

The background of the cover features a light blue gradient. Two rows of stylized, golden-brown paper cut figures are arranged in a circular pattern, holding hands. The figures are simple, human-like shapes with no facial features, representing a community or a group of people. The top row consists of six figures, and the bottom row consists of five figures, with their hands meeting to form a continuous circle.

Asahi Kasei Group CSR Report 2006

Contributing to human life
and human livelihood

CSR Report 2006

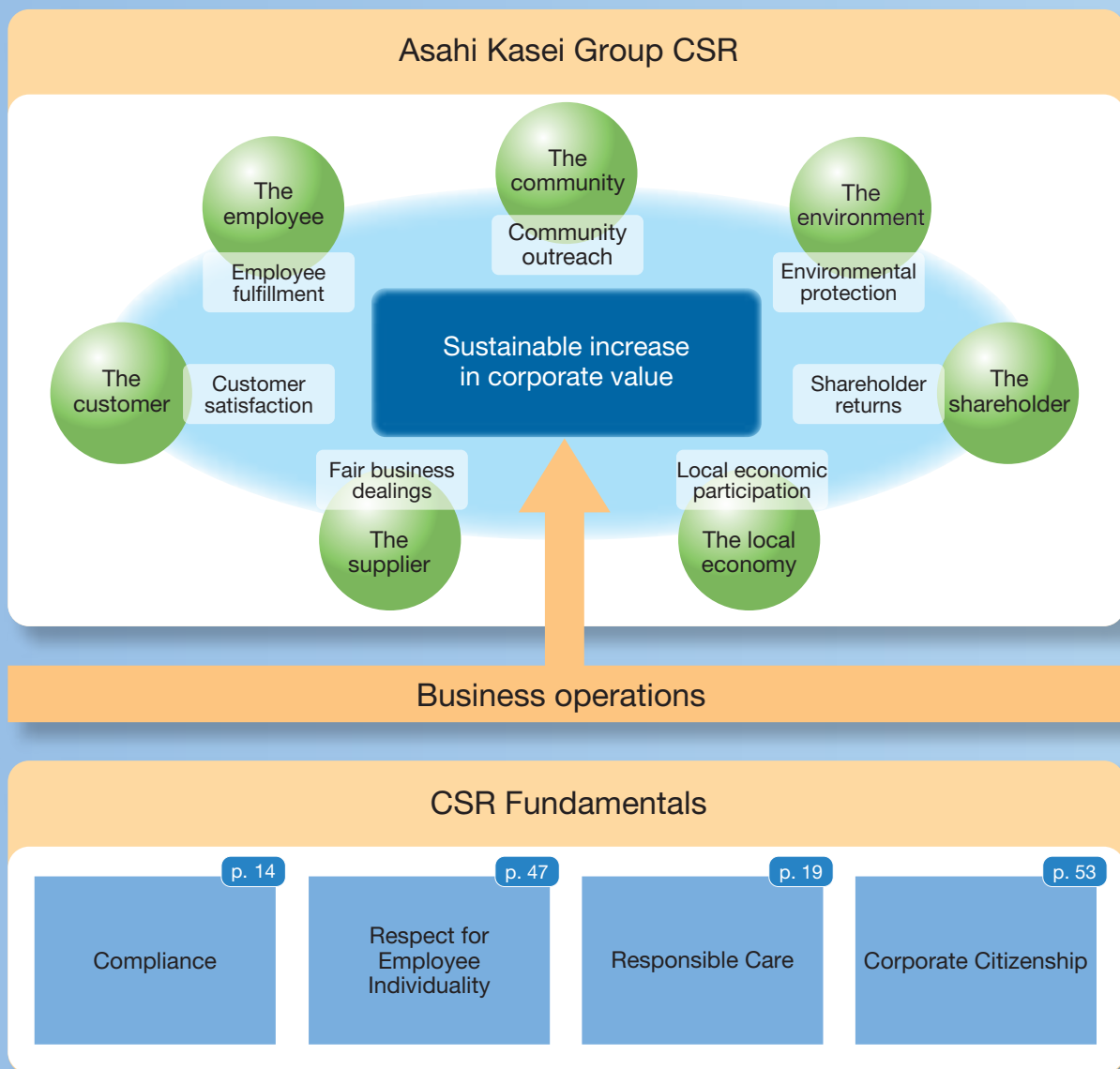
CSR at the Asahi Kasei Group

CSR in Action

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

CSR Fundamentals

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



*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 April 2006, fifty-two countries throughout the world have a Responsible Care program.

C O N T E N T S

Purview of report

Period under review

The primary focus of the report is fiscal year 2005 (April 2005 – March 2006), and all data shown corresponds to this period unless otherwise indicated. Some information pertaining to events subsequent to the end of the fiscal year has also been included.

Organizational scope

The scope of the report is Asahi Kasei Corporation and consolidated subsidiaries, except with respect to Responsible Care, in which case the scope is the Asahi Kasei Responsible Care Group shown on pp. 70–71.

As shown below, Asahi Kasei has seven operating segments corresponding to its core operating companies and an eighth operating segment, Services, Engineering and Others, for the remainder of operations.

Operating segment	Consolidated subsidiaries*
Chemicals	Asahi Kasei Chemicals Corp. and 28 others
Homes	Asahi Kasei Homes Corp. and 20 others
Pharma	Asahi Kasei Pharma Corp. and 3 others
Fibers	Asahi Kasei Fibers Corp. and 18 others
Electronics Materials & Devices	Asahi Kasei EMD Corp. and 7 others
Construction Materials	Asahi Kasei Construction Materials Corp. and 8 others
Life & Living	Asahi Kasei Life & Living Corp. and 3 others
Services, Engineering and Others	15 consolidated subsidiaries

*The operations of some consolidated subsidiaries extend to more than one operating segment.

Publication

Published June 2006 in Japanese

Guidelines consulted

The Global Reporting Initiative's *Sustainability Reporting Guidelines*, 2002 edition, and the Japanese Ministry of the Environment's *Environment Report Guidelines*, 2003 edition, were consulted during the preparation of this report.

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/

Annual Reports

www.asahi-kasei.co.jp/asahi/en/ir/annual/

CSR at the Asahi Kasei Group	inside cover
Message from the President	2
Basic Credo of the Asahi Kasei Group	3
Asahi Kasei Group Overview	4
Holding company/core operating company structure.....	4
Asahi Kasei products and technologies in everyday life	5
Major products by operating segment	5
Operating segment information	6
Geographical information	7
Growth Action – 2010	7
Highlights	8
CSR framework for advancement	11
CSR Fundamentals	12
Compliance	14
Risk management	16
Corporate governance.....	17
Responsible Care	19
Responsible Care at the Asahi Kasei Group	20
Environmental protection	24
Operational safety.....	32
Workplace safety and hygiene	34
Health maintenance	37
Product safety.....	40
Managing chemical substances	42
RC education and training	44
Expenditure for environment and safety.....	46
Respect for employee individuality.....	47
Human Resources Credo	48
Equal opportunity and diversity	49
Career development support and personnel mobility	52
Accord with labor unions.....	52
Corporate citizenship	53
Stakeholder dialog.....	54
Investor relations	55
Customer feedback	56
Principled supplier relationships	58
Public outreach	59
Community fellowship	60
Third-party recognition, awards, and certification.....	64
Environmental and safety data	68
The Asahi Kasei Responsible Care Group	70
Correspondence with GRI reporting elements and performance indicators.....	72
The Global Compact's ten principles.....	72
Corporate profile.....	73

Message from the President



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

The Asahi Kasei heritage for CSR

The corporate philosophy adopted at our founding in 1931 was supporting the advancement of general living standards with low-price, large-volume supply of high-quality materials for daily necessities. The initial business portfolio centered on manmade fibers and basic chemicals was expanded over the decades to include petrochemicals, electronic parts and materials, pharmaceuticals and medical devices, and housing and construction materials.

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

Environmentally and socially responsible business operations

We have worked to heighten our performance with respect to CSR-related issues for several years. We began implementing our Responsible Care environmental management system in 1995 and established our Corporate Ethics Committee in 1998. In April 2005 we established our CSR Council, which I, as President of Asahi Kasei, chair, to provide strategic oversight and coordination for all CSR-related initiatives. The CSR Council adopted the CSR Fundamentals of Compliance, Respect for Employee Individuality, Responsible Care, and Corporate Citizenship as part of our framework for CSR throughout the Asahi Kasei Group. In June 2006 we announced our support for the UN’s Global Compact and its ten universal principles in the areas of human rights, labor, the environment, and anticorruption.

Tasks ahead

Our *Growth Action – 2010* strategic business plan involves the expansion of overseas operations. This will give us more international stakeholders, and require greater knowledge and awareness of the business standards and practices throughout the world as we effect the sustainable growth of operations. The CSR Council will guide the advance of our CSR Fundamentals throughout our expanding global operations.

Shiro Hiruta
President, Asahi Kasei
Chair, CSR Council

Basic Credo of the Asahi Kasei Group

Basic tenets

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

Guiding precepts

We will ...

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

Asahi Kasei Group Overview

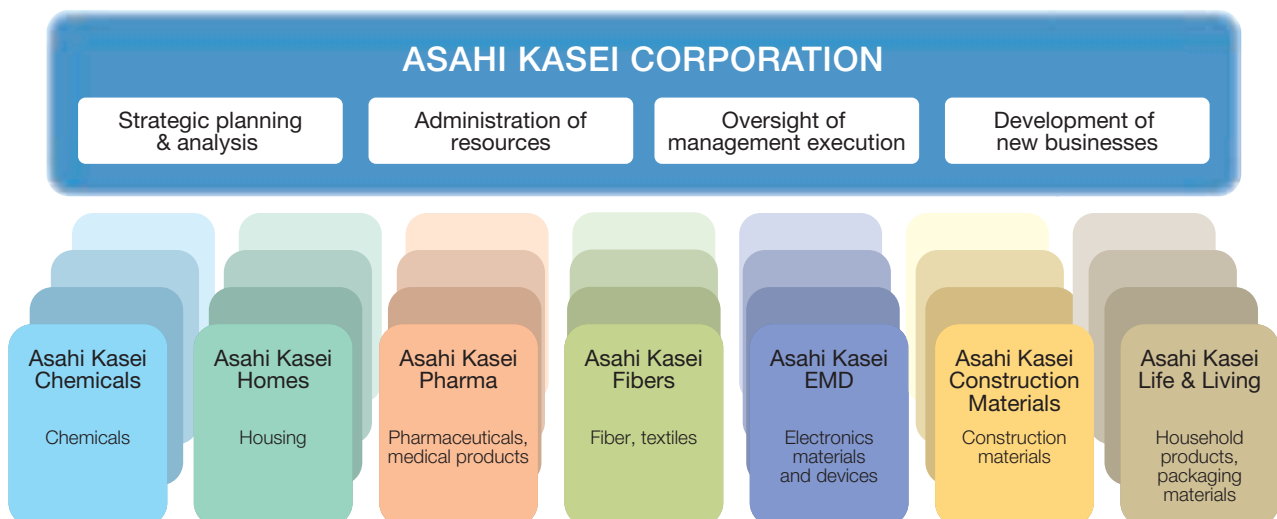


Holding company/core operating company structure

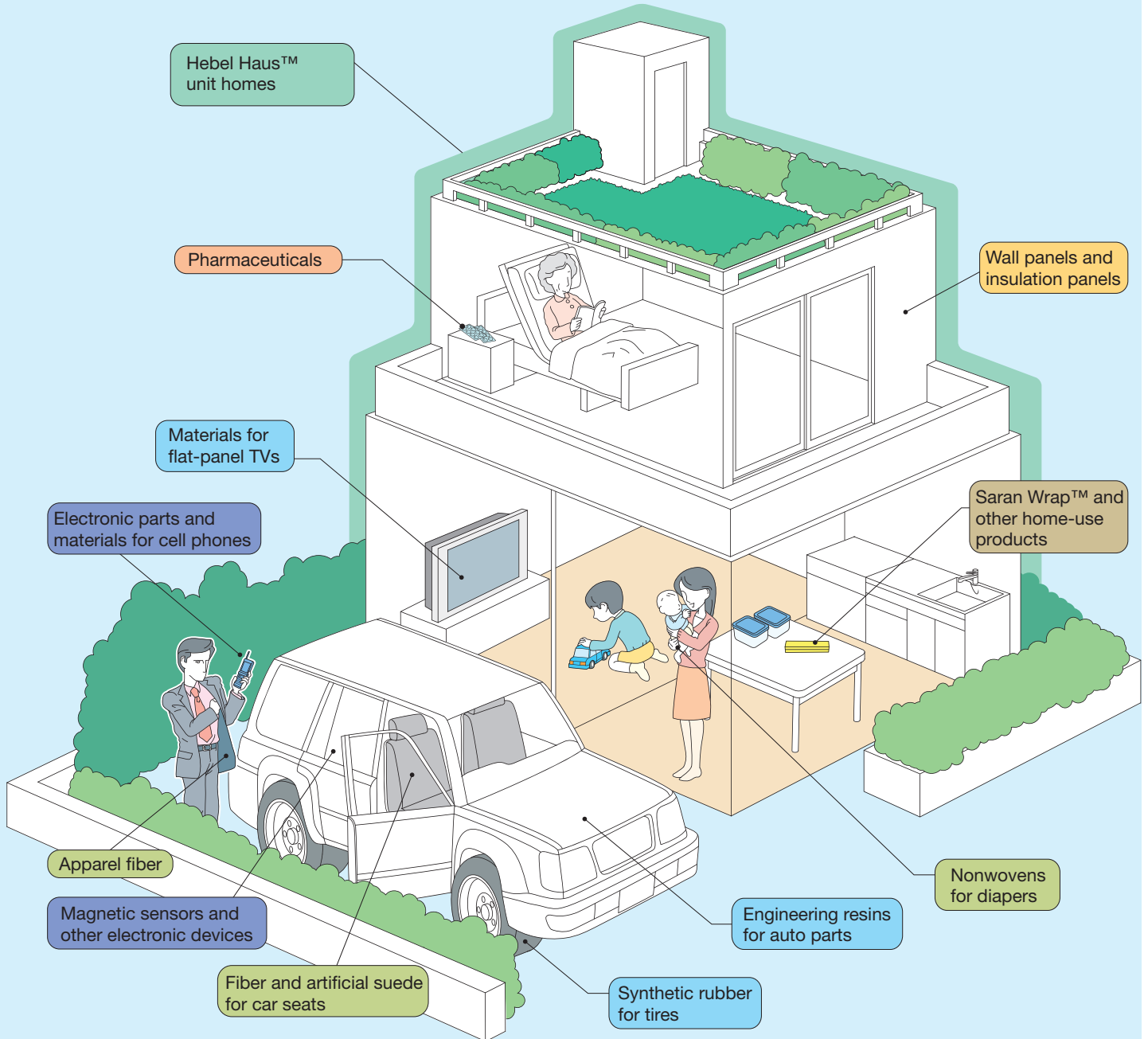
The Asahi Kasei Group is structured with Asahi Kasei Corp. as a holding company and Asahi Kasei Chemicals Corp., Asahi Kasei Homes Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei EMD Corp., Asahi Kasei Construction Materials Corp., and Asahi Kasei Life & Living Corp. as core operating companies focused on specific industry fields.

