AsahiKASEI

CSR Report 2014

Asahi Kasei Group

Creating for Tomorrow

ASAHI KASEI CORPORATION

Index

Editorial policy

Introduction

We issued our first *Environment Report* in 1991, and in 1997 this was replaced by our *Responsible Care Report*. In 2006 we began issuing a *CSR Report* with content further enriched for greater accountability and communication with our stakeholders. In line with a trend in Europe to combine financial and non-financial information in a single integrated report, in 2014 we issued an *Asahi Kasei Report* replacing our *Annual Report* and *CSR Report*.

In addition to the CSR information included in the *Asahi Kasei Report*, we publish the *Asahi Kasei Group CSR Report 2014 Internet Edition*. The Asahi Kasei Group continues to contribute to the sustainability of society through business activities in accordance with our Group Mission.

Period under review

The primary focus is fiscal 2013 (April 2013 – March 2014). Some information pertains to the period subsequent to this.

Organizational scope

Information herein pertains to Asahi Kasei Corp. and consolidated subsidiaries as of March 31, 2014, unless otherwise noted. With respect to Responsible care, the scope is operations in Japan which implement the Asahi Kasei Group's Responsible Care program.

Guidelines consulted

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

Publication

Published September 2014 in Japanese
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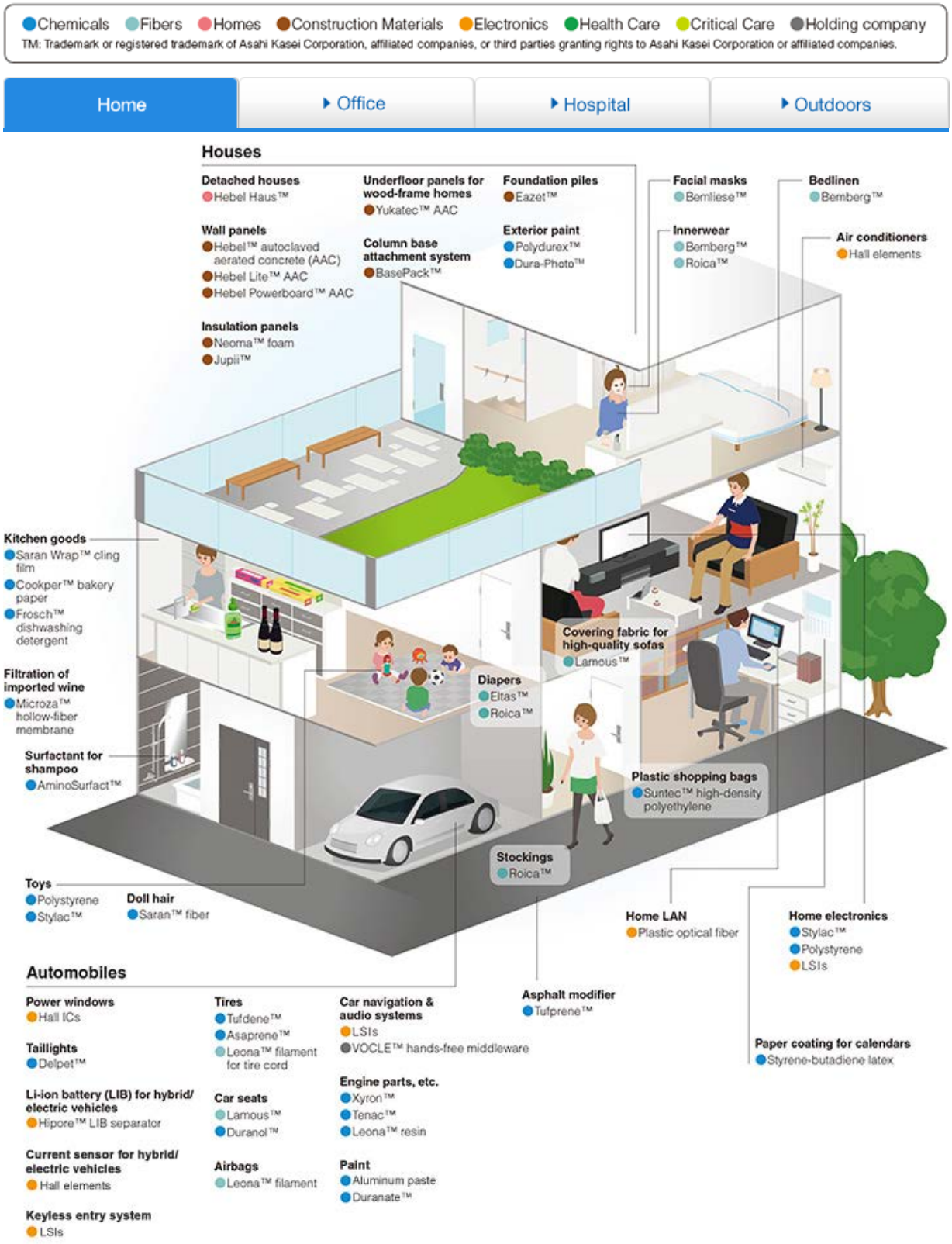
(Previous publication August 2013)

Asahi Kasei Products and Technologies in Everyday Life

Some common ways in which products and technologies of the Asahi Kasei Group are used in everyday life are shown here.



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Asahi Kasei Products and Technologies in Everyday Life

Some common ways in which products and technologies of the Asahi Kasei Group are used in everyday life are shown here.

Chemicals Fibers Homes Construction Materials Electronics Health Care Critical Care Holding company

Home | Office | Hospital | Outdoors

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
- NEOXY™ Tape transdermal overactive bladder treatment medication
- Lucica™ GA-L glycated albumin assay kit
- Ribotest™ Mycoplasma antigen kit
- Ceolus™ pharmaceutical excipient

Nutrition-fortified products
- Acure™ enriched liquid diets
- Nutritional drink

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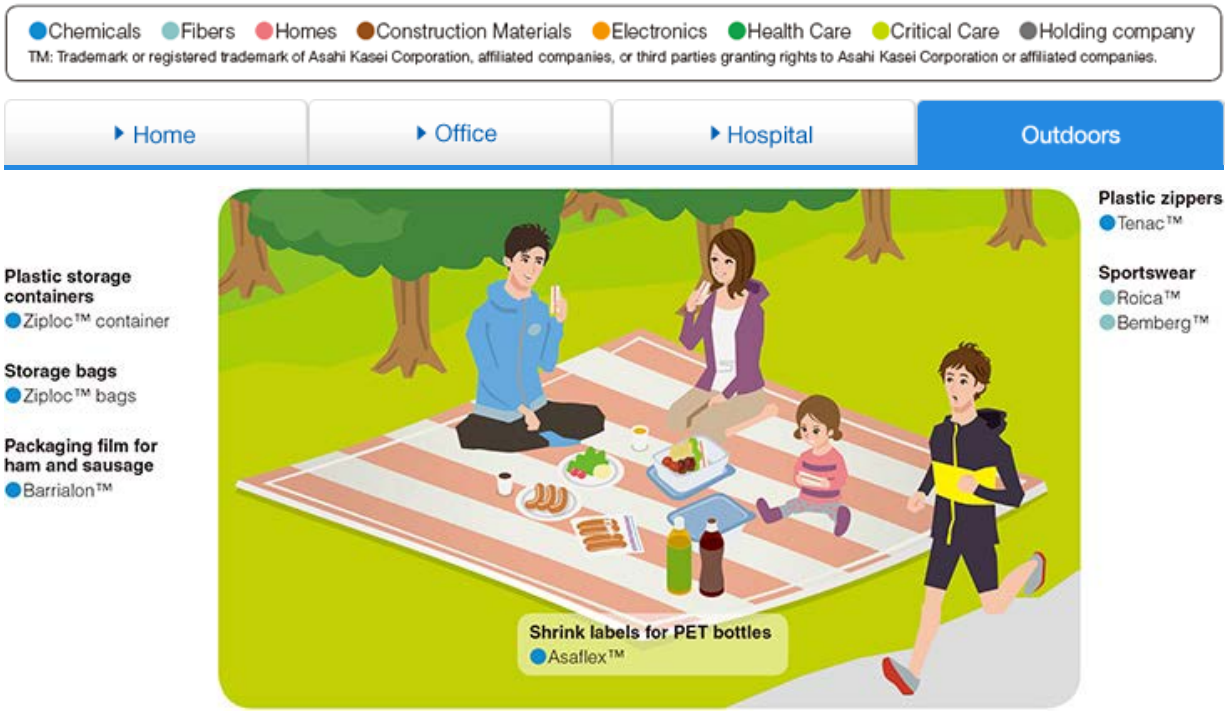


CSR at Asahi Kasei

The Asahi Kasei Group contributes to sustainability by creating new value for society from the perspectives of *living in health and comfort* and *harmony with the natural environment*.

CSR at the Asahi Kasei Group

We advance corporate social responsibility (CSR) activities under the 2 prongs of CSR in Action and CSR Fundamentals.

CSR and business activities

We believe that CSR is achieved by addressing a wide range of social challenges through the advancement of our diversified businesses.

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.

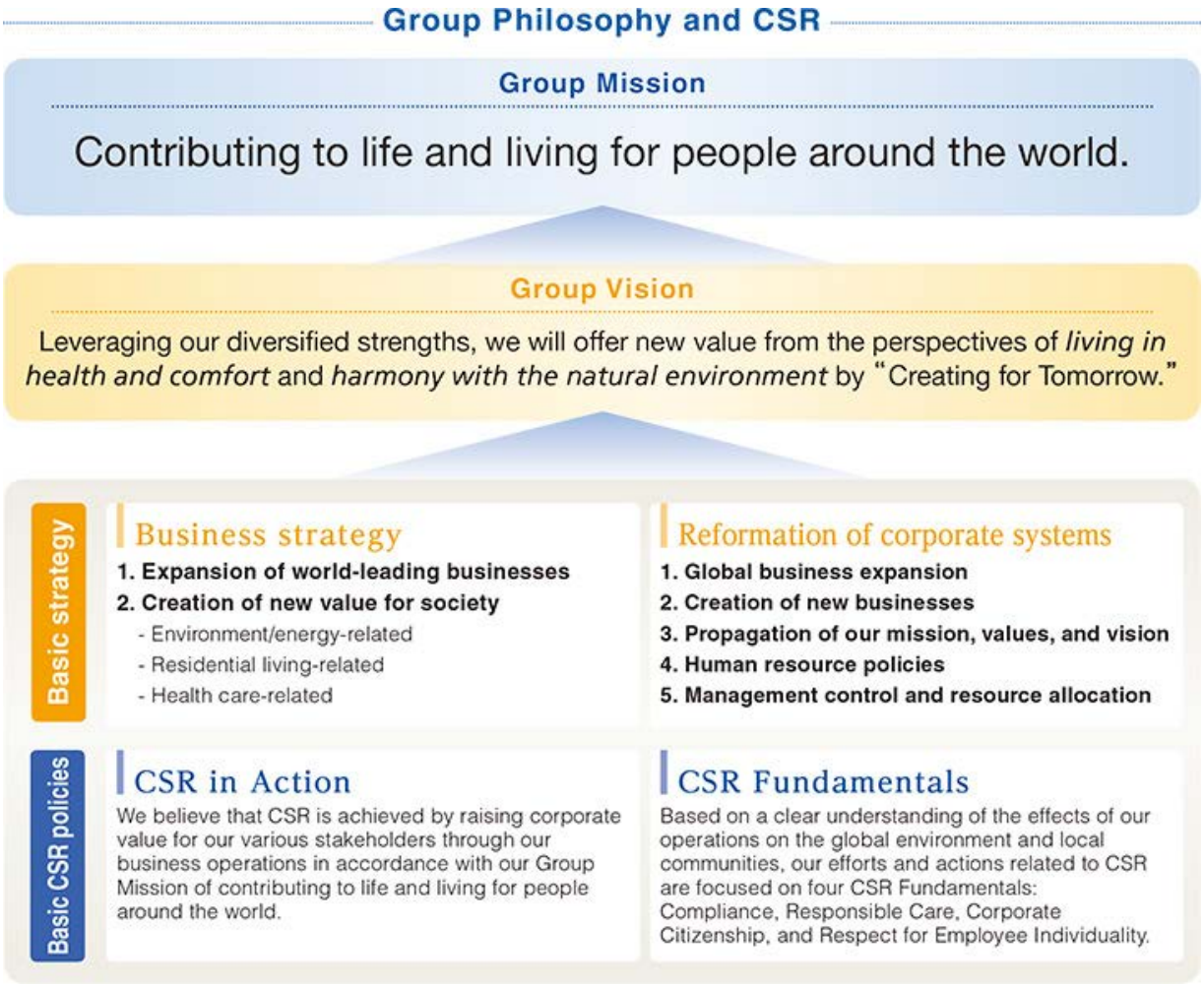
Structure and organization for CSR

In April 2014, we simplified our structure by eliminating the CSR Council as the overarching organ for the committees under our CSR framework. Under the direct supervision of the holding company President, each committee now functions more efficiently and decisively. We also limited the framework to cross-organizational activities. Although the Market Compliance Committee and Export Control Committee have as a result been removed from the diagram at right, they continue to perform their functions in the ordinary course of duties at relevant organizations.

Framework for CSR advancement (as of July 1, 2014)

CSR and business activities

We believe that 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.



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 from 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 challenges related to energy 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.

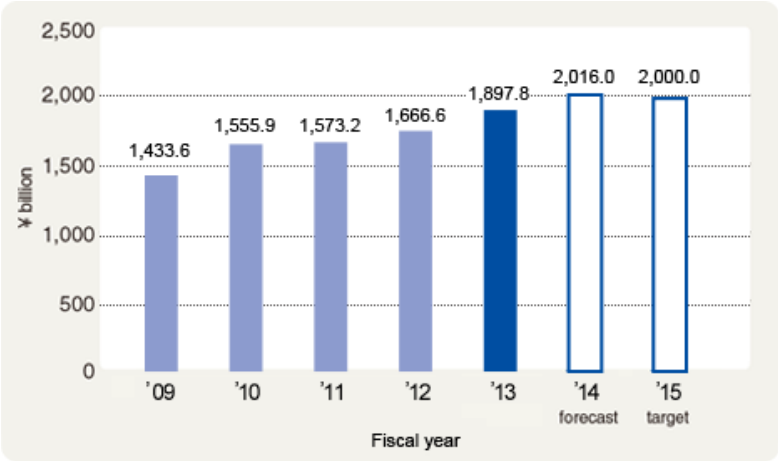
One objective of our mid-term management initiative “For Tomorrow 2015” is to fulfill our Group Slogan of Creating for Tomorrow from the perspectives of living in health and comfort and harmony with the natural environment. Our key business strategies to achieve this are the expansion of world-leading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

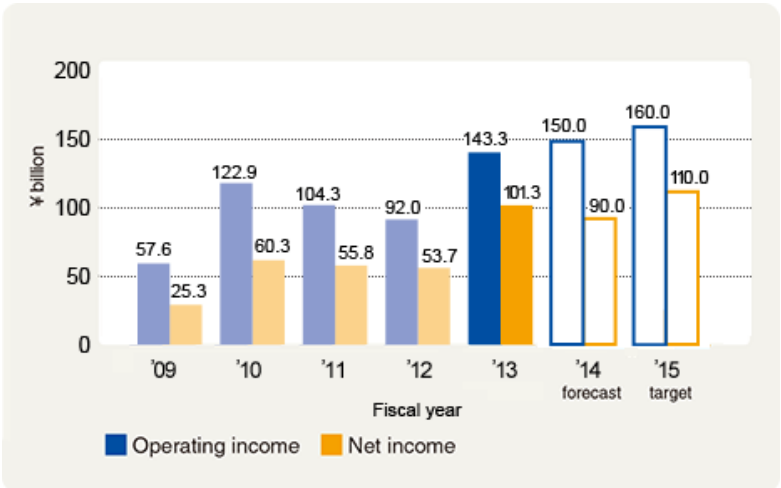
For the creation of new value for society, we are concentrating resources on expanding businesses in fields related to the three fields of the environment & energy, residential living, and health care to meet emerging social needs for living in health and comfort and harmony with the natural environment. 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)



Corporate Governance

The Asahi Kasei Group constantly endeavors to strengthen corporate governance for increased corporate value.

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.

One major reform for this purpose was the adoption of the structure of a holding company and core operating companies, since which time the Asahi Kasei Group has exercised corporate governance for the Group based on the following two principles.

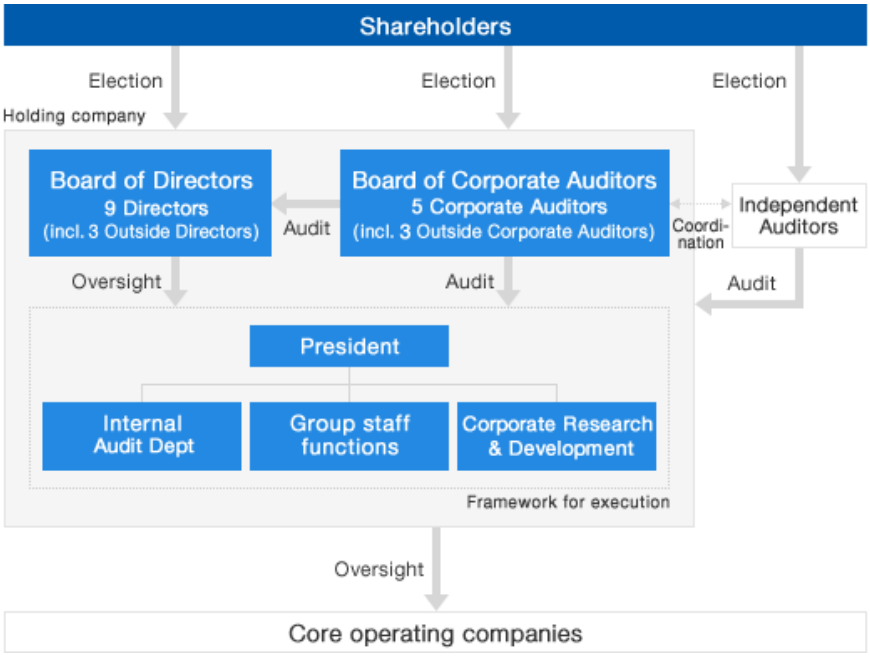
1) Based on the structure of a holding company and core operating companies, the core operating companies are responsible for business execution and the holding company is responsible for oversight.
2) The Group Approval Authority Regulations are positioned as the highest ranking among all the regulations 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 institutionalization 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.

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, for the further strengthening of the management oversight function of the Board of Directors. Furthermore, an additional Outside Director was installed in June 2008 and the Company currently has three Outside Directors out of nine 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 Aarata 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.



As of June 27, 2014

Corporate governance organs and functions

Board of Directors

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

Strategic Management Council

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

Group Advisory Committee

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

Board of Corporate Auditors

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

Executive officer system

Authority and responsibility for the management of each core operating company is held by the President and the other Executive Officers of that company. Authority and responsibility for the management of the holding company and of the group is held by the President and the other Executive Officers of the holding company. The President of the holding company oversees the executive management and performance of the core operating companies and of their Presidents. The holding company Board of Directors oversees the executive management and performance of the holding company President and of the group.

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 Aarata 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.

Compliance

We earn the ongoing trust of people throughout the world 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.

Compliance

We have a Corporate Ethics Committee to enhance compliance throughout the Asahi Kasei Group.

Risk management

We have a Risk Management Committee to prevent operational crises and minimize the effects should a crisis occur.

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 an Executive Officer appointed 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 2013, 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 50 percent. In fiscal 2013, item 5 of our Basic Policy was changed from “Respecting the individual” to “Respecting human rights.”

