### Basic Credo of the Asahi Kasei Group

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

#### Guiding precepts
We will...

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

### CSR at the Asahi Kasei Group

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

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

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

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

The Asahi Kasei heritage for CSR

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

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

Environmentally and socially responsible business operations

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

Tasks ahead

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

Growth Action – 2010

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

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

Asahi Kasei Group overview

Support for the Global Compact

Asahi Kasei supports the UN’s Global Compact and its ten universal principles. See p63.
Holding company/core operating company structure

The Asahi Kasei Group is structured with Asahi Kasei Corp. as holding company and Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei EMD Corp., and Asahi Kasei Construction Materials Corp. as core operating companies focused on specific industry fields. The six core operating companies enjoy broad independence and autonomy to swiftly adapt and respond to changes in the operating environment. The holding company is focused on strategic planning & analysis, administration of resources, oversight of management execution, and development of new businesses which extend beyond the scope of any single operating segment.

Asahi Kasei products and technologies in everyday life

- Pharmaceutical: Elcitonin™, Bredinin™, Flivas™, Toledomin™, and other pharmaceuticals, pharmaceutical intermediates, functional food additives, diagnostic reagents, AP™ artificial kidneys, Sepacell™ leukocyte reduction filters, Cellsorba™ leukocyte adsorption columns, Planova™ virus removal filters.
- Engineering: Roica™ elastic polyurethane filament, Eltas™ spunbond, Lamous™ artificial suede and other nonwovens, Bemberg™ cupro cellulosic fiber, polyester filament.
- Construction: Hebel™ autoclaved lightweight concrete (ALC) panels, steel-frame structural components, piles and foundation systems, Neoma™ foam insulation panels.
- Electronics & Devices: Pimel™ photosensitive polyimide precursor (PSPI), Sunfort™ dry film photoresist, photomask pellicles, Luminous™ plastic optical fiber, fine-pattern coils, LSIs, Hall elements, glass fabric.
- Services, Engineering & Others: Plant engineering, environmental engineering, personnel staffing and placement, think tank services.

Major products by operating segment

**Chemicals and derivative products**
- Ammonia, nitric acid, caustic soda, acrylonitrile (AN), styrene, adipic acid, methyl methacrylate (MMA), poly(methyl methacrylate) (PMMA).
- Polymers products:
  - Sunlon™ polyethylene (PE), Stylen™ styrene-acrylonitrile, Stylac™ ABS acrylonitrile-butadiene-styrene.
  - Synthetic rubber and elastomer, Tenac™ polyacetal, Xyron™ modified polyphenylene ether (mPPE), Leona™ nylon 66 polyamide and filament.
- Specialty products:
  - Coating materials, Ceolus™ microcrystalline cellulose, explosives, explosion-bonded metal clad, AP™ photosensitive resin, AP™ photosensitive plates, printing plate making systems.
  - Microza™ UF and MF membranes and systems, Xyron™ microporous membranes, ion-exchange membranes and electrolysis systems.
  - Saran Wrap™ cling film, Ziploc™ storage bags, plastic film, sheet, and foam.

**Homes**
- Hebel Haus™ units, Hebel Maison™ apartments, condominiums, remodeling, real estate, residential land development, home financing.

**Pharma**
- Elcitonin™, Bredinin™, Flivas™, Toledomin™, and other pharmaceuticals, pharmaceutical intermediates.

**Fibers**
- Roica™ elastic polyurethane filament, Eltas™ spunbond, Lamous™ artificial suede.

**Electronics Materials & Devices**
- Pimel™ photosensitive polyimide precursor (PSPI), Sunfort™ dry film photoresist, photomask pellicles, Luminous™ plastic optical fiber.

**Construction Materials**
- Hebel™ autoclaved lightweight concrete (ALC) panels, steel-frame structural components, piles and foundation systems, Neoma™ foam insulation panels.
Geographical information

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

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Compliance ......................................................................... 12
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Corporate governance ......................................................... 15
CSR Fundamentals

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

Organizational framework for CSR

Corporate Ethics Committee
- Preparation of Basic Policy and Code of Conduct for corporate ethics
- Advancement of ethics education and operation of compliance hotline

Responsible Care Committee
- Environmental protection, product safety, operational safety, workplace safety and hygiene, health maintenance, and community outreach

Market Compliance Committee
- Compliance with Antimonopoly Law and prevention of violation

Export Control Committee*
- Compliance with export-related regulations and prevention of violation

Risk Management Committee
- Crisis prevention and damage minimization

Community Fellowship Committee
- Advancement of community fellowship activities

Structure and organization for CSR

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

Notable CSR actions, results, and plans

<table>
<thead>
<tr>
<th>Notable actions and results in FY 2007</th>
<th>Plans for FY 2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>General, Compliance</td>
<td></td>
</tr>
<tr>
<td>Preparation of Internal control system</td>
<td>Application of Internal Control System</td>
</tr>
<tr>
<td>Revision of Corporate Ethics – Basic Policy and Code of Conduct for Chinese subsidiaries and affiliates</td>
<td>Formulation of Crisis Management Regulations for crisis response measures</td>
</tr>
<tr>
<td>Formulation of guidelines for risk management</td>
<td>Operation of Compliance Hotline</td>
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<tr>
<td>Adoption of a business continuity plan (BCP)</td>
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<tr>
<td>Introduction of a system to confirm the safety of personnel in the event of a major earthquake in the Kanto area</td>
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<tr>
<td>Respect for employee individuality</td>
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<tr>
<td>Implementation of new system for human resource development in accordance with the Human Resource Credo</td>
<td>Adoption of new remuneration system for managers</td>
</tr>
<tr>
<td>Discussions on appropriate working hours in management and labor union representatives; adoption of working hours management system and provision of relevant brochures to raise awareness of working hours</td>
<td>Increased hiring of people in mid-career</td>
</tr>
<tr>
<td>Utilisation of parental leave by 268 male and 141 female employees</td>
<td>Promotion of balance between work and private life</td>
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<tr>
<td>Open Office Day held in Tokyo for children of employees to visit the workplace and take part in science experiments</td>
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<tr>
<td>Responsible Care</td>
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<td>See p. 19</td>
<td>See p. 19</td>
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<tr>
<td>Corporate Citizenship</td>
<td></td>
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<tr>
<td>Information disclosure</td>
<td>Sustainable and enhancing of communication with stakeholders</td>
</tr>
<tr>
<td>Meetings with analysts and institutional investors with cumulative attendance of 1,424</td>
<td></td>
</tr>
<tr>
<td>Seminars for 1,635 individual investors</td>
<td></td>
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<tr>
<td>Periodic meetings with community members and suppliers at each production site</td>
<td></td>
</tr>
<tr>
<td>Publication of CSR report</td>
<td></td>
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<tr>
<td>Frequent postings of non-financial information on corporate website</td>
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<tr>
<td>Publication of Annual Report</td>
<td></td>
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<tr>
<td>Community fellowship</td>
<td></td>
</tr>
<tr>
<td>Our engineers performed guest lectures at middle schools for some 1,000 students</td>
<td>Enhancement of energy conservation at office sites</td>
</tr>
<tr>
<td>Internships for college/graduate students</td>
<td>Encouragement of measures to reduce CO2 emissions at employee homes</td>
</tr>
<tr>
<td>Sponsorship of Golden Games in Nobeoka</td>
<td>Science laboratories and guest lectures at schools in accordance with the Basic Framework &quot;Education and development of the next generation&quot;</td>
</tr>
<tr>
<td>5 year’s planting program promoted by Miyazaki Prefecture</td>
<td>Holding workplace visits at Tokyo head office</td>
</tr>
</tbody>
</table>