The seven 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 Configuration



Asahi Kasei products and technologies in everyday life



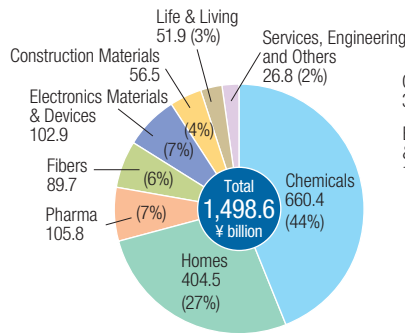
Major products by operating segment

Chemicals	<p>Chemicals and derivative products Ammonia, nitric acid, caustic soda, high-compound fertilizers, acrylonitrile (AN), styrene, adipic acid, methyl methacrylate (MMA), polymethyl methacrylate (PMMA).</p> <p>Polymer products Suntec™ polyethylene (PE), Stylac™-AS styrene-acrylonitrile, Stylac™-ABS acrylonitrile-butadiene-styrene, synthetic rubber and elastomer, Tenac™ polyacetal, Xyron™ modified polyphenylene ether (mPPE), Leona™ nylon 66 polymer and filament.</p> <p>Specialty products Coating materials, latex, Ceolus™ microcrystalline cellulose, explosives, explosion-bonded metal clad, APR™ photosensitive resin, AFP™ photosensitive plates, printing plate making systems, Microza™ UF and MF membranes and systems, Hipore™ microporous membrane, ion-exchange membranes and electrolysis systems.</p>
Homes	Hebel Haus™ houses, Hebel Maison™ apartments, condominiums, remodeling, real estate, residential land development, home financing.
Pharma	Elcitonin™, Bredinin™, Flivas™, Toledomin™, and other pharmaceuticals, pharmaceutical intermediates, functional food additives, diagnostic reagents, APS™ artificial kidneys, Sepacell™ leukocyte reduction filters, Cellsorba™ leukocyte adsorption columns, Planova™ virus removal filters, contact lenses.
Fibers	Roica™ elastic polyurethane filament, Eltas™ spunbond, Lamous™ artificial suede, and other nonwovens, Bemberg™ cuprammonium rayon, polyester filament.
Electronics Materials & Devices	Pimel™ photosensitive polyimide precursor (PSPi), Sunfort™ photosensitive dry film resist (DFR), photomask pellicles, Luminous™ plastic optical fiber, LSIs, Hall elements, glass fabric.
Construction Materials	Hebel™ autoclaved lightweight concrete (ALC) panels, steel-frame structural components, piles and foundation systems, Neoma™ foam insulation panels, artificial fish reefs and marine structures.
Life & Living	Saran Wrap™ cling film, Ziploc™ storage bags, film, sheet, foam.
Services, Engineering & Others	Plant engineering, environmental engineering, personnel staffing and placement, think tank services.

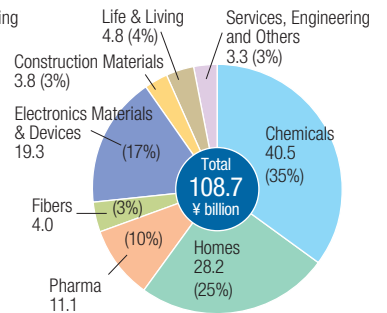
Operating segment information

Seven operating segments correspond to the businesses of the core operating companies. An eighth operating segment, Services, Engineering and Others, comprises the remainder of business.

FY 2005 consolidated net sales



FY 2005 consolidated* operating profit

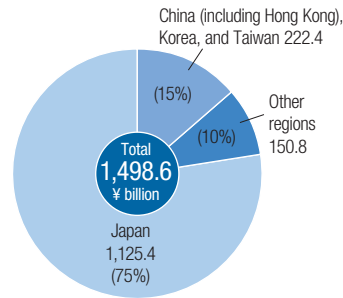


*Corporate expenses and eliminations were ¥6.3 billion.

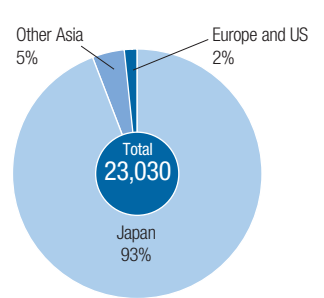
Geographical information

We have 23 major production locations throughout Japan, including Nobeoka, Miyazaki Prefecture, the place of our historic roots; Mizushima, Kurashiki, Okayama Prefecture; Fuji, Shizuoka Prefecture; and Kawasaki, Kanagawa Prefecture. We have 25 major production locations outside of Japan, with 1,450 employees located outside of Japan, 6% of the total at the end of fiscal year 2005. Overseas sales of ¥373.2 billion were 25% of total consolidated net sales for fiscal year 2005.

FY 2005 sales by region



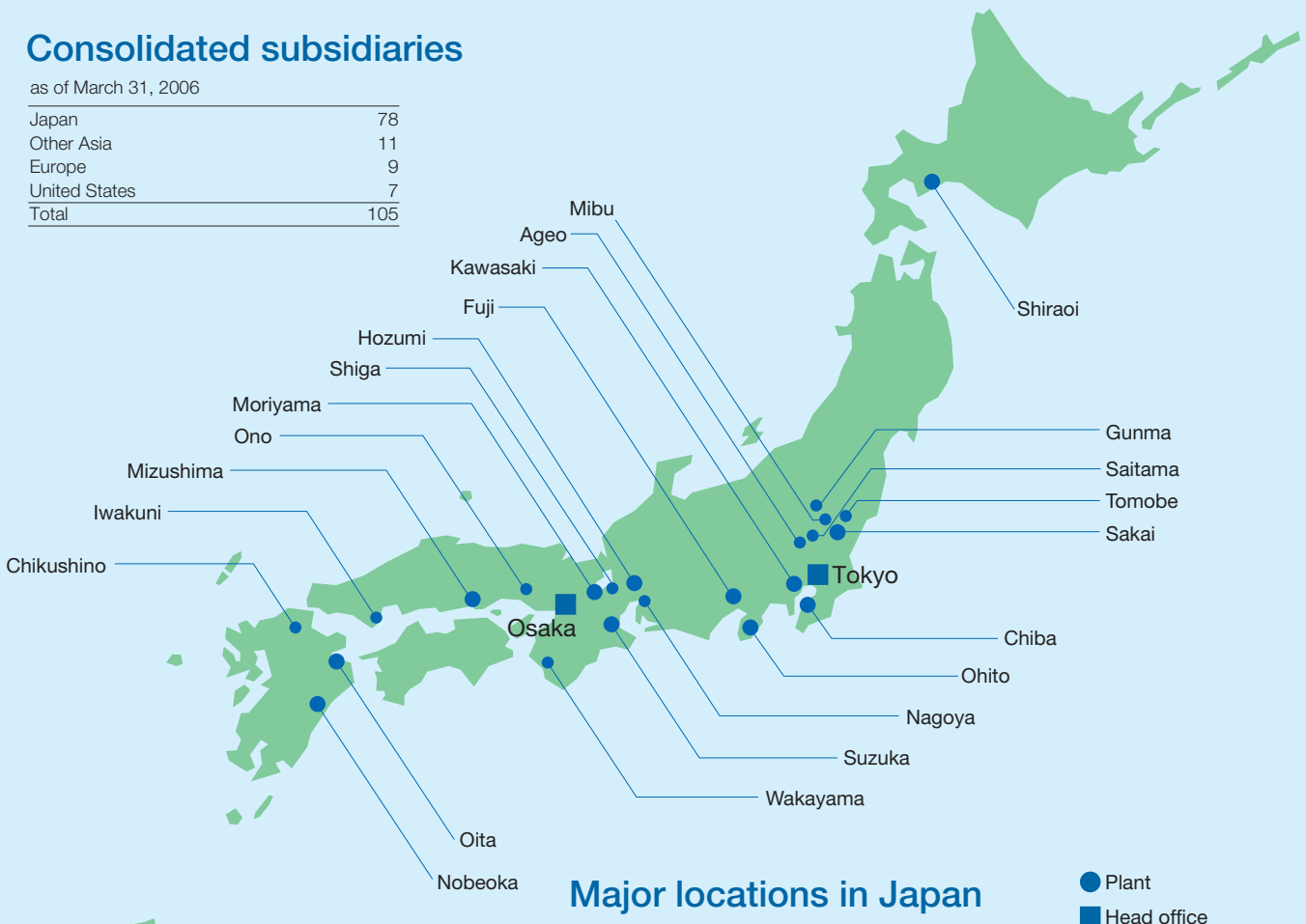
Employees by region as of March 31, 2006



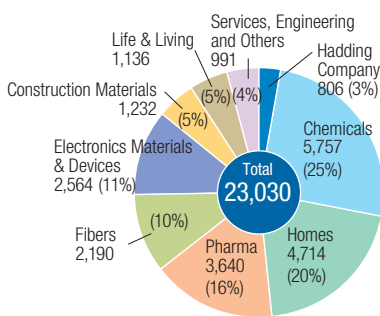
Consolidated subsidiaries

as of March 31, 2006

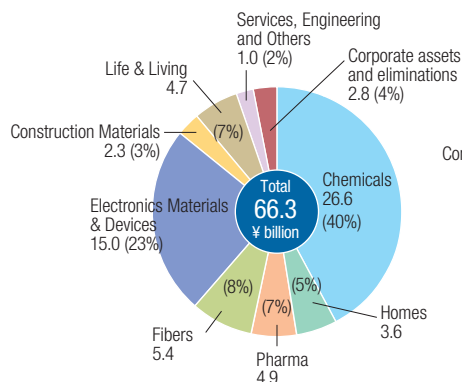
Japan	78
Other Asia	11
Europe	9
United States	7
Total	105



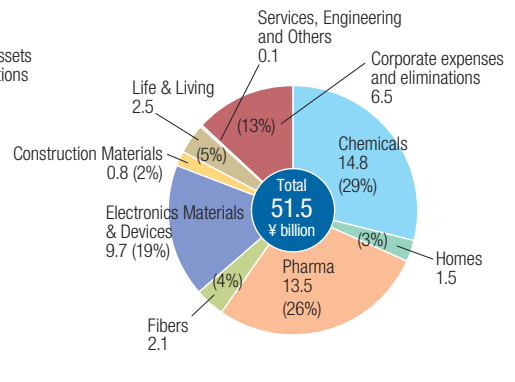
Employees
as of March 31, 2006



FY 2005 consolidated capital expenditure



FY 2005 consolidated R&D expenditure



Growth Action – 2010

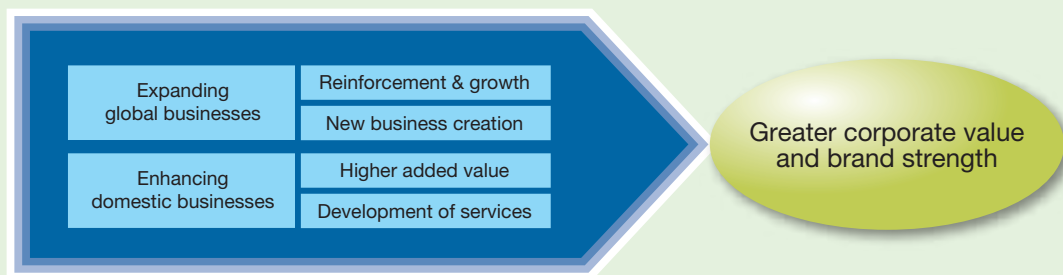


Ichiro Itoh
Director,
Vice-Presidential Executive Officer
Strategy; Accounting & Finance
Asahi Kasei Corp.

Our *Growth Action – 2010* strategic business plan for fiscal years 2006–2010 is directed toward greater corporate value and brand strength, utilizing our competencies in wide-ranging technologies, multifaceted business models, and access to diverse markets, while creating new global businesses whose growth is unimpeded by the limits of the mature Japanese economy.

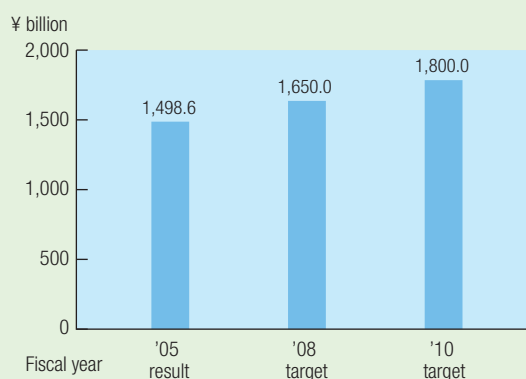
Strategic investment on the order of ¥400 billion is planned for the five-year period in addition to ordinary investment of ¥70–80 billion per year. Performance targets for fiscal year 2010 include ¥1,800 billion in sales, ¥150 billion in operating profit, and maintaining ROE of at least 10%.

