

Creating for Tomorrow



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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 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 2014 (April 2014 – March 2015). 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, 2015, 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

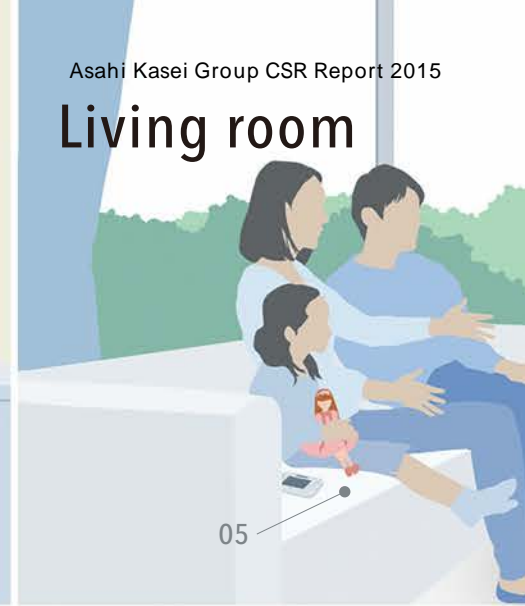
Published September 2015 in Japanese
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(Previous publication September 2014)

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Kitchen



Living room



Creating for Tomorrow

The commitment of the Asahi Kasei Group:

To do all that we can in every era to help the people of the world make the most of life and attain fulfillment in living.

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs. This is what we mean by “Creating for Tomorrow.”

Office



Hospital



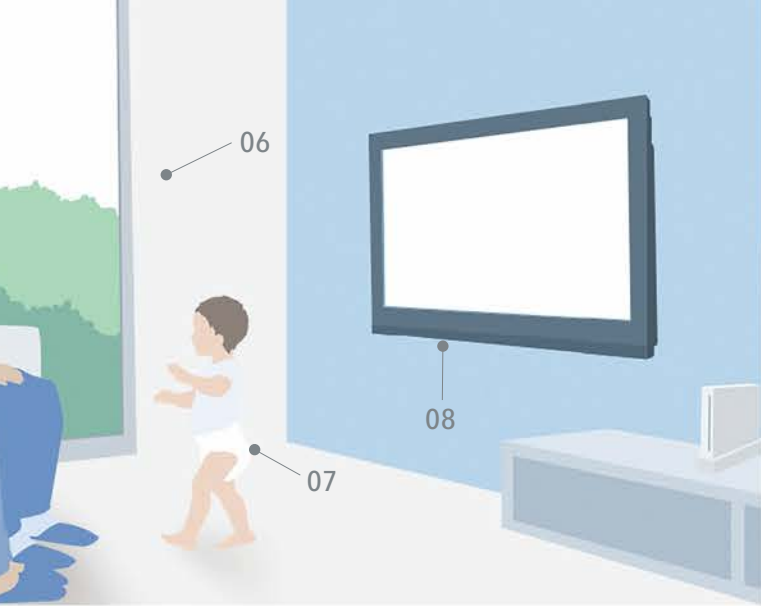
Asahi Kasei Products and Technologies in Everyday Life

The Asahi Kasei Group's products and technologies, ranging from Hebel Haus™ unit homes and Saran Wrap™ cling film, and electronic parts used in computers and smartphones, to performance resins for automotive applications, and pharmaceuticals and AEDs that support people's lives, are used in various ways all around us.

- 01 Dishwashing detergent
- 02 Filtration at waterworks plant (hollow-fiber membranes)
- 03 Food preservation, cooking
- 04 Printing of packages (photosensitive resins)
Plastic shopping bags (polyethylene)
Foods and beverages (microcrystalline cellulose)
- 05 Covering fabric for sofas (artificial suede)

- Video game console (ABS resin)
Doll hair (Saran™ fiber)
- 06 Homes (unit homes, apartment buildings, condominiums)
Construction materials (autoclaved aerated concrete, phenolic foam insulation panels)
- 07 Diapers (spunbond nonwovens, polyurethane filament)

Outdoors



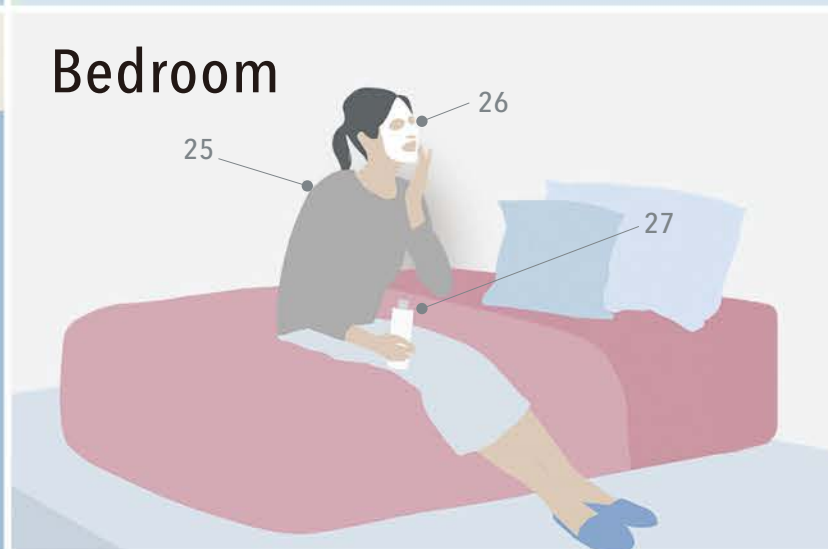
Automobile



Bathroom



Bedroom



- 08 Home electronics**
(polystyrene, ABS resin)
Electronic parts
(Hall elements)
- 09 Sportswear**
(polyurethane filament,
cupro fiber)
Zippers
(polyacetal)
- 10 Asphalt pavement**
(thermoplastic elastomer)
- 11 Automobile parts**
(performance resins)

- 12 Airbags**
(nylon 66 filament)
Car navigation & audio system
(audio/voice LSIs)
- 13 Tires**
(S-SBR for fuel-efficient tires)
- 14 Batteries**
(Li-ion battery separator,
lead-acid battery separator)
- 15 Paint**
- 16 Disposable plastic cups**
- 17 PET bottle shrink labels**
(styrenic copolymer)

- 18 Food storage bags and containers**
- 19 Smartphone, Laptop computer**
(Li-ion battery separator,
electronic compass, Hall ICs)
- 20 Suit linings**
(cupro fiber)
- 21 Defibrillators**
- 22 Medical devices**
(dialyzers,
therapeutic apheresis devices)

- 23 Prescription drugs**
Diagnostic reagents
Drug manufacture
(virus removal filters)
- 24 Shampoo**
(low-irritation surfactant)
- 25 Innerwear**
(cupro fiber)
- 26 Facial mask**
(cupro nonwoven fabric)
- 27 Skin care products**
(cosmetics raw materials)

Feature: Working to help solve society's challenges

The Asahi Kasei Group is working to create new value for society in the 3 fields of the Environment & Energy, Residential Living, and Health Care.



Deep ultraviolet light-emitting diode (UVC LED)

Development of an energy-saving device that emits light with disinfecting action



Synthetic rubber

Solution-polymerized styrene-butadiene rubber (S-SBR) for tires that improve fuel economy while maintaining safety





Hebel Haus™

Long Life Homes with superior earthquake and fire resistance that provide comfort and adaptability to changing lifestyles



Homes for seniors

Residential proposals that meet the needs of seniors

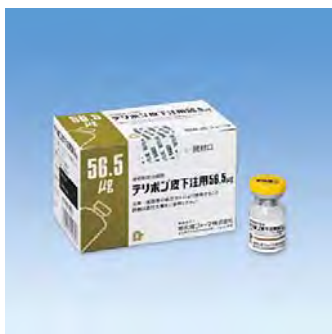


Health Care

Creating unique products and technologies for vibrant and healthy society

Medical care for the elderly

Addressing unmet medical needs



Pharmaceuticals

Addressing unmet medical needs in the fields of orthopedics and locomotive syndrome



LifeVest™

A wearable defibrillator for patients at high risk of sudden cardiac arrest that automatically detects arrhythmia and delivers a therapeutic shock

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Environment & Energy

We are developing various solutions to the world's energy challenges, with technologies to reduce energy use, reduce CO₂ emissions, and promote the diversification of energy sources.

Our ideal: Making the most of diverse technologies for a brighter future for the environment

Fiscal 2014 highlight

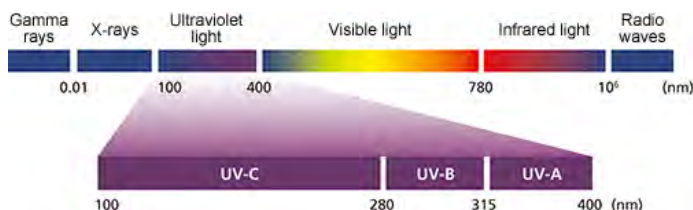
Optan™ UVC LED that saves electricity and reduces the environmental burden

Reducing electricity consumption and the environmental burden by the use of UVC LEDs for analytical and instrumentation applications such as drinking water quality inspection and control

UVC is the shorter wavelength range of ultraviolet (UV) light. It has a powerful disinfection and sterilizing effect, and can trigger chemical actions. Many companies are competing to develop light-emitting diodes (LEDs) that emit light in the UVC range and can be manufactured in high volumes. The UVC-LED developed by Asahi Kasei and Crystal IS, Inc., based on an aluminum nitride (AlN) substrate, has gained attention with its world-leading output performance and high reliability. In November 2014, we started a commercial production line for high-output UVC LEDs at our facilities in Fuji, and launched the sale of Optan™ UVC LEDs for analytical and instrumentation applications such as drinking water quality inspection and control.



Optan™ UVC LED



Asahi Kasei Fuji facility for commercial production of UVC LEDs

We are also developing new UVC LED products for the sterilization and disinfection of air and water. Mercury-vapor lamps are generally used as UV light sources in such applications, but they require a large amount of electricity and pose environmental risks. The development of new UVC LED products is also expected to enable a broad range of new applications for drinking water, food, and air.

Fiscal 2014 milestones

May 2014 Asahi Kasei Chemicals:
Decision to construct a second US plant for plastic compounds with startup scheduled for 2016
Contributing to reduced vehicle weight to conserve energy

June 2014 Asahi Kasei Fibers:
Start of commercial operation of a new production facility for Bemberg™ regenerated cellulose fiber in Nobeoka, Miyazaki, Japan
Resource conservation by using renewable raw material and thoroughly recycling process waste



New production facility for Bemberg™

- June 2014 Asahi Kasei Chemicals:
Decision to construct new manufacturing facilities in Chiba, Japan, for AZP™ transparent polymer featuring zero birefringence for optical applications, with startup scheduled for 2015
Enabling reduced electricity consumption through more efficient utilization of light
- November 2014 Asahi Kasei Corp. and Crystal IS, Inc.:
Start of commercial production of high-output UVC LEDs in Fuji, Shizuoka, Japan
Enabling reduced electricity consumption by replacing mercury and xenon lamps
- November 2014 Asahi Kasei Chemicals:
Start-up of new plant for polycarbonatediol (PCD) in China
Contributing to reduced vehicle weight to conserve energy
- January 2015 Asahi Kasei Chemicals:
Decision to construct a validation plant for DRC process to produce diphenyl carbonate (DPC), a monomer used in polycarbonate, at the Mizushima Works with startup scheduled for 2017
Reduce energy consumption and use of CO₂ as feedstock
- February 2015 Asahi Kasei Corp.:
Agreement to acquire Polypore International, Inc., for expansion of battery separator business
Wider use of LIBs will enable reduced environmental burden

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Residential Living

As family configurations and lifestyles in Japan are changing with the declining birthrate and aging population, we propose innovative styles of residence that contribute to satisfaction and fulfillment.

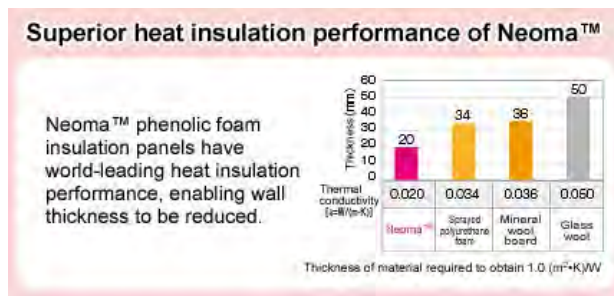
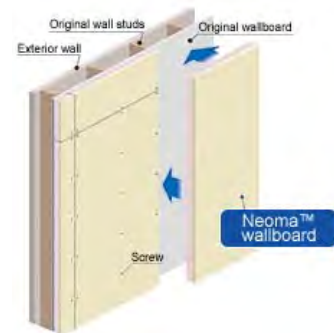
Our ideal: Providing comfortable living to as many customers as possible, as quickly as possible

Fiscal 2014 highlight

Neoma™ panels for insulation retrofitting

Enabling easy retrofitting of insulation on existing walls and ceilings to reduce the environmental burden with heat insulation for energy efficiency while generating less waste from renovation

Neoma™ and Jupii™ phenolic foam insulation panels not only provide world-leading insulation performance but are also nonflammable. Home renovation to add thermal insulation for improved energy efficiency is the focus of increasing attention, but conventional renovation to add insulation can be a major undertaking that requires the removal of walls and floors, generates significant waste material, and compels the residents to temporarily move out while the work is being done.



Retrofitting the insulation board on an existing wall

In May 2014 we launched a composite panel made with Neoma™ phenolic foam and plaster board. This product enables easy installation of insulation on walls and ceilings with no need for the residents to temporarily move out. As it also reduces the environmental burden of installation by greatly reducing the amount of waste generated, it is gaining attention as an environmentally friendly product.

Fiscal 2014 milestones

April 2014

Asahi Kasei Homes:

The SeiRReS™ seismic vibration control system for heavy-frame steel structures included as standard equipment in Hebel Haus™ Frex™ three-story homes
Increased safety at the time of a natural disaster



SeiRReS™

May 2014

Asahi Kasei Construction Materials:

Market launch of Neoma™ panels for insulation retrofitting
Reduction of environmental burden by reducing the amount of waste generated as well as raising energy efficiency with high heat insulating performance

May 2014

Asahi Kasei Homes:
Market launch of Hebel Maison™ New Safole™ apartment buildings with enhanced security features for single women living alone
Reinforced security for greater peace of mind



Prototype of
New Safole™

March 2015

Asahi Kasei Homes:
Decision to construct the first overseas plant of Asahi Kasei Homes in Vietnam
Enhancing the stable supply of structural materials

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Health Care

Needs for health care continue to rise as the population increases in emerging countries and the population ages in developed countries. We provide advanced medical products and services that contribute to a healthier, more comfortable society.

Our ideal: Creating unique products and technologies for vibrant and healthy society

Fiscal 2014 highlight

LifeVest™ wearable defibrillator

Contributing to life and living with services in Japan offering LifeVest™ wearable cardioverter defibrillator for patients at high risk of sudden cardiac arrest

Sudden cardiac arrest (SCA) is the cause of death for approximately 60,000 people per year in Japan. In some cases, it is possible to identify a risk of SCA before it occurs. Being worn continuously (except during bathing), the LifeVest™ Wearable Cardioverter Defibrillator provides protection for patients at risk of SCA by constantly monitoring the patient's heart and, if a life-threatening heart rhythm (ventricular fibrillation or ventricular tachycardia) is detected, delivering a treatment shock to restore normal heart rhythm.

Service providing the LifeVest™ in Japan began in April 2014. The LifeVest™ is rented from Asahi Kasei ZOLL Medical Corp. (AZM) to medical institutions, and each patient rents the LifeVest™ from a medical institution based on a physician's prescription. Patients use the LifeVest™ while they are in the hospital or at home. AZM provides a full range of support services to medical institutions, including education and training on use of the LifeVest™, as well as maintenance and repair services and patient data management systems. The LifeVest allows a physician time to assess the patient's long-term arrhythmic risk and make appropriate plans. With the launch of the Wearable Cardioverter Defibrillator, AZM provides a new option for defibrillation treatment in Japan, contributing to life and living for more patients.



LifeVest™

Fiscal 2014 milestones

- | | |
|------------|---|
| April 2014 | Asahi Kasei Medical:
Announcement of business alliance in the field of hemodiafiltration with JMS Co., Ltd.
Advancing and developing the field of hemodiafiltration |
| April 2014 | Asahi Kasei ZOLL Medical Corp.:
Launch of service offering the LifeVest™ wearable defibrillator in Japan
Advancement of acute critical care |
| May 2014 | Asahi Kasei Pharma:
Decision to construct a new manufacturing facility in Fuji for recombinant thrombomodulin alpha, the active ingredient of Recomodulin™ anticoagulant intravenous infusion
Enhancing reliable product supply |
| June 2014 | Asahi Kasei ZOLL Medical Corp.:
Approval in Japan for manufacturing and marketing of the R series™ defibrillator for hospital use
Advancement of acute critical care |



October 2014 ZOLL:
Agreement to acquire the respiratory care products business of Impact Instrumentation, Inc.
Advancement of acute critical care

November 2014 ZOLL:
Agreement to acquire the InnerCool™ temperature management business of Royal Philips
Advancement of acute critical care

December 2014 ZOLL:
Agreement to acquire Advanced Circulatory Systems, Inc. with technology to non-invasively increase circulation
Advancement of acute critical care

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CSR at Asahi Kasei

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.



Asahi Kasei supports the UN Global Compact and its 10 universal principles

The 10 principles of the UN Global Compact

Human Rights

- Principle 1. Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2. make sure that they are not complicit in human rights abuses.

Environment

- Principle 7. Businesses should support a precautionary approach to environmental challenges;
- Principle 8. undertake initiatives to promote greater environmental responsibility; and
- Principle 9. encourage the development and diffusion of environmentally friendly technologies.



Labor

- Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4. the elimination of all forms of forced and compulsory labor;
- Principle 5. the effective abolition of child labor; and
- Principle 6. the elimination of discrimination in respect of employment and occupation.

For more information about the UN Global Compact, please refer to

www.unglobalcompact.org/ □

Anti-Corruption

- Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.

Responsible Care represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life cycle through the individual determination and responsibility of each firm producing and handling chemical products. As of October 2010, 54 countries throughout the world have a Responsible Care program.

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.

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Structure and organization for CSR

In order to promote separate important activities regarding CSR more efficiently and decisively, we have five committees under the direct supervision of the holding company President as follows:

Framework for CSR advancement (as of July 1, 2015)



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Corporate Governance

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

As of September 30, 2016

Basic Views

The Group Vision of the Company is to provide new value to society and solve social issues by enabling “living in health and comfort” and “harmony with the natural environment” under the Group Mission of “contributing to life and living for people around the world.” With this as a base, the Company aims to contribute to society, achieve sustainable growth, and enhance corporate value over the medium to long term by promoting innovation and creating synergy through integration of various businesses. The Company continues to pursue optimal corporate governance as a framework to make transparent, fair, timely, and decisive decision-making in accordance with changes in the business environment.

Basic Policies

1. Securing the Rights and Equal Treatment of Shareholders

While taking proper measures to secure shareholders' rights, the Company develops a proper environment for exercise of shareholders' rights including paying attention to foreign shareholders and minority shareholders and providing information necessary for the exercise of rights accurately and in a timely manner.

2. Proper Cooperation with Stakeholders other than Shareholders

The Group Vision of the Company is to provide new value to society and solve social issues by enabling “living in health and comfort” and “harmony with the natural environment” for people around the world, and the Company works to facilitate cooperation with its stakeholders.

3. Proper Information Disclosure and Securing of Transparency

The Company, in addition to disclosure required by laws and regulations, actively provides information to various stakeholders including financial information such as financial position and operating results, management strategy/issues, and non-financial information concerning risks and governance, etc.

