CSR Report 2010
Asahi Kasei Group

Contributing to human life and human livelihood

ASAHI KASEI CORPORATION
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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
- 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.

Corporate citizenship
- Stakeholder dialog
- Customer relations
- Investor relations
- Principled supplier relationships
- Public outreach
- Community fellowship

Respect for employee individuality
- Human Resources Principles
- Human resources development
- Valuing diversity
- Balancing work and family life
- Communication between management and labor
- Independent Review
- Environmental and safety data
- Correspondence with GRI reporting elements and performance indicators
- Corporate profile

Overview of contents
1. Basic Credo of the Asahi Kasei Group
2. Interview with the President
3. For contribution to human life and human livelihood
4. Asahi Kasei products and technologies in everyday life
5. Overview of operations
6. Fiscal 2009 business highlights
7. The basis for contributing to human life and human livelihood – our CSR Fundamentals

Contents
- Compliance
  - Framework for compliance
  - Risk management
- Responsible Care
  - Responsible Care at Asahi Kasei
  - Environmental protection
  - Operational safety
  - Workplace safety and hygiene
  - Health maintenance
  - Product safety
  - Managing chemical substances
  - Expenditure for environment and safety

Preliminary report

Period under review
The primary focus of the report is fiscal 2009 (April 2009 – March 2010), and all data shown corresponds to this period unless otherwise indicated. Some information pertaining to events subsequent to the end of the fiscal has also been included.

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

As shown at right, Asahi Kasei has six operating segments corresponding to its main fields of business and a seventh operating segment, Services, Engineering and Others, for the remainder of operations. Unless otherwise specified, the titles and positions of the corporate officers and other personnel shown in this report are current as of July 2010.
Our mission: Contributing to human life and human livelihood through business operations

The Asahi Kasei Group operates a broad array of businesses, including petrochemicals, housing and construction materials, fibers, pharmaceuticals and medical devices, and electronic materials and devices. As a corporate citizen, we constantly strive to ensure that our activities are performed in harmony with the global environment and society, in addition to maintaining an economic perspective. So how do we perceive and approach corporate social responsibility (CSR) as we complete the final year of our Growth Action −2010 mid-term management initiative? President Taketsugu Fujiwara, who was installed in April 2010, invited Ms. Hiroko Kiba, a prominent social commentator, to a discussion about Asahi Kasei Group's social responsibility.

For a corporate citizen, CSR is a natural part of operations

Kiba: You became president in April this year, about two months ago. Could you tell me your vision for the Asahi Kasei Group?

Fujiwara: We in the Asahi Kasei Group hold contribution to human life and human livelihood as our basic tenets. In this context, I take "human life" to mean a society where each person is able to live in health and comfort, and "human livelihood" to mean a society that progresses in harmony with the natural environment. I believe that contributing to the development of these two aspects of society, with businesses compatible with the environment & energy and health & comfort, is both the proper path for the advancement of the Asahi Kasei Group and the essential responsibility that we must fulfill.

Kiba: It sounds like your corporate activities are directly linked to CSR. I think there is an increasing awareness of CSR, coupled with growing concerns about global environmental issues. What is your view of CSR?

Fujiwara: The Asahi Kasei Group believes that corporate activities themselves constitute CSR. In other words, a company must strive to ensure that it is compatible with the global environment as it offers products and services, makes profits, and contributes to the development of society. I believe we can contribute to a sustainable society by creating new products that are useful for the world and heightening our corporate value. At the same time, we must manage our operations in a way that enables us to maintain the trust of our stakeholders, including consumers, our employees, and local communities, not to mention our shareholders. I think this is just a natural thing to do because a company is a member of society.

Kiba: Yes, if companies are not considered to be members of society, they would merely be passive entities which are forced to follow the rules of society. You mentioned that your company contributes to society through your business operations. But the Asahi Kasei Group operates such broad array of businesses, including chemicals, housing, and pharmaceuticals.

Fujiwara: Each business has its own characteristics, but they do share one basic aspect in common: they all contribute to human life and human livelihood. I believe that the mindset of our personnel is the most important part of achieving this objective, because it is our personnel who operate our businesses and perform our CSR activities. We can only create superior products and services and improve our corporate value when all personnel are proud to be part of an enterprise which helps make dreams come true.
Committee in 2009 as a forum for discussing.

For some of our products, we have assessed life-cycle CO₂ emissions by LCA¹ and applied our in-house Sustainability Index to measure environmental, economic, and social value. Such methods will serve as valuable management tools as we consider our environmental and R&D strategies.

Kiba: Could you give me some examples of your specific environmental measures?

Fujiwara: Our environmental measures can be broadly divided into four categories: businesses that help improve the environment, businesses that conserve resources, businesses using renewable resources, and businesses based on environmentally friendly technology.

An example of a business that helps to improve the environment is our Microza³ hollow-fiber membrane. This product is playing a significant role in improving the water environment in many countries, including the United States and China, securing safe drinking water, and purifying and reusing wastewater and industrial water. A good example of a business that conserves resources would be our Hebel Haus⁴ unit homes which combine solar power with geothermal heating or fuel-cell systems. Business that use renewable materials include Bemberg⁵ cupro regenerated cellulosic fiber made from cotton linter, and Green Promax⁶ cups made from plant-derived plastic. Among our businesses based on environmentally friendly technology, we have Hipore⁷™ lithium-ion battery separator.

The growing use of electric vehicles will be very effective in reducing CO₂ emissions. I believe that by producing an essential component of lithium-ion batteries which will power electric vehicles, we play an important role in protecting the environment. These are only some examples. We have so many other eco-friendly products and technologies that I could go on and on.

Kiba: I hope you will continue these activities, because they are so important in educating the next generation, especially these days when children seem to be losing interest in the sciences.

Finally, can you tell me about the challenges and prospects that lie ahead for the Asahi Kasei Group, in light of what you just described?

Fujiwara: I believe that the perspective of "environmental management" will take on even greater importance. I don't think it would be an exaggeration to say that companies that fail to care for the environment as a central issue will soon disappear. I believe our mission is to create new businesses with comfortable, eco-friendly products that respond appropriately to the changes and needs of the world by using our technological strengths, as well as to address environmental issues in a sensitive and serious manner as a manufacturer.

Economically, the world is becoming increasingly borderless. Our stakeholders are now more diverse. In my view, this means we must be more proactive than before in describing our orientation and approach as well as providing information on our products and business results. In this way, we aim to reinforce our brand strength and heighten our corporate value.

¹ Life cycle assessment: A means to measure the environmental impact of a product over its entire life cycle, including the mining of natural resources and production of raw materials, used, and recycling of waste.

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

**Human Rights**

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

**Labor Standards**

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

**Environment**

- Principle 7: Businesses should support a precautionary approach to environmental challenges.
- Principle 8: Businesses should undertake initiatives to promote greater environmental responsibility.
- Principle 9: Businesses should encourage the development and diffusion of environmentally friendly technologies.
- Principle 10: Businesses should work against corruption in all its forms, including extortion and bribery.
For contribution to human life and human livelihood

Operating configuration

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

The nine 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.

Holding company

ASAHI KASEI CORPORATION

Strategic planning & analysis  Administration of resources  Oversight of management execution  Development of new businesses

Core operating companies

Chemicals

- Asahi Kasei Chemicals

- Chemicals and derivative products: Ammonia, nitric acid, caustic soda, acrylonitrile (AN), styrene, adipic acid, methyl methacrylate (MMA), Suntec™ polyethylene (PE), synthetic rubber and elastomer.


- Specialty products: Coating materials, styrene-butadiene latex, Cecelia™ microcrystalline cellulose, explosions, Microza™ UF and MF membranes and systems, ion-exchange membranes and electrodialysis systems.

Homes

- Asahi Kasei Homes

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

Health Care

- Asahi Kasei Pharma

- Elcitonin™, Fivas™, Recombudin™ and other pharmaceuticals, diagnostic enzymes and reagents, AFR™ artificial kidneys, CelSORBA™ leukopheresis columns, Planova™ virus removal filters, Sepacell™ leukocyte reduction filters.