Growth Action – 2010 Framework

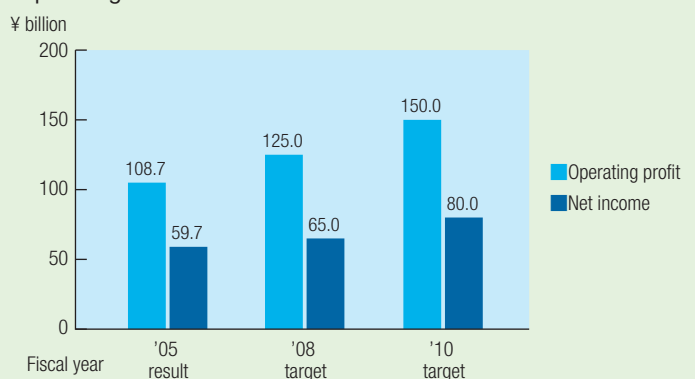


Growth Action – 2010 Targets

Sales



Operating Profit and Net Income



Highlights

Global Environment Award

In April 2006 the Asahi Kasei Group received the Grand Prize in the 15th Annual Global Environment Award sponsored by Fujisankei Communications Group with the support of WWF Japan. The award cited the Asahi Kasei Group's advancement of Responsible Care, particularly curtailment of fiscal 2004 greenhouse gas emissions to approximately half the level of the baseline year fiscal 1990, and also the provision of the "Eco-footprint Club" website for children to learn about the environment, ecology, and conservation.



President Hiruta accepts the Grand Prize at the Global Environment Award Ceremony

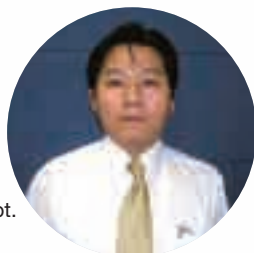


Equipment for thermal decomposition of the greenhouse gas N₂O at the Leona Plastics & Materials Plant of Asahi Kasei Chemicals

Rooftop gardening system



Rooftop garden on a Hebel Haus™ unit home



Shinya Noda
Construction Technology Dept.
Technology Division
Asahi Kasei Homes

Asahi Kasei Homes has developed a new rooftop gardening system which went on sale in January 2005 in a major advance on conventionally available approaches. The system utilizes an innovative lightweight artificial soil and an advanced structural configuration which enables a sustained ecological cycle for plants and microorganisms. A planting depth of 20 cm is sufficient for growing many kinds of flowers, shrubs, and vegetables, with most of the water requirement provided by rain.

Benefits of the rooftop gardens include less increase in indoor temperature and suppression of urban heat-island effect during summer heat, as well as the relaxing pleasure available for residents to enjoy in the plant-filled space.

Polyester recycling

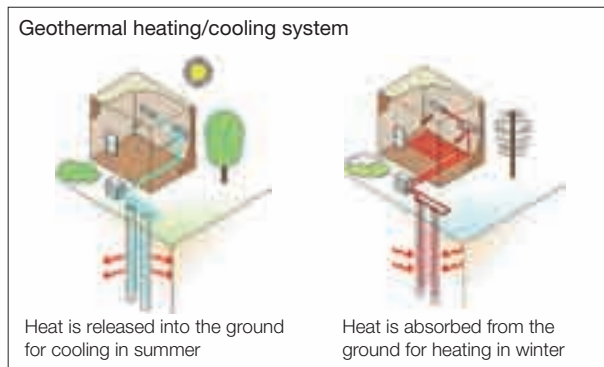
Asahi Kasei Fibers collects polyester fiber material and used PET bottles for chemical recycling to make polyester filament products. In fiscal year 2005, some 2,400 tons of polyester was recycled, equivalent to 80 million 500 mL PET bottles. The recycled polyester is made into spunbond for construction and civil engineering as well as Ecosensor™ filament for apparel. (See p. 27 and p. 68)



Sportswear made with Ecosensor™ recycled polyester filament

Award for countering global warming

In December 2005 Asahi Kasei Homes received the Environment Minister's Award for Countering Global Warming in the Technology Development and Product Commercialization category, in recognition of its geothermal heating/cooling system. The system utilizes the temperature differential between the air and ground to provide energy-efficient cooling in summer and heating in winter. While conventional heat pumps release heat to the atmosphere when cooling the home, the new system releases the removed heat to the ground and thus avoids contributing to the urban heat-island effect.



Ms. Yuriko Koike, Environment Minister, presents the award to Asahi Kasei Homes Vice-President Katsuhiko Sato

Eco-Rail Mark certification



A case of Saran Wrap™ bearing the Eco-Rail Mark

The Eco-Rail Mark



In December 2005 Ministry of Land, Infrastructure and Transport certification was obtained for the Eco-Rail Mark to be used in Saran Wrap™ product packaging and promotional literature. Asahi Kasei Life & Living and Asahi Home Products also received corporate certification for use of the mark.

Certification to use the Eco-Rail Mark is granted in recognition of preferential shipment of products by rail as an ecological mode of transport. Rail transport results in one eighth the CO₂ emissions of truck transport for a given weight and distance.

Green Promax™ cups at Aichi Expo 2005

Biodegradable Green Promax™ cups from Asahi Kasei Pax were used at Aichi Expo 2005. The cups are made with 100% polylactic acid (PLA), a biodegradable plastic material derived from corn. Asahi Kasei Pax developed proprietary technology for thermal processing and additive formulation to enable the production of PLA cups with transparency and strength equivalent to plastic drinking cups made of polystyrene or polypropylene.



Kouichi Yasukata
Gunma Plant
Asahi Kasei Pax

Disclosure Award

Asahi Kasei received a Disclosure Award at the Tokyo Stock Exchange's 11th Annual Disclosure Awards in January 2006. The awards are presented in recognition of timely, appropriate, and easy-to-understand disclosure of information. Among 2,191 listed companies, we were one of seven to receive the award.



Mr. Taizo Nishimuro (left), President & CEO of the Tokyo Stock Exchange, presents the award to President Hiruta

Production technology internships

The Asahi Kasei Group began a program of production technology internships in 2004, and in 2005 a total of 44 interns took part for 7–19 days, 29 of them from technical colleges and 15 of them from colleges and graduate schools. The interns were given tasks to study at the plants where they were assigned, with reports presented on the final day.



Interns are shown production process operation

My internship



Ms. Miho Tezuka
Graduate student of
engineering

It was particularly interesting to see the manufacture of Saran Wrap™ because it is such a familiar product. I was able to see a lot of things first-hand that you don't ordinarily get to see, and I realized that there was a big difference between how research is done at university and how it is done at a corporation. My three-week internship was very meaningful in that it has given me a new outlook on my university research and a new perspective on what kind of career to pursue.



AFLO SPORT

Gold medal at Cairo

Hiroshi Izumi of the Asahi Kasei Judo Club won the Gold Medal in the 90 kg class at the 2005 World Judo Championships in Cairo. He won his way to the final round despite hurting his right elbow in round two. During the final, his opponent attempted an *uchimata* throw, which Izumi reversed to score a *yuko*. Izumi ended the match with an *ouchi-gari* throw to earn an *ippon* victory.

Golden Games in Nobeoka

Since 1990, Asahi Kasei has sponsored the “Golden Games” track meet in Nobeoka. Competitors range from middle school students to Japan's top-class runners. The meet has grown from one with some 100 competitors and 2,000 spectators in its first year, becoming a major event with some 700 competitors and 25,000 spectators in the 16th games in May 2005. The city government and community volunteers have promoted the growth of the event in accordance with a vision to raise the vitality of Nobeoka as an athletic city.



CSR framework for advancement



CSR Fundamentals.....	12
Compliance.....	14
Risk management.....	16
Corporate governance.....	17

CSR Fundamentals

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



Notable CSR actions, results, and plans

		Notable actions and results in FY 2005	Plans for FY 2006	
General		<ul style="list-style-type: none"> • Adoption of basic framework for CSR • Formation of CSR Council • Formation of Risk Management Committee 	<ul style="list-style-type: none"> • Global advancement of CSR • Enhanced risk management 	
CSR Fundamentals	Compliance	<ul style="list-style-type: none"> • Establishment of compliance hotline • Formation of Internal Control Project 	<ul style="list-style-type: none"> • Advancement of compliance overseas 	
	Respect for Employee Individuality	<ul style="list-style-type: none"> • Pronouncement of Human Resources Credo • Initiation of Action Plan in accordance with the Next Generation Education and Support Promotion Act • Utilization of parental leave by 189 employees • Revision of parental leave provision to include five paid days off • Portion of eligible male employees to utilize parental leave increased to 38% 	<ul style="list-style-type: none"> • Enhanced application of Human Resources Credo • Improvement of balance between work and private life (Action Plan in accordance with the Next Generation Education and Support Promotion Act, etc.) 	
	Responsible Care	See p. 21	See p. 21	
	Corporate Citizenship	Information disclosure	<ul style="list-style-type: none"> • Meetings with analysts and investors totaling some 1,000 • Declaration of Purchasing and Procurement Policy • Meetings with over 6000 members of local communities • Periodic meetings with suppliers at each production site • Publication of Responsible Care Report • Publication of Annual Report 	<ul style="list-style-type: none"> • Enhancement of non-financial disclosure
		Community fellowship	<ul style="list-style-type: none"> • Formation of Community Fellowship Committee • Establishment of Community Fellowship Policy • Our engineers performed guest lectures at middle schools for some 450 students • Production technology internships for college/graduate students • Sponsorship of Golden Games in Nobeoka • Asahi Kasei employee wins Gold Medal at World Judo Championships 	<ul style="list-style-type: none"> • Formulation of unified conceptual framework for community fellowship • Expansion of community fellowship initiative

Structure and organization for CSR

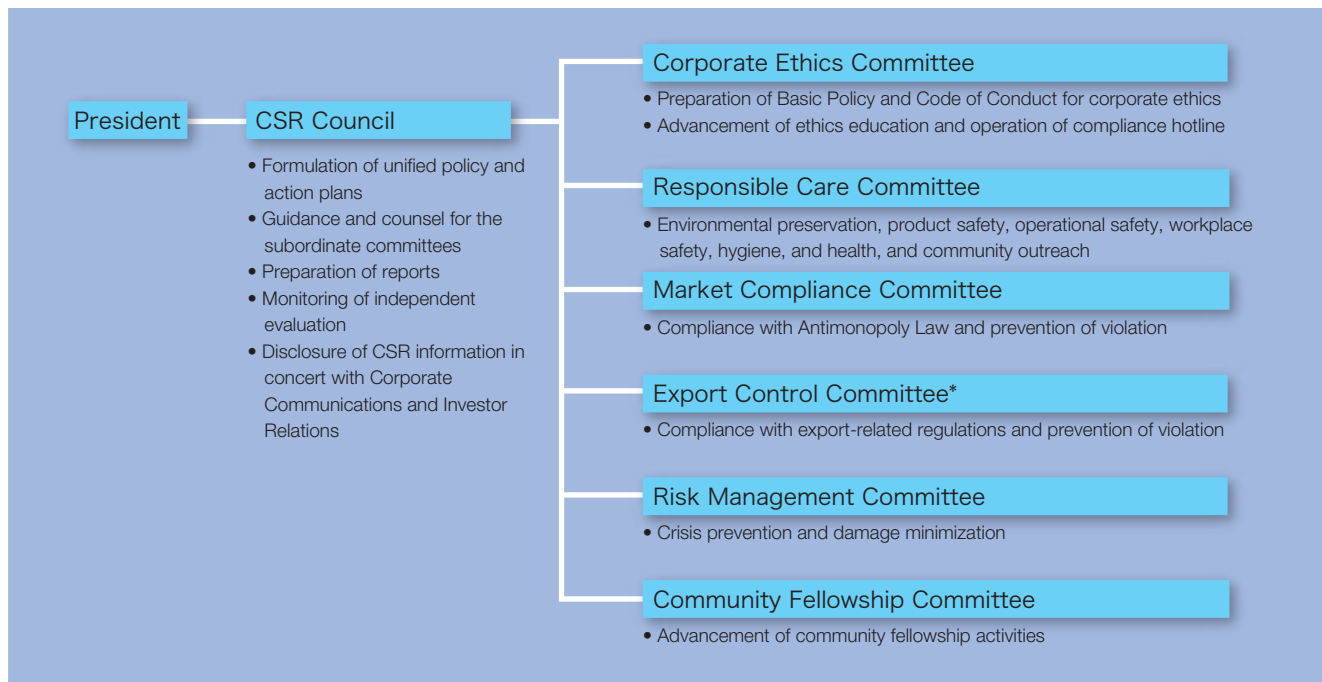
The CSR Council was formed in April 2005, chaired by the holding company President. The council serves to formulate policy and to guide the effort for CSR throughout the Asahi Kasei Group, and in November 2005 formulated and adopted CSR Fundamentals.

Specific CSR initiatives are implemented by the committees under the authority of the CSR Council, including the Corporate Ethics Committee to ensure regulatory compliance and the Responsible Care Committee to guide efforts for environment, health, and safety. The Risk Management Committee formulates the response to contingencies such as a major earthquake. The Community Fellowship Committee promotes and coordinates the effort for outreach and fellowship in each local community where we operate.



The CSR Council

Organizational framework for CSR



Systematic CSR



We have long had a wide range of CSR-related initiatives such as compliance and community fellowship, but these have been performed independently and inconsistently. The CSR Council is bringing a more comprehensive and strategic approach to CSR, heightening execution with timely disclosure both internally and externally, for a stronger relationship of trust with our stakeholders.

Kenichi Shibukawa
 Secretariat, CSR Council
 Director, Senior Executive Officer
 Asahi Kasei Corp.

* The Export Control Committee did not meet in fiscal year 2005, as there were no matters warranting discussion. Regular duties related to export control are performed by our Department of Export Control & Compliance.

Compliance

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

Corporate Ethics – Basic Policy and Code of Conduct

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

Corporate Ethics – Basic Policy

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

Compliance monitoring by the Corporate Ethics Committee

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

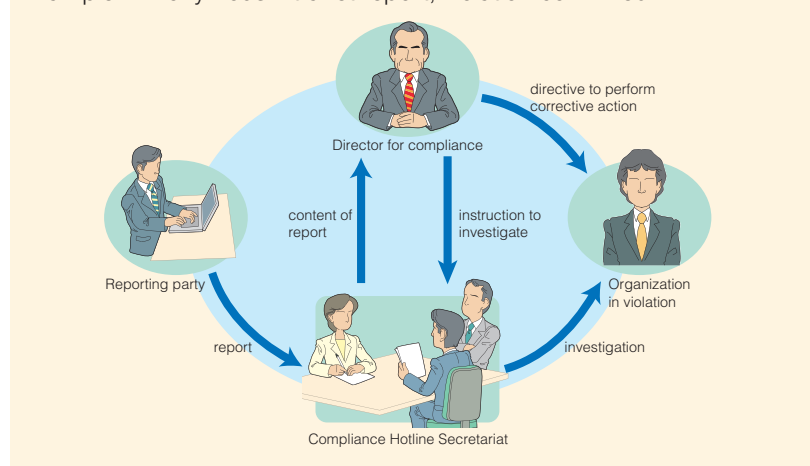
At its meeting in August 2005, the committee discussed the training programs implemented at each group company, measures for prevention of sexual harassment, and the state of compliance with subcontracting law, personal information protection law, and other statutes.