4. Responsibilities of the Board of Directors

In order to achieve sustainable growth, enhance medium to long term corporate value, and increase earnings ability and capital efficiency, the Board of Directors of the Company presents the overall direction of its management strategy, develops an environment to support risk-taking by the management, and effectively oversees the business management of the Company from an independent and objective standpoint, based on the fiduciary responsibility and accountability to shareholders.

5. Dialog with Shareholders

The Company develops a system to have a constructive dialog with shareholders/investors and actively promotes such dialog.

Overview of Current Corporate Governance System

1. Oversight and Audit

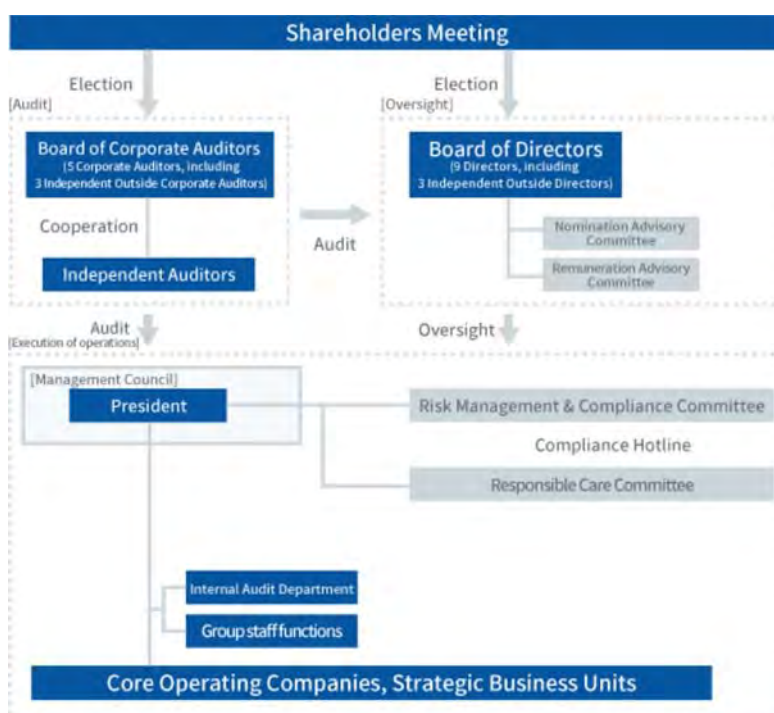
- 1) The Board of Directors, which consists of nine Directors including three Independent Outside Directors (one-third), makes decisions on matters that are stipulated by laws/regulations and the Articles of Incorporation as requiring a Board of Directors resolution, as well as on important matters for the Company and the Group, and oversees execution of operations by Directors and Executive Officers.
- 2) Under the Board of Directors, the Company has established a Nomination Advisory Committee and a Remuneration Advisory Committee, which mainly consist of Outside Directors, so that Outside Directors actively participate in consideration of the optimal makeup and size of the Board of Directors of the Company, policies to nominate candidates for Directors/Corporate Auditors, independence standards and qualification for Outside Directors/Corporate Auditors, Directors' remuneration policy/system, and evaluations of Directors for performance-based remuneration, and to provide relevant advice to the Board of Directors.
- 3) The Board of Corporate Auditors consists of five Corporate Auditors including three (majority) Independent Outside Corporate Auditors, and each Corporate Auditor, based on the audit policy stipulated by the Board of Corporate Auditors, oversees execution of duties by Directors by attending meetings of the Board of Directors and examining the status of execution of operations. In order to enhance the function of the Board of Corporate Auditors and to facilitate smooth cooperation and support with Outside Corporate Auditors, the Company has established a Corporate Auditors Office staffed with dedicated employees.
- 4) PricewaterhouseCoopers Aarata performs audits based on the Companies Act and the Financial Instruments and Exchange Act.
- 5) The Company has established Internal Audit Department which conducts internal audits based on an audit plan. Results of internal audits performed by each staff function are aggregated in the Internal Audit Department and reported to the Board of Directors.

2. Execution of Operation

- 1) The Company has adopted an Executive Officer system in order to expedite the execution of operations, as well as to clarify responsibilities and specify the roles of Directors in charge of decision-making and oversight, and of Executive Officers in charge of execution of operations.
- 2) The Company has established detailed standards for decision-making in its Decision-making and Approval Authority Regulations of the Group with regard to matters concerning the management plan, investment and loans, financing and fund management, the organization and management system, research and development, and production technology, and delegates authority to the Strategic Management Council and the core operating companies from the Board of Directors.

3. Risk Management and Compliance

- 1) The Company has established the Risk Management & Compliance Committee which adopts policies and deliberates on matters in regard to risk management and compliance.
- 2) The Company has established the Responsible Care (RC) Committee which discusses preventive measures and recurrence prevention measures for accidents related to environmental protection, product safety, operational safety, and workplace safety/health.



As of September 30, 2016

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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 system

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.

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Compliance system

Framework for corporate ethics

The Corporate Ethics Committee oversees education and training for compliance, and monitors the status of compliance within the Asahi Kasei Group. Chaired by the holding company's Executive Officer for Compliance, 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 September 2014, 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.

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 7 times in fiscal 2014, reviewing 11 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 did not meet in fiscal 2014, as there were no matters warranting discussion.

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.

[Asahi Kasei Group Intellectual Property Report >](#)

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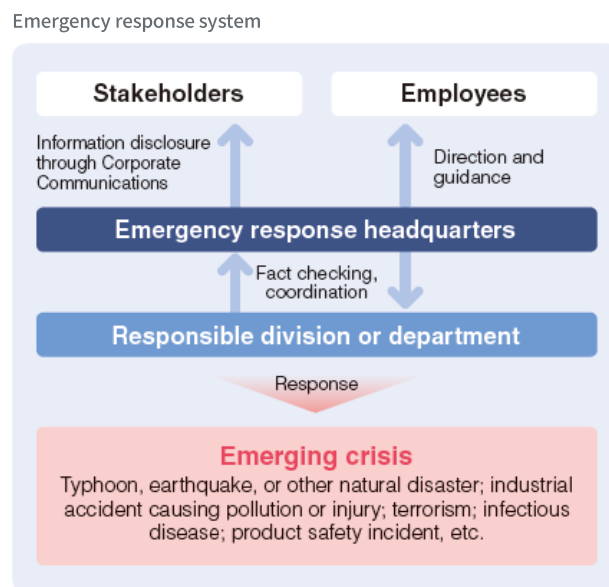
Risk management

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.

In fiscal 2014 we held a series of internal meetings and interviews throughout the Asahi Kasei Group to confirm that the management of personal information is implemented properly to prevent any inappropriate disclosure. We also held media training sessions, including mock press conferences, to enhance the response to emergency situations at our operations in Nobeoka, Oita, and Kawasaki.

In May 2015, we also adopted 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.



Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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 added a new RC principle: “Efforts are made to design and develop products which contribute to the sustainability of the global environment, and to disseminate such products worldwide.” With our Global Environment Action Committee, we are further deepening and expediting our efforts to achieve a low-carbon society and circular economy, 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 encompasses operations in all fields, including homes, health care, fibers, electronics, and construction materials.

Environmental protection

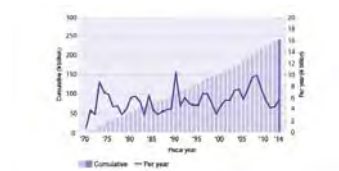
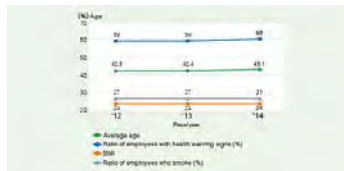
Our environmental protection effort includes measures to prevent pollution-causing accidents and measures to help preserve biodiversity under our ISO14001 environmental management system.

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.

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.

Responsible Care at the Asahi Kasei Group



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

Asahi Kasei Group RC Principles

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

In July 2014, ["Efforts are made to design and develop products which contribute to the sustainability of the global environment, and to disseminate such products worldwide"](#) was newly added.

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 preminent 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

Fiscal 2014 RC objectives and results

RC compliance

★★★Complete ★★Satisfactory ★Unsatisfactory

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
■ Enhance RC compliance	■ Improved	★★★	■ Review RC framework
			■ Enhance RC compliance
■ Advance RC education and training	■ RC training course for section managers and assistant chiefs revised	★★	■ Advance RC education and training
	■ Supplement for assistant chiefs created		
	■ Follow-up enhanced		
■ Enhance RC at affiliates	■ Expanded range of affiliates implementing RC	★★	■ Enhance RC at affiliates
	■ RC at affiliates enhanced through instructions and support by core operating companies		
■ Enhance dialog with the public	■ RC reports of 3 core operating companies and 8 plant complex sites were used in community outreach	★★★	■ Enhance dialog with the public

Environmental protection

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
■ Avoid all polluting accidents and minor incidents	■ No polluting accidents, 4 intermediate incidents	★	■ Avoid all polluting accidents and minor incidents
■ Promote circular economy	-	★★	■ Promote circular economy
■ Final disposal of 0.3% or less of generated industrial waste	■ Goal not reached with final disposal rate of 0.4%		■ Maintain rate of final disposal at 0.3% of generated industrial waste or less
■ Recycling rate of at least 87%	■ Goal reached with recycling rate of 89%		■ Maintain recycling rate of at least 89%

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Curtail greenhouse gas (GHG) emissions: 	-	★★★	-
<ul style="list-style-type: none"> ■ Reduce CO₂ emissions in Japan by 24% from FY 2005 level 	<ul style="list-style-type: none"> ■ 23.6% reduction from FY 2005 level 		<ul style="list-style-type: none"> ■ Reduce CO₂ emissions in Japan by 24.7% from FY 2005 level
<ul style="list-style-type: none"> ■ Reduce CO₂ emissions in Japan and overseas by 5% from FY 2010 level 	<ul style="list-style-type: none"> ■ 11.8% reduction from FY 2010 level 		<ul style="list-style-type: none"> ■ Reduce CO₂ emissions in Japan and overseas by 5% from FY 2010 level
<ul style="list-style-type: none"> ■ Reduce GHG emissions in Japan by 30% from FY 2005 level 	<ul style="list-style-type: none"> ■ 31.1% reduction from FY 2005 level 		<ul style="list-style-type: none"> ■ Reduce GHG emissions in Japan by 31.8% from FY 2005 level
<ul style="list-style-type: none"> ■ LCA/CO₂ contribution ratio¹ of 7.5 	<ul style="list-style-type: none"> ■ LCA/CO₂ contribution ratio of 7.5 		<ul style="list-style-type: none"> ■ Achieve LCA/CO₂ contribution ratio of 7.9
<ul style="list-style-type: none"> ■ Protect water resources: 	-	★★★	-
<ul style="list-style-type: none"> ■ Water resource contribution ratio² of 6.8 	<ul style="list-style-type: none"> ■ Water resource contribution ratio of 7.2 		<ul style="list-style-type: none"> ■ Water resource contribution ratio of 7.0
<ul style="list-style-type: none"> ■ Control emissions of chemical substances: 	-	★★★	<ul style="list-style-type: none"> ■ Control emissions of chemical substances:
<ul style="list-style-type: none"> ■ Control emissions of PRTR-specified substances 	<ul style="list-style-type: none"> ■ Release of PRTR-specified substances and emission of VOCs reduced by 91% and 87%, respectively, from FY 2000 level 		<ul style="list-style-type: none"> ■ Control emissions of PRTR-specified substances
<ul style="list-style-type: none"> ■ Control emissions of air and water pollutants 			<ul style="list-style-type: none"> ■ Control emissions of air and water pollutants
<ul style="list-style-type: none"> ■ Preserve biodiversity when procuring biological resources 	<ul style="list-style-type: none"> ■ Investigated impact of our business activities on biodiversity, including use of new materials; no problem found 	★★★	<ul style="list-style-type: none"> ■ Promote preservation of biodiversity at each site
<ul style="list-style-type: none"> ■ Advance CSR procurement 	<ul style="list-style-type: none"> ■ Implemented CSR procurement 	★★★	<ul style="list-style-type: none"> ■ Advance CSR procurement

Operational safety

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Avoid all industrial accidents 	<ul style="list-style-type: none"> ■ No industrial accidents 	★★★	<ul style="list-style-type: none"> ■ Avoid all industrial accidents
<ul style="list-style-type: none"> ■ Monitor for hazards of fire, explosion, and leaks; implement remediation 	<ul style="list-style-type: none"> ■ Review performed at time of on-site confirmation for preventing abnormal reactions; training of managers performed 	★★★	<ul style="list-style-type: none"> ■ Continuously monitor for hazards of fire, explosion, and leaks; perform training of managers
<ul style="list-style-type: none"> ■ Prevent abnormal reactions, confirm interlock functions on-site 	<ul style="list-style-type: none"> ■ Confirmed progress in preparing technical documents for preventing abnormal reactions and securing interlock functions 	★★★	<ul style="list-style-type: none"> ■ Continue ongoing review to prevent abnormal reactions and confirm interlock functions

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> Enhance emergency response systems 	<ul style="list-style-type: none"> Emergency drills performed in coordination between head office and each site 	★★★	<ul style="list-style-type: none"> Review earthquake response and enhance emergency response systems Confirm seismic resistance of high-pressure gas facilities and formulate plans
<ul style="list-style-type: none"> Control changes to equipment and operating conditions 	<ul style="list-style-type: none"> Control confirmed at RC Audits, etc. 	★★★	<ul style="list-style-type: none"> Control changes to equipment and operating conditions
<ul style="list-style-type: none"> Monitor for items in need of replacement and uninspected items, implement remediation: 	<ul style="list-style-type: none"> Ongoing review with new perspectives 	★★★	<ul style="list-style-type: none"> Monitor for items in need of replacement and uninspected items, implement remediation:
<ul style="list-style-type: none"> Implement seismic retrofitting for specific buildings as planned for FY 2014 	<ul style="list-style-type: none"> Completed according to the plan 	★★★	<ul style="list-style-type: none"> Advance seismic retrofitting of specific and non-specific buildings
<ul style="list-style-type: none"> Completion of the evaluation of seismic capacity for non-specific buildings and implement retrofitting as planned for FY 2014 	<ul style="list-style-type: none"> Evaluation completed on schedule 	★★★	

Workplace safety and hygiene

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> Avoid all workplace injuries: 	–	★★	<ul style="list-style-type: none"> Avoid all workplace injuries:
<ul style="list-style-type: none"> Achieve frequency rate³ of 0.1 or less 	<ul style="list-style-type: none"> 0.20 		<ul style="list-style-type: none"> Achieve frequency rate of 0.1 or less
<ul style="list-style-type: none"> Achieve severity rate⁴ of 0.005 or less 	<ul style="list-style-type: none"> 0.005 		<ul style="list-style-type: none"> Achieve severity rate of 0.005 or less
<ul style="list-style-type: none"> Deepen utilization of OHSMS: 	–	★★★	<ul style="list-style-type: none"> Deepen utilization of OHSMS:
<ul style="list-style-type: none"> Reduce latent risks at workplaces 	<ul style="list-style-type: none"> Review of risk assessment confirmed at audit 		<ul style="list-style-type: none"> Reduce latent risks at workplaces
<ul style="list-style-type: none"> Enhance internal audits 	<ul style="list-style-type: none"> Improvement confirmed at audit with reference to internal audit records 		<ul style="list-style-type: none"> Enhance internal audits
<ul style="list-style-type: none"> Make the effects of OHSMS more visible 	<ul style="list-style-type: none"> Confirmed at audit with reference to risk level changes 		<ul style="list-style-type: none"> Make the effects of OHSMS more visible
<ul style="list-style-type: none"> Ensure thorough compliance with safe working standards 	<ul style="list-style-type: none"> Compliance records confirmed at audit 		<ul style="list-style-type: none"> Ensure thorough compliance with safe working standards

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Avoid all accidents in “caught in/between” category: 	-	★★★	<ul style="list-style-type: none"> ■ Avoid all accidents in “caught in/between” category:
<ul style="list-style-type: none"> ■ No lost-workday injury due to “caught in/between” accidents 	<ul style="list-style-type: none"> ■ Zero lost-workday injuries (one in FY 2013); continued comprehensive equipment inspection at plants 		<ul style="list-style-type: none"> ■ No lost-workday injury due to “caught in/between” accidents
-	-	-	<ul style="list-style-type: none"> ■ Avoid fire, explosion, chemical injury, poisoning, etc. related to chemical substances
-	-	-	<ul style="list-style-type: none"> ■ Zero lost-workday injuries related to chemical substances
-	-	-	<ul style="list-style-type: none"> ■ Prevent injuries during working hours unrelated to operating procedures and during commuting
-	-	-	<ul style="list-style-type: none"> ■ Prevent lost-workday injury related to stairways
<ul style="list-style-type: none"> ■ Enhance safety management guidance of on-site contractors: 	-	★★★	<ul style="list-style-type: none"> ■ Enhance safety management guidance of on-site contractors:
<ul style="list-style-type: none"> ■ Enhance safety management structure as the contracting manufacturer 	<ul style="list-style-type: none"> ■ Satisfactory improvement confirmed in audit with reference to check sheets at each site 		<ul style="list-style-type: none"> ■ Enhance safety management structure as the contracting manufacturer
<ul style="list-style-type: none"> ■ Enhance safety management of on-site contractors 	<ul style="list-style-type: none"> ■ Self-evaluation results and safety management guidance at each site confirmed at audit 		<ul style="list-style-type: none"> ■ Enhance safety management of on-site contractors
<ul style="list-style-type: none"> ■ Reinforce management of safety on equipment work: 	-	★★★	<ul style="list-style-type: none"> ■ Reinforce management of safety on equipment work:
<ul style="list-style-type: none"> ■ Enhance implementation of safety management standards 	<ul style="list-style-type: none"> ■ Confirmed issues at audit with reference to work management records 		<ul style="list-style-type: none"> ■ Enhance implementation of safety management standards

Health maintenance

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Promote health maintenance and improvement among personnel: 	-	★★★	<ul style="list-style-type: none"> ■ Promote health maintenance and improvement among personnel:
<ul style="list-style-type: none"> ■ Promote the prevention of and countermeasures to lifestyle-related diseases 	<ul style="list-style-type: none"> ■ Proportion of personnel health warning signs generally unchanged, BMI and ratio of employees who smoke gradually decreasing 		<ul style="list-style-type: none"> ■ Promote the prevention of and countermeasures to lifestyle-related diseases
<ul style="list-style-type: none"> ■ Prevent falls 	<ul style="list-style-type: none"> ■ Physical fitness tests performed as part of fall prevention program, follow-up implemented 		<ul style="list-style-type: none"> ■ Prevent falls

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Promote countermeasures to mental health issues and enhance support system: 	-	★★★	-
<ul style="list-style-type: none"> ■ Implement company-wide stress survey, utilize its results, and perform follow-up 	<ul style="list-style-type: none"> ■ Stress survey and follow-up implemented 		<ul style="list-style-type: none"> ■ Implement company-wide stress survey, utilize its results, and perform follow-up
<ul style="list-style-type: none"> ■ Develop the health management system 	-	★★★	-
<ul style="list-style-type: none"> ■ Resolve critical tasks at each site with lateral extension 	<ul style="list-style-type: none"> ■ Held internal meetings and interviews on health management activities 		<ul style="list-style-type: none"> ■ Resolve critical tasks at each site with lateral extension
<ul style="list-style-type: none"> ■ Establish the health management system at affiliates and independent plants 	<ul style="list-style-type: none"> ■ Specialist industrial physicians supporting affiliates and independent plants 		<ul style="list-style-type: none"> ■ Establish the health management system at affiliates and independent plants

Product safety

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Avoid serious product safety incidents 	<ul style="list-style-type: none"> ■ No product safety incidents 	★★★	<ul style="list-style-type: none"> ■ Avoid serious product safety incidents

Management of chemical substances

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> ■ Enhance management of chemical substances: 	-	★★★	<ul style="list-style-type: none"> ■ Enhance management of chemical substances:
<ul style="list-style-type: none"> ■ Promote compliance with laws and regulations on management of chemical substances in Japan and overseas 	<ul style="list-style-type: none"> ■ Compliance maintained and system enhanced 		<ul style="list-style-type: none"> ■ Promote compliance with laws and regulations on management of chemical substances in Japan and overseas
<ul style="list-style-type: none"> ■ Encourage JIPS activities 	<ul style="list-style-type: none"> ■ Continued risk assessment and public disclosure of safety documents 		<ul style="list-style-type: none"> ■ Encourage JIPS activities
<ul style="list-style-type: none"> ■ Promote JAMP tools 	<ul style="list-style-type: none"> ■ Provided and received information via MSDSplus and AIS, cooperated with dissemination of JAMP-IT 		<ul style="list-style-type: none"> ■ Promote JAMP tools

Living in health and comfort

FY 2014 RC Objectives	FY 2014 Results	Attainment	FY 2015 RC Objectives
<ul style="list-style-type: none"> Number of people our health care business contributed to: 	-	★★	<ul style="list-style-type: none"> Number of people our health care business contributed to:
<ul style="list-style-type: none"> 32% increase from FY 2010 level 	<ul style="list-style-type: none"> 24% increase from FY 2010 level 		<ul style="list-style-type: none"> 40% increase from FY 2010 level
<ul style="list-style-type: none"> Number of residents in Hebel Haus™ homes: 	-	★★★	<ul style="list-style-type: none"> Number of residents in Hebel Haus™ homes:
<ul style="list-style-type: none"> 14% increase from FY 2010 level 	<ul style="list-style-type: none"> 16% increase from FY 2010 level 		<ul style="list-style-type: none"> 20% increase from FY 2010 level

- 1 LCA is used to determine the amount of reduction in CO₂ 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 CO₂ emissions of the entire Asahi Kasei 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. 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.

