarification

**Challenge**

- Reduce CO<sub>2</sub> emissions from production processes
- Effectively utilize wood biomass resources

**Solution**

**Reducing CO<sub>2</sub> emissions by shifting to wood biomass fuel for power generation**

The Asahi Kasei Group has been generating electricity using wood biomass as a portion of fuel at the Nobeoka Power Plant of Asahi Kasei NS Energy since June 2008, and it has since constructed a new biomass power plant that can further reduce greenhouse gas emissions as part of its commitment to prevent global warming. This new power plant uses over 60% wood biomass fuel by energy content (about 100,000 tons/year), enabling us to suspend operation of some oil- and coal-fired boilers and power plants.



August 2012

**Start-up of wood biomass power plant in Nobeoka**

Asahi Kasei Chemicals started commercial operation of a biomass power plant in Nobeoka, Miyazaki, Japan, in August 2012. The newly constructed plant consists of a circulating fluidized bed boiler that produces 80 tons of steam per hour, a condensing extraction steam turbine and a 14,000 kW generator, using wood biomass, coal, and RPF\* is used as fuel. The plant will annually use approximately 100,000 tons of wood biomass fuel, mainly forest thinnings and construction waste from Miyazaki and surrounding prefectures. By replacing power generation from fossil fuels with renewable wood biomass, it is forecasted that this will reduce CO<sub>2</sub> emissions by 170,000 tons per year.



Opening ceremony



The new plant



Biomass fuel

Asahi Kasei is a founding member of the International Partnership for *Satoyama* Initiative (IPSI), which was first established in 2010. The new power plant of Asahi Kasei Chemicals that uses wood biomass fuel from forest resources in the Gokase River watershed area is a case study in the Satoyama Initiative. Jointly, Miyazaki Prefecture, the City of Nobeoka, and forestry cooperatives in the area ways to utilize forest thinnings and remaining timber to preserve the afforested area of the Gokase River watershed area and its biodiversity, while revitalizing the local forestry industry. The full-scale operation of the new biomass power plant is expected to generate a positive cycle that includes a system of local production for local consumption as well as satoyama revitalization.

\* RPF: Refuse Paper and Plastic Fuel. A form of solid fuel comprising waste paper and waste plastic.

**Challenge**

- Reduce the environmental burden of production processes
- Ensure stable procurement of raw materials

**Solution**

**Development of the world's first AN production process that uses natural gas as feedstock**

Acrylonitrile (AN) is a petrochemical intermediate mainly used to make acrylic fiber (for sweaters and carpets) and ABS resin (for consumer electronics and office equipment). Conventionally, AN is made from propylene derived from petroleum, but Asahi Kasei developed a process that uses propane derived from natural gas as feedstock for AN production.



January 2013

**Start-up of commercial operation at AN plant in Thailand**

In Thailand, Asahi Kasei Chemicals built the world's first propane-process AN plant, with commercial start-up in January 2013. The new plant has an annual production capacity of 200,000 tons, raising the company's total capacity to 965,000 tons per year and solidifying its position as Asia's largest AN producer. Asahi Kasei Chemicals enjoys highly advanced AN production process technology and catalyst development technology, enabling energy loss to be minimized and reducing the environmental burden of production. The new propane process used in Thailand has the additional benefit of avoiding reliance on petroleum as a feedstock source. This breakthrough production process balances the requirements for commercial expansion with those for environmental compatibility.

Asahi Kasei Chemicals is now studying the construction of a new AN plant in Saudi Arabia as it continues to grow toward the world-leading position.



Grand Opening Ceremony in Thailand



The new AN plant

# Residential Living

## Our Vision

### Providing a comfortable living environment to more customers, more quickly

Asahi Kasei provides new lifestyle proposals by combining various products and services from both within the Group and outside. We are focused on enabling homeowners, their families, and their neighbors to live in health and comfort in a local community characterized by harmony with the natural environment, safety, and aesthetic appeal.

#### Main Achievements in Fiscal 2012

**March**  
Launch of Hebel Haus™ homes featuring enhanced disaster preparedness functions  
[Asahi Kasei Homes]

**April**  
Increased production capacity for Neoma™ phenolic foam insulation  
[Asahi Kasei Construction Materials]

**April**  
Launch of two-generation Hebel Haus™ homes with a system for energy sharing between families  
[Asahi Kasei Homes]

**August**  
Launch of Hebel Haus™ homes for a family living with their parents and an unmarried sibling  
[Asahi Kasei Homes]

**September**  
Launch of Jupii™ floor insulation panels  
[Asahi Kasei Construction Materials]

**January**  
Launch of the Hebel Haus™ Rondo Compact integrating an extra unit with flexibility in dimensions and purpose of use  
[Asahi Kasei Homes]

#### August 2012

### Launch of Hebel Haus™ homes for a family living with their parents and an unmarried sibling

Japan's national census in 2010 showed that a rising number of households headed by couples with children who were living together with an unmarried sibling as well as their parents. We conducted our own independent survey on the residential needs of such households, finding that most of the unmarried siblings worked full time while also helping with housework. In 2012 we launched a new Hebel Haus™ home designed to meet the unique needs of such households while building on our established know-how and experience in two-generation homes. The new homes offer the unmarried sibling a greater degree of independence while also being able to interact with the other family members. There is a separate full-featured washroom vanity for them, as well as a generously-sized walk-in closet. There is also a large dining room that can accommodate the whole family at mealtime. The homes also feature a multipurpose zone that can be utilized flexibly as the children grow, and can accommodate future changes in family composition.



Three-story Hebel Haus™



Two-story Hebel Haus™

#### Challenge

- Achieve safe and comfortable residential living in an aging society
- Adapt to diversifying family composition lifestyles

#### Solution

### Creating residential proposals that meet changing needs, through communication with customers

Asahi Kasei closely monitors feedback and requests from customers even after their home has been completed and delivered in order to ensure that the Hebel Haus™ owners of today and tomorrow may continue to feel satisfaction with their homes over the long term. In 2012, the Lifestyle R&D Laboratory of Asahi Kasei Homes conducted a survey on the living conditions of customers living in two-generation homes. The survey revealed changes in family composition and styles of working which homes had not been tailored to before. To meet the emerging needs, we created a new home designed specifically for a family living with their parents and an unmarried sibling. This is just one example of how we continually monitor customer needs and create new products with lifestyle proposals that match these evolving needs.

#### Challenge

- Create innovation by combining the latest technologies
- Achieve new ways of living that didn't exist before

#### Solution

### Combining technologies from both inside and outside the company to create new ways of living

At our Housing R&D Center in Fuji, Shizuoka, Japan, we are combining a wide range of know-how both from inside and outside the company at our "HH2015" demonstration house to create new businesses that meet the needs of tomorrow's society. This demonstration house features the latest technology from a variety of domains, including energy-saving, low-carbon exteriors, and home health care. This facility enables us to create completely new ideas for living, verifying their commercial viability as part of new business models.

### Research on food safety and enhanced security

We are now focusing especially on two areas of research at the HH2015 demonstration house, food safety and enhanced security.

One result of our research on food safety is a new hydroponic herb-growing system called VEGEUNI. The small portable unit can be placed on a table or anywhere there is an electrical outlet. It works with LED light and a special culture solution that is replaced every week. The herbs will be ready for harvest in six weeks.

For enhanced home security, we are developing advanced monitoring and intrusion detection systems. Many senior citizens and women living alone are concerned about safety and security at home. We are using the HH2015 facility to verify the real-world performance of a radio wave-based movement and intrusion detection system developed by the National Institute of Information and Communications Technology (NICT). We will advance studies together with NICT to evaluate the commercial potential of services using this technology.



VEGEUNI



The HH2015 demonstration house

# Health Care

## Our Vision

### Unique products & technologies that contribute to a healthy and lively society of longevity

Asahi Kasei seeks to contribute to a healthy and lively society of longevity for people around the world through our many products. We are focused on achieving advanced care that seamlessly connects acute and chronic treatment, supporting patients, their families, and their communities.

#### Main Achievements in Fiscal 2012

**April**  
Acquisition of ZOLL Medical Corporation of the US  
[Asahi Kasei]

**May**  
Strengthening of strategic alliance in the field of hemodialysis with investment in NxStage Medical, Inc.  
[Asahi Kasei Medical]

**October**  
Establishment of Asahi Kasei ZOLL Medical to expand sales of critical care devices in Japan  
[ZOLL Medical]

**December**  
Conclusion of joint sales agreement for overactive bladder therapeutic drug  
[Asahi Kasei Pharma]

**February**  
Launch of Thermogard System™ in Japan  
[Asahi Kasei ZOLL Medical]

**Challenge** • Heighten acute critical care  
• Raise awareness and availability of AEDs

**Solution** **Entry into the field of critical care**

Under our “For Tomorrow 2015” medium-term management initiative launched in fiscal 2011, health care is identified as a strategic area for growth. Complementing our established operations in pharmaceuticals and medical devices, we entered the growth field of critical care devices and systems by acquiring ZOLL, a world leader in resuscitation technology. With ZOLL as part of the Asahi Kasei Group, we are together advancing new critical care technology that will help save more lives around the world.

#### Increasing survival with AEDs

An AED (automated external defibrillator) is a medical device that administers an electric shock to a heart that has stopped beating in order to return it to a normal rhythm. A person’s chance of survival decreases 7 to 10% every minute their heart stops beating. This is why AEDs play a vital role in the field of acute critical care where quick treatment is the key to saving lives. An AED automatically takes an electrocardiogram to determine the degree of electric shock needed, making it possible for even a person without a background in medicine to quickly administer treatment simply by following the verbal instructions. AEDs sold in Japan by Asahi Kasei ZOLL Medical enable easy application of the electrode pad to the chest area and provide audiovisual feedback to help rescuers perform the proper depth and rate of chest compressions.

Sudden cardiac arrest is the cause of death for some 60,000 people per year in Japan. We believe that number can be reduced with further distribution of AEDs and greater awareness and understanding for their use. We will continue to work not only to increase the availability of AEDs in Japan, but also to raise awareness about how to use them as part of our commitment to enhance the quality of acute critical care.



ZOLL AED Plus™

**Challenge** • Heighten acute critical care

**Solution** **Launch of Japan’s first-ever intravascular temperature management system**

Asahi Kasei ZOLL Medical (AZM) began selling the Thermogard System™ in Japan. A central venous placement temperature management system for the reduction of fever due to neurological injury, this represents a major breakthrough as the first intravascular temperature management (IVTM) system—which controls a patient’s temperature using a central venous catheter—to be available in Japan.

#### The Thermogard System™ for IVTM

Neurogenic fever (fever caused by abnormalities in the temperature regulating center of the hypothalamus) is common in neurological injury such as ischemic stroke, intracerebral hemorrhage, subarachnoid hemorrhage, and traumatic brain injury, and is associated with increased mortality and poor outcome. The Thermogard System™ is used for therapeutic normothermia for neurologically injured patients, with a unique multi-balloon catheter placed into a central vein (superior or inferior vena cava) which regulates body temperature by heat exchange with blood.

Temperature-controlled saline is circulated within a closed-loop multi-balloon catheter placed into a central vein, and the patient is cooled as blood passes over each balloon. The system regulates the temperature of the circulating intra-balloon saline automatically based on feedback of the patient’s core temperature, enabling precise temperature management with minimal nursing workload.

While advancing preparations for clinical studies for the Thermogard System™ for the indication of therapeutic hypothermia following cardiopulmonary resuscitation, AZM is also focused on obtaining Japanese regulatory approval for other ZOLL products, while working together with other Asahi Kasei Group companies to expand operations in the field of critical care. This expansion in the field of critical care will help the Asahi Kasei Group achieve its vision of contributing to a healthy and lively society of longevity.



Thermogard System™

# Corporate governance

We work to heighten corporate value by enhancing the efficiency and transparency of management.

## Corporate governance

### Basic Concept

We believe that constant effort to increase the efficiency and transparency of management is essential for continuous enhancement of the corporate value of the Asahi Kasei Group. Under the structure of a holding company and core operating companies, the Asahi Kasei Group exercises corporate governance based on the following two principles.

- 1) Based on the structure of a holding company and core operating companies, the core operating companies are responsible for business execution and the holding company is responsible for oversight.
- 2) The Group Approval Authority Regulations are positioned as the highest ranking among all the regulations governing the overall Group for decision making in executing business. Authority is distributed to each organ of the holding company and the core operating companies in accordance with the degree of influence on management.

In this context, corporate governance is further enhanced by implementing various measures, including the election of multiple Outside Directors and the operation of an Internal Audit Dept.

We will continue to advance measures to heighten corporate governance for the further enhancement of corporate value.

### Corporate Governance System

An outline of the corporate governance system of the Asahi Kasei Group is as follows (see charts below and on p. 25).

- 1) Asahi Kasei Corporation is a holding company and has elected to take the form of a company with a Board of Corporate Auditors.
- 2) Two Outside Directors were elected in June 2007 to enable oversight of the management of the Asahi Kasei Group based on their wealth of experience and broad range of insight. In June 2008 an additional Outside Director was added for a total of three to further strengthen the management oversight function of the Board of Directors.
- 3) The company has a Group Advisory Committee as an advisory body to the Board of Directors, enabling the receipt of various advice and recommendations of knowledgeable persons from outside the Company for the benefit of the overall management of the Asahi Kasei Group.
- 4) The Internal Audit Dept. serves as the corporate organ for internal audits of the execution of duties in the Asahi Kasei Group in accordance with basic corporate regulations for internal audits. Results of the internal audits conducted by each group staff function are also reported to the Internal Audit Dept., so that all information regarding results of internal audits in the Asahi Kasei Group are centralized at the Internal Audit Dept.
- 5) In accordance with the audit policy adopted by the Board of Corporate Auditors, each Corporate Auditor audits

Directors in the discharge of their duties by attending Board of Directors' meetings and examining business performance. Corporate Auditors of the Company and Corporate Auditors of the core operating companies exchange information on a regular basis. Our Corporate Auditors Office has multiple dedicated personnel who, independently from Directors, support the Corporate Auditors in their duties.

- 6) PricewaterhouseCoopers Arata performs financial audits of the Company and the core operating companies in accordance with the Corporation Law and the Financial Instruments and Exchange Act.
- 7) Company standards stipulate that as a general rule a Director is not to concurrently serve as Director at four or more other companies whose shares are stock market listed.
- 8) The Company has a performance-linked remuneration system as stated above, and remuneration of Directors is determined by the Board of Directors within the range stipulated therein.

### Group organization

#### 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. The Chairman of the holding company chairs meetings of the Board of Directors. Meets once or twice per month.

#### Strategic Management Council

Deliberates and decides on substantive matters relating to the operation of the holding company and of the group. Its decisions are made by the President of the holding company, who chairs meetings of the council, after deliberation by the attending constituent members. Meets twice per month.

#### Group Advisory Committee

The advisory body to the holding company's Board of Directors, comprises Chairman, President and knowledgeable persons from outside the Group. Meets twice per year.

### Board of Corporate Auditors

Comprises four Corporate Auditors, two of whom are Outside Corporate Auditors. Corporate Auditors exchange views, deliberate, and decide on substantive matters relating to auditing. Meets at least once per quarter.

### CSR Council (see p. 12)

Formulates plans and action policies on CSR for the holding company and all Group companies, monitors its seven specialized committees, and implements CSR activities. Meets at least once per year.

### Executive Officer system

We employ an Executive Officer system under which the Presidents and Executive Officers of the core operating companies hold authority and responsibility for management execution within their respective companies, and the President and Executive Officers of the holding company hold authority and responsibility for management execution of the holding company as well as of the whole Asahi Kasei Group. The President of the holding company oversees the state of business execution at the core operating companies while Board of Directors of the holding company oversees the performance of the holding company President and the state of business execution of the Asahi Kasei Group.

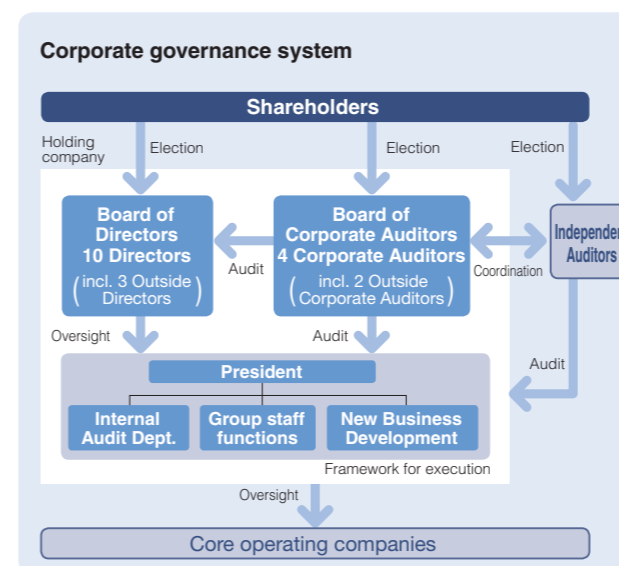
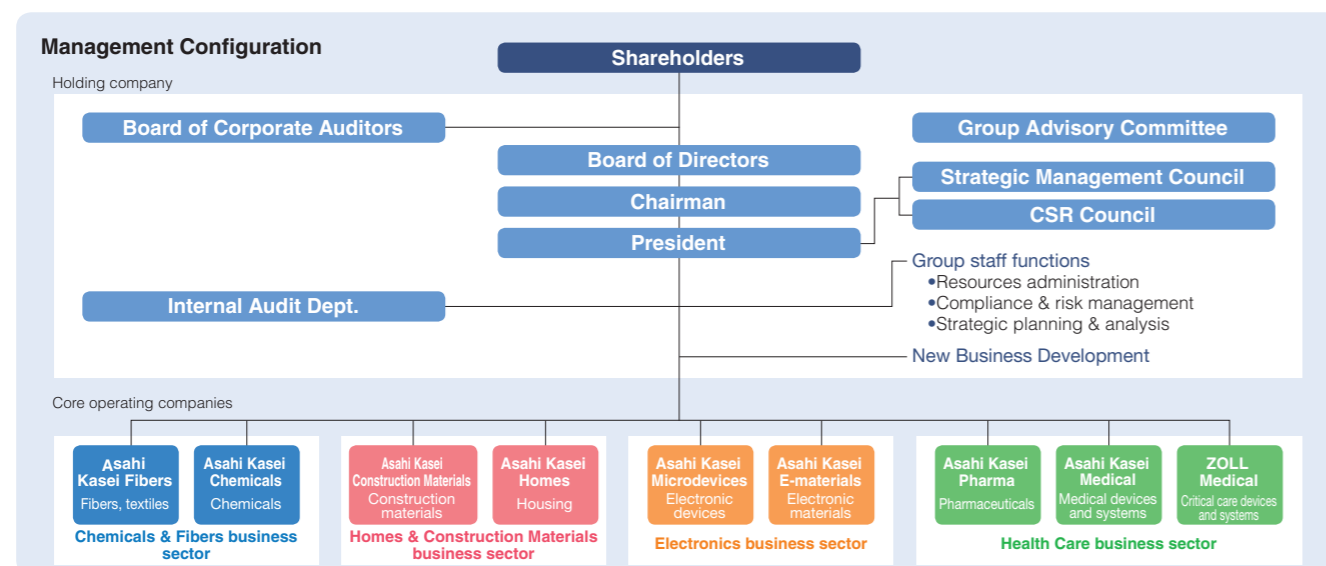
### Audits

The Internal Audit Dept. is a corporate organ under the direct authority of the President of the holding company. Each year, the Internal Audit Dept. prepares plans for an internal audit in accordance with basic corporate regulations for internal audits, obtains the President's approval for these plans, and then performs the internal audit.

In accordance with the audit policy adopted by the Board of Corporate Auditors, each Corporate Auditor attends meetings of the Board of Directors and audits Directors in the discharge of their duties through examination of business performance. The Corporate Auditors Office provides staff to support Corporate Auditors in their duties.

PricewaterhouseCoopers Arata is contracted as the Independent Auditors to perform financial audits in accordance with the Companies Act and Financial Instruments and Exchange Act.

The Internal Audit Dept., the Board of Corporate Auditors, and the Corporate Auditors of core operating companies and other subsidiaries regularly meet to confirm the effectiveness of internal governance systems for legal compliance and risk management. The Board of Corporate Auditors provides counsel to the Independent Auditors with respect to its audit plan, and receives the results of the consolidated financial audit of Asahi Kasei each quarter and each fiscal year.



**WEB** Please use the following link to learn more about corporate governance at Asahi Kasei (including our basic approach to internal governance systems).  
[About Asahi Kasei > Guiding Principles > Corporate Governance "Translation of Corporate Governance document filed with the Tokyo Stock Exchange"](http://www.asahi-kasei.co.jp/asahi/en/aboutasahi/governance/)  
[www.asahi-kasei.co.jp/asahi/en/aboutasahi/governance/](http://www.asahi-kasei.co.jp/asahi/en/aboutasahi/governance/)



# 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.

## Framework for compliance

### Framework for corporate ethics

The Corporate Ethics Committee oversees education and training for compliance, and monitors the status of compliance within the Asahi Kasei Group. Chaired by the President of the holding company, the committee also deliberates on matters pertaining to corporate ethics and determines company-wide policy. Where shortcomings are identified, the committee formulates and implements measures for improvement, enhancing compliance throughout the Asahi Kasei Group.

At its meeting in July 2012, the committee discussed priority issues and policies at each group company for ensuring compliance, the state of compliance with laws and regulations, the handling of personal information, and operation of the Compliance Hotline.

### 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 is reviewed every year and revised as necessary to reflect changing requirements in society. Translated into English and Chinese, it or an equivalent standard applies to all companies in which our ownership exceeds fifty percent.

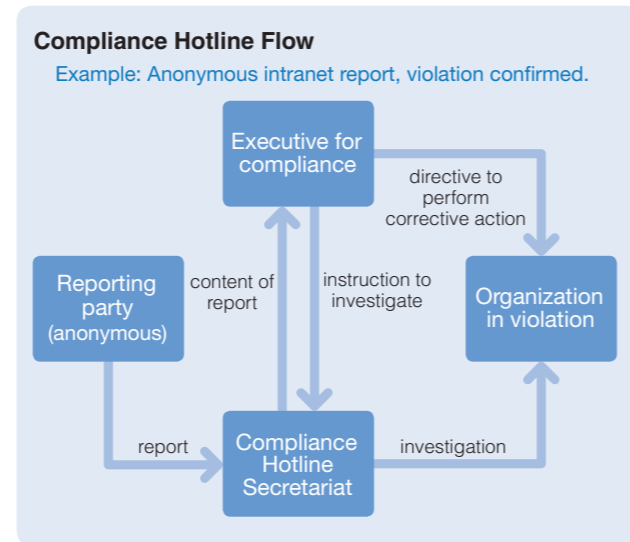
#### Corporate Ethics – Basic Policy

1. Creating value, contributing to society
2. Caring for environment, health, and safety
3. Honoring law and norms of society
4. Excluding subversive elements
5. Respecting the individual
6. Ensuring transparency
7. Respecting information and intellectual property
8. Practicing corporate ethics

### Compliance Hotline

The Asahi Kasei Group began employing a Compliance Hotline in April 2005 to ensure that any possible ethical lapses which employees may encounter or observe are dealt with swiftly and appropriately. Reports can be made through the corporate intranet or by post (to a specified law firm), 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.



### 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 twenty-three times in fiscal 2012, reviewing fifty-seven cases.

## Information protection and management

### Protection of personal information

Asahi Kasei is committed to the proper handling and use of personal information, in accordance with our basic policy. Education and training for all employees—including the distribution of an information security handbook which describes our rules for handling information, and the provision of education via e-learning—is monitored by the Corporate Ethics Committee.

#### Basic policy for protection of personal information

1. 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.
2. 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.
3. We use personal information only for the specific purposes which have been indicated or announced at the time of its receipt.
4. We employ appropriate measures in the maintenance and management of personal information to ensure against unauthorized alteration, disclosure, and loss of personal information.
5. We will respond in good faith to requests from you to confirm, revise, cease using, or delete personal information.

### Protection of intellectual property

The Asahi Kasei Group implements strict measures to prevent unauthorized or unintentional outflow of technological information and know-how in accordance with its basic policy and management standards for prevention of technology outflow. The Asahi Kasei Group also applies internal guidelines summarizing related precautions to take when entering business overseas as well as procedures to ensure the preservation of prior-use rights in China.

The company's internal magazine is used to raise further awareness among personnel, and workshops are held for training and education regarding protection of intellectual property.

**WEB** For more information about our intellectual property, please refer to the [Asahi Kasei Group Intellectual Property Report](http://www.asahi-kasei.co.jp/asahi/en/aboutasahi/library/ip_report.html).  
[www.asahi-kasei.co.jp/asahi/en/aboutasahi/library/ip\\_report.html](http://www.asahi-kasei.co.jp/asahi/en/aboutasahi/library/ip_report.html)

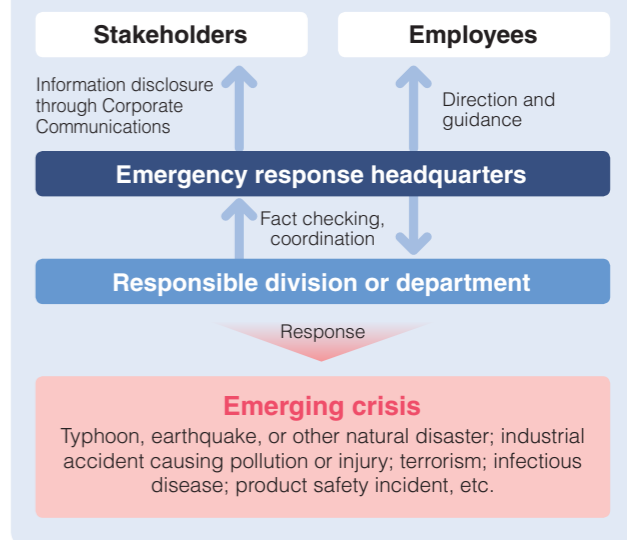
## Risk Management

Our Risk Management Committee, under the authority of the CSR Council (see p. 12) serves to enhance the risk management system of the Asahi Kasei Group. Its basic mission is to prevent operational crises and to minimize the effects should a crisis occur. Since fiscal 2007, we have operated with Basic Risk Management Regulations, authorized by the Board of Directors, which provide clear guidelines to heighten the capability and effectiveness of risk management and emergency response throughout the Asahi Kasei Group, as a key aspect of fulfilling our social responsibility.

In the event of any major accidents, incidents, or problems which cause significant damage to Asahi Kasei Group operations or which may foreseeably cause our operations to have adverse effects on the general public, we establish a group emergency response headquarters headed by the President of Asahi Kasei Corp., and the headquarters works with various divisions and departments to guide the proper response to be taken.

In fiscal 2012 we determined that in the event of a major disaster which would prevent the use of the Tokyo head office, the group emergency response headquarters would be established at either our Osaka head office, Nobeoka office, or Atsugi office, depending on the state of damage. We also determined that the emergency response headquarters will handle head office functions as required to ensure continuation of operations and more rapid recovery in the event of such a disaster.

### Emergency response system





# Responsible Care

Safety is a fundamental prerequisite for the continuation of operations as a corporate member of society. To ensure that every aspect of safety is maintained, the Asahi Kasei Group implements a Responsible Care (RC) program comprising the six pillars of operational safety, workplace safety and hygiene, environmental protection, health maintenance, product safety, and community outreach.

## Message from the Executive for RC



**Hiroshi Kobayashi**  
Director  
Senior Executive Officer  
Asahi Kasei Corp.

The spirit of RC is autonomy, responsibility and open disclosure. At the Asahi Kasei Group, we go beyond mere compliance with laws and regulations as we operate our businesses with due consideration for all matters related to the environment, health, and safety. In fiscal 2012, we established our Global Environment Committee to globalize our efforts to achieve a low-carbon and recycling-oriented society, to protect water resources, and to coexist in harmony with nature. We are integrating global environmental measures together with business activities to fulfill our social responsibility in accordance with our Group Vision of enabling harmony with the natural environment. In addition, we advanced a wide range of RC efforts including training and education at all organizational levels. In certain areas where we can perform better, we are redoubling our efforts to raise results in line with our commitment to prevent accidents and disasters, maintain product safety, and promote employee health, for complete achievement of all RC objectives.