• Compliance Hotline

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

Compliance Hotline Flow

Example: Anonymous intranet report, violation confirmed.



Prevention of antimonopoly violation by the Market Compliance Committee

The Market Compliance Committee, which was formed in 1976, oversees compliance with antimonopoly law. To ensure against any violation of antimonopoly law such as participation in a price cartel, all across-the-board price increases require the approval the committee before they can be implemented. The committee met twenty-four times in fiscal year 2005.

Protection of personal information

Asahi Kasei is committed to the proper handling and use of personal information, in accordance with our basic policy shown at right. Education and training for all employees includes the distribution of an information security handbook which covers issues related to personal information protection, and the implementation of an e-learning course about protection of personal information.



Information Security Handbook

Basic policy for protection of personal information

- We handle personal information properly and in compliance with the Personal Information Protection Law and other applicable statutes, and in conformance with generally accepted norms and standards.
- We ensure that personnel throughout the Asahi Kasei Group thoroughly understand and faithfully comply with corporate standards and regulations for the handling of personal information.
- We use personal information only for the specific purposes which have been indicated or announced at the time of its receipt.
- We employ appropriate measures in the maintenance and management of personal information to ensure against unauthorized alteration, disclosure, and loss of personal information.
- We will respond in good faith to requests to confirm, revise, cease using, or delete personal information.

Compliance in action



✓ Full awareness and careful protection of personal information

Our work involves the handling of customers' personal information such as names, addresses, and phone numbers. This information appears on many of the documents and printouts we use. When these papers are no longer needed, they are always shredded before disposal. The computers in our office also contain personal information, so they are secured with anti-theft chains. We also use password-protected screen savers on each computer.

Kaori Arai
Saitama/Kitakanto Housing Division
Asahi Kasei Homes



✓ Constant vigilance for compliance with subcontracting law

When purchasing materials, we check whether the transaction is subject to subcontracting law based on scale of capitalization of the subcontractor and the type of transaction, and consider whether there is a possibility of violation. The textbook distributed at the periodic seminars held by the Fair Trade Commission has been a very useful reference as we perform our checks to ensure compliance with subcontracting law.

Mitsuhiro Mori
Planning & Control
Asahi-Schwebel Co., Ltd.



✓ Accurate knowledge and a culture of strict abidance by the rules

The public doesn't generally have a very good impression of the construction industry in terms of compliance. While the industry has had questionable customs, we must draw the line at unfair practices to gain the public's trust as an upstanding company. We make sure that each employee has an accurate understanding of the relevant laws and rules, as part of the continuous drive to foster a corporate culture of thorough compliance.

Hiroshi Kobayashi
General Manager
Planning & Control
Asahi Kasei Construction Materials

Internal Control Project

The Corporation Law which came into effect in May 2006 requires a Board of Directors resolution related to the preparation of an internal control system. At its May 2006 meeting, our Board of Directors adopted a basic policy for the Asahi Kasei Group's internal control system.

The Financial Instruments and Exchange Law which was passed by the Diet in June 2006 requires companies with market-traded shares to have enhanced internal

controls over financial reporting from the fiscal year starting on or after April 1, 2008.

In October 2005 an Internal Control Project was formed to lead the preparation and implementation of an optimum system for internal control. After studying what would be the optimum content of documentation for the Asahi Kasei Group based on a standard internal control framework, the project began in earnest in April 2006.

Risk management

Risk Management Committee

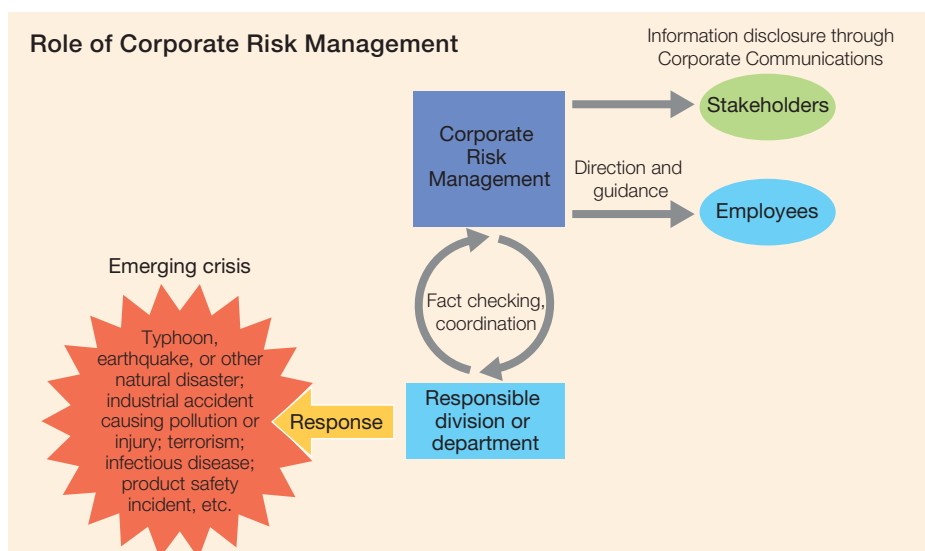
The Risk Management Committee, with the director for strategy, accounting, and finance serving as chair, was formed in April 2005. The committee studied responses

to contingencies such as a major earthquake in Tokyo, ongoing preparedness, and continuity of operations in an emergency.

Corporate Risk Management

Corporate Risk Management, part of Corporate Legal and General Affairs, works with the various divisions and departments to guide the proper response to any major accidents, incidents, or problems which cause significant damage to Asahi Kasei Group operations or which may foreseeably cause Asahi Kasei Group operations to have adverse effects on the general

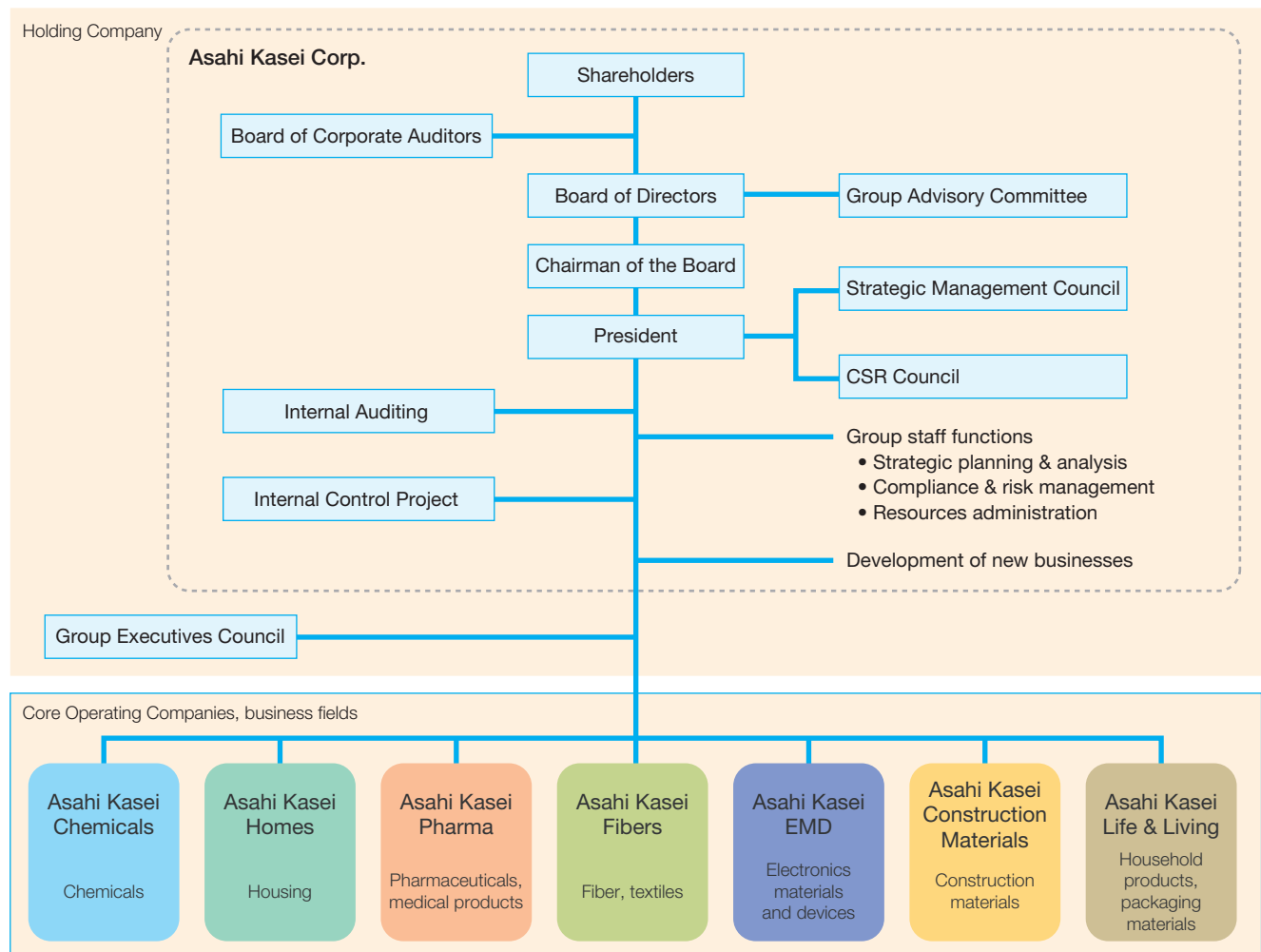
public. In fiscal year 2005, Corporate Risk Management provided guidance to personnel traveling abroad on business or stationed abroad in response to the risks of terrorism and infectious diseases, and coordinated the response to health issues related to occupational asbestos exposure.



Corporate governance

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

Corporate Governance System



Board of Directors

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

Group Advisory Committee

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

Strategic Management Council

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

Group Executives Council

Conducts the dissemination of substantive group information, provides a forum for information exchange, and deliberates on matters requiring coordination among the core operating companies. Meets once per month.

Board of Corporate Auditors

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

Executive officer system

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

The President of the holding company oversees

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

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

Fiscal year 2005 synopsis

The Board of Directors, Strategic Management Council, Group Executives Council, and Board of Corporate Auditors met as scheduled. The Group Advisory

Committee met twice to discuss management tasks for the Asahi Kasei Group and the *Growth Action – 2010* business plan.


Membership of Group Advisory Committee

(as of March 31, 2006)

External Members	Yuzo Seto	Counsellor	Asahi Breweries, Ltd.
	Kodama Yukiharu	President	Japan Information Processing Development Corp.
	Norio Wada	President and CEO	Nippon Telegraph and Telephone Corp.
	Masumi Shiraishi	Professor	Faculty of Economics, Toyo University
	Kazuo Tezuka	Attorney	Kaneko & Iwamatsu
	Akio Makabe	Professor	Faculty of Economics, Shinshu University
Internal Members	Nobuo Yamaguchi	Chairman of the Board & Representative Director	Asahi Kasei Corp.
	Shiro Hiruta	President & Representative Director, Presidential Executive Officer	Asahi Kasei Corp.
Internal Observer	Ichiro Itoh	Director, Vice-Presidential Executive Officer	Asahi Kasei Corp.
Secretariat	Kenichi Shibukawa	Director, Senior Executive Officer	Asahi Kasei Corp.



Responsible Care



Responsible Care at the Asahi Kasei Group.....	20
Environmental protection	24
Operational safety	32
Workplace safety and hygiene	34
Health maintenance	37
Product safety	40
Managing chemical substances.....	42
RC education and training.....	44
ESH-related investments	46

Responsible Care at the Asahi Kasei Group



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 communication and dialog.

RC was conceived in Canada in 1985, and 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.

The program of RC at the Asahi Kasei Group, comprising measures for environmental protection, product safety, operational safety, workplace safety, hygiene, and health, and community outreach, is not limited to chemicals-related operations but includes operations in all fields, including fibers, construction materials, housing, electronics, pharmaceuticals, and medical devices.



The spirit of RC is not to be satisfied simply with legal compliance, but to achieve greater environmental, safety, and health performance through self-directed, autonomous, and self-managed effort. Our results for fiscal year 2005 are shown facing. While many of our targets were achieved, there are areas where we can do better – particularly in operational safety and workplace safety. In fiscal year 2006 we are intent on doing everything possible to meet each and every one of our targets.

Kunio Kohga
Executive for RC
Director, Primary Executive Officer
Asahi Kasei Corp.