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

Yujii Mizuno
Secretary, CSR Council
Director, Executive Officer
Asahi Kasei Corp.
Compliance

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

Corporate Ethics – Basic Policy and Code of Conduct

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

Compliance monitoring by the Corporate Ethics Committee

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

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

Compliance with subcontracting law

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

Protection of personal information

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

Prevention of antimonopoly violation by the Market Compliance Committee

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

Compliance with subcontracting law

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Arrest of former employee for misappropriation of funds

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

Asahi Kasei Group CSR Report 2008
Risk management

**Risk Management Committee**

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

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

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

**Corporate Risk Management**

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

**Adoption of Shareholder Rights Plan**

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

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

Corporate governance

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

**Corporate Governance System**

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

**Board of Directors**

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

**Group Advisory Committee**

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

**Strategic Management Council**

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

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

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

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

Notable developments

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

Membership of Group Advisory Committee as of April 1, 2008

<table>
<thead>
<tr>
<th>External Members</th>
<th>Internal Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Norio Wada</td>
<td>Nobuo Yamaguchi</td>
</tr>
<tr>
<td>Masumi Shinashi</td>
<td>Shiro Hiruta</td>
</tr>
<tr>
<td>Akio Makabe</td>
<td>Ichiro Ito</td>
</tr>
<tr>
<td>Morio Ikeda</td>
<td>Director and Chairman, Nippon Telegraph and Telephone Corp.</td>
</tr>
<tr>
<td>Koji Kobayashi</td>
<td>Chairman of the Board &amp; Representative Director, Asahi Kasei Corp.</td>
</tr>
<tr>
<td></td>
<td>President &amp; Representative Director, Presidential Executive Officer, Asahi Kasei Corp.</td>
</tr>
<tr>
<td></td>
<td>Director, Vice- Presidential Executive Officer, Asahi Kasei Corp.</td>
</tr>
<tr>
<td>Masumi Shinashi</td>
<td>Professor, Faculty of Policy Studies, Kansai University</td>
</tr>
<tr>
<td>Akio Makabe</td>
<td>Professor, Faculty of Economics, Shinshu University</td>
</tr>
<tr>
<td>Morio Ikeda</td>
<td>Senior Advisor, Shiseido Corp.</td>
</tr>
<tr>
<td>Koji Kobayashi</td>
<td>Koji Kobayashi, CPA, Professor, Graduate School of Chuo University; Guest Professor, Graduate School of Aoyama Gakuin University</td>
</tr>
</tbody>
</table>

Implementation of Internal Control System under Financial Instruments and Exchange Law

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

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

Throughout the product life-cycle from R&D to disposal, utmost consideration is given to environmental preservation, product safety, operational safety, workplace hygiene and health as preeminent management tasks in all operations worldwide. 
- Environmental preservation is achieved by ameliorating the environmental burden of operations while giving full consideration to the environment in the development of new technologies and products. 
- Product safety is ensured by evaluating the safety of products and providing safety information. 
- The safety of personnel and members of the community is secured through endeavors to maintain stable operation and improve technologies for safety and disaster prevention. 
- Workplace accidents are prevented through improvements to the workplace environment and plant modifications to achieve inherent safety. 
- Maintenance and promotion of employee health is supported by efforts to achieve a comfortable workplace environment. 

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

June 4, 2002
RC Management System

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

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

PDCA flow for RC

<table>
<thead>
<tr>
<th>Holding company</th>
<th>Core operating companies</th>
</tr>
</thead>
<tbody>
<tr>
<td>President</td>
<td>Executive for RC</td>
</tr>
<tr>
<td>RC Committee</td>
<td>RC Committee</td>
</tr>
<tr>
<td>Fuji Region General Manager</td>
<td>Presidents of core operating companies</td>
</tr>
<tr>
<td>Nobeoka Region General Manager</td>
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<tr>
<td>Moriyama Region General Manager</td>
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<tr>
<td>New Business Development General Manager</td>
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</table>

RC education and training

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

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

RC Symposums

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

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

Main environmental aspects, FY 2007

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

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

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

Greenhouse gas emissions

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

Renewable energy

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


Curtailing greenhouse gas emissions

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Curtailing greenhouse gas emissions

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

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

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

Greenhouse gas emissions

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

Renewable energy

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Alleviating the environmental effects of physical distribution

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

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

Measures to alleviate environmental effects of physical distribution

- **Improving unit energy consumption in shipment**
  - Increasing sales lot sizes
  - Transport mode changeover to roll-on/roll-off ships, ferries, and rail
  - Mixed loading of materials for home construction

- **Reduction of energy consumption by shortening shipment distances**
  - Product swaps with other producers
  - Repositioning of stock points for optimal distribution
  - Sharing of pallets with other producers to shorten empty pallet return distances

- **Reduction of energy consumption in storage**
  - Direct shipment to users
  - Direct reloading from large trucks to smaller trucks, without temporary warehousing

- **Use of returnable packaging to reduce material waste**
  - Shipment of resins in flexible containers or bulk
  - Use of intermodal containers, owned by Asahi Kasei and by shippers

- **Promotion of energy conservation by firms contracted for physical distribution through physical distribution safety conferences and inspections**
  - Compliance with environmental laws and regulations
  - Advancement of ISO certification
  - Promotion of energy-efficient driving practices
  - Conversion to energy-efficient transportation modes
  - Promotion of efficient loading

Company-owned vehicles

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

Industrial waste

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

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

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

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

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

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

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

Final disposal of industrial waste generated at construction sites

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

ISO 14001 certification

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

Prevention of polluting accidents
Despite the Asahi Kasei Group’s standing commitment and constant effort to prevent any accident involving general or local environmental pollution, one such accident occurred in fiscal 2007, at a brief leakage of plant waste water of abnormally low pH into the adjacent river. Since the occurrence of this accident in September 2007, the neutralizing systems at all of our plants throughout Japan were inspected and if necessary, repair or modification was made to prevent future occurrence of any similar accident.