Corporate Ethics – Basic Policy

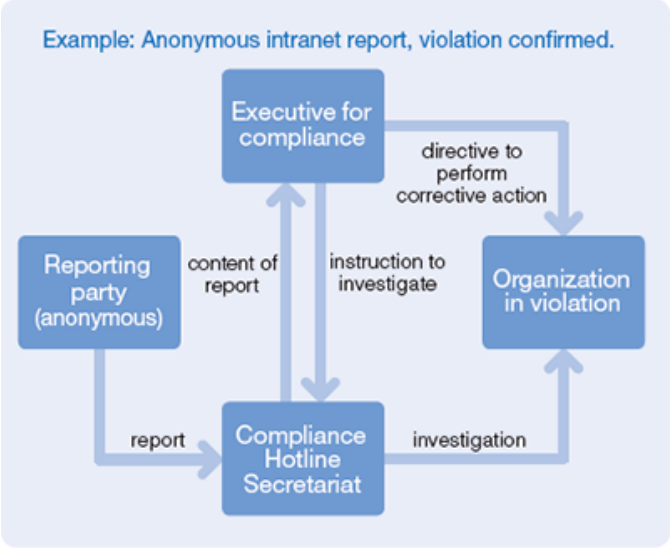
1. Creating value, contributing to society
2. Caring for environment, health, and safety
3. Honoring law and norms of society
4. Excluding subversive elements
5. Respecting human rights
6. Ensuring transparency
7. Respecting information and intellectual property
8. Practicing corporate ethics

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.

Compliance Hotline Flow



Market Compliance Committee

The Market Compliance Committee, which was formed in 1976, oversees compliance with the Antimonopoly Act (AMA). To ensure against any violation of the AMA 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 17 times in fiscal 2013, reviewing 34 cases.

Export Control Committee

The Export Control Committee, which was formed in 1987, oversees compliance with export-related regulations. Regular duties related to export control are performed by our Export Control Dept., with significant cases requiring the approval of the Export Control Committee. The Export Control Committee met once during fiscal 2013.

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 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.

For more information about our intellectual property, please refer to the Asahi Kasei Group Intellectual Property Report.

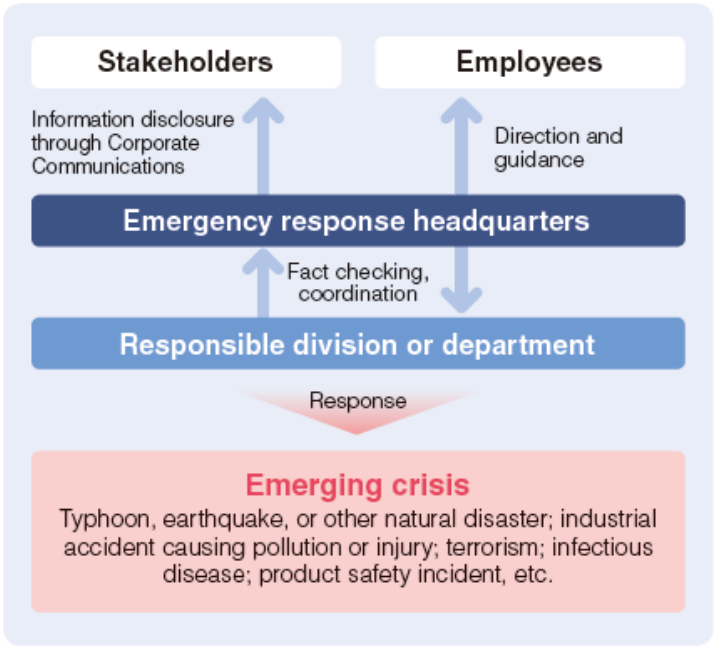
Risk management

Our Risk Management Committee 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 ensure the proper response is taken.

To prepare for the occurrence of earthquakes or other major disasters, we held drills involving our emergency response headquarters in Tokyo four times during fiscal 2013, focusing on the initial actions including the use of our system to collect information on the well-being of personnel and the gathering of information related to damage at production sites. We are also studying the adoption of a system to efficiently confirm the well-being of personnel stationed overseas and travelling on business overseas in the event of a crisis situation such as rioting, terrorism, or a natural 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 6 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 July 2014, we established our Global Environment Action Committee to further deepen and expedite 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 at the Asahi Kasei Group is not limited to chemicals-related operations but encompass operations in all fields, including homes, health care, fibers, electronics, and construction materials.

Environmental protection

Our environmental protection effort includes measures to prevent pollution-causing accidents and measures to help preserve biodiversity under our ISO14001 environmental management system.

Operational safety

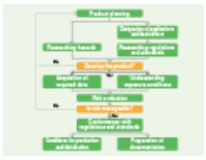
Our ongoing, autonomous program to ensure operational safety includes safety assessment and hazard identification in accordance with a basic safety management policy, and specific plans are implemented on both annual and multi-year cycles.

Workplace safety and hygiene

Our effort to prevent workplace accidents is integrated in a comprehensive OHSMS program that combines conventional safety initiatives with risk assessments and a prevention-oriented plan-do-check-act system.

Health maintenance

In our effort to promote and maintain employee health, we provide both physical and mental health checkups as well as appropriate care.



Product safety

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

Managing chemical substances

We manage chemical substances rigorously and responsibly throughout the product life cycle, from R&D to use and disposal.

Environmental and safety data

Environment-related expenditure and environmental performance data are shown here.

Organizations implementing Responsible Care

Asahi Kasei Group organizations implementing Responsible Care are shown here, including plants, laboratories, subsidiaries, and affiliates.

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*). 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 encompasses operations in all fields, including fibers, homes, construction materials, electronics, and health care. This is also a unique aspect of the Asahi Kasei Group's RC activities.

* JRCC: Operated as the Japan Chemical Industry Association's RC Committee since April 2011.

Responsible Care at the Asahi Kasei Group

Asahi Kasei Group RC Principles

RC at the Asahi Kasei Group is guided by the following principles:

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

- Environmental protection is achieved by ameliorating the environmental burden of operations while giving full consideration to the environment in the development of new technologies and products.
- Efforts are made to design and develop products which contribute to the sustainability of the global environment, and to disseminate such products worldwide.
- 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 the results of risk assessments. Public understanding and trust is gained through proactive communication and information disclosure.

July 7, 2014

RC objectives and results

★★★Complete ★★Satisfactory ★Unsatisfactory

	FY 2013 RC Objectives	FY 2013 Results	Attainment	FY 2014 RC Objectives
	■ Enhance RC compliance	■ Improved	★★★	■ Review RC framework ■ Enhance RC compliance ■ Advance RC education and training ■ Enhance RC at affiliates ■ Enhance dialog with the public
	■ Advance RC education and training	■ RC training course for section managers and assistant chiefs revised ■ Supplement for assistant chiefs created ■ Follow-up enhanced	★★	

RC compliance	■ Enhance RC at affiliates	■ Expanded range of affiliates implementing RC ■ RC at affiliates enhanced through instructions and support by core operating companies	★★	
	■ 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 and minor incidents	■ No polluting accidents, two intermediate incidents	★★	■ Avoid all polluting accidents and minor incidents ■ Promote recycling-oriented society: ・Maintain rate of final disposal at 0.3% of generated industrial waste or less ・Maintain recycling rate of at least 87% ■ Curtail GHG emissions: ・Reduce CO_2 emissions in Japan by 25% from FY 2005 level ・Reduce CO_2 emissions in Japan and overseas by 2% from FY 2010 level ・Reduce GHG emissions in Japan by 30% from FY 2005 level ・Achieve LCA/CO_2 contribution ratio of 7.5 ■ Protect water resources: ・Water resource contribution ratio of 6.8 ■ Control emissions of chemical substances: ・Control emissions of PRTR specified substances ・Control emissions of air and water pollutants ■ Preserve biodiversity when procuring biological resources ■ Advance CSR procurement
	■ Promote recycling-oriented society:		★★	
	・Final disposal of 0.3% or less of generated industrial waste	・Goal not reached with final disposal rate of 0.5%		
	・Recycling rate of at least 85%	・Goal reached with recycling rate of 91%		
	■ Curtail greenhouse gas (GHG) emissions:		★★★	
	・Reduce CO_2 emissions in Japan by 3.0% from FY 2005 level	・23.5% reduction from FY 2005 level		
	・No increase of global CO_2 emissions	・15.3% reduction from FY 2010 level		
	・Reduce GHG emissions in Japan by 4.5% from FY 2005 level	・29.2% reduction from FY 2005 level		
	・LCA/CO_2 contribution ratio[1] of 4.7	・LCA/CO_2 contribution ratio of 7.0		
	■ Protect water resources:		★★★	
	・Water resource contribution ratio[2] of 1.8	・Water resource contribution ratio of 6.6		
	■ Control emissions of chemical substances:		★★★	
	・Control emissions of PRTR-specified substances	・Release of PRTR-specified substances and emission of VOCs reduced by 90% and 87%, respectively, from FY 2000 level		
	・Control emissions of air and water pollutants			
	■ Preserve biodiversity when procuring biological resources	■ Investigated impact of our business activities on biodiversity, including use of new materials; no problems found	★★★	

	■ Advance CSR procurement	■ Implemented CSR procurement	★★★	
Operational safety	■ Avoid all industrial accidents	■ No industrial accidents	★★★	■ Avoid all industrial accidents Control changes to equipment and operating conditions Enhance risk assessment ■ Continue to monitor for hazards of fire, explosion, and leaks: ・Ongoing review to prevent abnormal reactions and confirm interlock functions ■ Review earthquake response and enhance emergency response systems ■ Confirm seismic capacity for high-pressure gasfacilities ■ Monitor for items in need of replacement and uninspected items, implement remediation: ・Advance seismic retrofitting of specific and non-specific buildings
	■ Control changes to equipment and operating conditions	■ Some inadequacy in control was confirmed after approval for change	★★	
	■ Enhance risk assessment, prevent abnormal reactions, confirm interlock functions on-site	■ On-site confirmation related to preventing abnormal reactions and securing interlock functions indicated no major problems (39 departments)	★★★	
	■ Monitor for hazards of fire, explosion, and leaks; implement remediation	■ Review performed at time of on-site confirmation for preventing abnormal reactions	★★★	
	■ Enhance emergency response systems	■ Confirmed enhanced disaster response capabilities (two disaster response trucks deployed in Mizushima)	★★★	
	■ Monitor for items in need of replacement and uninspected items, implement remediation:		★★★	
	・Implement seismic retrofitting for specific buildings as planned for FY 2013	・Completed according to the plan		
	・Completion of the evaluation of seismic capacity for non-specific buildings and implement retrofitting as planned for FY 2013	・Evaluation completed on schedule		
	■ Avoid all workplace injuries:		★	■ Avoid all workplace injuries: ・Achieve frequency rate of 0.1 or less ・Achieve severity rate of 0.005 or less ■ Deepen utilization of OHSMS: ・Reduce latent risks at workplaces ・Enhance internal audits ・Make the effects of OHSMS more visible ・Ensure thorough compliance with safe working standards
	・Achieve frequency rate[3] of 0.1 or less	・0.40		
	・Achieve severity rate[4] of 0.005 or less	・0.013		
	■ Deepen utilization of OHSMS:		★★★	
	・Reduce latent risks at workplaces	・Review of risk assessment confirmed at audit		
	・Enhance internal audits	・Improvement confirmed at		

Workplace safety and hygiene		audit with reference to internal audit records		■ Avoid all accidents in “caught in/between” category: ・No lost-time injury due to "caught in/between" accidents ■ Enhance safety management guidance of on-site contractors: ・Enhance safety management structure as the contracting manufacturer ・Enhance safety management of on-site contractors ■ Reinforce management of safety on equipment work: ・Enhance implementation of safety management standards
	・Make the effects of OHSMS more visible	・Confirmed at audit with reference to risk level changes		
	・Ensure thorough compliance with safe working standards	・Compliance records confirmed at audit		
	■ Avoid all accidents in “caught in/between” category:		★	
	・No lost-time injury due to "caught in/between" accidents	・One lost time injury (one in FY 2012); continued comprehensive equipment inspection at plants		
	■ Enhance safety management guidance of on-site contractors:		★★★	
	・Enhance safety management structure as the contracting manufacturer	・Satisfactory improvement confirmed in audit with reference to check sheets at each site		
	・Enhance safetymanagement of on-site contractors	・Self-evaluation results andsafety management guidance at each site confirmed at audit		
	■ Reinforce management of safety on equipment work:		★★	
	・Enhance implementation of safety management standards	・Confirmed issues at audit with reference to work management records		
Health maintenance	■ Promote health maintenance and improvement among personnel:		★★★	■ Promote health maintenance and improvement among personnel: ・Promote the prevention of and countermeasures to lifestyle-related diseases ・Prevent falls ■ Promote countermeasures to mental health issues and enhance support system ・Stress survey and follow-up implemented ■ Develop the health management system ・Resolve critical tasks in each region with lateral extension ・Establish the health management system at
	・Promote the prevention of and countermeasures to lifestyle-related diseases	・Proportion of personnel health warning signs generally unchanged, BMI and ratio of employees who smoke gradually decreasing		
	・Prevent falls	・Fall prevention measures tested and manual prepared		
	■ Promote countermeasures to mental health issues and enhance support system	■ Stress survey and follow-up implemented	★★★	
	■ Develop the health	■ Specialist industrial	★★★	

	management system	physicians supporting independent plants and smaller offices Start of guidance using video conferencing systems, etc.		affiliates and independent plants
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: ・Promote compliance with laws and regulations on management of chemical substances in Japan and overseas ・Encourage JIPS activities ・Promote JAMP tools
	■ Enhance management of chemical substances:		★★★	
	・Promote compliance with laws and regulations on management of chemical substances in Japan and overseas	・Compliance maintained and system enhanced		
	・Encourage JIPS activities	・Continued risk assessment and public disclosure of safety documents		
	・Promote JAMP tools	・Provided and received information via MSDSplus and AIS, cooperated with dissemination of JAMP-IT		
Living in health and comfort	■ Number of people our health care business contributed to:		★★★	■ Number of people our health care business contributed to: ・24% increase over FY 2010 ■ Number of residents in Hebel Haus™ homes: ・16% increase over FY 2010
	・18% increase over FY 2010	・24% increase over FY 2010		
	■ Number of residents in Hebel Haus™ homes:		★★★	
	・12% increase over FY 2010	・12% increase over FY 2010		

1 LCA is used to determine the amount of reduction in CO_2 emissions enabled by Asahi Kasei products and technologies in comparison with conventional products and technologies. The ratio is calculated by dividing this amount by the global CO_2 emissions of the entire Asahi Group.

2 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.

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

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

RC Management System

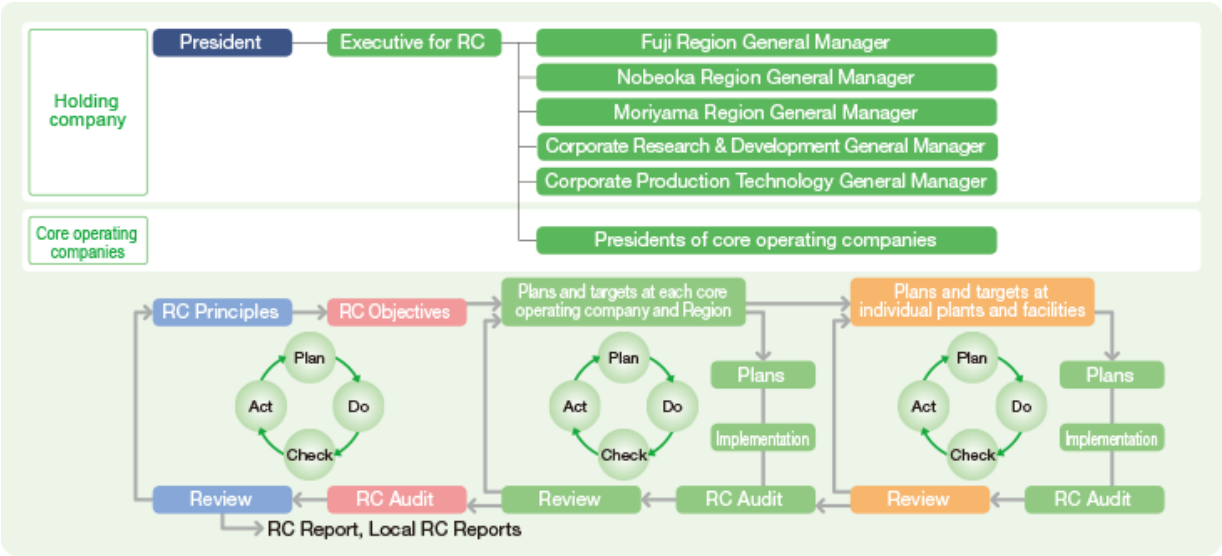
The efficiency and effectiveness of Asahi Kasei Group RC is maintained in accordance with our Group RC Management Guidelines and other internal standards, with the President of the holding company serving as chair of our RC Committee. As shown in the diagram below, continuous reevaluation and improvement 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*, 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.

* 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.

RC Committee meeting

PDCA flow for RC



RC education and training

In order to further heighten the effectiveness of our RC initiatives, we perform education and training on basic knowledge and practical application of RC activities, environmental protection, employee health, operational safety, and workplace safety. The training program applies to all key personnel including production managers and Environment, Health & Safety (EHS) managers, as well as candidates for those positions, group leaders of research departments, and EHS personnel.

Each fiscal year, we hold RC training courses for section managers, and in fiscal 2013, 66 personnel took part. Since the training began in 2007, a total of 710 personnel have taken the courses. In addition, a training course for assistant chiefs was formally initiated in fiscal 2012, with some160 personnel participating each year.

We will continue to adapt our RC training courses to match the need for a firm grasp of essential aspects of RC among personnel with different duties in a wide range of fields.

RC training lecture

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. 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 2013)

Overseas RC activities

The Asahi Kasei Group has been expanding world-leading businesses as a major focus of growth under our “For Tomorrow 2015” mid-term management initiative, with a particular focus on growth potential in emerging markets. “One AK” management, which enhances the unified strength of the whole group, represents 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 procedures 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 the country. 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 overseas subsidiaries are shown below.

Overseas RC audit by Asahi Kasei Chemicals in the US

Each division of Asahi Kasei Chemicals audits the RC activities of plants of overseas subsidiaries at least once per year. The ESH & QA Department of Asahi Kasei Chemicals takes part in these audits.
The RC audit of compounding subsidiary Asahi Kasei Plastics North America in Michigan confirmed that the RC program led by the president and involving the head of the plant, the head of safety, and various other personnel was particularly active in the area of workplace safety. Nevertheless, unsafe practices were identified with respect to contact with high-temperature objects and the transport of heavy items, and injuries had occurred. To further heighten the level of safety, the ESH & QA Department provided guidance and information which will be useful as the plant aims to achieve an accident-free record.

The RC audit at Asahi Kasei Plastics North America

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 2013, a very active implementation of RC was confirmed, including yearly improvements related to industrial accident prevention, environmental safety, and product safety. Notably, measures from the mother factory in Japan to prevent industrial accidents were applied throughout the plant. To further heighten the level of RC implementation, information was exchanged regarding the prevention of cuts.

Exchanging information on the prevention of cuts at the Suzhou Factory in China

Overseas RC audit by Asahi Kasei Fibers in Germany

Asahi Kasei Spandex Europe (AKSE) performs top-down RC activities based on a system created by the management. At the 2013 RC audit, it was agreed to additionally apply methods from Japan such as 3S activities (tidiness/orderliness/cleanliness) and reporting of near-accidents and potential hazards, with modification in accordance with local conditions. The adoption of these activities will be performed over a period of several years. By combining the best elements from both Germany and Japan, AKSE will further heighten the effectiveness of its RC program.