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



RC objectives, results, and goals

	FY 2005 RC Objectives	FY 2005 summary results	Attainment	FY 2006 RC Objectives	Long-term goals
General	Enhance RC compliance	Checklist of regulations related to RC revised (80 laws and ordinances)	Satisfactory	<ul style="list-style-type: none"> Enhance RC compliance Extend RC to more affiliates Advance RC education and training Enhance dialog with the public 	<ul style="list-style-type: none"> Heighten RC performance Expand scope of RC Enhance dialog with the public
	Extend RC to more affiliates	RC advanced in overseas operations of each core operating company	Satisfactory		
	Advance RC education and training	Guidelines established and seminars held	Satisfactory		
Environmental protection	Avoid all environmental pollution from accidents	No environmental pollution from accidents	Complete	<ul style="list-style-type: none"> Avoid all environmental pollution from accidents Acquire ISO 14001 certification at 94% of plants Reduce final disposal volume of industrial waste by 55% from FY 2000 level Reduce unit energy consumption by 1% Reduce emission and transfer of PRTR-specified substances; reduce emission of VOCs Prevent air and water pollution Advance green procurement 	<ul style="list-style-type: none"> No environmental pollution from accidents Acquire ISO 14001 certification at all plants Reduce final disposal volume of industrial waste by 90% from FY 2000 level by FY 2010 Reduce greenhouse gas emission, including in distribution Reduce release and transfer of PRTR-specified substances; reduce emission of VOCs Advance green procurement and CSR procurement Advance environmental management
	Acquire ISO 14001 certification at 90% of plants	ISO 14001 certification newly acquired for 17 plants, achieving target of 90%	Complete		
	Reduce unit energy consumption by 1%	Target not achieved	Unsatisfactory		
	Reduce final disposal volume of industrial waste by 45% from FY 2000 level	Approximately 39% reduction achieved	Satisfactory		
	Improve other aspects of environmental performance	Most other aspects of environmental improved	Satisfactory		
	Advance green procurement	Implementation of green procurement advanced; expansion to CSR procurement begun	Complete		
Operational safety	Avoid all industrial accidents	One industrial accident occurred, styrene leak and black smoke at Chiba Plant of PS Japan	Unsatisfactory	<ul style="list-style-type: none"> Avoid all industrial accidents Control changes to equipment and operating conditions Monitor for items in need of replacement and uninspected items; implement remediation Monitor for fire, explosion, and leak hazards; implement remediation Fully utilize systematic maintenance for accident prevention Enhance emergency response systems 	<ul style="list-style-type: none"> No industrial accidents Control changes to equipment and operating conditions Monitor for items in need of replacement and uninspected items; implement remediation Monitor for fire, explosion, and leak hazards; implement remediation Enhance emergency response systems No physical distribution accidents
	Enhance functional separation of authority for operation, maintenance, and ESH	System for three-party approval (operation, maintenance, and ESH) completed; ESH function enhanced	Satisfactory		
	Control changes to equipment and operating conditions	Steady implementation	Satisfactory		
	Monitor for items in need of replacement and uninspected items; implement remediation	Some 2000 cases of remediation implemented	Satisfactory		
	Monitor for fire, explosion, and leak hazards; implement remediation	Systematic application begun	Complete		
	Fully utilize systematic maintenance system for accident prevention	Improvements applied, including in training and drills	Complete		
	Enhance emergency response systems				
Workplace safety and hygiene	Achieve frequency rate* of 0.1 or less	Nine lost-workday injuries; frequency rate of 0.21	Unsatisfactory	<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 Expand adoption of OHSMS; enhance utilization of OHSMS where it is implemented Follow up on asbestos-related measures 	<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 Expand adoption of OHSMS; enhance utilization of OHSMS where it is implemented
	Achieve severity rate† of 0.005 or less	Severity rate of 0.005	Complete		
	Expand adoption of OHSMS; enhance utilization of OHSMS where it is implemented	Newly adopted at two production facilities; adoption rate raised to 87%	Complete		
	Thoroughly comply with safe operation standards	Thorough compliance with safe operation standards advanced	Satisfactory		
	Respond to health issues related to occupational asbestos exposure	Supplementary health checkups, removal/immobilization of sprayed-on coatings containing asbestos, replacement of gaskets containing asbestos	Complete		
Health maintenance	Systematize and unify base for health support	Systems established at geographically separated plants and regional offices	Satisfactory	<ul style="list-style-type: none"> Systematize and unify base for health support. Reduce proportion of employees receiving health cautions. Reduce number of employees on extended leave of absence for emotional convalescence. 	<ul style="list-style-type: none"> Reduce proportion of employees receiving health cautions. Reduce number of employees on extended leave of absence for emotional convalescence.
	Reduce proportion of employees receiving health cautions	No significant change	Satisfactory		
	Reduce incidence of employees in psychiatric therapy through advanced utilization of four approaches to emotional health and care	Psychiatric care guidelines issued	Satisfactory		
Product safety	Avoid serious product safety incidents	No serious product safety incidents	Complete	Avoid serious product safety incidents	No serious product safety incidents.

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

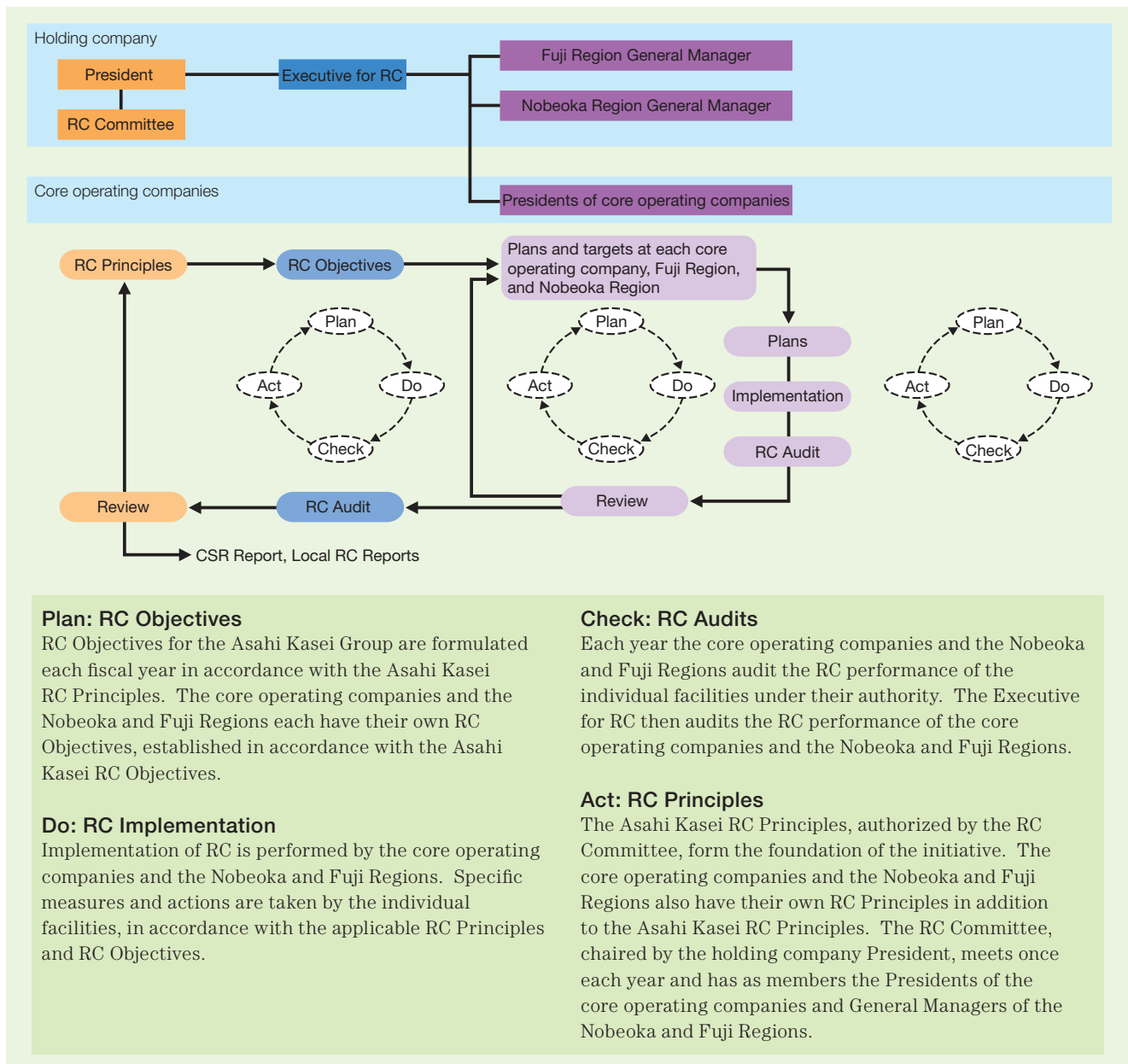
† Lost workdays, severity-weighted, per thousand man-hours worked.

RC Management System

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

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

PDCA flow for RC





Responsible Care

RC at Asahi Kasei Medical (Hangzhou) Co., Ltd.

Asahi Kasei Medical (Hangzhou), located in Hangzhou, China, began assembling artificial kidneys in November 2005. After start-up and establishment of stable operation, a second shift and then a third shift was added. To ensure that there would be no lapse in regard to compliance with the more complicated regulatory framework that applies with three working shifts, a list of all applicable legal provisions was prepared for easy reference.

Application of a range of RC measures includes safety training such as evacuation drills and fire-fighting drills. To support the RC effort at the plant in Hangzhou, Corporate ESH & QA of Asahi Kasei, the RC Department of Asahi Kasei Pharma, and the RC Department of Asahi Kasei Medical performed RC audits and provided guidance for implementing improvements.

The program of RC in Hangzhou is held to the same standards as at any other plant in the Asahi Kasei Group, using safety initiatives for reporting of near-accidents and potential hazards and for hazard prediction in addition to product quality control initiatives.



Safety training



First aid training

Advancing the RC program



Since production began in November 2005, we have had safety incidents including cuts, scrapes, and other minor injuries requiring first aid, and traffic accidents while commuting to work. We are achieving more thorough compliance with safe working practices by using safety initiatives for reporting of near-accidents and potential hazards and for hazard prediction, while informing everyone of near-miss experiences which have occurred. While we don't yet have a broad range of safety training materials, I'd like to eventually adopt OHSMS here.

Yu Shao Shao
Assistant Manager
Environment and Safety
Asahi Kasei Medical (Hangzhou) Co., Ltd.

RC Symposiums

Every year, RC Symposiums are held by each core operating company and at Nobeoka, Fuji, and other major operating sites, with awards presented to plants with outstanding safety performance records. To share information and maintain the vitality of the initiative, RC results are reported, outstanding RC measures are presented, and seminars and panel discussions are held.



President Hiruta speaks at the Nobeoka RC Symposium

Environmental protection

FY 2005 RC Objectives

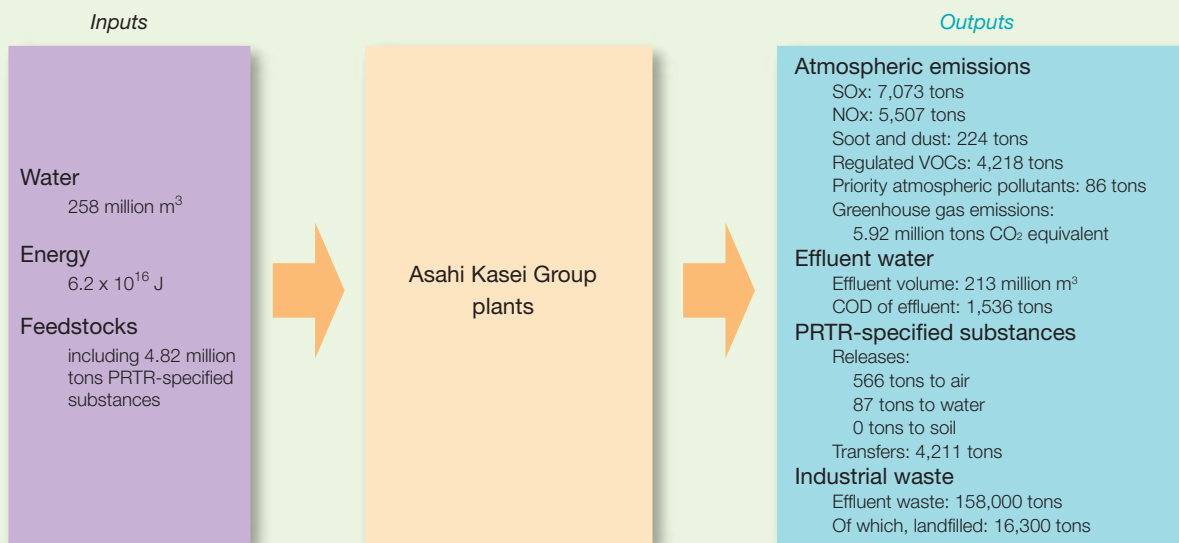
- Avoid all environmental pollution from accidents
- Acquire ISO 14001 certification at 90% of plants
- Reduce unit energy consumption by $\geq 1\%$
- Reduce final disposal volume of industrial waste by 45% from fiscal year 2000 level
- Improve other aspects of environmental performance

FY 2005 summary results

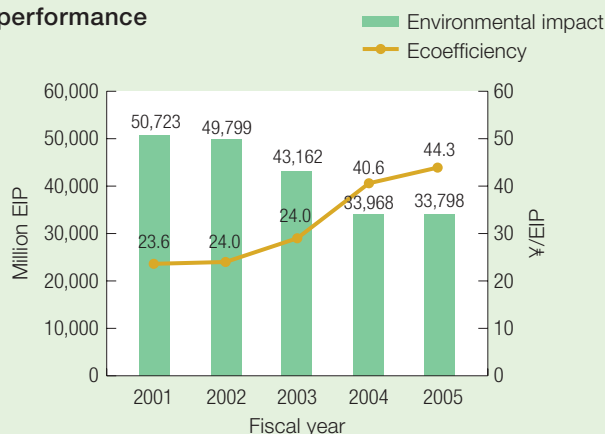
- No environmental pollution from accidents
- ISO 14001 certification newly acquired for 17 plants, achieving target of 90%
- Target for reduction in unit energy consumption not achieved
- Approximately 39% reduction of final disposal volume achieved with advancement of recycling of industrial waste
- Most other aspects of environmental performance improved

Throughout the Asahi Kasei Group we strive to alleviate the environmental impact of our production activities. The main environmental aspects of our R&D and production facilities are shown below. We have also calculated our environmental impact point (EIP) score and our rate of ecoefficiency using the JEPIX* methodology, and this indicates a steady trend of improvement, as shown at bottom.

Main environmental aspects, FY 2005



JEPIX performance



* 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.