## Responsible Care at Asahi Kasei

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 disclosure and communication. RC was conceived in Canada in 1985, and was strengthened on a global scale with the establishment of the International Council of Chemical Associations (ICCA) in 1990. In 1995, the chemical industry in Japan began implementing RC with the establishment of the Japan Responsible Care Council (JRCC<sup>1</sup>). Asahi Kasei was among the founding members of the JRCC, and played a leading role in the expansion and development of RC in Japan.

RC at the Asahi Kasei Group is not limited to chemicals-related operations but encompass operations in all fields, including housing, healthcare, fibers, electronics, and construction materials.

### Responsible Care at the Asahi Kasei Group



### Asahi Kasei Group RC 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

<sup>1</sup> JRCC: Operated as the Japan Chemical Industry Association's RC Committee since April 2011.

## RC objectives and results

★★★ Complete ★★ Satisfactory ★ Unsatisfactory

|  | FY 2012 RC Objectives  | FY 2012 Results   | Attainment   | FY 2013 RC Objectives   |
|--|--|---|--|---|
| RC compliance  | Enhance RC compliance  | Improved  | ★★★  | Enhance RC compliance   |
|  | Advance RC education and training  | RC training course for section managers revised<br>RC training course for assistant chiefs created<br>RC training course for assistant chiefs initiated                           | ★★   | Advance RC education and training<br>Enhance RC at affiliates   |
|  | Enhance RC at affiliates   | Expanded range of affiliates implementing RC<br>RC at affiliates enhanced through instructions and support by core operating companies  | ★★   | Enhance dialog with the public  |
|  | Enhance dialog with the public   | RC reports of 4 core operating companies and 8 plant complex sites were used in community outreach  | ★★★  |   |
| Environmental protection   | Avoid all polluting accidents  | No polluting accidents or minor incidents   | ★★★  | Avoid all polluting accidents and minor incidents   |
|  | Promotion of recycling-oriented society:<br>- Final disposal of 0.5% or less of generated industrial waste<br>- Recycling rate of at least 83%   | Goal reached with final disposal rate of 0.5%<br>Goal reached with recycling rate of 91.2%  | ★★★  | Promotion of recycling-oriented society:<br>- Maintain rate of final disposal at 0.3% of generated industrial waste or less<br>- Maintain recycling rate of at least 85%  |
|  | Curtailing greenhouse gas emissions:<br>- Reduce CO <sub>2</sub> emissions by 1.0%<br>- Reduce greenhouse gas emissions by 2.0%  | CO <sub>2</sub> emissions reduced by 23.5% from FY 2005 level<br>Greenhouse gas emissions reduced by 30.6% from FY 2005 level   | ★★★  | Curtailing greenhouse gas emissions:<br>- Reduce CO <sub>2</sub> emissions in Japan by 3.0%<br>- No increase of global CO <sub>2</sub> emissions<br>- Reduce GHG emissions in Japan by 4.5%<br>- Achieve LCA contribution ratio (new definition) of 4.7 |
|  | - LCA contribution ratio <sup>1</sup> of 4.2   | LCA/CO <sub>2</sub> contribution ratio of 6.6   |  | Protect water resources:<br>- Water resource contribution ratio of 1.8  |
|  | - Reduce FY 2008 - 2012 average unit energy consumption by 20% from FY 1990 level  | FY 2008 - 2012 average unit energy consumption reduced by 23.4% from FY 1990 level  |  | Control emissions of chemical substances:<br>- Control emissions of PRTR-specified substances<br>- Control emissions of air and water pollutants  |
|  | Reduction of chemical release:<br>- Prioritize the items to reduce   | Release of PRTR-specified substances and emission of VOCs reduced by 90% and 88% respectively from FY 2000 level  | ★★★  | Preserve biodiversity by procuring biological resources<br>Advance CSR procurement  |
|  | Preserving biodiversity:<br>- Implement measures in line with the priorities<br>- Give consideration to biodiversity   | Investigated impact of our business activities on biodiversity<br>Implemented biodiversity monitoring   | ★★★  |   |
|  | Advance CSR procurement  | Implemented CSR procurement   | ★★★  |   |
|  | Avoid all industrial accidents   | One accident occurred (small fire during dismantling)   | ★★   | Avoid all industrial accidents  |
|  | Control changes to equipment and operating conditions  | Provision of accurate instructions and guidance was confirmed   | ★★★  | Control changes to equipment and operating conditions   |
| Enhance risk assessment  | Completed inspection related to preventing abnormal reactions and securing interlock functions<br>On-site confirmation of results is ongoing   | ★★★   | Enhance risk assessment, prevent abnormal reactions, confirm interlock functions on-site   |   |
| Monitor for hazards of fire, explosion, and leaks; implement remediation   | RC audits at Kawasaki, Ohito, and Nagoya Workshops at Fuji and Nobeoka   | ★★★   | Monitor for hazards of fire, explosion, and leaks; implement remediation   |   |
| Enhance emergency response systems   | Confirmed enhanced disaster response capabilities (introduced disaster response trucks)  | ★★★   | Enhance emergency response systems   |   |
| Monitor for items in need of replacement and uninspected items, implement remediation:<br>- Implement seismic retrofitting for specific buildings as planned for FY 2012<br>- Complete the evaluation of seismic capacity for non-specific buildings | Completed according to the plan<br>Evaluation incomplete at 4% of subject buildings  | ★★★<br>★★   | Monitor for items in need of replacement and uninspected items, implement remediation:<br>- Implement seismic retrofitting for specific buildings as planned for FY 2013<br>- Complete the evaluation of seismic capacity for non-specific buildings and implement retrofitting as planned for FY 2013 |   |
| Workplace safety and hygiene   | Avoid all workplace injuries:<br>- Achieve frequency rate <sup>2</sup> of 0.1 or less<br>- Achieve severity rate <sup>3</sup> of 0.005 or less   | Frequency rate of 0.16<br>Severity rate of 0.154  | ★  | Avoid all workplace injuries:<br>- Achieve frequency rate of 0.1 or less<br>- Achieve severity rate of 0.005 or less  |
|  | Enhance utilization of OHSMS:<br>- Reduce latent risks at workplaces   | Ongoing review of risk assessment; special management procedures confirmed at audit with reference to registered list   | ★★★  | Enhance utilization of OHSMS:<br>- Reduce latent risks at workplaces<br>- Enhancement of internal audits<br>- Make the effects of OHSMS more visible  |
|  | - Enhancement of internal audits   | Improvement confirmed at audit with reference to internal audit records   |  | Ensure thorough compliance with safe working standards  |
|  | - Make the effects of OHSMS more visible   | Confirmed at audit with reference to risk level changes   |  | Avoid all accidents in "caught in/between" category:<br>- No lost time injury due to "caught in/between" accidents  |
|  | Avoid all accidents in "caught in/between" category:<br>- No lost time injury due to "caught in/between" accidents   | One lost time injury occurred (three in FY 2011)<br>Initiated comprehensive equipment inspection at workplaces where injuries had occurred during the past few years              | ★★   | Enhance safety management guidance of on-site contractors:<br>- Enhance safety management structure as the contracting manufacturer<br>- Enhance safety management of on-site contractors   |
|  | Enhance safety management guidance of on-site contractors:<br>- Enhance safety management structure as the contracting manufacturer<br>- Enhance safety management of on-site contractors                      | Satisfactory improvement confirmed in audit with reference to check sheets at each site<br>Self-evaluation results and safety management guidance at each site confirmed at audit | ★★★  | Reinforce management of safety on equipment work:<br>- Enhance implementation of safety management standards  |
|  | Eliminate severe accidents at firms contracted to work on equipment:<br>- Enhance implementation of safety management standards  | Confirmed issues at audit with reference to work management records   | ★★   |   |
|  | Reduce proportion of personnel for whom health warning signs are found   | Proportion of personnel for whom health warning signs are found increased from FY 2011  | ★★   | Promote health maintenance and improvement among personnel:<br>- Promote the prevention of and countermeasures to lifestyle-related diseases<br>- Prevent falls   |
|  | Early discovery and treatment of employees with mental health issues   | Proportion of personnel with mental health issues decreased from FY 2011  | ★★★  | Promote countermeasures to mental health issues and enhance support system  |
|  | Enhance health management framework  | Health management enhanced and unified within RC  | ★★★  | Develop the health management system  |
| Product safety and management of chemical substances   | Avoid serious product safety incidents   | No product safety incidents   | ★★★  | Avoid serious product safety incidents  |
|  | Enhance management of chemical substances:<br>- Promote compliance with laws and regulations on management of chemical substances in Japan and overseas<br>- Encourage JIPS activities<br>- Promote JAMP tools | Compliance maintained and system enhanced<br>Performed risk assessments and began public disclosure of safety documents<br>Provided information via MSDSplus and AIS              | ★★★  | Enhance management of chemical substances:<br>- Promote compliance with laws and regulations on management of chemical substances in Japan and overseas<br>- Encourage JIPS activities<br>- Promote JAMP tools  |
| Living in health and comfort   | Number of people our health care business contributed to:<br>- FY 2012 target: 14% increase over FY 2010   | 22% increase over FY 2010   | ★★★  | Number of people our health care business contributed to:<br>- FY 2013 target: 18% increase over FY 2010  |
|  | Number of residents in Hebel Haus™ homes:<br>- FY 2012 target: 7% increase over FY 2010  | 8% increase over FY 2010  | ★★★  | Number of residents in Hebel Haus™ homes:<br>- FY 2013 target: 12% increase over FY 2010  |

<sup>1</sup> See p. 33.

<sup>2</sup> Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked.

<sup>3</sup> Lost workdays, severity-weighted, per thousand man-hours worked.





## RC Management System

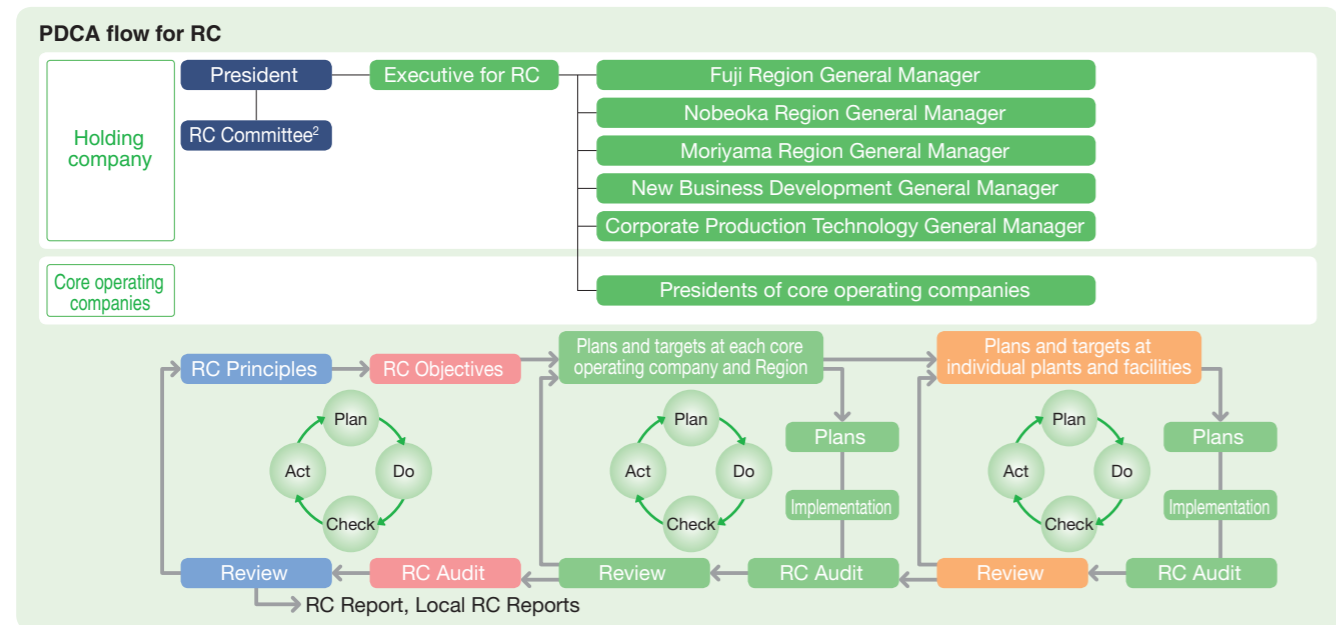
The efficiency and effectiveness of Asahi Kasei Group RC is maintained in accordance with its Group RC Management Guidelines and other internal standards, with the President of the holding company serving as chair of our RC Committee. As shown in the diagram below, continuous reevaluation and improvement are systematically pursued with “plan-do-check-act” (PDCA) cycles—for the Asahi Kasei Group as a whole, within each core operating company and Region<sup>1</sup>, and within individual plants and facilities.

Certified compliance with internationally standardized management systems is obtained for the RC Management System of the Asahi Kasei Group. We have obtained ISO 14001 environmental management system certification for

environmental protection and ISO 9001 quality management system certification for product safety. An Occupational Health & Safety Management System (OHSMS) is adopted for workplace safety, hygiene, and health.



RC Committee meeting



## RC education and training

In order to further heighten the effectiveness of our RC initiative, a new textbook was produced, which describes RC management, environmental protection, employee health, and the fundamentals and principles of occupational safety, and also includes a large number of actual examples to learn from. Using this textbook, we conducted education and training courses for production managers and EHS managers, as well as candidates for those positions, group leaders of research departments, and EHS personnel.

In fiscal 2012, we held RC training courses for seventy section managers, which consisted of two rounds of two 2-day sessions. Seven hundred and forty personnel have taken the courses over the six years since the training began in 2007. In addition, a training course for assistant chiefs was formally initiated in fiscal 2012, with some 160 personnel participating.



RC training lecture

We will continue to hold such courses for assistant chiefs, production managers, and EHS managers.

## RC Symposiums

Every year, RC Symposiums are held at our major production Regions such as Nobeoka, Moriyama, and Fuji, with awards presented to plants which have outstanding safety performance records. In fiscal 2012, RC Symposiums were held by three Regions and four core operating companies, as well as the holding company. To share information and maintain the vitality of the initiative, RC results are reported, seminars are held, and Safety Awards are presented at the symposiums.



Asahi Kasei Corporation RC Symposium (November 2012)

## Overseas RC activities

The Asahi Kasei Group has been expanding world-leading businesses as a major focus of growth under our “For Tomorrow 2015” medium-term management initiative, with a particular focus on growth potential in emerging markets. “One AK” management, which enhances unified strength of the whole group, is not only a key for the dynamic growth strategy but also a foundation for our RC activities overseas.

In overseas subsidiaries and affiliates, RC officers of the corresponding core operating company regularly carry out RC audits following the same procedure used for Japanese subsidiaries and affiliates. When considering entering a new location overseas, we carefully plan appropriate RC measures to comply with the applicable laws and

regulations on chemical substances and the environment. We will continue to support overseas expansion on a group-wide level, including measures to enhance RC in each country and region, and reinforcement of overseas RC audits. To flexibly respond to the rapidly changing operating environment in China, we have established offices in China, including our Beijing Office and Asahi Kasei (China) Co., Ltd. in Shanghai to support our China-related business, as well as support investment affairs and Group companies in China. We work to maintain compliance by obtaining information on amendments to relevant laws and regulations as quickly as possible.

Examples of RC audits and RC activities in Asian subsidiaries are shown below.

### RC activities at overseas subsidiaries and affiliates

#### Overseas RC Audit by Asahi Kasei Chemicals in Korea

Twice every year, Asahi Kasei Chemicals performs RC audits of Korean subsidiary Tong Suh Petrochemical. In addition to the AN Department, the Production Department and ESH & QA Dept. of Asahi Kasei Chemicals take part in the audit. As with factories in Japan, all elements of RC are subject to audit at Tong Suh Petrochemical, which is conducted following the RC Plan of Asahi Kasei Chemicals. Each audit involves a site inspection, question and answer session, and information exchange. Recently a major construction project was completed without any accident or injury. We are committed to extending our record of zero industrial accidents, which has been sustained for approximately 10 years.



Members participating in the RC audit at Tong Suh Petrochemical

#### Overseas RC audit by Asahi Kasei E-materials in China

Asahi Kasei E-materials performs an RC audit of Asahi Kasei Electronics Materials (Suzhou) every year. In fiscal 2012, continuation of a very active implementation of RC was confirmed, including industrial accident prevention, environmental safety, and product safety. Notably, investigations into the causes of industrial accidents, application of

countermeasures, and reporting of near-accidents and potential hazards were performed in coordination with the mother factory in Japan. To further heighten the level of RC implementation, a lecture on preventing lower back pain was held as a safety training session.



Lecture on preventing lower back pain at the Suzhou Factory in China

#### Overseas RC audit by Asahi Kasei Fibers in Thailand

Asahi Kasei Fibers conducts an RC audit of Thai Asahi Kasei Spandex every year. These audits have enabled us to verify that a systemized RC program involving local staff has been established. An Environmental Health and Safety Department has been created to ensure the effectiveness of the program, while a qualified person serves as the safety warden to set examples for safety activities. Going forward, the authority for everyday RC activities will continue to be shifted to Thai managers, while the local Japanese managers will focus on activities relating to the prevention of industrial accidents and severe injuries among workers.



Members participating in the RC audit at Thai Asahi Kasei Spandex

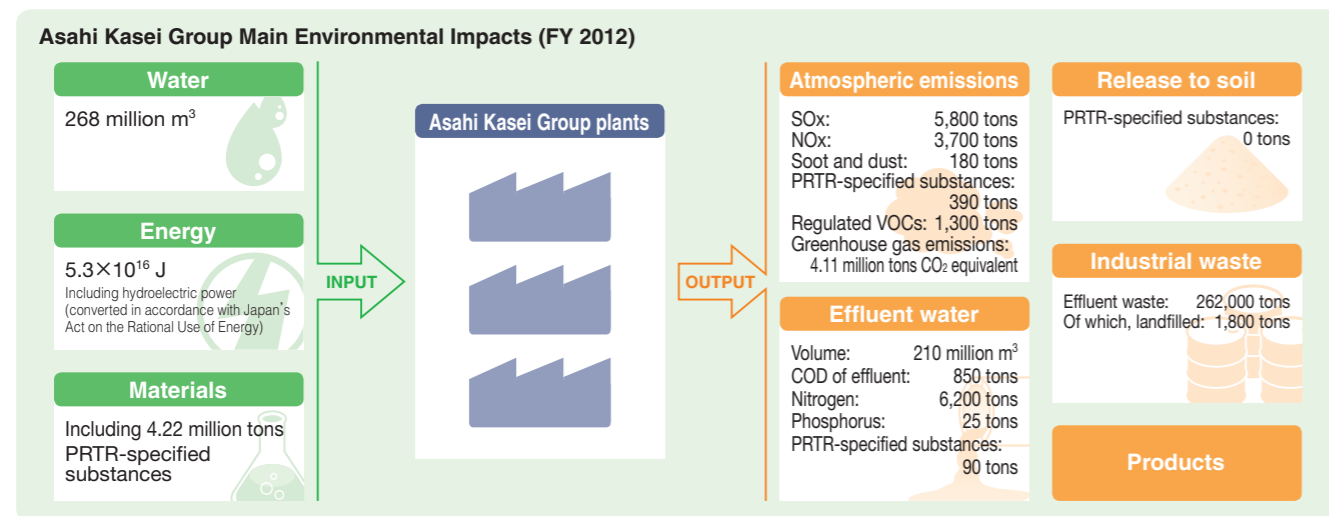
<sup>1</sup> A site or group of sites consisting of several plants and facilities of various core operating companies. Each Region General Manager is responsible for the unified implementation of RC in the respective Region.  
<sup>2</sup> The RC Committee is chaired by the President of the holding company, and its members include Presidents of the core operating companies, the New Business Development General Manager, the Corporate Production Technology General Manager and General Managers of the Nobeoka, Moriyama, and Fuji Regions. The RC Committee meets once each year.



## Overview of environmental impacts

The diagram below describes the environmental impacts of business activities at Asahi Kasei Group plants. As in our Group Vision of “harmony with the natural environment,” the Asahi Kasei Group considers environmental preservation as one of the most important tasks. Our major focuses are on 1) prevention of global warming, 2) promotion of a recycling-oriented society, 3) management of chemical substances, and 4) preservation of biodiversity.

For prevention of global warming, we have established new indexes and targets to curtail greenhouse gas emissions to be achieved by fiscal 2020 (see p. 33). Regarding promotion of a recycling-oriented society, we achieved zero emissions of industrial wastes in fiscal 2010 and are working to maintain this. Furthermore, as a chemical company, we are working to promote safe handling of chemical substances and actively provide safety information. We are also making efforts to reduce the impact of our business activities on biodiversity.



## Environmental protection

The Asahi Kasei Group's environmental protection measures include efforts for the achievement of a low-carbon society, the establishment of a recycling-oriented society, and the preservation of biodiversity. As our operations involve the use of large volumes of chemical substances, we implement measures under our ISO14001 environmental management system to prevent pollution-causing accidents.

### Quantitative indicators and targets to curtail global warming

In June 2012, we established our Global Environment Committee to oversee an expanded scope of activities related to global warming. At its second meeting, the Global Environment Committee formulated policy on environmental initiatives that apply to the entire Asahi Kasei Group (shown at right). In addition, quantitative indicators and targets<sup>1</sup> were revised and updated in order to clearly visualize and confirm ongoing progress of these environmental initiatives.

#### The Asahi Kasei Group's global environmental policy

- Contributing to a low-carbon society**
  - Sharing the international goal of cutting worldwide greenhouse gas emissions in half by the year 2050, the Asahi Kasei Group will establish targets for reduction of emissions from its business activities by 2020.
  - The Asahi Kasei Group will contribute to the establishment of a low-carbon society by providing the world with products, technologies, and services that enable reduced greenhouse-gas emissions through our proprietary technology.
  - The Asahi Kasei Group will monitor and clearly visualize the amount of CO<sub>2</sub> emissions from its supply chain.
- Preserving water resources**

The Asahi Kasei Group will help preserve water resources around the world through its domestic and international water supply filtration membrane module business and industrial water recycling service business. The Asahi Kasei Group will measure the quantity of its water intake while striving to maintain and improve the efficiency of its water usage.
- Promoting a recycling-oriented society**

The Asahi Kasei Group will promote the reduction of environmental impacts and the efficient utilization of resources and energy throughout the entire life cycle in its business activities in order to contribute to a recycling-oriented society. Specifically, we will raise the percentage of reduction, reuse, and recycling (3Rs), and increase the usage of resources and energy with lower environmental impacts as well as renewable resources and energy.
- Achieving harmony with nature**

The Asahi Kasei Group will monitor and carefully manage its business activities to preserve natural capital, maintain consciousness of biodiversity, and ensure the environmental impacts of its business activities are within acceptable ranges. First, we will study the current situation pertaining to our use of land and biological resources.
- Overseas locations (factories)**

The Asahi Kasei Group will create systematic monitoring items that will enable environmental management practices equivalent to those at its factories in Japan.
- Supply chain**

The Asahi Kasei Group will proactively collaborate with members of its supply chain to undertake the abovementioned activities.

<sup>1</sup> See p. 33.

### Quantitative indicators and targets of environmental initiatives

#### 1. Contributing to a low-carbon society

##### Reducing CO<sub>2</sub> emissions

- Reduce CO<sub>2</sub> emissions in Japan to 10% below the FY 2005 level by FY 2020
- Hold total CO<sub>2</sub> emissions in Japan and overseas in FY 2020 to at or below the FY 2010 level

##### Greenhouse gas (GHG) emissions

- Reduce GHG emissions in Japan to 15% below the FY 2005 level by FY 2020

##### LCA/CO<sub>2</sub> contribution ratio (new definition)\*

- Achieve ratio of 7.9 by FY 2020 (5.9 in FY 2012 and 3.2 in FY 2010)

\* LCA contribution ratio: LCA is used to determine the amount of reduction in CO<sub>2</sub> emissions enabled by Asahi Kasei products and technologies in comparison with conventional products and technologies. The ratio is calculated by dividing this amount in a given fiscal year by the global CO<sub>2</sub> emissions of the entire Asahi Kasei Group for the same fiscal year.

#### 2. Preserving water resources

##### Water resource contribution ratio\*

- Achieve ratio of 2.0 in FY 2015 (1.2 in FY 2011)

\* The water resource contribution ratio is calculated by adding up the total quantity of water clarified and recycled using Asahi Kasei filtration technology and dividing this by the quantity of the Asahi Kasei Group's water intake.

### Contributing to a low-carbon society

As a participant in the Commitment to a Low Carbon Society launched in April 2013 by the Japan Chemical Industry Association and Nippon Keidanren, the Asahi Kasei Group is implementing activities in line with this commitment. We will also pursue activities under global indicators and targets set for our overseas manufacturing sites as well.

#### The Asahi Kasei Group's activities for building a low-carbon society

- Reducing greenhouse gas emissions of the Asahi Kasei Group
  - CO<sub>2</sub> and GHG emissions in Japan
  - Global CO<sub>2</sub> emissions
  - Scope 3 emissions
- Helping reduce CO<sub>2</sub> emissions throughout the entire lifecycle of products
- Making international contributions
- Developing innovative new technologies

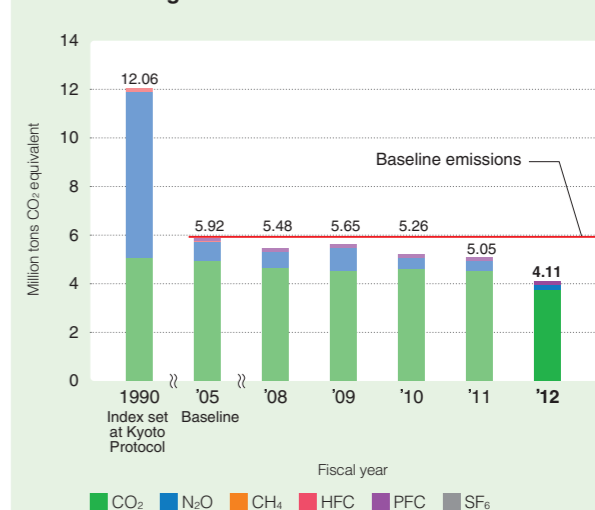
#### The Asahi Kasei Group's environmental initiative framework

|                              |  |
|------------------------------|--|
| Global Environment Committee | This committee deliberates and adopts group-wide environmental measures. It is chaired by the holding company Executive for RC, and has the presidents of the core operating companies and the General Manager of New Business Development as members. It meets twice per year.  |
| LCA Committee                | This committee consists of the chair from the holding company and members from the core operating companies and from New Business Development. It promotes LCA throughout the Asahi Kasei Group and performs LCA for the Group's products and technologies, including those under development. It meets five to six times per year, and reports results of its activities to the Global Environment Committee. |

### Reducing GHG emissions from production processes

The Asahi Kasei Group's GHG emissions in fiscal 2012 were equivalent to 4.11 million tons of CO<sub>2</sub>, which represents a reduction of 30.6% compared to the 5.92 million tons from our baseline year of fiscal 2005. Significant factors that contributed to this reduction include the suspension of ammonia and benzene production, the shift to biomass power generation, and a lower rate of operation at our Mizushima plant complex. Compared to

### Greenhouse gas emissions



the emissions level in 1990, the index year set under the Kyoto Protocol, we continue to maintain a reduction of GHG emissions by more than 50%, most notably through the development of technology for thermal decomposition nitrous oxide (N<sub>2</sub>O) byproduct.

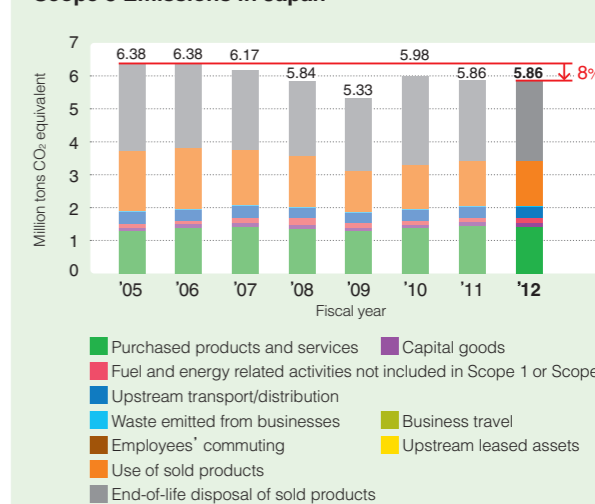
### Scope 3 emissions<sup>1</sup>

The domestic Japanese portion of Scope 3 emissions is regularly calculated for Asahi Kasei Chemicals and Asahi Kasei Homes because this accounts for 85% of such emissions for the entire Asahi Kasei Group.