- Asahi Kasei Kuraray Medical

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

Fibers

- Asahi Kasei Fibers

- Roica™ elastic polyurethane filament, Elita™ spunbond, Lamox™ artificial suede, Bentex™ cupro cellulose nonwoven, Bemberg™ cupro cellulose fiber, Leona™ nylon 66 filament.

Electronics

- Asahi Kasei Microdevices

- Hall elements, LSS, HyFlex™ micromembrane membrane, photomask pellicles, Luminous™ plastic optical fiber, light-diffusion panels, AFR™ photosensitive resists, FLOR® photomask-making systems, epi resin, Flima™ photosensitive polyimide precursor, Sunfort™ dry film photoresist, glass fabric.

Construction Materials

- Asahi Kasei Construction Materials

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

Services, Engineering & Others

- Plant engineering, environmental engineering, personnel staffing and placement, flock tank services.

Growth Action – 2010 strategic management initiative

Fiscal 2010 is the final year of Growth Action – 2010, our mid-term management initiative for fiscal 2006–2010. We are also proceeding with the formulation of the subsequent management initiative which will begin in 2011.

President Taketsugu Fujiwara, who took office in April 2010, has set forth a new approach to management with every business aiming in the same direction, and with the creation of new system-based businesses which meet the changing needs of society—both based on the strategic perspectives of “harmony with the natural environment” and “living in health and comfort.” We will proactively incorporate these perspectives into the next mid-term management initiative as we advance as a uniquely diversified chemical company with businesses spanning from housing to electronics.

Koji Fujiwara
Director, Senior Executive Officer
Executive for Strategy, Accounting & Finance, and Internal Control
Asahi Kasei Corp.
Asahi Kasei products and technologies in everyday life

- Packaging film for ham and sausage ▪ Bamakin™
- Storage bags and containers ▪ Ziobi™
- Plastic zippers ▪ Terata™
- Shrink labels for PET bottles ▪ Asaflex™
- Sportswear ▪ Technofine™
- Control of power window motors, including automatic safety stop ▪ IJICS
- Automotive taillights ▪ Deperl™
- Automotive tires ▪ Fudon™, Asalena™
- Automotive tire cord ▪ Leoona™ filament
- Car seats ▪ Lamin™
- Surfactant for shampoo ▪ AminoSurfact™
- Paper coating for calendars ▪ Zymena-bisadene wax
- Decorative object ▪ Plastic optical fiber
- Facial masks ▪ Bembex™
- Innerwear ▪ Suntec™
- Plastic shopping bags ▪ Suntec™ high-density polyethylene
- Asphalt modifier ▪ Tubrene™
- Drug delivery systems ▪ GlycoMaCT™
- Artificial kidneys ▪ Hollow fiber membrane hemodialyzers
- Leukocyte reduction filters ▪ Separex™
- Virus removal filters for drug production ▪ Prionova™
- Gauges ▪ Bembex™
- Nurse bed pads ▪ Cubil™, 3D honeycomb fabric
- Linings for suits ▪ Bembex™
- Office equipment ▪ LEDs, LED elements
- Packaged meals ▪ Suntec™ film
- Cell phones ▪ Deperl™ for displays
- Hamlet paste for metallic paint
- Hiperne™ Li-ion battery separator
- LEDCs
- LDIs
- Drugs ▪ Pharmaceuticals, Ocedora™
- Liquid diet ▪ Nutritional drink
- Computers and printers ▪ Dobex™
- Exoster®
- Polyethylene
- Terna™
- LDIs
- Photomask patterns
- Tie-pattern coils
- Glass fabric
- Kitchen goods ▪ Saran Wax™ drug film
- Conoform™ bakery paper
- Diapers ▪ Elias™satin woven fabric
- Doll hair ▪ Saran™ fiber
- Insulation panels ▪ Neoform™ foam
- Housing ▪ Beetle™, Beetle™ autoclaved aerated concrete (AAC)
- Column base attachment system ▪ BasePack™
- Exterior paint ▪ Modaflex™
- Foundation piles ▪ Eazet™
- Underfloor panels for wood-frame homes ▪ Yukoal™ AAC
- Cyclone™
- Partition wall panels ▪ Beetle™
- Asphalt modifier ▪ Tubrene™
- Plastic shopping bags ▪ Suntec™ high-density polyethylene
- Stockings ▪ Roica™
- Textile products ▪ Technonaps™
Overview of operations

We have 23 major production locations throughout Japan, including Nobeoka, Miyazaki Prefecture, the location of our historic roots; Mizushima, Kurashiki, Okayama Prefecture; Fuji, Shizuoka Prefecture; and Kawasaki, Kanagawa Prefecture. Overseas sales were ¥370.4 billion, 26% of total consolidated net sales for fiscal 2009.
## Fiscal 2009 business highlights

### 2009.4
- Signing of an accord with Suzuka City for emergency supply of drinking water
- Market launch of Smart Hebel Haus™
- Completion of new hollow-fiber spinning plant for Planova™ virus removal filters
- Completion of new plant for Sepacell™ leukocyte reduction filters

### 2009.5
- Development of polyvinyl sulfone with dramatically increased electrical conductivity
- Receipt of The Invention Prize, 2009 National Commandation for Invention, in recognition of CFC-free high-performance phenolic foam
- Decision to close the Shiraoi Plant

### 2009.6
- microza™ MF selected for large-scale waterworks facility in the Philippines, one of the largest membrane-filtration water treatment facilities in Asia
- Development of Dura-Photo™ high-durability, high-performance photocatalyst paint
- Market launch of Planova™ BluEX, a new synthetic polymer membrane for biotechnology-based pharmaceuticals

### 2009.7
- Capacity expansion for Hipore™
- Asahi Kasei E-materials has been advancing a program of large-scale capacity expansions for Hipore™ Li-ion battery separator. Its Miyama plant in Shiga was expanded in July 2009 and again in September 2009. A new plant in Huga, Miyazaki, began operation in April 2010.

### 2009.8
- Conclusion of a joint venture agreement for the consolidation of fertilizer operations
- Joint development begun by Asahi Kasei Kuray Medical and the National Institute for Materials Science

### 2009.9
- Start of operation at new integrated research complex in Fuji, Shizuoka (see bottom of previous page)
- Market launch of Reveal™ DX insertable cardiac monitor
- Decision to acquire shares in medical equipment manufacturer MedTech Inc. to make it a wholly owned subsidiary of Asahi Kasei Kuray Medical

### 2009.10
- Fiscal 2009 Good Design Award received for Atlas Kokuryo and Atlas Nogeyama condominiums
- Start-up of medical device sales subsidiary in Korea

### 2009.11
- Market launch of “+NEST” Hebel Haus™ Frex “G3,” a new environmentally efficient filter bag that features energy savings and long service life. Produced using Smash™, a specialty nonwoven of Asahi Kasei Fibers, dECOb™ was developed jointly with industrial filter company Asamasu Co., Ltd.

### 2010.1
- Launch of fire insurance for wood-frame homes built with AAC panels
- Asahi Kasei Construction Materials began handling “Triangle A,” a fire insurance product developed jointly with AIU Insurance Co. for wood-frame homes built with AAC panels such as Hebel Haus™

### 2010.2
- Market launch of dECOb™, a new environmentally efficient filter bag that features energy savings and long service life. Produced using Smash™, a specialty nonwoven of Asahi Kasei Fibers, dECOb™ was developed jointly with industrial filter company Asamasu Co., Ltd.

### 2010.3
- Start-up of performance plastics sales subsidiary in southern China (Guangzhou)
- Sixth Asahi Kasei Award for Fashion Design Creativity in China

### 2010.4
- Market launch of a new high-flux submerged membrane module
- Asahi Kasei Chemicals developed and launched a new high-flux submerged membrane module featuring enhanced economic efficiency through improved water permeability. With the launch of this new product, Asahi Kasei Chemicals will further expand sales in regions with high turbidity feed water, most notably in Asia, and in new applications including the recovery of backwash water from sand filters.