Responsible Care

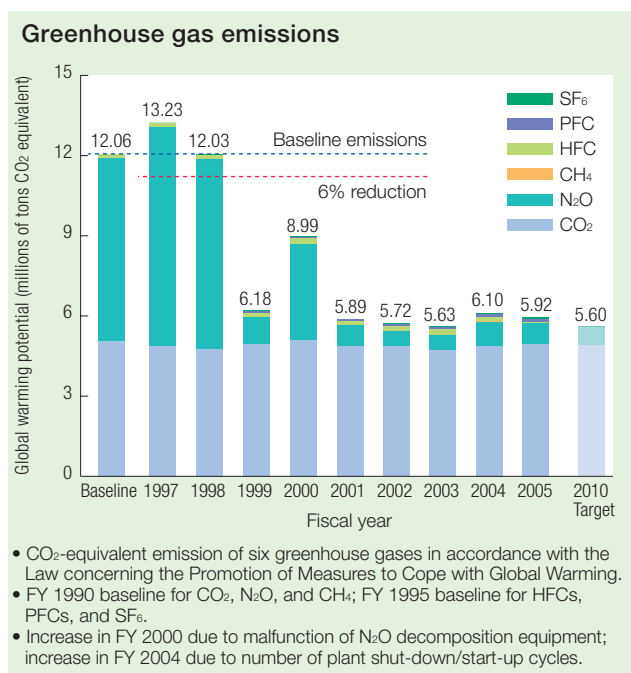
Curtailing greenhouse gas emissions

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

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

* Carbon dioxide (CO₂), nitrous oxide (N₂O), methane (CH₄), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), and sulfur hexafluoride (SF₆).

As shown below, greenhouse gas emissions in fiscal year 2005 were 5.92 million tons CO₂-equivalent, a reduction by 51% from baseline emissions. Emissions of CO₂ were lower than in fiscal year 1990.



• Reduction of process emissions

In fiscal year 2005, decomposition of by-product N₂O from adipic acid production in Nobeoka brought a 6 million ton CO₂-equivalent reduction, and the phase-out of greenhouse gases used as plastic foaming agent in Suzuka brought a 180 thousand ton CO₂-equivalent reduction in emissions.

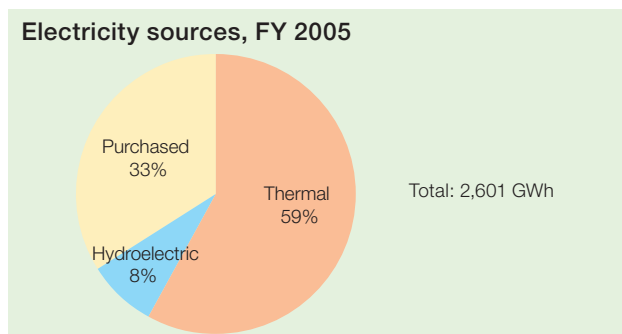
• Unit energy consumption

We did not meet our target of 1% reduction in unit energy consumption. Unit energy consumption in fiscal year 2005 was on par with the previous year, largely due to changes in capacity utilization rates.

• Renewable energy

The Asahi Kasei Group has seven hydroelectric power generation plants in the Nobeoka Region, which meet 8% of our electricity needs. Generation of the equivalent amount of power at thermoelectric plants would result in approximately 120,000 tons of CO₂ emissions annually.*

* Using Ministry of the Environment standard of 555 g CO₂/kWh.



• Alleviating the environmental effects of physical distribution

A wide range of measures are employed to reduce energy consumption and moderate the environmental effects of physical distribution through improved efficiency. We also prepared a guideline for the calculation of CO₂ emissions from physical distribution which is being applied in fiscal year 2006.

Measures to alleviate environmental effects of physical distribution

Improving unit energy consumption in shipment	<ul style="list-style-type: none"> • Increasing sales lot sizes • Transport mode changeover to roll-on/roll-off ships, ferries, and rail • Mixed loading of materials for home construction
Reduction of energy consumption by shortening shipment distances	<ul style="list-style-type: none"> • Product swaps with other producers • Repositioning of stock points for optimal distribution • Sharing of pallets with other producers to shorten empty pallet return distances
Reduction of energy consumption in storage	<ul style="list-style-type: none"> • Direct shipment to users • Direct reloading from large trucks to smaller trucks, without temporary warehousing
Use of returnable packaging to reduce material waste	<ul style="list-style-type: none"> • Shipment of resins in flexible containers or bulk • Use of intermodal containers, owned by Asahi Kasei and by shippers
Promotion of energy conservation by firms contracted for physical distribution through physical distribution safety conferences and inspections	<ul style="list-style-type: none"> • Compliance with environmental laws and regulations • Advancement of ISO certification • Promotion of energy-efficient driving practices • Conversion to energy-efficient transportation modes • Promotion of efficient loading

• Company-owned vehicles

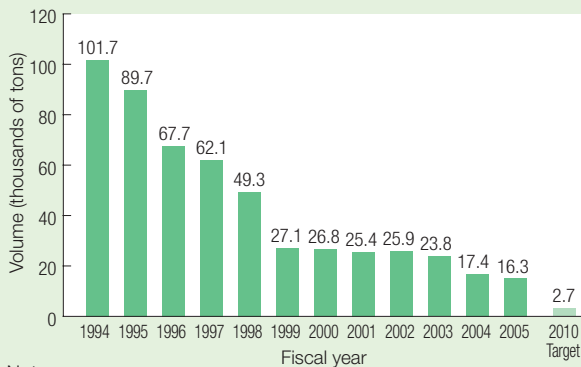
The phased transition to low-pollution vehicles for use in marketing and within plant grounds continues to advance. In fiscal year 2005, some 57% of company-owned vehicles were low-pollution vehicles, up from some 50% in the previous year.

Industrial waste

The Asahi Kasei Group is working toward zero emission* of industrial waste through the “3-Rs” of reduction, reuse, and recycling. In fiscal year 2005 the volume of industrial waste transferred off-site for disposal was 39% lower than in fiscal year 2000. While this did not meet our target of a 45% reduction, it was 6% lower than in fiscal year 2004. Our rate of recycling in fiscal year 2005 was 62%.

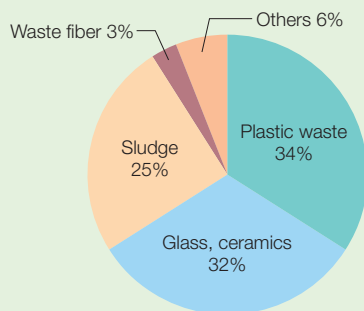
* Reducing final landfill disposal volume toward zero involves measures to minimize the amount of industrial waste generated, and reusing or recycling industrial waste as material or energy. The “zero emission” target for the Asahi Kasei Group is a final disposal volume in fiscal year 2010 which is one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

Off-site final disposal waste volume



Note:
Not including waste generated from non-recurring events such as dismantling closed plants or waste generated from dismantling old homes when constructing new homes sold by Asahi Kasei Homes.

Off-site final disposal waste by category, FY 2005



• Prevention of illegal dumping

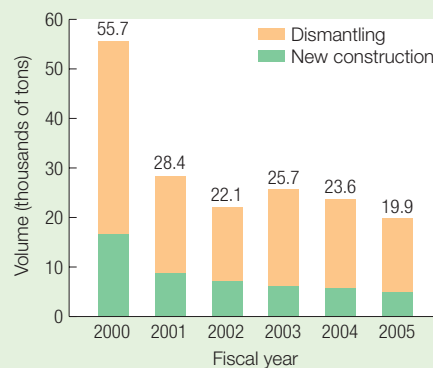
Where we consign the off-site treatment of industrial waste, records are kept in waste disposal manifests, and the consigned firms and disposal sites are periodically inspected to ensure that proper disposal is performed in accordance with sound systems of control. In fiscal year 2005, we performed such inspections 445 times.

• Reduction of industrial waste from housing operations

Waste generated from housing operations includes leftover materials, packing materials, and trimmings from new construction, and waste generated from the dismantling of old homes to be replaced. Asahi Kasei Homes works to reduce final disposal amounts by suppressing waste generation in both new construction and dismantling, and by recycling wastes which are generated.

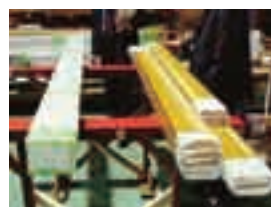
In fiscal year 2005, priority was given to reducing waste generation from new construction by precutting materials at the factory, and by minimizing use of packing materials. To reduce waste disposal, the sorting of waste to facilitate recyclability is vital, and a policy of thorough waste sorting has been instilled among personnel and contracted firms involved. In the dismantling of old homes, wood and concrete are sorted for recycling. Progress has been made in the identification of firms which can use these materials as resources. In fiscal year 2005, final disposal of waste from new home construction was reduced by some 16% from the previous year.

Final disposal of industrial waste generated at construction sites



• Returnable packing materials for housing operations

Asahi Kasei Homes is advancing the application of a system for returnable packing materials, through joint development of returnable packing with suppliers of fixtures and building materials for home construction, and by utilizing RFID tags for packing material tracking.



Door/window frames with returnable packing



Door with returnable packing



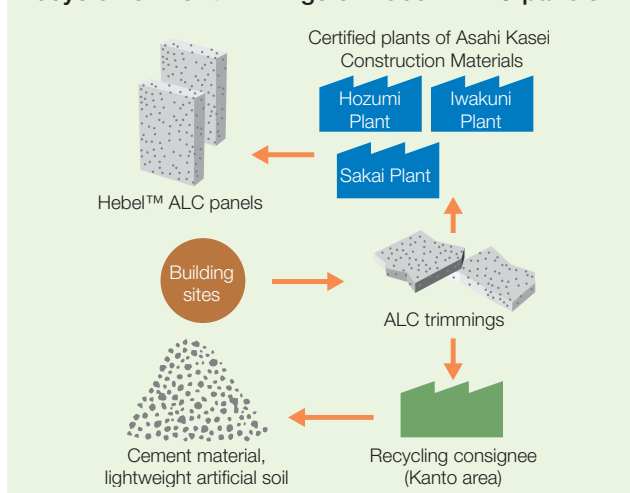
• **Chemical recycling of polyester**

Asahi Kasei Fibers developed a large-scale process to recover polyester feedstocks from used PET beverage bottles, and a recycling plant using this process began operation in fiscal year 2001. In addition to PET bottles, sources of polyester material for recycling include polyester clean-room suits used in the electronics industry which are collected in coordination with an apparel manufacturer and electronics manufacturers. Polyester resin and filament made from recycled material are marketed as Ecosensor™.

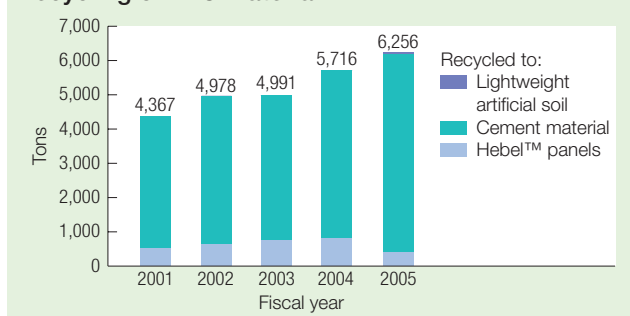
• **Recycling of trimmings from ALC panels**

Asahi Kasei Construction Materials obtained official designation for wide-area recycling of industrial waste in 1997 and official certification for wide-area recycling in 2004, making it unnecessary to obtain a waste treatment license to recycle breakage and trimmings of autoclaved lightweight concrete (ALC) panels from construction sites. ALC breakage and trimmings are returned from sites of new building or remodeling to plants in Hozumi, Iwakuni, and Sakai, where they are recycled as material for new Hebel™ ALC panels. In addition to this in-house recycling, ALC breakage and trimmings from building sites in the Kanto area are recycled on consignment to produce material for cement and lightweight artificial soil. Over 6,000 tons of material was recycled in fiscal year 2005.

Recycle flow for trimmings of Hebel™ ALC panels



Recycling of ALC material



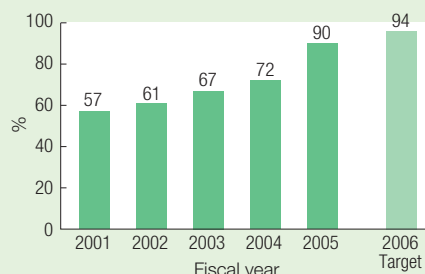
• **Polychlorinated biphenyls (PCBs)**

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

ISO 14001 certification

In fiscal year 2005 the number of Asahi Kasei Group plants having ISO 14001* certification was increased to 94, or 90% of the total.

Plants with ISO 14001 certification



* An international standard for environmental management systems which meet specified requirements to prevent and minimize environmental effects and environmental risks.

Prevention of polluting accidents

The Asahi Kasei Group is committed to avoiding environmental pollution as an effect of business operations. The day-to-day effort to prevent pollution ranges from the reliable operation of effluent water treatment facilities and effluent gas treatment equipment, to preparing systems for swift and appropriate response to emergency situations.

When an accident does happen we respond immediately to prevent or minimize pollution, and follow up with an analysis of how it could have been prevented. The results of the analysis are shared throughout the Asahi Kasei Group. No polluting accidents occurred in fiscal year 2005.

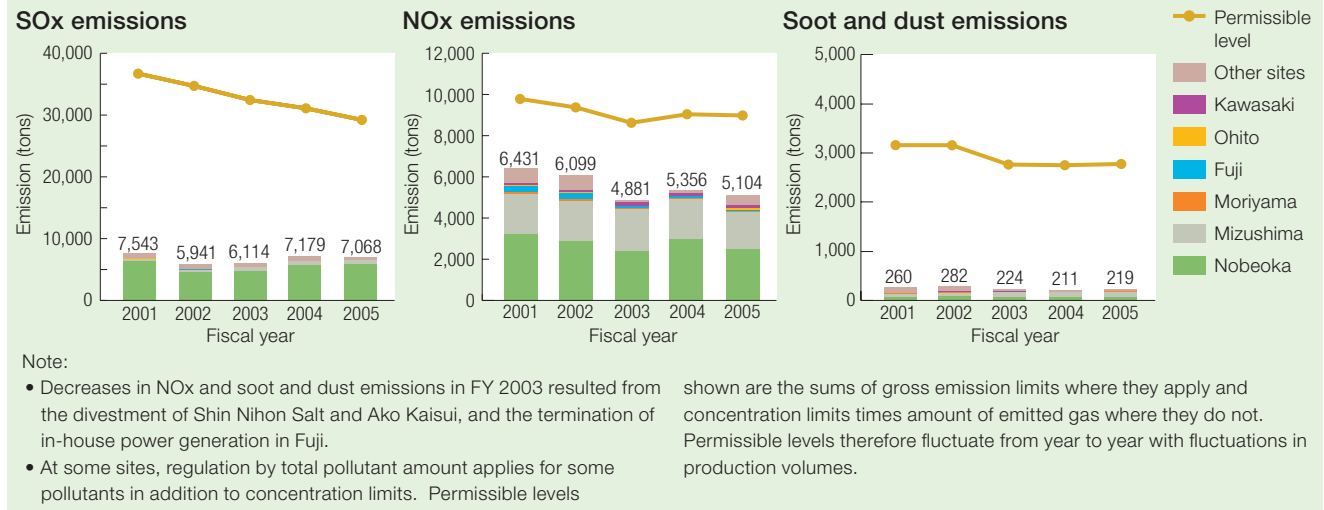
Fiscal year	2001	2002	2003	2004	2005
No. of polluting accidents	1	1	0	0	0

Other aspects of environmental performance

• Preventing air pollution

The Asahi Kasei Group undertakes a number of measures to curtail emissions of sulfur oxides (SO_x), nitrogen oxides (NO_x), and soot and dust. While

emissions are consistently maintained well below regulatory limits, as shown below, we also have more stringent emissions standards as set forth in accords with local authorities and our own voluntary targets.

