



CSR Report 2011

Asahi Kasei Group

Asahi Kasei Group CSR Report 2011

Contributing to
life and living
for people around the world



ASAHI KASEI CORPORATION

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Purview of report

Period under review

The primary focus of the report is fiscal 2010 (April 2010 – March 2011), 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 an Others category 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 2011.

Publication

Published July 2011 in Japanese

Guidelines consulted

The Global Reporting Initiative's *Sustainability Reporting Guidelines*, ISO26000, and other guidelines were consulted during the preparation of this report.

Operating segments

Operating segment	Consolidated subsidiaries
Chemicals	Asahi Kasei Chemicals Corp. and 23 others
Homes	Asahi Kasei Homes Corp. and 9 others
Health Care	Asahi Kasei Pharma Corp., Asahi Kasei Kuraray Medical Co., Ltd., Asahi Kasei Medical Co., Ltd., and 11 others
Fibers	Asahi Kasei Fibers Corp. and 18 others
Electronics	Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., and 11 others
Construction Materials	Asahi Kasei Construction Materials Corp. and 7 others
Others	13 consolidated subsidiaries

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.

Anti-Corruption

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



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Pioneering the future with chemistry, contributing to life and living for people around the world

The Asahi Kasei Group has launched “For Tomorrow 2015” as a new five-year management initiative from fiscal 2011 to fiscal 2015. Operations throughout our four business sectors of Chemicals & Fibers, Homes & Construction Materials, Electronics, and Health Care are being reinforced. We are considering future businesses from a broad perspective, including further development from our core in chemistry.

President Taketsugu Fujiwara invited Dr. Hideki Shirakawa, laureate of the 2000 Nobel Prize in Chemistry, to discuss the role of chemistry and the proper approach for a company to take in a changing society.

AsahiKASEI

Taketsugu
Fujiwara

President of Asahi Kasei
Corporation



Hideki
Shirakawa

Chemist
Professor Emeritus, University
of Tsukuba
Nobel Prize Laureate in
Chemistry in 2000

Contributing to life and living for people around the world

Fujiwara: The Great East Japan Earthquake of March 11 caused enormous damage in the eastern region of Japan. There are still many people who are living in very difficult conditions, unable to return to their homes. I express my most heartfelt sympathies.

Shirakawa: I was scheduled to give a demonstration class at the *Miraikan* (National Museum of Emerging Science and Innovation) on March 12, but it was canceled because of earthquake damage. Repairs were completed three months later, and the facilities finally reopened in June. These unprecedented circumstances made me realize that we need to think again about energy usage and conservation of electricity.

Fujiwara: This disaster brought many things into sharp relief, including how to sustain essential utilities, and what kind of security we should expect in homes and communities. We have had extensive discussions in the Asahi Kasei Group about our role as a business entity, and I strongly feel that this disaster has only reconfirmed and reinforced the validity of our Group Mission of contributing to life and living for people around the world.

Shirakawa: Another way to say it would be, “What can chemistry do to help save lives? What can it do to help make life better?” Of course I don’t mean just pure chemistry, but think of all the things that are derived from chemistry. It has enabled remarkable progress in healthcare, in inorganic materials, and in construction materials. One of the greatest contributions that chemistry has made to humankind is the Haber-Bosch process for reacting nitrogen from the air with hydrogen to synthesize ammonia, which is used to make things like fertilizers and pharmaceuticals. This is the basic foundation for all nitrogen-containing compounds, and it has long been a cornerstone of the chemical industry. Asahi Kasei was an early pioneer in improving this process, weren’t you?

Fujiwara: Our founder Shitagau Noguchi planted the roots of our enterprise by building hydroelectric plants which supplied power for electrolysis to obtain hydrogen from water, and then synthesizing ammonia as the basis for development of a wide range of chemical businesses. Very early on, he built enormous

hydroelectric plants on major tributaries of the Yalu River on the Korean peninsula, which served as the basis for production of fertilizers and other ammonia-derived products. He also diversified into the field of organic chemistry, based on derivatives from coal distillates. This technological pedigree for industrial chemistry remains at the heart of who we are today.

Noguchi’s ambitious vision was to create world-leading factory complexes using Japanese technology. He knew that this would require a diverse array of technologies, and would give rise to innovations and integrations of different fields. He believed that this would ultimately contribute to the advancement of Japan’s overall technological position and industrial development. The creation of a new technology or product opens the way for further improvements and modifications, which lead to even more possibilities and new applications. This positive cycle is what creates new value and makes the world a richer place. Asahi Kasei has a long heritage of innovating and creating in this way, and we continue to pass it on from generation to generation.

Dr. Shirakawa, you discovered polyacetylene, but you identified its properties by combining various substances and trying all sorts of things.

Shirakawa: That’s right. At first, people thought the experiment had failed. But ultimately it became clear that even a plastic, which would not be expected to have any conductivity, could conduct electricity after all.

In specialist terminology, polyacetylene is a conjugated polymer, that is to say, it is a plastic that has alternating single and double bonds. Broadly speaking, there are two types of conjugated systems—one is aromatic compounds, which contain benzene rings, and the other one is aliphatic compounds such as polyacetylene. With an aliphatic compound, addition reactions occur very readily. In other words, various radicals easily attach at one of the double bonds, changing it to a single bond. If that happens, electrical conductivity is lost. The characteristics of polyacetylene are extremely good as long as no addition reactions occur. That is why when it was first found, researchers at universities and corporations around the world studied it eagerly in the hope that it could be used in rechargeable batteries. Although outstanding performance could be obtained, durability turned out to be a problem when trying to develop a practical product. This is why everyone switched to aromatic compounds. Dr. Yoshino, who developed the lithium-ion battery at Asahi Kasei, was the first to realize this,

and his improvements with carbonaceous material were the key to the successful development.

Although human intuition can be very keen sometimes, there are also times when you just can't figure out what will work. Sometimes you just have to try all kinds of things, and once you find what works you say "Oh, now I understand!"

Incidentally, what is the thinking behind the Asahi Kasei Group Slogan, *Creating for Tomorrow*?

Fujiwara: We have projects underway studying

what specific things we will do for the future. For example, in health care, one focus is on the circulatory system.

We can use filtration to remove unwanted substances from the blood, and then return the filtered blood to the patient. Although filtration won't completely remove the unwanted substances, decreasing the amount of such substances can provide effective therapy. And in addition to filtration, we can also use adsorbents to remove various proteins, pathogens, and viruses.

Shirakawa: It sounds like you're aiming for filtration/adsorption systems that will do even more than ordinary kidney functions. In Japan and worldwide, I think the question of how to tackle cancer is extremely important. In addition, global initiatives are essential to address the three major problems of tuberculosis, AIDS and malaria.

Fujiwara: I believe that our filtration and adsorption systems for therapeutic apheresis,



as well as our filtration systems for plasma derivatives, can be applied to the problem of AIDS. We consider it our corporate mission to make a contribution to social systems that provide peace of mind worldwide.

Teaching children to learn from nature

Shirakawa: Asahi Kasei also seems to strongly support science education for children. You provide materials for my demonstration classes at the Miraikan, of which you are also a major sponsor. Whenever I interact with children, I emphasize hands-on study and learning from nature.

Children learn best when they see things with their own eyes and experience things in person. I think the best way to teach them is to help them discover different things and realize different ideas themselves. By "learning from nature," I mean that children can actually learn a lot on their own simply by being surrounded by nature.

We use many convenient devices and systems these days, but it's not easy to grasp how they work. Now that there are fewer opportunities to make things by ourselves, I think we really need to give children the chance to experience things in person. It would be great if more corporations and scientists would help support this kind of thing.

Fujiwara: In Nobeoka, Miyazaki Prefecture, one of our major manufacturing locations, we have long had a program for our engineers to visit local schools to give science and technology demonstrations, and we invite groups of students for tours of various factories. We also support a program by retired engineers to visit local schools to help with science lessons. Throughout these efforts, we truly hope and believe that it doesn't just end when the lecture is over, but that what we're doing is just as you described—providing children with opportunities to experience discovery and excitement.

The world today is awash with information. One can find out almost anything by searching the internet. But the most important thing is to realize things on one's own. You speak of learning to observe people and nature from the perspective of chemistry. I think we should keep a similar perspective as a corporate enterprise as we consider the future for people and for nature. This is one aspect of our CSR activities as a key responsibility of the Asahi Kasei Group.

Pioneering the future by creating new value

Fujiwara: In order to create new value by integrating different technologies and different products, I believe that, above all else, it is necessary to nurture human resources and to have interchange between people. We have programs to support independent study and to provide overseas assignments as part of the process of personnel development, which that enables them to develop on their own initiative. In terms of personnel interchange, we have a system to enable people to apply for available positions in different business units, in addition to the ordinary job rotations.

Shirakawa: Specialization is critical in chemistry research, as this is where new possibilities are found. But just pursuing specialization alone would certainly not be enough. To fulfill your slogan *Creating for Tomorrow*, a whole spectrum of knowledge is required. I believe what you describe about personnel interchange is extremely important, even as you reinforce the fundamentals as a company at the same time.

I have been involved in research at the University of Tsukuba for a long time. In the Third College Cluster where I used to work, we had instructors with many different backgrounds. In addition to researchers like myself who specialized in chemistry, some were researchers in social engineering, structural engineering, materials engineering, and even international studies. In the laboratory next to mine, they were doing physics experiments and researching electronics. Such an environment that allows different people to come into contact with one another is extremely valuable for the development of a broad outlook.

The Asahi Kasei Group is involved in such a wide range of fields. You're in health care as well as construction materials and fibers. When developing new fields of business, it must be crucial to have good personnel interchange and technological integration.

Fujiwara: I'm glad you mentioned that. Right now, the fields we're looking at include environment & energy as well as innovative proposals for residential living. We will also continue to develop new business in health care. It's going to be vital



Hideki Shirakawa

Born in Tokyo in 1936. Graduated with a Ph.D. in Engineering from the Tokyo Institute of Technology in 1966. After studying at the University of Pennsylvania in the United States, he took up a post at the University of Tsukuba. Awarded the Order of Cultural Merit and the Nobel Prize in Chemistry in 2000 for his achievements in the discovery and research of the conductive plastics polyacetylene. Dr. Shirakawa is presently a member of the Japanese government's Council for Science and Technology Policy and serves as an instructor of demonstration classes at the National Museum of Emerging Science and Innovation (Miraikan).

for us to create new value for society by combining various technologies. We are advancing new business projects that gather together specialists in different fields. Your comments will be a great source of inspiration as we move forward. In closing, is there anything else you believe the Asahi Kasei Group should aspire to?

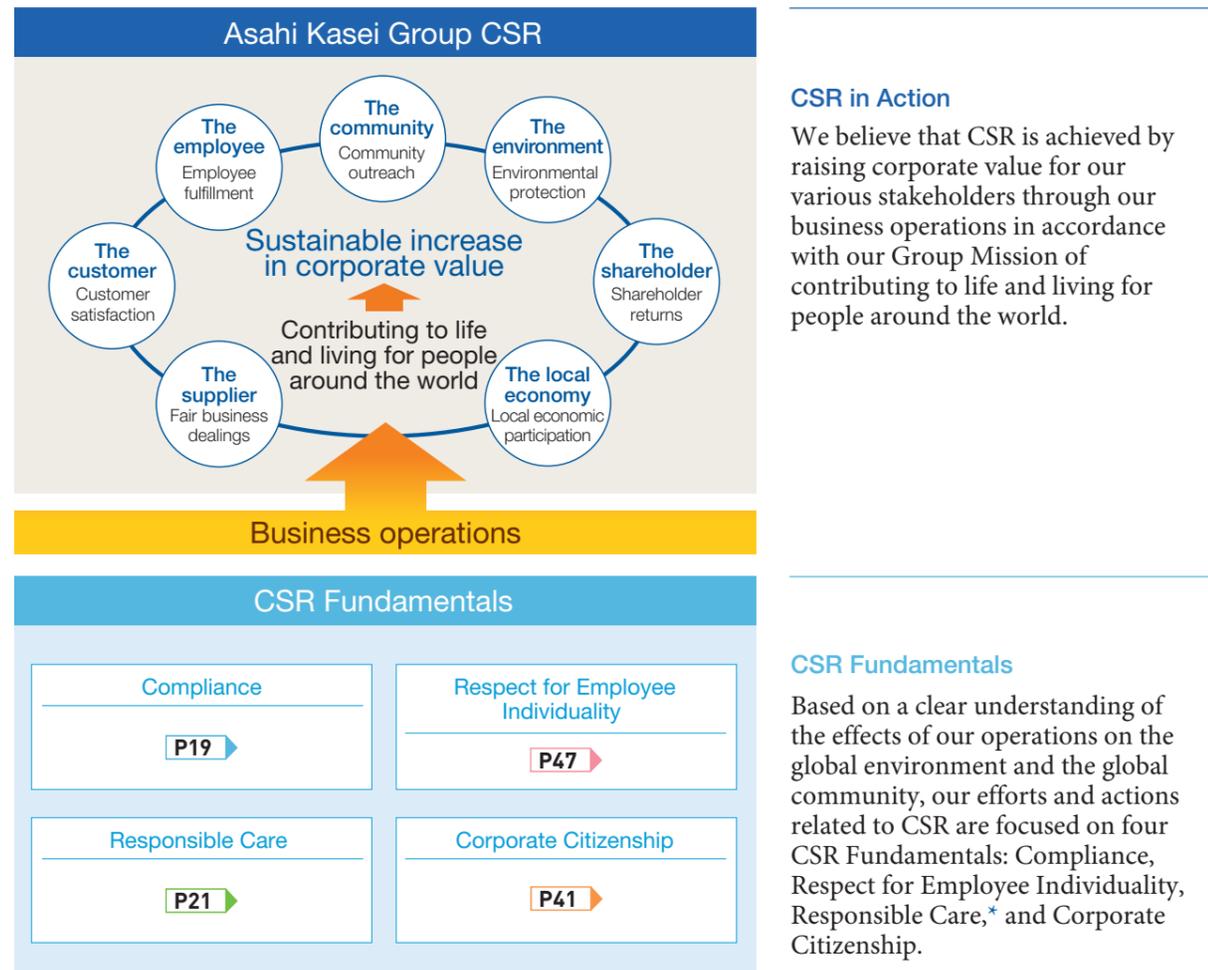
Shirakawa: First of all, I think you could make the lithium-ion rechargeable battery a more complete product. I don't mean as individual components, but as a large-scale system. Another area of great promise would be to produce chemical substances by combining sunlight collection technology with catalyst technology. It would be possible to produce useful substances like methanol and ethanol. Also, some people believe that we will face a food crisis in the not too distant future. It should be possible to develop another new field of business based on growing plants under completely controlled conditions of temperature, humidity, and light. The power of chemistry holds the key to each of these.

Fujiwara: Initiatives that combine technologies to discover new value are directly linked to the fulfillment of our corporate social responsibility. We will continue with a strong sense of mission to advance our operations in a manner that contributes to society.



The basis for contributing to life and living for people around the world – our CSR Fundamentals

Corporate Social Responsibility (CSR) at the Asahi Kasei Group



CSR in Action

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

CSR Fundamentals

Based on a clear understanding of the effects of our operations on the global environment and 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.

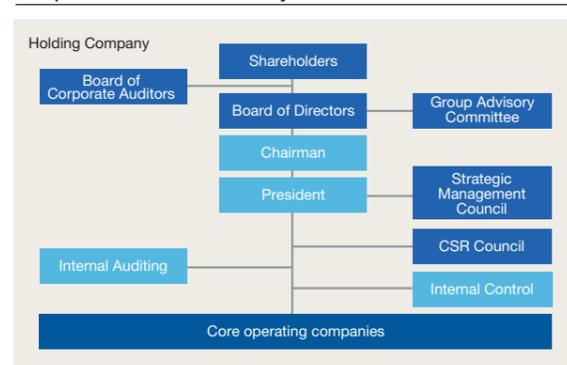
* Responsible Care represents the commitment and initiative to secure and improve safety and environmental protection at every step of the product life cycle through the individual determination and responsibility of each firm producing and handling chemical products. As of October 2010, fifty-four countries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

Corporate governance

We believe that constant effort to increase the efficiency and transparency of management is essential for continuous enhancement of the corporate value of the Asahi Kasei Group.

Based on the structure of a holding company and core operating companies, we 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 election of multiple Outside Directors and institutionalization for internal auditing and internal control.

Corporate Governance System (as of April 1, 2011)



CSR Fundamentals

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.

* The Export Control Committee did not meet in fiscal 2010, as there were no matters warranting discussion. Regular duties related to export control are performed by our Export Control Dept.

Framework for advancement



Message from the Executive for CSR

In addition to our business operations in line with our Group Mission of contributing to life and living for people around the world, we are proactively engaged in measures for environmental protection and safety, strict legal compliance, and community fellowship guided by "education and growth of the next generation."

As we advance "one AK" management to draw together the collective strength of the Asahi Kasei Group under the new mid-term management initiative, we will continue to strive to enhance our CSR activities under the guidance of the CSR Council, and to heighten trust with our stakeholders through timely disclosure of information.

Yuji Mizuno
Secretariat, CSR Council
Director, Senior Executive Officer
Asahi Kasei Corp.



Notable CSR actions, results, and plans

	Notable actions and results in FY 2010	Plans for FY 2011
General, Compliance (P19)	<ul style="list-style-type: none"> Adoption of safety confirmation system Operation of Compliance Hotline Revision of Corporate Ethics – Basic Policy and Code of Conduct 	<ul style="list-style-type: none"> Effective operation of safety confirmation system Review and improvement of internal rules to guide the response to a major earthquake (business continuity planning) Providing education on corporate ethics via e-learning
Responsible Care (P21)	See p. 22	See p. 22
Corporate Citizenship (P41)	<ul style="list-style-type: none"> Meetings with securities analysts and institutional investors with cumulative attendance of 1,427 Seminars for 2,138 individual investors 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 	<ul style="list-style-type: none"> Sustaining and enhancing communication with stakeholders
Respect for Employee Individuality (P47)	<ul style="list-style-type: none"> Our engineers gave guest lectures at middle schools for 1,300 students Internships for college/graduate students Encouraging employees to reduce energy consumption at home Participation in tree-planting project 	<ul style="list-style-type: none"> Science laboratories and guest lectures at schools in accordance with the Basic Framework "Education and development of the next generation" Expansion of tree-planting activities Enhancement of energy conservation at office sites
	<ul style="list-style-type: none"> Seminars for managers Utilization of parental leave by 226 male and 179 female employees Enhancement of the system for leave of absence for family care Introduction of flexible working hours for family care Open Office Day held for children of employees to visit the workplace and take part in science demonstrations <ul style="list-style-type: none"> Tokyo Head Office (5th Open Office Day): 127 families (329 employees and children) participated Osaka Head Office (1st Open Office Day): 28 families (77 employees and children) participated Career training provided for personnel in their fifties 	<ul style="list-style-type: none"> Providing career training to personnel in their forties Implementation of programs for supporting employees in balancing work and family care Promotion of balance between work and private life Enhancement and advancement of education and development of the next generation

Group Philosophy

Together with our new mid-term management initiative, we have adopted a renewal of our Group Mission, Group Vision, Group Values, and Group Slogan.

Group Mission

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

This is the Asahi Kasei Group's unchanging reason for being.

What we never cease to strive for, though the needs of society change throughout the ages.

It is in our very nature, deriving from a sincere regard for the people of the world.

Group Vision

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

Group Values

Sincerity—Being sincere with everyone.

Challenge—Boldly taking challenges, continuously seeking change.

Creativity—Creating new value through unity and synergy.