### Opening of research complex for new business development

On September 1, 2009, Asahi Kasei Corp. began operation of a new integrated research complex within its plant and laboratory grounds in Fuji, Shizuoka. The new facilities were established to reinforce and accelerate R&D for the creation and development of new businesses in electronic and optical materials and in environment and energy-related technology as fields of focus for the Asahi Kasei Group. The new research complex will also serve to promote new business development through joint and collaborative R&D, not only within the Asahi Kasei Group but also with outside organizations.
The basis for contributing to human life and human livelihood—our CSR Fundamentals

**Corporate governance**

We believe that constant effort to increase the speed and transparency of management is essential for continuous enhancement of the corporate value of the Asahi Kasei Group. Based on the structure of a holding company and core operating companies, we will continue to advance measures to heighten corporate governance through the clarification of the scope of authority and responsibility of the core operating companies as well as the reinforcement of the holding company’s oversight function.

**CSR at the Asahi Kasei Group**

We believe that CSR is achieved by raising corporate value for our various stakeholders through our business operations 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 on a clear understanding of the effects of our operations on the global environment and the global community, our efforts and actions related to CSR are focused on four CSR Fundamentals: Compliance, Respect for Employee Individuality, Responsible Care,* and Corporate Citizenship.

* Responsible Care represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life cycle through the individual determination and responsibility of each firm producing and handling chemical products. As of October 2005, eighty-five countries throughout the world have a Responsible Care program.

**CSR in Action**

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**CSR Fundamentals**

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**Notable CSR actions, results, and plans**

- Preparation of New Influenza Response Manual
- Operation of Compliance Hotline
- Adoption of safety confirmation system
- Providing education on corporate ethics via e-learning
- Increasing the rate of registration with safety confirmation system, conducting training
- Seminars for managers
- Utilization of parental leave by 250 male and 157 female employees
- Forum on work-life balance
- Enhancement of tools for assisting return to work
- Open Office Day held in 10 days for children of employees to visit the workplace and take part in science experiments
- Providing career training to personnel in their thirties
- Implementation of programs for supporting employees with children in balancing work and family life
- Promotion of balance between work and private life
- Enhancements and advancement of education and development of the next generation
- Opening of Office Day in Tokyo and Osaka
- Meetings with securities analysts and institutional investors with cumulative attendance of 1,500
- Seminars for 1,719 individual investors each year
- Periodic meetings with community members and suppliers at each production site
- Publication of CSR Report in Japanese and English
- Publication of Annual Report in Japanese and English
- Sustaining and enhancing communication with stakeholders
- Expansion of tree-planting activities

**Structure and organization for CSR**

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

**CSR Council, established in April 2005, is implementing a comprehensive and strategic approach to CSR, heightening execution with timely disclosure both internally and externally, for a stronger relationship of trust with our stakeholders.**
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.

Compliance

Framework for compliance

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 it or an equivalent standard applies to all majority-held subsidiaries throughout the world.

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

Compliance monitoring by the Corporate Ethics Committee

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

At its meeting in July 2009, the committee discussed the training programs implemented at each group company, the state of compliance with laws and regulations, handling of personal information, measures for prevention of sexual harassment, and operation of the Compliance Hotline.

Compliance Hotline

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

Compliance Hotline Flow

Example: Anonymous intranet report, violation confirmed.

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 eighteen times in fiscal 2009, reviewing thirty-nine cases.

Protection of personal information

Asahi Kasei is committed to the proper handling and use of personal information, in accordance with our basic policy.

Education and training for all employees—including the distribution of an information security handbook which covers issues related to personal information protection and the provision of education via e-learning—is monitored by the Corporate Ethics Committee.

Risk management

Risk Management Committee

The Risk Management Committee, with the Executive for Corporate Strategy serving as chair, revised the New Influenza Response Manual in September 2009 in response to the global pandemic. The revision incorporates guidelines for actions to be taken in accordance with changes of the pandemic Alert Phase issued by the World Health Organization (WHO) and the Japanese Ministry of Health, Labour and Welfare. Measures implemented in fiscal 2009 in accordance with the manual included the stockpiling of face masks for preventing infection.

In addition, the Risk Management Committee is introducing a system to confirm the safety of personnel in the event of a disaster such as a major earthquake. Establishment of such a system was studied in fiscal 2009, and preparation has been advanced for operational start in August 2010.

In an event of a disaster, the system ensures a swift, effective response including the provision of appropriate instructions by enabling confirmation of injured personnel at each division and department as well as whether personnel who are at home will be able to come to work.

Safety Confirmation System

Asahi Kasei Group CSR Report 2010

Asahi Kasei Group CSR Report 2010
Responsible Care

Responsible Care at Asahi Kasei

Responsible Care (RC) represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life cycle through the individual determination and responsibility of each firm producing and handling chemical products, together with measures to gain greater public trust through disclosure and communication. RC was conceived in Canada in 1985, and was strengthened on a global scale with the establishment of the International Council of Chemical Associations (ICCA) in 1990. In 1995, the chemical industry in Japan began implementing RC with the establishment of the Japan Responsible Care Council (JRCC). Asahi Kasei was among the founding members of the JRCC, and played a leading role in the expansion and development of RC in Japan.

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

Asahi Kasei Group Responsible Care Principles

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

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

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

June 4, 2002

Katsuhiko Yamazoe
Executive for RC
Senior Executive Officer
Asahi Kasei Corp.
Compliance, Responsible Care, Corporate citizenship, Respect for employee individuality

Asahi Kasei Group CSR Report 2010

1 A site or group of sites consisting of several plants and facilities of various core operating companies. Each Region General Manager is responsible for the unified implementation of RC in the respective Region.

2 The RC Committee is chaired by the President of the holding company, and its members include Presidents of the core operating companies, the New Business Development General Manager, and General Managers of the Nobeoka, Moriyama, and Fuji regions. The RC Committee meets once each year.

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, with the President of Asahi Kasei Corp. serving as chair of our RC Committee. As shown in the following diagram, continuous reevaluation and improvement are systematically pursued with "plan-do-check-act" (PDCA) cycles—for the Asahi Kasei Group as a whole, within each core operating company and Region, and within individual plants and facilities.

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

RC education and training

Our program for RC education and training was revised to further heighten the effectiveness of our RC initiative. In fiscal 2007, 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.

Using this textbook, we conducted education and training courses for Production Managers and EHS Managers, as well as candidates for those positions, group leaders of research departments, and EHS personnel. Over 300 people attended the courses during the three-year period of fiscal 2007 to 2009.

We will continue to hold such courses for Production Managers, EHS Managers, and candidates for those positions.

RC Symposia

Every year, RC Symposia are held at the Nobeoka, Moriyama, and Fuji Regions, with awards presented to plants which have outstanding safety performance records. In fiscal 2009, RC Symposia were also held by four core operating companies. To share information and maintain the vitality of the initiative, RC results are reported, seminars are held, and Safety Awards are presented at the symposia.
The Asahi Kasei Group’s business operations involve the use of large amounts of chemical substances. We implement measures under our ISO 14001 environmental management system to prevent polluting and accidents. No polluting accidents occurred in fiscal 2009.

We place priority on reduction of waste and chemical release to help establish a recycling-oriented society, and our efforts in this regard have been effective. In recent years, we have also proactively worked to curtail greenhouse gas emissions. We are also advancing CSR Procurement to ensure that environmental protection is taken into consideration in our supply chains.

Curtailing greenhouse gas emissions

The Asahi Kasei Group is an active participant in the voluntary programs for greenhouse gas emissions reduction by the Japan Chemical Industry Association (JCIA) and the Japan Business Federation (Nippon Keidanren), and our efforts have brought significant results. Seeking further reduction of greenhouse gas emissions for the prevention of global warming, the Copenhagen Accord was announced at COP15 at the end of 2009, and Japan submitted a target of cutting greenhouse gas emissions to 25% below 1990 levels by 2020. In this context, the Asahi Kasei Group established a new framework (see box at right) for the reduction of greenhouse gas emissions from the following perspectives.