Our Scope 3 emissions have steadily declined from fiscal 2005 to fiscal 2012, with some fluctuation due to the global financial crisis, and in fiscal 2012 they were about 8% lower than in fiscal 2005.

This reduction can be attributed to the launch and growing sales of Hebel Haus™ products with power generation, efficiency, and conservation functions which reduced Category 11 emissions (use of sold products), and the reduced use of fossil resources and fossil fuels which reduced Category 12 emissions (end-of-life disposal of sold products).

### Scope 3 Emissions in Japan



<sup>1</sup> Scope 3 emissions: Greenhouse gases emitted indirectly by a company throughout its supply chain.



### Life cycle assessment of reduced CO<sub>2</sub> emission

Although CO<sub>2</sub> is generated during the manufacture of materials and intermediate products in the Asahi Kasei Group, there are also many examples of products which contribute to reduced CO<sub>2</sub> emissions during use. LCA calculation takes such contribution into account and determines the amount of CO<sub>2</sub> reduction achieved over the product life cycle. By expanding sales of such products and commercializing new products and technologies that enable significant reduction of CO<sub>2</sub> emission based on LCA, we contribute to the overall reduction of greenhouse gas emission throughout the supply chain.

The results of activities in fiscal 2012 saw three-dimensional knit fabric technology developed by Asahi Kasei Fibers' R&D Laboratory for Applied Products used to create lightweight car seats that improved fuel economy, and the development of an energy-efficient humidifier filter that reduces heat and motor energy during humidification. The anticipated LCA and CO<sub>2</sub> reduction volume of these two technologies for fiscal 2020 are 540,000 tons of CO<sub>2</sub> and 700,000 tons of CO<sub>2</sub>, respectively.

### Global warming conscious products

In April 2012, we formulated guidelines on global warming conscious products. Having formulated a similar set of guidelines in 2003 for eco-friendly products, the Asahi Kasei Group decided to formulate a new set of guidelines for global warming conscious products given recent demand both in Japan and overseas.

In accordance with these guidelines, we have certified the products in the following chart as global warming conscious products.

#### List of global warming conscious products

| Rank | Product name  |
|------|---|
| A    | Hall ICs and Hall elements for DC motors used in air conditioners         |
| A    | Ion-exchange membrane electrolysis system for caustic soda                |
| A    | Rubber for low rolling resistance in automotive tires                     |
| A    | Phosgene-free polycarbonate production process                            |
| A    | Hebel Haus™ with power generating, efficiency, and conservation functions |
| B    | Hebel Haus™ with next-generation insulation                               |
| B    | Sunfort™ photosensitive dry film  |
| C    | Plastic molding machine purging agent                                     |
| C    | Hipore™ lithium-ion battery separator for HEV and EV                      |
| C    | Neoma™ foam insulation material for homes                                 |

Rank A: LCA/CO<sub>2</sub> reduction of at least 500,000 t-CO<sub>2</sub>/y  
 Rank B: LCA/CO<sub>2</sub> reduction of at least 100,000 t-CO<sub>2</sub>/y  
 Rank C: LCA/CO<sub>2</sub> reduction of at least 10,000 t-CO<sub>2</sub>/y

### The Asahi Kasei Group's efforts to reduce CO<sub>2</sub> emissions

#### Energy conservation

To reduce CO<sub>2</sub> emissions from power generation, we target improved unit energy efficiency. Unit energy consumption in fiscal 2012 increased by 7% from the previous year. However, there was no increase in the average annual unit energy consumption over the past five years.

#### Alleviating the environmental effects of physical distribution

Product shipments for Asahi Kasei Group operations in Japan amounted to some 1.1 billion ton-kilometers in fiscal 2012, generating approximately 80 thousand tons of CO<sub>2</sub> emissions—an 8% decrease from fiscal 2011. In cooperation with the transport firms contracted for shipment, a wide range of measures are employed to reduce energy consumption and alleviate the environmental effects of physical distribution.

Both Asahi Kasei Chemicals and Asahi Kasei Fibers have received Eco-Rail Mark certification in recognition of their preferential shipment of products by rail, an ecological mode of transport which results in lower CO<sub>2</sub> emissions for a given weight and distance than many other means of transportation.

#### Use of low-pollution vehicles

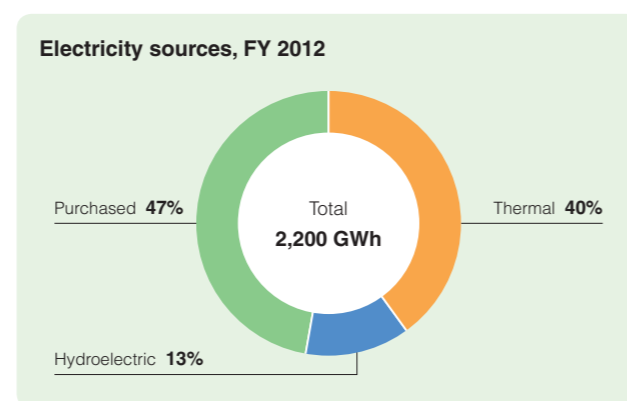
The Asahi Kasei Group is phasing in low-pollution vehicles for use in marketing and within plant grounds. In fiscal 2012, some 70% of company-owned vehicles were low-pollution vehicles.

#### Renewable energy

The Asahi Kasei Group has seven hydroelectric power generation plants in the Nobeoka Region, which provided 13% of the total electricity we used in Japan in fiscal 2012. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 160 thousand tons\* of CO<sub>2</sub> emissions annually.

Furthermore, our biomass power generation facility in Nobeoka started operation in August 2012.

\* Using Japan's Ministry of Economy, Trade and Industry and Ministry of the Environment standard of 550 g CO<sub>2</sub>/kWh.



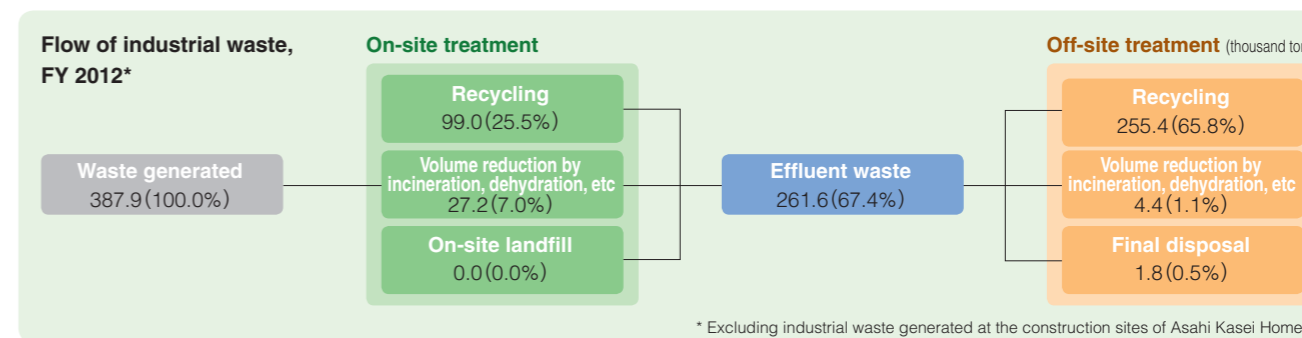
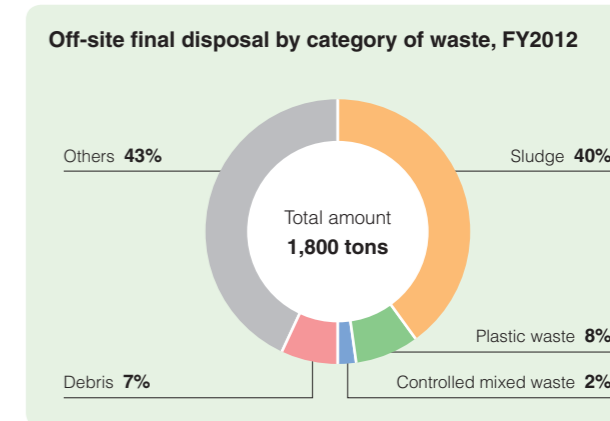
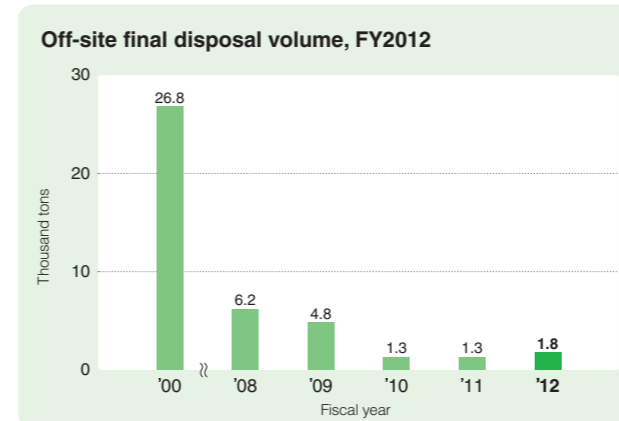
### Promoting a recycling-oriented society

The Asahi Kasei Group is working to reduce the amount of industrial waste for final disposal through the "3-Rs" of reduction, reuse, and recycling in order to help build a recycling-oriented society.

In 2012, we increased on-site waste separation and recycling to reduce the volume of industrial waste transferred off-site for final disposal, achieving our targets

of achieving a final disposal rate of 0.5% or less and a recycling rate of 83% or more with results of 0.5% and 91%, respectively.

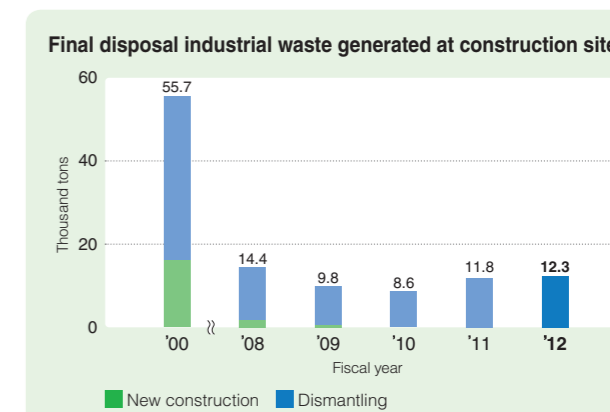
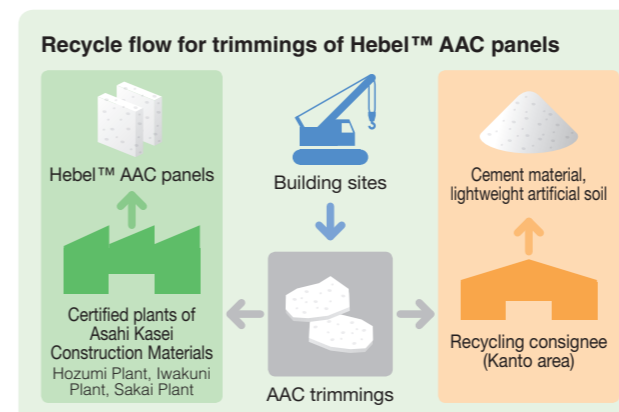
We enhanced our management of off-site treatment of industrial waste by expanding the use of electronic manifests. We also performed periodic on-site inspections of consigned firms to ensure that proper disposal is performed in accordance with sound systems of control.



### Reducing industrial waste from construction materials and housing businesses

Asahi Kasei Construction Materials recycles trimmings of Hebel™ autoclaved aerated concrete (AAC) panels in its own plants and others, utilizing its certification for "wide-area recycling"<sup>1</sup> which permits the transport of waste from

different construction sites. Asahi Kasei Homes is also reducing the volume of waste as well as implementing sorted waste collection at housing construction sites. With these measures, waste for final disposal has been reduced to zero at new construction sites.



<sup>1</sup> Certificate for wide-area recycling: For certain parties, who perform recycling in a wide-area, Japan's Minister of the Environment eliminates the need to obtain separate waste transport permits for each local area. The system was established to promote further recycling of industrial waste.



## Management and disposal of polychlorinated biphenyls (PCBs<sup>1</sup>)

Disused condensers, fluorescent lamp ballasts, and other devices that contain PCBs are emplaced in stainless steel vessels, recorded in a ledger, and stored under strict control.

These are scheduled to be disposed of by March 2027, the legal deadline, through consignment to specified sites such as Japan Environmental Safety Corp. (JESCO) facilities equipped to render them harmless. In addition to the disposal of condensers and transformers, we have begun disposing fluorescent lamp ballasts.

Going forward, we will also ensure that waste with minimal amounts of PCBs is rendered harmless at approved facilities in accordance with Japan's Wastes Disposal and Public Cleansing Act.

## Water, air, soil and groundwater contamination

The Asahi Kasei Group employs a range of measures to manage effluence and emissions to prevent water, air soil, and groundwater pollution. In the event that water, air, soil, or groundwater contamination is discovered at any of our sites, we promptly act to prevent 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.

### New wastewater treatment facility

Until July 2012, Asahi Kasei Pharma's Ohito site sent wastewater requiring treatment about two kilometers to a facility where it was treated using the activated sludge method and released into the public sewage system. This distance was traversed in an underground pipeline that passed beneath public roads, railway tracks, and agricultural fields. This situation carried with it the risk of leaks during the transport of untreated wastewater in the underground pipeline, and was energy inefficient due to overcapacity at the treatment facility after we exited the alcoholic beverage and food businesses. To resolve these issues, we constructed a new, smaller treatment facility within the site that is better suited to handle the current volume of wastewater. This new facility was completed in March 2012 and officially came on line at the end of July 2012 after a four-month trial operation period. Several minor issues occurred after start-up, but the tireless efforts and ingenuity of our effluent control personnel ensured there were zero environmental accidents, and the plant continues to operate without issue.

This facility changeover means that we no longer

In fiscal 2012, we established a guideline for management of effluent water which outlines our basic policy, as well as equipment standards and management methods. Factory effluent management practices at each site are confirmed in accordance with this guideline.

## Reduction of hazardous chemicals

The Asahi Kasei Group makes an effort to reduce the release of hazardous chemicals. These chemicals include substances specified in the Air Pollution Control Act, Water Pollution Control Act, and the PRTR<sup>2</sup> Law, and other substances which we have voluntarily designated for reduction. Priority for reduction is based on the degree of hazardousness and amount of release. As shown in the graph on the following page, release of PRTR-specified substances and VOC<sup>3</sup> emission were reduced by 90% and 88%, respectively from fiscal 2000.

Release of substances regulated by the Air Pollution Control Act and the Water Pollution Control Act were maintained below the permissible limits.

need to send untreated wastewater through the underground pipeline, eliminating any risk of leakage. In addition, the BOD reduction rate of the new facility is on average more than 96%, verifying that it provides the same stable treatment capacity for the entire Ohito site's effluent as before. The new facility also reduces power costs more than one half even though it handles the same amount of wastewater as the previous facility.

Going forward, the Ohito site will strive to maintain the stable operation of this new facility to properly treat wastewater from its plants and research laboratories, contributing to the overall environmental protection program of Asahi Kasei Pharma.

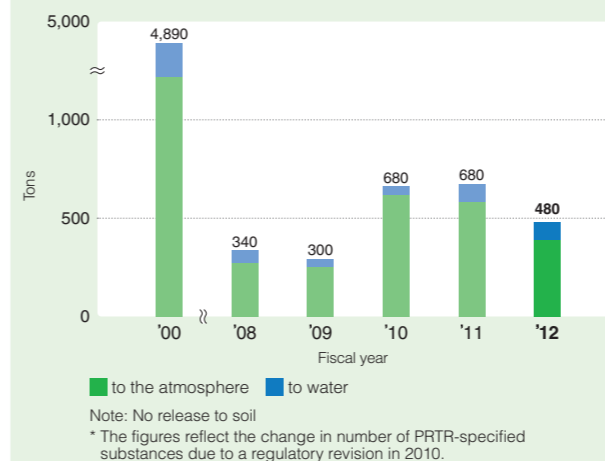


The new treatment facility

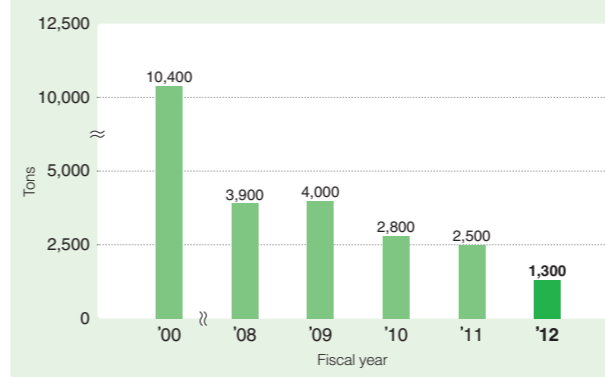


Our effluent control personnel

### Releases of PRTR-specified substances



### Releases of VOCs



## Preservation of biodiversity

### Basic policy

To ensure the sustainable utilization of living resources, due consideration is given to reducing the impact of our business activities on biodiversity, and we have established guidelines for the preservation of biodiversity. Based on this guideline, the Asahi Kasei Group began examining the impact of our business activities on biodiversity. In order to promote business activity with due concern for biodiversity, we are working to raise awareness among personnel by various means including our RC education program.

### Notable actions in fiscal 2012

Through the examination of the impact of our business activities on biodiversity, we came to realize the extreme importance of biological resources and the ecosystem for our operations. Our plants and offices are undertaking a variety of initiatives to preserve biodiversity in each location.

In Nobeoka, as part of a reforestation program organized by Miyazaki Prefecture, we are engaged in the regeneration of a broad-leaf forest called the Asahi Forest in an area where cedar and cypress had been cultivated previously. We are also working with other companies performing tree-planting programs in the Gokase River watershed area for coordinated biodiversity preservation.

In Moriyama, we are working to remove foreign species and protect native species of fish based on a vision of being

the world's best factory site located near freshwater fish, as part of a program to protect the natural water environment of Lake Biwa.

In fiscal 2012, we monitored the habitat throughout the year to determine the full potential for protecting native fish species. We also prepared a manual for removing foreign species after testing a variety of different fishing equipment.

In Fuji, we created a local biotope called the Asahi Woods of Life at our plant and laboratory complex, recreating the ecosystem of the local area. Many of our employees and local residents participate in biodiversity-related activities such as planting trees, planting and harvesting rice, and watching fireflies.

### Ikimono Kyosei Jigyosho<sup>®</sup> initiative

Asahi Kasei is involved in the Ikimono Kyosei Jigyosho<sup>®</sup> initiative advocated by the Japan Business Initiative for Biodiversity (JBIB). As part of this initiative, we performed a biological monitoring study to assess greenery at the Asahi Woods of Life at our Fuji site and the green space at our Moriyama site, and to investigate the insect and wildfowl species living there, using a land use report card. This study was performed in conjunction with a comparison of riverside forest and park land.

The results showed that Fuji had a higher degree of biodiversity than a large urban park. As for Moriyama, the plant's green space was found to be linked to the neighboring riverside forest and the land can also be utilized as an ecological corridor (a connected space that enables wildlife to move between important habitats) under the Shiga Prefectural Biotope Network Long-term Concept.

### Biological monitoring study



Study in Moriyama area



Study in Fuji area

### Future initiatives

We continue examining the impact of our business activities on biodiversity, and adopt measures that contribute to environmental preservation. As a founding corporate member, we will also pursue activities under the Satoyama Initiative Promotion Network (tentative name), which was established by Japan's Ministry of the Environment, several local governments, NGOs, and other companies.

<sup>1</sup> PCBs (polychlorinated biphenyls) are persistent and pose a risk to the living environment and human health. Their manufacture and use is essentially prohibited in Japan.  
<sup>2</sup> PRTR: 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.  
<sup>3</sup> VOC: 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.

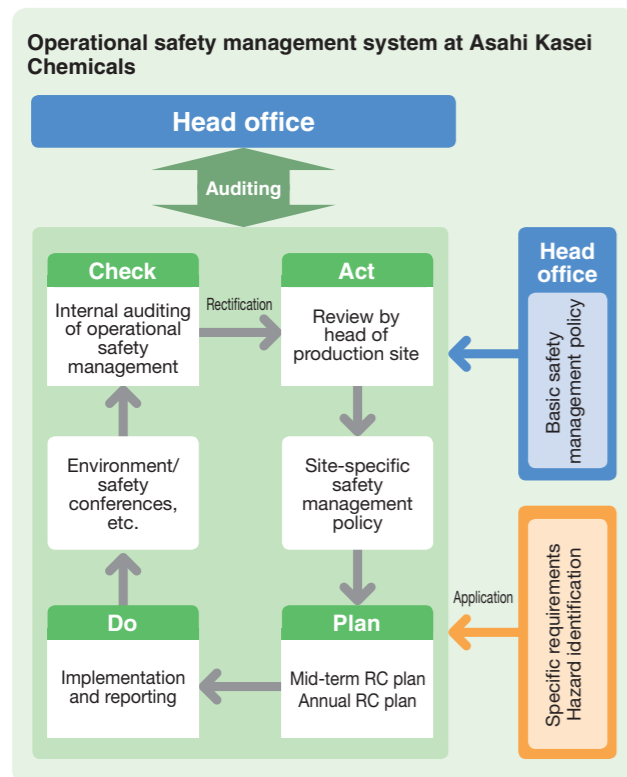


## Operational safety

To achieve safe operations, it is essential to build highly safe plants, perform sound plant maintenance, and operate facilities in a stable and safe manner. The Asahi Kasei Group avoids industrial accidents through risk assessments prior to the construction of new plants and periodic inspections of existing plants performed by auditors specialized in fire and explosion prevention, as well as process reviews corresponding to the age of facilities. In fiscal 2012, we performed inspections from the perspective of preventing abnormal reactions and ensuring interlock functions, and initiated a program of on-site confirmation. There was one industrial accident during fiscal 2012 in which the internal filter of flue-gas desulfurization equipment burned out during dismantling.

### Management of operational safety

Our ongoing, autonomous program to ensure operational safety includes safety assessment and hazard identification in accordance with a basic safety management policy, and specific plans are implemented on both annual and multi-year cycles.



### Safe, stable plant operation

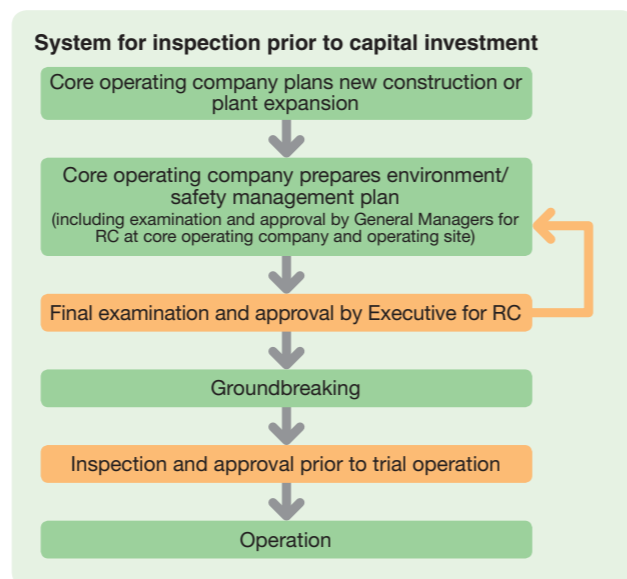
Given our diverse range of operations that include chemicals, fibers, homes & construction materials, healthcare, and electronics, the Asahi Kasei Group has plants with a wide variety of different characteristics. No single approach to safety would be appropriate for all plants.

We employ a systematic process to tailor the safety effort to each plant's specific requirements. This includes the use of PDCA cycles to ensure the appropriateness of the maintenance standards for each individual unit of equipment.

### 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 of a certain scale or larger. Inspection and approval prior to trial operation provides an additional confirmation of plant safety before commercial operation begins.

Safety assessment is performed as part of the pre-investment inspection. Ranks are assigned based on the degree of hazard, with methods such as HAZOP<sup>1</sup> utilized in the risk assessment of high hazard facilities, and other risk assessment methods utilized for low-risk plants which are deemed to be vital.



In addition, safety information and know-how are shared across the Asahi Kasei Group through group-wide plant engineering conferences with four specialist panels: Formulation of optimum systematic maintenance programs, establishment of standards and criteria, formulation of training systems for maintenance engineers, and sharing engineering information.

### Process review

Reviewing processes at our existing plants has long been performed as part of our program to monitor for items in need of replacement and uninspected items, and beginning in fiscal 2009 we began specialized RC audits focused on the risk of fires and explosions as part of our effort to eliminate industrial accidents. In fiscal 2012, we performed inspections from the perspective of preventing abnormal reactions and ensuring interlock functions, and also initiated a program of on-site confirmation.



Meeting on preventing abnormal reactions and ensuring interlock functions

### Training for maintenance

Maintenance is on par with production as one of the two most important aspects of any plant. The training program we launched throughout the Asahi Kasei Group in fiscal 2009 to nurture the skills of maintenance personnel consists of on-the-job training, off-the-job training, and presentations. Every year the classroom component of this program has included some 18 lectures led by in-house experts on such topics as planned maintenance and the basic elements of machinery.

Each year between 200 and 300 employees take part in the program, with a cumulative total of some 2,400 employees having participated through fiscal 2012. The knowledge gained from classroom lectures is reflected in onsite maintenance activities and used to improve and modify equipment as well as ensure stable and safe operations.



Training session for maintenance in Moriyama



Training session for maintenance in Fuji

### 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. AOA teaches the principles and structures of equipment, heightening the ability to identify the cause of equipment failure and to respond it. Miniature plants and simulators are used at AOA to provide hands-on

experience with controls and instrumentation. Operators thereby gain the technical skills and practical understanding of chemical engineering necessary for safe and reliable plant operation, with the ability to respond appropriately in the event of any abnormality.



AOA lecture



AOA practical training session

### Preparation for emergency situations

A comprehensive set of internal regulations guides the proper response to any industrial accidents or natural disasters which may 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.



Emergency response training drill in Atago

### Physical distribution safety

Asahi Kasei Chemicals works closely with logistics providers contracted for storage, loading, unloading, and transportation to implement safety activities, which include physical distribution safety symposiums, safety liaison conferences, safety evaluations of logistics providers, on-board ship safety assessments, and many other safety measures. Furthermore, individual production sites hold joint training drills together with logistics providers, police departments, and fire departments to prepare for accidents that may occur and to ensure that damage from such accidents is minimized.



Training drill for physical distribution safety with a vinyl chloride tank truck

<sup>1</sup> Abbreviation of "hazard and operability study," a method of identifying and dealing with potential problems in industrial processes by assuming deviations from design intentions. This highly exhaustive method is widely utilized throughout the process industries.



## Workplace safety and hygiene

The effort to prevent workplace accidents is integrated in a comprehensive OHSMS<sup>1</sup> program that combines conventional safety initiatives—such as tidiness/orderliness/cleanliness, reporting of near-accidents and potential hazards, hazard prediction analysis, safety patrols, and case studies—with risk assessments and a prevention-oriented plan-do-check-act (PDCA) system.

### Integration of workplace safety initiatives



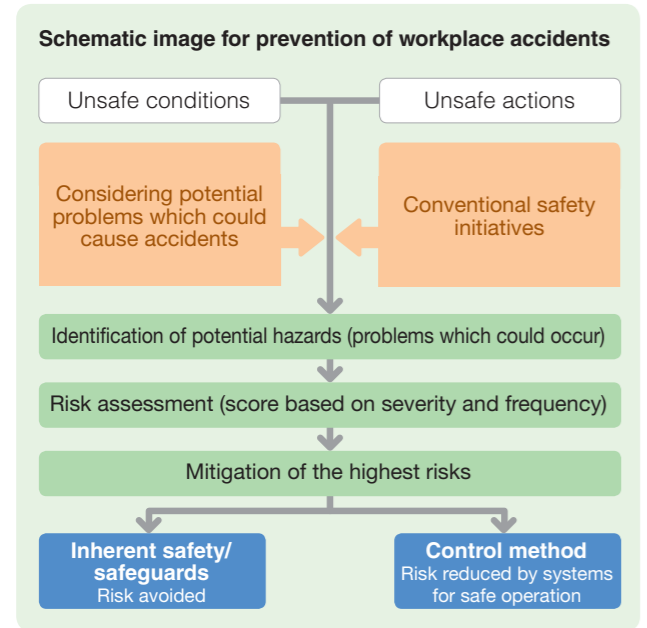
### Approach to workplace safety

#### Identification of potential hazards

Effective prevention of workplace accidents requires the identification of all potential hazards in a workplace. In addition to conventional safety initiatives, it is important to consider safety from the perspective of the problems which conceivably arise in a wide variety of situations—as a result of both potentially unsafe physical conditions (hazardous working environment due to equipment, materials, noise, etc.) and potentially unsafe actions of personnel.