Members participating in the RC audit at AKSE

Environmental protection

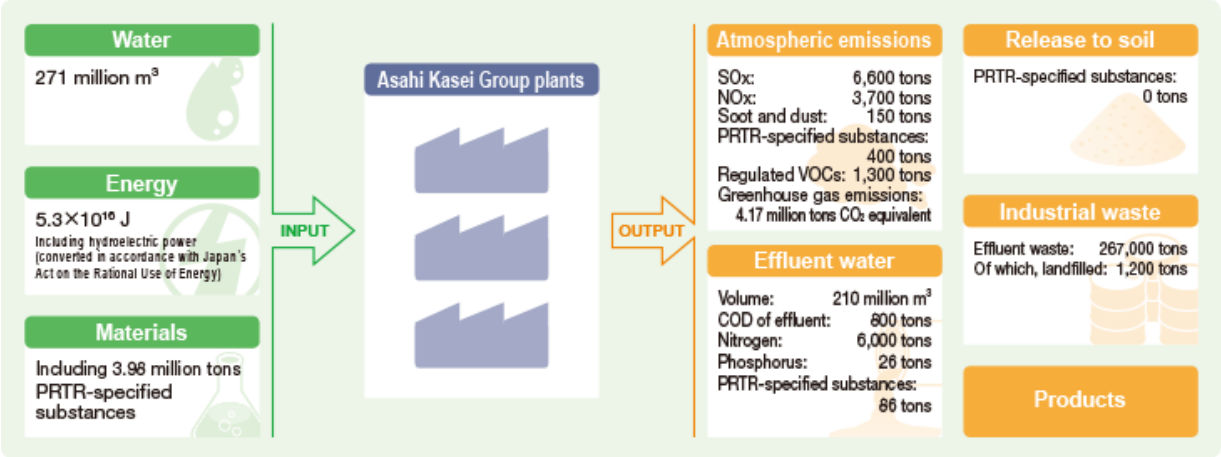
Our environmental protection measures include efforts for the achievement of a low-carbon society, the establishment of a recycling-oriented society, and the preservation of biodiversity.

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 its 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 indicators and targets to curtail greenhouse gas emissions to be achieved by fiscal 2020. Regarding promotion of a recycling-oriented society, we achieved zero emissions of industrial waste 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.

Asahi Kasei Group Main Environmental Impacts (FY 2013)



Quantitative indicators and targets to curtail global warming

Quantitative indicators and targets are used to clearly visualize and confirm ongoing progress under our global environmental policy.

Contributing to a low-carbon society

In Japan we participate in the Commitment to a Low Carbon Society launched by the Japan Chemical Industry Association and Nippon Keidanren, and also pursue activities under global indicators and targets set for our overseas operations.

Preservation of biodiversity

To ensure the sustainable utilization of living resources, due consideration is given to reducing the impact of our business activities on biodiversity.

Promoting a recycling-oriented society and reduction of chemical substances

We work to reduce the amount of industrial waste for final disposal through reduction, reuse, and recycling in order to help build a recycling-oriented society, and take measures to reduce the emission and release of chemical substances.

Environmental protection

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 (below). Quantitative indicators and targets were revised in order to clearly visualize and confirm ongoing progress of these environmental initiatives.

The Asahi Kasei Group's global environmental policy

1. **Contributing to a low-carbon society**
   (1) 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.
   (2) 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.
   (3) The Asahi Kasei Group will monitor and clearly visualize the amount of CO_2 emissions from its supply chain.
2. **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.
3. **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.
4. **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.
5. **Overseas locations (plants)**
   The Asahi Kasei Group will create systematic monitoring items that will enable environmental management practices equivalent to those at its plants in Japan.
6. **Supply chain**
   The Asahi Kasei Group will proactively collaborate with members of its supply chain to undertake the abovementioned activities.

Quantitative indicators and targets of environmental initiatives

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

Reducing CO_2 emissions	■ Reduce CO_2 emissions in Japan to 30% below the FY 2005 level by FY 2020 ■ Hold total CO_2 emissions in Japan and overseas in FY 2020 to 5% below the FY 2010 level
GHG emissions	■ Reduce GHG emissions in Japan to 35% below the FY 2005 level by FY 2020
LCA/CO_2 contribution ratio*	■ Achieve a ratio of 10.0 by FY 2020 (7.0 in FY 2013 and 3.2 in FY 2010) * LCA is used to determine the amount of reduction in CO_2 emissions enabled by Asahi Kasei products and technologies in comparison with conventional products and technologies. The ratio is calculated by dividing this amount by the global CO_2 emissions of the entire Asahi Group.

2. **Preserving water resources**

Water resource contribution ratio*	■ Achieve a ratio of 7.0 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.

Environmental protection

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.

In July 2014 we established a Global Environment Action Committee and changed the membership of the Global Environment Committee from the Presidents of the core operating companies to the Executives for the Environment.

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

1. **Reducing greenhouse gas (GHG) emissions of the Asahi Kasei Group**
   (1) CO_2 and GHG emissions in Japan
   (2) Global CO_2 emissions
   (3) Scope 3 emissions*
2. Helping reduce CO_2 emissions throughout the entire lifecycle of products
3. Making international contributions
4. Developing innovative new technologies

* Scope 3 emissions: Greenhouse gases emitted indirectly by a company throughout its supply chain.

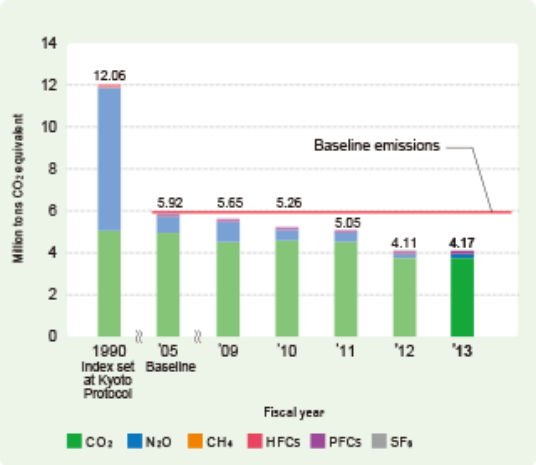
The Asahi Kasei Group's environmental initiative framework

Global Environment Committee	This committee deliberates and adopts group-wide environmental measures. It is chaired by the holding company Executive for RC, vice-chaired by the General Manager of Corporate Research & Development, and has the Executives for the Environment of the core operating companies as members. It meets twice per year.
Global Environment Action Committee	This committee is chaired by the General Manager of Corporate ESH & QA, and has the RC Promoters of the core operating companies and Corporate Research & Development as members. It develops concrete measures based on decisions of the Global Environment Committee. 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 Corporate Research & 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 5 to 6 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 from production processes in fiscal 2013 were equivalent to 4.17 million tons of CO_2, which represents a reduction of 29.2% 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, and the start of biomass power generation. Compared to 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_2O) byproduct.

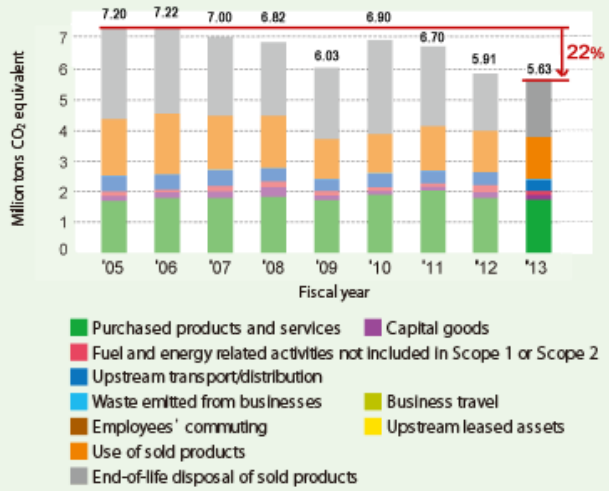
GHG emissions from production processes



Scope 3 emissions

The domestic Japanese portion of Scope 3 emissions over time has been calculated for all operations except Asahi Kasei Pharma, yielding data on 99% of such emissions for the entire Asahi Kasei Group. Our Scope 3 emissions have steadily declined from fiscal 2005 to fiscal 2013, with some fluctuation due to the global financial crisis, and in fiscal 2013 they were some 22% 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 to 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



Life cycle assessment of reduced CO_2 emission

Although CO_2 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_2 emissions during use. LCA calculation takes such contribution into account and determines the amount of CO_2 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_2 emission based on LCA, we contribute to the overall reduction of greenhouse gas emission throughout the supply chain.

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
A	Hall ICs and Hall elements for DC motors used in air conditioners
A	Ion-exchange membrane electrolysis system for caustic soda
A	Synthetic rubber for fuel-efficient tires
A	Phosgene-free polycarbonate production process
A	Fusion™ 3D woven fabric for energy-saving humidifier filters
B	Hebel Haus™ with power generating, efficiency, and conservation functions
B	Hebel Haus™ with next-generation insulation
B	Sunfort™ photosensitive dry film
B	Hipore™ lithium-ion battery separator for electric and hybrid electric vehicles
B	Asaclean™ plastic molding machine purging agent
C	Neoma™ foam insulation panels for homes

Rank A: LCA/CO_2 reduction of at least 500,000 t-CO_2/y
Rank B: LCA/CO_2 reduction of at least 100,000 t-CO_2/y
Rank C: LCA/CO_2 reduction of at least 10,000 t-CO_2/y

The Asahi Kasei Group's efforts to reduce CO_2 emissions

Alleviating the environmental effects of physical distribution

Product shipments for Asahi Kasei Group operations in Japan amounted to some 1.2 billion ton-kilometers in fiscal 2013, generating approximately 90 thousand tons of CO_2 emissions—a 6.5% increase from fiscal 2012. 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_2 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 2013, some 77% of company-owned vehicles were low-pollution vehicles.

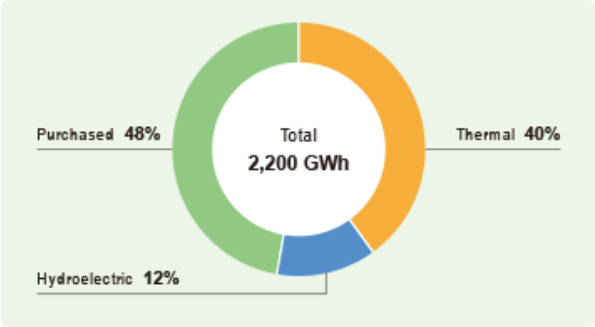
Renewable energy

The Asahi Kasei Group has 7 hydroelectric power generation plants in the Nobeoka Region, which provided 11.8% of the total electricity we used in Japan in fiscal 2013. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 140 thousand tons* of CO_2 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_2/kWh.

Electricity sources, FY 2013



Preservation of biodiversity

Basic policy

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

Notable actions in fiscal 2013

Through the examination of the impact of our business activities on biodiversity, we came to realize the extreme importance of biological resources and ecosystem services for our operations. In any case of ecosystem services being newly used or a change in use of biological resources, we confirm that no problem will be caused. Our plants and offices are undertaking a variety of initiatives to preserve biodiversity in each location.

Nobeoka:

In Nobeoka, we are studying the impact of forest thinning as part of the Nobeoka City Satoyama Preservation Initiative. Our study is focused on the impact on the forest environment of our use of forest thinnings as biomass fuel for power generation, depending on the method of thinning. In fiscal 2012 we studied the forest prior to thinning, and in fiscal 2013 we performed thinning and studied the forest immediately afterward. In fiscal 2014 we will evaluate effect on the forest one year after thinning.

Fiscal 2013 Asahi Kasei Biodiversity Survey Report

Fuji:

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.

Children visiting the biotope

Harvesting rice

Moriyama:

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. When effluent water flow was suspended during a plant shut-down for maintenance in fiscal 2013, we removed some 1,400 fish of foreign species, totaling 95 kg. We also initiated a program to utilize green space within the plant grounds as a place for personnel to relax and enjoy the natural biodiversity of the area.

Newsletter (left)
Mind map (top right)
Zoning plan (bottom right)

National network to promote the Satoyama Initiative in Japan

In September 2013, a national network to promote the Satoyama Initiative in Japan was launched with 101 member organizations. In February 2014 a seminar for network members and a liaison meeting were held. Member organizations described their activities, and opinions were exchanged regarding the operational policy for fiscal 2014. The network will facilitate interaction, coordination, and exchange of information among the members.

Environmental protection

Promoting a recycling-oriented society and reduction of chemical substances

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.

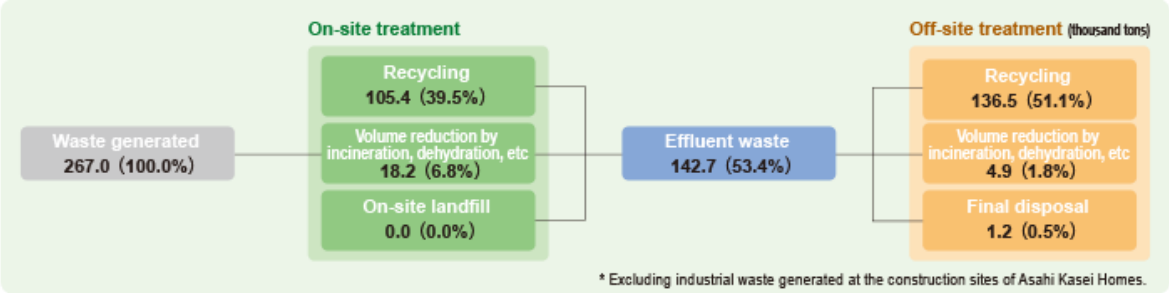
In fiscal 2013, we adopted more challenging targets of a final disposal rate of 0.3% or less and a recycling rate of 85% or more of the total amount of industrial waste generated. Although we achieved a recycling rate of 91%, we missed our target final disposal rate by achieving 0.5%, the same as the previous year. We are working to gain further improvements through increased separation and greater selectivity in disposal contractors.

Waste containing PCBs* is stored under strict control in stainless steel vessels. Plans for disposal are advancing, including for waste with minimal amounts of PCBs.

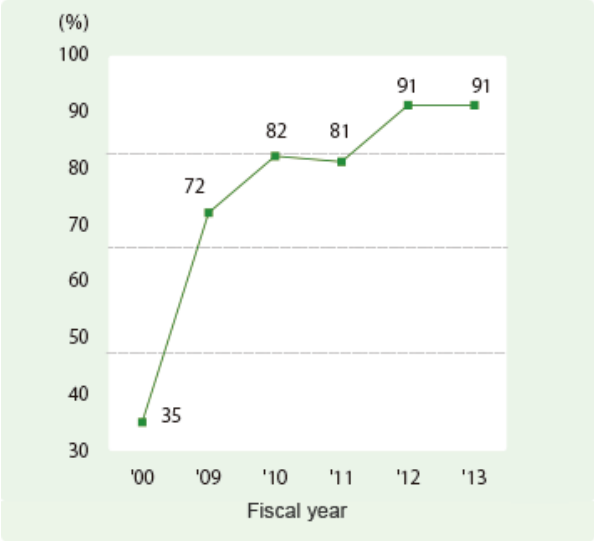
We enhanced our management of off-site treatment of industrial waste by expanding the use of electronic manifests. We also performed periodic on-site inspections of consigned firms to ensure that proper disposal is performed in accordance with sound systems of control.

* 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.

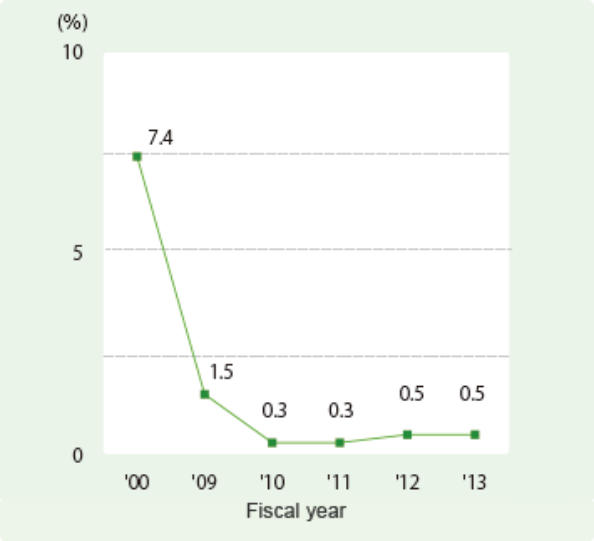
FY 2013 flow of industrial waste*



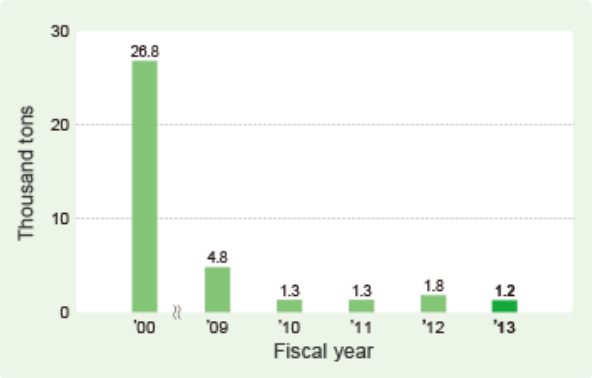
Recycling rate



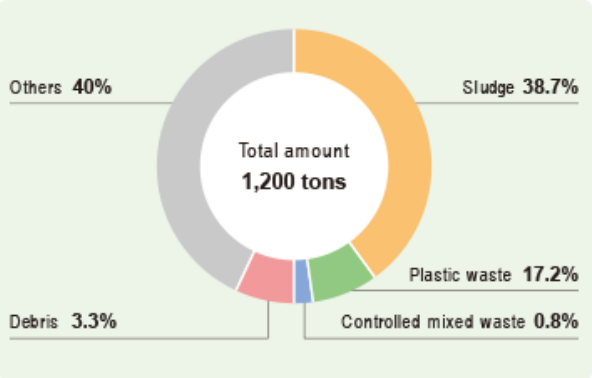
Final disposal rate



Off-site final disposal volume



FY 2013 off-site final disposal by category of waste

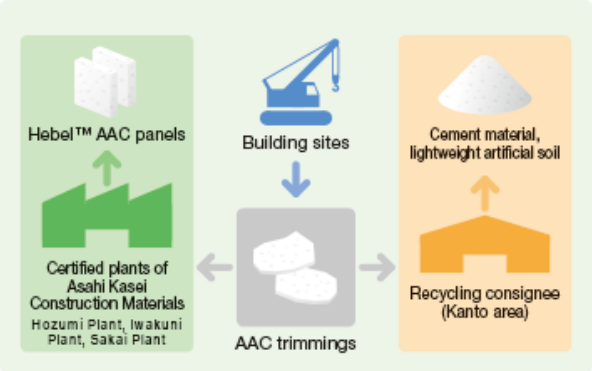


Reducing industrial waste from construction materials and housing businesses

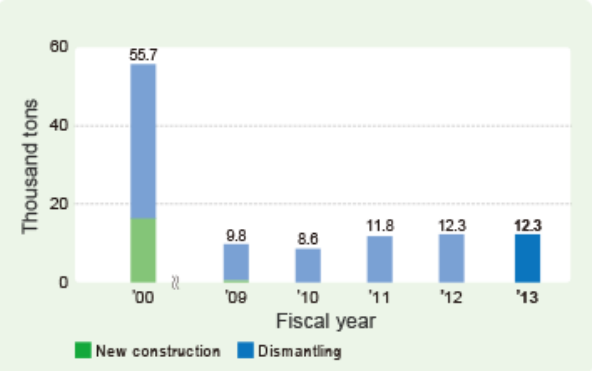
Asahi Kasei Construction Materials recycles trimmings of Hebel™ autoclaved aerated concrete (AAC) panels in its own plants and others, utilizing its certification for "wide-area recycling"* which permits the transport of waste from different construction sites. Asahi Kasei Homes is also reducing the 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.

* 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.