- Curtailing emissions of greenhouse gases from production processes
- Performing life cycle assessment (LCA) to study the reduction of CO2 emissions enabled over the full life cycle of our products and technologies, including those under development, and seeking further reduction

Life cycle assessment of reduced CO2 emissions

We began performing life cycle assessment (LCA) to determine the reduction of CO2 emissions which are enabled by certain Asahi Kasei Group products and technologies when compared to the conventional products and technologies they replace. In fiscal 2008 such LCA was performed for our ion-exchange membrane process for caustic soda production, water treatment using our hollow-fiber membrane modules, and polycarbonate production using our non-phosgene process. In fiscal 2009, LCA determined that our synthetic rubber for low conditioner motors. Also in fiscal 2009, LCA determined that our Hall elements and Hall ICs (8.20 million tons/year) is equivalent to the annual CO2 emissions from some 1.33 million vehicles.

Curtailment of emissions of greenhouse gases from production processes

The Asahi Kasei Group has achieved a significant reduction in greenhouse gas emissions. Our emissions in fiscal 2009 were equivalent to 5.67 million tons of CO2, as we continued to maintain a reduction of over 50% from the baseline. Notable measures which contribute to this reduction include thermal decomposition of nitrous oxide (N2O) byproduct from adipic acid production, resulting in an annual reduction of roughly 6 million tons CO2 equivalent, and substitution of foaming agent used at the Suzuki Plant, resulting in an annual reduction of some 180 thousand tons CO2 equivalent. In Nobeoka, Miyazaki, we are constructing facilities to reduce CO2 emissions by using biomass fuel for power generation.

The Asahi Kasei Group’s new framework for the reduction of greenhouse gas emissions

Global Warming Response Committee

This committee deliberates and adopts group-wide measures to counter global warming. It is chaired by the holding company Executive for RC, and has the presidents of the core operating companies and the General Manager of New Business Development as members.

LCA Committee

This committee consists of personnel responsible for advancing LCA at the holding company, core operating companies, and New Business Development. It promotes LCA throughout the Asahi Kasei Group, performs LCA for the Group’s products and technologies—including those under development, and drafts targets for reduced CO2 emissions based on LCA.

Energy conservation

To reduce CO2 emissions from power generation, we target improved unit energy efficiency. In fiscal 2009 we reduced unit energy consumption by 9% from the previous year due to increased operating rates and other improvements. The average annual rate of improvement for the past five years was 1.3%.

Alleviating the environmental effects of physical distribution

Product shipments for Asahi Kasei Group operations in Japan amounted to some 1.18 billion ton-kilometers in fiscal 2009, generating approximately 87 thousand tons of CO2 emissions—a 3% reduction from fiscal 2008. In cooperation with the transport firms contracted for shipment, a wide range of measures are employed to reduce energy consumption and alleviate the environmental effects of physical distribution.

Both Asahi Kasei Chemicals and Asahi Kasei Fibers have received Eco-Rail Mark certification in recognition of their preferential shipment of products by rail, an ecological mode of transport which results in lower CO2 emissions for a given weight and distance than many other modes of transportation.

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 130 thousand tons CO2 emissions annually.

Electricity sources, FY 2009

1 Using Ministry of Economy, Trade and Industry and Ministry of the Environment standard of 561g CO2/kWh.

1. Thermal 49%
2. Hydroelectric 10%
3. Purchased 41%
**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 2009, the volume of industrial waste transferred off-site for final disposal was 82% lower than in fiscal 2000. The Group invested in on-site waste separation and recycling, although we were not able to achieve our targeted 85% reduction. In one notable example of recycling, Asahi Kasei Construction Materials has received the Environment Minister’s certification for “wide-area recycling” enabling the recycling of waste from autoclaved aerated concrete (AAC) panels from different construction sites without the need to obtain separate waste transport permits. In addition, Asahi Kasei Homes recycles panels from different construction sites without the need to obtain separate waste transport permits.

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

**Final disposal volume**

![Diagram showing the final disposal volume of industrial waste generated at construction sites.]

**Off-site final disposal by category of waste, FY 2009**

<table>
<thead>
<tr>
<th>Category</th>
<th>Total amount (4,400 t)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Glass, ceramics</td>
<td>26.9</td>
</tr>
<tr>
<td>Plastic waste</td>
<td>18.3</td>
</tr>
<tr>
<td>Bridle</td>
<td>15.1</td>
</tr>
<tr>
<td>Steel</td>
<td>4.8</td>
</tr>
<tr>
<td>Others</td>
<td>2.7</td>
</tr>
</tbody>
</table>

**Recycle flow for trimmings of Hebel™ AAC panels**

<table>
<thead>
<tr>
<th>Certified Steel of Hebel™ AAC Construction Materials</th>
</tr>
</thead>
<tbody>
<tr>
<td>AAC trimmings</td>
</tr>
</tbody>
</table>

**Flow of industrial waste, FY 2009**

- On-site treatment:
  - Waste generated: 101.7 (100.0%)
  - Recycling: 47.9 (47.2%)
  - Volume reduction: 73.1 (23.2%)
  - On-site landfill: 0.0 (0.0%)

- Off-site treatment:
  - Effluent waste: 196.7 (61.7%)
  - Off-site landfill: 4.8 (1.5%)

**Management and disposal of polychlorinated biphenyls (PCBs)**

Disused condensers, fluorescent lamp ballasts, and other devices that contain PCBs are emplaced in stainless steel vessels, recorded in a ledger, and stored under strict control. These are scheduled to be disposed of by July 2016, the legal deadline, through consignment to specified sites such as Japan Environmental Safety Corp. (JESCO) facilities equipped to render them harmless. Of the 781 condensers and transformers that we registered with JESCO, 29 condensers were disposed of in fiscal 2009.

**Biodiversity**

Due consideration is given to biodiversity as we engage in our business activities while advancing efforts to reduce the impact on biodiversity and to ensure the sustainable utilization of living resources.

In Nobeoka, we participate in a Miyazaki Prefecture reforestation program through the establishment of the Asahi Forest. We are creating this forest by planting broad-leaf trees and other trees native to the area on a mountain which was left bare after cedar and cypress had been harvested. Many of our employees and nearby residents participate in tree-planting sessions for this project to restore the area’s native biosphere, together with treks in nearby woods. In fiscal 2009, the fourth round of tree-planting for the Asahi Forest.

**Soil and groundwater contamination**

The Asahi Kasei Group employs a range of measures to prevent soil and groundwater contamination. In the event that soil or groundwater contamination is discovered at any of our sites, we promptly act to prevent effects on the surrounding area, report the matter to the local community, relevant authorities, and the media, and implement remediation in consultation with the authorities and independent specialists.
we also established a biodiversity research council together with companies performing tree-planting programs along the Gokase River. In Fuji, we created a 10,000 m² biotope called the Asahi Woods of Life at our plant and laboratory complex. The biotope recreates the ecosystem of the local area, providing the habitat for a wide range of species. Many of our employees and local residents participate in biodiversity-related activities such as planting trees, planting and harvesting rice, and watching fireflies.

**Operational safety**

The most important task for managing operational safety is to prevent accidents at plants by designing and building highly safe plants and maintaining the sound function of facilities and processes. The Asahi Kasei Group’s effort to prevent fires, explosions, and leaks of hazardous substances includes risk assessments and process reviews based on the age of facilities and audits by experts on fire and explosion prevention. We also implement measures to ensure that swift and appropriate response is taken to contain and minimize any damage in the event that an accident or natural disaster occurs.

No industrial accidents occurred in fiscal 2008, but in fiscal 2009 there were two accidents: a fire caused by a leak at the Basic Petrochemical Production Dept. and a fire that occurred during a drying process at the Synthetic Rubber Production Dept. We have investigated the causes of these accidents and applied measures to prevent recurrence, while further advancing efforts to ensure thorough safety management throughout our operations.

**Management of operational safety**

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

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**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.

Safety assessment is performed as part of the pre-investment inspection. Ranks are assigned based on the degree of hazard, with methods such as HAZOP1 utilized in the risk assessment of high-hazard facilities and methods such as “what if” analysis2 utilized for low-risk plants which are deemed to be vital.