Reduction of hazardous chemical release
The Asahi Kasei Group monitors the release and transfer of PRTR-specified substances defined by the PRTR Law and substances designated for PRTR by the Japan Chemical Industry Association (JCIA). Priority for reduction is based on degree of hazardousness and amount of release. As shown in the graph below, release of PRTR-specified substances was reduced by 30% from the fiscal 2006 level and that of priority atmospheric pollutants was reduced by 27%. Emission of VOCs in fiscal 2007 was on par with the previous year, 61% lower than in the baseline year of fiscal 2000.

ISO 14001 certification

Plants with ISO 14001 certification

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

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

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


Preventing air pollution

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

二氧化硫排放

<table>
<thead>
<tr>
<th>财政年度</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>二氧化硫排放量（吨）</td>
<td>1,073</td>
<td>1,059</td>
<td>1,308</td>
<td>1,358</td>
<td>1,389</td>
<td>1,329</td>
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氮氧化物排放

<table>
<thead>
<tr>
<th>财政年度</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
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<tr>
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颗粒物排放

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<tr>
<th>财政年度</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>颗粒物排放量（吨）</td>
<td>283</td>
<td>231</td>
<td>221</td>
<td>231</td>
<td>200</td>
<td>200</td>
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</table>

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

Preventing water pollution

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

化学需氧量排放

<table>
<thead>
<tr>
<th>财政年度</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
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<tbody>
<tr>
<td>化学需氧量排放量（吨）</td>
<td>1,361</td>
<td>1,382</td>
<td>1,397</td>
<td>1,393</td>
<td>1,393</td>
<td>1,381</td>
</tr>
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</table>

废水排放

<table>
<thead>
<tr>
<th>财政年度</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>废水量（百万立方米）</td>
<td>1,481</td>
<td>1,502</td>
<td>1,508</td>
<td>1,506</td>
<td>1,508</td>
<td>1,506</td>
</tr>
</tbody>
</table>

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

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

Soil and groundwater contamination

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

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

Green Procurement

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

Stratospheric ozone layer-depleting substances

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

Biodiversity

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

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

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

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

Management of operational safety

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

Asahi Kasei Group plant safety management system

Pre-investment inspection system

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

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

System for inspection prior to capital investment

Safety assessment

Step 1 Preparation of necessary documents and materials
Step 2 Qualitative evaluation
Step 3 Quantitative evaluation
Step 4 Hazard rank 1 Comprehensive process risk assessment (logically premised problems) *EHS* or SEIS *FMEA* *7S*
Step 5 Hazard rank 2 Simplified process risk assessment (field supporting) *Analysis problem scenario system* *Fault trees*
Step 6 Hazard rank 3 Simplified process risk assessment (performed as necessary)

Chemical plant inspection

Pre-investment inspection system

1. Setting basic maintenance policy
2. Defining equipment subject to maintenance
3. Comprehensive evaluation of importance, setting ranking standards
4. Evaluation of importance of plant safety, setting ranking standards
5. Ranking plant safety elements by importance
6. Identification of equipment to be specified for added safety
7. Identification of elements of equipment specified for added safety subject to maintenance
8. Clarification of necessity for maintenance of each element subject to maintenance
9. Defining maintenance work operations for each element subject to maintenance
10. Designating personnel for maintenance work for each element subject to maintenance
11. Determining period for maintenance work for each element subject to maintenance
12. Defining maintenance procedure for each element subject to maintenance
13. Preparation of mid-term maintenance plan for each element subject to maintenance

Safe, stable plant operation

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

13 systematic maintenance steps for plant safety

01. Setting basic maintenance policy
02. Defining equipment subject to maintenance
03. Comprehensive evaluation of importance, setting ranking standards
04. Evaluation of importance of plant safety, setting ranking standards
05. Ranking plant safety elements by importance
06. Identification of equipment to be specified for added safety
07. Identification of elements of equipment specified for added safety subject to maintenance
08. Clarification of necessity for maintenance of each element subject to maintenance
09. Defining maintenance work operations for each element subject to maintenance
10. Designating personnel for maintenance work for each element subject to maintenance
11. Determining period for maintenance work for each element subject to maintenance
12. Defining maintenance procedure for each element subject to maintenance
13. Preparation of mid-term maintenance plan for each element subject to maintenance
Preparation for emergency situations
A comprehensive set of internal regulations guides the proper response to any industrial accidents or natural disasters which occur. The smooth operation of the emergency response system ensures that personal safety is secured, that effects of the situation are prevented from spreading to surrounding areas, and that damage is held to a minimum, through close communication between the plants, regional management, and the head office.

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

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

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

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

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

Preventing workplace accidents
We did not achieve our targets for frequency rate and severity rate in fiscal 2007. Accidents in the category of “caught in or compressed or crushed” accounted for 50% of all injuries. The various production sites are implementing measures through OHSMS to reduce risks in plant operation and to identify potential hazards. Particular emphasis is placed on prevention of the “caught in or compressed or crushed” category of accident, which is likely to cause severe injury.
The effort for workplace safety includes the Asahi Safety Training curriculum, initiatives for reporting of near-accidents and potential hazards, case studies of workplace injury, safety patrols, and safety symposiums. The result has been a steadily declining trend in our frequency rate for lost-workday injuries, which is now about one sixth what it was in 1975. In recent years, however, we have not been able to consistently meet our extremely demanding target. We are adopting OHSMS in an effort to obtain better safety performance in line with our targets.

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

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

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

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

Where radioisotopes are present, radiation dose rates are maintained below regulatory limits, with measurement results reported each year to Japan’s Office for Radiation Regulations. Records of noise and heat exposure data for each individual are maintained to enable exposure to be managed and minimized. We are advancing plant modification and review course of our work to reduce the noise generation and heat emission.

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

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

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

**Personal diet management system**

1. Uploading digital photos of meals
2. Analysis of meals
3. Preparation of advice
4. Receipt of results of analysis and advice

**Baselines for health warning signs**

<table>
<thead>
<tr>
<th>Measurement</th>
<th>Baseline</th>
</tr>
</thead>
<tbody>
<tr>
<td>Blood pressure</td>
<td>Systolic 140 mmHg</td>
</tr>
<tr>
<td>Total cholesterol (CHC)</td>
<td>240 mg/dL</td>
</tr>
<tr>
<td>Total triglycerides (TG)</td>
<td>180 mg/dL</td>
</tr>
<tr>
<td>Fasting blood sugar (FBS)</td>
<td>110 mg/dL</td>
</tr>
<tr>
<td>HbA1c</td>
<td>5.9%</td>
</tr>
<tr>
<td>Total protein (TP)</td>
<td>80 g/L</td>
</tr>
<tr>
<td>Uric acid (UR)</td>
<td>7.0 mg/dL</td>
</tr>
<tr>
<td>BMI</td>
<td>25</td>
</tr>
</tbody>
</table>

- **Reducing health warning signs**
  
  In fiscal 2007, the proportion of our personnel for whom one or more health warning signs were found was largely unchanged from the previous year.
  