Recycle flow for trimmings of Hebel™ AAC panels



Final disposal industrial waste generated at construction sites



Reduction of chemical substances

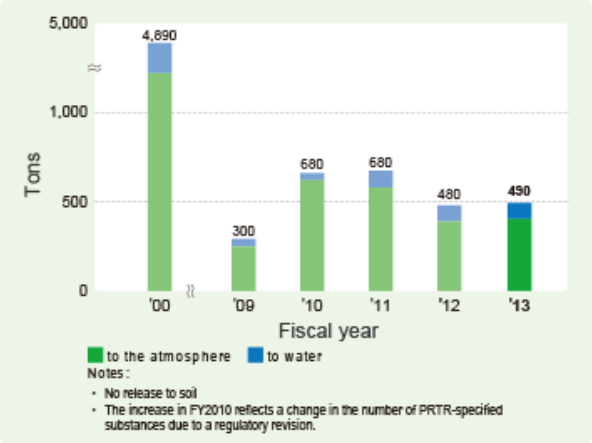
The Asahi Kasei Group makes an effort to reduce the release of chemical substances. These chemicals include substances specified in the Air Pollution Control Act, Water Pollution Control Act, and the PRTR[1] Law, and other substances which we have voluntarily designated for reduction. Priority for reduction is based on the degree of hazardousness and amount of release. As shown in the graphs below, releases of PRTR-specified substances and VOC[2] emissions were reduced by 90% and 87%, 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.

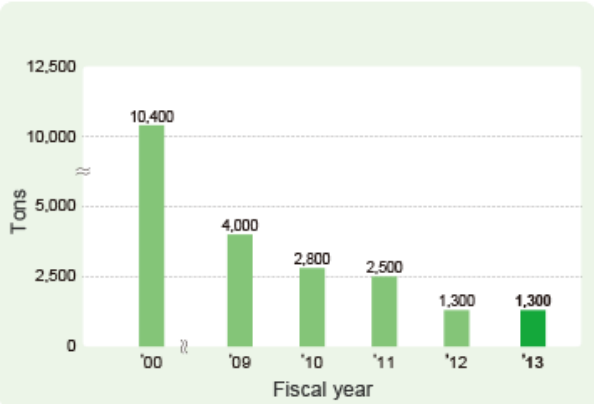
[1] PRTR: Pollutant release and transfer register. Under the PRTR Law, releases to the environment and off-site transfers of specific hazardous chemical substances must be monitored and recorded for each production facility and operating site. Results are reported to the government, which publishes aggregated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

[2] 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.

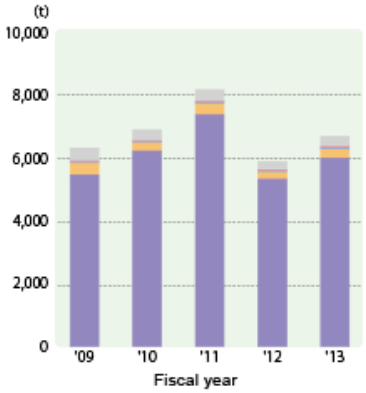
Releases of PRTR-specified substances



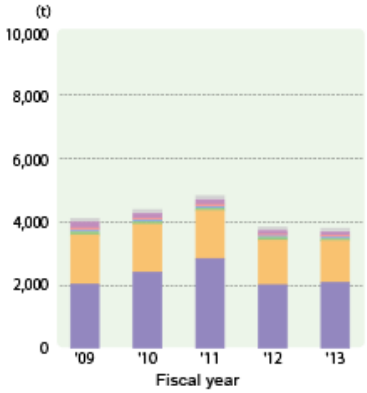
Releases of VOCs



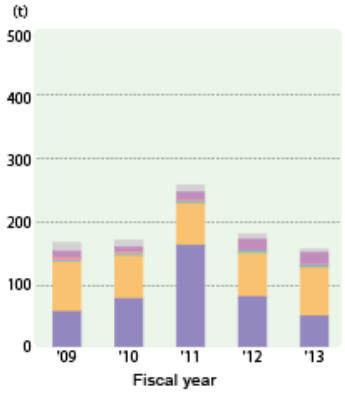
SOx emissions



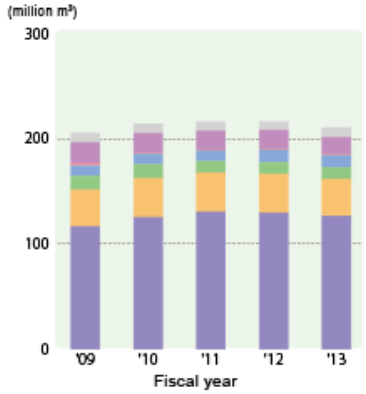
NOx emissions



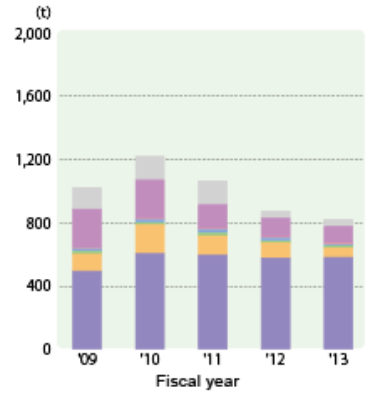
Soot and dust emissions



Effluent water volume



COD of effluent



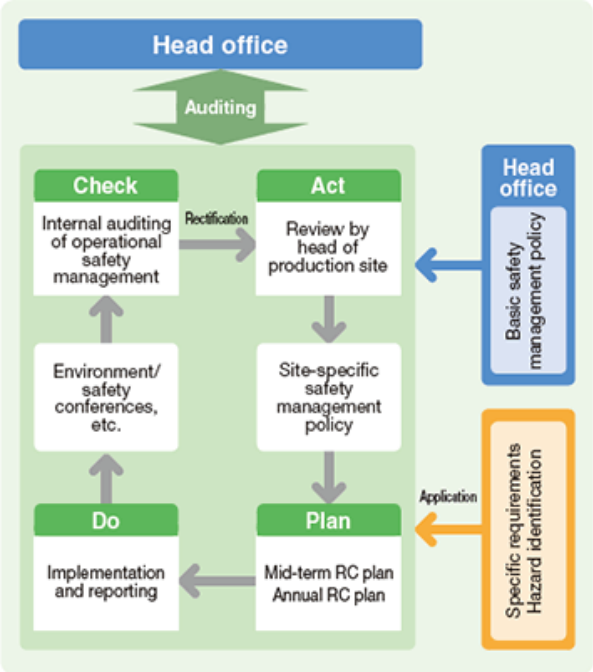
Operational safety

To achieve safe operations, it is essential to build highly safe plants based on process hazard assessment prior to construction, to perform sound plant maintenance, and to 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, periodic inspections of existing plants performed by auditors specialized in fire and explosion prevention, process reviews from the perspective of preventing abnormal reactions and ensuring interlock functions, and process reviews corresponding to the age of facilities. In fiscal 2013, we completed a program of on-site confirmation from the perspective of preventing abnormal reactions and ensuring interlock functions. There were no industrial accidents during fiscal 2013.

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.

Operational safety management system at Asahi Kasei Chemicals



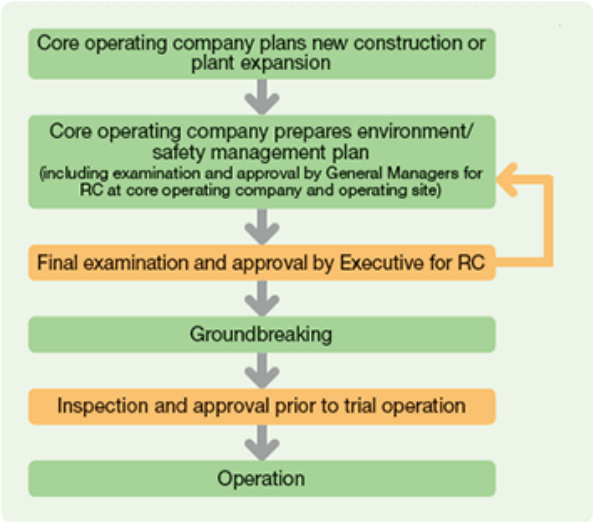
Pre-investment inspection system

Internal regulations require a pre-investment inspection to verify plant safety when there are plans to invest in a 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* 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.

* 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.

System for inspection prior to capital investment



Safe, stable plant operation

Given our diverse range of operations that include Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care, 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.

In addition, safety information and know-how are shared across the Asahi Kasei Group through group-wide plant engineering conferences with 4 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. Inspections from the perspective of preventing abnormal reactions and ensuring interlock functions began in fiscal 2012, and a program of on-site confirmation was performed in fiscal 2013. Results of this confirmation indicated that there were no major problems.

Meeting on preventing abnormal reactions and ensuring interlock functions

Training for maintenance

We believe that maintenance means creating the condition of equipment necessary to accomplish production heightening objectives. It is vital to create new technology and the condition of equipment working toward objectives from day to day, with each individual gaining the essential technology and contributing to the strength of the team.

The Asahi Kasei Group launched a training program in fiscal 2009 to nurture the skills of maintenance personnel. We clarified the training principles for maintenance technicians, formulated a training curriculum for each individual based on these principles, and applied the PDCA cycle. Currently some 600 personnel are registered.

In fiscal 2013 we launched a new system based on the experience gained. The new system tracks all training progress in a database that enables more efficient data entry and easier preparation of materials for training audits.

The system is also used to manage results of classroom work, making the reporting and management of test results more efficient. This training curriculum has helped heighten the abilities of our maintenance personnel, contributing to improvements to equipment and safe, stable operation.

Maintenance training system

Maintenance training 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. The plants prepare annual plans for periodic training drills, and perform drills in coordination with 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

Workplace safety and hygiene

The effort to prevent workplace accidents is integrated in our comprehensive OHSMS* program that combines conventional safety initiatives—such as tidiness/orderliness/cleanliness (3S), 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.

* 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

Integration of workplace safety initiatives

Approach to workplace safety

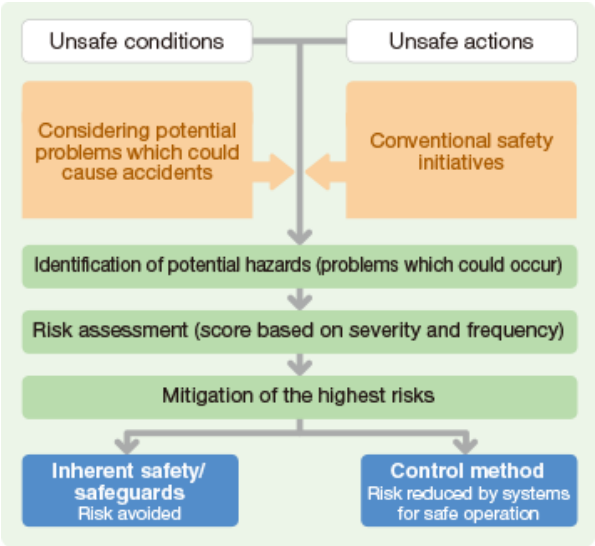
Identification of potential hazards

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 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.

Schematic image for prevention of workplace accidents



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 and 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	Indications, warnings, etc.	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*. 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.

* 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.

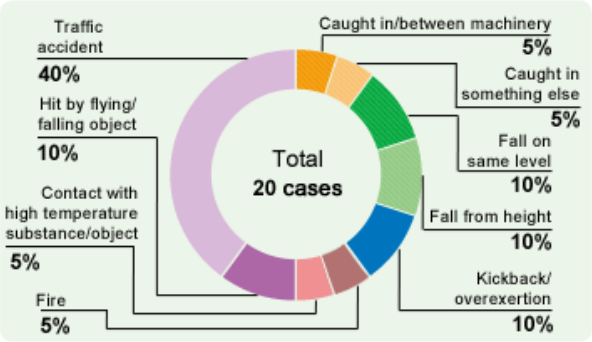
Occurrence of workplace injuries

Of the 20 workplace injuries that occurred during fiscal 2013, 10% fell into the “caught in/between” category, which can easily result in severe injury. Although the proportion is lower than the 22%, average of fiscal 2003 to 2012, 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 an ongoing program of comprehensive plant inspections that incorporates fresh perspectives from outside experts and from our personnel of different sites and different core operating companies. We also formulated a set of guidelines on machinery safety in accordance with ISO12100* and in fiscal 2014 began machinery risk assessments by designers in the case of building new equipment or modifying existing equipment, with deliberation among related parties as part of the equipment inspection.

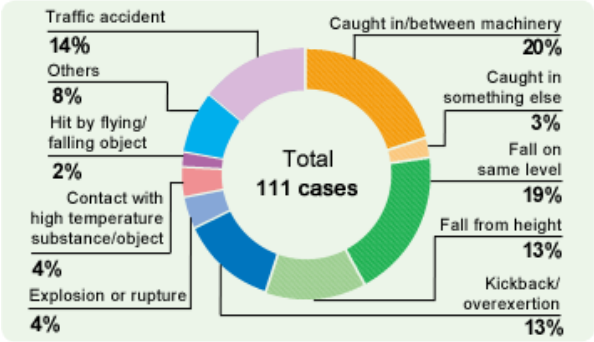
The 4 categories of fall on the same level, fall from height, kickback/overexertion, and traffic accident accounted for 70% of all workplace injuries in fiscal 2013. To prevent these common accidents that could occur even in non-factory workplaces such as sales offices or headquarters, we are promoting safety activities in all workplaces and renewing our emphasis on a culture of safety.

* ISO12100 specifies principles for achieving safety in machinery design and principles of risk assessment and risk reduction.

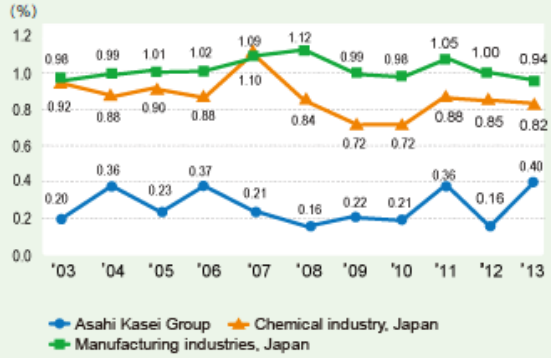
Incidence of workplace injury by event category (FY 2013 in Japan)



Incidence of workplace injury by event category (FY 2003–2012 in Japan)

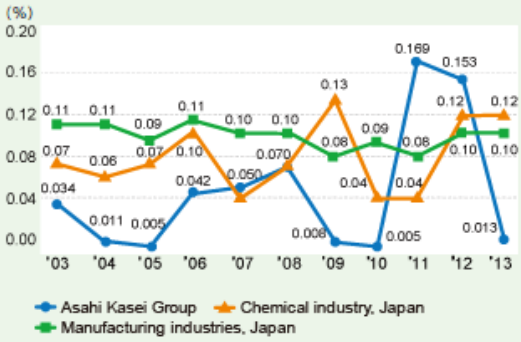


Frequency rate[1]



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

Severity rate[2]



Notes:
- Fiscal years for the Asahi Kasei Group and calendar years for the chemical industry as well as manufacturing industries in Japan.
- The severity rate increased in fiscal 2011 because of one fatal "caught in machinery" accident and in fiscal 2012 because of one "fall on same level" accident that caused lasting injury (Level 2 Disability).

1 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.

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

Occupational Health and Safety Management System (OHSMS)

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

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

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.

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 2013 we enhanced the health maintenance system for independent plants and smaller offices by establishing a framework for them to receive the support of specialist industrial physicians as necessary in the main regions. We also began providing health guidance to salespeople stationed throughout Japan and to personnel stationed overseas using video conferencing systems.

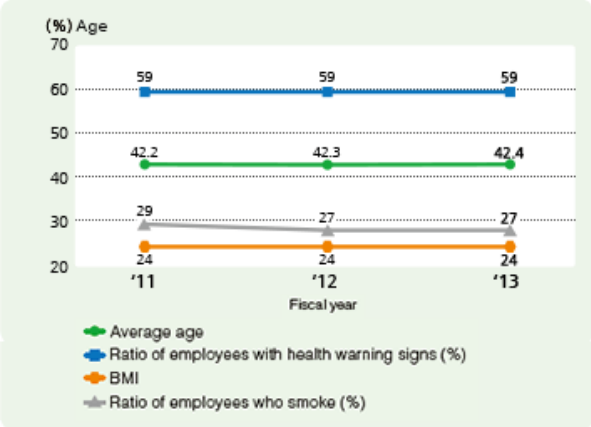
Health maintenance and promotion for employees

The Asahi Kasei Group has provided personnel with health guidance and exercise guidance by outside experts and health maintenance staff in each location.

In April 2013, with a revision of the standards applied to indicate health warning signs based on the results of annual checkups, we reevaluated past results to identify trends based on the new standards. This indicated that the proportion of employees with health warning signs is remaining generally unchanged, while BMI and the ratio of employees who smoke are gradually decreasing.

Beginning in fiscal 2013 our employee health insurance association revised its specified health guidance in accordance with the Act of Assurance of Medical Care for Elderly People, utilizing a health improvement program that enables exercise guidance to be selected in addition to health guidance.

Ratio of employees with health warning signs



Measures to prevent falling

In fiscal 2013 we prepared a manual for physical fitness tests to prevent falling, based on the falling risk assessment manual issued by the Japan Industrial Safety & Health Association and taking into consideration the experience of certain districts where a pilot program of falling prevention measures was implemented. Easy to understand and easy to use, the new manual will be utilized company-wide in fiscal 2014.

Manual for physical fitness tests to prevent falling

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 2013 we began full implementation of an intranet-based electronic diagnosis system developed by Fujitsu Software Technologies Ltd. The system has been used to survey stress at 20 locations, with appropriate follow-up implemented. Ongoing stress surveys will be performed annually at each location. 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.

Intranet-based electronic diagnosis system used to survey workplace stress

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. At each plant site and office location, we provide care by specialists, including training sessions by external lecturers and referral of counseling services.

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 2013, we once again met our target of no serious product safety incidents.

Prevention of product safety incidents

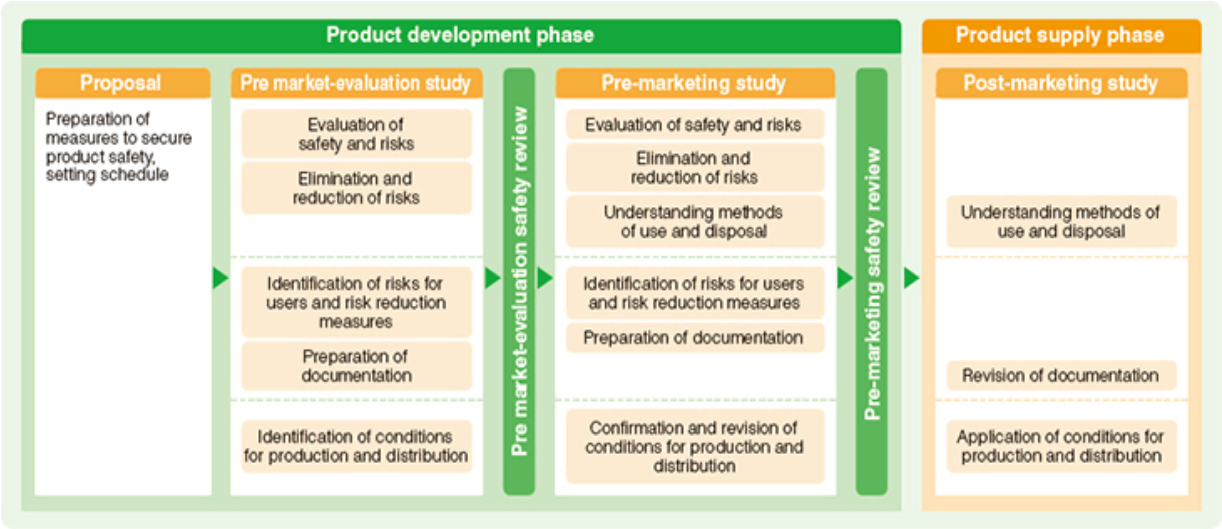
Consumer satisfaction and safety

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.