Group Slogan

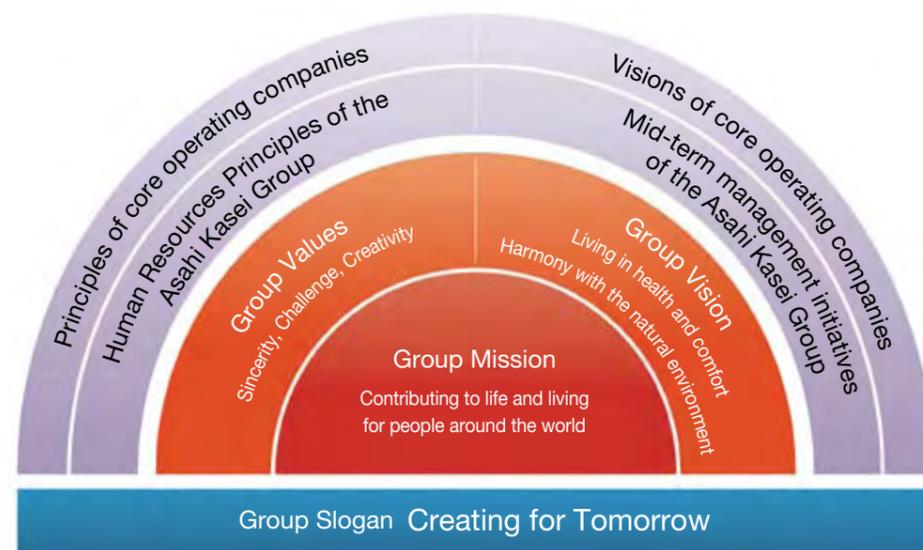
Creating for Tomorrow

The commitment of the Asahi Kasei Group:

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

Since our founding, we have always been deeply committed to contributing to the development of society, boldly anticipating the emergence of new needs.

This is what we mean by "Creating for Tomorrow."



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

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

Homes

Asahi Kasei Homes

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

Health Care

Asahi Kasei Pharma
Asahi Kasei Kuraray Medical
Asahi Kasei Medical

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

Fibers

Asahi Kasei Fibers

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

Construction Materials

Asahi Kasei Construction Materials

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

Electronics

Asahi Kasei Microdevices
Asahi Kasei E-materials

Hall elements, LSIs, fine-pattern coils, Hipore™ microporous membrane, photomask pellicles, plastic optical fiber, light-diffusion panels, APR™ photosensitive resin, AFP™ photosensitive plates, printing plate-making systems, epoxy resin, Pimel™ photosensitive polyimide precursor, Sunfort™ dry film photoresist, glass fabric.

Others

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

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The new mid-term management initiative

Further heightening corporate value with our new mid-term management initiative, "For Tomorrow 2015".

With the beginning of fiscal 2011, the Asahi Kasei Group launched a new mid-term management initiative, "For Tomorrow 2015," for the five-year period from fiscal 2011 through fiscal 2015. The new management initiative provides a clear vision for the Group, with a focus not only on the proactive expansion of our globally competitive businesses, but also on the expansion of operations in fields related to the environment and energy, residential living, and health care, from the perspectives of *living in health and comfort* and *harmony with the natural environment*. To further heighten corporate value, we are pursuing growth by focusing the strengths of the Group on anticipating emerging social needs through our key strategies of "expansion of world-leading businesses" and "creation of new value for society."

Message from the Executive for Strategy

In fiscal 2011, the Asahi Kasei Group launched a new mid-term management initiative, "For Tomorrow 2015." This initiative reflects our aspiration to create new things for the future, based on the perspectives of *living in health and comfort* and *harmony with the natural environment*.

Throughout our history, we have always responded to the changing needs of society in every era, diversifying our operations and transforming ourselves in a flexible manner. This flexibility is the very strength of the Asahi Kasei Group, and we will continue to proactively create new businesses in anticipation of emerging social needs by combining our diverse materials and technologies.



Koji Fujiwara
Director, Primary Executive Officer
Executive for Strategy, Accounting
& Finance, and Investor Relations
Asahi Kasei Corp.



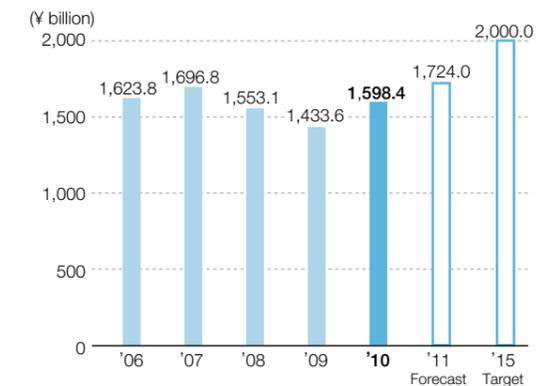
Basic strategy

Business expansion will be advanced with management resources focused on the three fields of "Environment & Energy," "Residential Living," and "Health Care," with *living in health and comfort* and *harmony with the natural environment* as two key perspectives to meet emerging social needs in the coming new era. We have launched three projects for the creation of new businesses in these fields, combining our strengths in different business units.

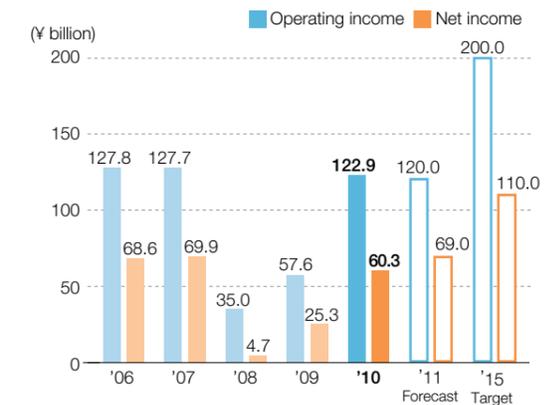
Environment & Energy for Tomorrow
Residential Living for Tomorrow
Health Care for Tomorrow

Under these projects, the creation of new businesses will be advanced through both system-based and combined-unit projects which create new social value, by bringing together the power of the Asahi Kasei Group in "one AK" management.

Net sales (consolidated)

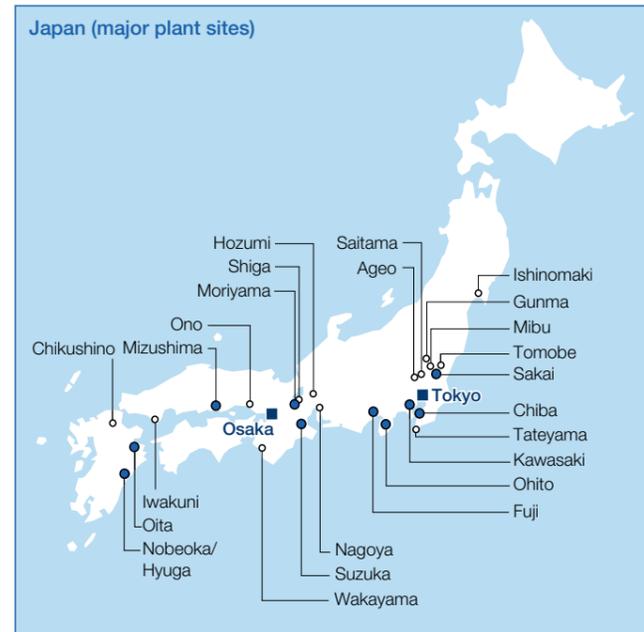


Operating income and net income (consolidated)



Overview of operations

We have more than 20 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 ¥449.3 billion, 28% of total consolidated net sales for fiscal 2010.



Asia

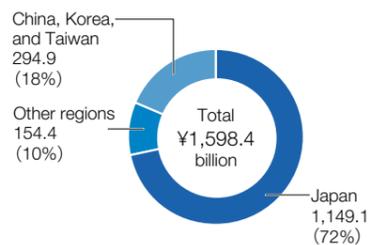


Consolidated subsidiaries

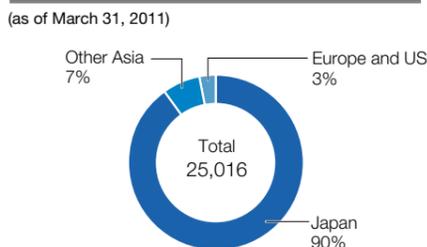
Japan	68
Other Asia	16
Europe	8
United States	9
Total	101

(as of March 31, 2011)

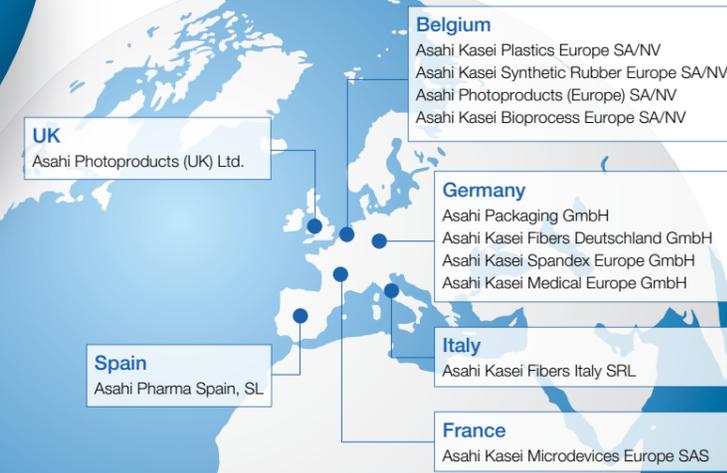
FY 2010 sales by region



Employees by region

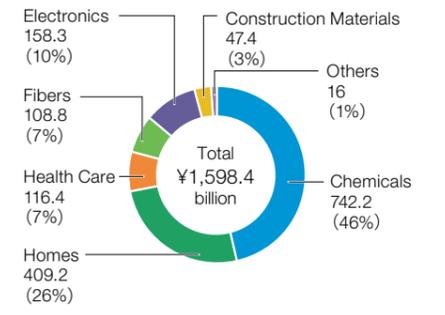


North America

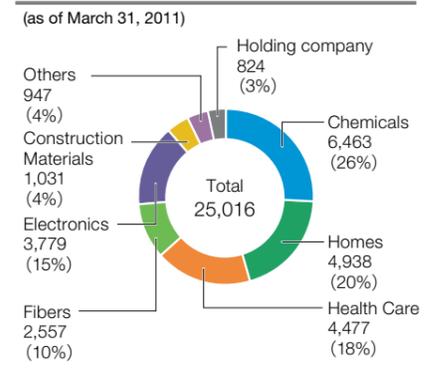


Europe

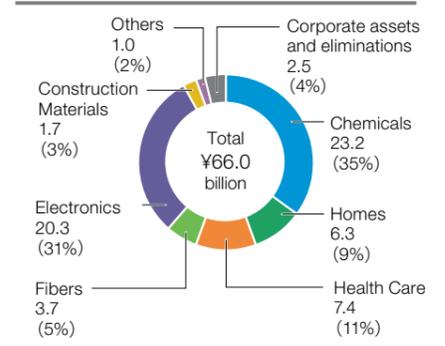
FY 2010 net sales



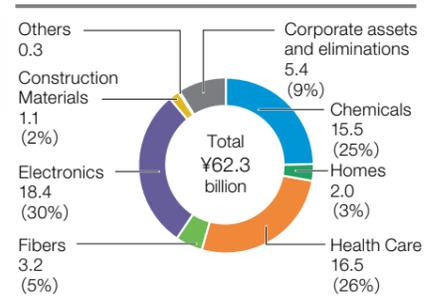
Employees



FY 2010 capital expenditure



FY 2010 R&D expenditure



Asahi Kasei products and technologies in everyday life

Legend:
 ◆ Chemicals ● Health Care ◆ Electronics ▲ Holding Company
 ◆ Homes ★ Fibers ● Construction Materials

Legend:
 TM: Trademark or registered trademark of Asahi Kasei Corporation, affiliated companies, or third parties granting rights to Asahi Kasei Corporation or affiliated companies.

Home

- Houses**
 - ◆ Hebel Haus™
- Wall panels**
 - Hebel™ autoclaved aerated concrete (AAC)
- Insulation panels**
 - Neoma™ foam
 - Jupii™
- Underfloor panels for wood-frame homes**
 - Yukatec™ AAC
- Column base attachment system**
 - BasePack™
- Foundation piles**
 - Eazet™
- Exterior paint**
 - Polydurex™
- Paper coating for calendars**
 - Styrene-butadiene latex
- Bedlinen**
 - ★ Bemberg™
- Toys**
 - Polystyrene
 - Stylac™
- Surfactant for shampoo**
 - AminoSurfact™
- Decorative object**
 - ◆ Plastic optical fiber
- Facial masks**
 - ★ Bemliese™
- Innerwear**
 - ★ Bemberg™
 - ★ Roica™
- Diapers**
 - ★ Eltas™
 - ★ Roica™
- Doll hair**
 - Saran™ fiber
- Home electronics**
 - Stylac™
 - Polystyrene
 - ◆ LSIs
- Kitchen goods**
 - Saran Wrap™ cling film
 - Cookper™ bakery paper
- Filtration of imported wine**
 - Microza™ hollow-fiber membrane
- Plastic shopping bags**
 - Suntec™ high-density polyethylene
- Stockings**
 - ★ Roica™
- Covering fabric for high-quality sofas**
 - ★ Lamous™
- Automobiles**
 - Control of power window motors, including automatic safety stop**
 - ◆ Hall ICs
 - Taillights**
 - Delpet™
 - Tires**
 - Tufdene™
 - Asaprene™
 - ★ Leona™ filament for tire cord
 - Car seats**
 - ★ Lamous™
 - Airbags**
 - ★ Leona™ filament
 - Car navigation systems**
 - ◆ LSIs
 - ▲ Vorero™ speech recognition middleware
 - Automotive parts**
 - Xyron™
 - Tenac™
 - Leona™ resin
- Asphalt modifier**
 - Tufprene™

Office

- Office equipment**
 - ◆ LSIs
 - ◆ Hall elements
- Computers and printers**
 - Styrac™
 - Polystyrene
 - Xyron™
 - Tenac™
 - ◆ Hall elements
 - ◆ LSIs
 - ◆ Sunfort™
 - ◆ Photomask pellicles
 - ◆ Pimel™
 - ◆ Fine-pattern coils
 - ◆ Glass fabric
- Cell phones**
 - Delpet™ for displays
 - Alminum paste for metallic paint
 - ◆ Hipore™ Li-ion battery separator
 - ◆ Hall ICs
 - ◆ LSIs
- Packaged meals**
 - Suntec-S Film™
- Linings for suits**
 - ★ Bemberg™

Hospital

- Drugs (prescription)**
 - Elcitonin™ for treatment of osteoporosis pain
 - Flivas™ agent for treatment of benign prostatic hyperplasia
 - Recomodulin™ recombinant thrombomodulin
 - Lucica™ GA-L glycated albumin assay kit
 - Ceolus™ pharmaceutical excipient
- Gauze**
 - ★ Bemliese™
- Nursing bed pads**
 - ★ Cubit™ 3D honeycomb fabric
- Artificial kidneys**
 - APST™
- Leukocytapheresis column**
 - Cellsorba™
- Nutrition-fortified products**
 - Acure™ enriched liquid diets
 - Nutritional drink

Outdoors

- Storage bags and containers**
 - Ziploc™
- Shrink labels for PET bottles**
 - Asaflex™
- Plastic zippers**
 - Tenac™
- Sportswear**
 - ★ Technofine™
- Packaging film for ham and sausage**
 - Barrialon™

2010

4 ◆ Market launch of new 3-axis electronic compass for portable appliances

Asahi Kasei Microdevices (AKM) began commercial production of a new 3-axis electronic compass for portable appliances, the AK8975B. Following a succession of advancements for smaller and thinner product size since the launch of the world's first 3-axis electronic compass in 2003, the package size of the AK8975B has been reduced to less than half that of AKM's previous equivalent product.



- Conclusion of license agreement for anti-glaucoma drug
- ★ Start of project to recycle school gym uniforms

◆ Market launch of Hebel Haus™ "i_co_i" two-generation homes



5 ● Completion of a new assembly plant in Oita, Japan, for Planova™ virus removal filters

- ▲ Conclusion of an agreement with Nobeoka City regarding supply of drinking water in the event of a disaster
- Microza™ hollow-fiber membrane systems selected for Asia's largest membrane-process water clarification plant
- Conclusion of a license agreement for zoledronic acid used for the treatment of osteoporosis

7 ◆ Market launch of Hebel Haus™ RONDO two-generation homes integrating rental units

- ◆ Market launch of Hebel Haus™ with lower living room floor for greater comfort
- Market launch of BioOptimal™ MF-SL microfilters for bioprocessing
- ★ Market launch of Pulshut™, a thin, lightweight noise suppression sheet for electronics products

9 ● Completion of a new plant for therapeutic apheresis devices

To meet forecasted global demand growth, Asahi Kasei Kuraray Medical constructed a new plant in Oita, Japan, for greater efficiency and productivity in manufacturing therapeutic apheresis devices. Production equipment located in several separate production sections within the existing plant was transferred to the new plant and incorporated into integrated production lines featuring the latest technology.



10 ● Application for approval to manufacture and sell Teribone™ in Japan

Asahi Kasei Pharma filed an application for approval to manufacture and sell Teribone™ (generic name: teriparatide acetate) as an osteoporosis drug in Japan. With approval and market launch foreseen in 2012, we believe Teribone™ will make a significant contribution to the treatment of osteoporosis, a disease which affects a greater number of people as the population ages.

- Decision to construct a new plant in Singapore to produce solution SBR for fuel-efficient high-performance tires
- ◆ Market launch of new pellicle compatible with ArF exposure and capacity expansion for semiconductor pellicles

○ Market launch of Jupii™ floor insulation panels for wood-frame houses

Asahi Kasei Construction Materials launched Jupii™ phenolic foam insulation panels for floors of wood-frame houses. The new panels meet the performance standards corresponding to preferential policies for energy efficient homes, including for long-life quality housing and the eco-point system for housing.



11 ★ 7th Asahi Kasei Award for Fashion Design Creativity in China

◆ Market launch of Hebel Haus™ Frex "monado"

Asahi Kasei Homes launched Hebel Haus™ Frex "monado" enhanced three-story houses for urban life. Improvements to the frame structure enable the creation of large, open living spaces within confined urban plots, which have many space constraints such as limited area and narrow frontage.



2011 1 ■ Capacity expansion for acrylonitrile in Korea

Asahi Kasei Chemicals made a decision to construct a large new plant in Korea to expand its production capacity for acrylonitrile (AN), an intermediate chemical for resin used in consumer electronics, for which the demand is expected to increase worldwide. In April 2011, the company signed an agreement with Saudi Basic Industries Corp. (SABIC) and Mitsubishi Corp. to establish a joint venture to implement a project to produce AN in Saudi Arabia.



2 ★ Establishment of a spunbond manufacturing company in Thailand

Asahi Kasei Fibers made a decision to establish a subsidiary in Thailand for the manufacture and sale of spunbond nonwovens. The new subsidiary will facilitate the expansion of business in the Asian market for materials for disposable diapers and other hygienic products, which is forecasted to continue to grow at a high rate.



- 3 ● Conclusion of a license agreement for XIAFLEX® collagenase clostridium histolyticum
- ★ Eighth Asahi Kasei Award for Fashion Design Creativity in China

◆ Capacity expansion for Hipore™ LIB separator

Asahi Kasei E-materials made a decision to increase production capacity for Hipore™ Li-ion battery (LIB) separator at its plant in Hyuga, Miyazaki, Japan. In addition to the mainstream applications for notebook computers and mobile phones, Hipore™ is now being used in hybrid electric and all-electric vehicles worldwide. The company has been advancing a program of strategic expansion of its Hipore™ separator business to meet this growing demand in the LIB market.



- 4 ■ Start of operation of a newly established limited liability partnership with Mitsubishi Chemical Corp. for integrated and unified management of naphtha cracker operations in Mizushima, Japan

Response to the Great East Japan Earthquake

The Asahi Kasei Group expresses its sincere sympathy to all those affected by the Great East Japan Earthquake which occurred on March 11, 2011. It is our genuine hope that the afflicted areas will be restored and revitalized as soon as possible.

Our response to the Great East Japan Earthquake

After the earthquake occurred on March 11, the Asahi Kasei Group established an Emergency Disaster Response Headquarters at the Tokyo Head Office, and contacted operating bases in areas of severe seismic intensity to confirm the safety of personnel and collect information regarding the state of damage to our facilities.

In support of the people in the areas harmed by the effects of this tragic earthquake, we made a donation of ¥100 million and 500,000 rolls of Saran Wrap™ cling film. We also delivered 60,000 boxes of Ziploc™ storage bags and 60,000 Ziploc™ freezer bags upon a request from the Iwate prefectural government.

Response through our operations

In cooperation with its main distributors in the Tohoku region, Asahi Kasei Kuraray Medical secured a one month supply of artificial kidneys to provide to medical institutions in disaster-hit areas within some 10 days of the quake.

Other responses

Although the Tohoku region is outside of its market area, Asahi Kasei Homes has proactively provided manpower in support of the operation of the emergency temporary housing construction headquarters and the local construction headquarters, both of which were set up by the Japan Prefabricated Construction Suppliers & Manufacturing Association.