#### Risk assessment

Priority for mitigating the potential workplace hazards thus identified is assigned based on a scoring system that combines the severity of the impact of problems which could occur and the frequency with which such problems would be likely to occur.



### Mitigation of the highest risks

Measures to achieve inherent safety by eliminating unsafe conditions (by eliminating dangerous procedures, automation, eliminating sources of problems, changeover to safe materials, etc.) and the application of safeguards are extremely effective in the effort to avoid risks. We focus on achieving inherent safety and applying safeguards (isolation and stoppage) to avoid risks associated with the use of machinery and equipment to prevent the “caught in/ between” category of accident, which can easily result in severe injury.

#### Inherent safety, safeguards

Measures to achieve inherent safety and the application of safeguards to avoid risks are generally considered to provide the greatest level of safety, as shown in the following table. We incorporate such measures in the construction of new or replacement facilities, upon safety reviews of existing facilities, and to prevent the recurrence of accidents.

#### Formulation of safety measures

| Safety measures |                                 | Degree of safety achieved |
|-----------------|---------------------------------|---------------------------|
| 1               | Inherent safety                 | 100%                      |
| 2               | Safeguards                      | 80%                       |
| 3               | Control method                  | 20%                       |
| 4               |                                 |                           |
|                 | Manuals, approved systems, etc. | 20%                       |

Source: Japan Industrial Safety and Health Association, “Shokuba no Risk Assessment no Jissai” (Realities of Workplace Risk Assessment), 1999, p.26

#### Systems for safe operation

Operations for which the elimination of risks through equipment modification is impractical are classified as operations requiring special control. In such cases, risks are reduced through compliance with safe operating standards<sup>2</sup>. In addition to double-checking that proper procedures are followed, a range of creative measures are employed to ensure that safe operating standards are observed from day to day.

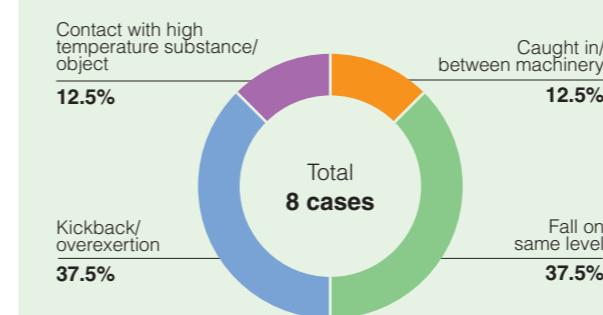
<sup>1</sup> Occupational Health and Safety Management System. A standardized management system used to confirm that continuous improvement is being applied to measures to minimize the risks of workplace injuries and to prevent the emergence of future risks.

<sup>2</sup> Rather than individual rules for specific procedures, safe operating standards are a system of safety principles which define common safety practices that apply to categories of operation based on similarity of risk. For example, to prevent entanglement in machinery, our standard stipulates not to touch any exposed moving parts.

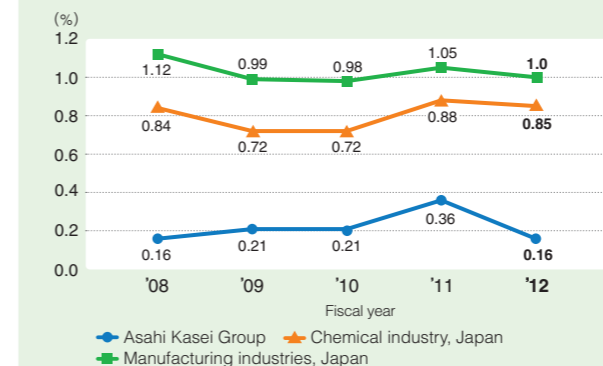
## Occurrence of workplace injuries

Of the 8 workplace injuries that occurred during fiscal 2012, 12.5% fell into the “caught in/between” category, which can easily result in severe injury. The proportion is slightly lower than the 21%, average of fiscal 2002 to 2011. We continue to strive to reduce accidents in the “caught in/ between” category by eliminating sources of danger and enhancing safeguards. In fiscal 2012, we began program of comprehensive plant inspections that incorporates fresh perspectives from outside experts and from our personnel of different sites and different core operating companies.

### Incidence of workplace injury by event category, FY 2012



### Frequency rate<sup>2</sup>

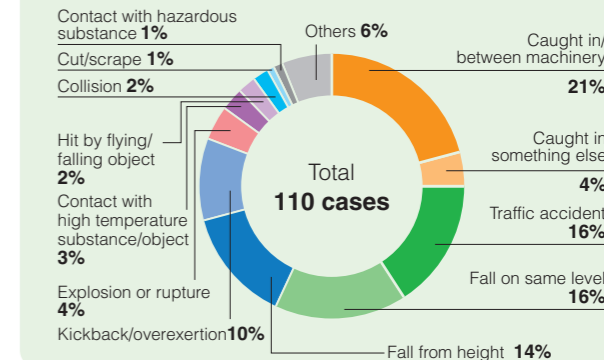


Note: Fiscal years for the Asahi Kasei Group, calendar years for the chemical industry and manufacturing industries in Japan.

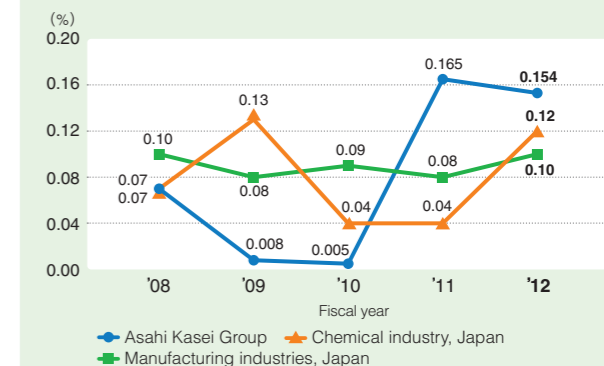
We also formulated a set of guidelines on machinery safety in accordance with ISO12100<sup>1</sup> and are providing training to ensure effective utilization.

Accidents involving falls on the same level and kickbacks/overexertion accounted for 75% of all workplace injuries in fiscal 2012. To prevent these common accidents that could occur even in non-factory workplaces such as sales offices or headquarters, we are promoting safety activities in all workplaces and renewing our emphasis on a culture of safety.

### Incidence of workplace injury by event category, FY 2002–2011



### Severity rate<sup>3</sup>



Notes:  
1. Fiscal years for the Asahi Kasei Group, calendar years for the chemical industry and manufacturing industries in Japan.  
2. The severity rate increased in fiscal 2011 because of one fatal accident and in fiscal 2012 because of one accident that caused lasting injury (Level 2 Disability).

## Occupational Health and Safety Management System (OHSMS)

In fiscal 2002, we began applying OHSMS in accordance with OHSAS 18001<sup>4</sup> standards. In fiscal 2009, OHSMS was implemented at 90% of all plants and laboratories.

## 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. Noise and heat exposure data are recorded and maintained for all relevant personnel to enable each individual’s exposure to be managed and minimized. We are advancing plant modification and reviewing work procedures to reduce exposure to noise and heat.

<sup>1</sup> ISO12100 specifies principles for achieving safety in machinery design and principles of risk assessment and risk reduction.  
<sup>2</sup> Frequency rate: Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked. Our goal of 0.1 or less is extremely ambitious. At a plant with 100 workers, it would mean only one worker in 50 years suffered from a workplace injury which resulted in a day off.  
<sup>3</sup> Lost workdays, severity-weighted, per thousand man-hours worked.  
<sup>4</sup> Occupational Health and Safety Assessment Series, number 18001. A standard for certification of OHSMS.



## Health maintenance

The Asahi Kasei Group implements various activities to help employees maintain and advance their mental and physical well-being in accordance with its health management guidelines, including screening for lifestyle-related diseases and mental health checkups.

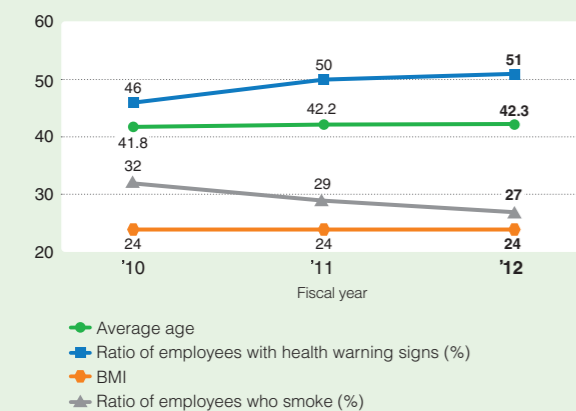
### Enhanced health management framework

In fiscal 2011 we appointed a chief occupational medical officer and in fiscal 2012 we reorganized our Health Maintenance Department to fall under the control of the departments charged with RC activities for smoother communication. Our chief occupational medical officer visited independent plants and smaller offices, evaluated the health care circumstances at our overseas sites, and interviewed employees stationed overseas and their families in order to determine how health management can be further improved.

### Reducing health warning signs

The Asahi Kasei Group has provided personnel with health guidance and exercise guidance by outside experts and health maintenance staff in each location. Nevertheless, the proportion of employees for whom health warning signs are found at annual checkups has slightly increased. From fiscal 2008 to 2012 our employee health insurance association provided the first phase of specified health guidance in accordance with the Act of Assurance of Medical Care for Elderly People. Some 5,000 employees received this guidance, and signs of improvement were confirmed.

Ratio of employees with health warning signs



### Mental health and care

The Asahi Kasei Group is working to improve the workplace environment by enhancing its four complimentary approaches to care in accordance with its mental health care guidelines. For self-care by individual employees and care by industrial medical staff, in fiscal 2012 we moved from a conventional paper-based stress survey to an intranet-based electronic diagnosis system developed by Fujitsu Software Technologies Ltd. Administering this stress survey at the time of annual employee health checkups enables early detection and treatment of problems. In addition to surveying the stress level of individual employees, this system analyzes workplace stress to help improve the workplace environment as part of our effort for care by line of authority.

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 those who used this provision have successfully returned to full-time work. At each plant site and office location, we actively provide care by specialists, including training sessions by external lecturers and introduction of counseling services.

### Four approaches to emotional care

|                                  |  |
|----------------------------------|--|
| 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  |

## Product safety

To ensure the provision of products that the customer can use safely and reliably, the Asahi Kasei Group constantly strives to improve product safety and product quality, while maintaining consistent production control. In fiscal 2012, we once again met our target of no serious product safety incidents.

### Prevention of product safety incidents

#### Consumer satisfaction and safety

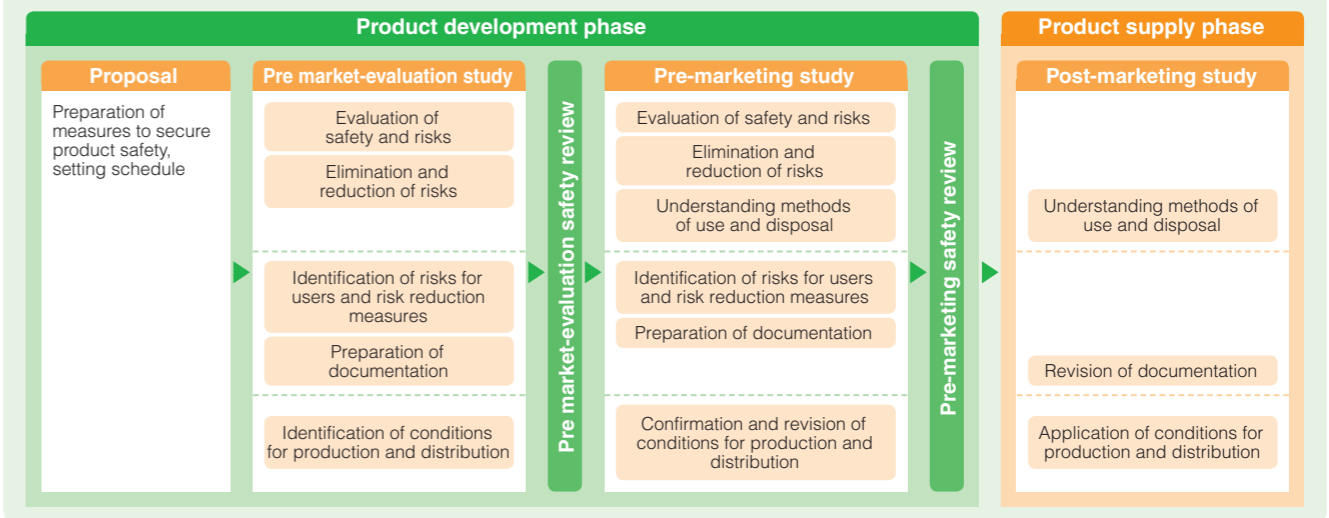
Products sold by the Asahi Kasei Group range from industrial materials to consumer products. Many of the materials we sell are used in products which are purchased by ordinary consumers. Consumer satisfaction is therefore the ultimate measure of our success in the provision of safe, high-quality products.

We strive to maintain product quality and safety through continual attention to production control to ensure that the products used by consumers are completely free of safety defects.

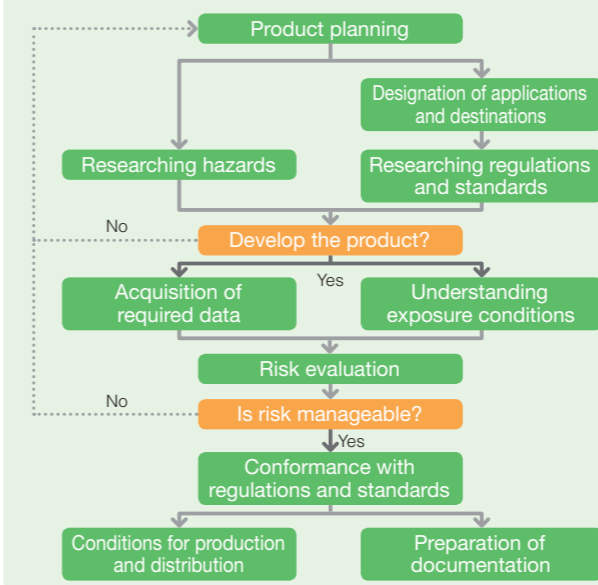
### Product safety guidelines

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. The guidelines are centered on risk assessment during the development stage to ensure product safety prior to marketing. Specific product safety measures for individual products are applied by each core operating company in accordance with the guidelines. Products are classified as either "chemicals" or "equipment," with separate procedures to ensure product safety as shown below.

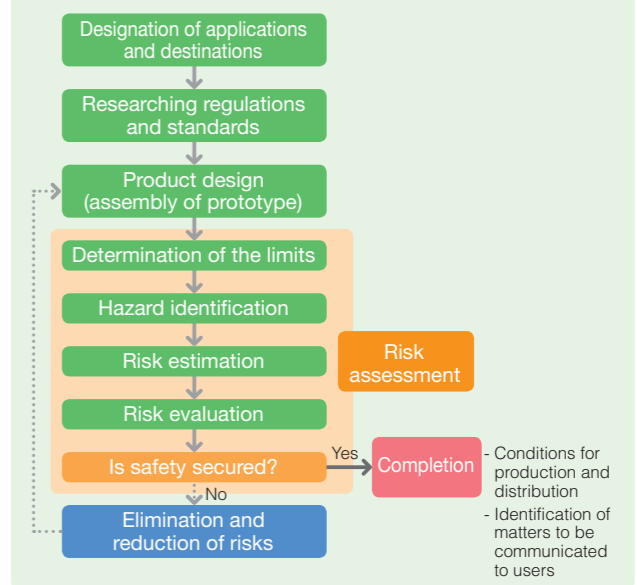
### Flow of product safety measures



### Product safety procedure for chemicals



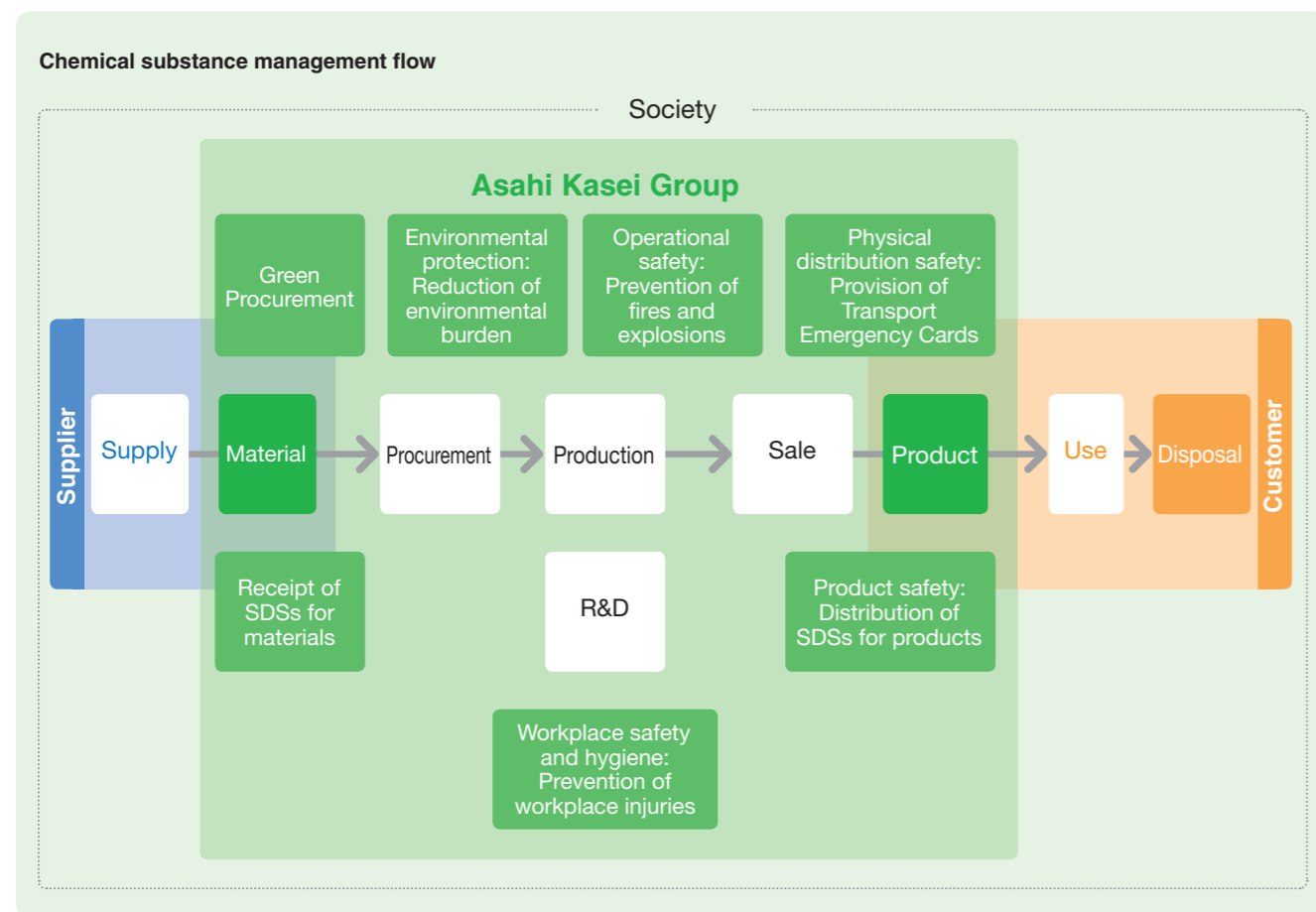
### Product safety procedure for equipment





## Managing chemical substances

To ensure the safety of products and production processes in the Asahi Kasei Group, we maintain awareness of the properties of the chemical substances we use, and manage them strictly and appropriately throughout each phase from materials procurement to production, use, and disposal.



### The Asahi Kasei Group's 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 above.

#### 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 p. 32-37) and to prevent fires, explosions, and leaks (see p. 38-39). The health of employees is protected by preventing workplace exposure to hazardous substances.

#### Use and disposal

Guidance for proper use and disposal of chemical substances and chemical products is provided in Safety Data Sheets (SDSs), technical bulletins, and product brochures. Transport Emergency Cards are issued to guide the 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.

At Asahi Kasei E-materials, the Product Safety Committee meets four times each year, in recognition of the importance of product safety in the R&D phase. The committee shares the progress of product safety activities among different product categories, to present study results concerning product safety systems in different departments, and to provide information on controlling chemical substances to R&D personnel.



A Product Safety Committee meeting at Asahi Kasei E-materials

### Education and training

The Asahi Kasei Group conducts extensive education and training on the 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.

In fiscal 2012, we advanced preparations to ensure compliance with the revised Chemical Substance Control Law, including distributing the latest information on the revisions throughout the group and encouraging participation in related seminars and briefings. Basic and intermediate education on product liability was continued at Asahi Kasei Chemicals with a particular emphasis on practical training to heighten the level of knowledge on the subject.



Product liability education at Asahi Kasei Chemicals

### Global trends on management of chemical substances

The Asahi Kasei Group is enhancing the management of chemical substances in accordance with relevant global trends. Many international organizations and private-sector associations are promoting chemical management based on risk assessment and advancing product stewardship in supply chains.

#### Developments in management of chemical substances

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





### Committing to the RC Global Charter

On May 30, 2008, the President of Asahi Kasei Corp. signed a letter of commitment to the Responsible Care Global Charter (RCGC) on behalf of the Asahi Kasei Group, indicating our recognition of the importance of RC and especially chemical substance control. The RCGC was launched by the International Council of Chemical Associations (ICCA) with a UN resolution.

### HPV and LRI

The Asahi Kasei Group has been a leading participant in the Japan Challenge Program, which was launched in 2005 as a nation-wide public/private sector alliance to accelerate the collection of safety information on high production volume (HPV) chemicals for public disclosure. The final activity report was submitted in fiscal 2012, and these activities were completed.

Further, we take part in ICCA-LRI<sup>1</sup> of The Japan Chemical Industry Association (JCIA) to develop safety evaluation technologies. The Asahi Kasei Group participates in the Executive Committee and the Research Advancement Panel for specialized areas.

### Japan Initiative of Product Stewardship

The Japan Initiative of Product Stewardship (JIPS)<sup>2</sup> is a voluntary program by the JCIA to promote voluntary risk assessment and management of chemical substances, and to encourage enhanced product stewardship. Under JIPS, a Japanese version of the ICCA Product Stewardship Guideline has been prepared, including a Japanese version of risk assessment guidance and product stewardship guidance for communication of risk information throughout supply chains. Efforts are now focused on promoting these as an industry standard for product stewardship activities.

In fiscal 2012, Asahi Kasei continued its active involvement in the JIPS Implementation Panel, supporting efforts to communicate information and taking part in activities in accordance with the panel's schedule. With

Asahi Kasei Chemicals as our main entity for promoting the disclosure and sharing of information, we participated in seminars for preparing and registering Global Product Strategy (GPS) safety summaries held between April and June 2012. We also advanced plans to create safety information on substances that had already received a risk assessment, with Asahi Kasei Chemicals publishing a safety summary on one chemical substance and safety information on five substances.

Going forward, we will apply our guidance-based risk assessment work within the Asahi Kasei Group to promote further disclosures of risk assessments and safety summaries, with the goal of full-scale implementation.

Through our involvement in JIPS activities, we will share information both internally and externally on the Asahi Kasei Group's chemical control activities, contributing to environmental protection.

### Globally Harmonized System (GHS)<sup>3</sup>

We are advancing a program to classify the hazards of all of our chemical products in accordance with GHS categories, and revise our SDSs and label our products with safety information accordingly.

### REACH<sup>4</sup> compliance

In fiscal 2012, we prepared for the second round of REACH registrations. Relevant core operating companies conduct internal education and training on REACH requirements and periodically hold meetings among related organizations. At the same time, we continue to move forward with preparations for CLP regulations<sup>5</sup>. Since transmission of information and notifications of substances with very high concern (SVHC)<sup>6</sup> is now obligatory, we continue to gather and provide information on chemical substances. Preparations are continuing for the second and third rounds of REACH registrations, while compliance with all relevant requirements is maintained.

### Joint Article Management Program (JAMP)

As an active member of JAMP, we participate in the development of systems to manage chemical substance information as well as revision of the list of applicable substances. As an upstream company, we also convey relevant information throughout the supply chain to help establish JAMP as a widely used tool.

In fiscal 2012, we provided the JAMP Tools via the JAMP-IT platform to convey relevant information on hazardous chemicals and share information externally. Asahi Kasei Electronics was able to obtain and provide the JAMP Tools via the JAMP-IT platform, and is now actively disseminating information internally and externally to support commercial AS vendors<sup>1</sup>. As a major upstream company, we will continue to work with the JAMP Office toward the greater adoption of the JAMP-IT platform as a means of information sharing.

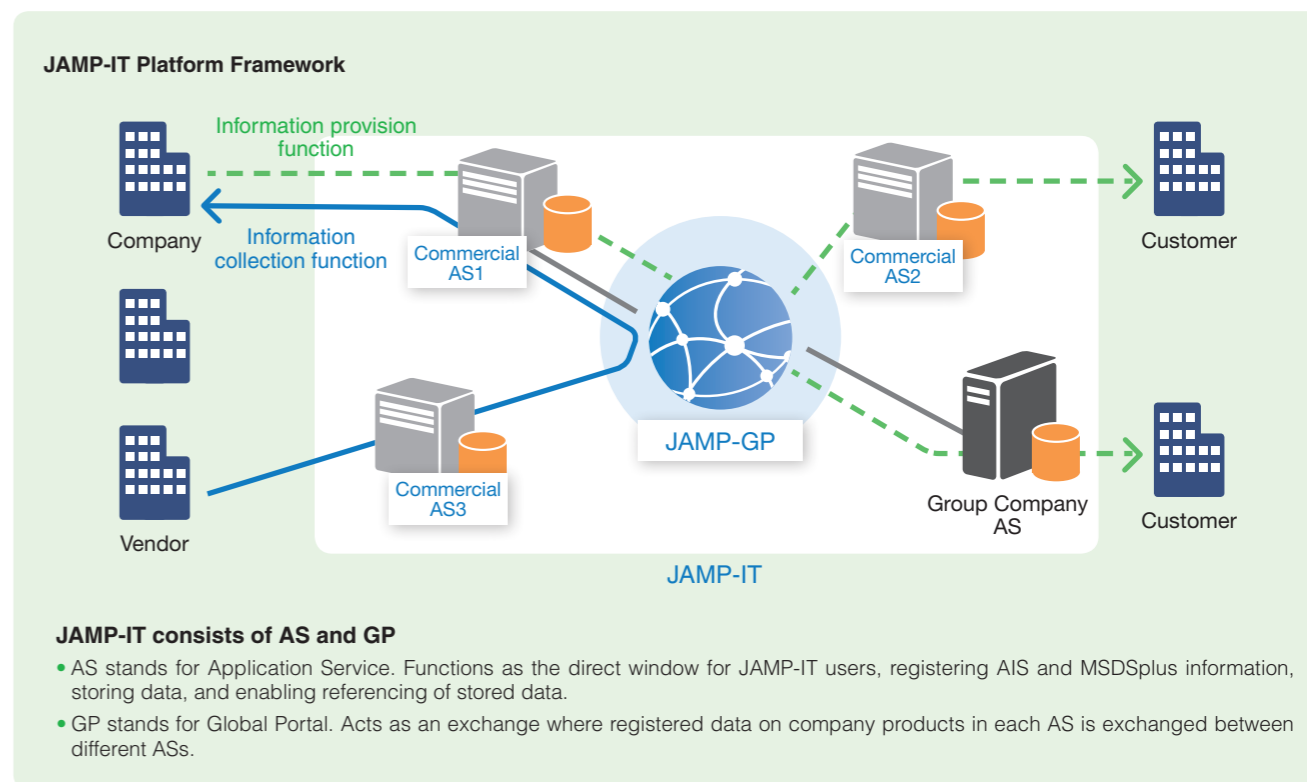
The JAMP-IT platform framework is shown in the figure below.