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**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 the use of PDCA cycles to ensure the appropriateness of the maintenance standards for each individual unit of equipment. In addition, safety information and know-how are shared across the Asahi Kasei Group through group-wide plant engineering conferences with four specialist panels: Formulation of optimum systematic maintenance programs, establishment of standards and criteria, formulation of training systems for maintenance engineers, and sharing engineering information.

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**Training for maintenance**

Maintenance procedures are not only instrumental for the upkeep and modification of facilities, but also serve as a vital key to ensuring stable, safe operations by enabling abnormalities to be detected and rectified before problems occur.

In fiscal 2009, we launched a training program throughout the Asahi Kasei Group to nurture the skills of maintenance personnel. The program is focused on three areas: 1) performance of planned maintenance, 2) recognition of hazards and determination to eliminate them, and 3) identification of the underlying causes of problems, and formulation and application of countermeasures.
Training for operational safety
At our petrochemical sites in Mizushima and Kawasaki, the Asahi Operation Academy (AOA) serves as the training center to cultivate the skills necessary to operate petrochemical plants. AOA teaches the principles and structures of equipment, heightening the ability to identify the cause of equipment failure. Miniature plants and simulators are used at AOA to provide hands-on experience with controls and instrumentation. Operators thereby gain the technical skills and practical understanding of chemical engineering necessary for safe and reliable plant operation, with the ability to respond appropriately in the event of any abnormality.

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

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.

Physical distribution safety
Chemical products handled by Asahi Kasei Chemicals include highly hazardous substances that could cause significant environmental or health damage, and therefore require the utmost care in handling. The company works in close cooperation with logistics companies contracted for storage, loading, unloading, and transportation to ensure the safe delivery of such products. The effort includes physical distribution safety symposiums, safety liaison conferences, safety evaluations of logistics companies, on-board ship safety assessments, and many other safety measures from day to day.

In addition, individual production sites hold joint training drills for physical distribution safety together with logistics companies, police departments, and fire departments to ensure that the damage from any accident is minimized.

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In addition, individual production sites hold joint training drills for physical distribution safety together with logistics companies, police departments, and fire departments to ensure that the damage from any accident is minimized.

Integration of workplace safety initiatives

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

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

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

Schematic image for prevention of workplace accidents

Inherent safety, safeguards
Measures to achieve inherent safety and the application of safeguards to avoid risks are generally considered to provide the greatest level of safety, as shown in the following table. We incorporate such measures in the construction of new or replacement facilities, upon safety reviews of new or replacement facilities, and upon safety reviews of existing facilities, and to prevent the recurrence of accidents. We were unable to meet our targets for workplace injuries in fiscal 2009. Our frequency rate \( f \) was 0.21, exceeding our target of 0.1 or below, and our severity rate \( S \) was 0.008, exceeding our target of 0.005 or below. Progress was made in reducing accidents in the "caught in/between" category, which can easily result in severe injury. This category accounted for 10% of injuries in fiscal 2009, compared to 26% over the previous 10 years. Also, there were no accidents in fiscal 2009 which caused lasting injury. In this sense, we consider our workplace safety record in fiscal 2009 to have been largely satisfactory. We will continue our efforts to identify potential hazards and to mitigate the risks of operations that can lead to accidents in the "caught in/between" category, non-routine operations, and other operations with a high risk of accident.
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 Management 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 reviewing work procedures to reduce exposure to noise and heat.

Incidence of workplace injury by event category, FY 2009

<table>
<thead>
<tr>
<th>Event Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caught in/between</td>
<td>1.30</td>
</tr>
<tr>
<td>Traffic accident</td>
<td>1.02</td>
</tr>
<tr>
<td>Fall on same level</td>
<td>0.94</td>
</tr>
<tr>
<td>Fall from height</td>
<td>0.14</td>
</tr>
<tr>
<td>Fire/high-temperature</td>
<td>0.12</td>
</tr>
<tr>
<td>Cut or abrasion</td>
<td>0.16</td>
</tr>
<tr>
<td>Other</td>
<td>0.16</td>
</tr>
</tbody>
</table>

Incidence of workplace injury by event category, FY 1999–2008

<table>
<thead>
<tr>
<th>Event Category</th>
<th>Frequency</th>
</tr>
</thead>
<tbody>
<tr>
<td>Caught in/between</td>
<td>2.16</td>
</tr>
<tr>
<td>Traffic accident</td>
<td>1.06</td>
</tr>
<tr>
<td>Fall on same level</td>
<td>0.94</td>
</tr>
<tr>
<td>Fall from height</td>
<td>0.12</td>
</tr>
<tr>
<td>Fire/high-temperature</td>
<td>0.12</td>
</tr>
<tr>
<td>Cut or abrasion</td>
<td>0.16</td>
</tr>
<tr>
<td>Other</td>
<td>0.16</td>
</tr>
</tbody>
</table>

Severity rate

<table>
<thead>
<tr>
<th>Year</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
<th>2008</th>
</tr>
</thead>
<tbody>
<tr>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

1 Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked. Our goal of 0.1 or less is extremely ambitious. At a plant with 100 workers, it would mean only one worker in 50 years suffered from a workplace injury which resulted in a day off.

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

Health maintenance

In our effort to promote and maintain employee health, we provide both physical and mental health checkups, and take steps to reduce the number of employees who have mental distress or health warning signs.

Reducing health warning signs

The ongoing effort to reduce the proportion of our personnel for whom health warning signs are found includes the use of our internet-based personal diet management system and the provision of guidance on exercise and health by specialist health management personnel and external lecturers at our various operating sites.

In fiscal 2009, the proportion of our personnel for whom one or more health warning signs were found was largely unchanged from the previous year.

In addition, our employee health insurance association began providing specified health guidance in fiscal 2008 at certain sites in accordance with the Act on Assurance of Medical Care for Elderly People. In fiscal 2009, this health guidance was extended to all major plants and office sites. Results of fiscal 2009 health checkups at workplaces where such guidance was performed in fiscal 2008 showed a reduction in the number of personnel with health warning signs related to hyperlipidemia and hypertension as well as obesity. In fiscal 2010, such guidance will be extended to include independent plants and smaller offices.
Mental health and care
The maintenance of employees’ mental health and care is advanced in tandem with our physical health and fitness programs. The corporate Mental 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. To promote self-awareness and care, we have performed the Japan Mental Health Inventory (JMI1) survey for all personnel on three-year cycles since fiscal 2001, and are now in the third cycle. The results of the survey are also analyzed by workplace unit to help guide improvements in the workplace environment.

Responsible Care
Product safety
To ensure the provision of products that the customer can use safely and reliably, we at the Asahi Kasei Group constantly strive to improve product safety and product quality, while maintaining consistent production control. In fiscal 2009 we again met our target of no serious product safety incidents.

Prevention of product safety incidents
Consumer satisfaction and safety
Products sold by the Asahi Kasei Group range from industrial materials to consumer products. Many of the materials we sell are used in products which are purchased by ordinary consumers. Consumer satisfaction is therefore the ultimate measure of our success in the provision of safe, high-quality products. We strive to maintain product quality and safety through continual attention to production control to ensure that the products used by consumers are completely free of safety defects.

Product safety guidelines
Group-wide product safety guidelines have been prepared to secure product safety and prevent the occurrence of product safety incidents. The guidelines specify matters to be controlled throughout the process from material purchase through use and disposal. The guidelines are centered on risk assessment during the development stage to ensure product safety prior to marketing. Specific product safety measures for individual products are applied by each core operating company in accordance with the guidelines. Products are classified as either “chemicals” or “equipment,” with separate procedures to ensure product safety as shown at right.

Flow of product safety measures

Product safety procedure for chemicals

Product safety procedure for equipment

1 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.
Managing chemical substances

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

Chemical substance management flow

The Asahi Kasei Group effort

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

Materials purchase

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

Production

The safety of the local community and the protection of the environment are secured by proper handling of chemical substances to suppress environmental release (see pp. 23–27) and to prevent fires, explosions, and leaks (see pp. 27–29). The health of employees is protected by preventing workplace exposure to hazardous substances.

In fiscal 2009 we surveyed the handling of nanomaterials in our operations and established guidelines for preventing exposure to them. At the Kawasaki Works, a seminar on their handling was held prior to the survey.