Asahi Kasei Power Devices Corp. has provided a part of the premises of the Ishinomaki Plant for temporary housing. The construction of 200 home units began in June 2011, and they will be offered for free to people displaced by the disaster for up to four years.

Damage to the Asahi Kasei Group

Our group personnel were safe and sound, but the following plants were partially damaged by the disaster: Asahi Kasei Construction Materials Corp. Sakai Plant and Neoma Foam Plant, Asahi Kasei Power Devices Corp. Ishinomaki Plant, and Asahi Kasei Metals Ltd. Tomobe Plant. Damage to facilities in each case was minor.

In our supply chain ranging from materials procurement to manufacturing, logistics, and marketing, we have successfully switched to alternative materials including those procured from overseas, and expect no material impact.



Inspection of facilities at Asahi Kasei Metals Ltd.

Conserving electricity

At production facilities

We strive to reduce power usage during peak hours by utilizing our in-house power generation facilities, increasing night-shift production, and curtailing the use of lighting and air conditioning.

At offices

We have formulated a voluntary action plan for power consumption during summer time, with 25% reduction during peak hours targeted to curtail total power usage.

Supports for households to save power

The Eco-footprint Club, a website developed by the Asahi Kasei Group to support eco-friendly living, helps families reduce energy usage at home.

Compliance

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

Framework for compliance

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 our overseas subsidiaries as well.

Corporate Ethics – Basic Policy

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

Compliance monitoring by the Corporate Ethics Committee

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

At its meeting in June 2010, the committee discussed priority issues and policies at each group company for ensuring compliance, 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 any possible ethical lapses which employees may encounter or observe are dealt with swiftly and appropriately. Reports can be made through the corporate intranet or by post (to a specified law firm), in the name of the reporting party or anonymously.

Structures are in place to ensure that the reporting party incurs no disfavor or disadvantage as a result of having made a report.

Compliance Hotline Flow

Example: Anonymous intranet report, violation confirmed.



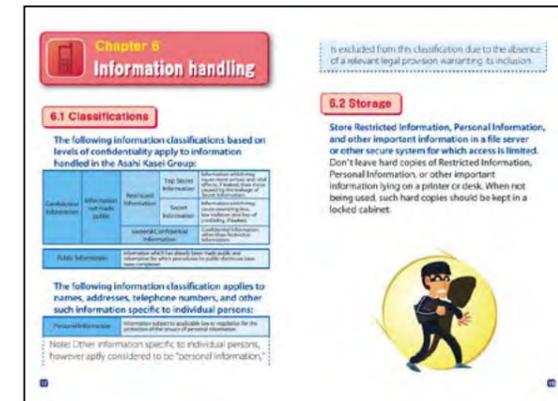
Prevention of antimonopoly violation by the Market Compliance Committee

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 twenty-five times in fiscal 2010, reviewing sixty-two 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.



Information Security Handbook

Protection of intellectual property

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

For more information about our intellectual property, please refer to Asahi Kasei Group Intellectual Property Report. http://www.asahi-kasei.co.jp/asahi/en/aboutasahi/library/ip_report.html

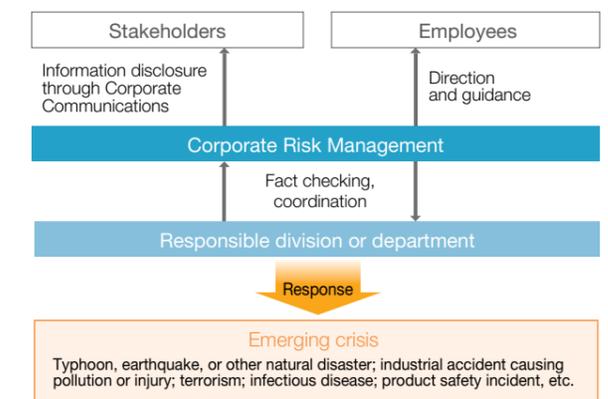
Risk management

Corporate Risk Management

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

When the Great East Japan Earthquake occurred in March 2011, the Asahi Kasei Group established an emergency disaster response headquarters, which accumulated information regarding the state of damage to our plants and office sites in affected areas and took actions such as delivery of relief supplies to affected offices.

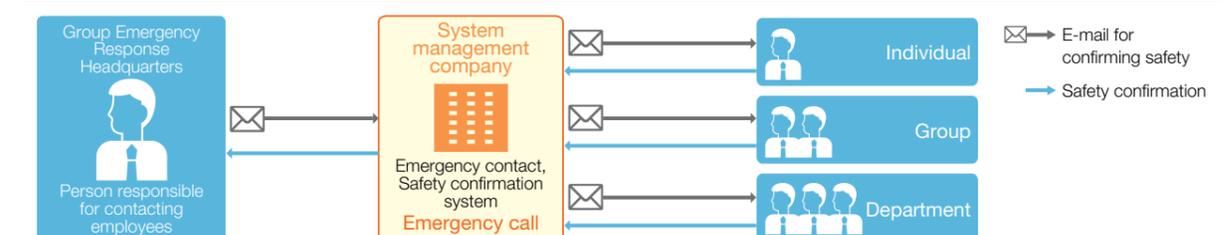
Role of Corporate Risk Management



Safety Confirmation System

In June 2010, the Risk Management Committee introduced a system to confirm the safety of personnel in the event of a disaster such as a major earthquake. At the time of the Great East Japan Earthquake in March 2011, the system enabled us to confirm the safety of our personnel, although there were some delays in sending and receiving e-mails due to congested telephone lines. To ensure the smooth and effective operation of this system as a means of communication with personnel in the event of an emergency, we will perform ongoing training and apply improvements to the system as appropriate.

Safety Confirmation System



Responsible Care

The program of Responsible Care is a key element in management of the Asahi Kasei Group, comprising the six pillars of environmental protection, product safety, operational safety, workplace safety & hygiene, health maintenance, and community outreach.

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.

Responsible Care at the Asahi Kasei Group



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

A message from the Executive for RC

The spirit of RC is autonomy, responsibility, and open disclosure. At the Asahi Kasei Group, we go beyond mere compliance with laws and regulations as we operate our businesses with due consideration for all matters related to the environment, health, and safety.

In fiscal 2010, a wide range of RC efforts including training and education were advanced at all organizational levels. The objectives we held and the results we achieved are shown in the table below. In our group's mid-term initiative launched this April, we formulated quantitative indexes to gauge our contribution in two strategic perspectives—"living in health and comfort" and "harmony with the natural environment." In certain areas where we can perform better, we are redoubling our efforts to raise results in line with our commitment to prevent accidents and disasters, maintain product safety, and promote employee health, for complete achievement of all RC Objectives in fiscal 2011.



Katsuhiko Yamazoe
Executive for RC
Senior Executive Officer
Asahi Kasei Corp.

RC objectives and results

	FY 2010 RC Objectives	FY 2010 Results	Attainment	FY 2011 RC Objectives
General	<ul style="list-style-type: none"> Enhance RC compliance Advance RC education and training Enhance RC at affiliates Enhance dialog with the public 	<ul style="list-style-type: none"> Checklist of regulations related to RC revised RC education for EHS personnel and candidates to be Manager RC advanced both in Japan and overseas operations of each core operating company RC reports published in 11 plant complex sites and independent plants; dialog enhanced through public forums, plant tours, and school visits by engineers Participated in dialog with local community in Chiba, organized by JRCC 	<ul style="list-style-type: none"> ★★ ★★★ ★★ ★★★ 	<ul style="list-style-type: none"> Enhance RC compliance Advance RC education and training Enhance RC at affiliates Enhance dialog with the public
Environmental protection P25 ▶	<ul style="list-style-type: none"> Maintain zero polluting accidents Promotion of recycling-oriented society: Reduce final disposal volume of industrial waste by 90% from FY 2000 level Curtailing greenhouse gas emissions: Reduce unit energy consumption by 20% from FY 1990 level Maintain greenhouse gas emissions 50% lower than in baseline year Monitor energy use in administrative offices Encourage energy conservation at personnel's homes Monitor and reduce CO₂ emissions from product shipment Reduction of chemical release: Reduce emission of PRTR-specified substances and VOCs Control release of air and water pollutants Advance CSR Procurement P43 ▶ 	<ul style="list-style-type: none"> One polluting accident occurred 95% reduction achieved Unit energy consumption reduced by 2% from FY 2009 level 50% reduction of greenhouse gas emissions maintained CO₂ emissions from product shipment increased with more products transported Release of PRTR-specified substances reduced by 86% from FY 2000 level Emission of VOCs reduced by 73% from FY 2000 level Release of air and water pollutants kept below permissible levels CSR Procurement advanced by Corporate Procurement & Logistics in addition to Green Procurement 	<ul style="list-style-type: none"> ★ ★★★ ★★★ ★★★ ★★★ ★★★ 	<ul style="list-style-type: none"> Avoid all polluting accidents Promotion of recycling-oriented society: Final disposal of 0.9% or less of generated industrial waste, recycling rate of 70% or higher Curtailing greenhouse gas emissions: Reduce greenhouse gas emissions Ongoing study of CO₂ emissions reduction by life cycle assessment (LCA) Reduce unit energy consumption by 20% from FY 1990 level Monitor energy use in administrative offices Encourage energy conservation at personnel's homes Monitor and reduce CO₂ emissions from product shipment Reduction of chemical release: Reduce emission of PRTR-specified substances and VOCs Control release of air and water pollutants Preserving biodiversity Give consideration to biodiversity Understand impact of our business activities on biodiversity Advance CSR procurement
Operational safety P30 ▶	<ul style="list-style-type: none"> Avoid all industrial accidents Control changes to equipment and operating conditions Enhance risk assessment Monitor for fire, explosion, and leak hazards; implement remediation Enhance emergency response systems Monitor for items in need of replacement and uninspected items; implement remediation 	<ul style="list-style-type: none"> One industrial accident occurred Thorough application of Change Control Risk assessment advanced Ongoing audits by specialists on fire and explosion prevention Improvements applied, including in training and drills Monitoring and inspection performed 	<ul style="list-style-type: none"> ★ ★★ ★★ ★★ ★★★ ★★ 	<ul style="list-style-type: none"> Avoid all industrial accidents Control changes to equipment and operating conditions Enhance risk assessment Monitor for fire, explosion, and leak hazards; implement remediation Enhance emergency response systems Monitor for items in need of replacement and uninspected items; implement remediation
Workplace safety and hygiene P32 ▶	<ul style="list-style-type: none"> Avoid all workplace injuries: Achieve frequency rate¹ of 0.1 or less Achieve severity rate² of 0.005 or less Thoroughly comply with safe operation standards Enhance utilization of OHSMS Follow up on asbestos-related measures Enhance safety management guidance for firms contracted to work within plant grounds 	<ul style="list-style-type: none"> 10 lost-workday injuries; frequency rate of 0.21, severity rate of 0.002 Of the 10, only 3 were not extremely minor Compliance enhanced with self-assessment and peer assessment in each region Utilization of OHSMS enhanced Continuing follow-up for retirees in each region Replacement of gaskets containing asbestos Compliance enhanced 	<ul style="list-style-type: none"> ★★ ★★★ ★★ ★★★ ★★★ ★★★ 	<ul style="list-style-type: none"> Avoid all workplace injuries: Achieve frequency rate of 0.1 or less Achieve severity rate of 0.005 or less Thoroughly comply with safe operation standards Enhance utilization of OHSMS Avoid all accidents in "caught in/between" category Enhance safety management guidance for firms contracted to work within plant grounds Enhance safety management guidance for firms contracted to work on equipment
Health maintenance P35 ▶	<ul style="list-style-type: none"> Reduce proportion of personnel for whom health warning signs are found Early discovery and treatment of employees with mental health issues 	<ul style="list-style-type: none"> Proportion of personnel for whom health warning signs are found reduced Mental health education and improvements of workplace environment advanced, resulting in reduced number of personnel on leave of absence 	<ul style="list-style-type: none"> ★★★ ★★★ 	<ul style="list-style-type: none"> Reduce proportion of personnel for whom health warning signs are found Early discovery and treatment of employees with mental health issues
Product safety P36 ▶	<ul style="list-style-type: none"> Avoid serious product safety incidents 	<ul style="list-style-type: none"> No product safety incidents 	<ul style="list-style-type: none"> ★★★ 	<ul style="list-style-type: none"> Avoid serious product safety incidents Enhance management of chemical substances

¹ Number of accidental deaths and injuries resulting in the loss of one or more workdays, per million man-hours worked.

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

RC Management System

The efficiency and effectiveness of Asahi Kasei Group RC is maintained in accordance with its 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 diagram below, continuous reevaluation and improvement are systematically pursued with “plan-do-check-act” (PDCA) cycles—for the Asahi Kasei Group as a whole, within each core operating company and Region,¹ 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.

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.



RC Committee meeting

RC education and training

Our program for RC education and training of line managers was revised to further heighten the effectiveness of our RC initiative. A new textbook was produced, which 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.

We will continue to hold such courses for line managers and candidates.



RC training lecture

Group discussion

RC Symposiums

Every year, RC Symposiums are held at the Nobeoka, Moriyama, and Fuji Regions, with awards presented to plants which have outstanding safety performance records. In fiscal 2010, RC Symposiums 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 symposiums.



Nobeoka RC Symposium (October 2010)



Moriyama RC Symposium (October 2010)



Asahi Kasei Kuraray Medical/Asahi Kasei Medical RC Symposium (November 2010)



Asahi Kasei Chemicals RC Symposium (November 2010)

Overseas RC activities

The Asahi Kasei Group promotes RC activities in its overseas operating bases. An example of overseas RC activities by Asahi Kasei Chemicals is shown below.

RC activities by overseas subsidiaries and affiliates of Asahi Kasei Chemicals

Asahi Kasei Chemicals has many overseas subsidiaries and affiliates engaged in production operations in a diverse range of fields. With a focus on heightening safety standards as part of its third multi-year RC plan launched in fiscal 2010, the awareness of RC is to be enhanced at its geographically independent plants, subsidiaries and affiliates, as well as at its overseas plants. The effectiveness of RC activities is confirmed through RC audits and site visits, and a range of support is provided to help deal with individual challenges and issues, including the provision of various advice and know-how as well as information about reference cases.

In fiscal 2010, Asahi Kasei Chemicals performed its second consecutive annual compliance audits at operations in China. The effort was supported by local Chinese consultants familiar with China's laws and regulations, who interviewed personnel in detail regarding matters of environmental protection, workplace safety, and hygiene—a process which

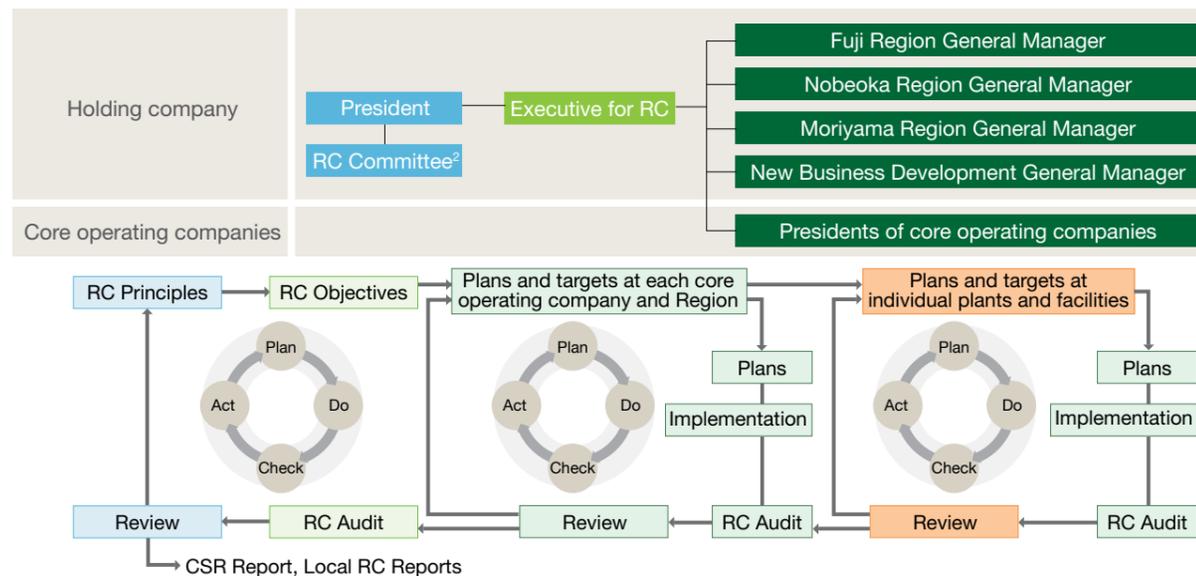
would have been difficult for EHS personnel of Asahi Kasei Chemicals to carry out on their own. The use of local consultants was found to be highly effective as a means of confirming legal compliance in comprehensive detail in countries outside Japan, and its application in other countries is being studied.

A wide variety of measures, such as inviting proposals for better safety, reporting of near-accidents and potential hazards, and case studies, are steadily becoming ingrained at each site, and we will continue to work in close coordination to achieve further progress.



Inspection of overseas RC activities

PDCA flow for RC



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.

Environmental protection

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 pollution-causing accidents. In addition to our efforts toward the achievement of a low-carbon society and toward the establishment of a recycling-oriented society, we also take measures to help preserve biodiversity.

Highlights

- a Quantitative indexes concerning prevention of global warming were established, and targets for FY 2020 were set.
- b Zero emission of industrial waste was achieved.
- c Measures to preserve biodiversity were established with the aim of harmony between society and the environment.

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 in a shorter period of time for the prevention of global warming, the Cancun Agreement was adopted at COP16 at the end of 2010, and Japan submitted a target of cutting greenhouse gas emissions to 25% below 1990 levels by 2020 with certain conditions. In this context, the Asahi Kasei Group established a new framework (see box below) for the reduction of greenhouse gas emissions from the following perspectives.

- 1 Curtailing emissions of greenhouse gases from production processes
- 2 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

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.

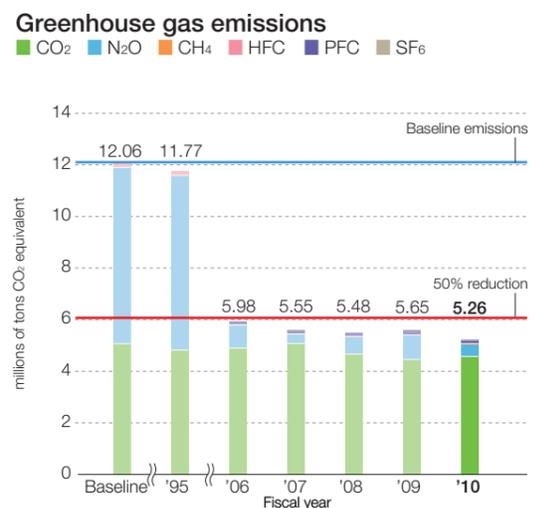
LCA Committee

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.

■ 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 2010 were equivalent to 5.26 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 Suzuka Plant, resulting in an annual reduction of some 180 thousand tons CO₂ equivalent. In Nobeoka, Miyazaki, we are constructing biomass power generation facilities, which will help reduce CO₂ emissions.



Note: FY1990 baseline for CO₂, N₂O, and CH₄; FY1995 baseline for HFCs, PFCs, and SF₆.

■ 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. LCA performed in fiscal 2010 determined that the following two products would help reduce CO₂ emission significantly by fiscal 2020.

- 1 An environmentally efficient filter bag for dust collectors, with a new structure to enable lower air resistance than conventional products.
- 2 A new coating material for photovoltaic and solar thermal power units, with self-cleaning function which ensures higher antireflection performance than conventional products.

Asahi Kasei Group's New Initiatives for Curtailing Greenhouse Gas Emissions a

The Asahi Kasei Group has adopted the following new measures to accelerate its efforts to help prevent global warming.

① New quantitative indexes and targets

We will promote effective, appropriate measures using PDCA cycles to monitor our progress with new quantitative indexes and targets.

② New group-wide project for the creation of new businesses

With the "Environment & Energy for Tomorrow" combined-unit project launched under the new mid-term management initiative which started in fiscal 2011, we will accelerate the creation of new businesses that contribute to the prevention of global warming.