  We are expanding the use of our internet-based personal diet management system as part of the effort to promote employee health and fitness. Diet management is believed to be an effective approach to countering so-called “metabolic syndrome.” The system is featured in a campaign to counter metabolic syndrome at the Sakai Plant of Asahi Kasei Construction Materials. Health seminars are also held regularly at our various operating sites.

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

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

To promote self-awareness and care, we began implementing the Japan Mental Health Inventory (JMI) survey in fiscal 1997. In fiscal 2000, we began expanding coverage include all personnel, with completion in fiscal 2003. The survey is repeated for all personnel on a rolling three-year cycle, with nearly all of our personnel completing the second cycle by the end of fiscal 2007. The results of the survey are also analyzed by workplace unit to help guide improvements in the workplace environment. The JMI survey was developed by the Mental Health Research Institute of the Japan Productivity Center for Socio-Economic Development, a non-profit organization advocating advanced industrial productivity.

A provision for shortened working days is available for personnel returning from leave of absence for psychiatric convalescence as well as for any other injury or illness, enabling a gradual recovery of a full work load. Nearby all persons who used this provision have successfully returned to full-time work.

Workplace improvements at We are aware of 6 former employees for whom the cause of death was determined to be mesothelioma, and two of whom the cause of death was determined to be mesothelioma.

Where radioisotopes are present, radiation dose rates are maintained below regulatory limits, with measurement results reported each year to Japan’s Office for Radiation Regulations. Records of noise and heat exposure data for each individual are maintained to enable exposure to be managed and minimized. We are advancing plant modification and review course of our work to reduce the noise generation and heat emission.

**Health maintenance**

- **FY 2007 RC Objectives**
  - Reduce proportion of employees for whom health warning signs are found
  - Reduce number of employees on extended leave of absence for emotional convalescence

- **FY 2007 summary results**
  - No significant change in proportion of employees for whom health warning signs are found
  - Emotional care education and improvements of workplace environment performed, but the number of employees on leave of absence remained unchanged
Product safety

Product safety guidelines

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

Product safety measures

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

Product safety results

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

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

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

Product liability

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

Consumer satisfaction

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

The Asahi Kasei Group effort

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

Chemical substance management flow

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

Production
The safety of the local community and the protection of the environment are secured by proper handling of chemical substances to suppress environmental release (see pp. 22–28) and to prevent fires, explosions, and leaks (see pp. 30–32). The health of employees is protected by preventing workplace exposure to hazardous substances (see pp. 33–34).

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

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

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

Global trends on management of chemical substances

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

Developments in management of chemical substances

<table>
<thead>
<tr>
<th>Organization</th>
<th>Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>UN</td>
<td>• Resolution to minimize adverse effects on human health and environment due to production, handling, and use of chemical substances; implementation of Action Plans to achieve certain targets by 2020 • Implementation of a Globally Harmonized System (GHS) for the classification and labeling of chemicals</td>
</tr>
<tr>
<td>OECD</td>
<td>• Collection of safety data under the High Production Volume (HPV) Chemicals initiative by each member country and its chemical industry</td>
</tr>
<tr>
<td>EU</td>
<td>• 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</td>
</tr>
</tbody>
</table>

HPV Chemicals Initiative

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

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

Long-range Research Initiative (LRI)
The ICCA is advancing study on the long-term effects of chemical substances on health and the environment through the LRI. The JCA is advancing research in four fields: Endocrine disruption, chemical carcinogenesis, hypersensitivity, and neurotoxicity.

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

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

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

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

Environmental accounting

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

<table>
<thead>
<tr>
<th>Operating segment</th>
<th>Cost class</th>
<th>Principal measures</th>
<th>Investment ¥ million</th>
<th>Expense ¥ million</th>
<th>Notable change from FY 2006</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Chemicals</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contained operating area</td>
<td></td>
<td>Effluent water and gas treatment, groundwater purification</td>
<td>1,209</td>
<td>4,829</td>
<td>Release of atmospheric pollutants reduced from 66.8 to 46.9 tons.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Global environmental conservation</td>
<td>1,000</td>
<td>1,000</td>
<td>Release of PRTR-specified substances reduced from 386 to 329 tons.</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Energy conservation through heat recovery, reduced greenhouse gas emissions</td>
<td>537</td>
<td>387</td>
<td>Release of PRTR-specified substances reduced from 10.6 to 10.0 tons.</td>
</tr>
</tbody>
</table>
|                  |            | Resource circulation | 177 | 1,364 | Recycling of industrial waste increased from 0.6% to 0.8%.
|                  |            | Upstream and downstream | 48 | 56 | Green Procurement, recovery of containers.
|                  |            | Management | 48 | 56 | Free-planning on plant grounds, training ISO inspection.
|                  |            | Research and development | 107 | 1,364 | Resource conservation technology, recycling technology.
|                  |            | Community outreach | 107 | 1,364 | Community fellowship and dialog.
|                  |            | Environmental damage | 107 | 1,364 | Compensation pursuant to Pollution Health Damage Compensation Law, groundwater purification.
|                  |            | Total | 1,098 | 6,739 |                            |
| **Fibers**        |            | Installation of emergency drainage, modification of absorbers to prevent chemical substance release | 207 | 2,232 | Release of CFR-specified substances reduced from 10.6 to 10.0 tons. |
|                  |            | Global environmental conservation | 155 | 1,058 | Recycling of industrial waste increased from 0.6% to 0.8%.
|                  |            | Resource circulation | 144 | 144 | Recycling of industrial waste increased from 0.6% to 0.8%.
|                  |            | Upstream and downstream | 144 | 144 | Green Procurement, recovery of containers and paper tubes.
|                  |            | Management | 144 | 144 | Free-planning on plant grounds, training ISO inspection.
|                  |            | Research and development | 144 | 144 | Resource conservation technology, recycling technology.
|                  |            | Community outreach | 144 | 144 | Community fellowship and dialog.
|                  |            | Environmental damage | 144 | 144 | Compensation pursuant to Pollution Health Damage Compensation Law, groundwater purification.
|                  |            | Total | 1,098 | 6,739 |                            |
| **Electronics Materials & Devices** | | Desorption equipment, efficient gas and wastewater treatment equipment | 48 | 335 | Release of CFR-specified substances reduced from 8.6 to 8.4 tons. |
|                  |            | Global environmental conservation | 48 | 335 | Release of CFR-specified substances reduced from 8.6 to 8.4 tons. |
|                  |            | Resource circulation | 35 | 232 | Recycling of industrial waste, reduction of power consumption through equipment modification.
|                  |            | Upstream and downstream | 35 | 232 | Waste and recycling of containers and packaging.
|                  |            | Management | 35 | 232 | Resource conservation and operation of environmental management system.
|                  |            | Research and development | 35 | 232 | Study of closed environmental burden.
|                  |            | Community outreach | 35 | 232 | Cleaning activity.
|                  |            | Environmental damage | 35 | 232 | Compensation pursuant to Pollution Health Damage Compensation Law, groundwater purification.
|                  |            | Total | 48 | 335 |                            |

Note: Sums may not equal totals due to rounding.