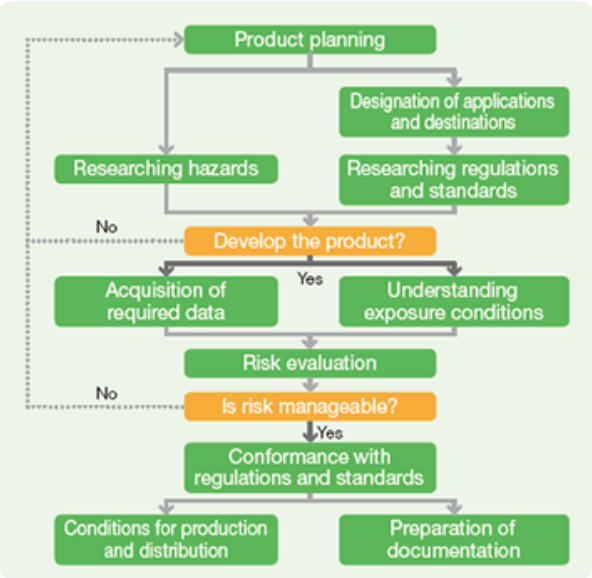
Product safety guidelines

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.

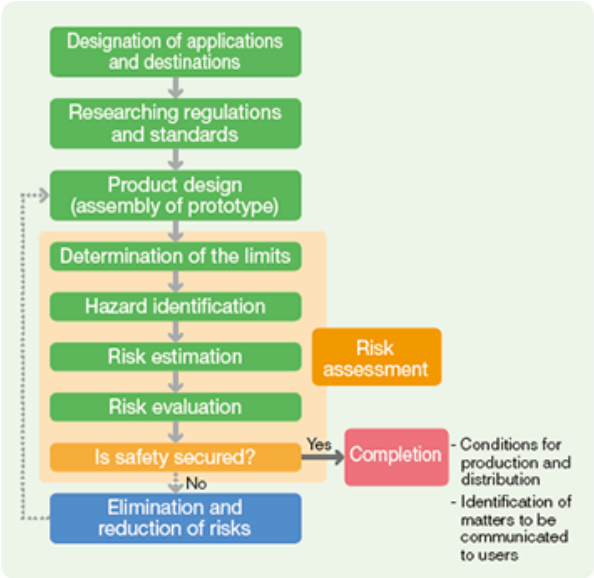
Flow of product safety measures



Product safety procedure for chemicals



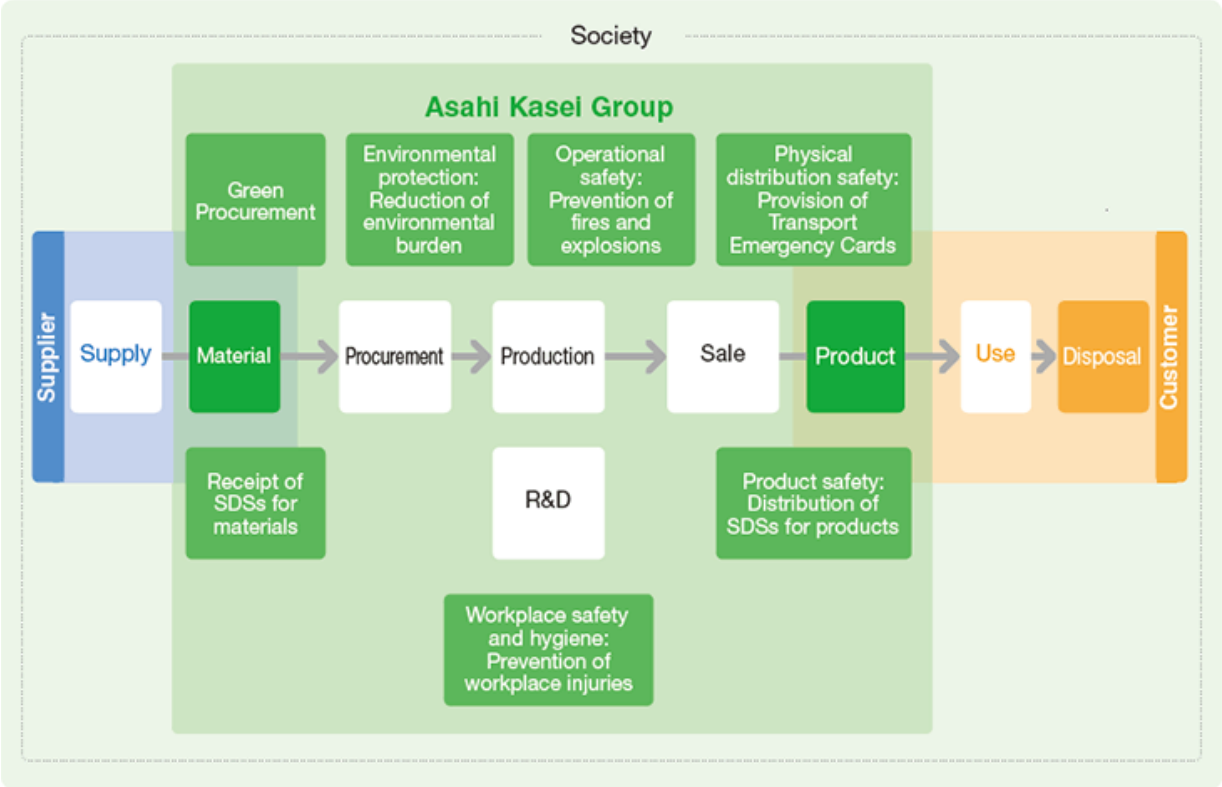
Product safety procedure for equipment



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.

Chemical substance management flow



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 Environmental protection) and to prevent fires, explosions, and leaks (see Operational safety). 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 4 times each year, in recognition of the importance of product safety in the R&D phase. In fiscal 2013 the committee shared information on the latest chemical regulations, both in Japan and overseas, and studied how to respond to them; introduced the latest chemical management subjects; and worked to heighten chemical management capabilities among its members.

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 2013, we advanced preparations to ensure compliance with the revised Chemical Substance Control Law, including distributing the latest information on the revisions throughout the Asahi Kasei Group and encouraging participation in related seminars and briefings. Introductory/basic and intermediate/specialized education on product liability was continued at Asahi Kasei Chemicals, with a particular emphasis on practical training in the intermediate/specialized program, including studying and discussing actual examples, 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	●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 ●Implementation of Globally Harmonized System (GHS) for the classification and labeling of chemicals
OECD	Safety checks on existing chemicals	●Collection of safety data under the High Production Volume (HPV) Chemicals initiative by each member country and its chemical industry
EU	Implement new regulation on chemicals	●REACH Regulation for the registration, evaluation, authorization, and restriction of chemicals ●RoHS Directive for the restriction of the use of certain hazardous substances in electrical and electronic equipment

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.

Safety evaluation technology

The Asahi Kasei Group takes part in ICCA-LRI* of The Japan Chemical Industry Association (JCIA) to develop safety evaluation technology, participating in the Executive Committee and the Research Advancement Panel for specialized areas.

* 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 5 areas: effect on organisms in the environment, neurotoxicity, carcinogenicity, immunotoxicity, and improvement of the precision of risk evaluation. Subjects of research include designated themes and pilot studies for a timely focus on subjects that are essential to society.

Japan Initiative of Product Stewardship

The Japan Initiative of Product Stewardship (JIPS)[1] 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 2013, 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 promoted the use of safety data for risk assessment by posting related links in support of the JCIA's BIGDr[2]. We also advanced the acquisition of safety information on substances that had already received a risk assessment, with Asahi Kasei Chemicals publishing a safety summary on two chemical 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 as we advance full-scale implementation.

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

1 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.

2 BIGDr (Base of Information Gathering, sharing & Dissemination for risk management of chemical products) is a system of the JCIA for sharing information such as safety information for the management of chemical products among companies using JIPS.

Globally Harmonized System (GHS)*

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.

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

REACH[1] compliance

In fiscal 2013, we completed the second round of REACH registrations on schedule. 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[2]. Since transmission of information and notifications of substances with very high concern (SVHC)[3] is now obligatory, we continue to gather and provide information on chemical substances. Preparations are continuing for the third round of REACH registrations, while compliance with all relevant requirements is maintained.

1 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.

2 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.

3 SVCH: Substances of Very High Concern. Substances added to a list of candidates for authorized regulation.

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 2013, we provided JAMP Tools via the JAMP-IT platform to convey relevant information on hazardous chemicals and share information externally. Asahi Kasei Microdevices was able to obtain and provide JAMP Tools via the JAMP-IT platform, and is now actively disseminating information internally and externally to support commercial AS vendors*, while evaluating suppliers through the internet.

In addition, Asahi Kasei Fibers held briefings in preparation for the provision of JAMP Tools via the JAMP-IT platform, and now plans to request its customers to join in utilizing the platform.

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.

We also joined a JAMP study group working toward unification of information transmission tools in fiscal 2013, in relation to a new scheme by the Ministry of Economy, Trade and Industry.

Briefing on JAMP-IT at Asahi Kasei Fibers (Osaka)

* Commercial AS vendor: A company providing application services (AS) with database functions.

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.

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
	Sakai	Construction Materials	Asahi Kasei Construction Materials Corp.	Sakai Plant	Autoclaved aerated concrete panels
				Neoma Foam Plant	Phenolic foam insulation panels
				Materials Tech. Dept.	Improvement of construction materials and development of new products
			Sakai Kako Co., Ltd.	–	Construction materials processing
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
			Asahi Kasei Energy Service Corp.	–	Operation of power plant of Nakasode Clean Power Corp.
		Electronics	Asahi Kasei E-materials Corp.	Plastic Optical Fibers Dept.	R&D for plastic optical fiber
			Asahi Kasei EMS Co., Ltd.	Chiba Plant	Plastic optical fiber
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
		Construction Materials	Asahi Kasei Foundation Systems Co., Ltd.	–	Installation of piles
			Asahi Kasei Extech Corp.	–	Installation of exterior wall panels
		Others	Sun Associates Co., Ltd.	–	Patent-related subcontracting
			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.	Dev. Project	Development of energy-related materials
		Others	Asahi Kasei Engineering Corp.	–	Development, design, installation, inspection, and maintenance of equipment and systems
	Atsugi	–	Asahi Kasei Corp.	Synergistic Solutions Initiative	Establishment of new solution-oriented businesses
		Homes	Asahi Kasei Jyuko Corp.	Atsugi Prod. Dept.	Assembly of steel frames and processing of insulation for homes
Shizuoka	Fuji	Chemicals	Asahi Kasei Chemicals Corp.	Microza Plant	Filtration membranes and modules
				Fuji Power Supply Dept.	Utilities (electricity, steam, water)
			Asahi Kasei Clean Chemical Co., Ltd.	–	Environmental chemicals, water treatment equipment
		Homes	Asahi Kasei Homes Corp.	Housing Tech. R&D Labs.	Long Life Home R&D
		Health Care	Asahi Kasei Pharma Corp.	Fuji Pharmaceuticals Plant	Bulk pharmaceuticals
			Asahi Kasei Medical Co., Ltd.	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
				Electronics Interconnecting Materials Plant	Photosensitive dry film
				WGF Project	Display materials
				New Business Dev.	Development of electronic and energy-related materials
				R&D units	Development of electronic materials
			Asahi Kasei Microdevices Corp.	R&D Ctr.	R&D for compound semicondoctors
				Fab 3	Hall elements
			Asahi Kasei Epoxy Co., Ltd.	Fuji Plant	Epoxy curing agent
		Others	Asahi Kasei Engineering Corp.	–	Design, construction, and development of facilities and development of information systems
			Sun Business Services Co., Ltd.	–	Subcontracting
			Asahi Kasei Benefits Management Corp.	–	Management of benefits
		–	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
	Ohito	Health Care	Asahi Kasei Pharma Corp.	Ohito Pharmaceuticals Plant	Pharmaceutical intermediates
				Ohito Diagnostics Plant	Diagnostic enzymes, diagnostic reagent kits
				Pharmaceuticals Research Ctr.	New pharmaceuticals R&D
		Others	Asahi Kasei Benefits Management Corp.	–	Management of benefits
			Toyo Kensa Center Co., Ltd.	–	Measurement, evaluation, analysis, clinical testing
			Asahi Kasei Create Co., Ltd.	–	Management and sales of real estate, insurance agency, subcontracted office work
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
Shiga	Moriyama	Chemicals	Asahi Kasei Chemicals Corp.	Moriyama Power Supply Dept.	Utilities (electricity, steam, water)
		Fibers	Asahi Kasei Fibers Corp.	Spunbond Plant	Spunbond
				Roica Plant	Elastic polyurethane filament
				R&D Lab. for Applied Product	Apparel and industrial functional textiles R&D
		Electronics	Asahi Kasei E-materials Corp.	Hipore Plant	Microporous membrane
				Electronics Materials Prod. Dept.	Photosensitive polyimide
				Hipore R&D Dept.	Development of electronic and energy-related materials
			Asahi-Schwebel Co., Ltd.	Moriyama Plant	Glass fabric
		Others	Asahi Kasei Amidas Co., Ltd.	Moriyama Office	Contract work
			Asahi Kasei Engineering Co., Ltd.	–	Development, design, installation, inspection, and maintenance of equipment and systems
	Higashiomi	Homes	Asahi Kasei Jyuko Co., Ltd.	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
			Sundic Inc.	Mie Plant	Polystyrene sheet
Wakayama	Gobo	Chemicals	Asahi Kasei Chemicals Corp.	Wakayama Plant	Acrylic latex, performance paper
Osaka	Osaka	Chemicals	Asahi Kasei Finechem Co., Ltd.	Osaka Plant	Specialty chemicals
		Others	Asahi Kasei Trading Co., Ltd.	–	Sale of Asahi Kasei Group products
Hyogo	Ono	Chemicals	Asahi Kasei Pax Corp.	Ono Plant	Molded plastic containers
Okayama	Mizushima	Chemicals	Asahi Kasei Chemicals Corp.	Monomers Prod. Dept. 1	Ethylene, cyclohexanol
				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
			Iwakuni Sun Products Co., Ltd.	Iwakuni Plant	Construction materials processing
Fukuoka	Chikushino	Chemicals	Asahi Kasei Chemicals Corp.	Chikushino Plant	Metal cladding
Oita	Oita	Chemicals	Asahi Kasei Chemicals Corp.	Oita Plant	Defense explosives
			Japan Elastomer Co., Ltd.	Oita Plant	Synthetic rubber
		Health Care	Asahi Kasei Medical Co., Ltd.	Sepacell Plant	Leukocyte reduction filters
				Planova Oita Plant	Virus removal filters
				Dialysis Products Plant	Artificial kidneys and other medical devices
				Therapeutic Apheresis Plant	Therapeutic apheresis devices
Kumamoto	Amakusa	Fibers	Kyuasa Co., Ltd.	–	Stockings and innerwear
Miyazaki	Nobeoka/Hyuga	Chemicals	Asahi Kasei Chemicals Corp.	Atago Plant	Nitric acid, caustic soda, chlorine, hydrochloric acid, vinylidene chloride resin and latex
				Electrolysis Systems Tech. Dept.	Electrolyzers for chlor-alkali
				Ceolus Plant	Microcrystalline cellulose
				Leona Plastics & Materials Plant	AH salt, adipic acid, hexamethylenediamine, polyamide 66
				Fastening Prod. Planning & Tech. Dept.	Resin anchors
				Hyuga Chemicals Plant	Coating materials
				Nobeoka Power Supply Dept.	Utilities (electricity, steam, water)
			Asahi Kasei New Port Terminal Co., Ltd.	–	Receiving and storage of fuel and feedstocks
			Nobeoka Plastic Processing Co., Ltd.	–	Polyamide 66 compounding
			Asahi Chemitech Co., Ltd.	–	Resin anchors, detonator housings/leads
			Asahi Kasei NS Energy Corp.	–	Electricity and steam
			Asahi Kasei Finechem Co., Ltd.	Nobeoka Plant	Specialty chemicals
				Nobeoka Pharmaceuticals Plant	Bulk pharmaceuticals
			Kayaku Japan Co., Ltd.	Tohmi Plant	Industrial explosives
				Detonator Plant	Detonators
		Health Care	Asahi Kasei Medical Co., Ltd.	Tsunetomi Plant	Artificial kidneys and other medical devices
				Okatomi Plant	Artificial kidneys and other medical devices
				EV Plant	Hollow fiber for artificial kidneys and plasma component separators
				Planova Plant	Virus removal filters
				Medical Material Lab.	R&D for medical materials
		Fibers	Asahi Kasei Fibers Corp.	Leona Filament Plant	Nylon 66 filament
				Bemberg Plant	Cuprammonium rayon, nonwoven cellulose filament
				Nonwovens Plant	Artificial suede, melt-blown and spunlace nonwovens
				R&D Lab. for Fibers & Textiles Tech.	R&D for new fibers
			Asahi Kasei Eltas Co., Ltd.	–	Spunbond
			Asahi Kasei Fibers Nobeoka Co., Ltd.	–	Cellulosic filament, synthetic nonwovens
			Asahi Kasei Leona Filament Co., Ltd.	–	Nylon 66 filament
			Asahi Cord Co., Ltd.	–	Processing of nylon 66 filament
			Nobeoka Kakoshi Co., Ltd.	–	Subcontracted work at Nonwovens Plant
			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
				Fab 2	LSIs
			Asahi Kasei Technosystem Co., Ltd.	Nobeoka Plant	Plant diagnostic and environmental surveillance devices
			Asahi Kasei EMS Co., Ltd.	Hyuga Plant	Fine-pattern coils
				Nobeoka Plant	Pellicles
		Others	Asahi Kasei Kankyoujigyou 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 alley
			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
			Cable Media Waiwai Co., Ltd.	–	Cable TV

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.

Customer relations

We strive for sincere communication with the customer as vital to the provision of valuable products, technologies, and services.

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.

Supplier relationships

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

Public outreach

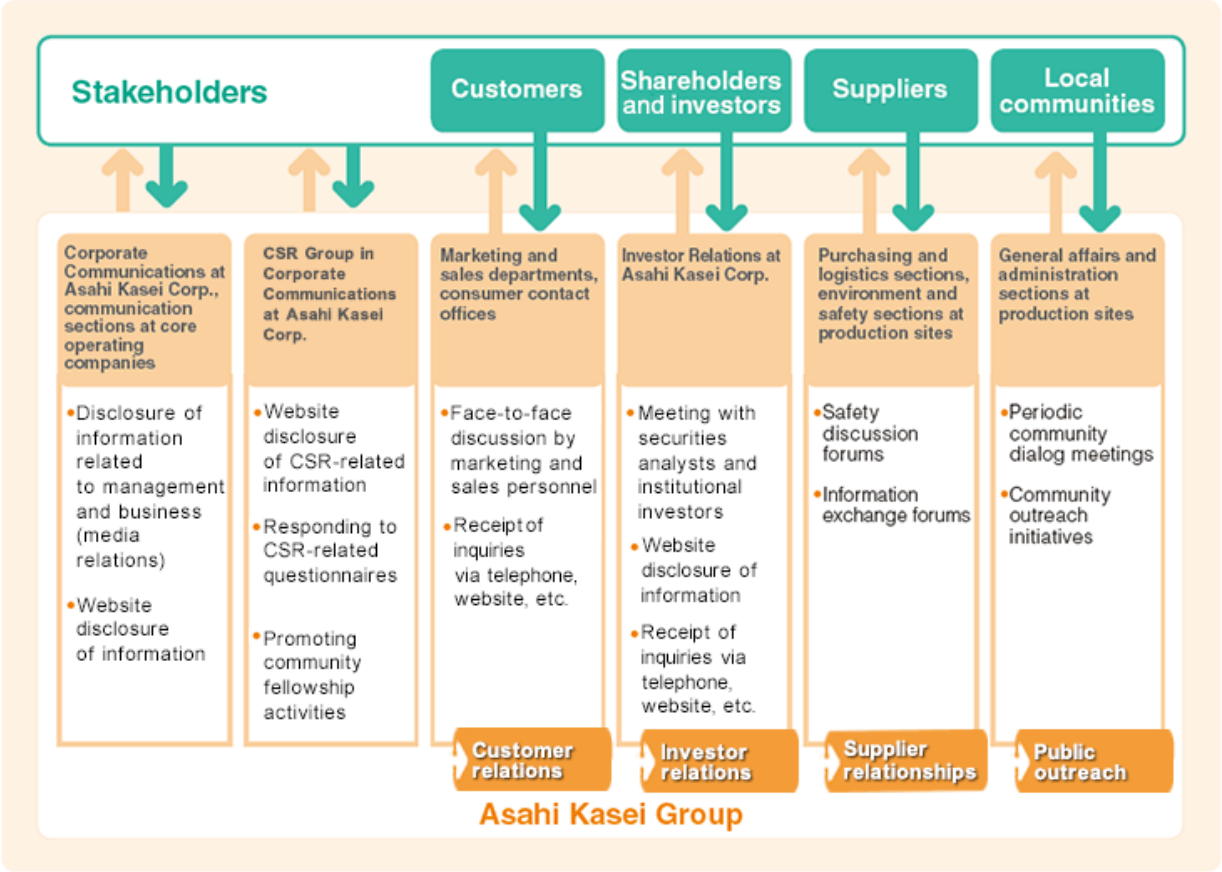
We work to maintain effective dialog and communication with community members.