### Outline of efforts for product safety and chemical substance management

The Asahi Kasei Group routinely performs employee education on product liability, chemical product safety, and equipment safety, along with risk assessment. We examine the substance of complaints about our products and apply lessons learned to our quality assurance systems (QMS and GMP) as part of the continuing effort to ensure product safety and avoid complaints.

With regard to the safety of chemical products, the Global Harmonized System of Classification and Labeling of Chemicals (GHS) has been introduced in Japan in accordance with a United Nations advisory. We have revised our SDSs for compatibility with GHS and have labeled our chemical products to make safety information more visible. In addition to their useful properties, many of our products are potentially hazardous if handled improperly.

We therefore provide a range of information for safe use and handling of our products, continuously review the safety of our products, and strive to ensure that the safety information that we provide is easy to understand and apply.



<sup>1</sup> Commercial AS vendor: A company providing application services (AS) with database functions.

<sup>1</sup> ICCA-LRI: The ICCA Long-range Research Initiative seeks to deal with unresolved issues regarding the impact of chemical substances on human health and the environment, and to develop new safety assessment technologies. The JCIA has ongoing research projects in five areas: effect on organisms in the environment, neurotoxicity, carcinogenicity, immunotoxicity, and improvement of the precision of risk evaluation.

<sup>2</sup> JIPS (Japan Initiative of Product Stewardship) is a chemical industry initiative promoted by the Japan Chemical Industry Association to minimize chemical risks with the aim of achieving the 2020 targets set by the World Summit on Sustainable Development.

<sup>3</sup> Globally Harmonized System of Classification and Labeling of Chemicals (GHS): An international system of standardized hazard categories for chemical products, together with harmonized labeling.

<sup>4</sup> REACH compliance: Registration, Evaluation, Authorization and Restriction of Chemicals (REACH) is a European Union (EU) regulation on chemical substances. It applies to all chemicals imported or produced in the EU, including solvents, detergents, fibers, and components, and requires companies to conduct safety assessments of such chemicals.

<sup>5</sup> CLP regulations: CLP is a regulation of the European Parliament and European Council on classification, labeling, and packaging of substances and mixtures in accordance with GHS.

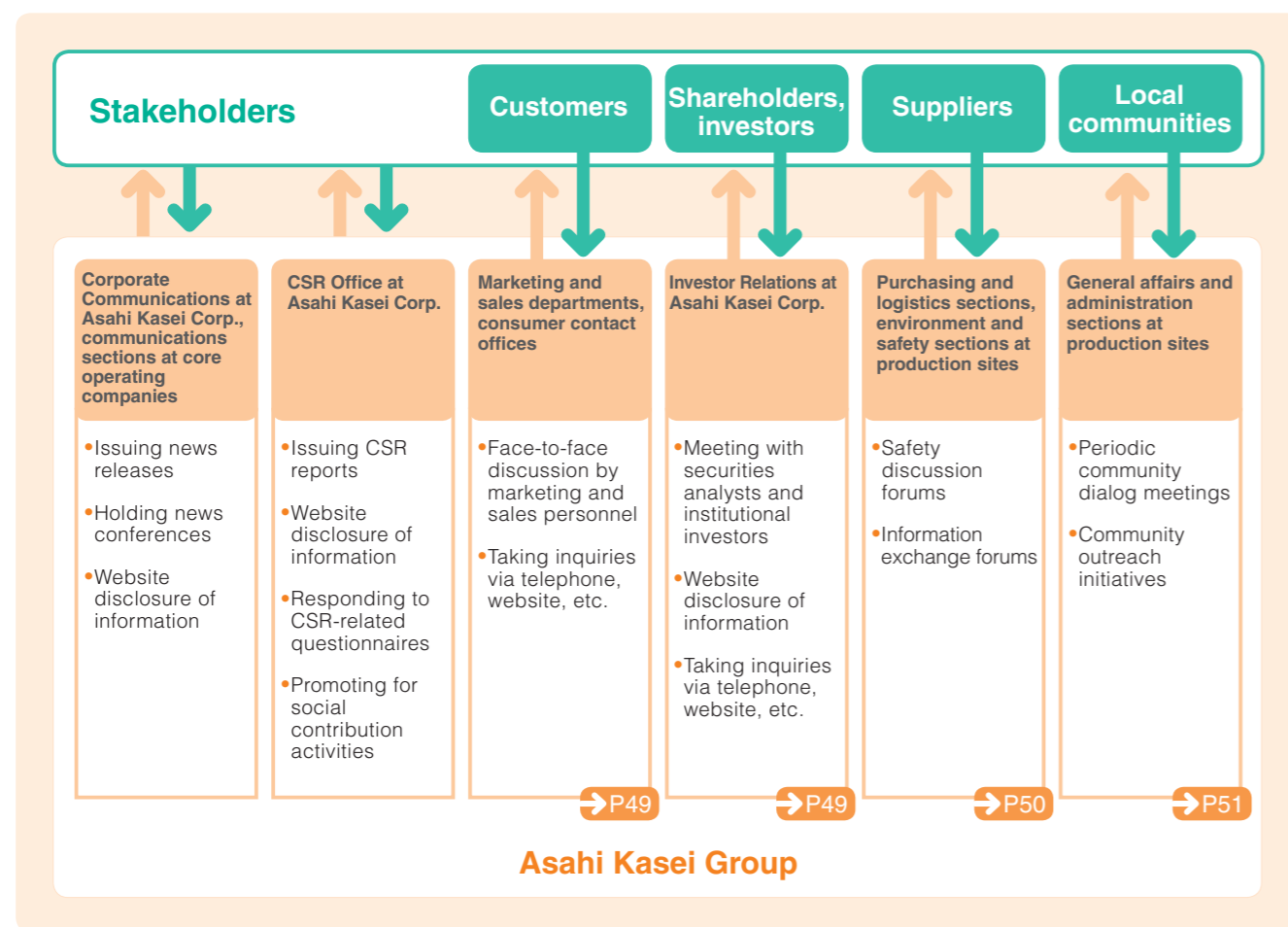
<sup>6</sup> SVHC: Substances of Very High Concern. Substances added to a list of candidates for authorized regulation.

# Corporate citizenship

We are committed to advancing in harmony with society from a global perspective 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.



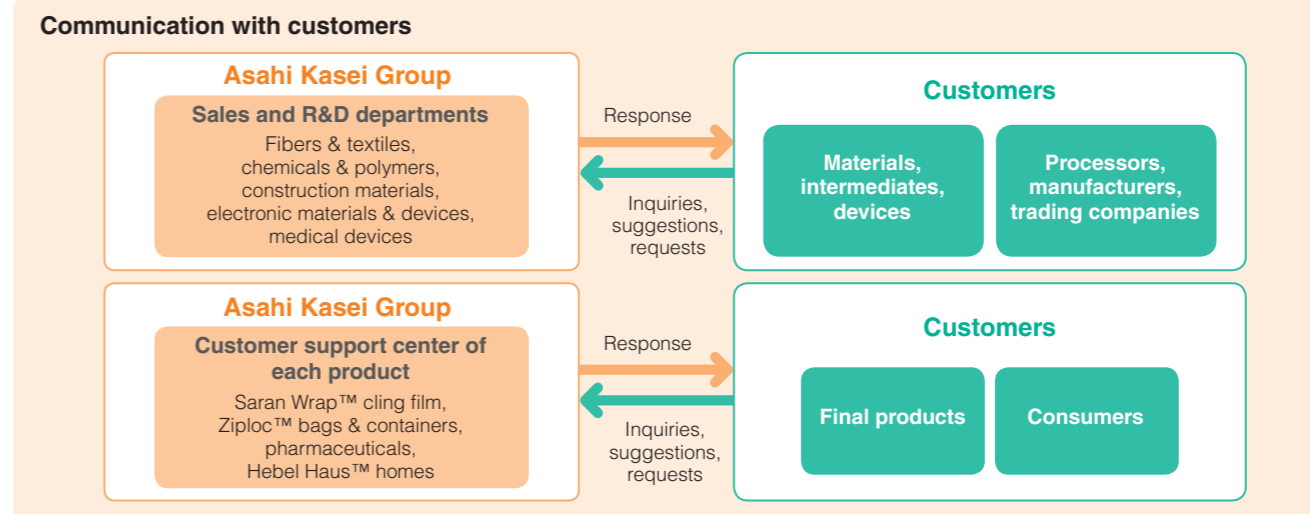
### Information Disclosure Policy

Effective and strategic information disclosure which contributes to greater corporate value is performed in accordance with our Information Disclosure Policy.

**WEB** Information Disclosure Policy  
[www.asahi-kasei.co.jp/asahi/en/ir/disclosure.html](http://www.asahi-kasei.co.jp/asahi/en/ir/disclosure.html)

## Customer relations

We highly appreciate frank and honest feedback from the customer, considering it vital to our effort to enhance the quality and value of our products and services. We believe that it is by maintaining customer satisfaction that our products and services contribute to society.

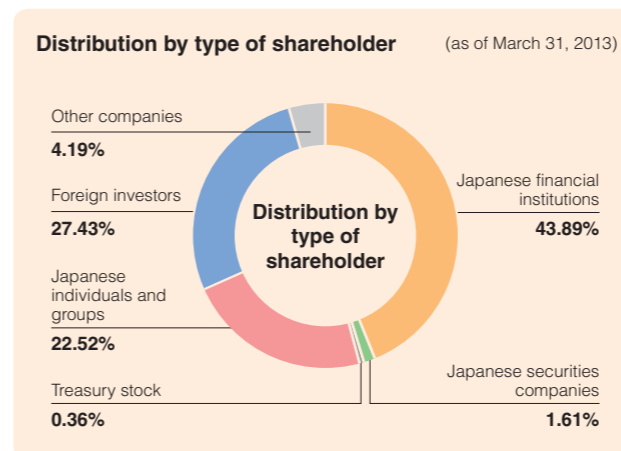


## Investor relations

We strive to disclose information in a timely and fair manner to enable our investors to gain an accurate understanding of the Asahi Kasei Group.

### Shareholder distribution

Asahi Kasei Corp. has some 110 thousand shareholders. At the end of March 2013, approximately 44% of our shares were held by Japanese financial institutions, 23% by Japanese individuals and groups, and 27% by foreign investors.



### IR Meetings with institutional investors and securities analysts

Investor Relations (IR) carries out a wide variety of communications activities so that domestic and international investors, securities analysts, and individual investors can better understand the Asahi Kasei Group.

In fiscal 2012, IR held 291 meetings with institutional investors and securities analysts in Japan, including quarterly results briefings and an annual management briefing with the President. A further 52 meetings were held overseas.

In total, 343 meetings were held to directly provide information to institutional investors and securities analysts during the year, with a cumulative attendance of 1,331.

We also provide a wide variety of information for investors on our website.

### Seminars for individual investors

To provide individual investors with a better understanding of the operations of the Asahi Kasei Group, 19 seminars were held in fiscal 2012, with total attendance of 2,853 individual investors<sup>1</sup>, an increase in attendance of over 30% from fiscal 2011. We will continue to provide accurate and timely information to individual investors through direct communications, the corporate website, and articles published in magazines for individual investors.

<sup>1</sup> Excluding participants of 121st Ordinary General Meeting of Shareholders.

## 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.

### The Asahi Kasei Group Purchasing and Procurement Policy

Purchasing departments throughout the Asahi Kasei Group regard suppliers as important partners and work to build relationships with them based on sincerity in accordance with our Group Philosophy. To this end, we are placing greater emphasis on CSR in accordance with our Procurement Policy which was revised in fiscal 2011.

#### The Asahi Kasei Group Purchasing and Procurement Policy

##### Basic Policy

##### 1 Compliance

We uphold all laws relevant to purchasing transactions as well as the Asahi Kasei Group's internal regulations.

##### 2 Fairness and impartiality

Selection of bids and conclusion of contracts are performed in a fair and impartial manner.

##### 3 Open door principle

We provide fair opportunities to any potential supplier, both domestic and overseas.

##### 4 CSR-focused procurement

We perform purchasing in close coordination with our group-wide activities for CSR.

##### 5 Partnership

We strive to deepen mutual understanding and build relationships of trust with our suppliers.

### Focus on CSR in purchasing and procurement

In fiscal 2012, Asahi Kasei Group asked major suppliers of materials and construction services to participate in a CSR survey. Items covered included CSR promotion systems, compliance, environmental safety, risk management, product safety, human rights and labor, and information security management. The survey helped to promote understanding of our efforts for CSR, and we are encouraging suppliers to consider CSR issues in their dealings with the Asahi Kasei Group.

### Supplier relations at production sites

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

### Green procurement in the electronics industry—adding a CSR perspective

Procurement for electronic devices involves dealing with a wide range of parties, including suppliers of raw materials, packing materials, and secondary materials, as well as trading companies and product manufacturers.

Asahi Kasei Microdevices has long given preference to raw materials and secondary materials with low environmental impact from the perspective of "Green Procurement." Starting in 2005, we have also performed an annual survey to confirm the state of environmental preservation and CSR performance at our suppliers, as well as confirming what chemical substances are contained in products. The survey is based on the Electronic Industry Citizenship Coalition (EICC) standards for compliance in the global electronics industry as well as the Asahi Kasei Group's CSR initiative.

To make it simpler for suppliers to provide responses, in fiscal 2012 we reorganized the survey into two sections of Environmental Preservation and Corporate Social Responsibility, used simple, clear expressions, and provided multiple choice answers. For the section on chemical substances contained, we applied the JAMP<sup>1</sup> format so that respondents could easily confirm the most recent applicable regulations. With such improvements, the survey return rate increased to over 90%.

Asahi Kasei Microdevices plans to use the survey results to further heighten the effectiveness of its CSR procurement. We will work to deepen understanding of CSR procurement among our personnel through seminars and other efforts.



**Toshikazu Goshima**  
Department of Risk Management and Coordination  
Asahi Kasei Microdevices Corp.

<sup>1</sup> See p. 47.

## Public outreach

We work to honor and respect the local 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 representatives of local governments and members of local residents associations, as well as the opening of gymnasiums, sports fields, parking lots, and other facilities for public use and enjoyment, and the hosting a variety of events.



Community dialog meeting with local residents association in Suzuka



Local residents at the Summer Festival event in Izunokuni

### Plant tours

We offer plant tours to provide better understanding of our operations and the measures we implement for the environment and safety. (Tours are not available at all plants.)



Kurashiki City, Okayama Prefecture



The Nobeoka Exhibition Hall

### Neighborhood clean-up and planting greenery

Employees at our main production sites periodically clear the plant vicinities and nearby areas of litter, rubbish, and weeds as part of our interaction with the surrounding communities. We also actively participate in a variety of projects for planting of trees and greenery.



Neighborhood clean-up in Kawasaki



Cleaning the Lake Biwa shore

### Local emergency response initiatives

In Nobeoka, Miyazaki, we have a disaster volunteer organization consisting of our personnel and retirees to perform disaster drills and emergency response support for the local community.

Asahi Kasei Chemicals has installed independent drinking water supply systems at four Asahi Kasei Group plant sites: Moriyama, Suzuka, Nobeoka, and Kawasaki. The systems utilize our microfiltration membranes to purify deep well water. While serving to supply drinking water to personnel working at these sites on a daily basis, these systems also provide a vital independent backup as a secure source of safe drinking water for local communities in the event of a disaster.



Training to use an automated external defibrillator (AED)



Independent drinking water supply system in Moriyama

## Community fellowship

The Asahi Kasei Group is involved in a wide range of community-focused activities in accordance with its Basic Framework focused on the three themes of Nurturing the Next Generation, Coexistence with the Environment, and Promotion of Culture, Art, and Sports, under our Community Fellowship Policy.

### Community Fellowship Policy

- 1 Effective utilization of our human resources and technologies to advance community fellowship based on the unique characteristics of the Asahi Kasei Group.
- 2 Striving for meaningful community fellowship actions with a constant awareness of our objectives and effectiveness.
- 3 Supporting and nurturing participation in community fellowship by employees, encouraging volunteerism and individual initiative.

### Basic Framework

Nurturing the Next Generation

Coexistence with the Environment

Promotion of Culture, Art, and Sports

## Nurturing the next generation

### School visits and science lab for students

To promote understanding and heighten interest in science and technology among elementary, junior high, and high school students, we visit schools and host visits by students to factories to give explanations and demonstrations of

science and technology and on environmental issues. We also support career development with occupational lectures and problem-solving training.



Nobeoka, Miyazaki



Moriyama, Shiga



Fuji, Shizuoka



Kurashiki, Okayama



Sagami, Kanagawa



Saitama, Saitama

### Holding exhibits and sponsoring science-related events

The Asahi Kasei Group provides sponsorship for science-related events that give children and their parents an opportunity to learn about science and chemistry in a fun way. In fiscal 2012, we exhibited at a children's chemistry experiment show and the 2012 Science Festival for Youth. We again sponsored the Japan Science and Technology

Agency's high-school chemistry tournament, which began in fiscal 2011. In this tournament, representative high school students from each of Japan's prefectures compete in chemistry knowledge and skills. We recognized excellent students with an Asahi Kasei Award.



Exhibit at the children's chemistry experiment show in Tokyo



Exhibit at the 2012 Science Festival for Youth in Okayama



The award ceremony at the high-school chemistry tournament in Hyogo

### Sponsoring a university course

The Asahi Kasei Group sponsors a course at Fuji Tokoha University in Fuji, Shizuoka. In fiscal 2012, our scientific personnel gave lectures in the course entitled "Modern Society and Scientific Technologies," for which we dispatched seven personnel for nine lectures.



Lecture at Fuji Tokoha University

### Miraikan corporate partnership

Since fiscal 2008, the Asahi Kasei Group has been a corporate partner of the National Museum of Emerging Science and Innovation (Miraikan) led by scientist and former astronaut Dr. Mamoru Mohri. As a corporate partner, we work together with Miraikan to help cultivate interest in science and technology among children and other visitors. In 2012, Asahi Kasei Group Fellow Masaya Yamashita took part in the Miraikan's "Scientist Talk" event, speaking on his development of electronic compass technology which was awarded the 2012 Imperial Invention Prize.



Dr. Yamashita at the Scientist Talk event

### Sponsoring educational programs on science and the environment by newspaper companies

The Asahi Kasei Group sponsors educational events organized by newspaper companies that provide children an opportunity to learn about science and the environment.

#### Supporting the Japan Student Science Awards

The Asahi Kasei Group was again the sole sponsor of The Yomiuri Shimbun newspaper's Japan Student Science Awards for fiscal 2012, including the Asahi Kasei Award, which are given in recognition of outstanding study of science at junior high schools and high schools.



Asahi Kasei President Taketsugu Fujiwara presenting the Asahi Kasei Award at the Japan Student Science Awards in Tokyo

#### Planet Earth Classroom

We again provided sponsorship in fiscal 2012 for "Planet Earth Classroom," a series of environmentally themed events for elementary school students planned and managed by the Asahi Shimbun newspaper. We supported the events by editing an environmental study textbook for distribution to elementary schools nationwide, giving lectures at elementary schools, and dispatching personnel as instructors for environmental study events for families.



An environmental study event for elementary school students in Tokyo

### Training programs for school teachers

Asahi Kasei Group participates in a program by the Japan Institute for Social and Economic Affairs to provide school teachers with training at private-sector firms.

In fiscal 2012, five teachers from an association of private schools in Tokyo visited our Tokyo corporate headquarters, the housing exhibition site of Asahi Kasei Homes in Minatomirai, Yokohama, and the plant complex of Asahi Kasei Chemicals in Kawasaki.



Using a kitchen at the housing exhibition site

## Coexistence with the Environment

### Exhibiting at Eco-Products 2012

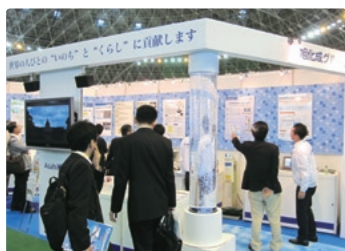
In December 2012, the Asahi Kasei Group exhibited original products at “Eco-Products 2012” organized by the Environmental Management Association for Industry and Nikkei Inc. Our exhibit focused on our environmentally friendly products and technologies and on our environmental activities, emphasizing the Asahi Kasei Group’s commitment to coexistence with the environment.



The Asahi Kasei Group exhibit at Eco-Products 2012

### Exhibiting at Biwako Business Messe 2012

In October 2012, the Asahi Kasei Group exhibited at “Biwako Business Messe 2012,” an environmental business exhibition in Nagahama, Shiga. Our exhibit was themed on water environment solutions, showcasing our products and technologies that protect water quality such as out wastewater treatment system using membrane filtration, oil leak detectors, oil-water separation filters, and phosphorus recovery systems.



The Asahi Kasei Group exhibit at Biwako Business Messe 2012

### Distribution of an ecological lifestyle brochure

The Lifestyle R&D Laboratory of Asahi Kasei Homes published a brochure on utilizing nature in an energy-conserving lifestyle. The brochure presents useful information and tips gleaned from surveys, with friendly illustrations and easy-to-understand data. In 2012, this publication was widely distributed at housing exhibition sites and community fellowship events.



Ecological lifestyle brochure

### Workshop at Eco Kids Exploring Party 2012

Asahi Kasei sponsored of “Eco Kids Exploring Party 2012” held in August 2012 in Tokyo. Personnel of Asahi Kasei Homes led a workshop focused on making eco-friendly houses of the future. The workshop was based on the environmental education program “Fun with Heat” developed by the company’s Lifestyle R&D Laboratory. After learning about the properties of heat and ways to conserve energy, participating children built miniature houses that would be cool in the summer, warm in the winter, and environmentally friendly.



The workshop at Eco Kids Exploring Party 2012

### Regional environmental and social activity in Shiga

Asahi Kasei Jyuko Co., Ltd. participates in a regional philanthropy network of some 100 companies in Shiga Prefecture. One program is to recycle PET bottle caps, and Asahi Kasei Jyuko collects the caps from PET bottles used by employees. The collected caps are provided to a special workshop that employs people with disabilities to recycle them together with other waste plastic to make planter boxes, and to fill the planter boxes with soil and plant them with flowers. As a partner in this program, Asahi Kasei Jyuko receives the planted flower boxes, and places them at its Shiga Factory. Once a month, the workers with disabilities come to weed and tend to the flowers, providing an ongoing opportunity for positive contributions to social welfare as well as beautification of the local community.



Workers with disabilities tending to flowers in the planter boxes

## Disaster relief

### Support for areas affected by the Great East Japan Earthquake

#### Science classes in Iwaki

From December 2012 to January 2013, former Asahi Kasei employees conducted science classes at five junior high schools and two elementary schools in Iwaki, Fukushima, an area affected by the disaster in 2011. The classes focused on themes such as fibers, separation technologies and their applications, the composition of seawater, and making tofu to demonstrate substance transformation.

Iwaki is a sister city of Nobeoka, which is a major production base for the Asahi Kasei Group, and the established relationship between the two cities led to the implementation of these classes as part of our post-disaster support activities.



#### High-school lecture

Participating in a program of lectures by members of society, a researcher from Asahi Kasei Microdevices gave a talk about semiconductor development including demonstrations at Iwate Prefectural Miyako High School on July 11, 2012.



#### Volunteering at Tohoku Support Village

Asahi Kasei Group personnel participated as volunteers to help manage the “Tohoku Support Village” event in Tokyo on March 29–30, 2013, in support of areas affected by the Great East Japan Earthquake. The event featured a wide variety of booths by companies that received support after the disaster, NPOs, and NGOs from the three affected prefectures of Iwate, Miyagi, and Fukushima. The event included booths with local products and handcrafts for sale, and talks and videos on the state of recovery from the disaster.



## Community fellowship around the world

Many offices and production sites of the Asahi Kasei Group in the United States, Europe, China, Korea, Taiwan, and Southeast Asia, engage in a variety of community fellowship activities as suited to their individual circumstances and locations. These include neighborhood clean-up, support for welfare and education, and donation to local organizations and schools. Particular focus is placed on activities that support the local environment, and we also value opportunities for international interchange between overseas communities and our operations in Japan.

### Asahi Kasei Water Environment Preservation Foundation

We established the Asahi Kasei Water Environment Preservation Foundation in August 2009 to promote youth education in China with regard to the water environment and to support research in China related to the water environment. Since 2010 we have presented Water Environment Preservation Awards each year to people and companies that have contributed to preservation of the water environment in China. In fiscal 2012, the awards were given to 10 groups of individuals, 9 universities, and 42 Chinese companies.

The 2012 Water Environment Preservation Award Ceremony



### Forest planting in China

Since June 2011, the Asahi Kasei Group and China Business News, China’s leading business media group, have jointly advanced an environmental public service project to raise awareness in China for the preservation natural forest and water environments. As part of the project, we participated in an afforestation program in the Horqin Desert of Inner Mongolia, planting 5,130 trees on April 18, 2013.

Forest planting in China



### Plant tour for overseas students

In September 2012, Asahi Kasei Construction Materials hosted 15 students from the School of Architecture at the University of Montreal, Canada, at its Sakai Plant in Ibaraki Prefecture. The students were given a description of the company's AAC (autoclaved aerated concrete) panel business and an overview of the plant, and shown the process for manufacturing AAC panels, a type of construction material not used in Canada.



Students from the University of Montreal at the plant tour

## Promotion of Culture, Art, and Sports

### Corporate sports activities

Asahi Kasei has long supported athletic activity and maintains top-tier track and judo teams, with nearly 40 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 track and judo lessons for local students by members of our corporate track and judo teams.



The Golden Games in Nobeoka

### Track and judo lessons

Asahi Kasei's track and judo teams hold lessons for children in the city of Nobeoka, where the teams are based. In fiscal 2012, track lessons were held nine times with a total of some 200 elementary school students participating, and judo lessons one time with some 70 participants. These lessons help to promote sports in the local community, and a number of the participating children have taken part in national tournaments.



Judo lesson for students

### Promotion of sports in the local community

#### Asahi Kasei Junior Volleyball Tournament

The Mizushima Works of Asahi Kasei Chemicals in Kurashiki held the Asahi Kasei Junior Volleyball Tournament in October 2012. Some 60 members of boys volleyball teams from 5 junior high schools in Kurashiki participated in a volleyball lesson and competed in a tournament. A former member of the corporate volleyball team led the lesson, including demonstrations of techniques.



Volleyball lesson for students

### Asahi Kasei Himuka Cultural Foundation

The Asahi Kasei 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 include musical and dramatic events, support for local cultural promotion, and fostering familiarity with and understanding of folk culture. In fiscal 2012, the foundation sponsored the May 3 main program and the May 6 special program of the Miyazaki International Music Festival, bringing a magnificent and elegant world of music to the local community.



Violinist Akiko Suwanai in the main program  
(Photo by Yukan Daily)

# 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.

### Message from the Executive for Human Resources



Yoshihiro Wada  
Director  
Lead Executive Officer  
Asahi Kasei Corp.

In fiscal 2012, we implemented a variety of measures as part of our commitment to respect diversity and individuality in accordance with our Human Resources Principles. These included holding "One Asahi Kasei Area Meet" training sessions to reinforce our Group Philosophy among overseas personnel and to develop human resources in overseas operations, launching a trainee program to develop global human resources, enhancing our overseas study program, and increasing the hiring of non-Japanese employees and women.

Holding "performance" as a key aspect of our human resources action plan, we expanded on the measures implemented last fiscal year by increasing the hiring of people with disabilities at Asahi Kasei Ability Corp., supporting the careers of older workers up to the age of 65, and supporting the careers of female employees (an Outside Director was elected as our first female Director).

## Human Resources Principles

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

#### Corporate Commitment

The basic commitment to human resources is to provide the venue for a dynamic and fulfilling career as a part of a lively and growing corporate group.

#### Basic Expectations

- Enterprise and growth through challenge and change
- Integrity and responsibility in action
- Respect for diversity

#### Expectations of Leaders

- Building the team, heightening performance and achievement
- Going beyond conventional boundaries, in thought and action
- Contributing to mutual development and growth

Established in March 2006

## Human resources development

The human resources development program in the Asahi Kasei Group is structured with heightening basic skills through OJT and heightening professional skills as a two-layer foundation, with three pillars of cultivating management leaders, heightening specialist skills, and fostering global human resources.

### Two-foundation, three-pillar structure



- 1 Fostering world-class management leaders who will guide the future growth of the Asahi Kasei Group
- 2 Fostering personnel who demonstrate outstanding specialist skill in particular fields and who are held in the highest regard within those fields, both internally and externally
- 3 Fostering personnel with the knowledge and skill to work internationally, with an understanding of different cultures and appreciation of diversity
- 4 Raising professional skills and knowledge related both directly and indirectly to work in specific fields to the highest levels
- 5 Fostering the ability of young personnel to push forward, develop solutions, and work cooperatively as fundamental skills

## Career development training and support

### A wide range of training programs

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.