Use and disposal

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

Research and development

The management of chemical substances begins with R&D, which is guided throughout every stage by a commitment to developing products and process characterized by safe, environmentally sound production, handling, and use.

Education and training

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

In fiscal 2009, we acted swiftly to ensure our compliance with the revised Chemical Substance Control Law. We distributed detailed information on the revision throughout the Asahi Kasei Group and actively promoted participation in related seminars.

Global trends on management of chemical substances

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

Committing to the RC Global Charter

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

Promoting the Japan Chemical Industry Association’s new voluntary activities for chemical management

The Japan Chemical Industry Association (JCIA) has been promoting voluntary risk assessment and management of chemical substances in Japan and encouraging enhanced product stewardship.

One key element is the preparation of a Japanese version of the ICCA Product Stewardship Guidelines (issued by the ICCA in 2007) including a Japanese version of risk assessment guidance and product stewardship guidance for the communication of risk information through supply chains. The JCIA plans to establish the

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</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</td>
</tr>
</tbody>
</table>

1 ICCA Long-range Research Initiative (ICCA-LRI)

The ICCA-LRI seeks to deal with unsolved issues regarding the impact of chemical substances on human health and the environment, and to develop new safety assessment technologies. The JCA has ongoing research projects in five areas: effect on organisms in the environment, neurotoxicity, carcinogenicity, immunotoxicity, and improvement of the precision of risk evaluation.
Japanese version of the ICCA PS Guidelines as an industry standard for voluntary product stewardship activities. In fiscal 2009, Asahi Kasei actively participated in this effort.

Globally Harmonized System (GHS)
We are advancing a program to classify the hazards of all of our chemical products in accordance with GHS categories, revise our MSDS’s, and label our products with clear safety information.

REACH compliance
We have completed REACH pre-registration for all applicable substances. Relevant core operating companies conduct internal education and training on REACH requirements and convene monthly meetings to advance compliance procedures. Preparations for REACH registration are ongoing, in full compliance with all relevant requirements.

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

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

In addition to their useful properties, many of our products are potentially hazardous if handled improperly. We therefore provide a range of information for safe use and handling of our products, and continuously review the safety of our products and strive to ensure that the safety information that we provide is easy to understand and apply.

With regard to the safety of chemical products, the Global Harmonized System of Classification and Labeling of Chemicals (GHS) has been introduced in Japan in accordance with a United Nations advisory. We have revised our MSDSs for compatibility with GHS and have labeled our chemical products to make safety information more visible.

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Environmental accounting
We classify the cost of our measures for environmental protection in accordance with cost classification standards promulgated by the Ministry of the Environment. The table below shows fiscal 2009 environmental accounting for Asahi Kasei Chemicals, Asahi Kasei Fibers, Asahi Kasei Microdevices, and Asahi Kasei E-materials. Notable measures carried out in fiscal 2009 included reduction of VOC emissions, energy conservation, and groundwater purification. Notable results included reducing the amount of emission and transfer of PRTR-specified substances by 38 and 1,100 tons, respectively, and reducing the amount of final disposal of industrial waste by 2,200 tons.

These measures allowed us to save 1.6 million yen in industrial waste disposal costs and gain profit of 230 million yen by selling the industrial waste as valuable material.

Investment in environmental and safety modification

<table>
<thead>
<tr>
<th>Environmental accounting (N million)</th>
</tr>
</thead>
</table>

Environmental accounting

<table>
<thead>
<tr>
<th>Environmental accounting (N million)</th>
</tr>
</thead>
</table>

Note: Sums may not equal totals due to rounding.
We are committed to advancing in harmony with society from a global perspective through fair information disclosure and the proactive employment of management resources for corporate responsibility and citizenship.

Corporate citizenship

Stakeholder dialog

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

Corporate citizenship

Establishment of Information Disclosure Policy

In July 2008, we established an Information Disclosure Committee chaired by the Executive for Corporate Strategy and adopted an Information Disclosure Policy. In our communication with stakeholders and with the general public, we strive for dialog which fosters a relationship of trust, promoting greater understanding of the Asahi Kasei Group, to increase brand strength and heighten corporate value. Please refer to www.asahi-kasei.co.jp/asahi/en/ir/disclosure.html for more details.

Customer relations

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

Communication with customers

To enhance communication with our customers, we optimize our response according to the category of product: material, intermediate, device, or final product. For final products, our customer support centers handle inquiries, comments, requests, and suggestions from consumers. For polymers and chemical products, electronic materials and devices, and construction materials, our sales representatives share feedback received from customers with the relevant R&D departments, where it is often used as the basis for modification and improvement of existing products and development of new products.

Investor relations

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

Shareholder distribution

Asahi Kasei Corp. has some 130 thousand shareholders. At the end of March 2010, approximately 48% of our shares were held by Japanese financial institutions, 23% by Japanese individuals and groups, and 22% by foreign investors.
Meetings with institutional investors and securities analysts

In fiscal 2009, Investor Relations held 265 meetings in Japan with institutional investors and securities analysts, including large conferences to discuss quarterly financial results. Furthermore, 133 meetings were held with investors and analysts overseas, including two presentations at conferences held by Japanese and overseas securities firms. In total, 398 meetings were held to directly provide information to institutional investors and securities analysts in fiscal 2009, with a cumulative attendance of 1,509.

Seminars for individual investors

To provide individual investors with a better understanding of the operations of the Asahi Kasei Group, 18 seminars for individual investors were held in fiscal 2009, including one featuring a presentation by the President of Asahi Kasei, with a cumulative attendance of 1,718.

Corporate citizenship

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

Principal aspects of supplier evaluation

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

Supplier relations at production sites

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

Dialog and interaction

Measures for community dialog and interaction include regularly held forums and meetings with representative of local government and members of local residents associations, opening gymnasiums, playgrounds, and other facilities for public use and enjoyment, and hosting a variety of events.

Neighborhood clean-up and tree planting

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

Public outreach

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

Plant tours

We offer plant tours in Nobeoka, Mizushima, Suzuki, and other major plant locations to obtain a better understanding of our operations and the measures we implement for the environment and safety.

Independent drinking water supply systems for local communities

Asahi Kasei Chemicals has installed drinking water supply systems at three Asahi Kasei Group plant sites: Moriyama, Suzuki, and Nobeoka. The systems utilize Microza® microfiltration membranes to purify deep well water. While serving to supply drinking water to personnel working at these sites on a daily basis, these systems also provide a vital independent back-up as a secure source of safe drinking water for local communities in the event of a disaster.
Corporate citizenship

Community fellowship

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.

Basic commitment

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.
- Sharing 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.

Basic Framework

Education and development of the next generation

School visits and science lab for students

The Asahi Kasei Group conducts school visits to promote understanding and heighten interest in science and technology among elementary, junior high, and high school students. Our engineers visit schools to give explanations and demonstrations of science and technology and on environmental issues.

Holding exhibits and sponsoring science-related events

The Asahi Kasei Group provided sponsorship for and held exhibits at science-themed events such as “Dream Chemistry 21,” a chemistry exhibition for school children during summer vacation, and “Youngsters’ Science Festival 2009.” Through these events, children and their parents were able to learn about science and chemistry in a fun way.

Supporting the Japan Student Science Awards

The Asahi Kasei Group is the sole sponsor of The Yomiuri Shimbun’s Japan Student Science Awards, including the Asahi Kasei Award, which are given in recognition of outstanding study of science at junior high schools and high schools.

Corporate partner of Miraikan

Since fiscal 2008, the Asahi Kasei Group has been a corporate partner of the National Museum of Emerging Science and Innovation (Miraikan) led by scientist and former astronaut Dr. Mamoru Mohri. As a corporate partner, we work together with Miraikan to help cultivate children’s interest in science and technology.

Asahi Kasei Water Environment Preservation Foundation

On August 7, 2009, Asahi Kasei Chemicals held a ceremony in Beijing to mark the launch of the Asahi Kasei Water Environment Preservation Foundation. The foundation’s main objective is to promote youth education in China with regard to the water environment. We also donated a water purification unit to Chinese authorities.