Community fellowship

The Asahi Kasei Group is involved in a wide range of community-focused activities inside and outside Japan, under our Community Fellowship Policy.

Stakeholder dialog

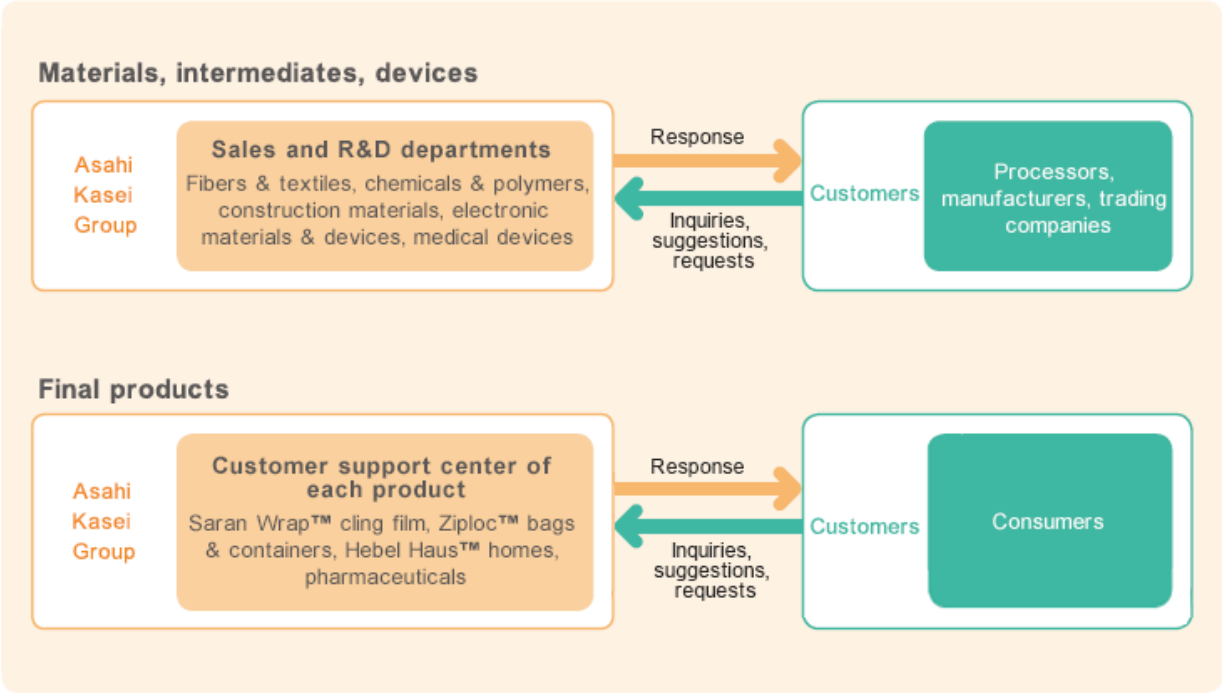
Different corporate organs hold responsibility for fair and open dialog with each of our different groups of stakeholders.



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.

Communication with customers



Investor relations

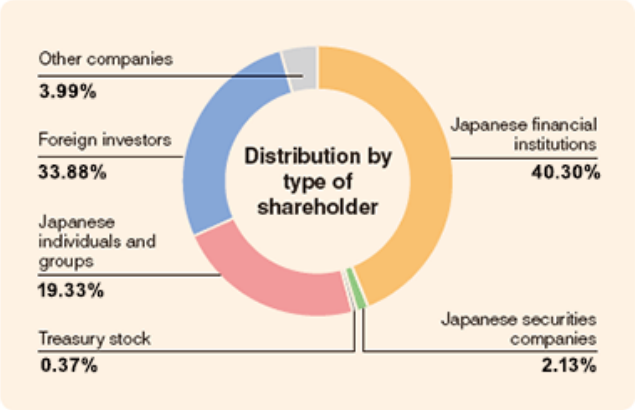
We strive to disclose information in a timely and fair manner to enable our domestic and international investors to gain an accurate understanding of the Asahi Kasei Group.

Shareholder distribution

Asahi Kasei Corp. has some 100 thousand shareholders. At the end of March 2014, approximately 40% of our shares were held by Japanese financial institutions, 19% by Japanese individuals and groups, and 34% by foreign investors.

Distribution by type of shareholder

(as of March 31, 2014)



IR Meetings with institutional investors and securities analysts

In fiscal 2013, Investor Relations (IR) held 306 meetings with institutional investors and securities analysts in Japan, including quarterly results briefings and an annual management briefing with the President. A further 61 meetings were held overseas.

In total, 367 meetings were held to directly provide information to institutional investors and securities analysts during the year, with a cumulative attendance of 1,369.

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, 20 seminars were held in fiscal 2013, with total attendance of 2,580 individual investors*. 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.

* Excluding participants of the 122nd Ordinary General Meeting of Shareholders.

A seminar held in Tokyo for individual investors

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.

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 2013, Asahi Kasei Group asked major suppliers of materials 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.

A safety seminar in Kawasaki, Kanagawa Prefecture

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.

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.)

Plant tour in Moriyama, Shiga Prefecture

The Nobeoka Exhibition Hall

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. We also open our gymnasiums, sports fields, parking lots, and other facilities for public use and enjoyment, and host a variety of events.

Community dialog meeting with local residents association

Local residents at a cherry blossom event

Neighborhood clean-up and greenery planting

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 trees and greenery both within plant grounds and in the surrounding area.

Neighborhood clean-up

Tree planting in the community

Local emergency response initiatives

Construction of evacuation towers

In fiscal 2013 we constructed two evacuation towers within our plant grounds in Nobeoka, Miyazaki Prefecture, to enable people to quickly reach a safe height in the event of a tsunami. The evacuation towers are available for use not only by our personnel, but also by nearby community members.

Evacuation tower in Nobeoka, Miyazaki Prefecture

Installation of independent drinking water supply systems

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.

Independent drinking water supply system in Moriyama, Shiga Prefecture

Police helicopter take-off and landing training

On January 9, 2014, Asahi Kasei Pharma and the Shizuoka Prefectural Police jointly held police helicopter take-off and landing training within the company's Ohito plant grounds in Izunokuni, Shizuoka Prefecture. The training, based on a broad cooperation instituted through a disaster response accord between the two parties, was part of a rehearsal to establish a temporary Security Headquarters in the Ohito plant grounds, premised on a scenario where a major disaster had caused the Ohito Police Station to become unusable. The training was open to the public, heightening people's awareness for disaster preparations.

Police helicopter take-off and landing training

Disaster volunteer organization

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

Training to use an automated external defibrillator (AED) in Nobeoka, Miyazaki Prefecture

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 at our plants 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. In fiscal 2013, a total of some 3,100 students from 90 schools participated.


Nobeoka, Miyazaki Prefecture


Kurashiki, Okayama Prefecture


Kawasaki, Kanagawa Prefecture


Fuji, Shizuoka Prefecture


Ikeda, Osaka


Sumida-ku, Tokyo

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 2013, we exhibited at a children's chemistry experiment show and the 2013 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, 366 representative high school students from each of Japan's prefectures compete in chemistry knowledge and skills. We recognized excellent students of Niigata Prefectural Kokusai Joho High School with an Asahi Kasei Award.

Exhibit at the children's chemistry experiment show in Tokyo

Exhibit at the 2013 Science Festival for Youth in Okayama Prefecture

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

Sponsoring a university course

The Asahi Kasei Group sponsors a course at Fuji Tokoha University in Shizuoka Prefecture. In fiscal 2013, our scientific personnel gave lectures in the course entitled "Modern Society and Scientific Technologies," for which we dispatched 9 personnel for 7 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 fiscal 2013, the Asahi Kasei Group exhibited three products of Bemberg™ cupro fiber by Asahi Kasei Fibers, Magic Cut™ technology by Asahi Kasei Pax Corp., and electronic compass by Asahi Kasei Microdevices at a special exhibition, The Sekai-ichi Unique Inspirations "Made in Japan", which featured Japan's world-leading innovative technologies.

The National Museum of Emerging Science and Innovation (Miraikan)

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 with 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 2013, 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 (at the time) Taketsugu Fujiwara presenting the Asahi Kasei Award at the Japan Student Science Awards in Tokyo

Planet Earth Classroom

We again provided sponsorship in fiscal 2013 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 focused on energy conservation at elementary schools, and dispatching personnel as instructors for environmental study events for families.

(left) An environmental study event for elementary school students in Tokyo
(right) Environmental study textbook

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 2013, 5 teachers from an association of private schools in Tokyo visited our Tokyo corporate headquarters for an overall description of the Asahi Kasei Group and our CSR activities. On the following day, the teachers were given a tour of the Fuji Plant of Asahi Kasei E-materials, the Housing R&D Center of Asahi Kasei Homes, and the Asahi Woods of Life to deepen their understanding of biodiversity protection.

A tour of the Housing R&D Center

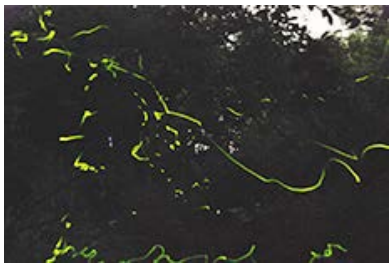
Coexistence with the Environment

Forest planting at the Asahi Forest in Miyazaki

On May 26, 2013, Asahi Kasei planted trees at the Asahi Forest in Takachiho as part of a reforestation program organized by Miyazaki Prefecture. The project aims to regenerate a broad-leaf forest where cedar and cypress had been cultivated previously. Some 300 people including Asahi Kasei Group employees, retirees, and local residents participated in the program, planting 2,500 trees.

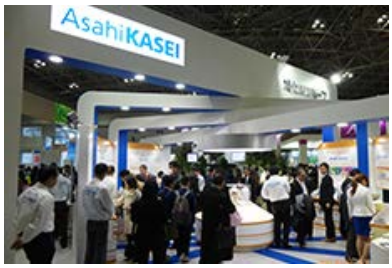
Firefly Watching Festival at the Asahi Woods of Life

Asahi Kasei held the 6th Firefly Watching Festival at the Asahi Woods of Life at its site in Fuji, Shizuoka Prefecture, on May 30 to June 1, 2013. Over 3,000 people enjoyed the flickering lights of flying fireflies nurtured by Asahi Kasei employees in the biotope.



Exhibiting at Eco-Products 2013

In December 2013, the Asahi Kasei Group exhibited original products at “Eco-Products 2013” organized by the Environmental Management Association for Industry and Nikkei Inc. Our exhibit focused on our products and technologies for the Environment & Energy and for Residential Living, emphasizing the Asahi Kasei Group’s commitment to coexistence with the environment.



The Asahi Kasei Group exhibit at Eco-Products 2013

Exhibiting at Biwako Business Messe 2013

In October 2013, the Asahi Kasei Group exhibited at “Biwako Business Messe 2013,” an environmental business exhibition in Nagahama, Shiga Prefecture. Our exhibit was themed on environmental solutions of the Asahi Kasei Group that contribute to the preservation of water quality in Shiga Prefecture, showcasing products and technologies such as our 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 2013

Recycling of plastic cups

On September 1, 2013, Asahi Kasei Pax participated in a project to generate electricity using waste polypropylene plastic cups at a live concert venue in Chigasaki, Kanagawa Prefecture. Asahi Kasei Pax collected the plastic cups after use from shops and restaurants in the area around the venue, liquefied the plastic cups, and generated electricity for the concert using the obtained oil as fuel. This project was carried out in cooperation with Blest Co., Ltd., a manufacturer of waste plastic liquefaction equipment, and New Japan Machinery Corp., which operated the electric generators.

Disaster relief

Support for areas affected by the Great East Japan Earthquake

Science classes in Iwaki

From November 2013 to January 2014, former Asahi Kasei employees conducted science classes at 8 junior high schools and 2 elementary schools in Iwaki, Fukushima Prefecture, 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, separation of pigments, generation of electric power, and making tofu to demonstrate substance transformation. In fiscal 2013, some 670 junior high school students and some 140 elementary school students participated.

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 since fiscal 2011 as part of our post-disaster support activities.

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 exchange 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 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 2013, the awards were given to 5 volunteer groups, 5 groups of students, and 2 individuals.

The 2013 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 of 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 2013, Asahi Kasei Chemicals hosted 23 high school students from Canada at its Kawasaki Works in Kanagawa Prefecture, as part of a program led by the National Federation of UNESCO Associations in Japan. The students were given a description of the company's business, and shown the materials and final products, gaining a better understanding of the chemical industry in Japan.

Students from Canada at the plant tour

Promotion of Culture, Art, and Sports

Corporate sports activities

Asahi Kasei has long supported athletic activity and maintains top-tier distance running and judo teams, with employees having competed in the Olympics more than 40 times over the years. Our 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 running and judo lessons for local students by members of our corporate distance running and judo teams.

The Golden Games in Nobeoka

Running and judo lessons

Asahi Kasei's distance running and judo teams hold lessons for children in the city of Nobeoka, where the teams are based. On August 4, 2013, a judo lesson was held with some 80 children participating, and on February 23, 2014, a running lesson was held with some 150 elementary school students participating.

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 2nd Asahi Kasei Junior Volleyball Tournament on January 25, 2014. Some 120 members of boys volleyball teams from 7 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 2013, the foundation sponsored a concert by the Japan Philharmonic Orchestra conducted by Tomomi Nishimoto, on May 6, 2014, as a part of a commemoration of the 80th anniversary of Nobeoka becoming a City.

(Photo by K. Miura)

A concert presented by Asahi Kasei at the 18th Miyazaki International Music Festival

(Photo by Yukan Daily)

The Japan Philharmonic Orchestra concert conducted by Tomomi Nishimoto

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.

Our human resources policies are focused on the maintenance and reinforcement of a corporate culture emphasizing Asahi Kasei characteristics, the personal growth of each employee, and the creation and expansion of business through superior people and organizations, based on the understanding that the exceptional power of our people and organizations is the source of our competitive strength.

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

Human resources development

We provide various forms of support and opportunities for personnel to enhance their skill and ability to perform their duties.

Valuing human rights and diversity

We ensure that there will be no unreasonable discrimination on the basis of gender, nationality, age, or otherwise, and to maintain a lively workplace culture which enables personnel to perform at their best.

Balancing work and family life

We encourage personnel to reevaluate their working habits from the perspective of balancing work and family life, to raise productivity.

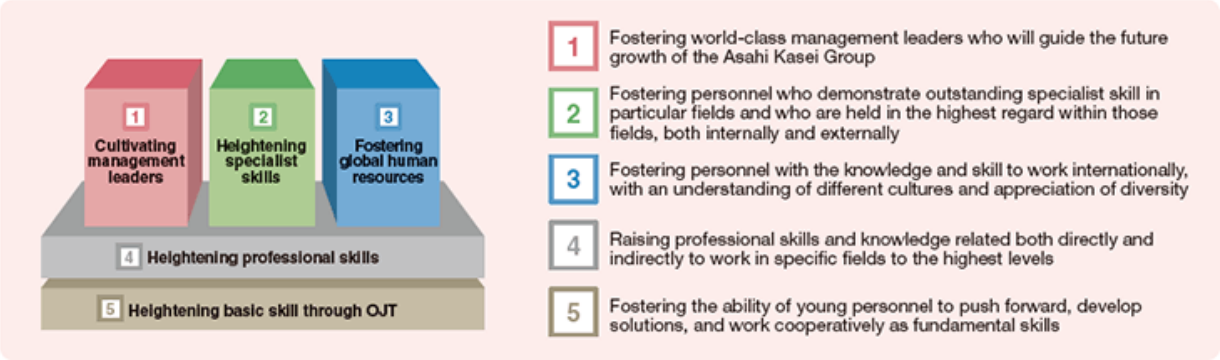
Communication between management and labor

Discussions between management and labor are held on a regular basis to ensure that a constructive partnership is maintained.

Human resources development

The human resources development program at the Asahi Kasei Group is structured with enhancing basic skills through OJT and heightening professional skills as a 2-layer foundation, with 3 pillars of cultivating management leaders, heightening specialist skills, and fostering global human resources.

Two-foundation, three-pillar structure



Human resource development

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 stages—upon hiring, promotion to manager, promotion to department general manager, promotion to division general manager, and appointment to 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 2014, 110 Group Masters have been designated: 2 as Group Fellows, 28 as Senior Group Experts, and 80 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.

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 disabilities, and to rehire personnel after mandatory retirement.

Hiring

The Asahi Kasei Group is expanding business in the 3 strategic fields of the Environment & Energy, Residential Living, and Health Care, to create new value for society by enabling living in health and comfort and harmony with the natural environment. We strive to hire motivated and capable personnel who will successfully execute our strategy on a global scale.

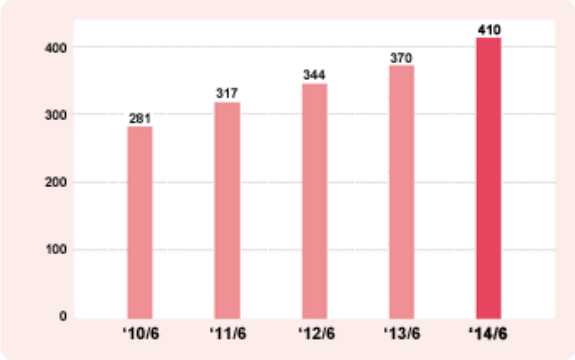
We continue to hire graduates from overseas universities every year, and the overall makeup of our personnel is becoming more global. We are also strengthening our ties to universities both in Japan and overseas, through career briefing sessions and student internships, as part of an ongoing effort to attract talent.

In April 2014, 288 new graduates were hired: 228 men and 60 women. In addition, 80 persons joined the Asahi Kasei Group as mid-career hires between April 2013 and March 2014.

Expansion of opportunities for women

We established a dedicated corporate organ (currently the Diversity Promotion Group of Corporate HR & Labor Relations) in 1993 to promote equal opportunity, and have proactively increased the proportion of women hired and expanded the distribution of job assignments for women. In 1993, only 5 employees at the rank of manager or above were women. This has risen to 410 in June 2014, and the variety of posts where women are assigned continues to expand.

Number of women as managers*



* Results as of June 30 each year for personnel employed by 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., and Asahi Kasei Medical Co., Ltd.

Preventing 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. A central point of contact is established 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

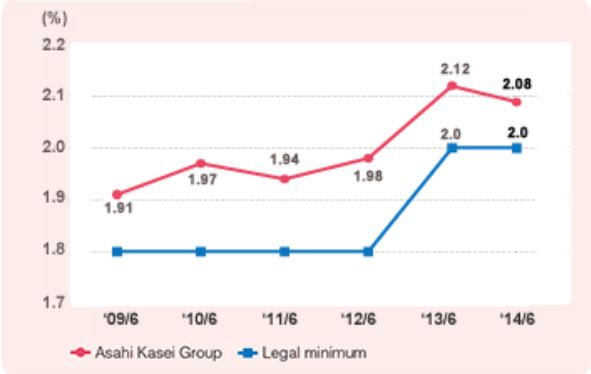
Asahi Kasei Ability Corp. was established in 1985 for the employment of persons with disabilities, performing a wide range of services for the Asahi Kasei Group, including data entry, digitizing documents, website design, printing of business cards, document printing and binding, dispatch of sample products, 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, 2014, the proportion for applicable companies of the Asahi Kasei Group stood at 2.08% (491.5 persons), exceeding the legal requirement.