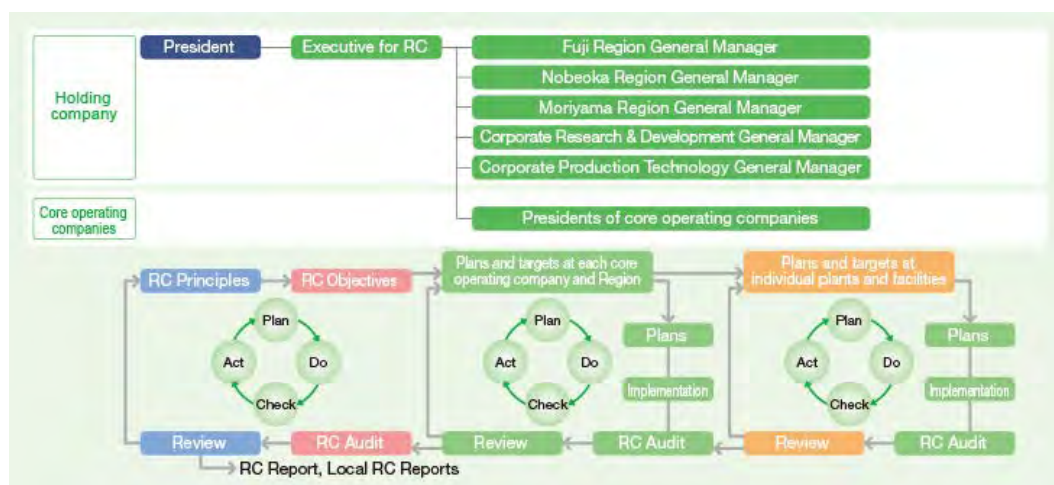
Certified compliance with internationally standardized management systems is obtained for the RC Management System of the Asahi Kasei Group. We have obtained ISO 14001 environmental management system certification for environmental protection and ISO 9001 quality management system certification for product safety. An Occupational Health & Safety Management System (OHSMS) is adopted for workplace safety, hygiene, and health.



RC Committee meeting

* 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.

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 especially for newly appointed managers, and in fiscal 2014, 75 personnel took part. Since the training began in fiscal 2007, a total of 660 personnel have taken the courses. In addition, a training course for assistant chiefs was formally initiated in fiscal 2012, and continues including requested improvements with some 160 personnel participating each year.

In fiscal 2014, we created a basic course which includes experiments in order to gain fuller understanding. We will continue to adapt our RC training courses to meet requests from both inside and outside the company, enabling personnel with different duties in a wide range of fields to gain a firm grasp of RC.



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 2014)

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.

RC activities and RC audit by Asahi Kasei Chemicals in Singapore

Asahi Kasei Synthetic Rubber Singapore Pte. Ltd. began operation in 2013 for the manufacture and sale of S-SBR for fuel-efficient tires. The company quickly obtained certification under SS506 (the Singapore standard on occupational safety and health management) in addition to ISO 9001, ISO 14001, and ISO 18001, and systematically applied a PDCA cycle throughout its RC activities. In its fiscal 2014 RC audit, the Synthetic Rubber Division of Asahi Kasei Chemicals, joined by the ESH & QA Dept. and the Kawasaki Works as experts, confirmed that the PDCA cycle was effectively utilized and that RC activities were actively performed including during Safety & Hygiene Week. Opinions were also exchanged regarding coordination with manufacturing sites in Japan in order to share experience and knowledge related to RC.



Opening Ceremony for Safety & Hygiene Week at Asahi Kasei Synthetic Rubber Singapore

RC activities and RC audit by Asahi Kasei E-materials in Korea

Overseas operating bases of Asahi Kasei E-materials actively implement RC including industrial accident prevention, operational safety, environmental protection, and product safety. The Dept. of Risk Management & Coordination of Asahi Kasei E-materials performs RC audits and information exchange on a regular basis to help enhance RC in overseas operations. In fiscal 2014, a product safety audit and an information exchange meeting regarding chemical substance management were held at Asahi Kasei E-materials Korea Inc.



Information exchange meeting at Asahi Kasei E-materials Korea Inc.

RC activities by Asahi Kasei Fibers in Thailand

In fiscal 2014, Asahi Kasei Fibers performed comprehensive facility inspections at its overseas manufacturing plants from the perspective of preventing accidents in the “caught in/between” category. At Asahi Kasei Spunbond (Thailand) Co., Ltd., a lecture on the methods of inspection was given to Thai employees, and inspection was carried out jointly by both Thai and Japanese personnel with the reasons for various findings being clearly explained. After the inspection, risk assessment was performed while opinions were actively exchanged. The appropriate implementation of measures for improvement was confirmed at a follow-up visit a few months later. Asahi Kasei Fibers will continue to encourage employees of its overseas plants to propose improvements from their own perspective as part of the program to ensure workplace safety.



Risk assessment at Asahi Kasei Spunbond (Thailand)

RC activities by Asahi Kasei Medical in China

The overseas operating bases of Asahi Kasei Medical actively perform RC including occupational accident prevention, operational safety, and environmental safety. In fiscal 2014, Asahi Kasei Medical (Hangzhou) Co., Ltd. also focused on actions to take in case of emergency, and performed an emergency response exercise premised on a chemical leak as well as a fire drill and a disaster drill.



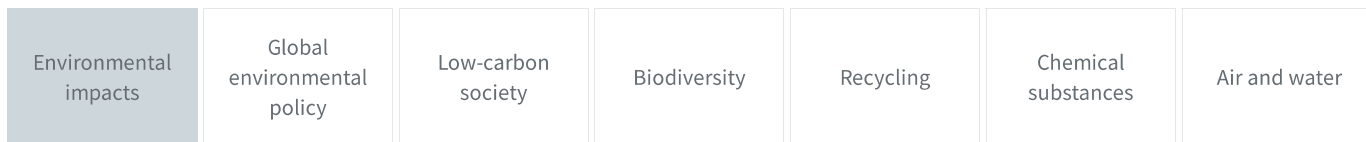
Emergency response exercise premised on a chemical leak



Practicing rescue as part of a disaster drill

Environmental protection

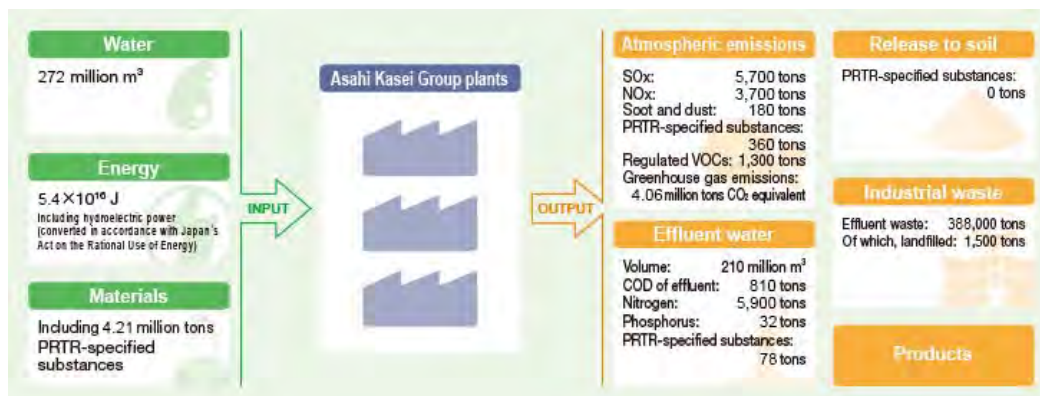
Our environmental protection measures include efforts for the achievement of a low-carbon society, the establishment of a circular economy, and the preservation of biodiversity.



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 protection 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) 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 continue to reduce our rate of final disposal and increase our rate of recycling. 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.

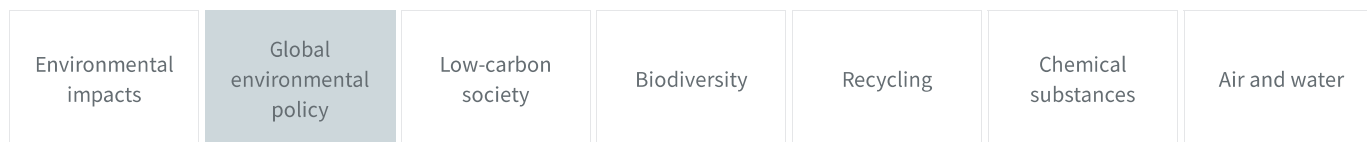
Asahi Kasei Group Main Environmental Impacts (FY 2014)



Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Environmental protection

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



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. 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 CO₂ 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. Recycling

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 circular economy. 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. Low-carbon society

■ Reducing CO₂ emissions

- Reduce CO₂ emissions in Japan to 30% below the FY 2005 level by FY 2020
- Hold total CO₂ 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/CO₂ contribution ratio*

- Achieve a ratio of 10.0 by FY 2020 (3.2 in FY 2010)

* LCA is used to determine the amount of reduction in CO₂ 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 CO₂ emissions of the entire Asahi Group.

2. Preserving water resources

■ Water resource contribution ratio*

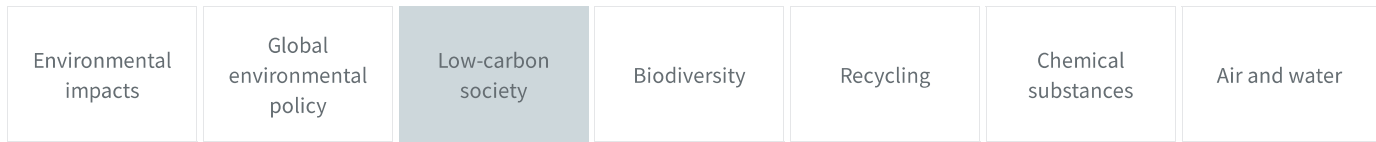
- Achieve a ratio of 7.0 in FY 2015 (1.2 in FY 2011)

* 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.

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Environmental protection

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



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 added “Efforts are made to design and develop products which contribute to the sustainability of the global environment, and to disseminate such products worldwide” to our RC principles, and established a Global Environment Action Committee. We are now able to act more swiftly and deeply to contribute to a low-carbon society and other global environmental protection measures.

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

1. Reducing greenhouse gas (GHG) emissions of the Asahi Kasei Group
 - (1) CO₂ and GHG emissions in Japan
 - (2) Global CO₂ emissions
 - (3) Scope 3 emissions
2. Helping reduce CO₂ emissions throughout the entire lifecycle of products
3. Making international contributions
4. Developing innovative new technologies

The Asahi Kasei Group’s environmental initiative framework

Global Environment Committee	This committee deliberates and adopts group-wide environmental measures. It is chaired by the holding company Executive for RC, 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 greenhouse gas (GHG) emissions of the Asahi Kasei Group

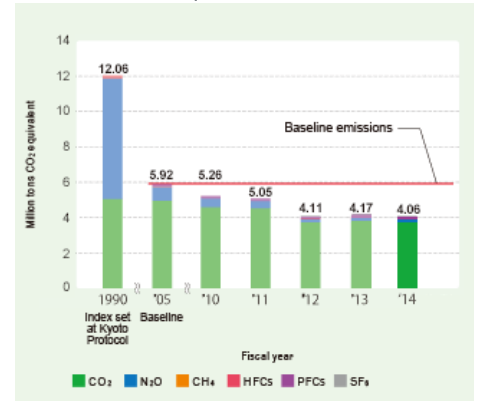
CO₂ and GHG emissions in Japan

The Asahi Kasei Group's GHG emissions from production processes in fiscal 2014 were equivalent to 4.06 million tons of CO₂, which represents a reduction of 31% 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 (N₂O) byproduct.

Scope 1 emissions in fiscal 2014 were equivalent to 3.38 million tons of CO₂, and Scope 2 emissions were 0.67 million tons of CO₂.

The Asahi Kasei Group's GHG emissions in Japan in fiscal 2014 were independently assured by KPMG AZSA Sustainability Co., Ltd. Please refer to the [Independent Assurance Report](#).

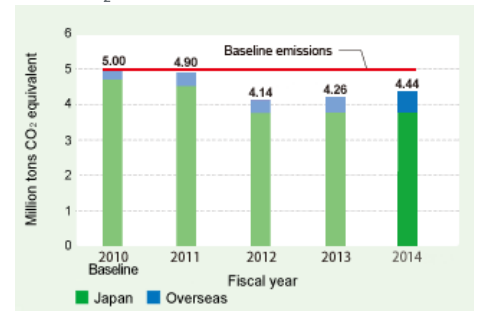
GHG emissions in Japan



Global CO₂ emissions

Although CO₂ emissions in Japan have been decreasing by a wide margin, CO₂ emissions overseas have been increasing due to the start-up of new plants. The Asahi Kasei Group will aim to decrease total global CO₂ emissions by 5% by fiscal 2020 from the baseline year of fiscal 2010.

Global CO₂ emissions



The Asahi Kasei Group's efforts to reduce CO₂ and GHG emissions in Japan

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 2014, generating approximately 90 thousand tons of CO₂ emissions—a 4% increase from fiscal 2013. 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 CO₂ emissions for a given weight and distance than many other means of transportation.



The Eco-Rail Mark

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 2014, some 77% of company-owned vehicles were low-pollution vehicles.

Renewable energy

The Asahi Kasei Group has 9 hydroelectric power generation plants in the Nobeoka Region, which provided 13% of the total electricity we used in Japan in fiscal 2014. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 150 thousand tons* of CO₂ 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 551 g CO₂/kWh.

Electricity sources, FY 2014



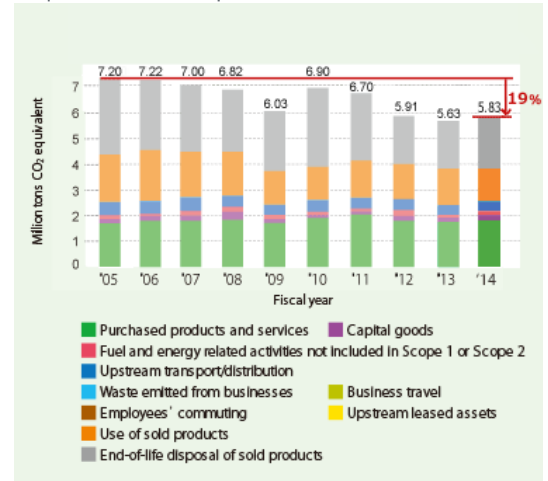
Scope 3* emissions

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 2014, with some fluctuation due to the global financial crisis, and in fiscal 2014 they were some 19% 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: Greenhouse gases emitted indirectly by a company throughout its supply chain.

* The Asahi Kasei Group's Scope3 Emissions Category1 in Japan in fiscal year 2014 were independently assured by KPMG AZSA Sustainability CO., Ltd. Please refer to the independent Assurance Report (p116).

Scope 3 emissions in Japan



Reducing CO₂ emissions throughout the product life cycle

Life cycle assessment of reduced CO₂ emission

Although CO₂ 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 CO₂ emissions during use. LCA calculation takes such contribution into account and determines the amount of CO₂ reduction achieved over the product life cycle. By expanding sales of such products and commercializing new products and technologies that enable significant reduction of CO₂ 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 name
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 knitted fabric for energy-saving humidifier filters
A	Hebel Haus™ with power generating, efficiency, and conservation functions
B	Hebel Haus™ with next-generation insulation
B	Hipore™ lithium-ion battery separator for electric and hybrid electric vehicles
B	Neoma™ phenolic foam insulation panels for homes
B	Heat-absorbing stretch fiber for cool-feeling innerwear
B	Sunfort™ photosensitive dry film
B	Hebel Haus™ two-generation homes
B	Asaclean™ plastic molding machine purging agent
C	Renovation to add solar panels
C	Polymer membrane for fuel cells
C	Renovation to improve window insulation

Rank A: LCA/CO₂ reduction of at least 500,000 t-CO₂/y
 Rank B: LCA/CO₂ reduction of at least 100,000 t-CO₂/y
 Rank C: LCA/CO₂ reduction of at least 10,000 t-CO₂/y

International contribution

Hall ICs and Hall elements for air conditioner DC motors, ion-exchange membrane process for the caustic soda production, and synthetic rubber for fuel-efficient tires are used in the US, the EU, and Asia. These products and technologies produce less CO₂ when used compared to the conventional alternatives. We continue R&D to create new eco-friendly products and technologies that will increase our contribution to reduced CO₂ emissions.

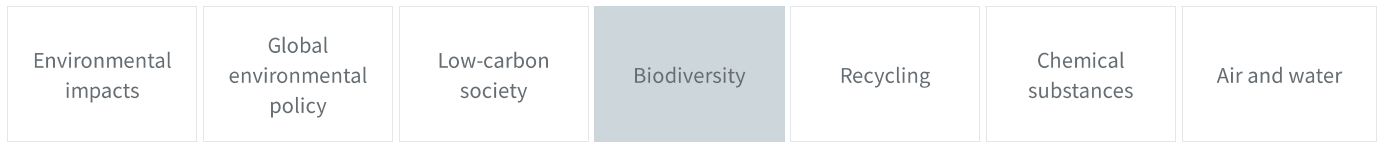
Development of innovative technologies

We are working to develop innovative technologies such as lithium-ion battery separators for electric vehicles that enable dramatically lower CO₂ emissions than conventional vehicles, and fuel cell membranes that enable lower CO₂ emissions than conventional use of city gas or propane at home.