### Group Masters

The Asahi Kasei Group employs a “Group Masters” program to recognize employees who have developed and exercised extraordinary expertise and skills that hold universal value, and to facilitate their application throughout the Group. As of April 2013, 118 Group Masters are designated: two as Group Fellows, 31 as Senior Group Experts, and 85 as Group Experts, with rank and remuneration commensurate with division general manager, department general manager, and section manager, respectively.

### Development of global human resources

To support the expansion of world-leading businesses under our medium-term management initiative “For Tomorrow 2015” from the perspective of human resources, we are implementing measures such as internship programs for young personnel, expanding overseas study programs, appointing new personnel and managers at overseas subsidiaries and affiliates, and holding “One Asahi Kasei Area Meet” training sessions for managers at overseas subsidiaries in Europe, the US, and China.

### Development of engineers and technical specialists

Under “For Tomorrow 2015,” we are accelerating the creation of new businesses which provide new value for society. Engineers and technical specialists in R&D and manufacturing are essential human resources for successful

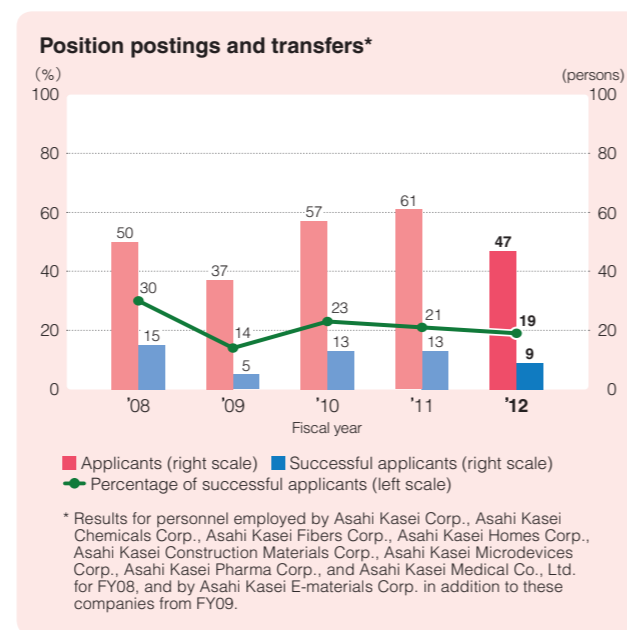
business development, and therefore we are reinforcing measures to create better, more vibrant workplaces for them as well as examining programs that provide a wide range of career opportunities to enable their personal and professional growth.

### 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.

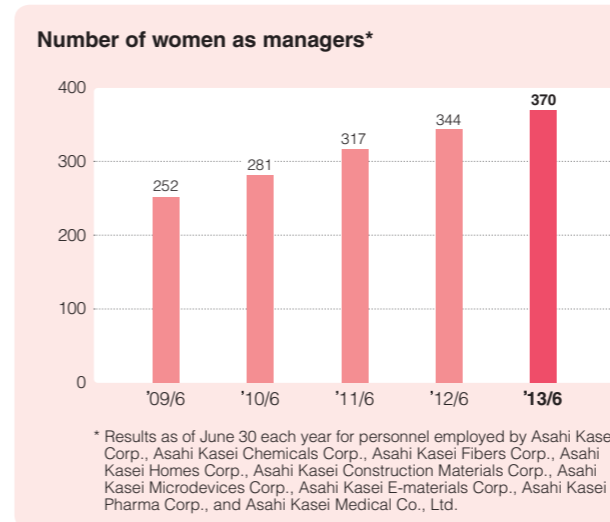
### Available position postings

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. In the nine and half years since its inception, a total of 166 employees have been transferred through this system to other divisions and departments within the Asahi Kasei Group.



## Expansion of opportunities for women

We established EO Promotion in 1993 as a corporate organ to ensure equal opportunity (EO), and have proactively increased the proportion of women hired 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 370 in June 2013, and the variety of posts where women are assigned continues to expand.



## Preventing sexual harassment

Sexual harassment is clearly prohibited in the Asahi Kasei Group 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 in Human Resources serves as a central point for consultation about related issues and concerns in the Asahi Kasei Group.

Training and consultation are also provided for staff from placement agencies and employees of affiliated companies, as part of a comprehensive effort to prevent the occurrence of sexual harassment.

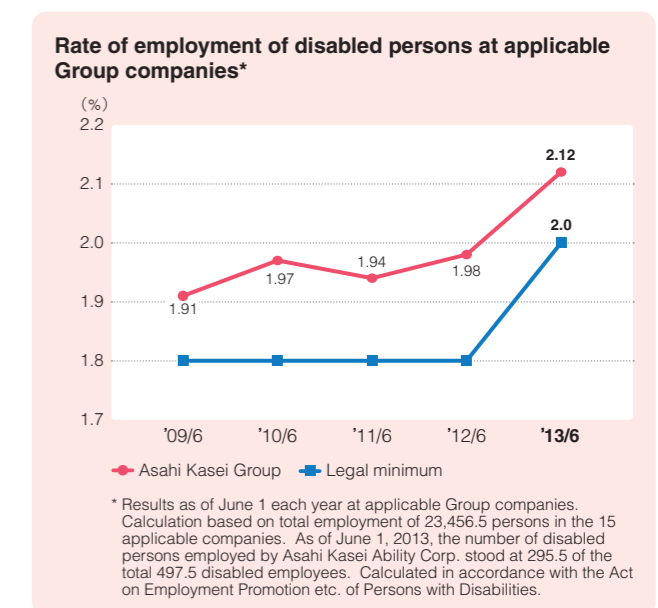
## Employment of persons with disabilities

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 data entry, digitizing documents, website design, printing of business cards, document printing and binding, dispatch of sample products, cleaning, copying, and planter box gardening.

On April 1, 2013, the legal minimum proportion for employment of persons with disabilities was revised upward from 1.8% to 2.0%. As of June 1, 2013, the proportion for applicable companies of the Asahi Kasei Group stood at 2.12% (497.5 persons), exceeding the legal requirement.

The 15 applicable companies are Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Fibers Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., Asahi Kasei Pharma Corp., Asahi Kasei Medical Co., Ltd., Asahi Kasei Amidas Co., Ltd., Asahi Kasei Engineering Corp., Asahi Kasei Electronics Co., Ltd., Asahi Kasei Microsystems Co., Ltd., Asahi Kasei Home Construction Corp. (newly added in April 2012), and Asahi Kasei Ability Corp.

We continue recruitment activities to further increase the employment of persons with disabilities at other subsidiaries and affiliates as well.



## Valuing human rights and diversity

### Basic policy

Corporate HR & Labor Relations leads the effort to ensure that there will be no unreasonable discrimination on the basis of gender, nationality, age, or otherwise, to maintain a lively workplace culture which enables personnel to perform at their best, to advance employment of persons with disability, and to rehire personnel after mandatory retirement.

### Fiscal 2013 hiring

In April 2013, 393 new graduates were hired: 323 men and 70 women. In addition, 110 persons were hired in mid-career between April 2012 and March 2013.

### Competing in the 33rd National Abilympics

Six employees of Asahi Kasei Ability competed in the 33rd National Abilympics held in Nagano in November 2012. The employees competed as prefectural representatives of Miyazaki, Okayama, and Tokyo, in the DTP, database, website creation, and word processing competitions. Our representatives of Miyazaki and Okayama also served as flag-bearers for their teams.

Seven employees also qualified to compete in the 2013 National Abilympics, one employee from Nobeoka as a representative of Miyazaki, four employees from Mizushima as representatives of Okayama, and two employees from Fuji as representatives of Shizuoka.



Ms. Shinobu Araki bearing the flag for the Miyazaki team



Mr. Hidenori Igarashi, representative of Tokyo, at the database competition



Ms. Kayoko Shinohara, representative of Okayama, at the DTP competition

## Balancing work and family life

### Basic policy

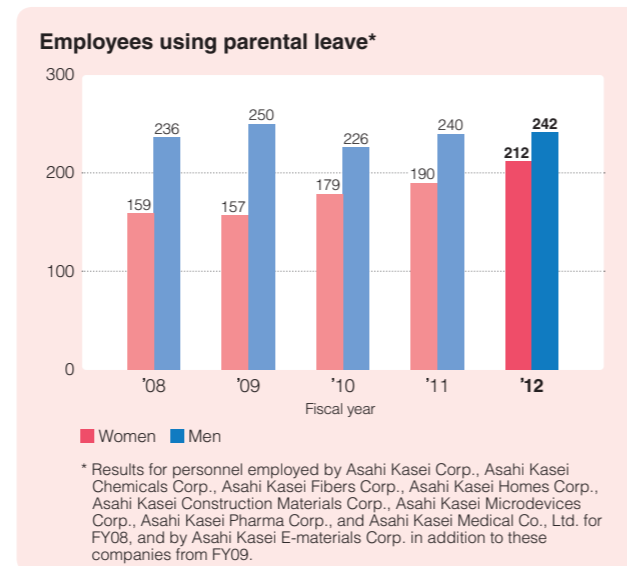
We encourage personnel to reevaluate their working habits from the perspective of balancing work and family life, to raise productivity to enable excessive working hours to be avoided and paid days off to be utilized. In fiscal 2010 we adopted a system for paid holidays to be used in two-hour units, allowing personnel to utilize paid leave more flexibly.

### Helping employees balance 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. The corporate intranet is used to raise awareness of the available provisions and benefits, and to support managers whose personnel utilize them.

### Parental leave

Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2012, 454 personnel utilized parental leave. This is included 242 men, 40% of those who were qualified, and 212 women.



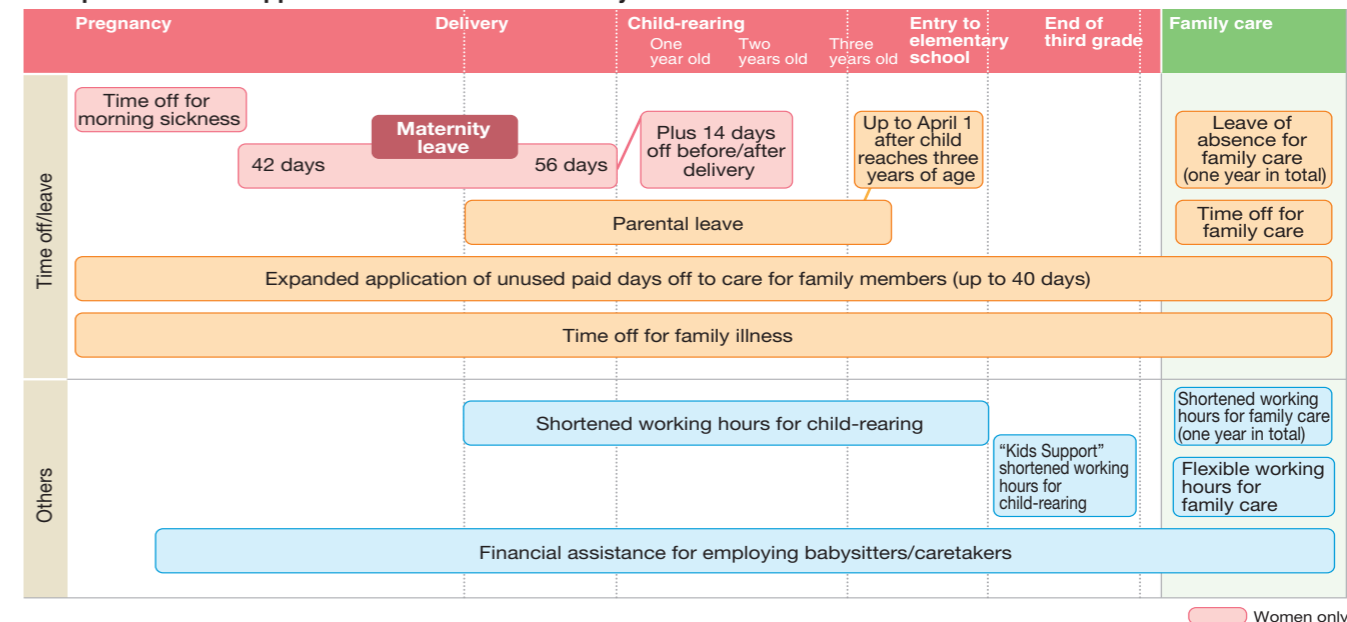
### Kurumin certification mark

In 2013, we received the Kurumin certification mark from the Ministry of Health, Labor and Welfare in recognition of our proactive support for the development of the next generation. This certification was previously received in 2007 and 2010.\*

\* Certification received for Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Home Products Corp. Certification for Asahi Kasei Fibers Corp. was received in 2012.

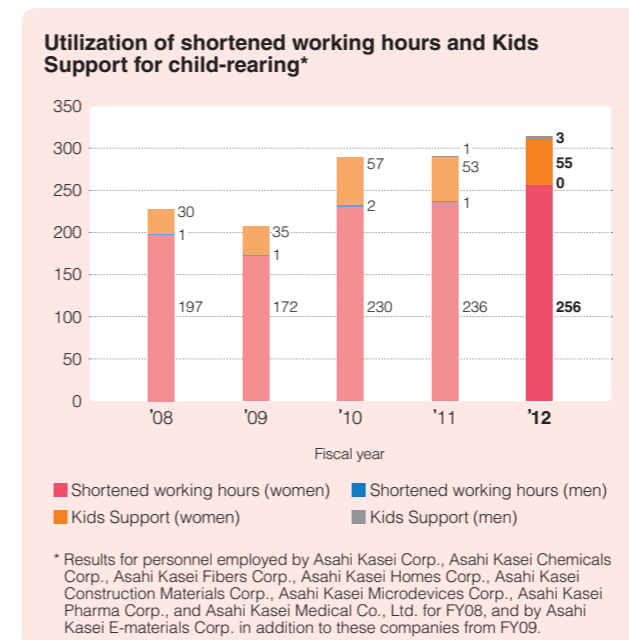


### Main provisions to support balance in work and family life



### Shortened working hours for child-rearing

Personnel are able to utilize shortened working hours for rearing preschoolers, with the working day shortened by up to two hours until the child enters elementary school. In September 2007, a provision called "Kids Support" was added to enable personnel with children in the first and second grades to work shortened hours as well. These provisions may be used concurrently with a "flex-time" system for flexible working hours.



### Support for family care

In fiscal 2012, seven personnel utilized leave of absence for family care. Our personnel are allowed to take leave of up to one year for the purpose of attending to any family member who requires care. Enhanced provisions for days off and flexible working hours are also available to help personnel continue working while providing care for family members. Information about these provisions and how to balance work and family care is provided through our enhanced corporate intranet as well.

In January 2013, we distributed a booklet on balancing work with care for family members. We also brought in an outside expert for a seminar on family care in February 2013, following a similar seminar in fiscal 2011.



Booklet on balancing work with care for family members

## Communication between management and labor

Discussions between management and labor union representatives are held on a regular basis to ensure that a constructive partnership based on mutual understanding is maintained. In July 2012, annual 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 also held on a regular basis.

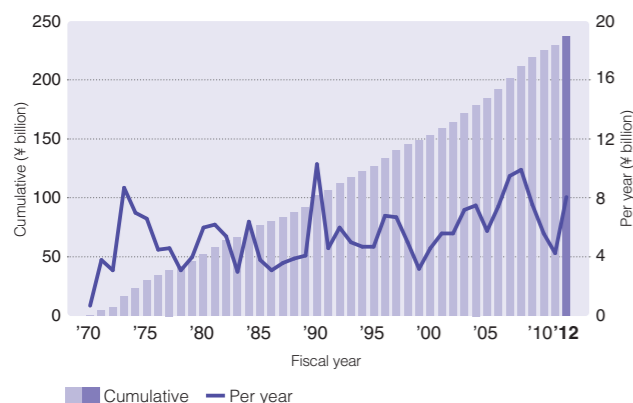


# Environmental and safety data

## Expenditure for environment and safety

Investments in modification for environmental protection and safety in fiscal 2012 were as shown below.

### Investment in environmental and safety modification



### Breakdown of investment

| Fiscal year   | 2008 | 2009 | 2010 | 2011 | 2012 |
|---------------|------|------|------|------|------|
| Environmental | 3.18 | 2.98 | 1.96 | 2.18 | 3.97 |
| Safety        | 6.74 | 4.55 | 3.63 | 2.08 | 4.10 |
| Total         | 9.92 | 7.54 | 5.59 | 4.26 | 8.07 |

Note: Sums may not equal totals due to rounding, also with other tables hereinafter.

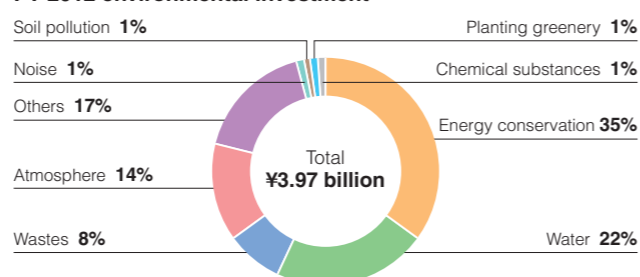
## Environmental accounting

We classify the cost of our measures for environmental protection in accordance with cost classification standards promulgated by the Ministry of the Environment. The results of our environmental accounting for fiscal 2012 are compiled in the table below.

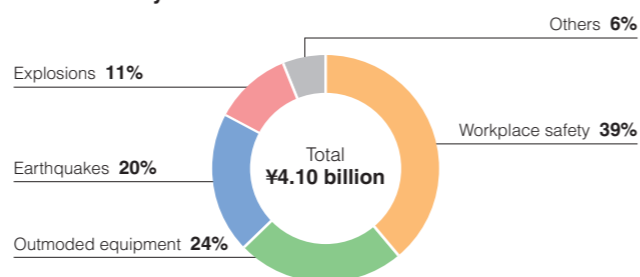
### Environmental accounting

| Cost class                      | Asahi Kasei Chemicals  |                     | Asahi Kasei Fibers     |                     | Asahi Kasei Microdevices |                     | Asahi Kasei E-materials |                     | Others                 |                     |
|---------------------------------|------------------------|---------------------|------------------------|---------------------|--------------------------|---------------------|-------------------------|---------------------|------------------------|---------------------|
|                                 | Investment (¥ million) | Expense (¥ million) | Investment (¥ million) | Expense (¥ million) | Investment (¥ million)   | Expense (¥ million) | Investment (¥ million)  | Expense (¥ million) | Investment (¥ million) | Expense (¥ million) |
| Combined operating area         | 2,375                  | 5,263               | 299                    | 1,795               | 112                      | 104                 | 325                     | 484                 | 247                    | 191                 |
| Pollution prevention            | 1,351                  | 3,960               | 224                    | 1,179               | 76                       | 92                  | 88                      | 261                 | 15                     | 106                 |
| Global environmental protection | 730                    | 300                 | 15                     | 152                 | 35                       | 6                   | 213                     | 56                  | 101                    | 57                  |
| Resource circulation            | 293                    | 1,004               | 61                     | 464                 | 2                        | 6                   | 24                      | 167                 | 131                    | 27                  |
| Upstream and downstream         | 12                     | 37                  | 0                      | 6                   | 0                        | 0                   | 0                       | 95                  | 0                      | 0                   |
| Management                      | 77                     | 1,191               | 0                      | 40                  | 0                        | 5                   | 0                       | 64                  | 12                     | 1                   |
| Research and development        | 39                     | 471                 | 0                      | 32                  | 81                       | 13                  | 378                     | 1,739               | 0                      | 0                   |
| Community outreach              | 9                      | 46                  | 3                      | 9                   | 0                        | 0                   | 0                       | 0                   | 0                      | 0                   |
| Environmental damage            | 2                      | 230                 | 0                      | 0                   | 0                        | 0                   | 0                       | 0                   | 0                      | 0                   |
| Total                           | 2,514                  | 7,239               | 302                    | 1,882               | 194                      | 122                 | 703                     | 2,382               | 259                    | 192                 |

### FY 2012 environmental investment



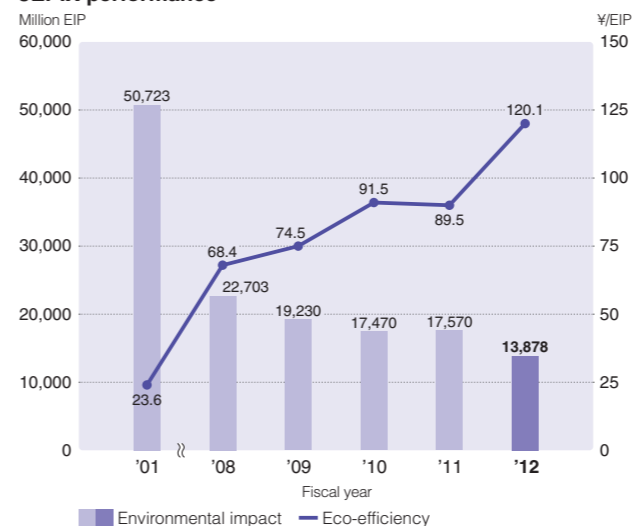
### FY 2012 safety investment



Notable measures in fiscal 2012 included the curtailment of release of PRTR-specified substances to air, curtailment of VOC emissions, and energy conservation. Notable results included reductions of VOC emissions by 1,200 tons and of greenhouse gases by 940,000 tons CO<sub>2</sub> equivalent. We also advanced the use of renewable energy sources such as biomass fuel and solar power.

## Environmental performance data

### JEPIX performance<sup>1</sup>



<sup>1</sup> Japan Environmental Policy Index, developed by teams under the leadership of Prof. Nobuyuki Miyazaki at the Japan Science and Technology Agency and Sustainable Management Forum Japan. Environmental performance data are converted to an environmental impact point (EIP) scale and aggregated to determine total environmental impact. Eco-efficiency is determined by dividing an economic indicator, in our case consolidated net sales, by total EIP. Eight aspects of environmental impact (including chemical releases, greenhouse gas emissions, landfill wastes, and COD load) are evaluated. A new accounting policy is applied to fiscal 2011 net sales.

### JEPIX-method ecoefficiency

| Fiscal year                        | 2001      | 2008      | 2009      | 2010      | 2011      | 2012      |
|------------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Environmental impact (million EIP) | 50,723    | 22,703    | 19,230    | 17,470    | 17,570    | 13,878    |
| Sales (¥ million)                  | 1,195,393 | 1,553,108 | 1,433,595 | 1,598,387 | 1,573,230 | 1,666,640 |
| Ecoefficiency (¥/EIP)              | 23.6      | 68.4      | 74.5      | 91.5      | 89.5      | 120.1     |

### Treatment and disposal of industrial waste\* by business unit

| Business Unit                      | (thousand tons) |           |                  |          |          |           |                  |                |
|------------------------------------|-----------------|-----------|------------------|----------|----------|-----------|------------------|----------------|
|                                    | Waste generated | Recycling | Volume reduction | Landfill | Effluent | Recycling | Volume reduction | Final disposal |
| Asahi Kasei Chemicals              | 240.6           | 49.2      | 27.2             | 0.0      | 164.1    | 158.9     | 3.8              | 1.3            |
| Asahi Kasei Homes                  | 6.6             | 0.0       | 0.0              | 0.0      | 6.6      | 6.6       | 0.0              | 0.0            |
| Asahi Kasei Pharma                 | 0.6             | 0.0       | 0.0              | 0.0      | 0.6      | 0.4       | 0.2              | 0.0            |
| Asahi Kasei Medical                | 5.4             | 0.0       | 0.0              | 0.0      | 5.4      | 5.4       | 0.0              | 0.0            |
| Asahi Kasei Fibers                 | 39.2            | 3.8       | 0.0              | 0.0      | 35.4     | 35.3      | 0.0              | 0.1            |
| Asahi Kasei Microdevices           | 4.4             | 0.0       | 0.0              | 0.0      | 4.4      | 4.4       | 0.0              | 0.0            |
| Asahi Kasei E-materials            | 18.6            | 0.0       | 0.0              | 0.0      | 18.6     | 18.4      | 0.2              | 0.0            |
| Asahi Kasei Construction Materials | 71.7            | 45.9      | 0.0              | 0.0      | 25.8     | 25.5      | 0.1              | 0.3            |
| Others                             | 0.8             | 0.0       | 0.0              | 0.0      | 0.8      | 0.6       | 0.0              | 0.2            |
| FY2012                             | 387.9           | 99.0      | 27.2             | 0.0      | 261.6    | 255.4     | 4.4              | 1.8            |
| FY2011                             | 441.8           | 105.1     | 73.5             | 0.0      | 263.1    | 254.1     | 7.8              | 1.3            |
| FY2010                             | 474.0           | 99.9      | 74.5             | 0.0      | 299.6    | 286.6     | 11.8             | 1.3            |
| FY2009                             | 315.7           | 47.9      | 73.1             | 0.0      | 194.7    | 179.7     | 10.1             | 4.8            |
| FY2008                             | 251.9           | 33.0      | 10.0             | 0.0      | 209.0    | 186.4     | 15.2             | 6.2            |
| FY2000                             | 361.9           | 3.5       | 187.5            | 0.1      | 170.8    | 122.0     | 21.9             | 26.8           |

\* Not including waste generated from non-recurring events such as dismantling closed plants or waste generated from dismantling old homes when constructing new homes.

**FY 2012 off-site final disposal by category of waste\***

|                        | Sludge | Plastic waste | Controlled mixed waste | Debris | Others | Total |
|------------------------|--------|---------------|------------------------|--------|--------|-------|
| Volume (thousand tons) | 0.7    | 0.2           | 0.0                    | 0.1    | 0.9    | 1.8   |
| Percent of total       | 40.2   | 8.4           | 1.8                    | 7.1    | 42.5   | 100.0 |

\* Excluding waste generated at the construction sites of Asahi Kasei Homes.