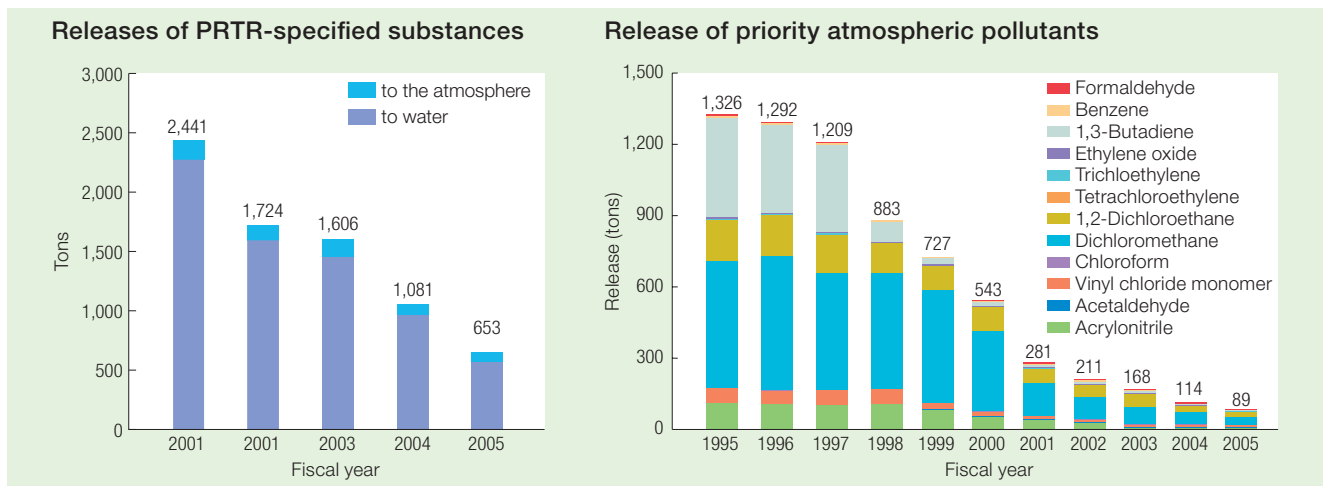


• Reduction of hazardous chemical release

The Asahi Kasei Group monitors the release and transfer of PRTR*-specified substances defined by the PRTR Law and substances designated for PRTR by the Japan Chemical Industry Association (JCIA). Priority for reduction is based on degree of hazardousness and amount of release.

In concert with the JCIA we formulated plans for the voluntary reduction of VOC[†] emissions at facilities where regulatory limits do not apply. We have installed equipment to recover and process VOCs and installed measurement devices to monitor their emission.

Our effort to reduce release of priority atmospheric pollutants[‡] continues to bring results.



* 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.

[†] 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.

[‡] Priority atmospheric pollutants are the twelve hazardous atmospheric pollutants designated for priority reduction: Acrylonitrile, acetaldehyde, vinyl chloride monomer, chloroform, 1,2-dichloroethane, dichloromethane, tetrachloroethylene, trichloroethylene, 1,3-butadiene, benzene, formaldehyde, and ethylene oxide.



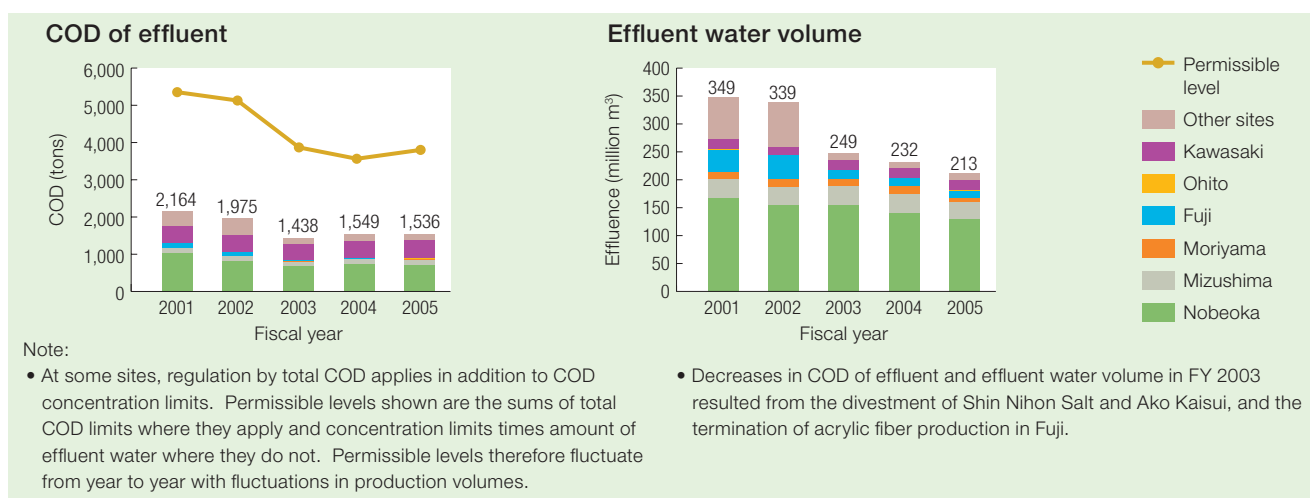
• **Stratospheric ozone layer-depleting substances**

Stratospheric ozone layer-depleting substances used in the Asahi Kasei Group include freezer refrigerants and solvents. Refrigeration equipment is being replaced or modified with the best practical technology for operation without refrigerants specified as ozone-depleting. We are also conducting research on the substitution of solvents, and plan to cease using ozone layer-depleting substances when technology for their substitution is established.

• **Preventing water pollution**

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

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



• **Soil and groundwater contamination**

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

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

In March 2006 we announced the discovery of groundwater contamination by VOCs within our Suzuka plant grounds. Monitoring wells bored at the site boundaries revealed no groundwater contamination, enabling the conclusion that the contamination has not spread beyond the plant grounds. Purification of the contaminated groundwater and steps to ensure against its spread beyond the plant grounds have begun.

• **Biodiversity**

We have long worked to extend the amount of greenery and gardening space at our plant grounds and participated in a variety of tree-planting initiatives. The effort to preserve biodiversity within and surrounding our plants and offices is advancing with renewed emphasis on planting a greater variety of species of trees which are naturally suited to each location.

• **Green procurement**

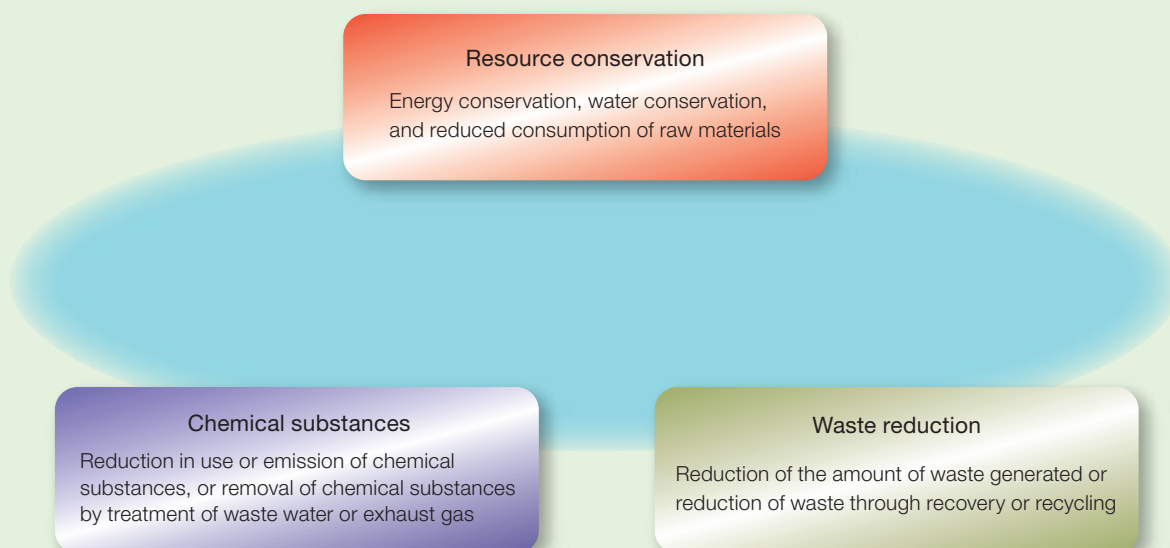
“Green procurement” entails giving purchasing priority to office supplies, feedstocks, materials, and services based on environmental impact. When feedstocks are purchased, we check for the latest information on their dangers and hazards, and confirm our understanding of the regulatory framework for their handling and use. If deemed necessary, changes are requested of the supplier, and strict control measures are instituted to ensure legal compliance, environmental integrity, and safety. Corporate Procurement & Logistics surveys suppliers in accordance with our Green Procurement Guideline. Suppliers are evaluated based on survey results, and improvements are requested of suppliers whose environmental performance appears unsatisfactory.

Corporate Procurement & Logistics and Asahi Kasei EMD have begun “CSR procurement” as an extension of green procurement to include matters of social responsibility in the evaluation of suppliers.

Ecoefficient Products and Technologies

Asahi Kasei Group guidelines and standards for evaluation of the ecoefficiency of products use LCA* and other methods to determine the relative environmental impact of products and technologies throughout the product life cycle in comparison with conventional alternatives.

Basic categories of ecoefficiency



Ecoefficient Technologies

Operating segment	Company	Technology	Ecological aspects	Category			
				Resource conservation	Chemical substances	Waste reduction	Other†
Chemicals	Asahi Kasei Chemicals	Methyl methacrylate production process by direct oxidative esterification	Eliminates ammonium sulfate by-product.	✓		✓	
		Phosgene-free, methylene chloride-free polycarbonate production process	Eliminates the need for the hazardous phosgene as reactant and methylene chloride as solvent.		✓		
		Cyclohexanol production process via cyclohexene	Resource-efficient process with minimal waste gas and waste liquid.	✓		✓	
	Asahi Kasei Technoplus	Suwming™ process	System for rapid adsorption of VOCs which cause sick house syndrome.		✓		
	Asahi Kasei Clean Chemical	SEAS™ process	Biological water treatment technology generating 1/20 the excess sludge of ordinary process.	✓			
Construction Materials	Asahi Kasei Construction Materials	Piling systems with low soil disposal	Eazet™, ATT Column™, and Dynawing™ piling systems enable pile installation with large reduction in amount of waste soil for disposal. The high retaining strength of each pile also enables the use of fewer piles for each foundation, reducing the material and energy required.	✓		✓	
		Suny Lite™ SD airtight insulation system	Airtight, high-performance insulation system for energy conservation in wooden homes.	✓			
Services, Engineering and Others	Asahi Kasei Amidas	Environmental consulting	Establishment of efficient and effective environmental management systems by "flow chart and format" method.				✓
	Toyo Kensa Center	Environmental analysis	Capable of analyzing endocrine disruptors and dioxins in addition to ordinary environmental analyses.				✓

* Life cycle assessment. A method of analyzing the environmental impact throughout a product life cycle from material selection, to production, use, and disposal.

† Biodegradability or measurement, analysis, or consulting related to environmental protection.