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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 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 2014

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.

In 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 thinning 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 evaluated the effect on the forest 1 year after thinning. Although this was not long enough for small shrubs to recover, we observed that herbaceous plants recovered in terms of both coverage and variety, and that the activity of insects increased. As more time passes, it is expected that the condition will continue to change.



Fiscal 2014 Asahi Kasei Biodiversity Survey Report

In Fuji

In Fuji, the Asahi Woods of Life we created within the grounds of our plant and laboratory complex has grown vigorously over the past seven years since we planted trees together with members of the community. This pioneering effort to preserve biodiversity has drawn many visitors, and the annual firefly watching event was enjoyed by more than 4,000 people over three days. We are also working successfully with a nearby university to introduce and propagate rare species native to the area such as black killifish.



Releasing black killifish with Tokoha University



Harvesting rice



Tour of the Asahi Woods of Life

In 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. In fiscal 2014, our employees removed 618 fish of foreign species. During the summer, we found that sweetfish swam upstream from Lake Biwa to the reservoir within our factory grounds. In fiscal 2013 we began a project for employees to create a space to relax and enjoy the natural biodiversity of the area. The project included study of the vegetation growing within the site, and growing Japanese cotton which has some relationship with our operations in Moriyama. We also invited local people to experience cotton spinning and to observe fishing.



Japanese cotton bolls



Japanese cotton plants



Study of vegetation within the site



Newsletter

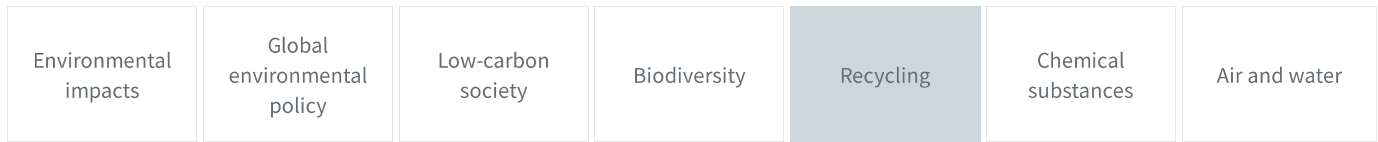
National network to promote the Satoyama Initiative in Japan

In September 2013, a national network to promote the Satoyama Initiative in Japan was launched with 101 member organizations. Actions during fiscal 2014 included leadership meetings in July 2014 and February 2015, a general meeting and seminar in October 2014 in Ishikawa. A liaison meeting, on-site observation, and seminar were held in March 2015 in Ishikawa. These actions served to deepen understanding on Biodiversity, while lively on-site interaction among various member organizations facilitated communication and exchange of information.

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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.

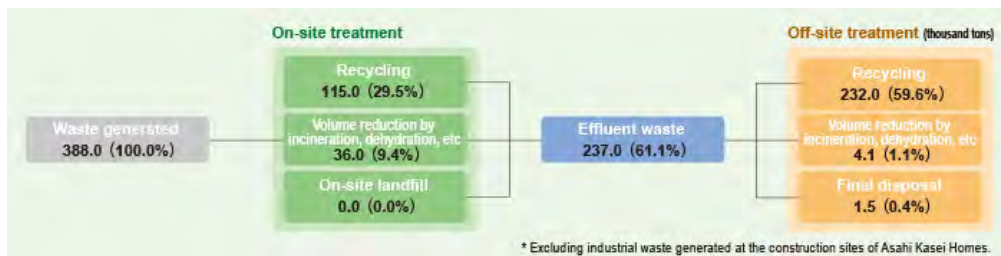
In fiscal 2014, we adopted targets of a final disposal rate of 0.3% or less and a recycling rate of 87% or more of the total amount of industrial waste generated. Although we achieved a recycling rate of 89%, we missed our target final disposal rate by achieving 0.4%, the same as the previous year. We 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.

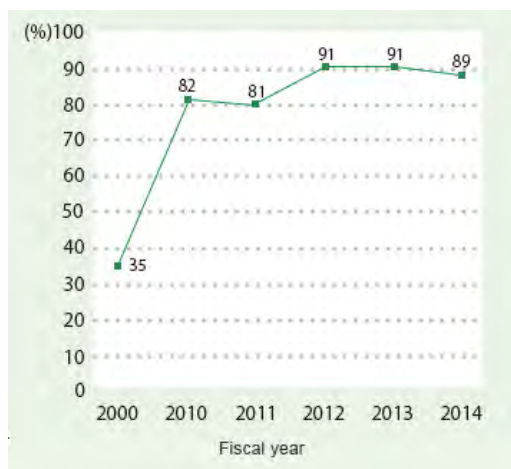
We enhanced our management of off-site treatment of industrial waste by expanding the use of electronic manifests. We also performed periodic on-site inspections of consigned firms to ensure that proper disposal is performed in accordance with sound systems of control.

* 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.

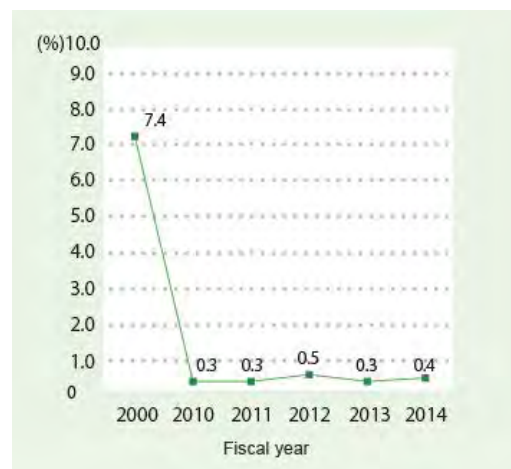
FY 2014 flow of industrial waste*



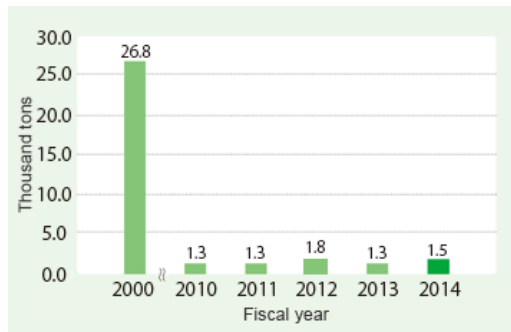
Recycling rate



Final disposal rate



Off-site final disposal volume



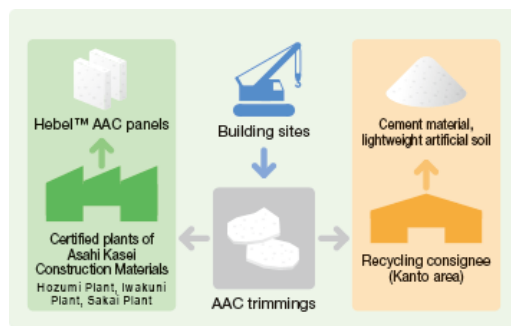
FY 2014 off-site final disposal by category of waste



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.

Recycle flow for trimmings of Hebel™ AAC panels



Final disposal industrial waste generated at construction sites

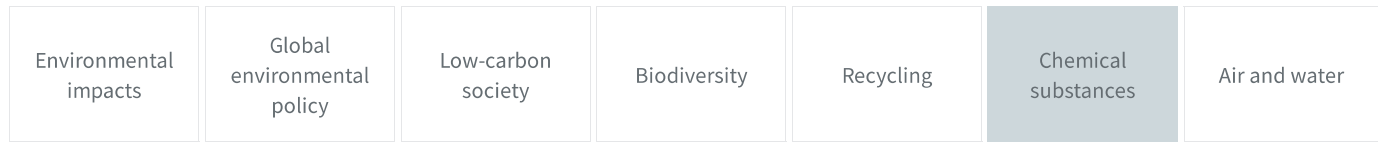


* Certificate for wide-area recycling : For certain parties, who perform recycling in a wide-area, Japan’s Minister of the Environment eliminates the need to obtain separate waste transport permits for each local area. The system was established to promote further recycling of industrial waste.

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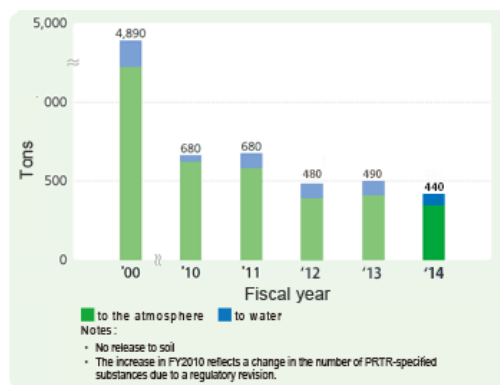
Environmental protection

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

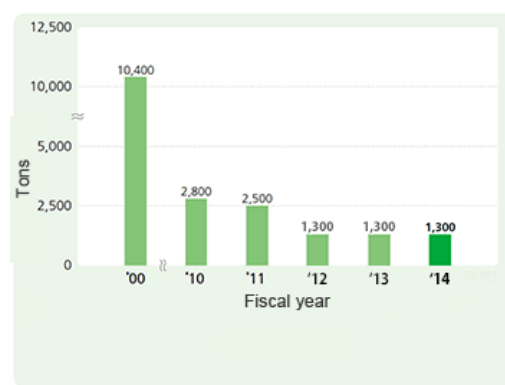


The Asahi Kasei Group makes an effort to reduce the release of chemical substances. These chemicals include substances specified in the PRTR¹ Law, and other substances which we have voluntarily designated for reduction. Priority for reduction is based on the degree of hazardousness and amount of release. As shown in the graphs below, releases of PRTR-specified substances and VOC² emissions were reduced by 91% and 87%, respectively from fiscal 2000. We will continue to enhance control of operation and equipment to prevent any accidental release.

Releases of PRTR-specified substances



Releases of VOCs

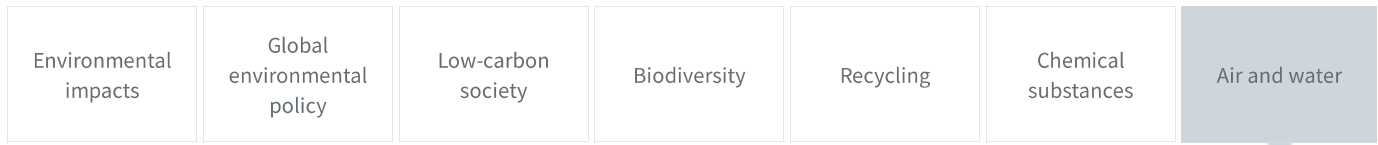


- 1 PRTR : Pollutant release and transfer register. Under the PRTR Law, releases to the environment and off-site transfers of specific hazardous chemical substances must be monitored and recorded for each production facility and operating site. Results are reported to the government, which publishes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

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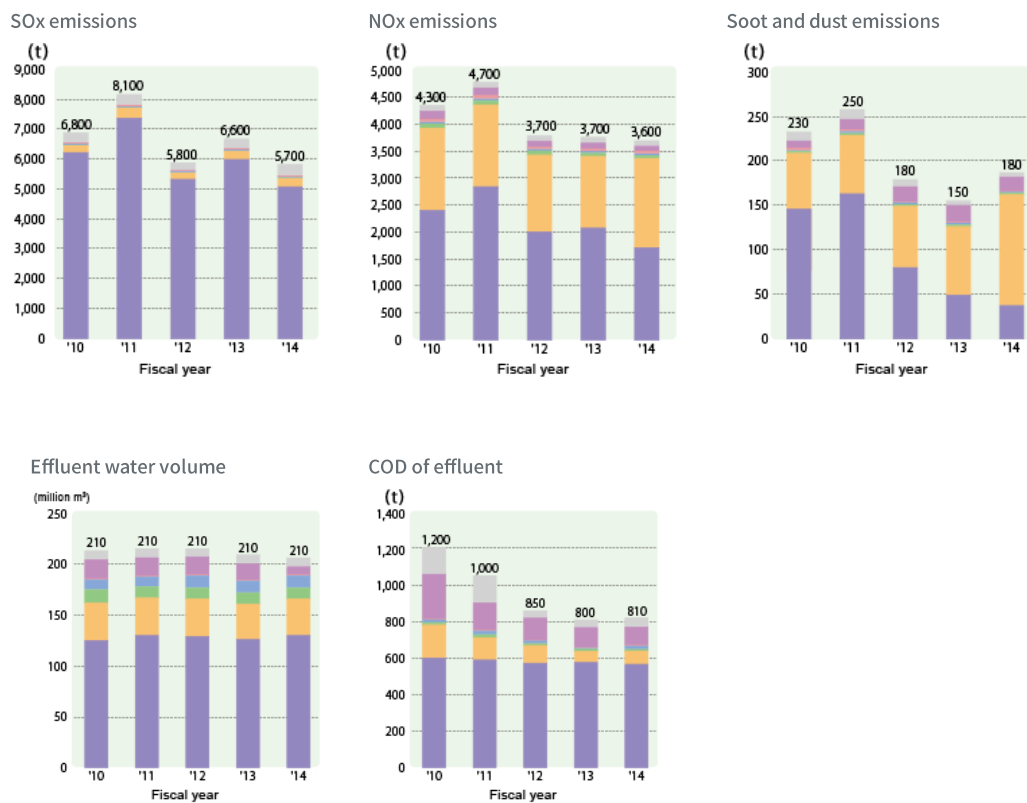
Environmental protection

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



The Asahi Kasei Group works to control emissions and prevent spills in order to avoid the pollution of air, water, soil, or groundwater. Measures to prevent odors include the installation of exhaust gas absorption equipment and increasing the capacity of our wastewater treatment facilities. To prevent soil and groundwater pollution, we have performed investigation and taken appropriate measures in accordance with the Soil Contamination Countermeasures Act and related regulations.

We confirm the control of effluent water based on an internal guideline issued in 2012. Release of substances regulated by the Air Pollution Control Act and the Water Pollution Control Act are maintained below the permissible limits. An increase in soot and dust emissions resulted as an effect of continuous operation, but we are working toward improvements through automatic washing.



■ Nobeoka ■ Mizushima ■ Moriyama ■ Fuji ■ Ohito ■ Kawasaki ■ Other sites

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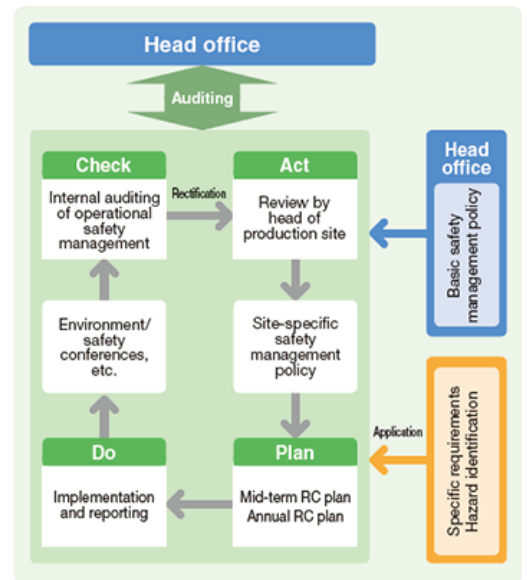
Operational safety

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. To follow up, in fiscal 2014 we are listing items with a high degree of hazard in technical documents. There were no industrial accidents during fiscal 2014.

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.

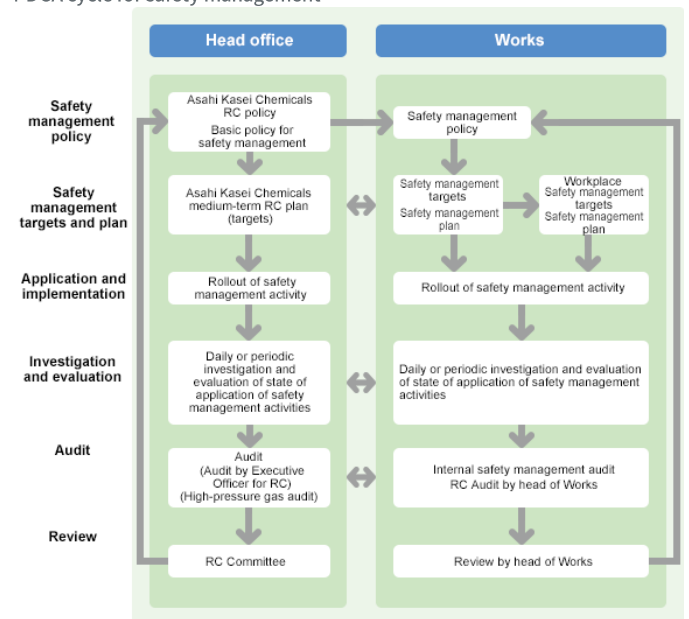
Operational safety management system at Asahi Kasei Chemicals



Basic policy for high-pressure gas safety at Asahi Kasei Chemicals

- Safety is an important fundamental of management, and all of our business activities depend on safety.
- Each one of our employees is responsible for safety, and safety is ensured by all employees together.
- We apply a PDCA cycle to continuously improve the level of safety.
- Measures to assess risks, and to eliminate and mitigate them, are persistent and ongoing.

PDCA cycle for safety management



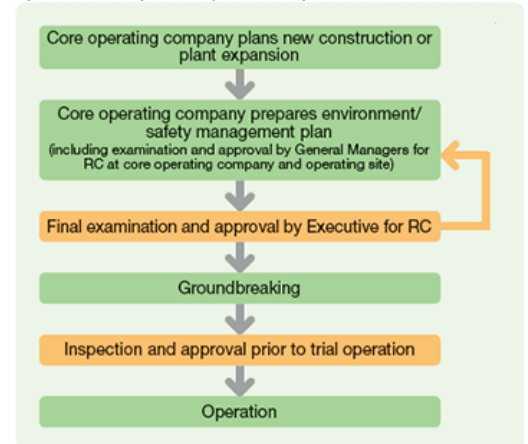
Pre-investment inspection system

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, including the use of PDCA cycles. One characteristic of process is the formulation of separate maintenance standards for each individual unit of equipment to ensure the appropriateness of the method and period of maintenance.

In addition, safety information and know-how are shared across the Asahi Kasei Group through a group-wide plant engineering council 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. In fiscal 2014 we advanced preparation of technical documents on processes with a high degree of hazard.



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 objectives. Although we use a PDCA cycle for the planned maintenance system, people are the most fundamental element. It is vital for each individual to gain the essential technology and contribute 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 2014 we launched a new web-based 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. Beginning in fiscal 2015, applications for classroom work are made via the website, and results of certifications acquired are managed online.



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

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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

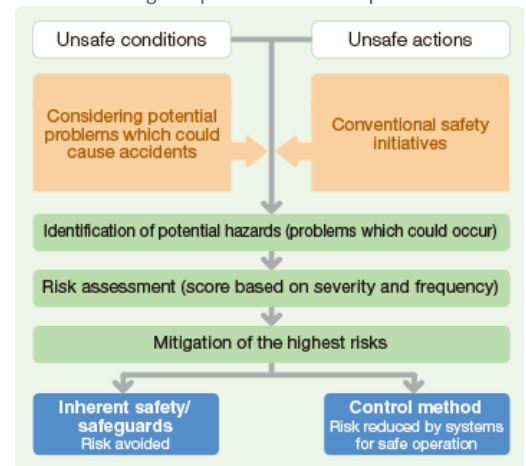


Approach to workplace safety

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.

Schematic image for prevention of workplace accidents



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.