Quantitative indexes and targets for the curtailment of greenhouse gas emissions

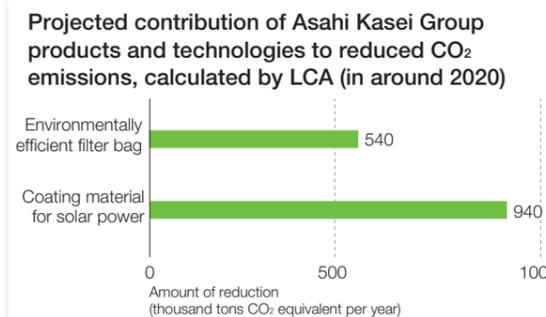
CO ₂	5% reduction below FY 2005 levels by FY 2020
GHG ¹	10% reduction below FY 2005 levels by FY 2020
LCA contribution ratio ²	Achieving 8.0 by FY 2020 (currently: 3.2)

¹ Greenhouse gases.

² Amount of reduction in CO₂ emissions enabled by Asahi Kasei products and technologies in comparison with conventional products and technologies as determined by LCA, divided by the total amount of CO₂ emission reduction throughout the Asahi Kasei Group.

The reduction of CO₂ emissions enabled by coating material for solar power units (940,000 tons/year) is equivalent to the annual CO₂ emissions from some 190 thousand households in Japan (average 4.85 tons/year per household³).

³ According to *The GHG Emissions Data of Japan (1990-2009)* by the Greenhouse Gas Inventory Office of Japan.



■ Energy conservation

To reduce CO₂ emissions from power generation, we target improved unit energy efficiency. In fiscal 2010 we reduced unit energy consumption by 2% from the previous year. The average annual rate of improvement for the past five years was 2%.

■ Alleviating the environmental effects of physical distribution

Product shipments for Asahi Kasei Group operations in Japan amounted to some 1.3 billion ton-kilometers in fiscal 2010, generating approximately 90 thousand tons of CO₂ emissions—a 7% increase from fiscal 2009 due to increased shipment volume. In cooperation with the transport firms contracted for shipment, a wide range of measures are employed to reduce energy

consumption and alleviate the environmental effects of physical distribution.

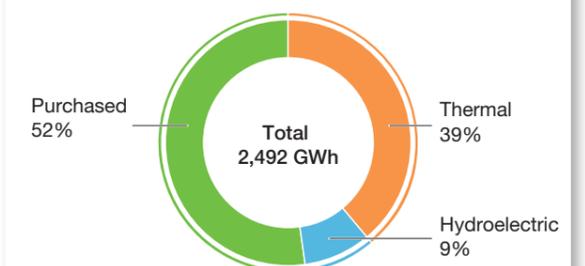
Both Asahi Kasei Chemicals and Asahi Kasei Fibers have received Eco-Rail Mark certification in recognition of their preferential shipment of products by rail, an ecological mode of transport which results in lower CO₂ emissions for a given weight and distance than many other means of transportation.

■ Renewable energy

The Asahi Kasei Group has seven hydroelectric power generation plants which meet 9% of our electricity needs. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 120 thousand tons⁴ of CO₂ emissions annually.

⁴ Using Ministry of Economy, Trade and Industry and Ministry of the Environment standard of 561g CO₂/kWh.

Electricity sources, FY 2010



Industrial Waste b

The Asahi Kasei Group is working toward zero emission¹ of industrial waste through the “3-Rs” of reduction, reuse, and recycling.

In fiscal 2010, the volume of industrial waste transferred off-site for final disposal was 95% lower than in fiscal 2000 thanks to increased on-site waste separation and recycling, and we surpassed our target of 90% 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

¹ Reducing final landfill disposal volume toward zero involves measures to minimize the amount of industrial waste generated, and reusing or recycling industrial waste as material or energy. The “zero emission” target for the Asahi Kasei Group is to reduce final disposal volume to one tenth or less than that of fiscal 2000, which results in final disposal of less than one percent of the waste generated.

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 waste from construction.

Where we consign the off-site treatment of industrial waste from the Asahi Kasei Group, 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.

Management and disposal of polychlorinated biphenyls (PCBs)

Disused condensers, fluorescent lamp ballasts, and other devices that contain PCBs are employed 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. A total of 35 condensers and transformers have been disposed of through JESCO thus far, and we have also begun disposal of fluorescent lamp ballasts.

and amount of release. As shown in the graph below, release of PRTR-specified substances was reduced by 86% from the baseline year of fiscal 2000, including some substances newly added in the PRTR Law in 2010. The reduction rate was 94%, excluding these new substances. Emission of VOCs² in fiscal 2010 was 73% lower than in fiscal 2000.

Release of substances regulated by the Air Pollution Control Act and Water Pollution Control Act continued to be maintained well below the permissible limits. P55

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

² Volatile organic compound. Although the term generally applies to any organic compound which is in gaseous state at the time of release, regulations for the control of their release exclude methane and some fluorocarbons which do not form oxidants.

Soil and groundwater contamination

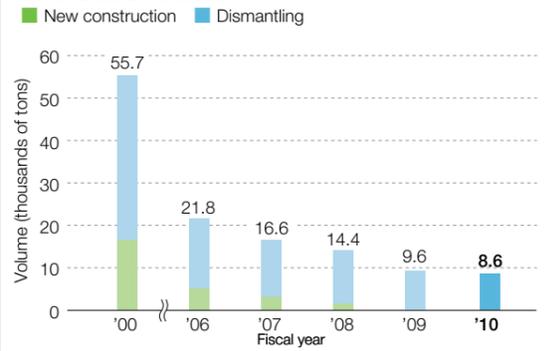
The Asahi Kasei Group employs a range of measures to prevent soil and groundwater contamination. In the event that soil or groundwater contamination is discovered at any of our sites, we promptly act to prevent effects on the surrounding area, report the matter to the local community, relevant authorities, and the media, and implement remediation in consultation with the authorities and independent specialists.

In fiscal 2010, there was a leakage of effluent water containing hydrogen fluoride at one of our plants. A soil and groundwater investigation found that the contaminated water remained within the plant grounds. The leak was stopped and plumbing was reconfigured to prevent recurrence. The surface of the location of the leakage was covered with concrete to prevent contaminated water from spreading due to rainwater penetration. Groundwater quality is monitored continually, and we will take additional measures as necessary.

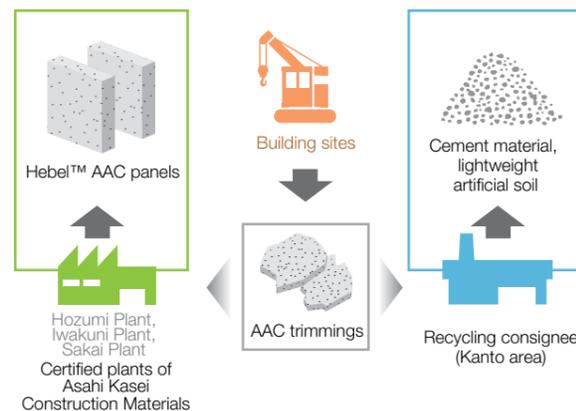
Reduction of hazardous chemical release

The Asahi Kasei Group applies a variety of measures to reduce the release of hazardous chemicals to the environment. These chemicals include substances specified in the Air Pollution Control Act, Water Pollution Control Act, and the PRTR¹ Law, and other substances which we have voluntarily designated for reduction. Priority for reduction is based on the degree of hazardousness

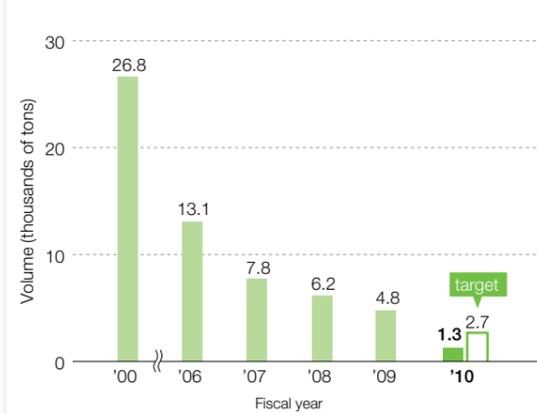
Final disposal industrial waste generated at construction sites



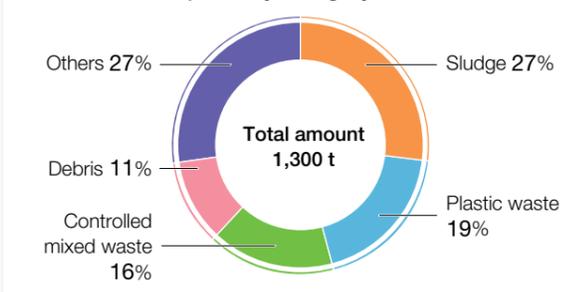
Recycle flow for trimmings of Hebel™ AAC panels



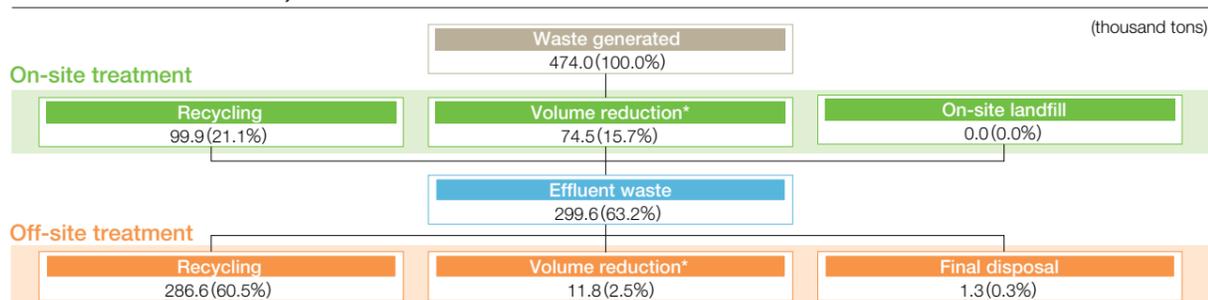
Off-site final disposal volume



Off-site final disposal by category of waste, FY2010



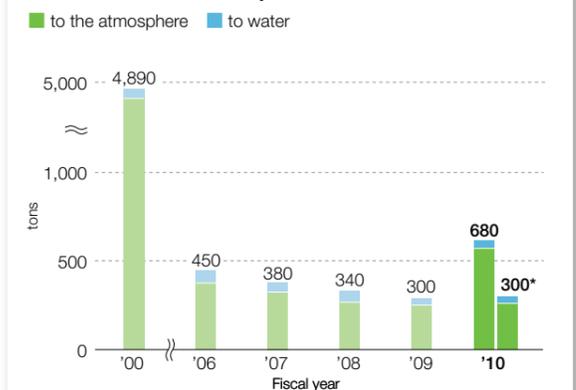
Flow of industrial waste, FY 2010²



² Excluding waste generated from the home construction business.

* By incineration, dehydration, etc.

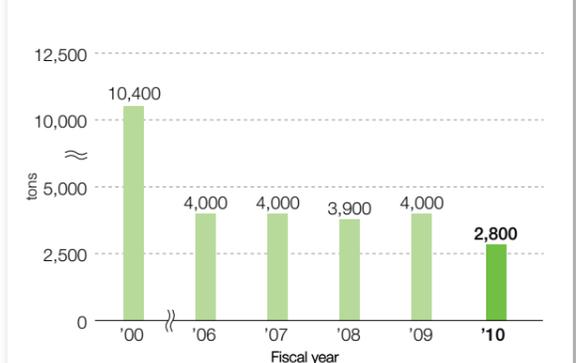
Releases of PRTR-specified substances



Note: No release to soil.

* Excluding substances which were newly included in the PRTR Law in 2010.

Releases of VOCs



Harmony with the natural environment

To ensure the sustainable utilization of living resources, due consideration is given to reducing the impact of our business activities on biodiversity and we have established guidelines for the preservation of biodiversity.

As a founding member of the International Partnership for the *Satoyama* Initiative (IPSI) which was established at COP10, the Asahi Kasei Group is proactively involved in this initiative to preserve biodiversity. We are also among the Promotion Partners for “The Declaration of Biodiversity” by Nippon Keidanren.

In Nobeoka, as part of a reforestation program by Miyazaki Prefecture, we are engaged in the regeneration of a broad-leaf forest called the Asahi Forest in an area where cedar and cypress had been cultivated previously. The project provides ample opportunities for our employees and nearby residents to learn about the importance of living in harmony with the natural environment. We are also working with companies performing tree-planting programs along the Gokase River to establish a network for maintaining biodiversity.

In Moriyama, the effluent water is clean enough to be used for agriculture. We established a stream recreating the natural environment within the plant grounds, releasing fireflies and fish native to the area in an effort to help preserve the nature of Lake Biwa.

In Fuji, we created a 10,000 m² biotope called the Asahi Woods of Life at our plant and laboratory complex, recreating the ecosystem of the local area. Many of our employees and local residents participate in biodiversity-related activities such as planting trees, planting and harvesting rice, and watching fireflies. In May 2010, the Asahi Woods of Life was selected by the Organization for Landscape and Urban Green Infrastructure as one of the top 100 corporate projects for biodiversity preservation.



Stream within the Moriyama plant grounds



The fifth round of tree-planting for the Asahi Forest (March 2011)



The Asahi Forest (June 2011)

A project under the International Partnership for the *Satoyama* Initiative

The Nobeoka Power Supply Dept. of Asahi Kasei Chemicals is advancing a project for the sustainable utilization of the forest resources of the Gokase River watershed area as biomass fuel for power generation at a new power plant currently under construction. The project is considered as part of the *Satoyama* Initiative. The sustainable utilization of forest resources in this way would make a significant contribution to the preservation of biodiversity in the area.

As part of this project, we held a seminar to deepen understanding of biodiversity and forest management. In addition to a description of our project for biomass power generation, the seminar featured a keynote lecture by Professor Satoshi Ito of the University of Miyazaki, entitled “Forest management toward the 22nd century – Aiming for maintenance of biodiversity and sound ecosystem services.”

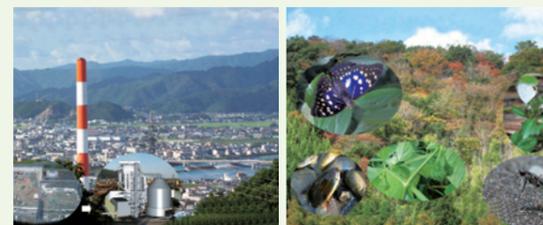
The seminar was attended by members of the Miyazaki Prefectural Government, Nobeoka

Seminar on the importance of biodiversity in forest management (April 2011)



City Government, and Hyuga City Government, which are involved in utilization of forest resources, as well as members of local forest management associations and businesses engaged in forest material production in the local area. Attendees were keenly engaged, and contributed to the discussion with many well-informed and insightful questions.

A central theme of the seminar was that forest management has tended to place disproportionate emphasis on the services supplied from the ecosystem while undervaluing biodiversity, and that this may ultimately impair the ecosystem’s ability to provide full services. Participants gained greater understanding that sustainable forest management cannot succeed without due consideration for biodiversity.



Power plant to use biomass fuel under construction as a *Satoyama* Project

Operational safety

The Asahi Kasei Group’s effort to prevent fires, explosions, and leaks of hazardous substances includes risk assessments and process reviews from a wide variety of perspectives.

One industrial accident occurred in fiscal 2010: the shaft bearing of a paddle dryer caught fire. We have investigated the cause of this accident and applied measures to prevent recurrence, while further advancing efforts to ensure thorough safety management throughout our operations.

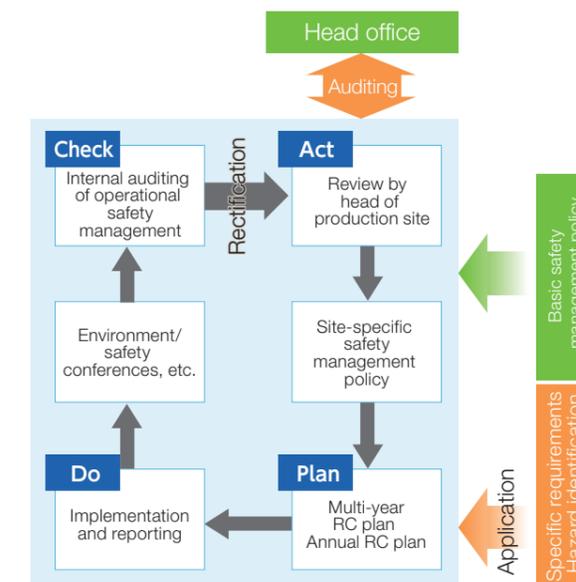
Highlights

- a Training operators who are well versed in equipment and processes.
- b Applying internal regulations on the proper response to industrial accidents or natural disasters.

Management of operational safety

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

Operational safety management system at Asahi Kasei Chemicals



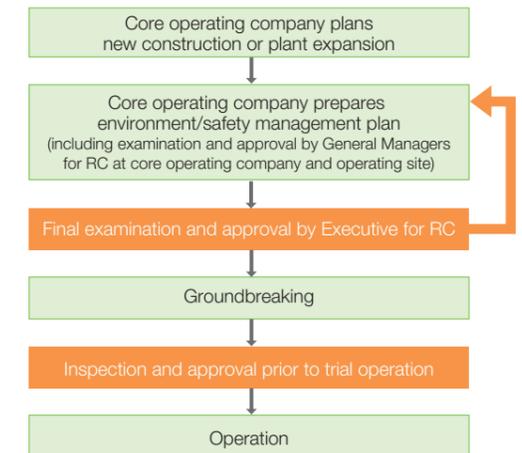
Pre-investment inspection system

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

System for inspection prior to capital investment



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.

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

² A method of identifying and dealing with potential problems based on “what if” questions. It is widely utilized where a simplified method is appropriate.

■ 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.



A training session

■ Training for operational safety [a]

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.



Simulation of accidental contact with liquid due to clogged nozzle

■ Preparation for emergency situations [b]

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.



Emergency response exercise at Kawasaki Works



Fire extinguisher training at Kawasaki Works

■ 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.



Joint training drill for physical distribution safety



Physical distribution safety symposium

Workplace safety and hygiene

The effort to prevent workplace accidents is integrated in a comprehensive OHSMS¹ program that combines conventional safety initiatives—such as tidiness/orderliness/cleanliness, reporting of near-accidents and potential hazards, hazard prediction analysis, safety patrols, and case studies—with risk assessments and a prevention-oriented plan-do-check-act system.

Highlights

- [a] Frequency rate² was 0.21 against our target of 0.1 or below.
- [b] Severity rate³ was 0.002 against our target of 0.005 or below.
- [c] Ratio of accidents in the “caught in/between” category in fiscal 2010 decreased to 20% from the 25% in fiscal 2000–2009.

Integration of workplace safety initiatives



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.

■ 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

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

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

³ Lost workdays, severity-weighted, per thousand man-hours worked.

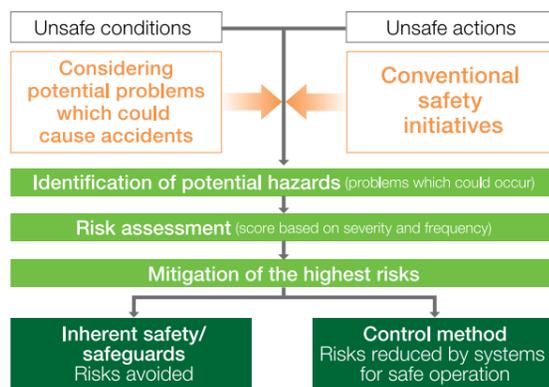
Risk assessment

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

Mitigation of the highest risks

Measures to achieve inherent safety by eliminating unsafe conditions (by eliminating dangerous procedures, automation, eliminating sources of problems, changeover to safe materials, etc.) and the application of safeguards are extremely effective in the effort to avoid risks. We focus on achieving inherent safety and applying safeguards 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 existing facilities, and to prevent the recurrence of accidents.

Formulation of safety measures

Safety measures		Degree of safety achieved
1	Inherent safety	100%
2	Safeguards	80%
3	Control method: Indications, warnings, etc.	20%
4	Control method: Manuals, approval systems, etc.	20%

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

Systems for safe operation

Operations for which the elimination of risks through equipment modification is impractical are classified as operations requiring special control. In such cases, risks are reduced through compliance with safe operating standards.¹ In addition to double-checking that proper procedures are followed, a range of creative measures are employed to ensure that safe operating standards are observed from day to day.

¹ Rather than individual rules for specific procedures, safe operating standards are a system of safety principles which define common safety practices that apply to categories of operation based on similarity of risk. For example, to prevent entanglement in machinery, our standard stipulates not to touch any exposed moving parts.