Human Resources Credo

Career development support

Valuing diversity

Balancing work and family life

Regular meetings between management and labor
Respect for employee individuality

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

Human Resources Credo

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

Human Resources Credo of the Asahi Kasei Group (abbreviated)

<table>
<thead>
<tr>
<th>Commitment</th>
<th>Providing the venues for dynamic and fulfilling endeavor and accomplishment, as a key to development and growth of the Asahi Kasei Group</th>
</tr>
</thead>
</table>
| People     | • Enterprise growth through challenge and change  
              • Integrity and responsibility in action  
              • Respect for diversity |
| Leaders    | • Building the team, heightening performance and achievement  
              • Going beyond conventional boundaries, in thought and action  
              • Contributing to follow development and growth |

Purpose of the Human Resources Credo

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

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

Career development support

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

Overseas study

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

Group Masters

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

Independent study

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

Career development training

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

Personnel mobility

Available position postings

In October 2003 we began a system for business units to post available positions on the corporate intranet. Personnel in other business units who are eligible for transfer can apply. Positions are posted quarterly, with a steady stream of postings, applications, and transfers completed.

The system has proven to be a valuable tool to help heighten personnel interchange within the Asahi Kasei Group.

Tracking career development

The corporate intranet is also used to enable employees to record their specialist abilities, certified qualifications, working experience, and career ambitions. The recorded information is utilized in the evaluation of candidates for assignment transfers, and to provide newly transferred supervisors with a concise overview of their subordinates.
Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2007, 409 personnel utilized parental leave, 268 men and 141 women. This is 40% of the men who qualified.

**Parental leave**

In April 2008, 389 new graduates were hired, 311 men and 88 women. In addition, 169 persons were hired in mid-career between January and December 2007.

**Fiscal 2008 hiring**

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

**Expansion of opportunities for women**

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

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

**Preventing sexual harassment**

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

**Employment of persons with disability**

**Respect for employee individuality**

Award recipients at International Abilympics

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

**Balancing work and family life**

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

**Parental leave**

Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2007, 409 personnel utilized parental leave, 268 men and 141 women. This is 40% of the men who qualified.
The second “Open Office Day” was held in August 2007, with employees at the several Asahi Kasei Group offices in Tokyo bringing their children to visit their workplace, and gathering at our Head Office to observe and take part in activities. A total of 99 families, of 99 children, took part. This ongoing program accords with our basic framework of “education and development of the next generation.”

Regular meetings between management and labor

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

Leave of absence for family care

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

Utilization of shortened working days for child-rearing

In fiscal 2007, 147 personnel utilized shortened working days for rearing preschoolers. This provision enables the working day to be shortened by up to two hours until the child enters elementary school. In September 2007, a provision called “Kids Support” was added for employees with children in the first and second grades of elementary school to similarly work shortened working hours. These provisions may be used concurrently with “flex-time” for flexible working hours, and with “child-rearing time” for temporary absence during the working day to spend time with a child under the age of one year.

Acquisition of 2007 Kurumin seal of approval

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

Open Office Day in Tokyo

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

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Regular meetings between management and labor

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

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

Stakeholder dialog

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

Investor relations

Shareholder distribution

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

Meetings with institutional investors and securities analysts

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

Seminars for individual investors

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

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

Satisfying the needs of manufacturers

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

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

Comment from personnel involved

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

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

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

Our customers make the world a better place by developing healthcare solutions to treat and cure countless diseases. I am part of this process, and I am humbled by the opportunity to extend our experience in the industry, my team and I have faced many of these issues before and can often suggest solutions.

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

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

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

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

Maintaining a good relationship with consumers

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

Remediation to restore performance specifications to homes

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

Asahi Kasei Home Products Corp.

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

With its customer support center, Asahi Kasei Home Products maintains direct communication with consumers who use its products, incorporating consumer feedback in the effort to develop new and improved products, and providing consumers with advice and guidance on effective product use.
Principled supplier relationships
A relationship of mutual trust with our suppliers is fostered through fair and principled purchasing practices based on regulatory compliance and respect for the environment and human rights.

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

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

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

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

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

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

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

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

Environment Forum

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

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

APNA employees at YMCA Kids Day
Community fellowship

Basic commitment

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

Community Fellowship Policy

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

Guiding Concept
Broadening horizons, opening pathways

Basic Framework
Education and development of the next generation

Education and development of the next generation

School visits and science lab for students

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

• Nobeoka

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

• Fuji

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

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

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

<table>
<thead>
<tr>
<th>School</th>
<th>Content</th>
<th>Company</th>
</tr>
</thead>
<tbody>
<tr>
<td>June 2007 Kurashiki University of Science</td>
<td>Lecture on pet accommodating home design</td>
<td>Asahi Kasei Homes</td>
</tr>
<tr>
<td>and the Arts</td>
<td></td>
<td></td>
</tr>
<tr>
<td>August 2007 Buraku Gakuen University Girls</td>
<td>Lecture on the science of Saran Wrap™ (history and product development)</td>
<td>Asahi Kasei Home Products</td>
</tr>
<tr>
<td>Senior High School</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Shinjuku Junior High School</td>
<td>Lecture on Asahi Kasei’s environmental program and Neoma Foam™ insulation panel, visit to construction materials showroom</td>
<td>Asahi Kasei Construction Materials</td>
</tr>
<tr>
<td>November 2007 Abagui School of Nursing</td>
<td>Lecture on prevention of global warming and “Eco-Footprint Club”</td>
<td>Asahi Kasei Homes</td>
</tr>
<tr>
<td>Elsinia High School</td>
<td>Lecture on Asahi Kasei’s environmental program and Ecocensor™ chemically recycled polyester filament</td>
<td>Asahi Kasei Fibers</td>
</tr>
<tr>
<td>Kudan Secondary School</td>
<td>Lecture on kitchen design 10 years from now and products of Asahi Kasei Home Products</td>
<td>Asahi Kasei Home Products</td>
</tr>
<tr>
<td>December 2007 Shonan Junior College</td>
<td>Lecture on Hebel Haus™ product development</td>
<td>Asahi Kasei Homes</td>
</tr>
<tr>
<td>March 2008 Tama Technical High School</td>
<td>Lecture on prevention of global warming, demonstration of thermal insulation materials</td>
<td>Asahi Kasei Construction Materials</td>
</tr>
</tbody>
</table>