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

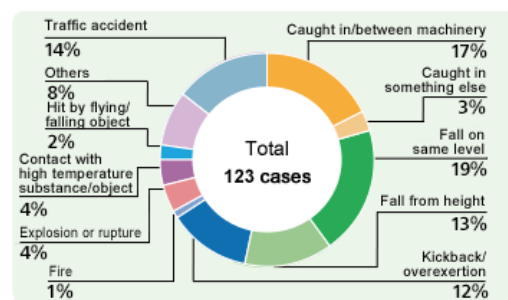
Of the 10 lost-workday injuries that occurred during fiscal 2014, none were in the "caught in/between" category, which we had strived to eliminate. Although this was a significant achievement considering that 17% of lost-workday injuries were in this category from fiscal 2004 to 2013, we continue to reduce the risk of 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 3 categories of fall on the same level, fall from height, and traffic accident accounted for 80% of all lost-workday injuries in fiscal 2014. 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.

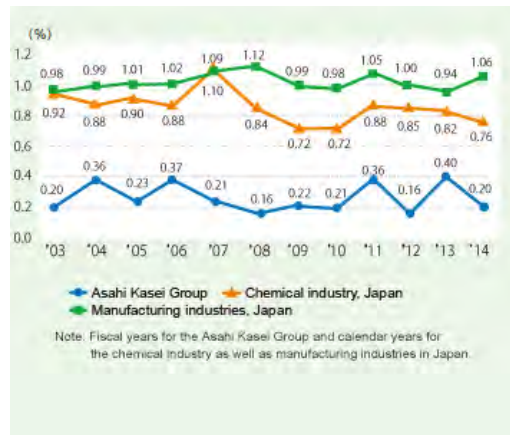
* ISO12100 specifies principles for achieving safety in machinery design and principles of risk assessment and risk reduction.

Incidence of workplace injury by event category (FY 2014 in Japan)



Incidence of workplace injury by event category (FY 2004–2013 in Japan)



Frequency rate¹Severity rate²

- 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.

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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

During fiscal 2014, we began a series of interviews to confirm whether the activities of our health management centers at each site, including the duties of our industrial physicians and health nurses, are being performed in accordance with the Industrial Safety and Health Law and our health management guidelines. Further guidance and support is being provided as necessary.

Health maintenance and promotion for employees

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

In fiscal 2014, the results of annual checkups indicated that the proportion of employees with health warning signs rose slightly, in line with an increase in the average employee age, while BMI and the ratio of employees who smoke was generally unchanged.

Since fiscal 2013, we have promoted the use of our health improvement program, a tool for health management that was revised to enable more easy use of specified health guidance. This program is especially useful for the maintenance and improvement of employees' health at independent plants where on-site health care staff is limited, and also as an outside resource for affiliated companies.

Ratio of employees with health warning signs



Measures to prevent falling

Based on the falling risk assessment manual issued by the Japan Industrial Safety & Health Association, in fiscal 2013 we prepared a manual for physical fitness tests to prevent falling. In fiscal 2014 we began using this manual to assess falling risks of our employees, followed-up with guidance by industrial physicians. This has been completed at about half of our sites, with preparations advancing at the remaining sites.

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. 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. The system has been used to survey stress at 24 sites, with appropriate follow-up implemented. Ongoing stress surveys will be performed annually at each site.

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.

Exercising while seated

At the Sepacell Plant of Asahi Kasei Medical MT Corp. in Oita, Japan, the manufacture of Sepacell™ leukocyte reduction filters requires workers to spend long periods of time seated in the cleanroom to perform evaluation, visual inspection, and control operations. Although this led to many instances of stiff shoulders, eyestrain, etc., it was impractical to hold conventional exercise sessions in the cleanroom. In 2014, with the support of on-site health management staff, a small group of employees developed an exercise routine that is done while seated. Through trial and error, 6 different types of exercise were adopted. A survey afterward confirmed that the exercise routine helped workers feel better, and it has been extended to the entire workplace as part of the daily schedule.



Exercising with the new routine



The group that developed the exercise routine with a member of the health management staff

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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 2014, 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.

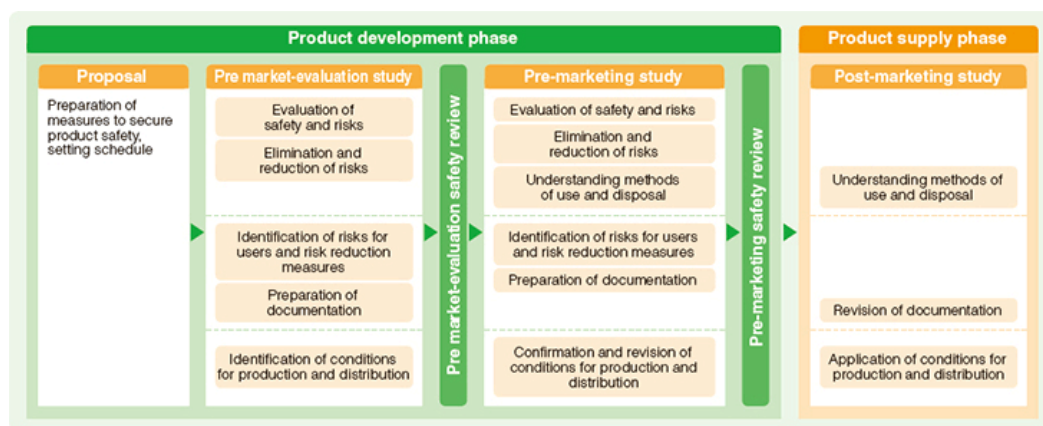
Product safety standards and procedures

Group-wide product safety bylaws 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.

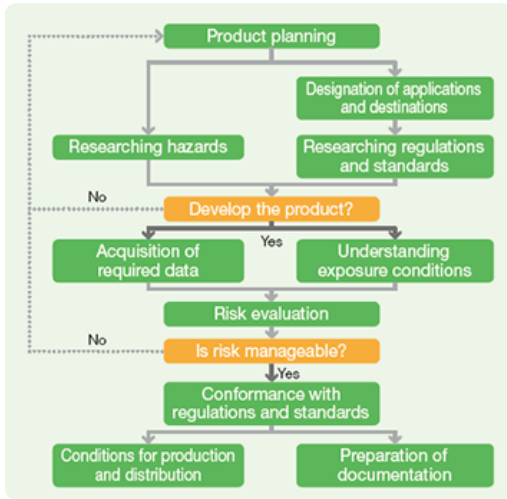
Products are classified as either "chemicals" or "equipment" under group-wide product safety guidelines, and procedures to ensure product safety are performed as shown in the diagrams below. Specific product safety measures for individual products are applied by each core operating company in accordance with the common bylaws.

In fiscal 2014, we reviewed the previous standards regarding the development of materials and components for medical devices, and enacted new bylaws regarding the development and supply of materials and components for medical devices which reinforced risk assessment and the system of decision making.

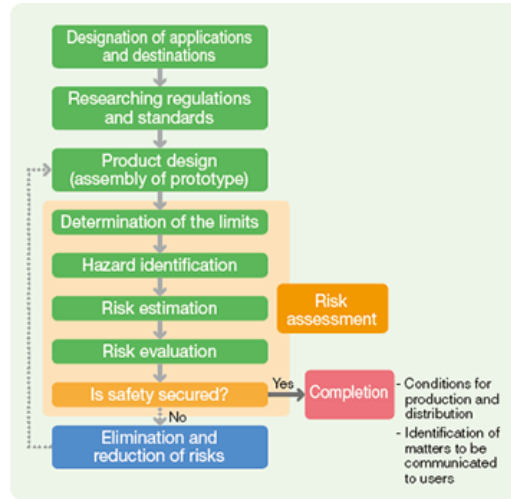
Flow of product safety measures



Product safety procedure for chemicals



Product safety procedure for equipment



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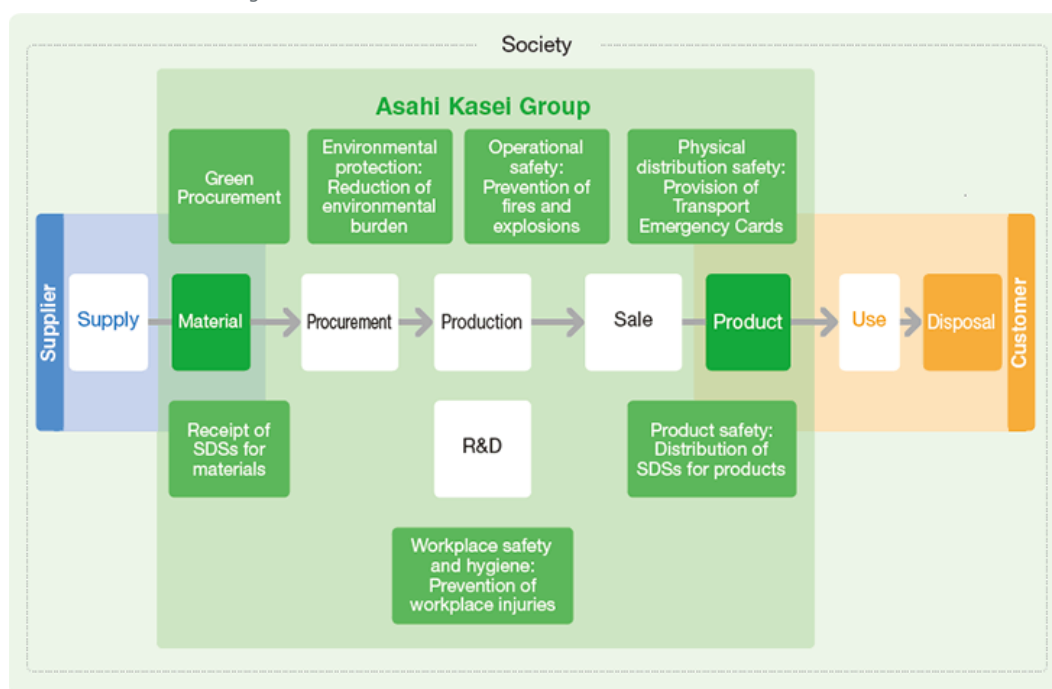
Managing chemical substances

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

The Asahi Kasei Group's effort

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

Chemical substance management flow



Materials purchase

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

Production

The safety of the local community and the protection of the environment are secured by proper handling of chemical substances to suppress environmental release (see 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 2014 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 2014, 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. Lectures were held on risk assessment for chemical substances, and a deeper understanding of risk assessment techniques was gained. To strengthen education on product liability, Asahi Kasei Chemicals held a seminar in fiscal 2014 to review the basics ensuring product. Case studies were presented in the morning session, and demonstrations and group discussions on prevention of product accidents were held in the afternoon.



Product liability education at Asahi Kasei Chemicals

Global trends on management of chemical substances

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

Developments in management of chemical substances

Organization	Related items	Development
UN	Resolutions at international conferences concerning global environment	<ul style="list-style-type: none"> 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	<ul style="list-style-type: none"> Collection of safety data under the High Production Volume (HPV) Chemicals initiative by each member country and its chemical industry
EU	Implement new regulation on chemicals	<ul style="list-style-type: none"> REACH Regulation for the registration, evaluation, authorization, and restriction of chemicals RoHS Directive for the restriction of the use of certain hazardous substances in electrical and electronic equipment

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. When the RC Global Charter was amended in 2014, the President of Asahi Kasei Corp. again signed it on November 19, 2014.

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.

Industry-wide initiatives

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 2014, 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 applicable chemical substances, with Asahi Kasei Chemicals publishing a safety summary on 1 chemical substance.

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.

REACH¹ compliance

In fiscal 2014, we started preparation for the third round of REACH registrations. Relevant core operating companies conduct internal education and training on REACH requirements and periodically hold meetings among related organizations. At the same time, we continue to move forward with preparations for CLP regulations.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 SVHC : 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 2014, we continued to provide JAMP Tools via the JAMP-IT platform to convey relevant information on hazardous chemicals and share information externally. Asahi Kasei Microdevices is actively disseminating information internally and externally to support commercial AS vendors,* while evaluating suppliers through the internet. To advance the provision of JAMP Tools via the JAMP-IT platform, Asahi Kasei Fibers requested 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.

In December 2014, a JAMP seminar was held at the Eco-Products exhibition, and JAMP activities and examples were introduced. We also joined in verification work for information transmission tools in relation to a new scheme by the Ministry of Economy, Trade and Industry, and pointed out problems with the tools being developed together with opinions on how to improve them. We also joined a JAMP study group related to the new scheme, and actively studied the tools, substance lists, etc.

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



JAMP seminar at Eco-Products 2014 (from JAMP Members Newsletter)

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.

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Organizations implementing Responsible Care

Prefecture	Location	Business category	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	Kamizato	Chemicals	Asahi Kasei Techno Plus Co., Ltd.	Saitama Plant	Molded plastic products			
			Asahi Kasei Pax Corp.	Ageo Plant	Film lamination			
	Kawaqoe	Health Care	Med-Tech Inc.	Saitama Plant	Medical device development, manufacture, and repair			
Yamanashi	Fujiyoshida	Fibers	Fuji Seisen Co., Ltd.	-	Dyeing and finishing of yarns and fabrics			
Chiba	Chiba	Chemicals	Asahi Kasei Chemicals Corp.	Chiba Polymer Prod. Dept.	Acrylic resin and polystyrene 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			
				Sodegaura Plant	R&D for plastic compounding technology			
				PS Japan Corp.	Chiba Plant	Product management and production technology development for polystyrene		
				Asahi Kasei Energy Service Corp.	-	Operation of power plant of Nakasode Clean Power Corp. and Shin Nakasode Power Corp.		
				Electronics	Asahi Kasei E-materials Corp.	Electronics & Functional Products Div.	R&D for plastic optical fiber	
					Asahi Kasei EMS Co., Ltd.	Chiba Plant	Plastic optical fiber	
					Asahi Kasei Geotechnologies Co., Ltd.	-	Sale of civil engineering materials	
Tokyo	Tokyo	Chemicals	Asahi Kasei Home Products Corp.	-	Development and sale of cling film and other household products			
			Sun Delta Corp.	-	Sale of synthetic resin products			
		Construction Materials	Asahi Kasei Foundation Systems Co., Ltd.	-	Installation of piles			
			Asahi Kasei Extetch Corp.	-	Installation of exterior wall panels			
		Others	Sun Associates Co., Ltd.	-	Technical information searching, patent and trademark application and management			
			Asahi Kasei Commerce Co., Ltd.	-	Sale of Asahi Kasei Group products			
			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			
				Asahi Kasei Chemicals Corp.	Monomers Prod. Dept.	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)					
		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 to plastics and plastic processing					
		PS Japan Corp.	R&D Dept.	Polystyrene R&D				
		Asahi Kasei Corp.	Energy & Environment R&D Ctr.	Development of water electrolysis system				
		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 system			
			Asahi Kasei Corp.	Synergistic Solutions Initiative	Establishment of new solution-oriented businesses			
Kanagawa	Kawasaki	Chemicals	Asahi Kasei Chemicals Corp.	Atsugi Prod. Dept.	Assembly of steel frames and processing of insulation for homes			
				Microza Plant	Filtration membranes and modules			
				Fuji Power Supply Dept.	Utilities (electricity, steam, water)			
					Environmental chemicals, water treatment equipmer			
					Long Life Home R&D			
					Bulk pharmaceuticals			
					Bioprocess Div./Product Dev. Dept.	Development of filters and absorbents for separation and purification in manufacture of biopharmaceuticals		
					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 semiconductors	
						Fab 3	Hall elements	
					Asahi Kasei Epoxy Co., Ltd.	Fuji Plant	Epoxy curing agent	
		Asahi Kasei Engineering Corp.	-	Design, construction, and development of facilities and development of information system				
		Sun Business Services Co., Ltd.	-	Subcontracting				
		Asahi Kasei Benefits Management Corp.	-	Management of benefits				
		Asahi Kasei Corp.	Energy & Environment R&D Ctr.	Medium to long term R&D, advancement of synergy and creation of new business				
			Analysis & Simulation Ctr.	Analysis and computer simulation				
Shizuoka	Fuji	Chemicals	Asahi Kasei Chemicals Corp.	Ohito Pharmaceuticals Plant	Pharmaceutical intermediates			
				Ohito Diagnostics Plant	Diagnostic enzymes, diagnostic reagent kits			
				Pharmaceuticals Research Ctr.	New pharmaceuticals R&D			
				Asahi Kasei Benefits Management Corp.	Management of benefits			
				Toyo Kensa Center Co., Ltd.	Measurement, evaluation, analysis, clinical testing			
				Asahi Kasei Create Co., Ltd.	Insurance agency			
				Asahi Kasei Pharma Corp.	Nagoya Pharmaceuticals Plant	Pharmaceuticals		
				Asahi Kasei Construction Materials Corp.	Hozumi Plant	Autoclaved aerated concrete panels		
				Hozumi Kako Co., Ltd.	-	Construction materials processing		
				Kyokujitsu Textile Mills Co., Ltd.	-	Woven fabrics		
Aichi	Miyoshi	Health Care	Asahi Kasei Pharma Corp.	Moriyama Power Supply Dept.	Utilities (electricity, steam, water)			
				Spunbond Plant	Spunbond			
				Roica Plant	Elastic polyurethane filament			
				R&D Lab. for Applied Product	Apparel and industrial functional textiles R&D			
				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		
				Asahi Kasei Amidas Co., Ltd.	Moriyama Office	Contract work		
				Asahi Kasei Engineering Corp.	Shiga Plant	Development, design, installation, inspection, and maintenance of equipment and systems		
				Asahi Kasei Jyuko Co., Ltd.	Suzuka Plant	Steel frames, opening panels, roofing		
				Asahi Kasei Chemicals Corp.	-	Cling film, plastic foam and film		
				Suzuka Sun Business Co., Ltd.	-	Plastic processing		
				Sundic Inc.	Mie Plant	Polystyrene sheet		
				Asahi Kasei Chemicals Corp.	Wakayama Plant	Acrylic latex, performance paper		
Wakayama	Gobo	Chemicals	Asahi Kasei Chemicals Corp.	Osaka Plant	Specialty chemicals			
			Asahi Kasei Finechem Co., Ltd.	-	Sale of Asahi Kasei Group products			
			Asahi Kasei Trading Co., Ltd.	-	Sale of Asahi Kasei Group products			
Osaka	Osaka	Chemicals	Asahi Kasei Pax Corp.	Ono Plant	Molded plastic containers			
			Asahi Kasei Chemicals Corp.	Monomers Prod. Dept. 1	Ethylene, cyclohexanol			
Hyogo	Ono	Chemicals	Asahi Kasei Chemicals Corp.	Monomers Prod. Dept. 2	Acrylonitrile, methacrylonitrile, sodium cyanide, acetonitrile, styrene, polycarbonatediol			
				Polymers Prod. Dept. 1	Acrylonitrile-butadiene-styrene, styrene-butadiene latex, epoxy			
				Polymers Prod. Dept. 2	High density polyethylene, low density polyethylene, polyacetal			
				Polyolefins Development Dept.	Research on polyolefins			
				Power Supply Dept.	Utilities (electricity, steam, water)			
				Chemistry & Chemical Process Lab.	Research on chemical processes and functional products			
				Catalyst Lab.	Research on monomers and catalysts			
				PS Japan Corp.	Mizushima Plant	Polystyrene		
				Mizushima Sun Business Co., Ltd.	-	Subcontracting		
				Electronics	Asahi Kasei Epoxy Co., Ltd.	Mizushima Plant	Epoxy	
				Others	Asahi Kasei Engineering Corp.	-	Development, design, installation, inspection, and maintenance of equipment and systems	
			Yamaguchi	Iwakuni	Construction Materials	Asahi Kasei Construction Materials Corp.	Iwakuni Plant	Autoclaved aerated concrete panels
						Kyowa Kogyo Co., Ltd.	-	Construction materials processing
						Iwakuni Sun Products Co., Ltd.	-	Construction materials processing
			Fukuoka	Chikushino	Chemicals	Asahi Kasei Chemicals Corp.	Chikushino Plant	Metal cladding
Asahi Kasei Chemicals Corp.	Oita Plant	Defense explosives						
Japan Elastomer Co., Ltd.	Oita Plant	Synthetic rubber						
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						
		Stockings and underwear						
		Nitric acid, caustic soda, chlorine, hydrochloric acid, vinylidene chloride resin and latex						
		Electrolyzers for chlor-alkali						
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		
				Asahi Kasei Chemicals Corp.	Nobeoka Pharmaceuticals Plant	Bulk pharmaceuticals		
				Kayaku Japan Co., Ltd.	Tohmi Plant	Industrial explosives		
				Asahi Kasei Medical Co., Ltd.	Detonator Plant	Detonators		
		Tsunetomi Plant	Artificial kidneys and other medical devices					

		Okatomi Plant	Artificial kidneys and other medical devices
		Planova Plant	Virus removal filters
		Medical Material Lab.	R&D for medical materials
	Asahi Kasei Medical MT Corp.	Tsunetomi Plant	Artificial kidneys and other medical devices
		Okatomi Plant	Artificial kidneys and other medical devices
		Planova Plant	Virus removal filters
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
		Eltas Plant	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
	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
		Fab FP	Fine pattern coils
	Asahi Kasei Electronics Co., Ltd.	Nobeoka Manufacturing	Magnetic sensors
	Asahi Kasei Microsystems Co., Ltd.	Nobeoka Manufacturing	LSIs
	Asahi Kasei FP Corp.	-	Fine pattern coils
	Asahi Kasei Technosystem Co., Ltd.	Nobeoka Plant	Plant diagnostic and environmental surveillance devices
	Asahi Kasei EMS Co., Ltd.	Hvuga Plant	Fine pattern coils
		Nobeoka Plant	Pellicles
Others	Asahi Kasei Kankyougyou 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 alle
	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.