Occurrence of workplace injuries

Of the 10 workplace injuries that occurred during fiscal 2010, three occurred at production sites and seven at non-production sites (sales and administrative offices)—indicating the need to heighten safety measures at non-production sites. The category of “caught in/between” accounted for 20% of injuries in fiscal 2010, lower than the 25% over the previous 10 years. To prevent accidents in this category, which can easily result in severe injury, efforts to identify potential hazards and to mitigate the risks thereof are ongoing at production sites throughout the Asahi Kasei Group.

Occupational Health and Safety Management System (OHSMS)

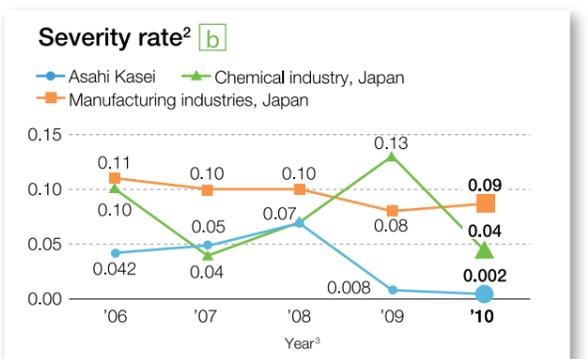
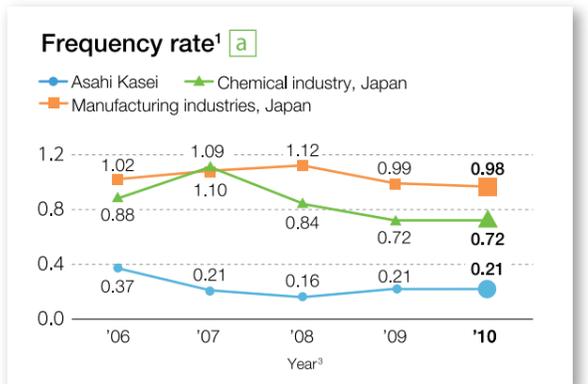
In fiscal 2002, we began applying OHSMS in accordance with OHSAS 18001² standards. In fiscal 2009, OHSMS was implemented at 90% of all plants and laboratories.

² Occupational Health and Safety Assessment Series, number 18001. A standard for certification of OHSMS.

Maintaining workplace hygiene

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

Where radioisotopes are present, radiation dose rates are maintained below regulatory limits, with measurement results reported each year to Japan’s Office for Radiation Regulations. 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.

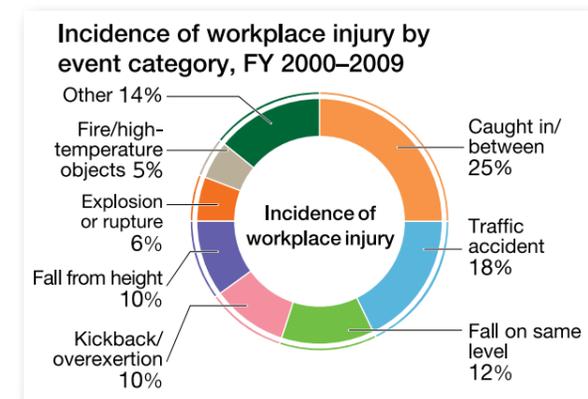
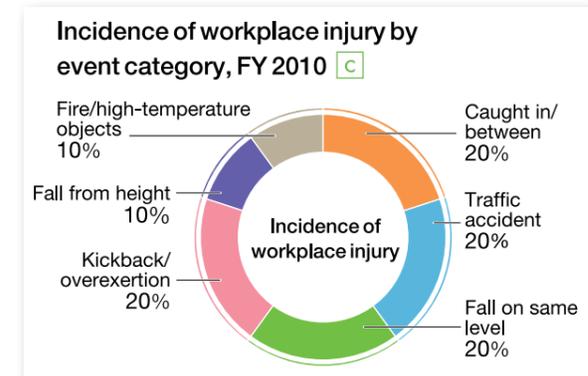


* The severity rate was revised as an accident in 2008 was found to have caused lasting injury.

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.

³ Fiscal years for the Asahi Kasei Group, calendar years for the chemical industry and manufacturing industries in Japan.



Health maintenance

In the Asahi Kasei Group's efforts to promote and maintain employee health, we provide both physical and mental health checkups as well as appropriate care. Our framework for health management was enhanced in fiscal 2011 with the appointment of a chief occupational medical officer, stationed at the Tokyo Head Office.

Highlights

- a Decrease in proportion of personnel for whom health warning signs were found.
- b Decrease in number of personnel on long-term leave of absence for mental health reasons.

Enhanced health management framework

Our chief occupational medical officer visits independent plants and smaller offices to examine their circumstances and study how employee health can best be managed.

Reducing health warning signs a

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 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. This health guidance was extended to all major plants and some offices in Tokyo in fiscal 2009, and further to independent plants and smaller offices in fiscal 2010.

Results of fiscal 2010 health checkups at workplaces where such guidance was performed in fiscal 2009 showed a reduction in the number of personnel with health warning signs related to hyperlipidemia and hypertension.

As a result of these efforts, the proportion of personnel with health warning signs decreased in fiscal 2010.

Mental health and care b

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 (JMI) survey for all personnel on three-year cycles since fiscal 2001. To ensure early identification and treatment, we also include a simple stress survey as part of the regular health checkups at all major plants and office sites. In addition to contributing to individual diagnoses, the results of the JMI survey are analyzed by workplace unit to help guide improvements in the workplace environment.

A provision for shortened working days is available for personnel returning from leave of absence for psychiatric convalescence as well as for any other injury or illness, enabling a gradual recovery of a full work load. Nearly all those who used this provision have successfully returned to full-time work. Provision of training sessions by external lecturers, introduction of counseling services, and other related activities are proactively implemented at various plant sites and office locations with the support of our employee health insurance association.

As a result of these efforts, the number of employees on leave of absence for mental health reasons either decreased or remained unchanged from fiscal 2009.

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 2010 we again met our target of no serious product safety incidents.

Highlights

- a No serious product safety incidents occurred.
- b Product safety and product quality were secured by consistent production control.

Prevention of product safety incidents a

Consumer satisfaction and safety b

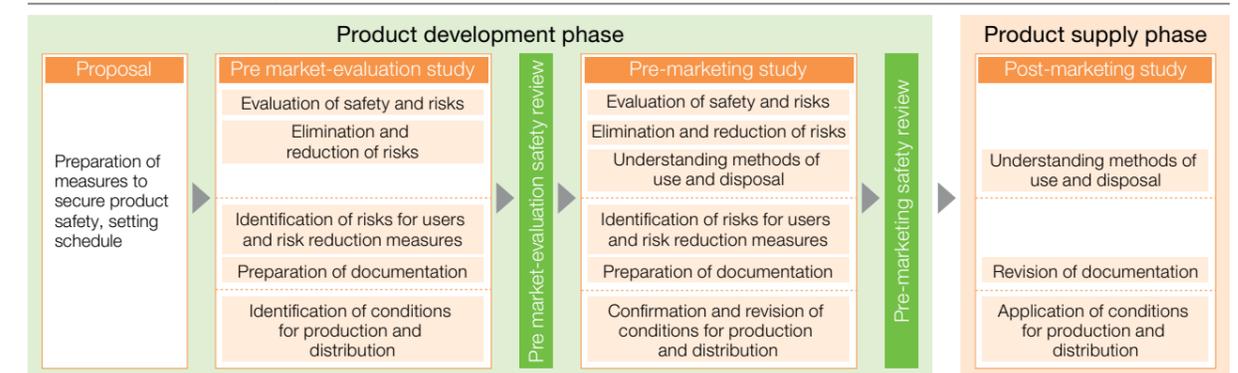
Products sold by the Asahi Kasei Group range from industrial materials to consumer products. Many of the materials we sell are used in products which are purchased by ordinary consumers. Consumer satisfaction is therefore the ultimate measure of our success in the provision of safe, high-quality products.

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

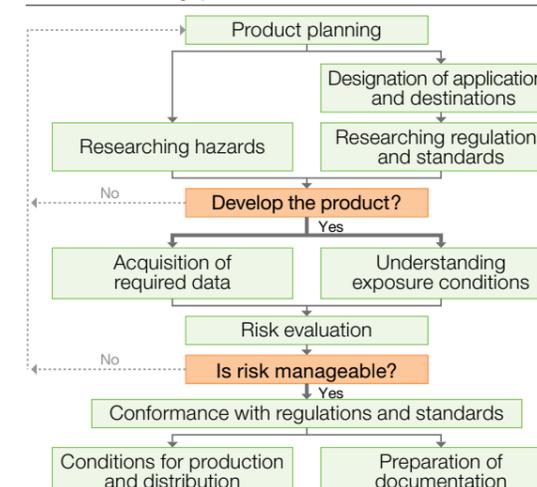
Product safety guidelines

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

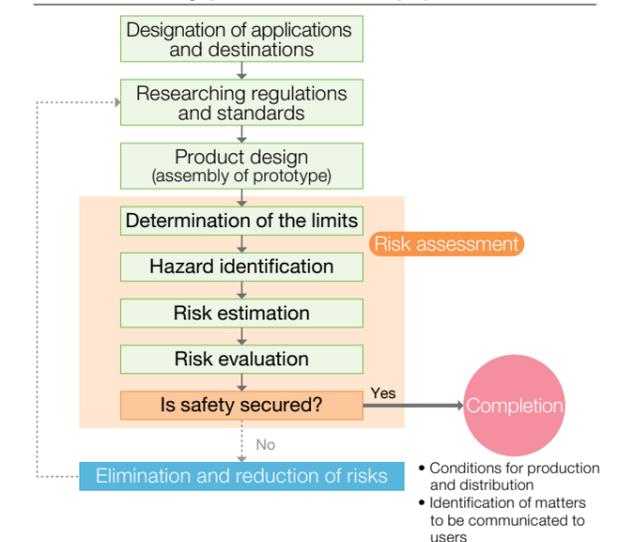
Flow of product safety measures



Product safety procedure for chemicals



Product safety procedure for equipment



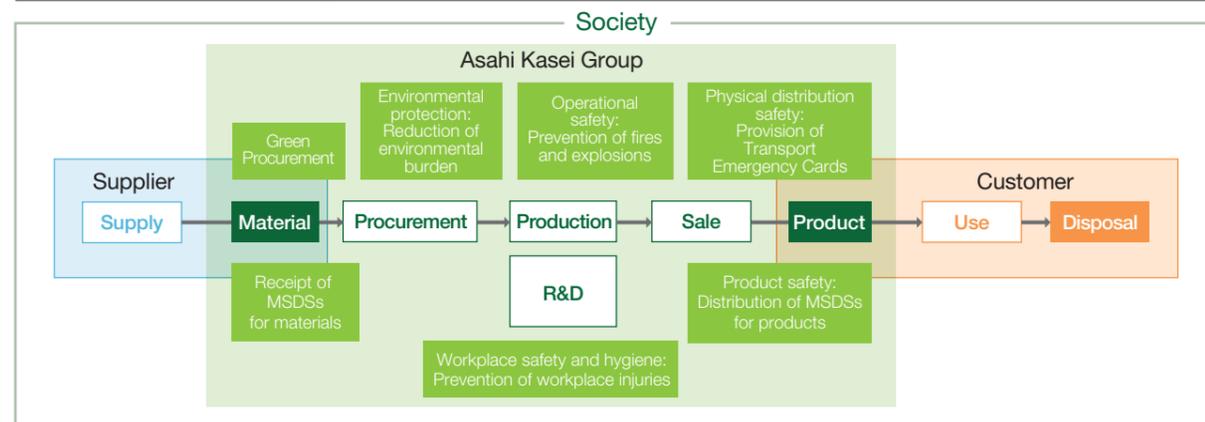
Managing chemical substances

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

Highlights

- a REACH registrations were completed in fiscal 2010.
- b Provision of information through JAMP tools began.
- c Education on product liability, chemical product safety, and equipment safety continued.

Chemical substance management flow



The Asahi Kasei Group's effort

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

Materials purchase

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

Production

The safety of the local community and the protection of the environment are secured by proper handling of chemical substances to suppress environmental release (see pp. 25-29) and to prevent fires, explosions, and leaks (see pp. 30-31). The health of employees is protected by preventing workplace exposure to hazardous substances.

In fiscal 2010, we reviewed and revised our guidelines for preventing exposure to nanomaterials, which were established in the previous year. Classifications for handling nanomaterials were revised to ensure that exposure to them is prevented.

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.

At Asahi Kasei E-materials, RC-related matters are addressed by an Environment/Safety Committee and a Product Safety Committee, which meets four times a year each, in recognition of the importance of improving product safety in the R&D phase. Functions of the Product Safety Committee include the following:

- 1) Reporting RC information at Asahi Kasei Group RC meetings, etc.
- 2) Deliberations on the company's internal regulations for product safety management, etc.
- 3) Exchange of information among committee members concerning



Meeting of Product Safety Committee in Asahi Kasei E-materials

- product safety of each division and each product.
- 4) Presentation by committee members regarding the results of studies concerning individual product safety issues in each department, etc.
- 5) Provision of information related to the management of chemical substances to R&D personnel.

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 2010, we advanced preparations to ensure compliance with the revised Chemical Substance Control Law, including distribution of the latest information on the revision throughout the Asahi Kasei Group and encouragement of participation in related seminars. In fiscal 2011, Asahi Kasei Chemicals began intermediate education on product liability in addition to its introductory education.



Product liability education at Asahi Kasei Chemicals

Global trends on management of chemical substances

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

HPV Chemicals Initiative

The Asahi Kasei Group began participation in the

ICCA HPV Chemicals Initiative in fiscal 1999, cosponsoring assessments for ten substances. Assessment for five of the ten substances has been completed by the OECD, and is in progress for the other five in coordination with other participating companies.

Japan Challenge Program

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

Long-range Research Initiative (LRI)

The Japan Chemical Industry Association (JCIA) is a participant in the ICCA LRI¹ to advance study on the long-term effects of chemical substances on health and the environment. The Asahi Kasei Group participates in the Science Task Force committee and committees for specialized areas.

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

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 Japanese version of the ICCA PS Guidelines as an industry standard for voluntary product stewardship activities.

In fiscal 2010, Asahi Kasei participated in working groups for the formulation of these guidances, which were completed in December.

The guidances are made public on the JCIA website and are also available for employees on our corporate intranet. We are preparing to put voluntary activities based on these guidances into practice, including through participation in various seminars.

Developments in management of chemical substances

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

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 compliance¹

In fiscal 2010 we completed the first round of REACH registrations. Relevant core operating companies conduct internal education and training on REACH requirements and convene monthly meetings to advance compliance procedures. At the same time, preparations are advancing for compliance with the related CLP Regulation².

Preparations are now under way for the second and third rounds of REACH registrations, while compliance with all relevant requirements is maintained.

¹ Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH) is a European Union (EU) regulation on chemical substances. It applies to all chemicals imported or produced in the EU, including solvents, detergents, fibers, and components, and requires companies to conduct safety assessments of such chemicals.

² CLP is a regulation of the European Parliament and European Council on classification, labeling and packaging of substances and mixtures in accordance with the Globally Harmonised System of Classification and Labelling of Chemicals (GHS).

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.

In fiscal 2010, we adopted JAMP-IT infrastructure within the Asahi Kasei Group, and also began providing information through JAMP tools via JAMP-IT.

The adoption of JAMP-IT infrastructure by Asahi Kasei Microdevices is as follows.

1) Providing information

In March 2010, Asahi Kasei Microdevices held

several seminars on JAMP and JAMP-IT for sales managers and quality control departments of affiliated companies, and established a system for information provision via JAMP-IT. Provision of information using AIS (a JAMP tool) is expanding.

2) Obtaining information

After establishing the system for information provision, the Asahi Kasei Microdevices requested its contract manufacturers, raw material suppliers, and supplementary material suppliers to download the JAMP tools (such as MSDSplus and AIS) and use them to provide information. A survey was performed regarding the management of chemical substances contained in products which are handled by contract manufacturers and raw material suppliers.

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

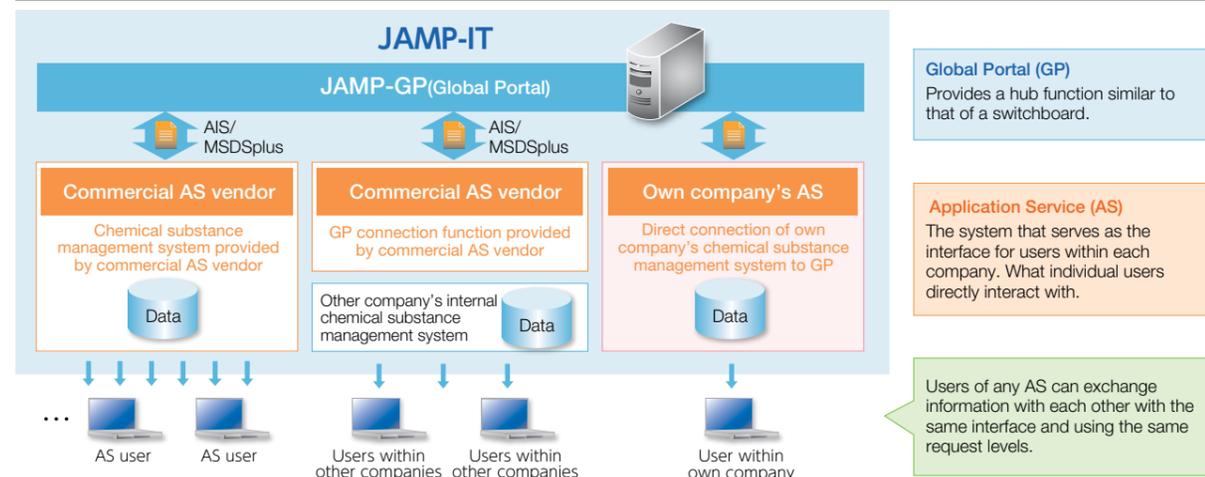
Outline of efforts for product safety and chemical substance management

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

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

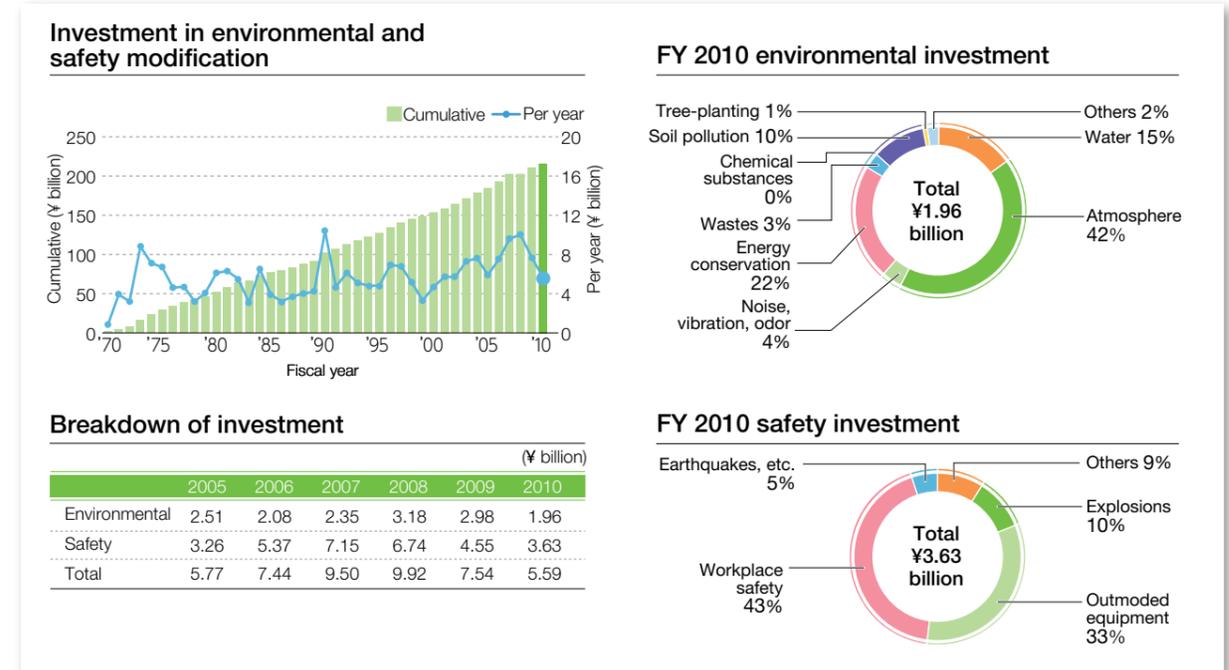
In addition to their useful properties, many of our products are potentially hazardous if handled improperly. We therefore provide a range of information for safe use and handling of our products, and continuously review the safety of our products and strive to ensure that the safety information that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

JAMP-IT framework



Expenditure for environment and safety

Investments in modification for environmental protection and safety in fiscal 2010 were as shown below.