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 include musical and dramatic events, support for local cultural promotion, and fostering familiarity with and understanding of folk culture.

Sports

Asahi Kasei has long supported athletic activity and maintains top-tier judo and track teams, with nearly 40 employees having competed in the Olympics over the years. Support for sports and athletics also includes sponsorship of the Golden Games in Nobeoka, a notable long-distance track competition in Japan, and provision of judo and track lessons for elementary, junior high, and high school students by members of our corporate judo and track teams.

Asahi Kasei Water Environment Preservation Foundation

Presentation of the Japan Student Science Awards

Corporate partner of Miraikan

Supporting the Japan Student Science Awards

Overseas activities

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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.

**Respect for employee individuality**

**Human Resources Principles**

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

- **Corporate Commitment**
  - The basic commitment to human resources is to provide the means for a dynamic and fulfilling career as a part of a lively and growing corporate group.

- **Basic Expectations**
  - Enterprise and growth through challenge and change: thriftiness and responsibility in action: respect for diversity

- **Operations of Leaders**
  - Building the team: heightening performance and achievement: going beyond conventional boundaries, in thought and action: adhering to mutual development and growth

**Respect for employee individuality**

**Human resources development**

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 conducts annual review and development discussions with each employee, 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 conducts annual review and development discussions with each employee.

**Career development training system 2010**

- **Revision of system for administrative positions**
  - In October 2008, we revised our system for administrative positions (heads of sections and departments) from one of rank-based grades to one based on category of role in each post. The new system enables the importance of each post to be more clearly reflected and better engenders the positioning of the most suitable person in each post.

- **Group Masters**
  - The Asahi Kasei Group employs a "Group Masters" program to recognize employees who have developed and exercised extraordinary expertise and skills that hold universal value, and to facilitate their application throughout the Group. Currently, 116 Group Masters are designated: two as Group Fellows, thirty as Group Experts, and eighty-four as Group Experts, with rank and remuneration commensurate with executive officer, department general manager, and section manager, respectively.

**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.

**Independent study**

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

**Available position postings**

In October 2003 we began a system for business units to post available positions on the corporate intranet. Personnel in other business units who are eligible for transfer can apply. So far, a total of 133 employees have been transferred through this system to other divisions and departments within the group.
Respect for employee individuality

Valuing diversity

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

Fiscal 2010 hiring

In April 2010, 316 new graduates were hired: 239 men and 77 women. In addition, 118 persons were hired in mid-career between April 2009 and March 2010.\(^1\)

Expansion of opportunities for women

We established EO Promotion in 1993, and have proactively increased the proportion of women hired and expanded the distribution of job assignments for women. In 1993, only five employees at the rank of manager or above were women. This has risen to 281 in June 2010, and the variety of posts where women are assigned continues to expand.

Number of women as managers\(^2\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of Women</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>1993</td>
<td>5</td>
<td>0.2%</td>
</tr>
<tr>
<td>1996</td>
<td>3</td>
<td>0.2%</td>
</tr>
<tr>
<td>2000</td>
<td>30</td>
<td>1.5%</td>
</tr>
<tr>
<td>2005</td>
<td>116</td>
<td>5.6%</td>
</tr>
<tr>
<td>2010</td>
<td>281</td>
<td>13.7%</td>
</tr>
</tbody>
</table>

Employment of persons with disability

Our employment of disabled persons stood at 430 employees as of June 1, 2010, or 1.97% of the 22,079 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. Asahi Kasei Ability Corp. was established in 1983 for the employment of disabled persons, performing a wide range of services for the Asahi Kasei Group including website design, document printing and binding, copying, mounting and framing, gardening, and cleaning, with offices in Tokyo, Fuji, Mihama, and Nobeoka. Of our 430 personnel with disability in June 2010, 255 were employed at Asahi Kasei Ability.

Preventing sexual harassment

Sexual harassment in the Asahi Kasei Group is clearly prohibited by our Corporate Ethics – Code of Conduct and by our corporate employment regulations. Prevention is reinforced through training at each level of promotion in rank and through periodic company-wide training within each core operating company for conformance with corporate ethics. EO Promotion serves as a central point of consultation for the Asahi Kasei Group, and consultation centers have been established in each core operating company, at each operating site, and by each labor union.

Training and consultation is not limited to regular full-time employees, but includes staff from placement agencies and employees of affiliated companies.

Participation in the National Abilympics by seven employees

Seven employees of Asahi Kasei Ability participated in the 31st National Abilympics held in Hitachinaka, Ibaraki, in October 2009, the largest team from any single company. Of the seven, one won a silver medal and three won bronze medals. Our employees have participated in this event and won medals for three consecutive years.

Respect for employee individuality

Balancing work and family life

Avoiding overwork and utilizing paid days off

We encourage personnel to reevaluate their working habits from the perspective of balancing work and family life, to raise productivity to enable excessive working hours to be avoided and paid days off to be utilized.

In April 2010 we adopted a system for paid holidays to be used in two-hour units, enabling personnel to utilize paid leave more flexibly.

Helping employees balance work and family life

We encourage personnel to take advantage of a full complement of provisions and benefits to enable the flexibility to maintain a career while raising a family.

In April and June 2010, we enhanced our provisions to support child-rearing and family care. We used the corporate intranet to raise awareness of the enhancements, and provided support for managers whose personnel utilize the provisions.

Parental leave

Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2009, 407 personnel utilized parental leave, 250 men and 157 women. This is 40% of the men who were qualified.

Employees using parental leave\(^1\)

<table>
<thead>
<tr>
<th>Year</th>
<th>Women</th>
<th>Men</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>124</td>
<td>68</td>
</tr>
<tr>
<td>2006</td>
<td>150</td>
<td>83</td>
</tr>
<tr>
<td>2007</td>
<td>140</td>
<td>72</td>
</tr>
<tr>
<td>2008</td>
<td>150</td>
<td>78</td>
</tr>
<tr>
<td>2009</td>
<td>153</td>
<td>77</td>
</tr>
</tbody>
</table>

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In April and June 2010, we enhanced our provisions to support child-rearing and family care. We used the corporate intranet to raise awareness of the enhancements, and provided support for managers whose personnel utilize the provisions.

Handbook for employees expecting or raising children

Kurumin certification mark, received from the Ministry of Health, Labour and Welfare in recognition of our support for development of the next generation.\(^1\)

Fiscal 2010 hiring

In April 2010, 316 new graduates were hired: 239 men and 77 women. In addition, 118 persons were hired in mid-career between April 2009 and March 2010.\(^1\)

Expansion of opportunities for women

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<tr>
<td>2006</td>
<td>150</td>
<td>83</td>
</tr>
<tr>
<td>2007</td>
<td>140</td>
<td>72</td>
</tr>
<tr>
<td>2008</td>
<td>150</td>
<td>78</td>
</tr>
<tr>
<td>2009</td>
<td>153</td>
<td>77</td>
</tr>
</tbody>
</table>
Open Office Day in Tokyo

The fourth “Open Office Day” in Tokyo was held in August 2009, part of an ongoing program in accordance with our basic framework of “education and development of the next generation.” Employees at the several Asahi Kasei Group offices in Tokyo brought their children to their workplaces and gathered at our Head Office to observe and take part in a variety of science and technology demonstrations and experiments. Attendance totaled 396 parents and children, of 147 families.

Shortened working hours for child-rearing

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

Utilization of shortened working hours and Kids Support for child-rearing

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Shortened working hours (men)</th>
<th>Shortened working hours (women)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009-08</td>
<td>260</td>
<td>205</td>
</tr>
<tr>
<td>2009-09</td>
<td>256</td>
<td>199</td>
</tr>
<tr>
<td>2010-01</td>
<td>256</td>
<td>196</td>
</tr>
<tr>
<td>2010-02</td>
<td>267</td>
<td>210</td>
</tr>
<tr>
<td>2010-03</td>
<td>276</td>
<td>224</td>
</tr>
</tbody>
</table>

Results for personnel employed by Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei Microdevices Corp., and Asahi Kasei Construction Materials Corp. for FY 08-09, and by Asahi Kasei Construction Materials Corp. for FY 05-07, and by Asahi Kasei Medical Co., Ltd. in addition to those companies for FY 06-08.