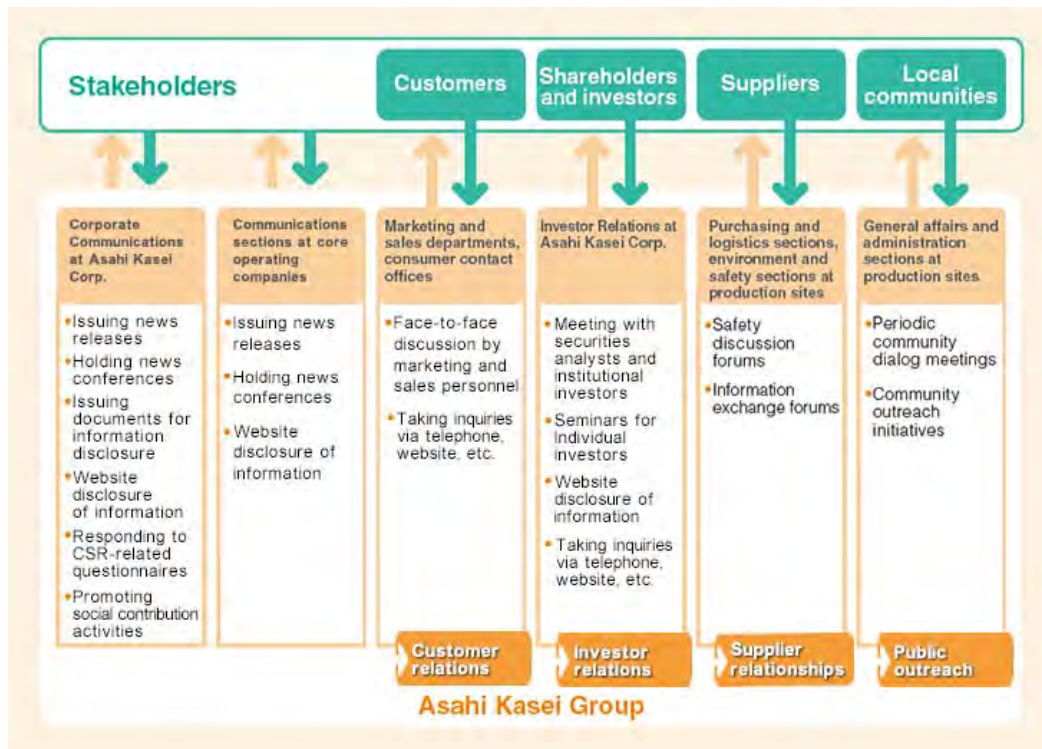
Community fellowship

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

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Stakeholder dialog

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

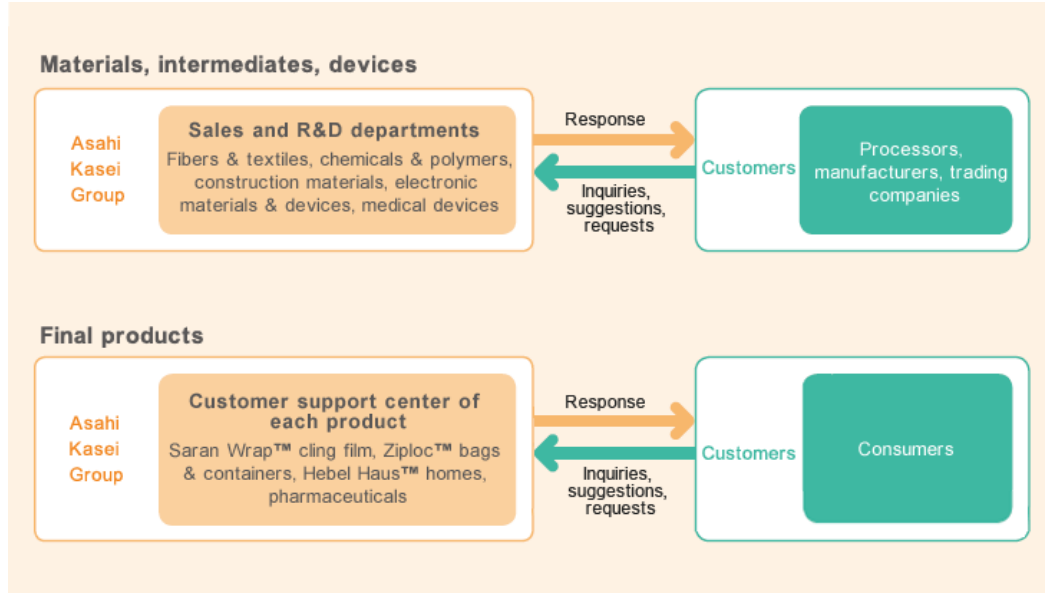


Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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



Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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 85 thousand shareholders. At the end of March 2015, approximately 40% of our shares were held by Japanese financial institutions, 19% by Japanese individuals and groups, and 34% by foreign investors.

(as of March 31, 2015)



IR Meetings with institutional investors and securities analysts

In fiscal 2014, Investor Relations (IR) held 293 meetings with institutional investors and securities analysts in Japan, including quarterly results briefings and an annual management briefing with the President. We proactively hold meetings with investors with the aim of deepening their understanding of key businesses of Asahi Kasei. In addition, 53 meetings were held overseas.

In total, 346 meetings were held to directly provide information to institutional investors and securities analysts during the year, with a cumulative attendance of 1,344. 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, 27 seminars were held in fiscal 2014, with total attendance of 2,876 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.

A seminar held in Tokyo for individual investors



* Excluding participants of the 123rd Ordinary General Meeting of Shareholders.

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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 2014, Asahi Kasei Group asked 160 major suppliers of materials and construction services to participate in a CSR survey, and the response rate was 98%. This objective of the survey was to better understand our suppliers' efforts to promote CSR, and identify any areas where improvement may be requested. Survey items covered included CSR promotion systems, compliance, environmental safety, risk management, product safety, human rights and labor, information security management, and intellectual property management. Survey results were scored on a scale, and feedback was given to suppliers including requests for improvement.

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 Moriyama, Shiga Prefecture

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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 Fuji, Shizuoka 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 (Izunokuni, Shizuoka)



Local residents at a cherry blossom event (Suzuka, Mie)

Donation of day care facility to local government

Asahi Kasei Fudousan Residence Corp., subsidiary of Asahi Kasei Homes, built a day care facility as part of a redevelopment project at the site of a former employee housing complex of Asahi Kasei Chemicals in Sodegaura, Chiba, Japan, and donated the facility to the city of Sodegaura to help reduce the number of children on waiting lists for day care. In 2014 this donation was recognized by a Medal of Honor with Dark Blue Ribbon, one of the Japanese government's Medals of Honor given in recognition of generous contributions to the public good.



The new day care center in Sodegaura

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 (Kawasaki, Kanagawa)



Tree planting in the community (Suzuka, Mie)

Local emergency response initiatives

Construction of evacuation towers

In fiscal 2013 we constructed two evacuation towers within our plant grounds in Nobeoka and Hyuga, 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 Asahi Kasei Group plant sites in Moriyama, Suzuka, and Nobeoka. 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

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

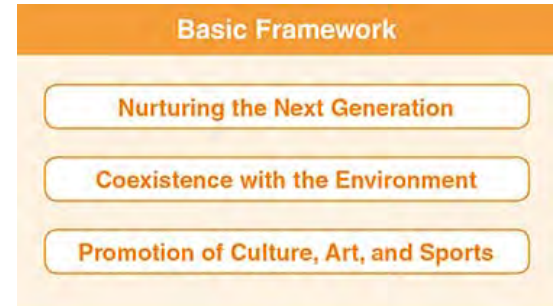
Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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.



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 2014, a total of some 3,150 students from 97 schools participated.



Nobeoka, Miyazaki Prefecture



Kurashiki, Okayama Prefecture



Kawasaki, Kanagawa Prefecture



Fuji, Shizuoka Prefecture



Moriyama, Shiga Prefecture



Izunokuni, Shizuoka Prefecture

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 2014, we exhibited at a children's chemistry experiment show and the 2014 Science Festival for Youth. On October 23, 2014, we exhibited at the first Chemistry Day Children's Chemistry Experiment Show.

We again sponsored the Japan Science and Technology Agency's high-school chemistry tournament, which began in fiscal 2011. In this tournament, 370 representative high school students from each of Japan's prefectures compete in chemistry knowledge and skills. We recognized excellent students of Hyogo Prefectural Hakuryo High School with an Asahi Kasei Award.



Exhibit at the children's chemistry experiment show in Tokyo



Chemistry Day Children's Chemistry Experiment Show in Osaka



Exhibit at the 2014 Science Festival for Youth in Okayama



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

Sponsoring a university course

The Asahi Kasei Group sponsors a course at Fuji Tokoha University in Shizuoka Prefecture. In fiscal 2014, our scientific personnel gave lectures in the course entitled "Modern Society and Scientific Technologies," for which we dispatched 11 personnel for 13 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 2014, we participated in a special exhibition at the Miraikan entitled “Toilet!? Human Waste and Earth’s Future,” displaying our high-speed phosphorus adsorbent and recovery system. By enabling the efficient recovery of phosphorus from wastewater, the revolutionary system contributes to both environmental protection and resource recycling.



The National Museum of Emerging Science and Innovation (Miraikan)



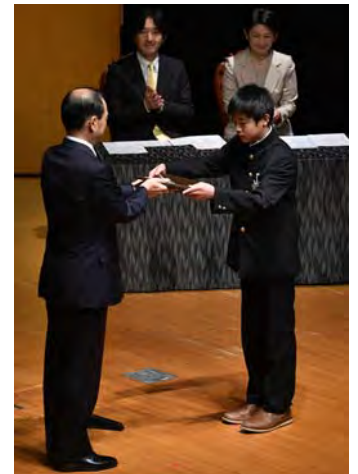
Display at the “Toilet!? Human Waste and Earth’s Future” exhibition

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 2014, 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 Toshio Asano presenting the Asahi Kasei Award at the Japan Student Science Awards in Tokyo

Planet Earth Classroom

We again provided sponsorship in fiscal 2014 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 about 2,600 elementary schools (216 thousand elementary school students) nationwide, giving lectures focused on energy conservation at elementary schools, and dispatching personnel as instructors for environmental study events for families.



Lecture at “Planet Earth Classroom”



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

Training programs and factory tours 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. On July 28 and 29, 2014, 8 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. On July 30, 2014, 29 teachers, including those from the Tokyo association of junior high school science teachers and elementary and junior high school science teachers from Tokyo’s Shinagawa Ward, were given a tour of the Kawasaki Works of Asahi Kasei Chemicals.



A tour of the photopolymer manufacturing process (Fuji, Shizuoka)



A presentation on the synthetic rubber plant (Kawasaki, Kanagawa)

Scholarship program

The Asahi Kasei Group established a scholarship program to help foster talent that will contribute to the advancement of science and technology in new fields. Applications are taken from students in masters courses, doctoral courses, and 6-year university courses specializing in chemistry, chemical engineering, mechanical engineering, civil engineering, architecture, control engineering, electrical engineering, electronics, high-current electricity, physics, IT, biology, pharmacology, medical science, and veterinary science.



Coexistence with the Environment

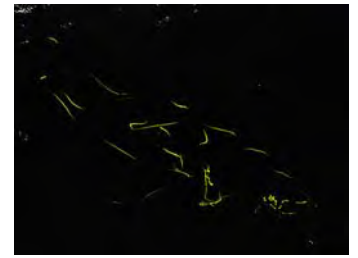
Forest planting at the Asahi Forest in Miyazaki

On April 27, 2014, 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 250 people including Asahi Kasei Group employees, retirees, and local residents participated in the program, planting 2,500 trees over a 2 hectare area at an elevation of 1,300 meters.



Firefly Watching Festival at the Asahi Woods of Life

Asahi Kasei held the 7th Firefly Watching Festival at the Asahi Woods of Life at its site in Fuji, Shizuoka Prefecture, on May 30 to June 1, 2014. During the 3 days blessed with fair weather, over 4,000 people enjoyed the flickering lights of flying fireflies nurtured by Asahi Kasei employees in the biotope.



Exhibiting at Eco-Products 2014

In December 2014, the Asahi Kasei Group exhibited original products at "Eco-Products 2014" organized by the Environmental Management Association for Industry and Nikkei Inc. Our exhibit focused on our products and technologies for preservation of the water environment, resource conservation & waste reduction, and concentration of energy, emphasizing the Asahi Kasei Group's commitment to coexistence with the environment.



The Asahi Kasei Group exhibit at Eco-Products 2014

Exhibiting at Biwako Business Messe 2014

In October 2014, the Asahi Kasei Group exhibited at "Biwako Business Messe 2014," 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 phosphorus recovery systems, wastewater treatment system using membrane filtration, oil leak detectors, oil-water separation filters, and electro dialysis equipment.



The Asahi Kasei Group exhibit at Biwako Business Messe 2014

Disaster relief

Support for areas affected by the Great East Japan Earthquake

Science classes in Iwaki

From November 2014 to January 2015, former Asahi Kasei employees conducted science classes at 3 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 separation technologies and their applications, the composition of seawater, and making tofu to demonstrate substance transformation. In fiscal 2014, some 200 junior high school students and some 130 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.



Disaster Relief Market

To support areas affected by the Great East Japan Earthquake, in September 2014 and March 2015 we participated in a Disaster Relief Market outside our Tokyo Head Office building featuring produce of Iwate, Miyagi, and Fukushima prefectures. This event was co-hosted by Mitsui Fudosan Building Management Co., Ltd.



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 2014, the 5th award ceremony was held in Peking on December 10, with awards given to 5 volunteer groups and 2 individuals. In addition, 2 special awards were given to individuals who were involved in environmental protection activities in Xinjiang and Tibet over many years.



The 2014 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 5,180 trees on April 12 and 13, 2014.



Forest planting in China

International student internship

In August 2014, a Chinese student studying at a university in Tokyo was taken as an intern by Asahi Kasei Fudoushan Residence Corp, a subsidiary of Asahi Kasei Homes. The student from Jilin Province, in her 3rd year of university, experienced a wide range of work related to home rental management.



The intern (center) working among employees

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. Also, we held community fellowship activities for children in the city of Nobeoka, where the Asahi Kasei's distance running and judo teams are based. On October 26, 2014, members of our judo team volunteered as referees at The I sogai Cup Kyushu Judo Junior Tournament.



The Golden Games in Nobeoka



Judo team members volunteering as referees

Promotion of sports in the local community

Asahi Kasei Junior Volleyball Tournament

The Mizushima Works of Asahi Kasei Chemicals in Kurashiki held the 3rd Asahi Kasei Junior Volleyball Tournament on February 1, 2015. Some 120 members of boys volleyball teams from 8 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. Mr. Katsuyuki Minami, former Asahi Kasei employee who competed in the Olympics, appeared as a special guest to speak to the students about the importance of working hard toward one's dreams.



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 2014, the foundation sponsored a concert by IlluminArt Philharmonic Orchestra, conducted by Ms. Tomomi Nishimoto, on July 22, 2014. The performance of "The Magnificent Musical Scroll Show" was enjoyed by over 1,000 people, including 225 students and teachers who were invited from brass bands and chorus clubs of elementary, junior high, and high schools in Nobeoka.

The foundation also sponsors and supports regional music festivals such as the Miyazaki International Music Festival and musical events for students at special schools, while disseminating information on area arts and culture through a local publication.



(Photo by Yukan Daily)
IlluminArt Philharmonic Orchestra, conducted by Ms. Tomomi Nishimoto, perform "The Magnificent Musical Scroll Show" in Nobeoka



(Photo by Yukan Daily)
A concert presented by Asahi Kasei at the 19th Miyazaki International Music Festival

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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

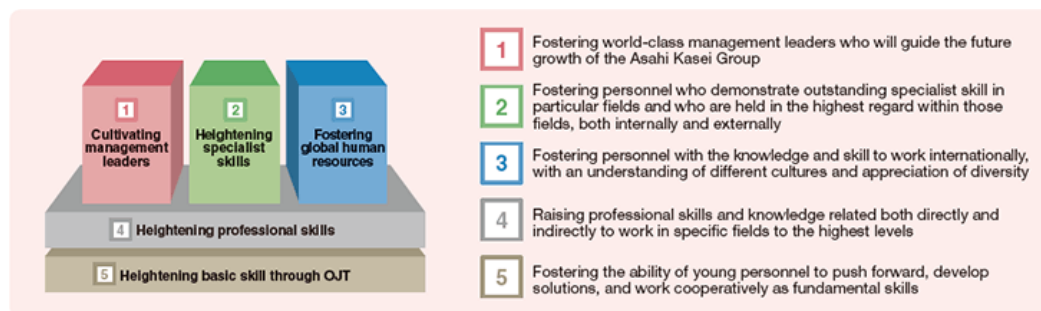
Discussions between management and labor are held on a regular basis to ensure that a constructive partnership is maintained.

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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 2015, 92 Group Masters have been designated: 2 as Group Fellows, 22 as Senior Group Experts, and 68 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, and holding training sessions including an Intercultural Communication Program for personnel at overseas subsidiaries.

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.

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

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.

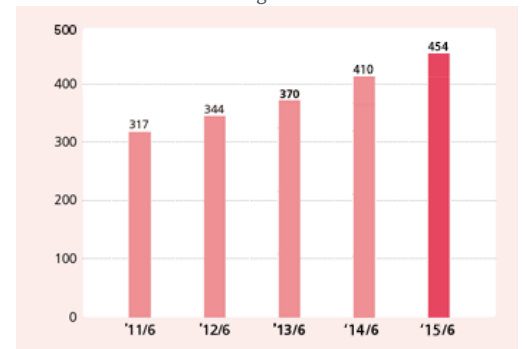
We continue to hire graduates from overseas universities every year, and the overall makeup of our personnel is becoming more global. We are also strengthening our ties to universities both in Japan and overseas, through career briefing sessions and student internships, as part of an ongoing effort to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

In April 2015, 333 new graduates were hired: 250 men and 83 women. In addition, 61 persons joined the Asahi Kasei Group as mid-career hires between April 2014 and March 2015.