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 2010 environmental accounting for Asahi Kasei Chemicals, Asahi Kasei Fibers, Asahi Kasei Microdevices, and Asahi Kasei E-materials. Notable measures carried out in fiscal 2010

included reduction of VOC emissions, energy conservation, and groundwater purification. Notable results included reducing VOC emissions by 1,200 tons and reducing the amount of final disposal of industrial waste by 3,500 tons. We also developed applications for some materials that were previously disposed of as industrial waste and obtained a profit of ¥304 million on their sale.

Environmental accounting

Cost class	Asahi Kasei Chemicals		Asahi Kasei Fibers		Asahi Kasei Microdevices		Asahi Kasei E-materials	
	Investment	Expense	Investment	Expense	Investment	Expense	Investment	Expense
Combined operating area	1,040	4,086	500	1,966	208	172	208	696
Pollution prevention	950	2,579	451	1,024	204	130	157	424
Global environmental protection	75	254	41	128	2	2	51	39
Resource circulation	14	1,254	8	814	2	41	0	233
Upstream and downstream	0	32	0	5	0	0	0	90
Management	123	505	0	46	0	104	0	72
Research and development	140	1,590	0	23	0	30	607	3,933
Community outreach	5	5	0	7	0	1	0	1
Environmental damage	0	210	0	0	0	0	0	0
Total	1,307	6,428	500	2,047	208	307	816	4,792

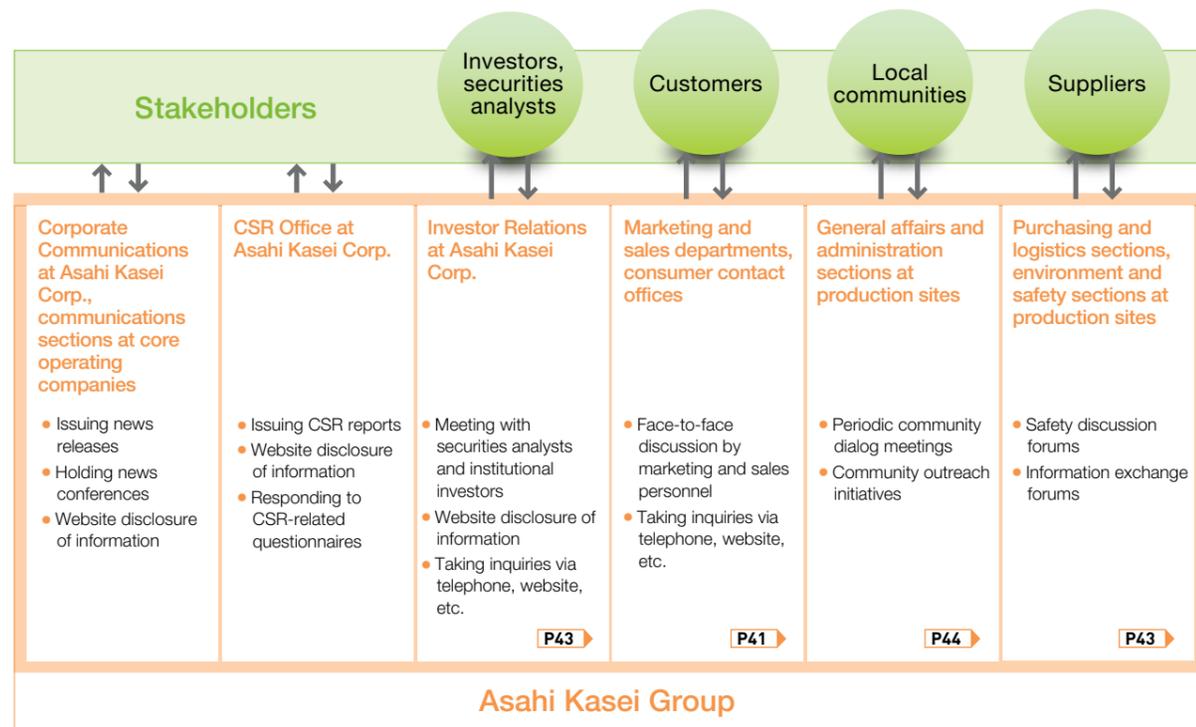
Note: Sums may not equal totals due to rounding.

Corporate citizenship

We are committed to advancing in harmony with society from a global perspective through fair information disclosure and the proactive employment of management resources for corporate responsibility and citizenship.

Stakeholder dialog

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



Information Disclosure Policy

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



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 and ensure customer satisfaction, we optimize our response according to the category of product: material, intermediate, device, or final product.

For polymers and chemical products, electronic materials and devices, fibers and textiles, 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.

Communication with customers

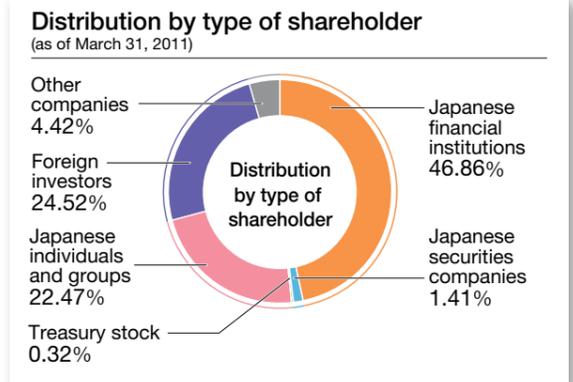


Investor relations

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 120 thousand shareholders. At the end of March 2011, approximately 47% of our shares were held by Japanese financial institutions, 22% by Japanese individuals and groups, and 25% by foreign investors.



Meetings with institutional investors and securities analysts

In fiscal 2010, Investor Relations held 243 meetings in Japan with institutional investors and securities analysts, including large conferences to discuss quarterly financial results. Furthermore, 105 meetings were held with investors and analysts overseas, including meetings at conferences held by Japanese and overseas securities firms. In total, 348 meetings were held to directly provide information to institutional investors and securities analysts in fiscal 2010, with a cumulative attendance of 1,427.



Meeting with a securities analyst

Seminars for individual investors

To provide individual investors with a better understanding of the operations of the Asahi Kasei Group, 12 seminars for them were held in fiscal 2010. Although we had less seminars in fiscal 2010 as four seminars scheduled in March were canceled due to the Great East Japan Earthquake, we participated in several large conferences and the total number of individual investors who received briefings on our business and management increased to 2,138.



Seminar for individual investors

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.

Elements of the Asahi Kasei Group Purchasing and Procurement Policy

- 1 Financial soundness, sustainable supply
- 2 Compliance
- 3 Management philosophy, management policy
- 4 Safety
- 5 The environment
- 6 Human rights
- 7 Workplace hygiene
- 8 Competitive pricing
- 9 Product quality, technological innovation
- 10 On-time delivery
- 11 Information disclosure
- 12 Risk management
- 13 Personnel training and development
- 14 Corporate citizenship

of suppliers is a primary consideration, and transactions are made in accordance with our Purchasing and Procurement Policy. Since fiscal 2006 we have conducted annual CSR Procurement surveys, and in fiscal 2009 and 2010, our personnel had discussions with major suppliers to reinforce their understanding of our CSR Procurement measures.

Supplier relations at production sites

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



Safety seminar in Moriyama

Purchasing and Procurement Policy

Corporate purchasing is based on the tenets of transparency and fairness, with extensive information gathering and a global outlook to ensure that the best possible products and services are obtained. The CSR-related performance

Public outreach

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

Dialog and interaction

Measures for community dialog and interaction include regularly held forums and meetings with 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.



Community dialog meeting with local residents in Mizushima



Summer festival in Ohito

Neighborhood clean-up and planting greenery

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



Neighborhood clean-up in Kawasaki

Plant tours

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



Junior high school students on a tour of the Nagoya Pharmaceuticals Plant



Local women's association visits Asahi Kasei NS Energy Corp. in Nobeoka

Local emergency response initiative

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

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



Independent drinking water supply system in Moriyama

Community fellowship

The Asahi Kasei Group is involved in a wide range of community-focused activities that support education, sports, and culture, in accordance with our Community Fellowship Policy.

Community Fellowship Policy

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

Basic Framework Education and development of the next generation

Education and development of the next generation

School visits and science lab for students

The Asahi Kasei Group 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.



School visit in Nobeoka



School visit in Tokyo

Holding exhibit and sponsoring a science-related event

The Asahi Kasei Group provided sponsorship for and presented an exhibit at “Youngsters’ Science Festival 2010” in Kurashiki, Okayama, giving children and their parents an opportunity to learn about science and chemistry in a fun way.



Youngsters’ Science Festival 2010

Training programs for school teachers

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

In fiscal 2010, five elementary school teachers from Nagaizumi, Shizuoka, visited our site in Fuji for a training program.



Training session for teachers

Sponsored university course

The Asahi Kasei Group sponsors a course at Fuji Tokoha University in Fuji, Shizuoka. Our scientific personnel give lectures in the course entitled “The Prospects of Modern Science.”



Lecture at Fuji Tokoha University

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.



Presentation of the Japan Student Science Awards

Miraikan corporate partnership

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



Miraikan, in Tokyo

Overseas activities

Many offices and production sites of the Asahi Kasei Group in the United States, Europe, China, Korea, Taiwan, and Southeast Asia, engage in a variety of community fellowship activities as suited to their individual circumstances and locations. These include neighborhood clean-up, blood donation, support for welfare and education, and donation to local organizations and schools.



Stationery donated to an elementary school in Thailand

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.



Track lesson for students in Nobeoka



Judo lesson for students in Nobeoka

Culture

Asahi Himuka Cultural Foundation

The Asahi Himuka Cultural Foundation was established in 1985 to enrich the environment of day-to-day life and culture in Miyazaki Prefecture, the cradle of Asahi Kasei. A wide range of cultural activities include musical and dramatic events, support for local cultural promotion, and fostering familiarity with and understanding of folk culture.



Cultural event in Nobeoka (photo by Yukan Daily)

Respect for employee individuality

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

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.



Message from Executive for Human Resources

Together with the renewal of our Group Mission, Group Vision, and Group Values at the launch of our new mid-term management initiative "For Tomorrow 2015," I believe it is vital for all of our group personnel to renew a shared understanding and appreciation of our Human Resources Principles. To this end, we are taking a

variety of measures to enhance two-way communication both between supervisors and subordinates and between experienced personnel and younger employees.

Masanori Mizunaga
Executive for Human Resources
Director, Senior Executive Officer
Asahi Kasei Corp.



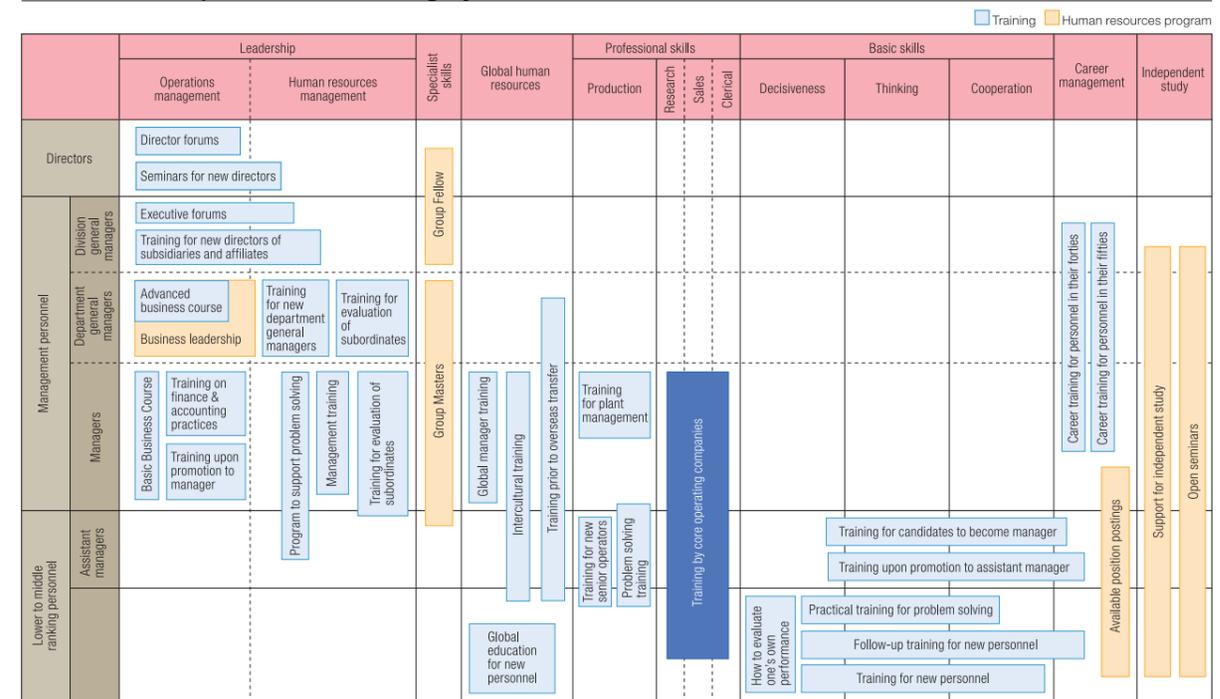
Human resources development

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

Two-foundation, three-pillar structure



Career development and training system 2011



Career development training and support

A wide range of training programs

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

Group Masters

The Asahi Kasei Group employs a "Group Masters" program to recognize employees who have developed and exercised extraordinary expertise and skills that hold universal value, and to facilitate their application throughout the Group. Currently, 114 Group Masters are designated: three as Group Fellows, thirty as Senior Group Experts, and eighty-one as Group Experts, with rank and remuneration commensurate with division general manager, department general manager, and section manager, respectively.

Development of global human resources

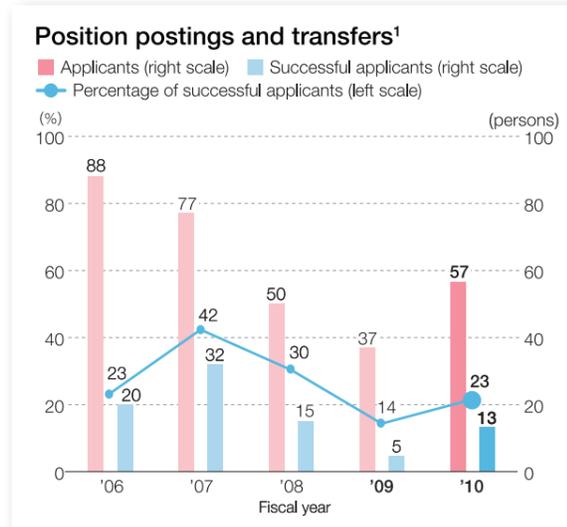
To support the expansion of world-leading businesses under the mid-term management initiative "For Tomorrow 2015" from the perspective of human resources, we are implementing measures such as internship programs for young personnel, expanding overseas study programs, and training and appointing new personnel and managers at overseas subsidiaries and affiliates.

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 145 employees have been transferred through this system to other divisions and departments within the group.



¹ 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 FY06–07, by Asahi Kasei Medical Co., Ltd. in addition to these companies from FY08, and by Asahi Kasei E-materials Corp. in addition to these companies from FY09.

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.

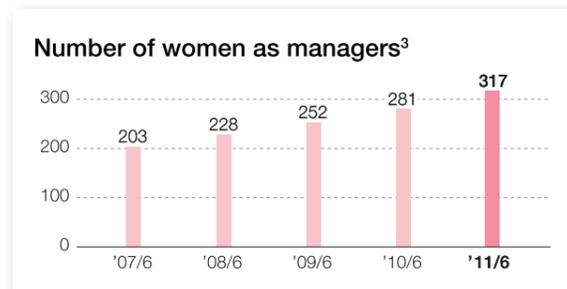
Fiscal 2011 hiring

In April 2011, 396 new graduates were hired: 308 men and 88 women. In addition, 118 persons were hired in mid-career between April 2010 and March 2011.²

² Totals for Asahi Kasei Corp. and its core operating companies. Not including persons hired by other consolidated subsidiaries or hired as contract employees.

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 317 in June 2011, and the variety of posts where women are assigned continues to expand.



³ Results as of June 30 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 2007, by Asahi Kasei Medical Co., Ltd. in addition to these companies from 2008, and by Asahi Kasei E-materials Corp. in addition to those companies from 2009.

Preventing sexual harassment

Sexual harassment is clearly prohibited in the Asahi Kasei Group by our *Corporate Ethics – Code of Conduct* and by our corporate employment regulations. Prevention is reinforced through training at each level of promotion in rank and

through periodic company-wide training within each core operating company for conformance with corporate ethics.

EO Promotion in Human Resources serves as a central point for consultation about related issues and concerns in the Asahi Kasei Group.

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

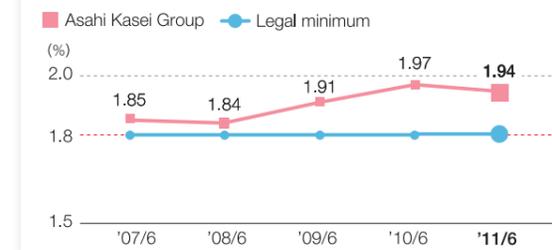
Employment of persons with disability

Asahi Kasei Ability Corp. was established in 1985 for the employment of disabled persons, performing a wide range of services for the Asahi Kasei Group, including website design, document printing and binding, copying, mounting and framing, gardening, and cleaning.

Our employment of disabled persons stood at 432 employees as of June 1, 2011, or 1.94%, of the 22,371 employees of Asahi Kasei Corp. and certain subsidiaries, exceeding the legal minimum since 1994.

We continue recruitment activities to further increase such employment at other subsidiaries and affiliates as well.

Rate of employment of disabled persons at applicable Group companies¹



¹ Results as of June 1 each year at applicable Group companies. For June 1, 2011, results for Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Kuraray Medical Co., Ltd., Asahi Kasei Fibers Corp., Asahi Kasei Microdevices Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei E-materials Corp., Asahi Kasei Medical Co., Ltd. Asahi Kasei Amidas Co., Ltd., Asahi Kasei Engineering Corp., Asahi Kasei Electronics Co., Ltd., Asahi Kasei Microsystems Co., Ltd., and Asahi Kasei Ability Corp. Calculated in accordance with the Act on Employment Promotion etc. of Persons with Disabilities.

Participation in the National Abilitylympics by ten employees—one selected for international competition in Seoul

Ten employees of Asahi Kasei Ability (including two invitees) participated in the 32nd National Abilitylympics held in Yokohama in October 2010. Of the ten, one won a silver medal and two won bronze medals. One of the invitees was also selected for international competition to be held in Seoul, Korea, in September 2011.



Asahi Kasei team at the National Abilitylympics

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, allowing personnel to utilize paid leave more flexibly.

Helping employees balance work and family life

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

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



Handbook for employees expecting or raising children

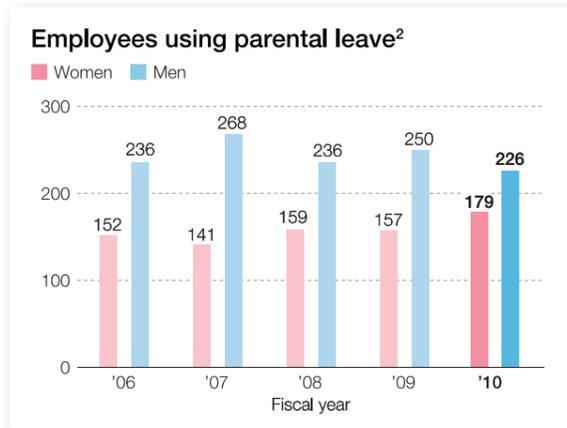


Kurumin certification mark, received from the Ministry of Health, Labour and Welfare in recognition of our support for development of the next generation.¹

¹ Certification received in 2007 and 2010 for Asahi Kasei Corp., Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei Microdevices Corp., Asahi Kasei E-materials Corp., Asahi Kasei Construction Materials Corp., and Asahi Kasei Home Products Corp.