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

| Fiscal year      | (thousand tons) |      |      |      |      |      |
|------------------|-----------------|------|------|------|------|------|
|                  | 2000            | 2008 | 2009 | 2010 | 2011 | 2012 |
| New construction | 16.6            | 1.6  | 0.1  | 0    | 0    | 0    |
| Dismantling      | 39.1            | 12.7 | 9.6  | 8.6  | 11.8 | 12.3 |
| Total            | 55.7            | 14.4 | 9.8  | 8.6  | 11.8 | 12.3 |

**ALC trimmings recycled by Asahi Kasei Construction Materials**

| Fiscal year                 | (tons) |       |       |       |       |  |
|-----------------------------|--------|-------|-------|-------|-------|--|
|                             | 2008   | 2009  | 2010  | 2011  | 2012  |  |
| Hebel™ panels               | 620    | 740   | 460   | 450   | 530   |  |
| Cement material             | 5,900  | 4,700 | 4,300 | 4,700 | 4,200 |  |
| Lightweight artificial soil | 110    | 54    | 20    | 0     | 0     |  |
| Total                       | 6,600  | 5,500 | 4,800 | 5,200 | 4,720 |  |

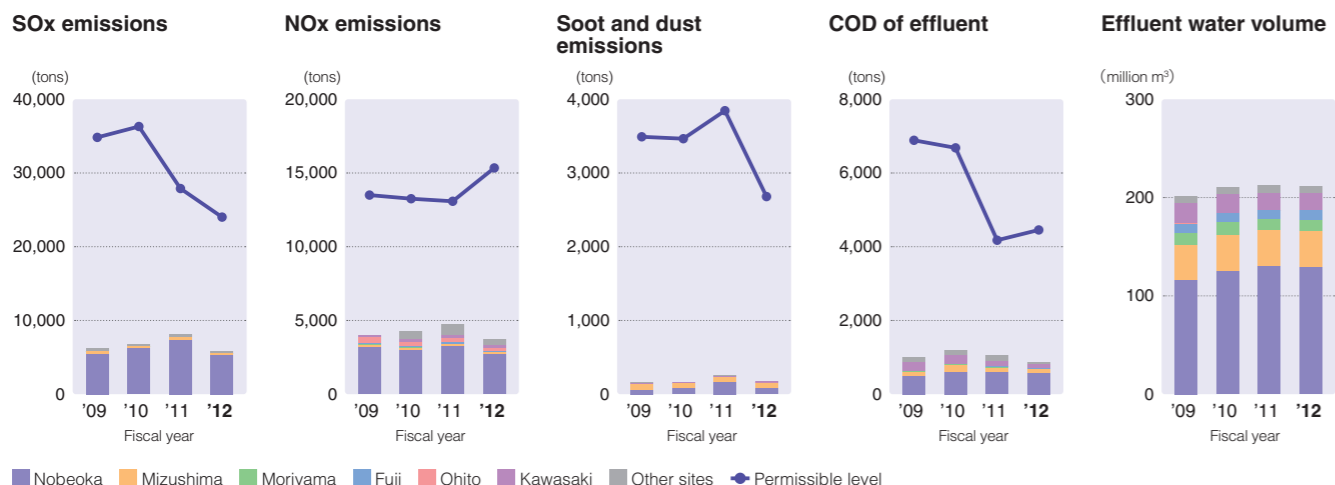
**Release and transfer of PRTR-specified substances by fiscal year**

| Fiscal year | (tons) |       |       |       |       |       |
|-------------|--------|-------|-------|-------|-------|-------|
|             | 2000   | 2008  | 2009  | 2010  | 2011  | 2012  |
| Release to: |        |       |       |       |       |       |
| Air         | 4,720  | 270   | 250   | 620   | 580   | 390   |
| Water       | 170    | 66    | 42    | 58    | 94    | 90    |
| Soil        | 0      | 0     | 0     | 0     | 0     | 0     |
| Total       | 4,890  | 340   | 300   | 680   | 680   | 480   |
| Transfer    | 2,100  | 3,700 | 1,600 | 4,400 | 4,200 | 3,200 |

**Release of air and water pollutants by fiscal year**

|                            | Unit                   | 2008  | 2009  | 2010  | 2011  | 2012  |
|----------------------------|------------------------|-------|-------|-------|-------|-------|
| SOx <sup>2</sup>           | tons                   | 7,600 | 6,200 | 6,800 | 8,100 | 5,800 |
| NOx <sup>3</sup>           | tons                   | 4,500 | 4,000 | 4,300 | 4,700 | 3,700 |
| Soot and dust <sup>4</sup> | tons                   | 170   | 160   | 230   | 250   | 180   |
| Waste water effluence      | million m <sup>3</sup> | 210   | 200   | 210   | 210   | 210   |
| COD <sup>5</sup>           | tons                   | 1,200 | 1,000 | 1,200 | 1,000 | 850   |
| Nitrogen                   | tons                   | 5,800 | 5,400 | 6,500 | 6,500 | 6,200 |
| Phosphorus                 | tons                   | 30    | 24    | 27    | 27    | 25    |

<sup>2</sup> Sulfur oxides are formed when crude oil, fuel oil, or coal containing sulfur are used as fuel, or when industrial wastes containing sulfur are incinerated. Sulfur dioxide (SO<sub>2</sub>) is most common, but some sulfur trioxide (SO<sub>3</sub>) also forms. The term SOx is inclusive of both of these.  
<sup>3</sup> Nitrogen oxides are formed in nature and during combustion at thermal power plants, factory boilers, internal combustion engines, and incinerators. The term NOx is inclusive of both nitric oxide (NO) and nitrogen dioxide (NO<sub>2</sub>).  
<sup>4</sup> Soot and dust are fine particles formed in the combustion of fuel and other materials.  
<sup>5</sup> 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.



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 the amount of discharged water where they do not. Permissible levels therefore fluctuate from year to year with fluctuations in production volumes.

**FY 2012 release and transfer of PRTR-specified substances** (tons)

| Core operating company  | Sites     | Substance   | Release to: |       |      | Total | Transfer |
|-------------------------|-----------|---|-------------|-------|------|-------|----------|
|                         |           |   | Air         | Water | Soil |       |          |
| Asahi Kasei Chemicals   | Nobeoka   | 1,1-Dichloroethylene (vinylidene chloride)        | 28          | 0     | 0    | 28    | 188      |
|                         |           | Chloroethylene (vinyl chloride)                   | 10          | 0     | 0    | 10    | 50       |
|                         |           | Toluene   | 6           | 1     | 0    | 7     | 2        |
|                         |           | Boron compounds                                   | 0           | 8     | 0    | 8     | 0        |
|                         |           | Styrene   | 22          | 0     | 0    | 22    | 28       |
|                         | Mizushima | n-Hexane  | 112         | 0     | 0    | 112   | 6        |
|                         |           | Molybdenum and its compounds                      | 0           | 24    | 0    | 24    | 2        |
|                         |           | Vinyl acetate                                     | 6           | 0     | 0    | 6     | 4        |
|                         |           | n-Hexane  | 66          | 0     | 0    | 66    | 11       |
|                         |           | Methyl methacrylate                               | 17          | 0     | 0    | 17    | 1        |
| Asahi Kasei Homes       | Shiga     | Xylene  | 10          | 0     | 0    | 10    | 0        |
|                         |           | Toluene   | 10          | 0     | 0    | 10    | 0        |
| Asahi Kasei Fibers      | Nobeoka   | Water-soluble copper salts (except complex salts) | 0           | 9     | 0    | 9     | 0        |
|                         |           | Dichloromethane (methylene chloride)              | 6           | 0     | 0    | 6     | 0        |
| Asahi Kasei E-materials | Moriyama  | Dichloromethane (methylene chloride)              | 12          | 0     | 0    | 12    | 0        |
|                         |           | N,N-dimethylacetamide                             | 3           | 19    | 0    | 23    | 708      |

Note: Substances listed are those of which total release was 5 tons or more. Amounts are rounded to the nearest ton.

**VOC<sup>1</sup> emissions**

| Fiscal year        | 2000 baseline year | 2008  | 2009  | 2010  | 2011  | 2012  |
|--------------------|--------------------|-------|-------|-------|-------|-------|
| Volume (tons)      | 10,400             | 3,900 | 4,000 | 2,800 | 2,500 | 1,300 |
| Reduction rate (%) | —                  | 63    | 62    | 73    | 76    | 88    |

<sup>1</sup> 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.

**FY 2012 release of air and water pollutants by site**

|                       | Unit                   | Nobeoka | Mizushima | Moriyama | Fuji | Ohito | Kawasaki | Others | Total |
|-----------------------|------------------------|---------|-----------|----------|------|-------|----------|--------|-------|
| SOx                   | tons                   | 5,300   | 210       | 0        | 11   | 3     | 5        | 230    | 5,800 |
| NOx                   | tons                   | 2,000   | 1,400     | 74       | 15   | 22    | 120      | 77     | 3,700 |
| Soot and dust         | tons                   | 80      | 69        | 2        | 1    | 0     | 17       | 7      | 180   |
| Waste water effluence | million m <sup>3</sup> | 130     | 37        | 11       | 10   | 0     | 18       | 7      | 210   |
| COD                   | tons                   | 580     | 98        | 9        | 11   | 0     | 120      | 36     | 850   |
| Nitrogen              | tons                   | 5,600   | 260       | 10       | 64   | 1     | 220      | 6      | 6,200 |
| Phosphorus            | tons                   | 14      | 3         | 2        | 3    | 0     | 3        | 0      | 25    |

**Greenhouse gas emissions by fiscal year**

|                     | (thousand tons CO <sub>2</sub> equivalent) |       |       |       |       |       |
|---------------------|--|-------|-------|-------|-------|-------|
|                     | Baseline*                                  | 2008  | 2009  | 2010  | 2011  | 2012  |
| Carbon dioxide      | 5,060                                      | 4,650 | 4,520 | 4,590 | 4,470 | 3,740 |
| Nitrous oxide       | 6,820                                      | 650   | 910   | 460   | 380   | 190   |
| Methane             | 0  | 2     | 2     | 2     | 2     | 0     |
| HFCs                | 160  | 30    | 30    | 20    | 30    | 20    |
| PFCs                | 10   | 130   | 160   | 150   | 140   | 130   |
| Sulfur hexafluoride | 0  | 20    | 30    | 30    | 30    | 30    |
| Total               | 12,060                                     | 5,480 | 5,650 | 5,260 | 5,050 | 4,110 |

\* 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 - 2012. Figures for past years have been revised to reflect business transfers, revisions of the CO<sub>2</sub> emissions coefficient, and other relevant changes. All figures except those for methane are rounded to the nearest ten thousand. Figures for methane are rounded to the nearest thousand.

**Unit energy consumption**

| Fiscal year | Energy consumed (million L crude oil equivalent) | Product output, as converted to benchmark product (thousand tons) | Unit energy consumption | Change from previous year |
|-------------|--|---|-------------------------|---------------------------|
| 2011        | 1,380  | 4,800   | 0.287                   | 1.01                      |
| 2012        | 1,290  | 4,190   | 0.307                   | 1.07                      |

Note: Calculated in accordance with the Energy Conservation Law.

**CO<sub>2</sub> emissions from product shipment**

| Core operating companies           | FY 2009                          |                                  | FY 2010                          |                                  | FY 2011                          |                                  | FY 2012                          |                                  |
|------------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|----------------------------------|
|                                    | Shipment volume (million ton-km) | CO <sub>2</sub> emissions (tons) | Shipment volume (million ton-km) | CO <sub>2</sub> emissions (tons) | Shipment volume (million ton-km) | CO <sub>2</sub> emissions (tons) | Shipment volume (million ton-km) | CO <sub>2</sub> emissions (tons) |
| Asahi Kasei Chemicals              | 827                              | 45,500                           | 903                              | 48,900                           | 932                              | 50,400                           | 741                              | 42,800                           |
| Asahi Kasei Homes                  | 161                              | 19,100                           | 171                              | 20,000                           | 193                              | 22,900                           | 187                              | 23,400                           |
| Asahi Kasei Pharma                 | 7                                | 800                              | 7                                | 700                              | 7                                | 700                              | 6                                | 700                              |
| Asahi Kasei Medical                | 24                               | 1,200                            | 31                               | 1,700                            | 23                               | 1,100                            | 24                               | 1,200                            |
| Asahi Kasei Fibers                 | 46                               | 3,300                            | 48                               | 3,700                            | 50                               | 3,900                            | 47                               | 3,600                            |
| Asahi Kasei Microdevices           | 5                                | 6,100                            | 5                                | 5,400                            | 2                                | 1,000                            | 2                                | 800                              |
| Asahi Kasei E-materials            | 8                                | 1,700                            | 15                               | 1,800                            | 6                                | 1,200                            | 6                                | 1,200                            |
| Asahi Kasei Construction Materials | 98                               | 9,100                            | 112                              | 10,600                           | 116                              | 10,900                           | 112                              | 10,800                           |
| Total                              | 1,176                            | 86,800                           | 1,292                            | 92,800                           | 1,329                            | 92,100                           | 1,125                            | 84,500                           |

**Lost workday injury indices**

| Frequency rate                  | (calendar year) |       |       |       |      |  |
|---------------------------------|-----------------|-------|-------|-------|------|--|
|                                 | 2008            | 2009  | 2010  | 2011  | 2012 |  |
| Asahi Kasei Group               | 0.16            | 0.19  | 0.27  | 0.23  | 0.24 |  |
| Chemical industry, Japan        | 0.84            | 0.72  | 0.72  | 0.88  | 0.85 |  |
| Manufacturing industries, Japan | 1.12            | 0.99  | 0.98  | 1.05  | 1.00 |  |
| Asahi Kasei Group               | 0.070           | 0.008 | 0.006 | 0.003 | 0.31 |  |
| Chemical industry, Japan        | 0.07            | 0.13  | 0.04  | 0.04  | 0.12 |  |
| Manufacturing industries, Japan | 0.1             | 0.08  | 0.09  | 0.08  | 0.10 |  |

Note: Results for the Asahi Kasei Group are revised from fiscal year to calendar year.

**FY 2012 greenhouse gas emissions by business unit**

|                     | (thousand tons CO <sub>2</sub> equivalent) |                   |                    |                     |                    |                          |                         |                                    |        |       |
|---------------------|--|-------------------|--------------------|---------------------|--------------------|--------------------------|-------------------------|------------------------------------|--------|-------|
|                     | Asahi Kasei Chemicals                      | Asahi Kasei Homes | Asahi Kasei Pharma | Asahi Kasei Medical | Asahi Kasei Fibers | Asahi Kasei Microdevices | Asahi Kasei E-materials | Asahi Kasei Construction Materials | Others | Total |
| Carbon dioxide      | 2,890                                      | 10                | 20                 | 140                 | 330                | 110                      | 90                      | 110                                | 30     | 3,740 |
| Nitrous oxide       | 190  | 0                 | 0                  | 0                   | 3                  | 0                        | 0                       | 0                                  | 0      | 190   |
| Methane             | 0  | 0                 | 0                  | 0                   | 0                  | 0                        | 0                       | 0                                  | 2      | 0     |
| HFCs                | 20   | 0                 | 0                  | 0                   | 0                  | 1                        | 0                       | 0                                  | 0      | 20    |
| PFCs                | 0  | 0                 | 0                  | 2                   | 0                  | 130                      | 0                       | 0                                  | 0      | 130   |
| Sulfur hexafluoride | 0  | 0                 | 0                  | 0                   | 0                  | 30                       | 0                       | 0                                  | 0      | 30    |
| Total               | 3,100                                      | 10                | 20                 | 150                 | 330                | 270                      | 90                      | 110                                | 30     | 4,110 |

**Estimated FY 2012 CO<sub>2</sub> emissions by overseas affiliates**

| Business Unit                             | Asahi Kasei Chemicals | Asahi Kasei Medical | Asahi Kasei Fibers | Asahi Kasei E-materials | Total |
|---|-----------------------|---------------------|--------------------|-------------------------|-------|
| Energy consumed (thousand GJ)             | 2,495                 | 42                  | 342                | 229                     | 3,109 |
| CO <sub>2</sub> emissions (thousand tons) | 270                   | 10                  | 80                 | 50                      | 400   |

Note: The figures above are for 18 overseas affiliates with production plants, and the calculation is based on the amount of consumption of fuel, electricity, etc. using Japan's CO<sub>2</sub> emission coefficient.

**Low-pollution vehicles\***

|  | Fiscal year               |       |       |       |       |       |
|--|---------------------------|-------|-------|-------|-------|-------|
|  | 2008                      | 2009  | 2010  | 2011  | 2012  |       |
| Used on public roads                     | Low-pollution vehicles    | 957   | 927   | 1,024 | 1,047 | 1,029 |
|  | Other vehicles            | 167   | 133   | 105   | 116   | 89    |
|  | Subtotal                  | 1,124 | 1,060 | 1,129 | 1,163 | 1,118 |
| Used within plant grounds                | Low-pollution vehicles    | 521   | 452   | 417   | 447   | 251   |
|  | Other vehicles            | 346   | 287   | 267   | 251   | 448   |
|  | Subtotal                  | 867   | 739   | 684   | 698   | 699   |
| Total                                    | Low-pollution vehicles    | 1,478 | 1,379 | 1,441 | 1,494 | 1,280 |
|  | Other vehicles            | 513   | 420   | 372   | 367   | 537   |
|  | Total vehicles            | 1,991 | 1,799 | 1,813 | 1,861 | 1,817 |
| Proportion of low-pollution vehicles (%) | Used on public roads      | 85    | 87    | 91    | 90    | 92    |
|  | Used within plant grounds | 60    | 61    | 61    | 64    | 36    |
|  | Total                     | 74    | 77    | 79    | 80    | 70    |

\* Hybrid-electric vehicles, low-emission vehicles, fuel-efficient vehicles, and all-electric vehicles.

**Third-party awards and recognitions in fiscal 2012**

| Award   | Awarded/certified by                                       | Recognition  | Recipient*  |
|---|--|--|---|
| 2012 National Commendation of Invention           | Japan Institute of Invention and Innovation (JIII)         | The Imperial Invention Prize for technology to automatically adjust electronic compasses   | Asahi Kasei, Asahi Kasei Microdevices   |
|   |  | Award for Distinguished Contribution for Driving the Invention into Implementation   | Asahi Kasei   |
| 3rd Chunichi Newspaper Advertising Awards         | Chunichi Shimbun Co., Ltd.                                 | Award for Excellence in the General Newspaper Category   | Asahi Kasei   |
| Green & Sustainable Chemistry Encouragement Award | Japan Association for Chemical Innovation (JACI)           | Manufacturing process for carbonic ester using direct activation of carbon dioxide   | Asahi Kasei Chemicals   |
| IEEE Medal  | Institute of Electrical and Electronics Engineers (IEEE)   | IEEE Medal for Environmental and Safety Technologies for development of the lithium-ion battery  | Asahi Kasei   |
| Global Counsel Award 2012                         | International Law Office/ Association of Corporate Counsel | Award for an individual in the area of litigation  | Asahi Kasei   |
| Friendship Award                                  | State Administration of Foreign Experts Affairs, China     | Technical support and operational guidance for starting up a salt electrolysis plant   | Asahi Kasei Chemicals   |
| 61st Nikkei Advertising Awards                    | Nikkei Inc.  | Grand Prize for newspaper ad series "A story about houses designed for a family living with their parents and an unmarried sibling"  | Asahi Kasei Homes   |
| Good Disclosure Award 2012                        | Security Analysts Association of Japan                     | First ranking in chemicals/fibers category (9th consecutive year)  | Asahi Kasei   |
| The 51st Business Advertising Award               | Fuji Sankei Business Eye                                   | Versatile Ad Gold Award  | Asahi Kasei   |
| Fiscal 2012 TPM Excellence Award                  | Japan Institute of Plant Maintenance                       | TPM Sustained Excellence Award   | Kawasaki Works, Asahi Kasei Chemicals, Mizushima Works, Asahi Kasei Chemicals   |
| Bronze Tower Order of Industrial Service Merit    | Government of South Korea                                  | Awarded to executives of foreign companies that made a significant contribution to employment, transfer of advanced technology, import substitution, and increasing exports through an investment in South Korea                           | Asahi Kasei Chemicals   |
| Local Commendation for Invention                  | Japan Institute of Invention and Innovation (JIII)         | Kanto Area: Encouragement for Invention Prize for ion-exchange membrane with delta shape<br>Chugoku Area: Prize of the Okayama Prefectural Governor for core-shell metal-nickel oxide nanoparticle catalyst to produce methyl methacrylate | Asahi Kasei Chemicals   |
| The 42nd SPE Automotive Innovation Awards         | Society of Plastics Engineers                              | Winner in Materials Category for register vanes made of Leona™ 90G60   | Asahi Kasei Plastics North America, Inc. (received jointly with Ford Motor Co., TRW Automotive, and Key Plastics LLC) |
| HEAD Best Selection Award                         | Home & Environment Advanced Design Association             | Superior construction materials or products that contribute to the creation of well-built, long-lasting homes (high-performance phenolic foam insulation panel)  | Asahi Kasei Construction Materials  |
| Manufacturer of the Year 2012                     | Pittsburgh Business Times                                  | Best manufacturer in the Pittsburgh area (category of 400 to 999 employees)  | ZOLL Pittsburgh   |
| Best Mother Awards in 2013                        | NPO Japan Mothers Society                                  | Best Kitchen category award for Ziploc™  | Asahi Kasei Home Products Corp.   |

Organizations implementing Responsible Care

| Prefecture  | Location                                | Operating Segment                           | Company   | Plant, laboratory, or department   | Main products/business line  |  |   |
|---|---|---|---|--|--|--|---|
| Miyagi  | Ishinomaki                              | Electronics                                 | Asahi Kasei Microdevices Corp.                                      | Fab 5  | Semiconductor assembly and testing   |  |   |
| Gunma   | Ota                                     | Chemicals                                   | Asahi Kasei Pax Corp.   | Gunma Plant  | Molded plastic containers  |  |   |
| Ibaraki   | Kasama                                  | Chemicals                                   | Asahi Kasei Metals Ltd.   | Tomobe Plant   | Aluminum paste   |  |   |
|   |   |   | Asahi SKB Co., Ltd.   | -  | Shotgun cartridges, igniters, civil engineering materials  |  |   |
|   | Sakai                                   | Construction Materials                      | Asahi Kasei Construction Materials Corp.                            | Sakai Plant  | Autoclaved aerated concrete panels   |  |   |
|   |   |   | Sakai Kako Co., Ltd.  | -  | Phenolic foam insulation panels  |  |   |
| Tochigi   | Mibu                                    | Chemicals                                   | Asahi Kasei Color Tech Co., Ltd.                                    | Mibu Plant   | Plastic coloring & compounding   |  |   |
| Saitama   | Kamisato                                | Chemicals                                   | Asahi Kasei Techno Plus Co., Ltd.                                   | Saitama Plant  | Molded plastic products  |  |   |
|   | Ageo                                    | Chemicals                                   | Asahi Kasei Pax Corp.   | Ageo Plant   | Film lamination  |  |   |
| Yamanashi   | Fujiyoshida                             | Fibers                                      | Fuji Seisen Co., Ltd.   | -  | Dyeing and finishing of yarns and fabrics  |  |   |
| Chiba   | Chiba                                   | Chemicals                                   | Asahi Kasei Chemicals Corp.   | PMMA Prod. Dept.   | Acrylic resin  |  |   |
|   |   |   | Chiba Power Supply Dept.  | Utilities (electricity, steam, water)  |  |  |   |
|   |   |   | Compound Prod. Coordination Dept.                                   | Development of compound production technology, support for processing facilities   |  |  |   |
|   |   |   | Performance Plastics Dev. Dept.                                     | Applied research for performance plastics and plastic processing   |  |  |   |
|   |   |   | Asahi Kasei Color Tech Co., Ltd.                                    | Sodegaura Plant  | R&D for plastic compounding technology   |  |   |
|   |   |   | PS Japan Corp.  | Chiba Plant  | Polystyrene  |  |   |
|   |   | Electronics                                 | Asahi Kasei Energy Service Corp.                                    | -  | Operation of power plant of Nakasode Clean Power Corp.   |  |   |
|   |   |   | Asahi Kasei E-materials Corp.                                       | Plastic Optical Fibers Dept.   | R&D for plastic optical fiber  |  |   |
|   |   | Others                                      | Asahi Kasei EMS Co., Ltd.   | Chiba Plant  | Plastic optical fiber  |  |   |
|   |   |   | Asahi Kasei Microdevices Corp.                                      | Fab 4  | Semiconductors   |  |   |
|   |   | Tokyo                                       | Tokyo   | Chemicals  | Asahi Kasei Geotechnologies Co., Ltd.  | -  | Sale of civil engineering materials                             |
|   |   |   |   |  | Asahi Kasei Home Products Corp.  | -  | Development and sale of cling film and other household products |
|   |   |   |   | Electronics  | Sun Delta Corp.  | -  | Sale of synthetic resin products                                |
|   |   |   |   |  | Asahi Kasei Foundation Systems Co., Ltd.   | -  | Installation of piles   |
| Construction Materials                                  | Asahi Kasei Extech Corp.                |   |   | -  | Installation of exterior wall panels   |  |   |
|   | Sun Associates Co., Ltd.                |   |   | -  | Patent-related subcontracting  |  |   |
| Others  | Sun Trading Co., Ltd.                   |   |   | -  | Sale of fibers, chemicals, and medical devices   |  |   |
|   | Asahi Kasei Create Co., Ltd.            |   |   | -  | Management and sales of real estate, insurance agency, 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 Corp.           | -   | Plant, equipment, process engineering, and related work/development |  |  |  |   |
|   | Asahi Research Center Co., Ltd.         | -   | Information and analysis  |  |  |  |   |
|   | Asahi Kasei Benefits Management Corp.   | -   | Company housing, recreational facilities                            |  |  |  |   |
|   | Asahi Kasei Trading Co., Ltd.           | -   | Sale of Asahi Kasei Group products                                  |  |  |  |   |
| Kanagawa  | Kawasaki                                | Chemicals                                   | Asahi Kasei Chemicals Corp.   | Monomers Prod. Dept.   | Acrylonitrile, methyl methacrylate, cyclohexyl methacrylate, acetonitrile                                  |  |   |
|   |   |   | ABS & SB Latex Prod. Dept.  | Styrene-acrylonitrile resin, styrene-butadiene latex   |  |  |   |
|   |   |   | Synthetic Rubber Prod. Dept.  | Synthetic rubber, utilities (electricity, steam, water)  |  |  |   |
|   |   |   | Acrylic Plastics Prod. Dept.  | Polymethyl methacrylate  |  |  |   |
|   |   |   | Ion Exchange Membranes Prod. Dept.                                  | Ion-exchange membranes   |  |  |   |
|   |   |   | R&D units   | Creation of new high performance materials, R&D for performance products and systems, applied research for plastics and plastic processing |  |  |   |
|   |   |   | PS Japan Corp.  | R&D Dept.  | Polystyrene R&D  |  |   |
|   |   |   | Electronics   | Asahi Kasei E-materials Corp.  | New Business Dev.  | Development of energy-related materials  |   |
|   |   |   |   | Asahi Kasei Engineering Corp.  | -  | Development, design, installation, inspection, and maintenance of equipment and systems    |   |
|   |   |   | Others  | Asahi Kasei Corp.  | Synergistic Solutions Initiative   | Establishment of new solution-oriented businesses  |   |
|   |   | Asahi Kasei Jyuko Corp.                     |   | Atsugi Prod. Dept.   | Assembly of steel frames and processing of insulation for homes  |  |   |
|   |   | Homes                                       |   | Asahi Kasei Chemicals Corp.  | Microza Plant  | Filtration membranes and modules   |   |
|   |   |   |   | Asahi Kasei Clean Chemical Co., Ltd.   | -  | Environmental chemicals, water treatment equipment   |   |
|   |   | Health Care                                 | Asahi Kasei Homes Corp.   | Housing Tech. R&D Labs.  | Long Life Home R&D   |  |   |
| Asahi Kasei Pharma Corp.                                | Fuji Pharmaceuticals Plant              |   | Bulk pharmaceuticals  |  |  |  |   |
| Shizuoka  | Fuji                                    | Chemicals                                   | Asahi Kasei Chemicals Corp.   | Fuji Power Supply Dept.  | Utilities (electricity, steam, water)  |  |   |
|   |   |   | Asahi Kasei Pharma Corp.  | Bioprocess Div./Product Dev. Dept.   | Development of filters and absorbents for separation and purification in manufacture of biopharmaceuticals |  |   |
|   |   | Electronics                                 | Asahi Kasei E-materials Corp.                                       | Operation Tech. Ctr./Fuji Plant  | Photosensitive polyimide, photopolymer   |  |   |
|   |   |   | Asahi Kasei Microdevices Corp.                                      | Electronics Interconnecting Materials Plant  | Photosensitive dry film  |  |   |
|   |   |   | Others  | Asahi Kasei Engineering Corp.  | -  | Design, construction, and development of facilities and development of information systems |   |
|   |   |   |   | Sun Business Services Co., Ltd.  | -  | Subcontracting   |   |
|   |   | Health Care                                 | Asahi Kasei Pharma Corp.  | Ohito Pharmaceuticals Plant  | Pharmaceutical intermediates   |  |   |
|   |   |   | Asahi Kasei Medical Co., Ltd.                                       | Ohito Diagnostics Plant  | Diagnostic enzymes, diagnostic reagent kits  |  |   |
|   |   |   | Others  | Asahi Kasei Benefits Management Corp.  | -  | Management of benefits   |   |
|   |   |   |   | Toyo Kensa Center Co., Ltd.  | -  | Measurement, evaluation, analysis, clinical testing  |   |
|   |   |   | -   | Asahi Kasei Corp.  | Central R&D Labs.  | Development of advanced new interdisciplinary technology                                   |   |
|   |   |   |   | Analysis & Simulation Ctr.   | Analysis and computer simulation   |  |   |
|   |   |   |   | Advanced Battery Materials Dev. Ctr.   | Development of battery materials   |  |   |
|   |   |   |   | Advanced Energy Materials Dev. Ctr.  | Development of energy materials  |  |   |
| Corporate Prod. Tech./Fuji Maintenance Management Dept. | Maintenance of equipment and facilities |   |   |  |  |  |   |
| Asahi Kasei Pharma Corp.                                | Ohito Pharmaceuticals Plant             |   |   | Pharmaceutical intermediates   |  |  |   |
| Asahi Kasei Medical Co., Ltd.                           | Ohito Diagnostics Plant                 | Diagnostic enzymes, diagnostic reagent kits |   |  |  |  |   |
| Asahi Kasei Pharma Corp.                                | Pharmaceuticals Research Ctr.           | New pharmaceuticals R&D                     |   |  |  |  |   |
| Aichi   | Miyoshi                                 | Health Care                                 | Asahi Kasei Pharma Corp.  | Nagoya Pharmaceuticals Plant   | Pharmaceuticals  |  |   |
| Gifu  | Hozumi                                  | Construction Materials                      | Asahi Kasei Construction Materials Corp.                            | Hozumi Plant   | Autoclaved aerated concrete panels   |  |   |
|   |   |   | Hozumi Kako Co., Ltd.   | -  | Construction materials processing  |  |   |
| Fukui   | Echizen                                 | Fibers                                      | Kyokujitsu Textile Mills Co., Ltd.                                  | -  | Woven fabrics  |  |   |