Sports

Asahi Kasei has long supported athletic activity and maintains top-tier judo and track teams, with nearly forty employees having competed in the Olympics over the years. Support for sports and athletics also includes sponsorship of the Golden Games in Nobeoka, a notable long-distance track competition in Japan, and provision of judo lessons for elementary, middle, and high school students by members of our corporate judo team.
The text describes the efforts of the Asahi Kasei Group in resource conservation, waste reduction, and chemical substances treatment. It highlights various technologies and products that contribute to these goals, such as biodegradable plastics, efficient cleaning agents, and sustainable building materials. The text is part of the Asahi Kasei Group CSR Report 2008.
### Third-party awards and certification

#### Awards received in FY 2007

<table>
<thead>
<tr>
<th>Award/certification</th>
<th>Awarded/certified by</th>
<th>In recognition of</th>
<th>Recipient(s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Technology Award</td>
<td>International Institute of Synthetic Rubber Producers, Inc.</td>
<td>Advancement of rubber technology</td>
<td>Asahi Kasei Chemicals</td>
</tr>
<tr>
<td>Safety Award</td>
<td>Japan Responsible Care Committee, Japanese Industry Association</td>
<td>Exemplary safety program</td>
<td>Asahi Kasei Chemicals/Kawasaki Works/Oita Plant, Asahi Kasei Metals Ltd./Tomobe Plant</td>
</tr>
<tr>
<td>Director General's Award</td>
<td>Fire Disaster Management Agency</td>
<td>Excellence in hazardous substances management</td>
<td>Asahi Kasei Metals Ltd./Tomobe Plant</td>
</tr>
<tr>
<td>Minister's Award</td>
<td>Ministry of Health, Labor, and Welfare</td>
<td>Exemplary operational safety and hygiene</td>
<td>Asahi Kasei Chemicals/Sukaba Plant</td>
</tr>
<tr>
<td>Special Award, PC Assembly</td>
<td>Japan Organization Committee, Int'l. Informationalism</td>
<td>Non-phosphate polycarbonate production process</td>
<td>Asahi Kasei Corp./New Business Development</td>
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<tr>
<td>Minister's Award for Science and Technology Development</td>
<td>Ministry of Education, Culture, Sports, Science, and Technology</td>
<td>One-year accident-free operation</td>
<td>Asahi Kasei EIC Solutions Corp.</td>
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<tr>
<td>National Invention &amp; Innovation Award</td>
<td>JLS</td>
<td>Non-phosphate polycarbonate production process</td>
<td>Asahi Kasei Corp./New Business Development</td>
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<tr>
<td>ASP/AIDI/ICT Outsourcing Awards, DC Grand Prize</td>
<td>ASP/IAIDI Industry Consortium</td>
<td>Data center with outstanding energy, environmental efficiency, etc.</td>
<td>Asahi Kasei Networks Corp.</td>
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<td>National Invention &amp; Innovation Award</td>
<td>Japan Institute of Invention and Innovation</td>
<td>Development of catalyst for direct oxidative esterification process for MMA production</td>
<td>Asahi Kasei Chemicals</td>
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<tr>
<td>42nd IAAJ Awards, Honorable Mention</td>
<td>The Nikkan Kogyo Shimbun, Ltd.</td>
<td>Corporate Advertising</td>
<td>Asahi Kasei Corp.</td>
</tr>
<tr>
<td>46th Business Advertising Awards, Grand Prize</td>
<td>Fuji Sankei Business-I</td>
<td>Corporate Advertising</td>
<td>Asahi Kasei Corp.</td>
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<td>65th Business Advertising Award, Grand Prize</td>
<td>Nikkei Inc.</td>
<td>Corporate Advertising</td>
<td>Asahi Kasei Corp.</td>
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<tr>
<td>Grand Prize, Newspaper Advertising</td>
<td>Fujisankei Communications Group Advertising</td>
<td>Corporate Advertising</td>
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<td>Award for Excellence, Creative Newspaper Advertising</td>
<td>Fujisankei Communications Group Advertising</td>
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<td>The Marucho News Papers</td>
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#### OHMS certificate

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<thead>
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<th>Registered entity</th>
<th>Standard</th>
<th>Date of registration</th>
<th>Registration No.</th>
</tr>
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<tr>
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<td>JOSCA-00004</td>
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<td>OHASA 18001</td>
<td>2003.06.27</td>
<td>JOSCA-OHSA4</td>
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* Some awards received by organizations or individuals within the company shown.

#### ISO 14001 certification

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#### ISO 9001-series certification

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<th>Registration No.</th>
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</thead>
</table>

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

---

#### OHSMS certification

<table>
<thead>
<tr>
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<td>2003.06.27</td>
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#### Code operating company

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<thead>
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#### ISO 9001-series certification

<table>
<thead>
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<th>Registration No.</th>
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#### Code operating company

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<td></td>
</tr>
<tr>
<td></td>
<td>OHASA 18001</td>
<td>2003.06.27</td>
<td>JOSCA-OHSA4</td>
<td></td>
</tr>
</tbody>
</table>

Independent Review

[Translation from Japanese]

June 16, 2008
Japan Responsible Care Council
Verification Advisory Committee
Chairman
Akio Yamamoto
Responsible Care Verification Center
Chief Director
Yasuo Tazaka

To: Shiro Hiruta, President
Asahi Kasei Corporation

Scope and Objectives of Verification

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

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

Verification Procedure

At the head office: Examination of the reasonableness of methods of aggregation and compilation of performance metrics reported from each site (offices, plants) and verification of the consistency of reported information with supporting materials were performed through interviews of responsible parties and checking of the Report and receipt of internal documents and explanation thereof.

At the Kawasaki Works and in the Moriyama Region of the Asahi Kasei Group: Examination of the reasonableness of methods of calculation and aggregation of performance metrics reported to the head office, examination of the accuracy of numerical values, and confirmation of the consistency of reported information with supporting documents were performed through interviews of responsible parties and interpreters of the Report and receipt of internal documents and explanation thereof.

Performance metrics and reported information were verified by sampling.