Parental leave

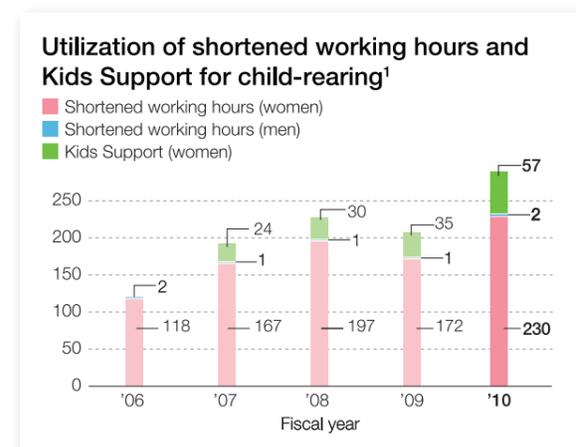
Our parental leave is available through the fiscal year in which the child turns three years old. In fiscal 2010, 405 personnel utilized parental leave. This is included 226 men, 40% of those who were qualified, and 179 women.



² 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 FY06-07, by Asahi Kasei Medical Co., Ltd. in addition to those companies from FY08, and by Asahi Kasei E-materials Corp. in addition to those companies from FY09.

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.



¹ 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 FY06-07, by Asahi Kasei Medical Co., Ltd. in addition to those companies from FY08, and by Asahi Kasei E-materials Corp. in addition to those companies from FY09.

Open Office Day in Tokyo and Osaka

The fifth "Open Office Day" in Tokyo was held in August 2010, as 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 329 parents and children from 127 families. An Open Office Day was also held in the same month at our Osaka Head Office, attended by 77 parents and children from 28 families.

Video recordings of our Tokyo Open Office Day were featured at Tokyo Work/Life Balance Day, an event held by the Tokyo Metropolitan Government, as being in accordance with the concept of encouraging workers to maintain good balance between work and private life.



Open Office Day in Osaka



Exhibit at Tokyo Work/Life Balance Day

Support for family care

In fiscal 2010, nine personnel utilized leave of absence for family care. Our personnel are allowed to take leave up to one year for the purpose of attending to any family member who requires care. Enhanced provisions for days off and flexible working hours are also available to help personnel continue working while providing care for family members. Information about these provisions and how to balance work and family care is provided through our enhanced corporate intranet as well.

Main provisions to support balance in work and family life

	Pregnancy	Delivery	Child-rearing One year old Two years old Three years old	Entry to elementary school	End of third grade	Family care
Women only	Time off for morning sickness	42 days Maternity leave	56 days	Plus 14 days off before/after delivery	Up to April 1 after child reaches three years of age	Leave of absence for family care (one year in total)
			Parental leave			Time off for family care
			Expanded application of unused paid days off to care for family members (up to 40 days)			
			Time off for family illness			
Others			Shortened working hours for child-rearing			Shortened working hours for family care (one year in total)
			"Kids Support" shortened working hours for child-rearing			Flexible working hours for family care
			Financial assistance for employing babysitters/caretakers			

Communication between management and labor

Regular meetings between management and labor

Discussions between management and labor union representatives are held on a regular basis to ensure that a constructive partnership and mutual understanding is maintained. In August

2010, 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.

Asahi Kasei Group CSR Report 2011

Independent Review

July 4, 2011

To: Taketsugu Fujiwara, President
Asahi Kasei Corporation

Japan Chemical Industry Association
Responsible Care Verification Center
Chief Director Saburo Nakata

■ Scope and Objectives of Verification

Responsible Care Report Verification was performed by the Responsible Care Verification Center with respect to the *Asahi Kasei Group CSR Report 2011 Edition* (the "Report") prepared by Asahi Kasei Corporation, with the objective of expressing an opinion as a chemical industry specialist on matters as stated below. The verification was made in accordance with the Responsible Care Code and Sustainability Reporting Guidelines (2006, Global Reporting Initiative).

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

■ Verification Procedure

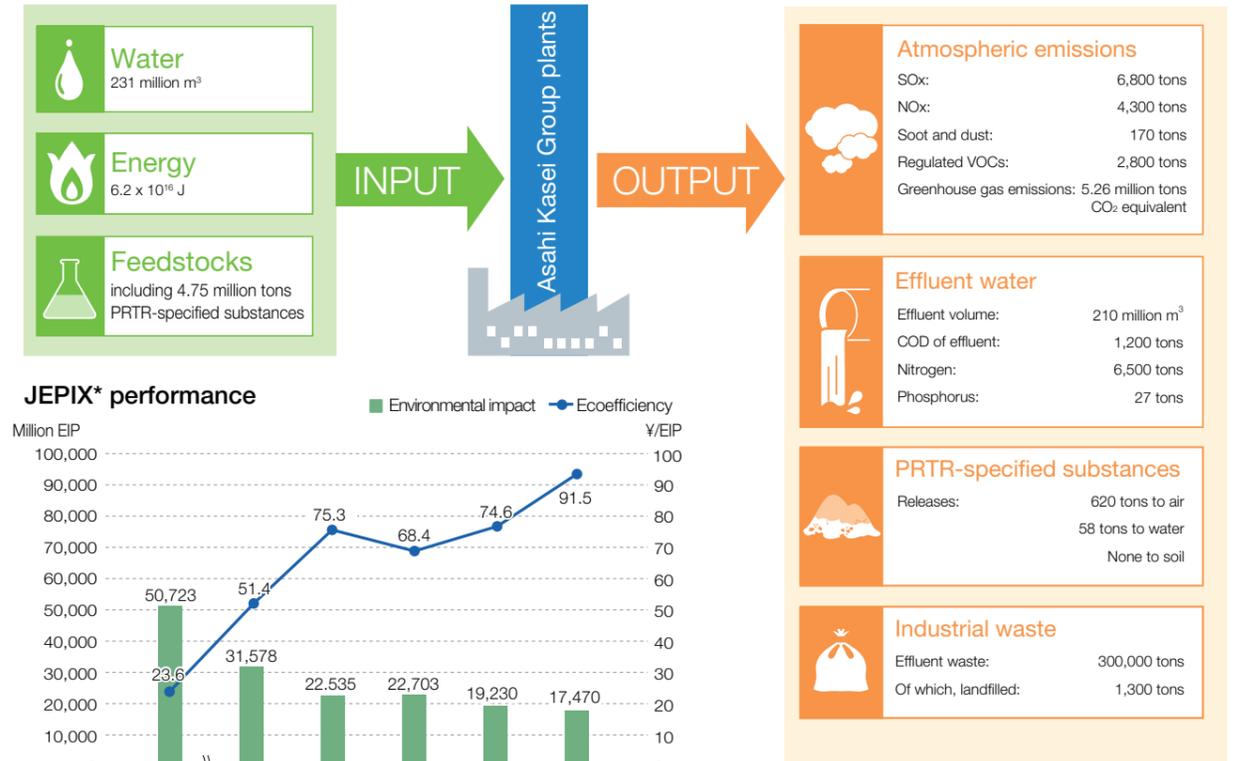
- At the head office: Examination of the reasonableness of methods to aggregate numerical values reported from each site (office, plant) and examination of the accuracy of reported information other than numerical values were performed through interviews of responsible parties and compilers of the Report and receipt of internal documents and explanations thereof from these responsible parties and compilers.
- At the Nobeoka Office: Examination of the reasonableness of methods of calculation and aggregation of numerical values reported to the head office, examination of the accuracy of numerical values, and examination of the accuracy of reported information other than numerical values were performed through interviews of responsible parties and compilers of the Report, receipt of internal documents and explanations thereof from these responsible parties and compilers, and cross-check of reported information with supporting materials.
- Numerical values and reported information were verified by sampling.

■ Opinion

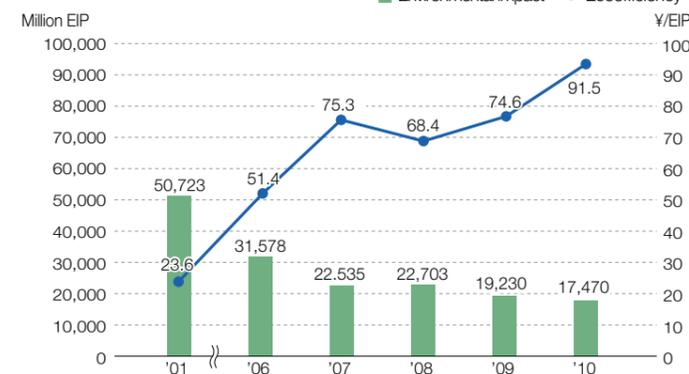
- 1) Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values
 - Numerical values at the head office and the Nobeoka Office have been calculated and aggregated via a reasonable method.
 - It is noteworthy that data collection through the intranet-based Environmental Performance Data Collection System has taken firm root, with calculation and checks for incorrect entries performed efficiently.
 - Performance metrics within the scope of examination have been calculated and aggregated accurately.
- 2) Accuracy of reported information other than the numerical values
 - Information contained in the report was confirmed to be accurate. Some minor issues related to appropriateness of expression and ease of understanding were identified in the draft stages, but these are rectified in the present Report and no important matters warranting correction are believed to exist at present.
- 3) Evaluation of Responsible Care (RC) measures
 - It is noteworthy that RC activities are implemented soundly in all business sectors by the head office, branch offices, core operating companies, and plants, with concrete targets established.
 - It is noteworthy that dialog with the public is proactively advanced at the Nobeoka Office, including explanations of RC measures as well as the provision of briefings prior to major construction work at meetings with members of the local community.
 - It is noteworthy that thorough compliance with internal safe operation standards at the Nobeoka Office is ensured both through self-evaluation of compliance by individual personnel and by evaluation of compliance within each workplace.
- 4) Characteristics of the Report
 - A comparison table with the Sustainability Reporting Guidelines of the Global Reporting Initiative (GRI), considered to be the international guidelines on CSR, has been prepared for ease of understanding.
 - The report also discloses negative information related to accidents and other problems, and describes measures taken in response to them.

Environmental and safety data

Main environmental aspects, FY 2010



JEPIX* performance



JEPIX-method ecoefficiency

Fiscal year	2001	2006	2007	2008	2009	2010
Environmental impact (million EIP)	50,723	31,578	22,535	22,703	19,230	17,470
Sales (¥ million)	1,195,393	1,623,791	1,696,789	1,553,108	1,433,595	1,598,387
coefficient (¥/EIP)	23.6	51.4	75.3	68.4	74.6	91.5

* 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) scale and aggregated to determine total environmental impact. Ecoefficiency is determined by dividing an economic indicator, in our case consolidated net sales, by total EIP.

Treatment and disposal of industrial waste* by business unit

	On-site				Effluent	Off-site		
	Waste generated	Recycling	Volume reduction	Landfill		Recycling	Volume reduction	Final disposal
Asahi Kasei Chemicals	279.0	43.3	74.1	0.0	161.6	151.7	9.1	0.8
Asahi Kasei Homes	5.7	0.0	0.0	0.0	5.7	5.7	0.0	0.0
Asahi Kasei Pharma	1.2	0.0	0.4	0.0	0.8	0.8	0.0	0.0
Asahi Kasei Kuraray Medical/ Asahi Kasei Medical	5.4	0.0	0.0	0.0	5.4	5.4	0.0	0.0
Asahi Kasei Fibers	76.1	6.5	0.0	0.0	69.7	69.6	0.0	0.0
Asahi Kasei Microdevices	4.7	0.0	0.0	0.0	4.7	4.6	0.1	0.0
Asahi Kasei E-materials	19.9	0.0	0.0	0.0	19.9	17.3	2.6	0.0
Asahi Kasei Construction Materials	76.6	50.1	0.0	0.0	26.5	26.2	0.0	0.2
Others	5.5	0.0	0.0	0.0	5.5	5.3	0.0	0.2
FY 2010	474.0	99.9	74.5	0.0	299.6	286.6	11.8	1.3
FY 2009	315.7	47.9	73.1	0.0	194.7	179.7	10.1	4.8
FY 2008	251.9	33.0	10.0	0.0	209.0	186.4	15.2	6.2
FY 2007	317.8	41.5	79.0	0.0	197.3	172.7	16.8	7.8
FY 2006	293.4	61.7	67.0	0.0	164.7	135.3	16.4	13.0
FY 2000	361.9	3.5	187.5	0.1	170.8	122.0	21.9	26.8

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

Note: All figures in this report exclude data for a divested fertilizer plant in Fuji from FY07 onward. Sums may not equal totals due to rounding.

FY 2010 off-site final disposal by category and waste*

	Sludge	Plastic waste	Controlled mixed waste	Debris	Others	Total
Volume (thousand tons)	0.3	0.2	0.2	0.1	0.4	1.3
Percent of total	27	19	16	11	27	100

* Excluding waste generated from the home construction business.

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

Fiscal year	2000	2006	2007	2008	2009	2010
New construction	16.6	5.2	3.1	1.6	0.0	0.0
Dismantling	39.1	16.6	13.5	12.7	9.6	8.6
Total	55.7	21.8	16.6	14.4	9.6	8.6

ALC trimmings recycled by Asahi Kasei Construction Materials

Fiscal year	2006	2007	2008	2009	2010
Hebel™ panels	430	420	620	740	460
Cement material	6,900	6,700	5,900	4,700	4,300
Lightweight artificial soil	120	55	110	54	20
Total	7,500	7,200	6,600	5,500	4,800

Release and transfer of PRTR-specified substances by fiscal year

Fiscal year	2000	2006	2007	2008	2009	2010
To air	4,720	380	320	270	250	620 [260]
To water	170	70	54	66	42	58 [41]
To soil	0	0	0	0	0	0 [0]
Total	4,890	450	380	340	300	680 [300]
Transfer	2,100	4,500	4,600	3,700	1,600	4,400 [3,100]

Note: Figures in brackets do not include substances newly included in 2010.

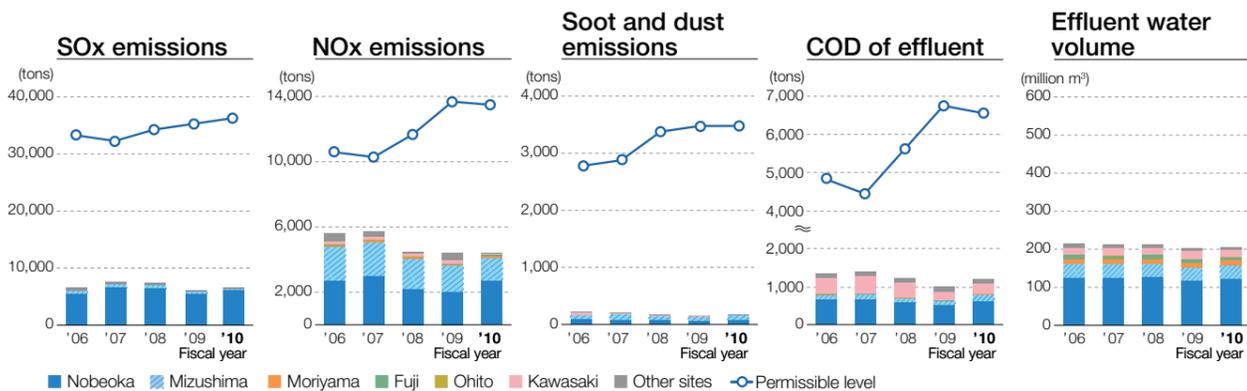
VOC* emissions

Fiscal year	2000 baseline year	2006	2007	2008	2009	2010
Volume (tons)	10,400	4,000	4,000	3,900	4,000	2,800
Reduction rate (%)	0.0	61	62	63	62	73

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

FY 2010 release of air and water pollutants by site

	Nobeoka	Mizushima	Moriyama	Fuji	Ohito	Kawasaki	Others	Total
SOx	6,200	240	0	11	3	4	310	6,800
NOx	2,800	1,500	77	16	38	150	88	4,300
Soot and dust	77	68	2	0	2	8	9	170
Waste water effluence	120	37	13	9	1	19	8	210
COD	610	180	13	11	1	250	140	1,200
Nitrogen	5,800	410	12	60	1	260	5	6,500
Phosphorus	11	4	2	4	0	5	0	27



Note: At some sites, regulation by total pollutant amount applies for some pollutants in addition to concentration limits. Permissible levels shown are the sums of gross emission limits where they apply and concentration limits times the amount of discharged water where they do not. Permissible levels therefore fluctuate from year to year with fluctuations in production volumes.

FY 2010 release and transfer of PRTR-specified substances (tons)

Core operating company	Site	Substance	Release to:			Transfer
			Air	Water	Soil	
Asahi Kasei Chemicals	Nobeoka	1,1-Dichloroethylene (vinylidene chloride)	24	0	0	219
		Toluene	9	0.7	0	23
		Chloroethylene (vinyl chloride)	8	0	0	61
		Boron compounds	0	8	0	0.3
		Chlorodifluoromethane (HCFC-22)	7	0	0	0
		Mizushima	n-Hexane	228	0	0
	Styrene	62	0	0	49	
	Acrylonitrile	6	0	0	18	
	Kawasaki	n-Hexane	92	0	0	14
		Methyl methacrylate	16	0	0	151
Ethylbenzene		7	0	0	124	
Molybdenum and its compounds		0	6	0	0	
Otta	Inorganic cyanide compounds (except complex salts and cyanates)	4	1	0	0	
	n-Hexane	17	0	0	0.1	
Asahi Kasei Homes	Shiga	Xylene	8	0	0	0
Asahi Kasei Kuraray Medical	Nobeoka	N,N-dimethylacetamide	3	15	0	706
	Nobeoka	Water-soluble copper salts (except complex salts)	0	9	0	0
Asahi Kasei Fibers	Moriyama	N,N-dimethylacetamide	16	0	0	321
	Moriyama	Formaldehyde	10	0	0	0
Asahi Kasei E-materials	Moriyama	Dichloromethane (methylene chloride)	13	0	0	0.7

Note: Substances listed are those of which total release was 5 tons or more. Amounts of one ton or more are rounded to the nearest ton; those less than one ton are rounded to the nearest tenth of a ton.

Release of air and water pollutants by fiscal year

	2006	2007	2008	2009	2010
SOx ¹	6,700	7,600	7,600	6,200	6,800
NOx ²	5,600	5,700	4,500	4,000	4,300
Soot and dust ³	230	200	170	160	170
Waste water effluence	220	210	210	200	210
COD ⁴	1,400	1,400	1,200	1,000	1,200
Nitrogen	5,700	6,000	5,800	5,400	6,500
Phosphorus	32	27	30	24	27

- Sulfur oxides are formed when crude oil, fuel oil, or coal containing sulfur are used as fuel, or when industrial wastes containing sulfur are incinerated. Sulfur dioxide (SO₂) is most common, but some sulfur trioxide (SO₃) also forms. The term SO_x is inclusive of both of these.
- Nitrogen oxides are formed in nature and during combustion at thermal power plants, factory boilers, internal combustion engines, and incinerators. The term NO_x is inclusive of both nitric oxide (NO) and nitrogen dioxide (NO₂).
- Soot and dust are fine particles formed in the combustion of fuel and other materials.
- Chemical oxygen demand. An indicator of water pollution by organic substances. COD is expressed in terms of the amount of oxygen required by an oxidizer to chemically oxidize the organic substances contained in the water.

Greenhouse gas emissions by fiscal year

	Baseline*	2006	2007	2008	2009	2010
Carbon dioxide	5,060	4,940	5,050	4,650	4,520	4,590
Nitrous oxide	6,820	890	350	650	910	460
Methane	0	2	2	2	2	2
HFCs	160	4	10	30	30	20
PFCs	10	130	130	130	160	150
Sulfur hexafluoride	0	10	20	20	30	30
Total	12,060	5,980	5,550	5,480	5,650	5,260

* FY 1990 for carbon dioxide, nitrous oxide, and methane; FY 1995 for HFCs, PFCs, and sulfur hexafluoride.

Note: Our target is to maintain average greenhouse gas emissions at 50% of the baseline level from FY 2008–2012. Figures for past years have been revised to reflect business transfers, revisions of the CO₂ emissions coefficient, and other relevant changes. All figures except those for methane are rounded to the nearest ten thousand. Figures for methane are rounded to the nearest thousand.