Expansion of opportunities for women

In 1993, we established a dedicated corporate organ (now Diversity Promotion Group) to promote equal opportunity, and have proactively increased the proportion of women hired and expanded the distribution of job assignments for women. While only five employees at the rank of manager or above were women in 1993, this has risen to 454 in June 2015. The variety of posts where women are assigned also 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, 2015, the proportion for applicable companies of the Asahi Kasei Group stood at 2.05% (492.0 persons), exceeding the legal requirement.

The 19 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 Reform Co., Ltd., Asahi Kasei Fudousan Residence Corp. (the latter two newly added in April 2014), 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., 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 24,037.5 persons in the 19 applicable companies. As of June 1, 2015, the number of disabled persons employed by Asahi Kasei Ability Corp. stood at 314.0 of the total 492.0 disabled employees. Calculated in accordance with the Act on Employment Promotion etc. of Persons with Disabilities.

Competing in the National Abilympics

Twelve employees of Asahi Kasei Ability competed in the 35th National Abilympics held in Aichi in November 2014. The employees competed as prefectural representatives of Miyazaki, Okayama, Shizuoka, and Tokyo, in the DTP, word processing, database, website creation, building cleaning, spreadsheet, computer operation, computer data entry, and sewing competitions. They won silver medals in DTP and building cleaning, and a bronze medal in sewing.



Employees competing as prefectural representatives from 4 locations



Mr. Atsuhiro Nagatomo won a silver medal in the building cleaning competition

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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.

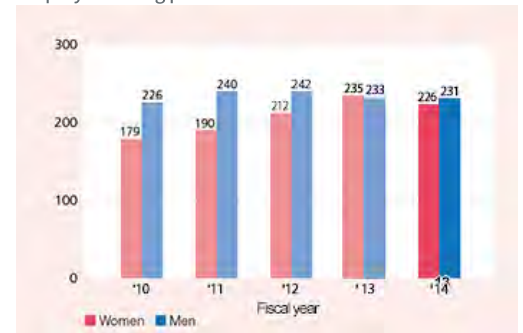
Helping employees balance work and family life

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 2014, 457 personnel utilized parental leave. This included 231 men, 40% of those who were qualified and 226 women.

Employees using parental leave*

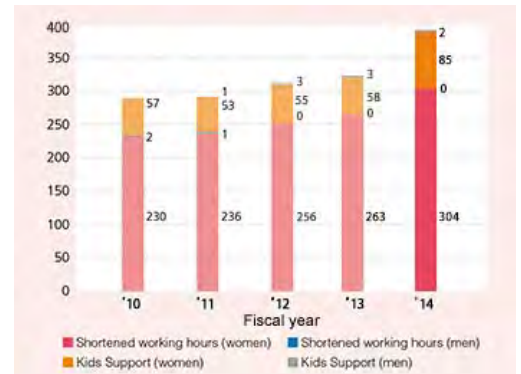


* Results for personnel employed by Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Fibers Corp., Asahi Kasei Homes Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., Asahi Kasei Pharma Corp., and Asahi Kasei Medical Co., Ltd.

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

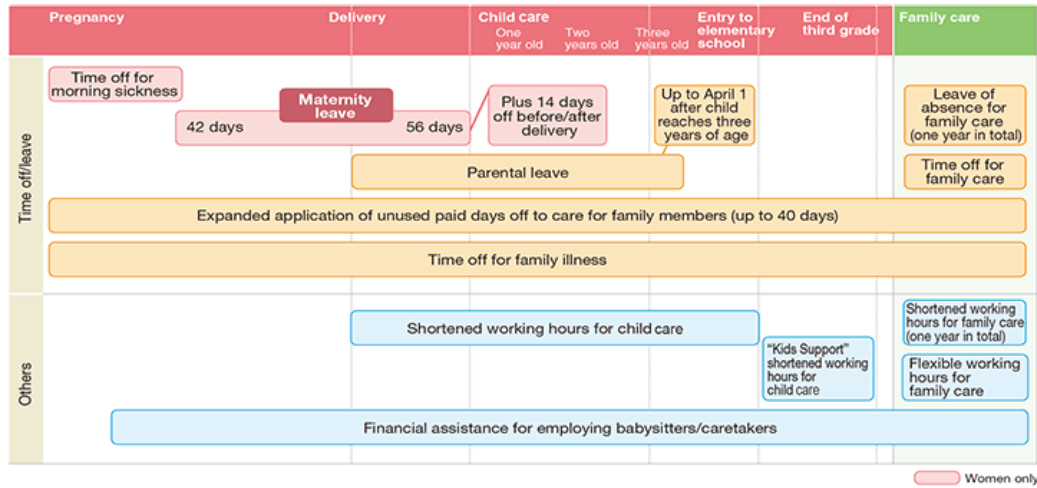
In fiscal 2014, 6 personnel utilized leave of absence for family care. Our personnel are allowed to take leave of up to 1 year for the purpose of attending to any family member who requires care. Enhanced provisions for days off and flexible working hours are also available to help personnel continue 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.

Booklet on balancing work with care for family members

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.



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. In fiscal 2014, 7 personnel utilized this provision.

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.

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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 2014, 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.

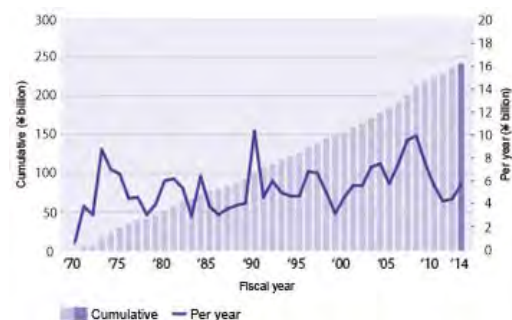
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Environmental and safety data

Expenditure for environment and safety

Investments in modification for environmental protection and safety in fiscal 2014 were as shown below.

Investment in environmental and safety modification



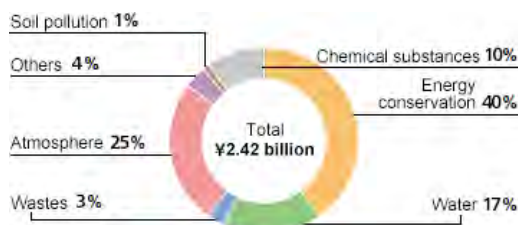
Breakdown of investment

Fiscal year	2010	2011	2012	2013	2014
Environmental	1.96	2.18	1.77	2.16	2.42
Safety	3.63	2.08	2.03	1.75	2.78
Total	5.59	4.26	3.80	3.90	5.20

(¥ billion)

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

FY 2014 environmental investment



FY 2014 safety investment



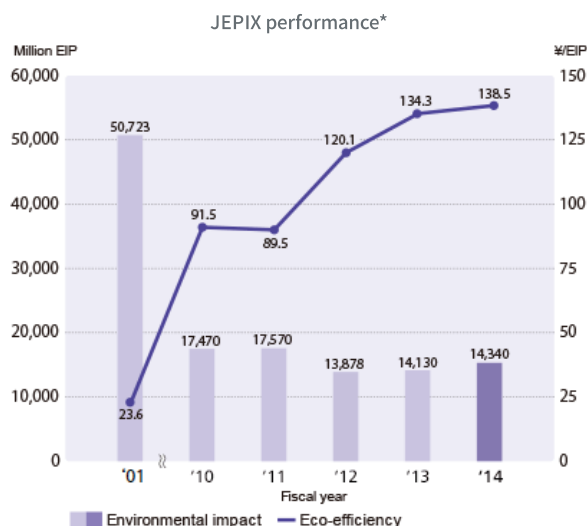
Environmental accounting

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		Total	
	Investment (¥ million)	Expense (¥ million)	Investment (¥ million)	Expense (¥ million)	Investment (¥ million)	Expense (¥ million)	Investment (¥ million)	Expense (¥ million)	Investment (¥ million)	Expense (¥ million)	Investment (¥ million)	Expense (¥ million)
Combined operating area	5,154	4,638	634	2,189	293	76	661	1,107	643	2,256	7,385	10,266
Pollution prevention	2,455	3,263	513	1,516	199	34	320	294	124	113	3,610	5,220
Global environmental protection	1,144	249	50	168	66	14	317	82	371	2,075	1,950	2,588
Resource circulation	1,555	1,126	71	505	0	28	24	731	176	68	1,826	2,458
Upstream and downstream	12	38	0	3	0	0	0	89	1	0	13	130
Management	168	3,278	0	18	0	8	0	64	14	3	182	3,370
Research and development	165	300	0	1	81	15	875	5,341	25	2	1,147	5,660
Community outreach	18	39	5	9	0	0	0	0	0	0	24	48
Environmental damage	2	190	0	0	0	0	0	0	0	0	2	190
Total	5,521	8,483	639	2,221	346	99	1,536	6,602	711	2,261	8,754	19,666

Environmental performance data



* 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	2010	2011	2012	2013	2014
Environmental impact (million EIP)	50,723	17,470	17,570	13,878	14,130	14,340
Sales (¥ million)	1,195,393	1,598,387	1,573,230	1,666,640	1,897,766	1,986,405
Ecoefficiency (¥/EIP)	23.6	91.5	89.5	120.1	134.3	138.5

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	238.0	51.0	33.7	0.0	153.6	148.8	3.7	1.1
Asahi Kasei Homes	6.5	0.3	0.0	0.0	6.2	6.2	0.0	0.0
Asahi Kasei Pharma	0.5	0.0	0.0	0.0	0.5	0.4	0.2	0.0
Asahi Kasei Medical	5.5	0.0	0.0	0.0	5.2	5.2	0.0	0.0
Asahi Kasei Fibers	31.9	10.9	0.0	0.0	21.0	20.9	0.0	0.1
Asahi Kasei Microdevices	1.9	0.0	0.0	0.0	1.9	1.8	0.1	0.0
Asahi Kasei E-materials	19.6	0.0	0.0	0.0	19.6	19.5	0.1	0.0
Asahi Kasei Construction Materials	76.6	52.3	2.7	0.0	21.6	21.4	0.0	0.2
Others	7.7	0.0	0.0	0.0	7.7	7.5	0.0	0.2
FY2014	388.5	114.6	36.4	0.0	237.3	231.7	4.1	1.5
FY2013	386.3	112.4	29.0	0.0	244.7	240.3	3.1	1.3
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
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 2014 off-site final disposal by category of waste*

	Sludge	Plastic waste	Controlled mixed waste	Debris	Others	Total
Volume (thousand tons)	0.0	0.0	0.0	0.2	1.3	1.5
Percent of total	0.0	0.0	0.3	14.8	84.9	100.0

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

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

Fiscal year	(thousand tons)					
	2000	2010	2011	2012	2013	2014
New construction	16.6	0	0	0	0	0
Dismantling	39.1	8.6	11.8	12.3	12.3	12.3
Total	55.7	8.6	11.8	12.3	12.3	12.3

ALC trimmings recycled by Asahi Kasei Construction Materials

Fiscal year	(tons)				
	2010	2011	2012	2013	2014
Hebel™ panels	460	450	520	310	370
Cement material	4,300	4,700	4,200	3,900	3,400
Lightweight artificial soil	20	0	0	0	0
Total	4,800	5,200	4,720	4,210	3,700

Release and transfer of PRTR-specified substances by fiscal year

Fiscal year	(tons)						
	2000	2010	2011	2012	2013	2014	
Release	Air	4,720	620	580	390	400	360
	Water	170	58	94	90	86	80
	Soil	0	0	0	0	0	0
	Total	4,890	680	680	480	490	440
Transfer	2,100	4,400	4,200	3,200	3,300	3,100	

FY 2014 release and transfer of PRTR-specified substances

Core operating company	Sites	Substance	Release to:			Total	Transfer
			Air	Water	Soil		
			(tons)				
Asahi Kasei Chemicals	Nobeoka	1,1-Dichloroethylene (vinylidene chloride)	26	0	0	26	226
		Chloroethylene (vinyl chloride)	10	0	0	10	44
		Chlorodifluoromethane (HCFC-22)	6	0	0	6	0
		Toluene	6	0	0	6	1
		Boron compounds	0	8	0	8	0
	Mizushima	Styrene	29	0	0	29	51
		n-Hexane	60	0	0	60	9
		Molybdenum and its compounds	0	21	0	21	3
		n-Hexane	107	0	0	107	17
		Methyl methacrylate	16	0	0	16	1
Asahi Kasei Homes	Shiga	Xylene	8	0	0	8	0
		Toluene	10	0	0	10	0
Asahi Kasei Microdevices	Nobeoka	Hydrogen fluoride and its water-soluble salts	0	7	0	7	1
Asahi Kasei Fibers	Nobeoka	Water-soluble copper salts (except complex salts)	0	12	0	12	0
	Moriyama	Formaldehyde	6	0	0	6	0
Asahi Kasei E-materials	Moriyama	Dichloromethane (methylene chloride)	13	0	0	13	0
Asahi Kasei Medical	Nobeoka	N,N-dimethylacetamide	11	0	0	11	0

Note: Substances listed are those of which total release was 5 tons or more.

Amounts are rounded to the nearest ton.

VOC* emissions

Fiscal year	2000 baseline year	2010	2011	2012	2013	2014
Volume (tons)	10,400	2,800	2,500	1,300	1,300	1,300
Reduction rate (%)	—	73	76	88	87	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	2010	2011	2012	2013	2014
SOx ¹	tons	6,800	8,100	5,800	6,600	5,700
NOx ²	tons	4,300	4,700	3,700	3,700	3,600
Soot and dust ³	tons	230	250	180	150	180
Waste water effluence	million m ³	210	210	210	210	210
COD ⁴	tons	1,200	1,000	850	800	810
Nitrogen	tons	6,500	6,500	6,200	6,000	5,900
Phosphorus	tons	27	27	25	26	32

FY 2014 release of air and water pollutants by site

	Unit	Nobeoka	Mizushima	Moriyama	Fuji	Ohito	Kawasaki	Others	Total
SOx	tons	5,000	290	0	9	4	7	340	5,700
NOx	tons	1,700	1,700	50	14	30	96	85	3,700
Soot and dust	tons	37	130	2	0	0	16	4	180
Waste water effluence	million m ³	130	36	11	11	0	15	8	210
COD	tons	570	73	9	13	1	100	45	810
Nitrogen	tons	5,400	260	10	67	1	180	5	5,900
Phosphorus	tons	19	3	2	5	0	2	0	32

- 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 (SO₂) is most common, but some sulfur trioxide (SO₃) also forms. The term SOx is inclusive of both of these.
- 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 (NO₂).
- Soot and dust are fine particles formed in the combustion of fuel and other materials.
- 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.

Water usage and effluence

		(million m ³)				
Fiscal year		2010	2011	2012	2013	2014
Domestic	Usage	231	266	268	271	272
	Effluence	210	210	210	210	210
Overseas	Usage	—	—	—	46	57
	Effluence	—	—	—	42	45

Greenhouse gas emissions in Japan by fiscal year
(million tons CO₂ equivalent)

	Index set at Kyoto Protocol (1990)	Baseline (2005)	2010	2011	2012	2013	2014
Carbon dioxide	5.06	4.96	4.59	4.47	3.74	3.77	3.76
Nitrous oxide	6.82	0.76	0.46	0.38	0.19	0.22	0.15
Methane	0	0.01	0	0	0	0	0
HFCs	0.16	0.02	0.02	0.03	0.02	0.03	0.03
PFCs	0.01	0.14	0.15	0.14	0.13	0.12	0.10
Sulfur hexafluoride	0	0.04	0.03	0.03	0.03	0.02	0.01
Nitrogen trifluoride	-	-	-	-	-	-	0
Total	12.06	5.92	5.26	5.05	4.11	4.17	4.06

Overseas CO₂ emissions by fiscal year

	2010	2011	2012	2013	2014
Energy consumed (thousand GJ)	4,295	4,583	4,426	5,420	5,745
CO ₂ emissions (million tons)	0.41	0.43	0.40	0.49	0.67

Calculation standards for greenhouse gas emissions: For greenhouse gases covered by the Act on the Rational Use of Energy and the Act on Promotion of Global Warming Countermeasures, calculations are in accordance with the methods stipulated by these laws. For gases not covered by either law, calculation methods are based on considerations such as chemical reactions.

FY2014 greenhouse gas emissions in Japan by business unit

	(million 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	2.95	0.01	0.03	0.14	0.33	0.09	0.10	0.11	0.02	3.76
Nitrous oxide	0.15	0	0	0	0	0	0	0	0	0.15
Methane	0	0	0	0	0	0	0	0	0	0
HFCs	0.02	0	0	0	0	0	0	0	0	0.03
PFCs	0	0	0	0	0	0.10	0	0	0	0.10
Sulfur hexafluoride	0	0	0	0	0	0.01	0	0	0	0.01
Total	3.13	0.01	0.03	0.14	0.33	0.21	0.10	0.11	0.02	4.06

FY 2014 CO₂ emissions by overseas affiliates

Business Unit	Asahi Kasei Chemicals	Asahi Kasei Medical	Asahi Kas Fibers	Asahi Kasei E-materials	Others	Total
Energy consumed (thousand GJ)	4,255	84	770	626	10	5,745
CO ₂ emissions (million tons)	0.49	0.01	0.10	0.06	0	0.67

CO₂ emissions from product shipment

Core operating companies	FY 2011		FY 2012		FY 2013		FY 2014	
	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	932	50,400	741	42,800	781	44,100	696	44,100
Asahi Kasei Homes	193	22,900	187	23,400	229	26,300	258	29,000
Asahi Kasei Pharma	7	700	6	700	6.8	650	5.9	710
Asahi Kasei Medical	23	1,100	24	1,200	24	1,200	28	1,500
Asahi Kasei Fibers	50	3,900	47	3,800	48	3,800	47	3,800
Asahi Kasei Microdevices	2	1,000	2	800	1.2	690	0.7	650
Asahi Kasei E-materials	6	1,200	6	1,200	7.5	1,500	8.4	1,600
Asahi Kasei Construction Materials	116	10,900	112	10,800	120	10,600	121	11,400
Total	1,329	92,100	1,125	84,500	1,219	88,800	1,165	92,700

Low-pollution vehicles*

Fiscal year		2010	2011	2012	2013	2014
Used on public roads	Low-pollution vehicles	1,024	1,047	1,029	1,046	1,035
	Other vehicles	105	116	89	88	89
	Subtotal	1,129	1,163	1,118	1,134	1,124
Used within plant grounds	Low-pollution vehicles	417	447	251	317	373
	Other vehicles	267	251	448	316	322
	Subtotal	684	698	699	633	695
Total	Low-pollution vehicles	1,441	1,494	1,280	1,363	1,408
	Other vehicles	372	367	537	404	411
	Total vehicles	1,813	1,861	1,817	1,767	1,819
Proportion of low-pollution vehicles (%)	Used on public roads	91	90	92	92	90
	Used within plant grounds	61	64	36	50	54
	Total	79	80	70	77	77

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

* Referenced Guidelines: Our Scope3 GHG emissions are calculated in accordance with the Corporate Value Chain (Scope3) Accounting and Reporting Standard and its technical guidance issued by the GHG Protocol, the Guidance for Accounting & Reporting Corporate GHG Emissions in the Chemical Sector Value Chain issued by the World Business Council for Sustainable Development (WBCSD).