Opinion

1. Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values.
   a. Performance metrics at the Kawasaki Works and in the Moriyama Region have been calculated and aggregated by a reasonable method.
   b. Performance metrics within the scope of examination have been calculated and aggregated accurately.
2. Consistency of reported information other than the performance metrics with supporting documents and materials.
   a. Information contained in the report was confirmed to be consistent with supporting materials. Some minor issues related to appropriate expressions and ease of understanding were identified in the draft stages, but these are rectified in the present Report and no important matters warranting correction are believed to exist at present.
3. Evaluation of Responsible Care (RC) measures.
   a. It is particularly noteworthy that:
      i. The President signed his support for the Responsible Care Global Charter and is actively engaged in the Group’s RC activities.
      ii. The Group as a whole is successfully reducing its environmental burden, including release of PRTR-specified substances, hazardous atmospheric pollutants, and final disposal of industrial waste.
      iii. Safety management is enhanced throughout the Group, including pre-investment inspection for new plant, inspection and approval prior to trial operation, employment of systematic maintenance process for plant safety, and adoption of OH&SMS. Group-wide safety management is being enhanced, in an effort that includes implementation of pre-investment review, planned safety maintenance, and OH&SMS systems.
      iv. Operations in the Moriyama Region have built a relationship of mutual trust with the local community, with which previous groundwork is shared, including for irrigation.
      v. The Kawasaki Works has integrated its formerly separate systems for environmental protection, operational safety, and workplace safety and hygiene, thus facilitating their ready understanding by employees and third parties.

Environmental and safety data

**Environmental and safety data**

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Ventilation (tons)</td>
<td>135.3</td>
<td>170.8</td>
<td>167.7</td>
<td>159.7</td>
<td>124.1</td>
<td>14.3</td>
<td>7.4</td>
</tr>
<tr>
<td>FY 2006</td>
<td>168.6</td>
<td>157.9</td>
<td>156.4</td>
<td>128.1</td>
<td>197.2</td>
<td>165.9</td>
<td>16.3</td>
</tr>
<tr>
<td>FY 2005</td>
<td>105.4</td>
<td>114.7</td>
<td>102.1</td>
<td>90.5</td>
<td>70.4</td>
<td>12.4</td>
<td>7.8</td>
</tr>
<tr>
<td>FY 2004</td>
<td>112.9</td>
<td>115.6</td>
<td>110.1</td>
<td>97.3</td>
<td>74.3</td>
<td>11.7</td>
<td>7.7</td>
</tr>
<tr>
<td>FY 2003</td>
<td>114.7</td>
<td>124.1</td>
<td>112.4</td>
<td>93.0</td>
<td>70.1</td>
<td>11.6</td>
<td>7.6</td>
</tr>
<tr>
<td>FY 2002</td>
<td>117.1</td>
<td>127.3</td>
<td>114.7</td>
<td>95.3</td>
<td>71.1</td>
<td>11.5</td>
<td>7.6</td>
</tr>
<tr>
<td>FY 2001</td>
<td>112.1</td>
<td>126.1</td>
<td>111.1</td>
<td>91.0</td>
<td>67.6</td>
<td>11.4</td>
<td>7.7</td>
</tr>
<tr>
<td>FY 2000</td>
<td>108.9</td>
<td>118.8</td>
<td>106.0</td>
<td>88.8</td>
<td>65.9</td>
<td>11.2</td>
<td>7.6</td>
</tr>
</tbody>
</table>

**FY 2007 off-site final disposal waste**

- **category**
  - Plastic waste
  - Sludge
  - Glass, ceramics
  - Debris
  - Others
  - Total

| Volume (thousand tons) | 3 | 1.9 | 1.9 | 0.1 | 0.3 | 7.8 |

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

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New construction</td>
<td>166.3</td>
<td>195.1</td>
<td>114.7</td>
<td>78.1</td>
<td>53.6</td>
<td>32.9</td>
<td>3.7</td>
</tr>
<tr>
<td>Demolishing</td>
<td>38.1</td>
<td>19.7</td>
<td>15.0</td>
<td>16.6</td>
<td>17.9</td>
<td>15.0</td>
<td>16.6</td>
</tr>
<tr>
<td>Total</td>
<td>55.7</td>
<td>28.4</td>
<td>22.1</td>
<td>25.7</td>
<td>23.6</td>
<td>19.9</td>
<td>21.8</td>
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</tbody>
</table>

**Recycle of ALC trimmings by Asahi Kasei Construction Materials**

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>2001</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recycled to</td>
<td>173.4</td>
<td>148.6</td>
<td>148.4</td>
<td>148.2</td>
<td>148.0</td>
<td>147.8</td>
<td>147.6</td>
</tr>
<tr>
<td>Home</td>
<td>173.4</td>
<td>148.6</td>
<td>148.4</td>
<td>148.2</td>
<td>148.0</td>
<td>147.8</td>
<td>147.6</td>
</tr>
<tr>
<td>Total</td>
<td>173.4</td>
<td>148.6</td>
<td>148.4</td>
<td>148.2</td>
<td>148.0</td>
<td>147.8</td>
<td>147.6</td>
</tr>
</tbody>
</table>

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

- **category**
  - New waste
  - Released
  - Transferred

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>New waste</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Released</td>
<td>28.9</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
</tr>
<tr>
<td>Transferred</td>
<td>28.9</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
<td>32.4</td>
</tr>
</tbody>
</table>

**Universal Principles of the Global Compact**

| Principle | 1. Businesses should support and respect the protection of internationally proclaimed human rights.
| Principle 2. Businesses should make sure that they are not complicit in human rights abuses.
| Principle 3. Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.
| Principle 4. Businesses should uphold the elimination of all forms of forced and compulsory labor.
| Principle 5. Businesses should uphold the effective abolition of child labor.

**Environment**

- Principle 7. Businesses should support a precautionary approach to environmental challenges.
- Principle 8. Businesses should undertake initiatives to promote greater environmental responsibility.

**Anti-Corruption**

- Principle 10. Businesses should work against corruption in all its forms, including extortion and bribery.
Release of priority atmospheric pollutants by fiscal year (tons)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Asahi Kasei Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acrylonitrile</td>
<td>179.8</td>
<td>109.0</td>
</tr>
<tr>
<td>Acrylamide</td>
<td>1.4</td>
<td>3.6</td>
</tr>
<tr>
<td>Acrylonitrile monomer</td>
<td>33.3</td>
<td>63.2</td>
</tr>
<tr>
<td>Chloroform</td>
<td>0.3</td>
<td>0.4</td>
</tr>
<tr>
<td>Chloromethane</td>
<td>0.9</td>
<td>0.9</td>
</tr>
<tr>
<td>1,2-Dichloroethane</td>
<td>8.6</td>
<td>9.0</td>
</tr>
<tr>
<td>Trichloroethylene</td>
<td>181.0</td>
<td>150.0</td>
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<tr>
<td>Vinyl chloride</td>
<td>4.6</td>
<td>4.5</td>
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<tr>
<td>Vinylidene chloride</td>
<td>5.3</td>
<td>5.3</td>
</tr>
<tr>
<td>1,3-Dibromonitromethane</td>
<td>370.8</td>
<td>366.8</td>
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<tr>
<td>Butene</td>
<td>7.4</td>
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<tr>
<td>Formamide</td>
<td>4.0</td>
<td>4.0</td>
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<tr>
<td>Formaldehyde</td>
<td>12.1</td>
<td>12.1</td>
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<tr>
<td>Total</td>
<td>1,248.1</td>
<td>1,205.8</td>
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</table>