The 17 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., Asahi Kasei Fibers Nobeoka Co., Ltd., and Asahi Kasei Medical MT Corp. (the latter two newly added in April 2013), 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.

Rate of employment of disabled persons at applicable Group companies*



* Results as of June 1 each year at applicable Group companies. Calculation based on total employment of 23,579.5 persons in the 17 applicable companies. As of June 1, 2014, the number of disabled persons employed by Asahi Kasei Ability Corp. stood at 308.5 of the total 491.5 disabled employees. Calculated in accordance with the Act on Employment Promotion etc. of Persons with Disabilities.

Competing in the National Abilympics

Seven employees of Asahi Kasei Ability competed in the 34th National Abilympics held in Chiba in November 2013. The employees competed as prefectural representatives of Miyazaki, Okayama, and Shizuoka, in the DTP, word processing, database, website creation, spreadsheet, and computer data entry competitions.

Twelve employees also qualified to compete in the 2014 National Abilympics, 4 from Nobeoka as representatives of Miyazaki, 6 from Mizushima as representatives of Okayama, 1 from Fuji as a representative of Shizuoka, and 1 from Tokyo.

Ms. Mai Watanabe, representative of Shizuoka, at the word processing competition

Mr. Yasuhide Mochizuki, representative of Shizuoka, at the database competition

Balancing work and family life

Basic policy

We provide various forms of support for personnel to work with security and vitality in accordance with their individual circumstances and values from the perspective of balancing work and family life.

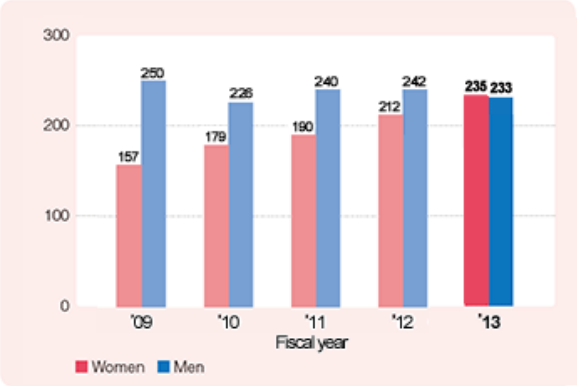
Helping employees balance work and family life

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 3 years old. In fiscal 2013, 468 personnel utilized parental leave. This is included 233 men, 40% of those who were qualified and 235 women.

Employees using parental leave*

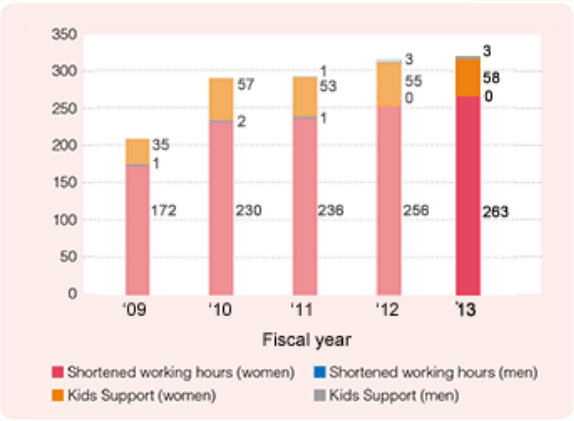


* Results for personnel employed by Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Fibers Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd.

Shortened working hours for child care

Personnel are able to utilize shortened working hours to care for preschoolers, with the working day shortened by up to 2 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.

Utilization of shortened working hours and Kids Support for child care*



* Results for personnel employed by 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., and Asahi Kasei Medical Co., Ltd.

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.

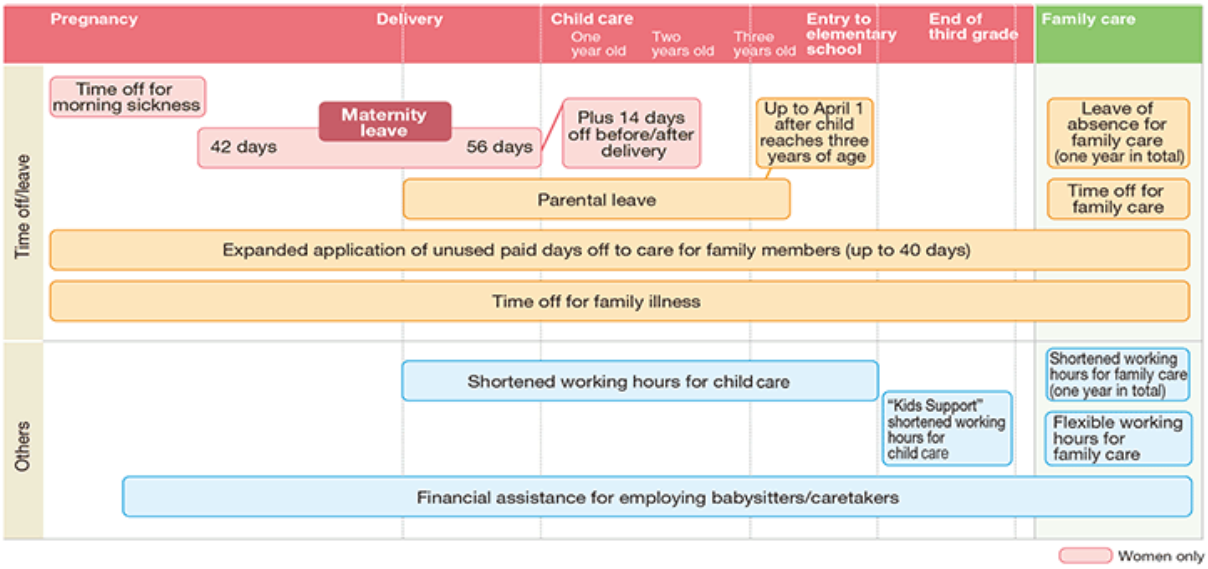
Support for family care

In fiscal 2013, 7 personnel utilized leave of absence for family care. Our personnel are allowed to take leave of up to 1 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 have also brought in an outside expert for seminars on family care each year since fiscal 2011.

Booklet on balancing work with care for family members

Main provisions to support balance in work and family life



Leave of absence to accompany spouse on overseas assignment

As globalization continues to advance, an increasing number of personnel have a spouse who is transferred to an overseas assignment. In fiscal 2013 we adopted a provision for such personnel to take a leave of absence to accompany their spouses living overseas.

Employee survey

Management and labor work in concert to resolve people-related issues based on mutual understanding and awareness. We regularly perform a survey of employees to gauge improvements to previously identified problems and track changes in employee perceptions over time. Survey results are also utilized in the evaluation of various measures and the consideration of new measures.

Communication between management and labor

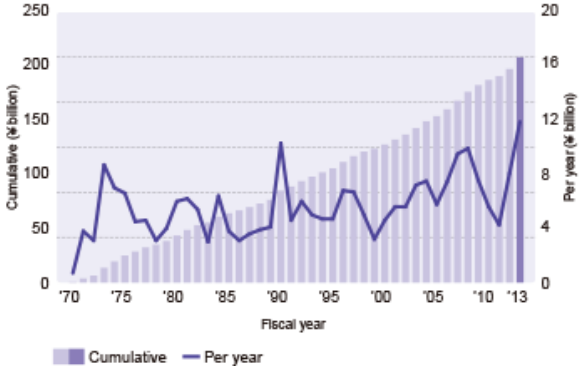
Discussions between management and labor union representatives are held on a regular basis to ensure that a constructive partnership based on mutual understanding is maintained. In July 2013, annual discussions were held between management of the holding company and labor union representatives. Discussions 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 2013 were as shown below.

Investment in environmental and safety modification



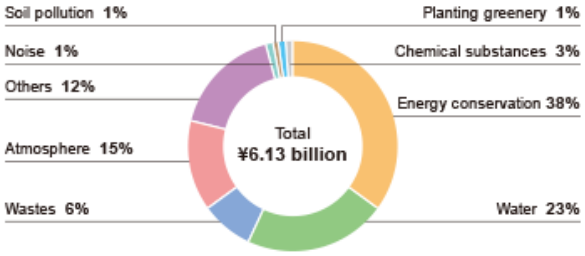
Breakdown of investment

(¥ billion)

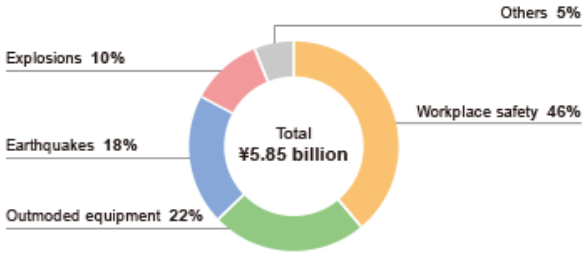
Fiscal year	2009	2010	2011	2012	2013
Environmental	2.98	1.96	2.18	3.97	6.13
Safety	4.55	3.63	2.08	4.10	5.85
Total	7.54	5.59	4.26	8.07	11.98

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

FY 2013 environmental investment



FY 2013 safety investment



Environmental accounting

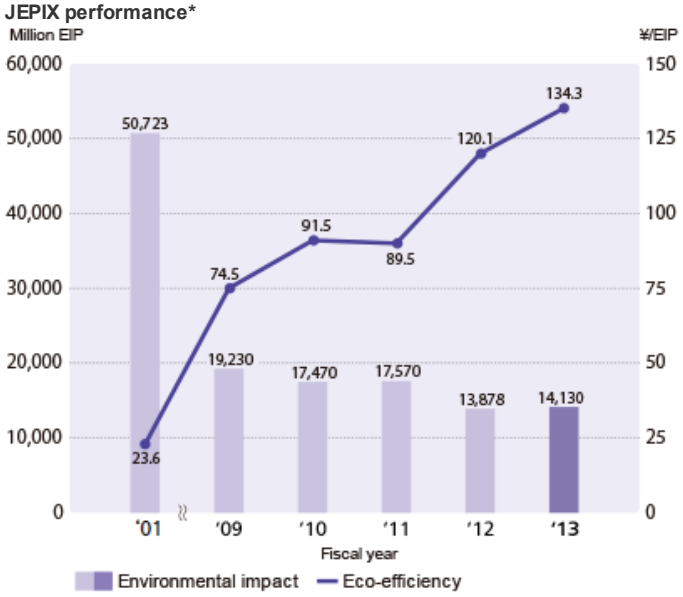
We classify the cost of our measures for environmental protection in accordance with cost classification standards promulgated by the Ministry of the Environment.

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	3,625	5,151	585	2,028	158	107	441	457	461	282
Pollution prevention	1,959	3,836	496	1,385	99	86	110	229	77	111
Global environmental protection	803	239	18	150	54	11	306	80	271	85
Resource circulation	864	1,076	71	494	4	9	24	148	113	87
Upstream and downstream	12	39	0	6	0	0	0	90	1	0
Management	119	2,958	0	22	0	4	0	64	14	3
Research and development	107	378	0	9	81	28	479	2,344	23	3
Community outreach	14	73	5	9	0	0	0	0	0	0
Environmental damage	2	883	0	0	0	0	0	0	0	0
Total	3,880	9,484	590	2,074	239	140	920	2,956	499	289

Environmental performance data

JEPIX performance*



* Japan Environmental Policy Index, developed by teams under the leadership of Professor 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 net sales from fiscal 2011.

JEPIX-method ecoefficiency

Fiscal year	2001	2009	2010	2011	2012	2013
Environmental impact (million EIP)	50,723	19,230	17,470	17,570	13,878	14,130
Sales (¥ million)	1,195,393	1,433,595	1,598,387	1,573,230	1,666,640	1,897,766
Ecoefficiency (¥/EIP)	23.6	74.5	91.5	89.5	120.1	134.3

Treatment and disposal of industrial waste* by business unit

(thousand tons)

	Waste generated	Recycling	Volume reduction	Landfill	Effluent	Recycling	Volume reduction	Final disposal
Asahi Kasei Chemicals	143.0	49.4	16.4	0.0	77.1	71.6	4.5	1.0
Asahi Kasei Homes	0.7	0.1	0.0	0.0	0.6	0.6	0.0	0.0
Asahi Kasei Pharma	0.6	0.1	0.0	0.0	0.4	0.2	0.2	0.0
Asahi Kasei Medical	5.3	0.0	0.0	0.0	5.3	5.3	0.0	0.0
Asahi Kasei Fibers	24.7	2.4	0.0	0.0	22.2	22.2	0.0	0.0
Asahi Kasei Microdevices	2.8	0.0	0.0	0.0	2.8	2.7	0.1	0.0
Asahi Kasei E-materials	6.1	0.0	0.0	0.0	6.1	6.0	0.1	0.0
Asahi Kasei Construction Materials	78.5	53.4	2.3	0.0	22.8	22.8	0.0	0.0
Others	5.3	0.0	0.0	0.0	5.3	5.2	0.0	0.2
FY2013	267.0	105.4	18.7	0.0	142.7	136.5	4.9	1.2
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
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 2013 off-site final disposal by category of waste*

	Sludge	Plastic waste	Controlled mixed waste	Debris	Others	Total
Volume (thousand tons)	0.5	0.2	0.0	0.0	0.5	1.2
Percent of total	38.7	17.2	0.8	3.3	40.0	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

(thousand tons)

Fiscal year	2000	2009	2010	2011	2012	2013
New construction	16.6	0.1	0	0	0	0
Dismantling	39.1	9.6	8.6	11.8	12.3	12.3
Total	55.7	9.8	8.6	11.8	12.3	12.3

ALC trimmings recycled by Asahi Kasei Construction Materials

(tons)

Fiscal year	2009	2010	2011	2012	2013
Hebel™ panels	740	460	450	520	310
Cement material	4,700	4,300	4,700	4,200	3,900
Lightweight artificial soil	54	20	0	0	0
Total	5,500	4,800	5,200	4,720	4,210

FY 2013 release and transfer of PRTR-specified substances

(tons)

Core operating company	Sites	Substance	Release to: Air	Water	Soil	Total	Transfer
Asahi Kasei Chemicals	Nobeoka	1,1-Dichloroethylene (vinylidene chloride)	32	0	0	32	183
		Chloroethylene (vinyl chloride)	9	0	0	9	57
		Chlorodifluoromethane (HCFC-22)	5	0	0	5	0
		Toluene	6	0	0	6	16
		Boron compounds	0	8	0	8	0
	Mizushima	Styrene	28	0	0	28	39
		n-Hexane	95	0	0	95	20
		Molybdenum and its compounds	0	20	0	20	3
	Kawasaki	n-Hexane	110	0	0	110	10
		Methyl methacrylate	17	0	0	17	1
Asahi Kasei Homes	Shiga	Xylene	8	0	0	8	0
		Toluene	11	0	0	11	0
Asahi Kasei Microdevices	Nobeoka	Hydrogen fluoride and its water-soluble salts	0	8	0	8	1
Asahi Kasei Fibers	Nobeoka	Water-soluble copper salts (except complex salts)	0	9	0	9	0
Asahi Kasei E-materials	Moriyama	Dichloromethane (methylene chloride)	10	0	0	10	0
Asahi Kasei Medical	Nobeoka	N,N-dimethylacetamide	3	26	0	29	671

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

Release and transfer of PRTR-specified substances by fiscal year

(tons)

Fiscal year		2000	2009	2010	2011	2012	2013
Release to:	Air	4,720	250	620	580	390	400
	Water	170	42	58	94	90	86
	Soil	0	0	0	0	0	0
Total		4,890	300	680	680	480	490
Transfer		2,100	1,600	4,400	4,200	3,200	3,300

VOC* emissions

Fiscal year	2000 baseline year	2009	2010	2011	2012	2013
Volume (tons)	10,400	4,000	2,800	2,500	1,300	1,300
Reduction rate (%)	—	62	73	76	88	87

* 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.

Release of air and water pollutants by fiscal year

	Unit	2009	2010	2011	2012	2013
SOx[1]	tons	6,200	6,800	8,100	5,800	6,600
NOx[2]	tons	4,000	4,300	4,700	3,700	3,700
Soot and dust[3]	tons	160	230	250	180	150
Waste water effluence	million m^3	200	210	210	210	210
COD[4]	tons	1,000	1,200	1,000	850	800
Nitrogen	tons	5,400	6,500	6,500	6,200	6,000
Phosphorus	tons	24	27	27	25	26

FY 2013 release of air and water pollutants by site

	Unit	Nobeoka	Mizushima	Moriyama	Fuji	Ohito	Kawasaki	Others	Total
SOx	tons	6,000	280	0	11	4	6	290	6,600
NOx	tons	2,100	1,300	56	16	28	120	84	3,700
Soot and dust	tons	49	77	2	1	0	19	4	150
Waste water effluence	million m^3	130	35	11	11	0	16	8	210
COD	tons	580	62	11	2	0	110	38	800
Nitrogen	tons	5,500	200	10	74	0	210	6	6,000
Phosphorus	tons	12	3	2	5	0	3	0	26

1 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_2) is most common, but some sulfur trioxide (SO_3) also forms. The term SOx is inclusive of both of these.

2 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_2).

3 Soot and dust are fine particles formed in the combustion of fuel and other materials.

4 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.

Greenhouse gas emissions by fiscal year

(thousand tons CO_2 equivalent)

	Baseline*	2009	2010	2011	2012	2013
Carbon dioxide	5,060	4,520	4,590	4,470	3,740	3,770
Nitrous oxide	6,820	910	460	380	190	220
Methane	0	2	2	2	0	0
HFCs	160	30	20	30	20	30
PFCs	10	160	150	140	130	120
Sulfur hexafluoride	0	30	30	30	30	20
Total	12,060	5,650	5,260	5,050	4,110	4,170

* FY 1990 baseline 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_2 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.

FY 2013 greenhouse gas emissions by business unit

(thousand tons CO_2 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	2,940	10	30	140	320	100	100	110	20	3,770
Nitrous oxide	220	0	0	0	0	0	0	0	0	220
Methane	0	0	0	0	3	0	0	0	3	0
HFCs	30	0	0	0	0	0	0	0	0	30
PFCs	0	0	0	1	0	120	0	0	0	120
Sulfur hexafluoride	0	0	0	0	0	20	0	0	0	20
Total	3,190	10	30	140	320	250	100	110	20	4,170

Estimated FY 2013 CO_2 emissions by overseas affiliates

Business Unit	Asahi Kasei Chemicals	Asahi Kasei Medical	Asahi Kasei Fibers	Asahi Kasei E-materials	Total
Energy consumed (thousand GJ)	2,988	42	348	336	3,713
CO_2 emissions (thousand tons)	323	12	102	54	492

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_2 emission coefficient.