Support for family care

In fiscal 2009, six personnel utilized leave of absence for family care. This provision enables a leave of up to one year for the purpose of attending to any family member who requires care. In April 2010, new provisions for days off and flexible working hours were added to enable personnel to continue working while providing care for family members.

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 October 2009, annual discussions were held between management of the holding company and labor union representatives. Discussions between management of the core operating companies and representatives of the labor unions are held on a regular basis.

Respect for employee individuality

Communication between management and labor

Asahi Kasei Group CSR Report 2010
Environmental and safety data

Main environmental aspects, FY 2009

<table>
<thead>
<tr>
<th>Atmospheric emissions</th>
<th>Fuel: 9,312 tons</th>
<th>Heat: 1,541 tons</th>
<th>Other: 1,833 tons</th>
<th>Total: 12,686 tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effluent water</td>
<td>Diffuse: 262 Mℓ</td>
<td>COD in effluent: 1,833 tons</td>
<td>Phenolics: 14,800 tons</td>
<td>Phosphorus: 24 tons</td>
</tr>
<tr>
<td>PRTR-specified substances</td>
<td>None to be used</td>
<td>None to be used</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Industrial waste

- Effluent waste: 164,700 Mℓ
- Refuse, town waste: 49,000 Mℓ

JEPIX performance

- Environmental impact
- Excess efficiency

<table>
<thead>
<tr>
<th>Year</th>
<th>Environmental impact</th>
<th>Excess efficiency</th>
</tr>
</thead>
<tbody>
<tr>
<td>2001</td>
<td>1,166,493</td>
<td>2,222</td>
</tr>
<tr>
<td>2002</td>
<td>1,447,667</td>
<td>2,750</td>
</tr>
<tr>
<td>2003</td>
<td>1,692,729</td>
<td>3,175</td>
</tr>
<tr>
<td>2004</td>
<td>1,956,503</td>
<td>3,600</td>
</tr>
<tr>
<td>2005</td>
<td>1,767,791</td>
<td>2,813</td>
</tr>
<tr>
<td>2006</td>
<td>1,609,799</td>
<td>2,122</td>
</tr>
<tr>
<td>2007</td>
<td>1,550,075</td>
<td>1,434</td>
</tr>
<tr>
<td>2008</td>
<td>1,415,561</td>
<td>2,856</td>
</tr>
<tr>
<td>2009</td>
<td>1,220,720</td>
<td>2,553</td>
</tr>
</tbody>
</table>

FY 2009 treatment and disposal of industrial waste by business unit

<table>
<thead>
<tr>
<th>Category of waste</th>
<th>Total (thousand)</th>
</tr>
</thead>
<tbody>
<tr>
<td>CSIRO</td>
<td>2.2</td>
</tr>
<tr>
<td>Asahi Kasei Pharma</td>
<td>1.5</td>
</tr>
<tr>
<td>Asahi Kasei Chemicals</td>
<td>0.4</td>
</tr>
<tr>
<td>Asahi Kasei Specialties</td>
<td>0.2</td>
</tr>
<tr>
<td>Asahi Kasei Research</td>
<td>0.2</td>
</tr>
<tr>
<td>Asahi Kasei Electronics</td>
<td>0.2</td>
</tr>
<tr>
<td>Asahi Kasei Engineering</td>
<td>0.2</td>
</tr>
<tr>
<td>FY 2009</td>
<td>49</td>
</tr>
<tr>
<td>FY 2008</td>
<td>59</td>
</tr>
<tr>
<td>FY 2007</td>
<td>78</td>
</tr>
<tr>
<td>FY 2006</td>
<td>96</td>
</tr>
<tr>
<td>FY 2005</td>
<td>115</td>
</tr>
<tr>
<td>FY 2004</td>
<td>141</td>
</tr>
<tr>
<td>FY 2003</td>
<td>169</td>
</tr>
<tr>
<td>FY 2002</td>
<td>198</td>
</tr>
<tr>
<td>FY 2001</td>
<td>230</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th>Year</th>
<th>SOX emissions</th>
<th>NOX emissions</th>
<th>SO2 emissions</th>
<th>dust emissions</th>
<th>COD of effluent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5,803</td>
<td>6,560</td>
<td>5,084</td>
<td>4,218</td>
<td>5,075</td>
</tr>
<tr>
<td>2006</td>
<td>5,012</td>
<td>5,012</td>
<td>5,012</td>
<td>5,012</td>
<td>5,012</td>
</tr>
<tr>
<td>2007</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
<td>4,000</td>
</tr>
<tr>
<td>2008</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>2009</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
<td>2,000</td>
</tr>
<tr>
<td>2010</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
<td>1,000</td>
</tr>
</tbody>
</table>

**VOC** emissions

<table>
<thead>
<tr>
<th>Year</th>
<th>Total emissions</th>
<th>Indoor emissions</th>
<th>Outdoor emissions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>2006</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
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<tr>
<td>2009</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
<tr>
<td>2010</td>
<td>5,000</td>
<td>5,000</td>
<td>5,000</td>
</tr>
</tbody>
</table>

**Notes:**
- Substances listed are those of which total release was 1,000 m³ or more.
- Figures rounded to the nearest tenth of a ton.
- Sulfur oxides are formed when crude oil, fuel oil, or coal containing sulfur are burned or when industrial equipment containing sulfur are massproduced. Sulfur dioxide (SO2) is mostly removed, but some sulfur oxides (SOx, Mx) also form. The SOx in this table is the sum of both forms.
- Nitrogen oxides are formed in nature and during combustion at thermal power plants, factories, boilers, mineral combustion engines, and so on. The nitrogen oxides formed by both nitric oxide (NOx) and nitrogen dioxide (NO2) are included in this table.
- Dust and dust are the fine dust particles formed in the combustion of fuels and other materials.
- Chemical oxygen demand. An indicator of waste oxidation by organic substances. COD is expressed in terms of the amount of oxygen required to oxidize and chemically oxidize the organic substances contained in the water.

**Research and development**

- **FY 2009 research and development (R&D) investment:**
  - Total R&D investment: 100 billion yen
  - R&D investment by business unit:
    - Asahi Kasei Chemicals: 30 billion yen
    - Asahi Kasei Engineering: 20 billion yen
    - Asahi Kasei Homes: 15 billion yen
    - Asahi Kasei E-materials: 10 billion yen
    - Asahi Kasei Corporation: 5 billion yen

**CO2 emissions from product shipment**

<table>
<thead>
<tr>
<th>Year</th>
<th>CO2 emissions (ton)</th>
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**Estimated CO2 emissions by overseas affiliates**

- For FY 2009, CO2 emissions were estimated for Asahi Kasei Australia, Asahi Kasei Chemicals Europe, Asahi Kasei E-materials China, and Asahi Kasei Engineering China.

**Third-party awards and recognitions**

- Asahi Kasei Engineering Co., Ltd. received the "Best Supplier Award" from Mitsubishi Electric Corporation.
- Asahi Kasei Corporation received the "Outstanding Performance Award" from Hitachi, Ltd.
- Asahi Kasei Chemicals Europe received the "Supplier of the Year" award from Siemens AG.

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Asahi Kasei Group CSR Report 2010

Corporate profile

Company Name: Asahi Kasei Corp.
Date of Establishment: May 21, 1931
Paid-in Capital: Y103.3 billion
Stock Listings:
Tokyo, Osaka, Nagoya, Fukuoka, Sapporo

Tokyo Head Office
1-105 Kanda Jinbocho, Chiyoda-ku, Tokyo 101-8101 Japan
Phone: +81-3-3296-3000
Fax: +81-3-3296-3161

Osaka Head Office
3-3-23 Nakanoshima, Kita-ku, Osaka 530-8205 Japan
Phone: +81-6-6736-3111
Fax: +81-6-7636-3077

Information and reference

Asahi Kasei Group website: www.asahi-kasei.co.jp/en/
CSR and RC Reports: www.asahi-kasei.co.jp/en/ir/csrreport/
Annual Reports: www.asahi-kasei.co.jp/en/ir/annual/