FY 2007 release of priority atmospheric pollutants by operating segment (tons)

<table>
<thead>
<tr>
<th>Operating segment</th>
<th>Site</th>
<th>Substances</th>
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</thead>
<tbody>
<tr>
<td>Pharmaceuticals</td>
<td>-</td>
<td>Asahi Kasei Group</td>
</tr>
<tr>
<td>Agriculture</td>
<td>-</td>
<td>Asahi Kasei Group</td>
</tr>
<tr>
<td>Total</td>
<td>-</td>
<td>Asahi Kasei Group</td>
</tr>
</tbody>
</table>

Release of air and water pollutants by fiscal year (tons except water effluence, million m³)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Asahi Kasei Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>SO₂</td>
<td>6,114</td>
<td>7,119</td>
</tr>
<tr>
<td>NOx</td>
<td>4,881</td>
<td>5,256</td>
</tr>
<tr>
<td>SO₂ + NOx</td>
<td>11,995</td>
<td>12,375</td>
</tr>
<tr>
<td>Water effluence</td>
<td>2,548</td>
<td>2,548</td>
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<tr>
<td>COD</td>
<td>1,438</td>
<td>1,549</td>
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<tr>
<td>Nitrogen</td>
<td>5,060</td>
<td>5,060</td>
</tr>
<tr>
<td>Phosphorous</td>
<td>20</td>
<td>20</td>
</tr>
<tr>
<td>NH₃</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Ammonia</td>
<td>6</td>
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Greenhouse gas emissions by fiscal year (million tons CO₂ equivalent)

<table>
<thead>
<tr>
<th>Fiscal year</th>
<th>Asahi Kasei Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2003*</td>
<td>2004*</td>
<td>2005*</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>5.06</td>
<td>4.86</td>
</tr>
<tr>
<td>Nitrous oxide</td>
<td>0.82</td>
<td>0.86</td>
</tr>
<tr>
<td>Nitric oxide</td>
<td>0.69</td>
<td>1.01</td>
</tr>
<tr>
<td>PFCs</td>
<td>0.34</td>
<td>0.33</td>
</tr>
<tr>
<td>HFCs</td>
<td>0.01</td>
<td>0.14</td>
</tr>
<tr>
<td>Hydrofluoro-olefins</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total</td>
<td>5.05</td>
<td>4.41</td>
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Unit energy consumption

<table>
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<tr>
<th>Fiscal year</th>
<th>Asahi Kasei Group</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005*</td>
<td>2006*</td>
<td>2007*</td>
</tr>
<tr>
<td>Carbon dioxide</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Nitrous oxide</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Nitric oxide</td>
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<tr>
<td>Total</td>
<td>0.00</td>
<td>0.00</td>
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</table>

CO₂ emissions from product shipment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product</td>
<td>million tons</td>
<td>million tons</td>
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<tr>
<td>CO₂</td>
<td>1,350</td>
<td>1,350</td>
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</table>

Lost workday injury indices

<table>
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<th>Asahi Kasei Group</th>
<th>Total</th>
</tr>
</thead>
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<tr>
<td>2003*</td>
<td>2004*</td>
<td>2005*</td>
</tr>
<tr>
<td>Frequency rate</td>
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<td>0.38</td>
</tr>
<tr>
<td>Chemical industry</td>
<td>0.38</td>
<td>0.38</td>
</tr>
<tr>
<td>Manufacturing industries</td>
<td>0.38</td>
<td>0.38</td>
</tr>
<tr>
<td>Severity rate</td>
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Note: Figures contributed to the FY 1997 graph and FY 1998 peak in the severity rate graph on p. 42. Three fatalities occurred in FY 1997, due to a train accident, an airplane crash, and a collapsing mound, one fatality occurred in FY 1996, due to crushing by machinery.
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Asahi Kasei Group CSR Report 2008

Correspondence with GRI reporting elements and performance indicators

Performance indicators

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<th>Performance Indicators</th>
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<td>Indicators of key impacts, risks, and opportunities</td>
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</table>

Corporate profile

Company Name: Asahi Kasei Corporation
Date of Establishment: May 21, 1931
Paid-in Capital: ¥103.3 billion
Stock Listings: Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

Tokyo Head Office
1-105 Kanda Jinbcho, Chiyoda-ku
Tokyo 101-8101 Japan
Phone: +81-3-3296-3900
Fax: +81-3-3296-3161

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1-2-6 Dainihahama, Kita-ku
Osaka 530-8050 Japan
Phone: +81-6-6347-3111
Fax: +81-6-6347-3077

Beijing Office
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Chao Yang District
Beijing 100022 China
Phone: +86-10-6569-3939
Fax: +86-10-6569-3938

Shanghai Office
Room 2321
Shanghai Central Plaza
381 Huaihai Zhong Road
Shanghai 200020 China
Phone: +86-21-6391-6111
Fax: +86-21-6391-6886

Asahi Kasei America Inc.
535 Madison Avenue, 33rd Floor
New York, NY 10022 USA
Phone: +1-212-371-9900
Fax: +1-212-371-9050

Core Operating Companies

Asahi Kasei Chemicals Corporation
1-105 Kanda Jinbcho, Chiyoda-ku
Tokyo 101-8101 Japan
Phone: +81-3-3296-3600

Asahi Kasei Homes Corporation
1-24-1 Nishi-shinjuku, Shinjuku-ku
Tokyo 160-8245 Japan
Phone: +81-3-3344-7111

Asahi Kasei Pharma Corporation
1-105 Kanda Jinbcho, Chiyoda-ku
Tokyo 101-8101 Japan
Phone: +81-3-3296-3600

Asahi Kasei Fibers Corporation
1-2-6 Dainihahama, Kita-ku
Osaka 530-8050 Japan
Phone: +81-6-6347-3077

Asahi Kasei EMD Corporation
1-23-7 Nishi-shinjuku, Shinjuku-ku
Tokyo 160-0023 Japan
Phone: +81-3-6911-2700

Asahi Kasei Construction Materials Corporation
2-12-7 Higashi-shinbashi, Minato-ku
Tokyo 105-0021 Japan
Phone: +81-3-5473-5251

Preparing the Report

We have published annual CSR Reports since 2006, with fuller coverage of compliance and corporate citizenship than the Responsible Care Reports and Environmental Reports published previously. The proper provision of information through these reports and otherwise is part of our ongoing effort to maintain the trust of our customers, shareholders, employees and investors, the local communities we belong to, and our many other stakeholders, to gain a greater understanding of and appreciation for our ongoing endeavor as a responsible enterprise for sustainable development and growth.