Especially for the emission factors for greenhouse gas (GHG) emissions, we use DATA available in the Carbon footprint Communication Program database issued by Japan Environmental Management Association for Industry and Embodied Energy and Emission Intensity Data for Japan Using Input-Output Tables (3EID) Inventory Data for LCA issued by National Institute for Environmental Studies, Japan.

* Category 1 Purchased goods and services: Calculated by multiplying the amounts of raw materials and services in physical or monetary units purchased by the Asahi Kasei Group in Japan from outside the Group by the respective emission factor for each type of raw material or service.

Lost workday injury indices

		(calendar year)				
		2010	2011	2012	2013	2014
Frequency rate	Asahi Kasei Group	0.27	0.23	0.24	0.40	0.16
	Chemical industry, Japan	0.72	0.88	0.85	0.82	0.76
	Manufacturing industries, Japan	0.98	1.05	1.00	0.94	1.06
Severity rate	Asahi Kasei Group	0.006	0.003	0.31	0.02	0.002
	Chemical industry, Japan	0.04	0.04	0.12	0.12	0.17
	Manufacturing industries, Japan	0.09	0.08	0.10	0.10	0.09

Third-party awards and recognitions in fiscal 2014

Award	Awarded/certified by	Recognition	Recipient organization*
2014 Prize for Science and Technology by the Minister of Education (Development Category)	Minister of Education	Development of electronic compass and automatic adjustment method	Asahi Kasei
2014 Prize for Creativity by the Minister of Education	Minister of Education	Improvement of hydraulic equipment for shut damper in cracking furnace	Asahi Kasei Chemicals
2014 Prize for Creativity by the Minister of Education	Minister of Education	Improvement of productivity by eliminating plant problems	Asahi Kasei Chemicals
2013 Award for Outstanding Paper	Japan Cement Association	Analysis of mechanism of formation of tobermorite, the main component of Hebel™ autoclaved aerated concrete	Asahi Kasei, Asahi Kasei Construction Materials
2013 Lloyds-register Manson Prize	The Japan Institute of Marine Engineering	Technology to reduce NOx emissions from marine diesel engines using nitrogen enrichment and humidification membranes	Asahi Kasei Chemicals (received jointly with National Fisheries University)
2013 Japan Petroleum Institute Award	The Japan Petroleum Institute	Development of gold-nickel oxide (Au-NiOx) nanoparticle catalysts with a core-shell structure	Asahi Kasei, Asahi Kasei Chemicals
2014 NorthFace ScoreBoard Award	Omega Management Group Corp.	Excellence in customer satisfaction	ZOLL Medical Corporation
The 30th Yomiuri Advertising Awards, Grand Prize	Yomiuri Shimbun	"Can you save a life?" advertisement in Creating for Tomorrow series	Asahi Kasei
2014 Heroes of Chemistry Award	The American Chemical Society (ACS)	Technical development and commercialization of the world's first non-phosgene process for polycarbonate (PC)	Asahi Kasei Chemicals
Award for Merit	The Japan Society for Analytical Chemistry	Contribution over many years to analysis of properties and quality control	Asahi Kasei Chemicals
2014 Good Design Award	Japan Institute of Design Promotion	Street-corner Hebel Haus™ Nabeya-Yokocho	Asahi Kasei Homes
2014 TPO Innovative Parts Competition, Interior Category (Materials)	Society of Plastics Engineers	SUNVIEO™ high-performance thermoplastic vulcanizate	Asahi Kasei Chemicals
Green Cross Award	Japan Industrial Safety & Health Association	Exceptional contribution to enhancement of industrial safety and workplace hygiene	Asahi Kasei Chemicals
2014 Energy Conservation Award, Chiyoda Ward Action Plan for Consideration of Global Warming	Chiyoda Ward, Tokyo	Office with outstanding effort for energy conservation	Asahi Kasei
Ranked 3rd in Plastics News Best Places to Work	Plastics News	Among the 10 best places to work in the plastics industry based on information about company benefits and activities and surveys of employee and management input	Sun Plastech Inc.

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

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Correspondence with GRI 3.1 and ISO 26000

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.

Corresponding content in:	Asahi Kasei Report >
ISO26000 Core Subjects and Issues	6.2

1.2 Description of key impacts, risks, and opportunities.

Corresponding content in:	CSR at the Asahi Kasei Group >
ISO26000 Core Subjects and Issues	6.2

2 Organizational Profile

2.1 Name of the organization.

Corresponding content in:	Corporate Profile > Group Companies >
ISO26000 Core Subjects and Issues	

2.2 Primary brands, products, and/or services.

Corresponding content in:	Asahi Kasei Products and Technologies in Everyday Life > Products >
ISO26000 Core Subjects and Issues	

2.3 Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.

Corresponding content in:	Group Companies > Asahi Kasei Worldwide >
ISO26000 Core Subjects and Issues	6.2

2.4 Location of organization's headquarters.

Corresponding content in:	Corporate Profile >
ISO26000 Core Subjects and Issues	

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.

Corresponding content in:	Global Network >
ISO26000 Core Subjects and Issues	

2.6 Nature of ownership and legal form.

Corresponding content in:	Group Companies > Corporate Governance >
ISO26000 Core Subjects and Issues	

2.7 Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).

Corresponding content in:	Asahi Kasei Worldwide > Asahi Kasei Products and Technologies in Everyday Life >
ISO26000 Core Subjects and Issues	

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.

Corresponding content in:	Financial Data >
ISO26000 Core Subjects and Issues	

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).

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

2.10 Awards received in the reporting period.

Corresponding content in:	Environmental and safety data >
ISO26000 Core Subjects and Issues	

3 Report Parameters

Report Profile

3.1 Reporting period (e.g., fiscal/calendar year) for information provided.

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

3.2 Date of most recent previous report (if any).

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

3.3 Reporting cycle (annual, biennial, etc.)

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

3.4 Contact point for questions regarding the report or its contents.

Corresponding content in:	Product and business inquiries >
ISO26000 Core Subjects and Issues	

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.

Corresponding content in:	Editorial policy > CSR at the Asahi Kasei Group >
ISO26000 Core Subjects and Issues	

3.6 Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

3.7 State any specific limitations on the scope or boundary of the report.

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

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.

Corresponding content in:	Editorial policy >
ISO26000 Core Subjects and Issues	

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.

Corresponding content in:	Environmental and safety data >
ISO26000 Core Subjects and Issues	

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).

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

3.11 Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

GRI content index

3.12 Table identifying the location of the Standard Disclosures in the report.

Corresponding content in:	Correspondence with GRI 3.1 and ISO 26000 >
ISO26000 Core Subjects and Issues	

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).

Corresponding content in:	Independent review and report >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Corporate Governance >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Corporate Governance >
ISO26000 Core Subjects and Issues	6.2

4.4 Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.

Corresponding content in:	Compliance system >
ISO26000 Core Subjects and Issues	6.2

4.6 Processes in place for the highest governance body to ensure conflicts of interest are avoided.

Corresponding content in:	Corporate Governance >
ISO26000 Core Subjects and Issues	6.2

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.

Corresponding content in:	Corporate Governance >
ISO26000 Core Subjects and Issues	6.2

4.8 Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.

Corresponding content in:	Group Philosophy > CSR at the Asahi Kasei Group > Compliance system > Responsible Care at Asahi Kasei > Supplier relationships > Community fellowship > Respect for Employee Individuality >
ISO26000 Core Subjects and Issues	6.2

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.

Corresponding content in:	CSR > CSR at the Asahi Kasei Group >
ISO26000 Core Subjects and Issues	6.2

4.10 Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.

Corresponding content in:	Corporate Governance >
ISO26000 Core Subjects and Issues	6.2

Commitments to External Initiatives

4.11 Explanation of whether and how the precautionary approach or principle is addressed by the organization.

Corresponding content in:	CSR at the Asahi Kasei Group > Compliance > Responsible Care at Asahi Kasei >
ISO26000 Core Subjects and Issues	6.2

4.12 Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.

Corresponding content in:	CSR > Managing chemical substances > Biodiversity >
ISO26000 Core Subjects and Issues	6.2

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.

Corresponding content in:	Responsible Care at Asahi Kasei > Managing chemical substances >
ISO26000 Core Subjects and Issues	6.2

Stakeholder Engagement

4.14 List of stakeholder groups engaged by the organization.

Corresponding content in:	CSR at the Asahi Kasei Group > Stakeholder dialog >
ISO26000 Core Subjects and Issues	6.2

4.16 Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.

Corresponding content in:	Stakeholder dialog >
ISO26000 Core Subjects and Issues	6.2

4.17 Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.

Corresponding content in:	Corporate citizenship >
ISO26000 Core Subjects and Issues	6.2

5 Management Approach and Performance Indicators

Economic

Disclosure on Management Approach

Corresponding content in:	Strategic Management Initiative ▶
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Financial Data ▶
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Global environmental policy ▶
ISO26000 Core Subjects and Issues	6.5.5

EC4 CORE Significant financial assistance received from government.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

ASPECT: Market Presence

EC6 CORE Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.

Corresponding content in:	Supplier relationships >
ISO26000 Core Subjects and Issues	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 probono engagement.

Corresponding content in:	Public outreach > Community fellowship >
ISO26000 Core Subjects and Issues	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

Corresponding content in:	Responsible Care at Asahi Kasei >
ISO26000 Core Subjects and Issues	6.2 6.5

ASPECT: Materials

EN1 CORE Materials used by weight or volume.

Corresponding content in:	Environmental protection >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN2 CORE Percentage of materials used that are recycled input materials.

Corresponding content in:	Recycling >
ISO26000 Core Subjects and Issues	6.5 6.5.4

ASPECT: Energy

EN3 CORE Direct energy consumption by primary energy source.

Corresponding content in:	Environmental protection >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN4 CORE Indirect energy consumption by primary source.

Corresponding content in:	Environmental protection >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN5 ADD Energy saved due to conservation and efficiency improvements.

Corresponding content in:	Low-carbon society >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN6 ADD Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives

Corresponding content in:	Low-carbon society >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN7 ADD Initiatives to reduce indirect energy consumption and reductions achieved.

Corresponding content in:	Low-carbon society >
ISO26000 Core Subjects and Issues	6.5 6.5.4

ASPECT: Water

EN8 CORE Total water withdrawal by source.

Corresponding content in:	Environmental protection >
ISO26000 Core Subjects and Issues	6.5 6.5.4

EN9 ADD Water sources significantly affected by withdrawal of water.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.4

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Biodiversity >
ISO26000 Core Subjects and Issues	6.5 6.5.6

EN13 ADD Habitats protected or restored.

Corresponding content in:	Biodiversity >
ISO26000 Core Subjects and Issues	6.5 6.5.6

EN14 ADD Strategies, current actions, and future plans for managing impacts on biodiversity.

Corresponding content in:	Biodiversity >
ISO26000 Core Subjects and Issues	6.5 6.5.6

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.6

ASPECT: Emissions, Effluents, and Waste

EN16 CORE Total direct and indirect greenhouse gas emissions by weight.

Corresponding content in:	Environmental protection > Low-carbon society > Environmental and safety data >
ISO26000 Core Subjects and Issues	6.5 6.5.5

EN17 CORE Other relevant indirect greenhouse gas emissions by weight.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.5

EN18 ADD Initiatives to reduce greenhouse gas emissions and reductions achieved.

Corresponding content in:	Global environmental policy > Low-carbon society > Environmental and safety data >
ISO26000 Core Subjects and Issues	6.5 6.5.5

EN19 CORE Emissions of ozone-depleting substances by weight.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.3

EN20 CORE NO, SO, and other significant air emissions by type and weight.

Corresponding content in:	Environmental protection > Air and water > Environmental and safety data >
ISO26000 Core Subjects and Issues	6.5 6.5.3

EN21 CORE Total water discharge by quality and destination.

Corresponding content in:	Environmental protection > Air and water > Environmental and safety data >
ISO26000 Core Subjects and Issues	6.5 6.5.3

EN22 CORE Total weight of waste by type and disposal method.

Corresponding content in:	Recycling > Environmental safety data >
ISO26000 Core Subjects and Issues	6.5 6.5.3

EN23 CORE Total number and volume of significant spills.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.3

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.5 6.5.3

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Low-carbon society >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Recycling > Environmental and safety data >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Low-carbon society >
ISO26000 Core Subjects and Issues	6.5 6.5.4 6.6.6

ASPECT: Overall

EN30 ADD Total environmental protection expenditures and investments by type.

Corresponding content in:	Environmental and safety data >
ISO26000 Core Subjects and Issues	6.5

Labor Practices and Decent Work

Disclosure on Management Approach

Corresponding content in:	Workplace safety and hygiene > Respect for Employee Individuality >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Valuing human rights and diversity >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Human resources development > Balancing work and family life >
ISO26000 Core Subjects and Issues	6.4 6.4.3 6.4.4

LA15 CORE Return to work and retention rates after parental leave, by gender.

Corresponding content in:	Balancing work and family life >
ISO26000 Core Subjects and Issues	

ASPECT: Occupational Health and Safety

LA6 ADD Percentage of total workforce represented in formal joint managementworker health and safety committees that help monitor and advise on occupational health and safety programs.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.4 6.4.6

LA7 CORE Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities, by region and by gender.

Corresponding content in:	Workplace safety and hygiene >
ISO26000 Core Subjects and Issues	6.4 6.4.6

LA8 CORE Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.

Corresponding content in:	Health maintenance >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Workplace safety and hygiene >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Human resources development >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Valuing human rights and diversity >
ISO26000 Core Subjects and Issues	6.3.7 6.3.10 6.4 6.4.3

Human Rights

Disclosure on Management Approach

Corresponding content in:	Valuing human rights and diversity >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.3 6.3.6 6.3.7 6.3.10 6.4.3

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

ASPECT: Remediation

HR11 CORE Number of grievances related to human rights filed, addressed and resolved through formal grievance mechanisms.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

Society

Disclosure on Management Approach

Corresponding content in:	Corporate citizenship >
ISO26000 Core Subjects and Issues	6.2 6.6 6.8

ASPECT: Local Communities

SO1 CORE Percentage of operations with implemented local community engagement, impact assessments, and development programs.

Corresponding content in:	Public outreach > Community fellowship >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

SO10 CORE Prevention and mitigation measures implemented in operations with significant potential or actual negative impacts on local communities.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	

ASPECT: Anti-Competitive Behavior

SO7 ADD Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.

Corresponding content in:	Compliance system >
ISO26000 Core Subjects and Issues	6.6 6.6.5 6.6.7

ASPECT: Compliance

S08 CORE Monetary value of significant fines and total number of non-monetary sanctions for noncompliance with laws and regulations.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.6 6.6.7 6.8.7

Product Responsibility

Disclosure on Management Approach

Corresponding content in:	Product safety >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Product safety >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Product safety >
ISO26000 Core Subjects and Issues	6.3.9 6.6.6 6.7 6.7.4 6.7.5

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.

Corresponding content in:	Managing chemical substances >
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9

PR5 ADD Practices related to customer satisfaction, including results of surveys measuring customer satisfaction.

Corresponding content in:	Customer relations >
ISO26000 Core Subjects and Issues	6.7 6.7.3 6.7.4 6.7.5 6.7.6 6.7.9

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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	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.

Corresponding content in:	Not applicable
ISO26000 Core Subjects and Issues	6.7 6.7.6

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

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.

Independent review and report

An independent review and independent report with respect to the Asahi Kasei Group CSR Report are available below.

Independent Review (Japan Chemical Industry Association)

[translation from Japanese]

Asahi Kasei Group CSR Report 2015 Internet Edition
Independent Review

August 7, 2015

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 2015 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 Moriyama 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 Moriyama 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
 - Respect for employee individuality is held as a foundation for growth and development for both the individual and the company, and concrete actions are proactively advanced for human resources development, balancing work and family life, and valuing human rights and diversity.

- For operational safety and accident prevention, hazards of fire, explosion, and leaks are monitored, a check-sheet is used to prevent abnormal reactions and confirm interlock functions, and quantitative analysis and on-site inspection are used to ensure continuous improvement.
 - Key personnel for RC and assistant managers are given training with an enriched textbook continuously over a period of several days.
 - The General Manager of the Moriyama Office promotes a policy of "Visualization and More" to enable the normal condition to be understood with one look, with the understanding of principles and the compliance with rules advanced with all employees together. It is expected that this effort will be further reinforced and advanced.
 - The Moriyama Office issues a CSR Report every year to enhance dialog with the community, describing its wide-ranging activities including efforts to reduce odors and noise as well as efforts for biodiversity.
- 4) Characteristics of the Report
- With the *Annual Report* and *CSR Report* integrated into a single *Asahi Kasei Report*, this is the second year for the *CSR Report* to be issued as an internet edition with details of RC and CSR activities with consideration given to accessibility of content and ease of understanding.
 - The Report contains detailed descriptions of Corporate Citizenship activities and contributions to customers, the community, and the environment in each region.

Independent Assurance Report (KPMG AZSA Sustainability Co., Ltd.)



Independent Assurance Report

To the President & Representative Director of Asahi Kasei Corp.

We were engaged by Asahi Kasei Corp. (the "Company") to undertake a limited assurance engagement of the Asahi Kasei Group's greenhouse gas emissions (in Scopes 1 and 2) in Japan for the period from April 1, 2014 to March 31, 2015 (the "GHG emissions") included in the Company's website found under www.asahi-kasei.co.jp/asahi/en/csr/ (the "Website").

The Company's Responsibility

The Company is responsible for the preparation of the GHG emissions in accordance with its own reporting criteria (the "Company's reporting criteria"), as described in the Website.

Our Responsibility

Our responsibility is to express a limited assurance conclusion on the GHG emissions based on the procedures we have performed. We conducted our engagement in accordance with 'International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements other than Audits or Reviews of Historical Financial Information', 'ISAE 3410, Assurance Engagements on Greenhouse Gas Statements', issued by the International Auditing and Assurance Standards Board, and the 'Practical Guidelines for the Assurance of Sustainability Information' of the Japanese Association of Assurance Organizations for Sustainability Information. The limited assurance engagement consisted of making inquiries, primarily of persons responsible for the preparation of information presented in the Website, and applying analytical and other procedures, and the procedures performed vary in nature from, and are less in extent than for, a reasonable assurance engagement. The level of assurance provided is thus not as high as that provided by a reasonable assurance engagement. Our assurance procedures included:

- Interviewing with the Company's responsible personnel to obtain an understanding of its policy for the preparation of the Website and reviewing the Company's reporting criteria.
- Inquiring about the design of the systems and methods used to collect and process the GHG emissions.
- Performing analytical reviews of the GHG emissions.
- Examining, on a test basis, evidence supporting the generation, aggregation and reporting of the GHG emissions in conformity with the Company's reporting criteria, and also recalculating the GHG emissions.
- Visiting to the Atago Plant of Asahi Kasei Chemicals Corp. selected on the basis of a risk analysis.
- Evaluating the overall statement in which the GHG emissions are expressed.

Conclusion

Based on the procedures performed, as described above, nothing has come to our attention that causes us to believe that the GHG emissions in the Website are not prepared, in all material respects, in accordance with the Company's reporting criteria as described in the Website.

Our Independence and Quality Control

We have complied with the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which includes independence and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. In accordance with International Standard on Quality Control 1, we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

KPMG AZSA Sustainability Co., Ltd.

KPMG AZSA Sustainability Co., Ltd.
Tokyo, Japan
January 26, 2016

Asahi Kasei Corporation merged with three of its core operating companies, Asahi Kasei Chemicals, Asahi Kasei Fibers, and Asahi Kasei E-materials, on April 1, 2016.