Investment in environmental and safety modification

	2006	2007	2008	2009	2010
Environmental	2.08	2.35	3.18	2.98	1.96
Safety	5.37	7.15	6.74	4.55	3.63
Total	7.44	9.50	9.92	7.54	5.59

CO₂ emissions from product shipment

Core operating companies	2007		2008		2009		2010	
	Shipment volume (million ton-km)	CO ₂ emissions (tons)	Shipment volume (million ton-km)	CO ₂ emissions (tons)	Shipment volume (million ton-km)	CO ₂ emissions (tons)	Shipment volume (million ton-km)	CO ₂ emissions (tons)
Asahi Kasei Chemicals	983	59,100	809	47,100	827	45,500	903	48,900
Asahi Kasei Homes	146	18,200	164	20,200	161	19,100	171	20,000
Asahi Kasei Pharma	7	800	7	700	7	800	7	700
Asahi Kasei Kuraray Medical/Asahi Kasei Medical	—	—	—	—	24	1,200	31	1,700
Asahi Kasei Fibers	46	3,300	42	3,100	46	3,300	48	3,700
Asahi Kasei Microdevices	7	5,200	9	5,900	5	6,100	5	5,400
Asahi Kasei E-materials	—	—	—	—	8	1,700	15	1,800
Asahi Kasei Construction Materials	124	12,200	131	12,700	98	9,100	112	10,600
Total	1,313	98,800	1,163	89,700	1,176	86,800	1,292	92,800

Lost workday injury indices

	2006	2007	2008	2009	2010
Frequency rate	0.36	0.21	0.16	0.21	0.21
Severity rate	0.042	0.050	0.070	0.008	0.002

Note: Results for the Asahi Kasei Group are revised from fiscal year to calendar year. The severity rate was revised as an accident in 2008 was found to have caused lasting injury.

Third-party awards and recognitions in fiscal 2010

Award/recognition	Awarded/certified by	In recognition of	Recipient*	
Commendation for Science and Technology	Prize for Science and Technology – Research Category	Minister of Education, Culture, Sports, Science and Technology	Comprehensive Research on Thrombomodulin as An Antithrombotic Molecule on Vascular Endothelial Cell	Asahi Kasei Pharma (received jointly with Kagoshima University and Mie University)
Top 100 corporate projects for biodiversity preservation	Selected as one of the top 100	Organization for Landscape and Urban Green Infrastructure	Asahi Woods of Life	Asahi Kasei Corp. Fuji Office
2010 ADC Award	Grand Prix	Tokyo Art Directors Club	Corporate advertising	Asahi Kasei Corp.
2010 Commendation for Safety and Health Excellence	Merit Award	Ministry of Health, Labour and Welfare	Place of business with particularly outstanding health and safety standards which are exemplary	Asahi Kasei Chemicals Suzuka Plant
	Encouragement Award	Ministry of Health, Labour and Welfare	Place of business with outstanding health and safety standards and measures for improvement which are exemplary	Asahi Kasei Metals Ltd. Tomobe Plant
	Encouragement Award	Ministry of Health, Labour and Welfare	Place of business with outstanding health and safety standards and measures for improvement which are exemplary	Asahi Kasei Electronics Co., Ltd. Nobeoka Manufacturing
Fiscal 2010 Local Commendation for Invention	The Encouragement Prize of Invention	Japan Institute of Invention and Innovation	Surface-Grooving Method for ALC Wall Panels	Asahi Kasei Construction Materials
The 3rd selection of important specimens from the history of science and technology	The Encouragement Prize of the Chairman of Japan Patent Attorneys Association	Japan Institute of Invention and Innovation	Automatic Adjustment Technology for Electronic Compass	Asahi Kasei Microdevices
	Inclusion in the registry	National Museum of Nature and Science	Isoma injection molding machine	Asahi Kasei Chemicals
2010 Awards for Excellence in Corporate Disclosure	First Prize in Chemicals & Fibers	The Securities Analysts Association of Japan	Excellence in corporate disclosure	Asahi Kasei Corp.
59th Nikkei Advertising Awards	Award for Excellence in Corporate Branding	Nikkei Inc.	Corporate advertising	Asahi Kasei Corp.
2010 Japan Industrial Advertising Award	First Place, Lifestyle-goods Industry Advertising Award	Nikkan Kogyo Shimbun Ltd.	Corporate advertising	Asahi Kasei Corp.
China Business News "Green Awards"	2010 Green Technology Award	China Business News	Development of new environmentally friendly products and technologies	Asahi Kasei Corp.
IISRP Technical Award	—	International Institute of Synthetic Rubber Producers, Inc. (IISRP)	Development of modified elastomer and S-SBR	Asahi Kasei Chemicals
eco japan cup 2010	Business Category Environmental Business Award	Ministry of the Environment, Ministry of Internal Affairs and Communications, et al.	Hipore™ lithium-ion battery separator	Asahi Kasei E-materials

*Some awards were received by organizations or individuals within the companies shown.

FY 2010 greenhouse gas emissions by business unit

	Asahi Kasei Chemicals	Asahi Kasei Homes	Asahi Kasei Pharma	Asahi Kasei Kuraray Medical/Asahi Kasei Medical	Asahi Kasei Fibers	Asahi Kasei Microdevices	Asahi Kasei E-materials	Asahi Kasei Construction Materials	Others	Total
Carbon dioxide	3,800	6	20	160	330	100	80	90	10	4,590
Nitrous oxide	460	0	0	0	3	0	0	0	0	460
Methane	0	0	0	0	0	0	0	0	0	2
HFCs	20	0	0	0	0	1	0	0	0	20
PFCs	0	0	0	2	0	150	0	0	0	150
Sulfur hexafluoride	5	0	0	0	0	30	0	0	0	30
Total	4,290	6	20	160	330	280	80	90	10	5,260

Unit energy consumption

Fiscal year	Energy consumed (million L crude oil equivalent)	Product output, as converted to benchmark product (kt)	Unit energy consumption	Change from previous year
2009	1,350	4,640	0.291	0.92
2010	1,440	5,070	0.285	0.98

Note: Calculated in accordance with the Energy Conservation Law.

Estimated CO₂ emissions by overseas affiliates (Fiscal 2010)

Business unit	Asahi Kasei Chemicals	Asahi Kasei Kuraray Medical/Asahi Kasei Medical	Asahi Kasei Fibers	Asahi Kasei E-materials	Total
Energy consumed (thousand GJ)	4,100	160	2,100	710	7,090
CO ₂ emissions (thousand tons)	230	10	120	40	400

Note: The figures above are for 18 overseas affiliates with production plants, and the calculation is based on the amount of consumption of fuel, electricity, etc. using Japan's CO₂ emission coefficient.

Low-pollution vehicles*

	2006	2007	2008	2009	2010	
Used on public roads	Low-pollution vehicles	879	949	957	927	1,024
	Other vehicles	257	251	167	133	105
	Subtotal	1,136	1,200	1,124	1,060	1,129
Used within plant grounds	Low-pollution vehicles	339	411	521	452	417
	Other vehicles	307	301	346	287	267
	Subtotal	646	712	867	739	684
Total	Low-pollution vehicles	1,218	1,360	1,478	1,379	1,441
	Other vehicles	564	552	513	420	372
	Total number of company-owned vehicles	1,782	1,912	1,991	1,799	1,813
Proportion of low-pollution vehicles (%)	Used on public roads	77	79	85	87	91
	Used within plant grounds	52	58	60	61	61
	Total	68				

Organizations implementing Responsible Care

Prefecture	Location	Operating Segment	Company	Plant, laboratory, or department	Main products/business line	
Miyagi	Ishinomaki	Electronics	Asahi Kasei Power Devices Corp.	Ishinomaki Plant	Assembly and inspection of semiconductors	
Gunma	Ota	Chemicals	Asahi Kasei Pax Corp.	Gunma Plant	Molded plastic containers	
Ibaraki	Kasama	Chemicals	Asahi Kasei Metals Ltd.	Tomobe Plant	Aluminum paste	
			Asahi SKB Co., Ltd.	--	Shotgun cartridges, igniters, civil engineering materials	
	Sakai	Construction Materials	Asahi Kasei Construction Materials Corp.	Sakai Plant	Autoclaved aerated concrete panels	
				Neoma Foam Plant	Phenolic foam insulation panels	
				Construction Materials Laboratory	Improvement of construction materials and development of new products	
				Chuwa Kogyo Co., Ltd.	--	Construction materials processing
Tanaka Kiko Co., Ltd.	--	Construction materials processing				
Sakai Kako Co., Ltd.	--	Construction materials processing				
Tochigi	Mibu	Chemicals	Asahi Kasei Color Tech Co., Ltd.	Mibu Plant	Plastic coloring & compounding	
Saitama	Kamisato	Chemicals	Asahi Kasei Techno Plus Co., Ltd.	Saitama Plant	Molded plastic products	
	Ageo	Chemicals	Asahi Kasei Pax Corp.	Ageo Plant	Film lamination	
Yamanashi	Fujiyoshida	Fibers	Fuji Seisen Co., Ltd.	--	Dyeing and finishing of yarns and fabrics	
Chiba	Chiba	Chemicals	Asahi Kasei Chemicals Corp.	Xyron Prod. Dept.	Modified polyphenylene ether	
				PMMA Prod. Dept.	Acrylic resin	
				Chiba Power Supply Dept.	Utilities (electricity, steam, water)	
				Compound Prod. Coordination Dept.	Development of compound production technology, support for processing facilities	
				Performance Plastics Dev. Dept.	Applied research for performance plastics and plastic processing	
				Asahi Kasei Color Tech Co., Ltd.	Sodegaura Plant	R&D for plastic compounding technology
			PS Japan Corp.	Chiba Plant	Polystyrene	
			Asahi Kasei Energy Service Corp.	--	Operation of power plant of Nakasode Clean Power Corp.	
			Electronics	Asahi Kasei E-materials Corp.	Plastic Optical Fibers Dept.	R&D for plastic optical fiber
				Asahi Kasei EMS Co., Ltd.	Chiba Plant	Plastic optical fiber
				Asahi Kasei Power Devices Corp.	Tateyama Plant	Semiconductors
			Chemicals	Asahi Kasei Geotechnologies Co., Ltd.	--	Sale of civil engineering materials
				Asahi Kasei Home Products Corp.	--	Development and sale of cling film and other household products
Electronics	Sun Delta Corp.	--	Sale of synthetic resin products			
	Asahi Kasei Foundation Systems Co., Ltd.	--	Installation of piles			
Construction Materials	Asahi Kasei Extech Corp.	--	Installation of exterior wall panels			
	Sun Associates Co., Ltd.	--	Patent-related subcontracting			
Others	Sun Trading Co., Ltd.	--	Sale of fibers, chemicals, and medical devices			
	Asahi Kasei Create Co., Ltd.	--	Real estate brokerage, subcontracted office work			
	Asahi Kasei Amidas Co., Ltd.	--	Personnel placement, agency and training; ISO consulting			
	Asahi Kasei Ability Corp.	--	Printing, bookbinding, and office work			
	Asahi Kasei Engineering Corp.	--	Plant, equipment, process engineering, and related work/development			
	Asahi Finance Co., Ltd.	--	Investment, finance			
	Asahi Research Center Co., Ltd.	--	Information and analysis			
	Asahi Kasei Benefits Management Corp.	--	Company housing, recreational facilities			
	Asahi Kasei Trading Co., Ltd.	--	Sale of Asahi Kasei Group products			
	Asahi Kasei Life Support Corp.	--	Personal diet management system, etc.			
	Kanagawa	Kawasaki	Chemicals	Asahi Kasei Chemicals Corp.	Monomers Prod. Dept.	Acrylonitrile, 2,6-xylenol, methyl methacrylate, cyclohexyl methacrylate, acetonitrile
					ABS & SB Latex Prod. Dept.	Styrene-acrylonitrile resin, styrene-butadiene latex
					Synthetic Rubber Prod. Dept.	Synthetic rubber
Acrylic Plastics Prod. Dept.					Polymethyl methacrylate	
Ion Exchange Membranes Prod. Dept.					Ion-exchange membranes	
Power Supply Dept.					Utilities (electricity, steam, water)	
R&D units				Creation of new high performance materials, R&D for performance products and systems, applied research for plastics and plastic processing		
Nippon Crenol Co., Ltd.				--	2,6-xylenol	
PS Japan Corp.				R&D Dept.	Polystyrene R&D	
Kawasaki Sun Business Co., Ltd.				--	Contract work	
Electronics				Asahi Kasei E-materials Corp.	New Business Dev.	Development of energy-related materials
Others				Asahi Kasei Engineering Corp.	--	Development, design, installation, inspection, and maintenance of equipment and systems
Atsugi				Fuji	Chemicals	Asahi Kasei Corp.
	Asahi Kasei Chemicals Corp.	Microza Plant	Filtration membranes and modules			
Shizuoka	Fuji	Chemicals	Asahi Kasei Chemicals Corp.	Fuji Power Supply Dept.	Utilities (electricity, steam, water)	
				Asahi Kasei Clean Chemical Co., Ltd.	--	Environmental chemicals, water treatment equipment
			Homes	Asahi Kasei Homes Corp.	Housing Tech. R&D Labs.	Long Life Home R&D
			Health Care	Asahi Kasei Pharma Corp.	Fuji Pharmaceuticals Plant	Bulk pharmaceuticals
			Electronics	Asahi Kasei E-materials Corp.	Electronics Materials Plant	Photosensitive polyimide
					Electronics Interconnecting Materials Plant	Dry film photoresist
					Photoproducts Plant	Photopolymer
					Display Materials Dept.	Polymethyl methacrylate sheet
					New Business Dev.	R&D for semiconductor and packaging materials
					WGF Business Development	Display materials
			Asahi Kasei Microdevices Corp.	Compound Semiconductor Dev. Dept.	R&D for compound semiconductors	
			Asahi Kasei Epoxy Co., Ltd.	Fuji Plant	Epoxy curing agent	
			Asahi Kasei Electronics Co., Ltd.	Fuji Plant	Hall elements	
Others	Asahi Kasei Engineering Corp.	--	Development, design, installation, inspection, and maintenance of equipment and systems			
	Sun Business Services Co., Ltd.	--	Subcontracting			
	Asahi Kasei Benefits Management Corp.	--	Management of benefits			
	Toyo Kensa Center Co., Ltd.	--	Measurement, evaluation, analysis			
Ohito	Health Care	Asahi Kasei Pharma Corp.	Central R&D Labs.	Development of advanced new interdisciplinary technology		
			Analysis & Simulation Center	Analysis and computer simulation		
			Advanced Battery Materials Dev. Ctr.	Development of battery materials		
			Advanced Energy Materials Dev. Ctr.	Development of energy materials		
			Ohito Pharmaceuticals Plant	Pharmaceutical intermediates		
			Ohito Diagnostics Plant	Diagnostic enzymes, diagnostic reagent kits		
Pharma Ohito Maintenance Section	Design, construction, and maintenance; utilities management					
Pharmaceuticals Research Center	New pharmaceuticals R&D					
Asahi Kasei Pharma Support Co., Ltd.	--	On-site contract work				
Others	Toyo Kensa Center Co., Ltd.	--	Measurement, evaluation, analysis, clinical testing			
Aichi	Miyoshi	Health Care	Asahi Kasei Pharma Corp.	Nagoya Pharmaceuticals Plant	Pharmaceuticals	
Fukui	Echizen	Fibers	Kyokujitsu Textile Mills Co., Ltd.	--	Woven fabrics	
Gifu	Hozumi	Construction Materials	Asahi Kasei Construction Materials Corp.	Hozumi Plant	Autoclaved aerated concrete panels	
			Hozumi Kako Co., Ltd.	--	Construction materials processing	
Shiga	Moriyama	Chemicals	Asahi Kasei Chemicals Corp.	Power Supply Dept.	Utilities (electricity, steam, water)	
		Fibers	Asahi Kasei Fibers Corp.	Spunbond Plant	Spunbond	

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

Correspondence with GRI reporting elements and performance indicators

Reporting elements

1. Strategy and Analysis		Page
1.1	Statement from the most senior decision-maker of the organization (e.g., CEO, chair, or equivalent senior position) about the relevance of sustainability to the organization and its strategy.	3-6
1.2	Description of key impacts, risks, and opportunities.	7,11-14,18
2. Organizational Profile		
2.1	Name of the organization.	60
2.2	Primary brands, products, and/or services.	10,15,16
2.3	Operational structure of the organization, including main divisions, operating companies, subsidiaries, and joint ventures.	7,10,56
2.4	Location of organization's headquarters.	60, Back cover
2.6	Nature of ownership and legal form.	60
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	13,14
2.8	Scale of the reporting organization.	13,14
2.10	Awards received in the reporting period.	56
3. Report Parameters		
Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	1
3.3	Reporting cycle (annual, biennial, etc.).	1
3.4	Contact point for questions regarding the report or its contents.	Back cover
Report Scope and Boundary		
3.5	Process for defining report content.	8
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers).	1
3.7	State any specific limitations on the scope or boundary of the report.	1
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organizations.	1
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report.	54
GRI Content Index		
3.12	Table identifying the location of the Standard Disclosures in the report.	59
Assurance		
3.15	Policy and current practice with regard to seeking external assurance for the report. If not included in the assurance report accompanying the sustainability report, explain the scope and basis of any external assurance provided. Also explain the relationship between the reporting organization and the assurance provider(s).	53
4. Governance, Commitments, and Engagement		
Governance		
4.1	Governance structure of the organization, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organizational oversight.	7,8
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	7
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	7
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	8,9,19, 21,41,43, 45,47
4.9	Procedures of the highest governance body for overseeing the organization's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	1,8, 21,22
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	8
Commitments to External Initiatives		
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organization.	7,8,19,20,22, 29,30,36-40
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organization subscribes or endorses.	1,29,38
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organizations.	21
Stakeholder Engagement		
4.14	List of stakeholder groups engaged by the organization.	7,41
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	41-46
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organization has responded to those key topics and concerns, including through its reporting.	42-44

Economic Performance Indicators		
Economic Performance		Page
EC1	Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	13,14, 18,40
EC2	Financial implications and other risks and opportunities for the organization's activities due to climate change.	25,26
Market Presence		
EC6	Policy, practices, and proportion of spending on locally-based suppliers at significant locations of operation.	43
Indirect Economic Impact		
EC8	Development and impact of infrastructure investments and services provided primarily for public benefit through commercial, in-kind, or pro bono engagement.	44-46
Environmental Performance Indicators		
Materials		
EN1	Materials used by weight or volume.	54
EN2	Percentage of materials used that are recycled input materials.	27
Energy		
EN3	Direct energy consumption by primary energy source.	54
EN4	Indirect energy consumption by primary source.	54
EN5	Energy saved due to conservation and efficiency improvements.	25,26
EN6	Initiatives to provide energy-efficient or renewable energy based products and services, and reductions in energy requirements as a result of these initiatives.	26
Water		
EN8	Total water withdrawal by source.	54
Biodiversity		
EN11	Location and size of land owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas.	29
EN12	Description of significant impacts of activities, products, and services on biodiversity in protected areas and areas of high biodiversity value outside protected areas.	29
EN13	Habitats protected or restored.	29
EN14	Strategies, current actions, and future plans for managing impacts on biodiversity.	29
Emissions, Effluents, and Waste		
EN16	Total direct and indirect greenhouse gas emissions by weight.	24,54,56
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	25,26,54,56
EN20	NO, SO, and other significant air emissions by type and weight.	28,54,55
EN21	Total water discharge by quality and destination.	55
EN22	Total weight of waste by type and disposal method.	27,54,55
Products and Services		
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	25,26
EN27	Percentage of products sold and their packaging materials that are reclaimed by category.	27,55
Overall		
EN30	Total environmental protection expenditures and investments by type.	40
Social Performance Indicators		
Labor Practices and Decent Work Performance Indicators		
LA1	Total workforce by employment type, employment contract, and region.	13
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	48, 50-52
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	33
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	20,33,35
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	48
LA13	Composition of governance bodies and breakdown of employees per category according to gender, age group, minority group membership, and other indicators of diversity.	49
Society		
SO1	Nature, scope, and effectiveness of any programs and practices that assess and manage the impacts of operations on communities, including entering, operating, and exiting.	44
SO7	Total number of legal actions for anticompetitive behavior, anti-trust, and monopoly practices and their outcomes.	19
Product Responsibility		
PR1	Life cycle stages in which health and safety impacts of products and services are assessed for improvement, and percentage of significant products and services categories subject to such procedures.	36
PR2	Total number of incidents of non-compliance with regulations and voluntary codes concerning health and safety impacts of products and services during their life cycle, by type of outcomes.	36
PR4	Total number of incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling, by type of outcomes.	36-39

Corporate profile

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

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Information and reference

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