CO_2 emissions from product shipment

Core operating companies	FY 2010		FY 2011		FY 2012		FY 2013	
	Shipment volume (million ton-km)	CO_2 emissions (tons)	Shipment volume (million ton-km)	CO_2 emissions (tons)	Shipment volume (million ton-km)	CO_2 emissions (tons)	Shipment volume (million ton-km)	CO_2 emissions (tons)
Asahi Kasei Chemicals	903	48,900	932	50,400	741	42,800	781	44,100
Asahi Kasei Homes	171	20,000	193	22,900	187	23,400	229	26,300
Asahi Kasei Pharma	7	700	7	700	6	700	6.8	650
Asahi Kasei Medical	31	1,700	23	1,100	24	1,200	24	1,200
Asahi Kasei Fibers	48	3,700	50	3,900	47	3,600	48	3,800
Asahi Kasei Microdevices	5	5,400	2	1,000	2	800	1.2	690
Asahi Kasei E-materials	15	1,800	0.6	1,200	6	1,200	7.5	1,500
Asahi Kasei Construction Materials	112	10,600	116	10,900	112	10,800	120	10,600
Total	1,292	92,800	1,329	92,100	1,125	84,500	1,219	88,800

Low-pollution vehicles*

Fiscal year		2009	2010	2011	2012	2013
Used on public roads	Low-pollution vehicles	927	1,024	1,047	1,029	1,046
	Other vehicles	133	105	116	89	88
	Subtotal	1,060	1,129	1,163	1,118	1,134
Used within plant grounds	Low-pollution vehicles	452	417	447	251	317
	Other vehicles	287	267	251	448	316
	Subtotal	739	684	698	699	633
Total	Low-pollution vehicles	1,379	1,441	1,494	1,280	1,363
	Other vehicles	420	372	367	537	404
	Total vehicles	1,799	1,813	1,861	1,817	1,767
Proportion of low-pollution vehicles (%)	Used on public roads	87	91	90	92	92
	Used within plant grounds	61	61	64	36	50
	Total	77	79	80	70	77

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

Lost workday injury indices

(calendar year)

		2009	2010	2011	2012	2013
Frequency rate	Asahi Kasei Group	0.19	0.27	0.23	0.24	0.40
	Chemical industry, Japan	0.72	0.72	0.88	0.85	0.82
	Manufacturing industries, Japan	0.99	0.98	1.05	1.00	0.94
Severity rate	Asahi Kasei Group	0.008	0.006	0.003	0.31	0.02
	Chemical industry, Japan	0.13	0.04	0.04	0.12	0.12
	Manufacturing industries, Japan	0.08	0.09	0.08	0.10	0.10

Third-party awards and recognitions in fiscal 2013

Award	Awarded/certified by	Recognition	Recipient organization*	Recipient, if individual
Pirelli Supplier Award 2013	Pirelli Group of Italy	Supply of Tufdene™ S-SBR	Asahi Kasei Chemicals	
Green Conservation Award	Ministry of Land, Infrastructure, Transport and Tourism	Prefectural Governor's Award	Suzuka Plant, Asahi Kasei Chemicals	
37th Annual JCIA Safety Award	Japan Chemical Industry Association	JCIA Safety Award Grand Prize	Suzuka Plant, Asahi Kasei Chemicals	
37th Annual JCIA Safety Award	Japan Chemical Industry Association	JCIA Safety Effort/Special Award First Prize	Tomobe Plant, Asahi Kasei Metals Ltd.	
The Global Energy Prize	Global Energy Partnership (Russia)	Invention of rechargeable lithium-ion battery, which is an essential element for mobile electronic devices, electric vehicles and hybrid electric vehicles	Asahi Kasei	Akira Yoshino
30th Senken Trade Advertising Award	The Senken Shimbun Company	Division 1 Award for Merit	Asahi Kasei Fibers	
Asahi Advertising Award 2013	The Asahi Shimbun Company	Energy/Industry Division, Second Prize, Corporate Advertising	Asahi Kasei	
62nd JSAC Merit Awards	The Japan Society for Analytical Chemistry	Merit Award	Asahi Kasei Chemicals	Shigemi Takatsuki and Satoshi Shimaya
Good Disclosure Award 2013	Securities Analysts Association of Japan	First ranking in chemicals/fibers category (10th consecutive year)	Asahi Kasei	
9th Company Ranking	Nikkan Kogyo Shimbun, Ltd.	57th Place	Asahi Kasei	
Good Design Award 2013	Japan Institute of Design Promotion	Service and System for the Public Category: Apartment rebuilding	Asahi Kasei Fudousan Residence Corp.	
Good Design Award 2013	Japan Institute of Design Promotion	Housing and House Fixtures Category: Hebel Haus™ Frex Residence	Asahi Kasei Homes	
57th Kanagawa Prefecture Architecture Contest	Kanagawa Prefecture and 12 cities in Kanagawa	Housing Division Award for Appeal (appearance), Atlas Kamio-oka Hills	Asahi Kasei Fudousan Residence Corp.	
2013 Local Commendations for Invention	Japan Institute of Invention and Innovation	Chugoku Area/ Prize of Okayama Prefectural Governor	Asahi Kasei Chemicals	
2013 Local Commendations for Invention	Japan Institute of Invention and Innovation	Kanto Area/ Encouragement for Invention Prize	Asahi Kasei Chemicals	
2013 Ibaraki Industrial Safety and Hygiene Awards	Ministry of Health, Labour and Welfare and Ibaraki Prefecture	Minister of Health, Labour and Welfare Award for Excellence	Tomobe Plant, Asahi Kasei Metals Ltd.	
62nd Nikkei Advertising Awards	Nikkei Inc.	2nd Prize in Architecture and Real Estate Division	Asahi Kasei Homes	
The Kato Memorial Prize	The Kato Foundation for Promotion of Science	Development and commercialization of the lithium-ion battery	Asahi Kasei	Akira Yoshino
2013 Companies that Make the Most of People	Nikkei Inc.	146th place overall	Asahi Kasei	
52nd Business Advertising Award	Fuji Sankei Business Eye	Versatile Ad Gold Award, Corporate Advertising	Asahi Kasei	
2013 Japan Industrial Advertising Awards	Nikkan Kogyo Shimbun, Ltd.	2nd Prize, Life-related Industry Division, Corporate Advertising	Asahi Kasei	
Governor's Award for Outstanding Accomplishment Outside the Prefecture	Fukushima Prefecture	—	Asahi Kasei	Shiro Hiruta
2013 Automotive Innovation Awards	Society of Plastics Engineers (US)	Most Innovative Use of Plastics in the Materials category, SUNVIEO™ high-performance thermoplastic vulcanizate for instrument panel skins	Asahi Kasei Chemicals (received jointly with Nissan Motor Corp. and Calsonic Kansei Corp.)	
44th Senken Synthetic Awards	The Senken Shimbun Company	Material Division, Spiel™ heat-generating elastic fiber made with Roica™ spandex	Asahi Kasei Fibers	
4th Energy Conservation/ Lighting Design Awards	Ministry of the Environment	Outstanding Example in Town/Home/Other Division, Atlas Kamio-oka Hills	Asahi Kasei Fudousan Residence Corp.	
The Okochi Memorial Technology Prize	Okochi Memorial Foundation	Technology Award for the development of production technology for virus removal filters and the establishment of a market for them	Asahi Kasei Medical	Tetsuo Sato and Shoichi Ide
62nd CSJ Award for Technical Development	The Chemical Society of Japan	Development and practical application of catalyst for MMA	Asahi Kasei Chemicals	Ken Suzuki and Tatsuo Yamaguchi
19th CSJ Award for Technical Achievements	The Chemical Society of Japan	Development of non-phosgene process for isocyanate synthesis	Asahi Kasei Chemicals	Masaaki Shinohata
The Charles Stark Draper Prize	The National Academy of Engineering (US)	Engineering of the rechargeable lithium-ion battery that enables compact, lightweight mobile devices	Asahi Kasei	Akira Yoshino
7th Electrical Technology Exhibit, One Step on Electro-Technology	The Institute of Electrical Engineers of Japan	High-Sensitivity InSb Thin-Film Hall Element	Asahi Kasei Microdevices	
Chemical Heritage Certification	The Chemical Society of Japan	Isoma injection molding machine for synthetic resin	Asahi Kasei Chemicals	

* Some awards were received by divisions within the organizations shown.

Correspondence with GRI 3.1 and ISO 26000

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
1 Strategy and Analysis				
1.1		Statement from the most senior decisionmaker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	Asahi Kasei Report	6.2
1.2		Description of key impacts, risks, and opportunities.	CSR at Asahi Kasei	6.2
2 Organizational Profile				
2.1		Name of the organization.	Corporate Profile, Main Businesses, Products	
2.2		Primary brands, products, and/or services.	Asahi Kasei Products and Technologies in Everyday Life, Main Businesses	
2.3		Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	Main Businesses, Asahi Kasei Worldwide	6.2
2.4		Location of organization's headquarters.	Corporate Profile	
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.	Global Network	
2.6		Nature of ownership and legal form.	Main Businesses, Corporate Governance	
2.7		Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Asahi Kasei Worldwide, Asahi Kasei Products and Technologies in Everyday Life	
2.8		Scale of the reporting organization, including: ■ Number of employees; ■ Number of operations; ■ Net sales (for private sector organizations) or net revenues (for public sector organizations); ■ Total capitalization broken down in terms of debt and equity (for private sector organizations); and ■ Quantity of products or services provided.	CSR and business activities, Financial Data	
2.9		Significant changes during the reporting period regarding size, structure, or ownership including: ■ The location of, or changes in operations, including facility openings, closings, and expansions; and ■ Changes in the share capital structure and other capital formation, maintenance, and alteration operations (for private sector organizations).	Not applicable	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
2.10		Awards received in the reporting period.	Environmental and safety data	
3 Report Parameters				
Report Profile				
3.1		Reporting period (e.g., fiscal/calendar year) for information provided.	Editorial policy	
3.2		Date of most recent previous report (if any).	Editorial policy	
3.3		Reporting cycle (annual, biennial, etc.)	Editorial policy	
3.4		Contact point for questions regarding the report or its contents.	Contact Us	
Report Scope and Boundary				
3.5		Process for defining report content, including: ■ Determining materiality; ■ Prioritizing topics within the report; and ■ Identifying stakeholders the organization expects to use the report.	Editorial policy, CSR at the Asahi Kasei Group	
3.6		Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	Editorial policy	
3.7		State any specific limitations on the scope or boundary of the report.	Editorial policy	
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.	Editorial policy	
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.	Environmental and safety data	
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	
GRI content index				
3.12		Table identifying the location of the Standard Disclosures in the report.	Correspondence with GRI 3.1 and ISO 26000	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
Assurance				
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).	Independent review	7.5.3
4 Governance, Commitments, and Engagement				
Governance				
4.1		Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	Corporate Governance	6.2
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.	Corporate Governance	
4.4		Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Compliance	
4.6		Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Corporate Governance	
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.	Corporate Governance	
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.	Group Philosophy, CSR at Asahi Kasei, Compliance, Responsible Care at Asahi Kasei, Supplier relationships, Community fellowship, Respect for Employee Individuality	
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.	CSR, CSR at the Asahi Kasei Group	
4.10		Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Corporate Governance	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
Commitments to External Initiatives				
4.11		Explanation of whether and how the precautionary approach or principle is addressed by the organization.	CSR at the Asahi Kasei Group, Compliance, Responsible Care at Asahi Kasei	6.2
4.12		Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	CSR, Managing chemical substances, Preservation of biodiversity	
4.13		Memberships in associations (such as industry associations) and/or national/international advocacy organizations in which the organization: ■ Has positions in governance bodies; ■ Participates in projects or committees; ■ Provides substantive funding beyond routine membership dues; or ■ Views membership as strategic.	Responsible Care at Asahi Kasei, Managing chemical substances	
Stakeholder Engagement				
4.14		List of stakeholder groups engaged by the organization.	CSR at the Asahi Kasei Group, Stakeholder dialog	6.2
4.16		Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Stakeholder dialog	
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.	Corporate citizenship	
5 Management Approach and Performance Indicators				
Economic				
		Disclosure on Management Approach	CSR and business activities	6.2 6.8
ASPECT: Economic Performance				
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.	Financial Data	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.	Environmental protection	6.5.5

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
EC4	CORE	Significant financial assistance received from government.	Not applicable	
ASPECT: Market Presence				
EC6	CORE	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	Supplier relationships	6.6.6 6.8 6.8.5 6.8.7
ASPECT: Indirect Economic Impacts				
EC8	CORE	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	Public outreach, Community fellowship	6.3.9 6.8 6.8.3 6.8.4 6.8.5 6.8.6 6.8.7 6.8.9
Environmental				
		Disclosure on Management Approach	Responsible Care at Asahi Kasei	6.2 6.5
ASPECT: Materials				
EN1	CORE	Materials used by weight or volume.	Environmental protection	6.5 6.5.4
EN2	CORE	Percentage of materials used that are recycled input materials.	Promoting a recycling-oriented society and reduction of chemical substances	
ASPECT: Energy				
EN3	CORE	Direct energy consumption by primary energy source.	Environmental protection	6.5 6.5.4
EN4	CORE	Indirect energy consumption by primary source.	Environmental protection	
EN5	ADD	Energy saved due to conservation and efficiency improvements.	Contributing to a low-carbon society	
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.	Contributing to a low-carbon society	
EN7	ADD	Initiatives to reduce indirect energy consumption and reductions achieved.	Contributing to a low-carbon society	
ASPECT: Water				
EN8	CORE	Total water withdrawal by source.	Environmental protection	6.5 6.5.4
EN9	ADD	Water sources significantly affected by withdrawal of water.	Not applicable	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
ASPECT: Biodiversity				
EN11	CORE	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	Not applicable	6.5 6.5.6
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.	Preservation of biodiversity	
EN13	ADD	Habitats protected or restored.	Preservation of biodiversity	
EN14	ADD	Strategies, current actions, and future plans for managing impacts on biodiversity.	Preservation of biodiversity	
EN15	ADD	Number of IUCN Red List species and national conservation list species with habitats in areas affected by operations, by level of extinction risk.	Not applicable	
ASPECT: Emissions, Effluents, and Waste				
EN16	CORE	Total direct and indirect greenhouse gas emissions by weight.	Environmental protection, Contributing to a low-carbon society, Environmental and safety data	6.5 6.5.5
EN17	CORE	Other relevant indirect greenhouse gas emissions by weight.	Not applicable	
EN18	ADD	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Environmental and safety data	
EN19	CORE	Emissions of ozone-depleting substances by weight.	Not applicable	6.5 6.5.3
EN20	CORE	NO, SO, and other significant air emissions by type and weight.	Environmental protection, Environmental and safety data	
EN21	CORE	Total water discharge by quality and destination.	Environmental protection, Environmental and safety data	
EN22	CORE	Total weight of waste by type and disposal method.	Promoting a recycling-oriented society and reduction of chemical substances, Environmental and safety data	
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	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
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
ASPECT: Products and Services				
EN26	CORE	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Contributing to a low-carbon society	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.	Promoting a recycling-oriented society and reduction of chemical substances, Environmental and safety data	6.5 6.5.4 6.7.5
ASPECT: Compliance				
EN28	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with environmental laws and regulations.	Not applicable	6.5
ASPECT: Transport				
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.	Contributing to a low-carbon society	6.5 6.5.4 6.6.6
ASPECT: Overall				
EN30	ADD	Total environmental protection expenditures and investments by type.	Environmental and safety data	6.5
Labor Practices and Decent Work				
		Disclosure on Management Approach	Workplace safety and hygiene, Respect for Employee Individuality	6.2 6.4 6.3.10
ASPECT: Employment				
LA2	CORE	Total number and rate of new employee hires and employee turnover by age group, gender, and region.	Valuing human rights and diversity	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.	Human resources development, Balancing work and family life	6.4 6.4.3 6.4.4
LA15	CORE	Return to work and retention rates after parental leave, by gender.	Balancing work and family life	
ASPECT: Occupational Health and Safety				
LA6	ADD	Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advise on occupational health and safety programs.	Not applicable	6.4 6.4.6

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
LA7	CORE	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and by gender.	Workplace safety and hygiene	
LA8	CORE	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Health maintenance	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.	Workplace safety and hygiene	6.4 6.4.6
ASPECT: Training and Education				
LA11	ADD	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Human resources development	6.4 6.4.7 6.8.5
ASPECT: Diversity and Equal Opportunity				
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.	Valuing human rights and diversity	6.3.7 6.3.10 6.4 6.4.3
Human Rights				
		Disclosure on Management Approach	Valuing human rights and diversity	6.2 6.3
ASPECT: Investment and Procurement Practices				
HR1	CORE	Percentage and total number of significant investment agreements and contracts that include clauses incorporating human rights concerns, or that have undergone human rights screening.	Not applicable	6.3 6.3.3 6.3.5 6.6.6
HR2	CORE	Percentage of significant suppliers, contractors, and other business partners that have undergone human rights screening, and actions taken.	Not applicable	6.3 6.3.3 6.3.5 6.4.3 6.6.6
ASPECT: Non-discrimination				
HR4	CORE	Total number of incidents of discrimination and corrective actions taken.	Not applicable	6.3 6.3.6 6.3.7 6.3.10 6.4.3

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
ASPECT: Freedom of Association and Collective Bargaining				
HR5	CORE	Operations and significant suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and actions taken to support these rights.	Not applicable	6.3 6.3.3 6.3.4 6.3.5 6.3.8 6.3.10 6.4.3 6.4.5
ASPECT: Child Labor				
HR6	CORE	Operations and significant suppliers identified as having significant risk for incidents of child labor, and measures taken to contribute to the effective abolition of child labor.	Not applicable	6.3 6.3.3 6.3.4 6.3.5 6.3.7 6.3.10
ASPECT: Security Practices				
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
ASPECT: Indigenous Rights				
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
ASPECT: Assessment				
HR10	CORE	Percentage and total number of operations that have been subject to human rights reviews and/or impact assessments.	Not applicable	
ASPECT: Remediation				
HR11	CORE	Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.	Not applicable	
Society				
		Disclosure on Management Approach	Corporate citizenship	6.2 6.6 6.8

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
ASPECT: Local Communities				
SO1	CORE	Percentage of operations with implemented local community engagement, impact assessments, and development programs.	Public outreach, Community fellowship	6.3.9 6.8 6.8.5 6.8.7 6.6.7
SO9	CORE	Operations with significant potential or actual negative impacts on local communities.	Not applicable	
SO10	CORE	Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.	Not applicable	
ASPECT: Anti-Competitive Behavior				
SO7	ADD	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	Compliance	6.6 6.6.5 6.6.7
ASPECT: Compliance				
SO8	CORE	Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.	Not applicable	6.6 6.6.7 6.8.7
Product Responsibility				
		Disclosure on Management Approach	Product safety	6.2 6.6 6.7
ASPECT: Customer Health and Safety				
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.	Product safety	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.	Product safety	
ASPECT: Product and Service Labeling				
PR3	CORE	Type of product and service information required by procedures, and percentage of significant products and services subject to such information requirements.	Managing chemical substances	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9
PR4	ADD	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	Not applicable	
PR5	ADD	Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.	Customer relations	

GRI Guidelines			Corresponding content in:	ISO26000 Core Subjects and Issues
Category		Indicator		
ASPECT: Marketing Communications				
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
ASPECT: Compliance				
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.

Independent review

[translation from Japanese]

Asahi Kasei Group CSR Report 2014 Internet Edition

Independent Review

August 7, 2014

Toshio Asano
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 2014 Internet 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 Fuji Office: 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 Fuji Office have been calculated and aggregated using a reasonable method.
- It is noteworthy that the company uses an RC Performance Data Collection System throughout the company for efficient aggregation and checking for input errors.
- 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 implements RC and CSR activities throughout all fields of business under a framework directly supervised by the President of the holding company, with a clear system of responsibility.
- The Asahi Kasei Group participates in the Commitment to a Low Carbon Society of the Japan Chemical Industry Association and Nippon Keidanren, and has launched a depart-

ment for its implementation; in addition to reducing its emissions of CO_2 and other greenhouse gases, the Asahi Kasei Group evaluates its products by life-cycle assessment (LCA), and incorporates LCA evaluation in the R&D stage for new products and technologies.

- Overall results have declined compared to the previous fiscal year. The company is striving to heighten implementation of measures for workplace accident prevention and operational safety.
- The company has a rich program of community fellowship. As part of its effort to provide balance between work and family life, the company has a high rate of male employees utilizing parental leave.
- The Fuji Office issues its own local CSR Report, as do other regional offices, to enhance dialog with the community, and it operates with its own voluntary standards for wastewater quality, exceeding that required by law and regulation.

4) Characteristics of the Report

- The Asahi Kasei Group integrated its *Annual Report* and *CSR Report* into a single *Asahi Kasei Report*. Detailed information related to RC and CSR is made easy for stakeholders to understand in an internet edition.
- Detailed descriptions are given of the efforts to preserve biodiversity at various locations of the Asahi Kasei Group.