| Prefecture                       | Location                             | Operating Segment                          | Company   | Plant, laboratory, or department       | Main products/business line   |   |  |
|----------------------------------|--------------------------------------|--|---|--|---|---|--|
| Shiga                            | Moriyama                             | Chemicals                                  | Asahi Kasei Chemicals Corp.   | Moriyama Power Supply Dept.            | Utilities (electricity, steam, water)   |   |  |
|                                  |                                      |  | Asahi Kasei Fibers Corp.  | Spunbond Plant                         | Spunbond  |   |  |
|                                  |                                      | Electronics                                | Asahi Kasei E-materials Corp.   | Roica Plant                            | Elastic polyurethane filament   |   |  |
|                                  |                                      |  | Asahi-Schwebel Co., Ltd.  | R&D Lab. for Applied Product           | Apparel and industrial functional textiles R&D  |   |  |
|                                  |                                      |  | Asahi Kasei Amidas Co., Ltd.  | Electronics Materials Plant            | Photosensitive polyimide  |   |  |
|                                  |                                      |  | Asahi Kasei Engineering Corp.   | Hipore Plant                           | Microporous membrane  |   |  |
|                                  |                                      | Others                                     | Asahi Kasei Amidas Co., Ltd.  | Moriyama Plant                         | Glass fabric  |   |  |
|                                  |                                      |  | Asahi Kasei Engineering Corp.   | Moriyama Office                        | Contract work   |   |  |
|                                  |                                      |  | Asahi Kasei Jyuko Co., Ltd.   | -                                      | Development, design, installation, inspection, and maintenance of equipment and systems     |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Shiga Plant                            | Steel frames  |   |  |
| Mie                              | Suzuka                               | Chemicals                                  | Asahi Kasei Chemicals Corp.   | Suzuka Plant                           | Cling film, plastic foam and film   |   |  |
|                                  |                                      |  | Suzuka Sun Business Co., Ltd.   | -                                      | Plastic processing  |   |  |
| Wakayama                         | Gobo                                 | Chemicals                                  | Asahi Kasei Chemicals Corp.   | Mie Plant                              | Polystyrene sheet   |   |  |
|                                  |                                      |  | Asahi Kasei Finechem Co., Ltd.  | Wakayama Plant                         | Acrylic latex, performance paper  |   |  |
|                                  |                                      | Others                                     | Asahi Kasei Trading Co., Ltd.   | Osaka Plant                            | Specialty chemicals   |   |  |
|                                  |                                      |  | Asahi Kasei Engineering Corp.   | -                                      | Sale of Asahi Kasei Group products  |   |  |
|                                  |                                      | Hyogo                                      | Ono   | Chemicals                              | Asahi Kasei Pax Corp.   | Ono Plant   | Molded plastic containers  |
|                                  |                                      |  |   |  | Asahi Kasei Chemicals Corp.   | Monomers Prod. Dept. 1  | Ethylene, cyclohexanol   |
|                                  |                                      | Okayama                                    | Mizushima   | Chemicals                              | Asahi Kasei Chemicals Corp.   | Monomers Prod. Dept. 2  | Acrylonitrile, methacrylonitrile, sodium cyanide, acetonitrile, styrene, polycarbonatediol |
|                                  |                                      |  |   |  | Polymers Prod. Dept. 1  | Acrylonitrile-butadiene-styrene, styrene-butadiene latex, epoxy |  |
|                                  |                                      |  |   |  | Polymers Prod. Dept. 2  | High density polyethylene, low density polyethylene, polyacetal |  |
|                                  |                                      |  |   |  | Polyolefins Development Dept.   | Research on polyolefins   |  |
|                                  |                                      |  |   |  | Power Supply Dept.  | Utilities (electricity, steam, water)                           |  |
|                                  |                                      |  |   |  | Chemistry & Chemical Process Lab.   | Research on chemical processes and functional products          |  |
|                                  |                                      |  |   |  | Catalyst Lab.   | Research on monomers and catalysts                              |  |
|                                  |                                      |  |   |  | PS Japan Corp.  | Mizushima Plant   | Polystyrene  |
| Mizushima Sun Business Co., Ltd. | -                                    |  |   |  | Subcontracting  |   |  |
| Electronics                      | Asahi Kasei Epoxy Co., Ltd.          |  |   |  | Mizushima Plant   | Epoxy   |  |
| Others                           | Asahi Kasei Engineering Corp.        | -  | Development, design, installation, inspection, and maintenance of equipment and systems |  |   |   |  |
| Yamaguchi                        | Iwakuni                              | Construction Materials                     | Asahi Kasei Construction Materials Corp.  | Iwakuni Plant                          | Autoclaved aerated concrete panels  |   |  |
|                                  |                                      |  | Kyowa Kogyo Co., Ltd.   | -                                      | Construction materials processing   |   |  |
| Fukuoka                          | Chikushino                           | Chemicals                                  | Asahi Kasei Chemicals Corp.   | Chikushino Plant                       | Metal cladding  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Oita Plant                             | Explosives  |   |  |
| Oita                             | Oita                                 | Chemicals                                  | Japan Elastomer Co., Ltd.   | Oita Plant                             | Synthetic rubber  |   |  |
|                                  |                                      |  | Asahi Kasei Medical Co., Ltd.   | Sepacell Plant                         | Leukocyte reduction filters   |   |  |
|                                  |                                      | Health Care                                | Asahi Kasei Medical Co., Ltd.   | Planova Oita Plant                     | Virus removal filters   |   |  |
|                                  |                                      |  | Asahi Kasei Medical Co., Ltd.   | Dialysis Products Plant                | Artificial kidneys and other medical devices  |   |  |
|                                  |                                      |  | Asahi Kasei Medical Co., Ltd.   | Therapeutic Apheresis Plant            | Therapeutic apheresis devices   |   |  |
|                                  |                                      |  | Asahi Kasei Medical Co., Ltd.   | -                                      | Stockings and underwear   |   |  |
| Kumamoto                         | Miyazaki                             | Chemicals                                  | Kyuasa Co., Ltd.  | -                                      | Stockings and underwear   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Atago Plant                            | Nitric acid, caustic soda, chlorine, hydrochloric acid, vinylidene chloride resin and latex |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Electrolysis Systems Tech. Dept.       | Electrolyzers for chlor-alkali  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Ceolus Plant                           | Microcrystalline cellulose  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Leona Plastics & Materials Plant       | AH salt, adipic acid, hexamethylenediamine, polyamide 66                                    |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Fastening Prod. Planning & Tech. Dept. | Resin anchors   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Hyuga Chemicals Plant                  | Coating materials   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Nobeoka Power Supply Dept.             | Utilities (electricity, steam, water)   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | -                                      | Receiving and storage of fuel and feedstocks  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Nobeoka Plastic Processing Co., Ltd.   | Polyamide 66 compounding  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Asahi Chemitech Co., Ltd.              | Resin anchors, detonator housings/leads   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Asahi Kasei NS Energy Corp.            | Electricity and steam   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Asahi Kasei Finechem Co., Ltd.         | Nobeoka Plant   | Specialty chemicals   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Nobeoka Pharmaceuticals Plant          | Bulk pharmaceuticals  |   |  |
| Miyazaki                         | Nobeoka/Hyuga                        | Chemicals                                  | Kayaku Japan Co., Ltd.  | Tohmi Plant                            | Industrial explosives   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Detonator Plant                        | Detonators  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | -                                      | Contact lenses  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Tsunetomi Plant                        | Artificial kidneys and other medical devices  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Okatomi Plant                          | Artificial kidneys and other medical devices  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | EV Plant                               | Hollow fiber for artificial kidneys and plasma component separators                         |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Planova Plant                          | Virus removal filters   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Medical Material Lab.                  | R&D for medical materials   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Leona Filament Plant                   | Nylon 66 filament   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Bemberg Plant                          | Cuprammonium rayon, nonwoven cellulose filament   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Nonwovens Plant                        | Artificial suede, melt-blown and spunlace nonwovens   |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | R&D Lab. for Fibers & Textiles Tech.   | R&D for new fibers  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | -                                      | Spunbond  |   |  |
|                                  |                                      |  | Asahi Kasei Chemicals Corp.   | Asahi Kasei Fibers Nobeoka Co., Ltd.   | Cellulosic filament, synthetic nonwovens  |   |  |
| Asahi Kasei Chemicals Corp.      | Asahi Kasei Leona Filament Co., Ltd. | Nylon 66 filament                          |   |  |   |   |  |
| Asahi Kasei Chemicals Corp.      | Asahi Cord Co., Ltd.                 | Processing of nylon 66 filament            |   |  |   |   |  |
| Asahi Kasei Chemicals Corp.      | Nobeoka Kakoshi Co., Ltd.            | Subcontracted work at Nonwovens Plant      |   |  |   |   |  |
| Asahi Kasei Chemicals Corp.      | Asahiozu Corp.                       | Processing of nonwoven cellulosic filament |   |  |   |   |  |
| Electronics                      | Asahi Kasei E-materials Corp.        | Hipore Hyuga Plant                         | Microporous membrane  |  |   |   |  |
|                                  | Asahi Kasei Microdevices Corp.       | Fab 1                                      | Hall elements   |  |   |   |  |
|                                  | Asahi Kasei Microdevices Corp.       | Fab 2                                      | LSIs  |  |   |   |  |
|                                  | Asahi Kasei Technosystem Co., Ltd.   | Nobeoka Plant                              | Plant diagnostic and environmental surveillance devices                                 |  |   |   |  |
| Others                           | Asahi Kasei EMS Co., Ltd.            | Hyuga Plant                                | Fine-pattern coils  |  |   |   |  |
|                                  | Asahi Kasei EMS Co., Ltd.            | Nobeoka Plant                              | Pellicles   |  |   |   |  |
| Miyazaki                         | Nobeoka/Hyuga                        | Chemicals                                  | Asahi Kasei Kankyoujyogou Co., Ltd.   | -                                      | Disposing of Asahi Kasei Group industrial waste   |   |  |
|                                  |                                      |  | Asahi Kasei Office One Co., Ltd.  | -                                      | Utilization of Asahi Kasei Group assets, subcontracting                                     |   |  |
|                                  |                                      |  | New Asahi Services Co., Ltd.  | -                                      | Insurance agency, cellular phone sales, bowling center                                      |   |  |
|                                  |                                      |  | Asahi Kasei Engineering Corp.   | -                                      | Development, design, installation, inspection, and maintenance of equipment and systems     |   |  |
|                                  |                                      |  | Toyo Kensa Center Co., Ltd.   | Nobeoka Office                         | Measurement, evaluation, analysis   |   |  |
|                                  |                                      |  | Asahi Kasei Benefits Management Corp.   | -                                      | Company housing, recreational facilities  |   |  |
|                                  |                                      |  | Asahi Kasei Ability Corp.   | -                                      | Printing, bookbinding, and office work  |   |  |
|                                  |                                      |  | Asahi Kasei Networks Corp.  | -                                      | IT-related business   |   |  |
|                                  |                                      |  | Asahi Kasei Networks Corp.  | -                                      | IT-related business   |   |  |
|                                  |                                      |  | Cable Media Waiwai Co., Ltd.  | -                                      | Cable TV  |   |  |

Correspondence with GRI 3.1 and ISO 26000

| Category  | Indicator   | Corresponding page                          | ISO26000 Core Subjects and Issues                    |
|---|---|---|--|
| <b>1 Strategy and Analysis</b>                          |   |   |  |
| 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.   | 2-3   | 6.2  |
| 1.2   | Description of key impacts, risks, and opportunities.   | 2-3, 10-13, 14-23                           | 6.2  |
| <b>2 Organizational Profile</b>                         |   |   |  |
| 2.1   | Name of the organization.   | 5   |  |
| 2.2   | Primary brands, products, and/or services.  | 4-5, 8-9, 14-23                             |  |
| 2.3   | Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.   | 4-5, 6-7, 24-25, 66-67                      | 6.2  |
| 2.4   | Location of organization's headquarters.  | 5, 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   |  |
| 2.6   | Nature of ownership and legal form.   | 5, 24, Back cover                           |  |
| 2.7   | Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).  | 6-7, 8-9, 14-15                             |  |
| 2.8   | Scale of the reporting organization, including:<br>• Number of employees;<br>• Number of operations;<br>• Net sales (for private sector organizations) or net revenues (for public sector organizations);<br>• Total capitalization broken down in terms of debt and equity (for private sector organizations); and<br>• Quantity of products or services provided. | 5-7   |  |
| 2.9   | Significant changes during the reporting period regarding size, structure, or ownership including:<br>• The location of, or changes in operations, including facility openings, closings, and expansions; and<br>• Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).   | Not applicable                              |  |
| 2.10  | Awards received in the reporting period.  | 65  |  |
| <b>3 Report Parameters</b>                              |   |   |  |
| <b>Report Profile</b>                                   |   |   |  |
| 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                                  |  |
| <b>Report Scope and Boundary</b>                        |   |   |  |
| 3.5   | Process for defining report content, including:<br>• Determining materiality;<br>• Prioritizing topics within the report; and<br>• Identifying stakeholders the organization expects to use the report.   | 1, 12                                       |  |
| 3.6   | Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).  | 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.  | 62-67                                       |  |
| 3.10  | Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).   | Not applicable                              |  |
| 3.11  | Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.   | Not applicable                              |  |
| <b>GRI content index</b>                                |   |   |  |
| 3.12  | Table identifying the location of the Standard Disclosures in the report.   | 68-69                                       |  |
| <b>Assurance</b>  |   |   |  |
| 3.13  | 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).                               | 70  | 7.5.3  |
| <b>4 Governance, Commitments, and Engagement</b>        |   |   |  |
| <b>Governance</b>                                       |   |   |  |
| 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.  | 24-25                                       |  |
| 4.3   | For organizations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.   | 24-25                                       |  |
| 4.4   | Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.   | 26  |  |
| 4.6   | Processes in place for the highest governance body to ensure conflicts of interest are avoided.   | 24-25                                       |  |
| 4.7   | Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.   | 24-25                                       | 6.2  |
| 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.  | Inside cover, 10-15, 26, 28, 48, 50, 52, 57 |  |
| 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.  | 12-13                                       |  |
| 4.10  | Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.   | 24-25                                       |  |
| <b>Commitments to External Initiatives</b>              |   |   |  |
| 4.11  | Explanation of whether and how the precautionary approach or principle is addressed by the organization.  | 12-13, 26-27, 28-31                         |  |
| 4.12  | Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.   | 13, 18, 45-47                               |  |
| 4.13  | Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization:<br>• Has positions in governance bodies;<br>• Participates in projects or committees;<br>• Provides substantive funding beyond routine membership dues; or<br>• Views membership as strategic.                          | 28, 45-46                                   | 6.2  |
| <b>Stakeholder Engagement</b>                           |   |   |  |
| 4.14  | List of stakeholder groups engaged by the organization.   | 12, 48                                      |  |
| 4.16  | Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.   | 48  | 6.2  |
| 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.   | 48-56                                       |  |
| <b>5 Management Approach and Performance Indicators</b> |   |   |  |
| <b>Economic</b>   |   |   |  |
|   | Disclosure on Management Approach   | 10-11                                       | 6.2, 6.8   |
| <b>ASPECT: Economic Performance</b>                     |   |   |  |
| EC1   | CORE 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.  | 5   | 6.8, 6.8.3, 6.8.7, 6.8.9                             |
| EC2   | CORE Financial implications and other risks and opportunities for the organization's activities due to climate change.  | 32-34                                       | 6.5.5  |
| EC3   | CORE Coverage of the organization's defined benefit plan obligations.   | Not applicable                              |  |
| EC4   | CORE Significant financial assistance received from government.   | Not applicable                              |  |
| <b>ASPECT: Market Presence</b>                          |   |   |  |
| EC6   | CORE Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.  | 50  | 6.6.6, 6.8, 6.8.5, 6.8.7                             |
| EC7   | CORE Procedures for local hiring and proportion of senior management hired from the local community at locations of significant operation.  | Not applicable                              | 6.8, 6.8.5, 6.8.7                                    |
| <b>ASPECT: Indirect Economic Impacts</b>                |   |   |  |
| EC8   | CORE Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.   | 51-56                                       | 6.3.9, 6.8, 6.8.3, 6.8.4, 6.8.5, 6.8.6, 6.8.7, 6.8.9 |
| <b>Environmental</b>                                    |   |   |  |
|   | Disclosure on Management Approach   | 28-31                                       | 6.2, 6.5   |
| <b>ASPECT: Materials</b>                                |   |   |  |
| EN1   | CORE Materials used by weight or volume.  | 32  | 6.5, 6.5.4   |
| EN2   | CORE Percentage of materials used that are recycled input materials.  | 35  |  |

| Category                                       | Indicator  | Corresponding page | ISO26000 Core Subjects and Issues      |
|--|--|--------------------|--|
| <b>ASPECT: Energy</b>                          |  |                    |  |
| EN3  | CORE Direct energy consumption by primary energy source.   | 32                 |  |
| EN4  | CORE Indirect energy consumption by primary source.  | 32                 |  |
| EN5  | ADD Energy saved due to conservation and efficiency improvements.  | 33-34              | 6.5, 6.5.4                             |
| EN6  | ADD Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.   | 34                 |  |
| EN7  | ADD Initiatives to reduce indirect energy consumption and reductions achieved.   | 34                 |  |
| <b>ASPECT: Water</b>                           |  |                    |  |
| EN8  | CORE Total water withdrawal by source.   | 32                 | 6.5, 6.5.4                             |
| <b>ASPECT: Biodiversity</b>                    |  |                    |  |
| EN12   | CORE Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.                                     | 37                 |  |
| EN13   | ADD Habitats protected or restored.  | 37                 |  |
| EN14   | ADD Strategies, current actions, and future plans for managing impacts on biodiversity.  | 37                 |  |
| <b>ASPECT: Emissions, Effluents, and Waste</b> |  |                    |  |
| EN16   | CORE Total direct and indirect greenhouse gas emissions by weight.   | 32-34, 64-65       | 6.5, 6.5.5                             |
| EN18   | ADD Initiatives to reduce greenhouse gas emissions and reductions achieved.  | 32-34, 64-65       |  |
| EN19   | CORE Emissions of ozone-depleting substances by weight.  | Not applicable     |  |
| EN20   | CORE NOx, SOx, and other significant air emissions by type and weight.   | 32, 36-37, 64      |  |
| EN21   | CORE Total water discharge by quality and destination.   | 32, 64             |  |
| EN22   | CORE Total weight of waste by type and disposal method.  | 35-36, 63-64       | 6.5, 6.5.3                             |
| EN23   | CORE Total number and volume of significant spills.  | Not applicable     |  |
| EN24   | CORE Weight of transported, imported, exported, or treated waste deemed hazardous under the terms of the Basel Convention Annex I, II, III, and VIII, and percentage of transported waste shipped internationally. | Not applicable     |  |
| EN25   | ADD Identity, size, protected status, and biodiversity value of water bodies and related habitats significantly affected by the reporting organization's discharges of water and runoff.                           | Not applicable     | 6.5, 6.5.4, 6.5.6                      |
| <b>ASPECT: Products and Services</b>           |  |                    |  |
| EN26   | CORE Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.  | 18, 34             | 6.5, 6.5.4, 6.6.6, 6.7.5               |
| EN27   | CORE Percentage of products sold and their packaging materials that are reclaimed by category.   | 35, 63-64          | 6.5, 6.5.4, 6.7.5                      |
| <b>ASPECT: Compliance</b>                      |  |                    |  |
| EN28   | ADD Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.  | Not applicable     | 6.5                                    |
| <b>ASPECT: Transport</b>                       |  |                    |  |
| EN29   | ADD Significant environmental impacts of transporting products and other goods and materials used for the organization's operations, and transporting members of the workforce.                                    | 33-34              | 6.5, 6.5.4, 6.6.6                      |
| <b>ASPECT: Overall</b>                         |  |                    |  |
| EN30   | ADD Total environmental protection expenditures and investments by type.   | 62                 | 6.5                                    |
| <b>Labor Practices and Decent Work</b>         |  |                    |  |
|  | Disclosure on Management Approach  | 40, 57             | 6.2, 6.4, 6.3.10                       |
| <b>ASPECT: Employment</b>                      |  |                    |  |
| LA1  | CORE Total workforce by employment type, employment contract, and region, broken down by gender.   | 5                  |  |
| LA2  | CORE Total number and rate of new employee hires and employee turnover by age group, gender, and region.   | 58                 | 6.4, 6.4.3                             |
| LA3  | ADD Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation.   | 57-58, 60-61       | 6.4, 6.4.3, 6.4.4                      |
| LA15   | CORE Return to work and retention rates after parental leave, by gender.   | 60                 |  |
| <b>ASPECT: Occupational Health and Safety</b>  |  |                    |  |
| LA7  | CORE Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and by gender.   | 41                 | 6.4, 6.4.6                             |
| LA8  | CORE Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.                                 | 41, 42             | 6.4, 6.4.6, 6.8, 6.8.3, 6.8.4, 6.8.8   |
| LA9  | ADD Health and safety topics covered in formal agreements with trade unions.   | 40                 | 6.4, 6.4.6                             |
| <b>ASPECT: Training and Education</b>          |  |                    |  |
| LA11   | ADD Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.   | 57-58              | 6.4, 6.4.7, 6.8.5                      |
| <b>ASPECT: Diversity and Equal Opportunity</b> |  |                    |  |
| LA13   | CORE Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity.                               | 59                 | 6.3.7, 6.3.10, 6.4, 6.4.3              |
| <b>Human Rights</b>                            |  |                    |  |
| <b>ASPECT: Security Practices</b>              |  |                    |  |
| HR8  | ADD Percentage of security personnel trained in the organization's policies or procedures concerning aspects of human rights that are relevant to operations.  | Not applicable     | 6.3, 6.3.5, 6.4.3, 6.6.6               |
| <b>ASPECT: Indigenous Rights</b>               |  |                    |  |
| HR9  | ADD Total number of incidents of violations involving rights of indigenous people and actions taken.   | Not applicable     | 6.3, 6.3.6, 6.3.7, 6.3.8, 6.6.7        |
| <b>ASPECT: Remediation</b>                     |  |                    |  |
| HR11   | CORE Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.   | Not applicable     |  |
| <b>Society</b>                                 |  |                    |  |
|  | Disclosure on Management Approach  | 48                 | 6.2, 6.6, 6.8                          |
| <b>ASPECT: Local Communities</b>               |  |                    |  |
| S01  | CORE Percentage of operations with implemented local community engagement, impact assessments, and development programs.   | 51-56              | 6.3.9, 6.8, 6.8.5, 6.8.7, 6.6.7        |
| <b>ASPECT: Corruption</b>                      |  |                    |  |
| S04  | CORE Actions taken in response to incidents of corruption.   | Not applicable     |  |
| <b>ASPECT: Anti-Competitive Behavior</b>       |  |                    |  |
| S07  | ADD Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.   | 26                 | 6.6, 6.6.5, 6.6.7                      |
| <b>Product Responsibility</b>                  |  |                    |  |
|  | Disclosure on Management Approach  | 43                 | 6.2, 6.6, 6.7                          |
| <b>ASPECT: Customer Health and Safety</b>      |  |                    |  |
| PR1  | CORE 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.        | 43                 | 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5        |
| PR2  | ADD 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.                   | 43                 | 6.3.9, 6.6.6, 6.7, 6.7.4, 6.7.5        |
| <b>ASPECT: Product and Service Labeling</b>    |  |                    |  |
| PR3  | CORE Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.   | 44                 | 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9 |
| PR5  | ADD Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.  | 49                 | 6.7, 6.7.3, 6.7.4, 6.7.5, 6.7.6, 6.7.9 |
| <b>ASPECT: Marketing Communications</b>        |  |                    |  |
| PR6  | CORE Programs for adherence to laws, standards, and voluntary codes related to marketing communications, including advertising, promotion, and sponsorship.  | 49                 | 6.7, 6.7.3, 6.7.6, 6.7.9               |
| PR7  | ADD Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship by type of outcomes.                   | Not applicable     | 6.7, 6.7.3, 6.7.6, 6.7.9               |
| <b>ASPECT: Customer Privacy</b>                |  |                    |  |
| PR8  | ADD Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.   | Not applicable     | 6.7, 6.7.7                             |
| <b>ASPECT: Compliance</b>                      |  |                    |  |
| PR9  | CORE Monetary value of significant fines for noncompliance with laws and regulations concerning the provision and use of products and services.  | Not applicable     | 6.7, 6.7.6                             |

Note: This table is provided for convenience based on correspondence between GRI G3 and ISO 26000, as there is no formal correspondence between GRI G3.1 and ISO 26000.

## Asahi Kasei Group CSR Report 2013

## Independent Review

July 1, 2013

Taketsugu Fujiwara  
President  
Asahi Kasei Corporation

Junji Takase  
Chief Director  
Responsible Care Verification Center  
Japan Chemical Industry Association

#### ■ Objectives of Verification

Responsible Care Report Verification was performed by the Responsible Care Verification Center with respect to the *Asahi Kasei Group CSR Report 2013 Edition* (the "Report") prepared by Asahi Kasei Corporation, with the objective of expressing an opinion as a chemical industry specialist on the matters as stated below.

- 1) Reasonableness of methods of calculation and aggregation of performance metrics (numerical values), and the accuracy of numerical values.
- 2) Accuracy of reported information other than numerical values.
- 3) Evaluation of Responsible Care (RC) and Corporate Social Responsibility (CSR) activities.
- 4) Characteristics of the Report.

#### ■ Verification Procedure

- At the head office: Examination of the reasonableness of methods to aggregate numerical values reported from each site (office, plant) and examination of the accuracy of reported information other than numerical values were performed through interviews of responsible parties and compilers of the Report as well as receipt of internal documents and explanations thereof from each of the responsible parties and compilers.
- At the Mizushima Works of Asahi Kasei Chemicals: Examination of the reasonableness of methods of calculation and aggregation of the accuracy of reported information other than numerical values were performed through interviews of responsible parties and compilers of the Report, receipt of internal documents and explanations thereof from each of the responsible parties and compilers, and cross-check of reported information with supporting materials.
- Numerical values 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
  - Numerical values at the head office and the Mizushima Works have been calculated and aggregated using a reasonable method.
  - It is noteworthy that the company uses an Environmental Performance Data Collection System through its intranet to collect data, and aggregation and checking for input errors are performed efficiently.
  - Numerical values within the scope of our examination have been calculated and aggregated accurately.
- 2) Accuracy of reported information other than numerical values
  - Information contained in the Report was confirmed to be accurate. Some issues related to appropriateness of expression and ease of understanding were identified in the draft stages, but these have been revised in the present Report.
- 3) Evaluation of RC and CSR activities
  - The Asahi Kasei Group steadily implements RC and CSR activities throughout all fields of business, and sets specific goals.
  - Asahi Kasei Chemicals, Asahi Kasei E-materials, and the head office cooperatively participate in the Implementation Panel of the chemical industry's Japan Initiative of Product Stewardship (JIPS), continuing to contribute to the preparation of guidelines and confirmation of risk assessments.
  - Asahi Kasei Group company Asahi Kasei Jyuko participates in local community activities in Shiga Prefecture supporting people with disabilities who perform environmental beautification each month.
  - The Asahi Kasei Group's Moriyama Region is working to remove foreign species and protect native species of fish based on a vision of being the world's best factory site located near freshwater fish, as part of a program to protect the natural water environment of Lake Biwa.
  - The Mizushima Works is working intensely to achieve zero accidents and zero injuries with "bottom up" initiatives supported by an original Safety Booklet which has the key concepts of "greetings," "dress code," and "handrails" on the cover, and a Safety Calendar which shows past accidents. Energy conservation efforts are conducted at the ethylene plant, with a goal of reducing energy consumption by the equivalent of 1,000 kiloliters of crude oil per year.
- 4) Characteristics of the Report
  - The Asahi Kasei Group has a wide range of community fellowship activities, which are described in a separately published brochure.
  - The "Corporate Citizenship" section features rich content.



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