Ecoefficient Products

Operating segment	Company	Product	Ecological aspects	Category			
				Resource conservation	Chemical substances	Waste reduction	Other*
Chemicals	Asahi Kasei Chemicals	Long™ coated fertilizer and Ecolong™ environmentally degradable coated fertilizer	Controlled release of fertilizer to avoid excessive application. Photodegradable, biodegradable coating is restored to the natural cycle.	✓			✓
		Halogen-free flame-retardant acrylonitrile-butadiene-styrene resins	Flame retardance without using halogens.		✓	✓	
		Styrene-butadiene latex coating for moisture-resistant paper and release paper	Enables production of recyclable moisture-resistant paper and release paper.			✓	
		Asaclean™ purging agent for plastic molding machines	Reduces the amount of waste during material changeover.	✓		✓	
		Buster Mild™ liquid cleaning agent	Made of 100% natural ingredients to prevent soil and air pollution.		✓	✓	✓
		Duranate™ MF-K HDI-based polyisocyanate	Enables low-temperature hardening (90C) for energy conservation.	✓	✓		
		Asahi Kasei PCDL™ polycarbonate diol	For polyols with outstanding hydrolysis resistance, as water-soluble paints and adhesives. Reduces VOC emissions from solvents.	✓	✓		
		Halogen-free cleaning agent	Metal cleaning, precision cleaning, electronics cleaning without ozone-depleting halogen compounds.		✓		
		Aciplex™ F ion-exchange membrane, Acilyzer™ electrolyzer	Eliminates the need for asbestos and mercury in chlor-alkali production.		✓		
	Asahi Kasei Geotechnologies	Microza™ MF and UF modules and systems	Purification of drinking water, treatment of waste water; enables closed water systems in industrial and commercial applications.	✓	✓		
		Shirasu Balloon Paint™	Coatings with thermal barrier and insulation function, for energy conservation.	✓			
	Asahi Kasei Clean Chemical	ADK™ sheet	Capping sheet for landfills. Prevents hazardous substances from emerging.		✓		
		Environmental reagents	Microbial enzymes and chemical deodorants used to accelerate bioprocessing, for sludge volume reduction, and for deodorization of waste water.		✓	✓	
Homes	Asahi Kasei Homes	Long Life Home products	60-year durability enables reduction of waste from demolition and rebuilding.	✓		✓	
Fibers	Asahi Kasei Fibers	Bemberg™ regenerated cellulose filament	Made from natural cotton linter, biodegradable. Eco Mark certification for products containing at least 70% Bemberg™. Oeko-tex 100 certified.			✓	✓
		Bemliese™ regenerated cellulose nonwoven	Made from natural cotton linter, biodegradable. Eco Mark certification for Haize™ gauze, made from Bemliese™.			✓	✓
		Ecosensor™ polyester	Chemically recycled from post-consumer PET bottles and other used polyester products. Eco Mark certified.	✓		✓	
		Eutec™ oil-water separators	Waste reduction by extending usable life of industrial cleaning agents and treating bilge water.		✓	✓	
		Eltas™ EL, ET, and E0 series spunbond	Spunbond for civil engineering made with Ecosensor™ chemically recycled polyester. Eco Mark certified.	✓		✓	
		Lamous™ and Sensuede™ artificial suede	Made without organic solvents. Oeko-tex 100 certified products available.		✓		
		Fusion™ and Cubit™ honeycomb-structure cushioning	Oeko-tex 100 certified.		✓		
Electronics Materials & Devices	Asahi Kasei Technosystem	Apolarm™ C oil leak detector, Apolarm™ M waste water monitor	Detection of oil leaks and monitoring of industrial waste water for surface oil.				✓
Pharma	Asahi Kasei Pharma	Q-chan™ dehydrated microbe fertilizer	Residue from coenzyme Q10 production is dehydrated and sold as organic fertilizer.			✓	
	Asahi Kasei N&P	Dehydrated microbe fertilizer no. 2 (Hokkaido No. 2813)	Surplus sludge from treatment of waste liquid from fermentation is dehydrated and sold as organic fertilizer.			✓	
Construction Materials	Asahi Kasei Construction Materials	Neoma™ foam	High-performance home insulation panels, for energy conservation.	✓			
Life & Living	Asahi Kasei Life & Living	Acclima™	Saran™ fiber biological membrane carrier for water treatment.		✓		
		Ecoloop™ film	Made from punch-out scrap from biaxially oriented polystyrene sheet. Eco Mark and Mebius Loop mark certified.	✓		✓	
		Grease trap cleaning product series	Improved kitchen hygiene, prevention of grease release in wastewater.		✓		
	Asahi Kasei Pax	Green Promax™	Containers and cups made of biodegradable plastic.	✓		✓	✓
		Bioclear™	Biodegradable plastic used in envelope windows, etc. Certified as "GreenPla" by the Biodegradable Plastics Society.	✓		✓	✓
Services, Engineering and Others	Asahi Kasei Engineering	Exhaust gas treatment technologies	Elimination of hazardous substances and recovery of useful substances from exhaust gases.		✓		
		Waste liquid treatment equipment	Activated sludge treatment. High-performance fluorine adsorption.	✓	✓	✓	
		Waste liquid incinerator	Treatment of highly concentrated organic waste liquids, and waste liquids containing inorganic salts.		✓	✓	

* Biodegradability or measurement, analysis, or consulting related to environmental protection.

Operational safety

FY 2005 RC Objectives

- Avoid all industrial accidents
- Control changes to equipment and operating conditions
- Fully utilize systematic maintenance system for accident prevention
- Enhance emergency response systems

FY 2005 summary results

- One industrial accident occurred
- System for three-party approval (operation, maintenance, and ESH) completed
- Full application of systematic maintenance system begun
- Improvements to emergency response systems applied, including in training and drills

Industrial accidents

In fiscal year 2005 we had one industrial accident, a styrene leak and black smoke at the Chiba Plant of PS Japan. The scale of the leak was 50 liters, none of which spilled beyond the plant grounds, and no damage occurred. Measures to prevent recurrence were immediately implemented both at the plant and at similar

facilities throughout the Asahi Kasei Group.

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

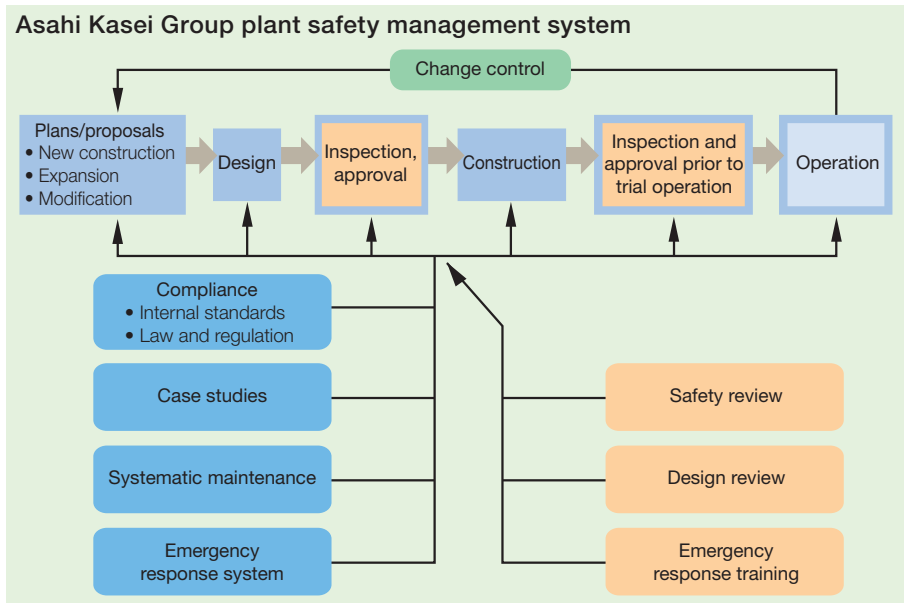
Management of operational safety

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

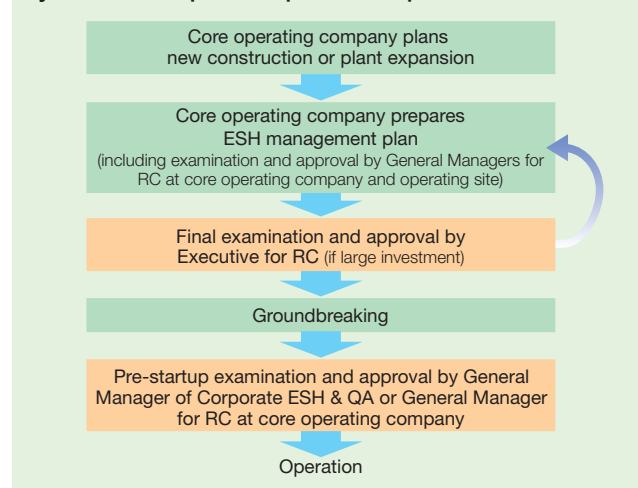
• Pre-investment inspection system

Internal regulations require a pre-investment inspection to verify plant safety when there are plans to invest in new plant, plant expansion, or plant modification. Inspection and approval prior to trial operation provides an additional confirmation of plant safety before commercial operation begins. For large investments, the holding company performs safety inspections in addition to the safety inspections performed by the core operating companies. In fiscal year 2005, holding company safety inspections were performed for 14 investments.

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

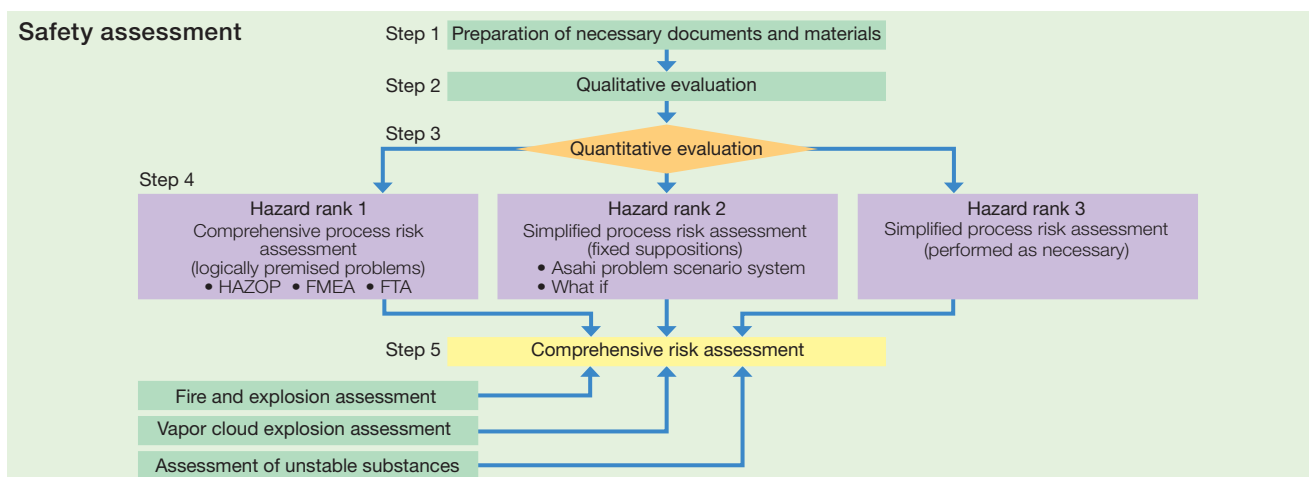


System for inspection prior to capital investment





Responsible Care



Safe, stable plant operation

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

Thirteen systematic maintenance steps for plant safety

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

Preparation for emergency situations

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

Our operations located in industrial petrochemical districts have cooperative arrangements with nearby petrochemical manufacturers for mutual emergency assistance, and joint training drills are performed regularly. Such drills confirm the effective operation of

the systems of communication within the plant site and between the site and the head office, and the ability of on-site personnel to react swiftly with proper response measures.

Emergency response training at the Kawasaki Works



In-house firefighting squad training



Employee training in fire extinguisher use

Fire extinguisher training



Since a fire extinguisher is simple to operate, you would think you could easily use it if you needed to. The fire extinguisher training made me realize that seeing a real fire with my own eyes was different than I imagined. It's really frightening to feel the heat as the flame grows. Actually using a fire extinguisher to put out a fire is a very valuable training experience.

Youko Fujisawa
Human Resources Group
General Management Dept.
Kawasaki Works
Asahi Kasei Chemicals

Workplace safety and hygiene

FY 2005 RC Objectives

- Achieve frequency rate* of 0.1 or less
- Achieve severity rate† of 0.005 or less
- Expand adoption of OHSMS‡; enhance utilization of OHSMS where it is implemented
- Thoroughly comply with safe operation standards

FY 2005 summary results

- Frequency rate of 0.21
- Severity rate of 0.005
- Rate of OHSMS adoption raised to 87%
- Thorough compliance with safe operation standards advanced

Since 1982, the Asahi Kasei Group effort for safety has been guided by a series of three-year ESH initiatives. The seventh, beginning in fiscal year 2001, was renamed the Medium-term RC Program as part of an enhancement and expansion of the Responsible Care effort. Fiscal year 2005 was the second year of the second Medium-term RC Program.

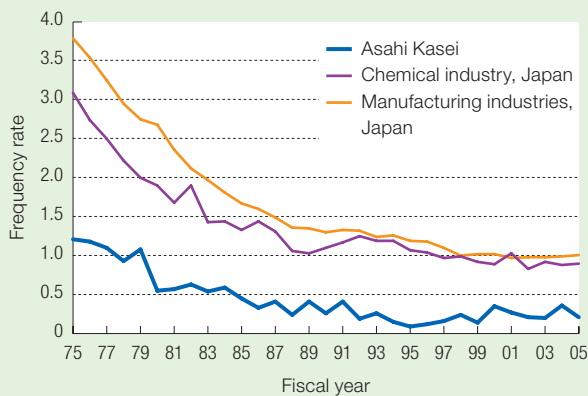
Safety performance

The effort for workplace safety begins with the Asahi Safety Training curriculum and includes initiatives for reporting of near-accidents and potential hazards, studying cases of workplace injury, safety patrols, and safety symposiums. The result of this effort has been a steadily declining trend in our frequency rate for lost-workday injuries, which is now about one sixth what it was in 1975. In recent years, however, we have not been able to consistently meet our extremely demanding

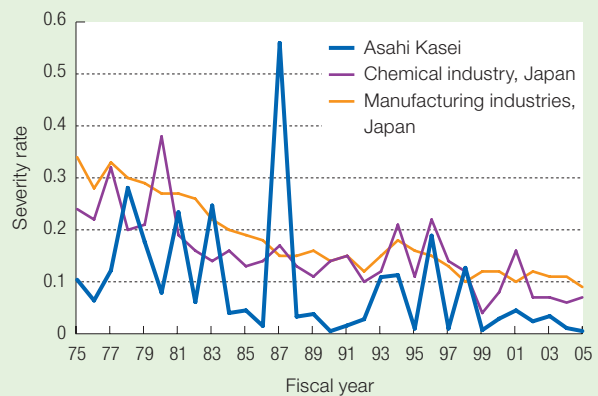
targets of a frequency rate for lost-workday injuries of 0.1 or less and a severity rate for lost-workday injuries of 0.005 or less. We are adopting OHSMS in an effort to obtain better safety performance in line with our targets.

In fiscal year 2005 our frequency rate was 0.21 and our severity rate was 0.005. Although we did not meet our target for frequency rate, we did achieve an improvement over the previous year and continued to perform much better than the chemical industry overall.

Frequency rate



Severity rate



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

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

‡ 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.



Responsible Care

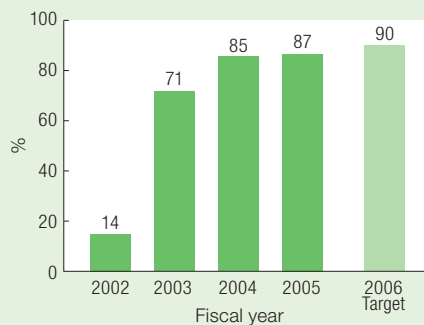
OHSMS

In fiscal years 2002 and 2003, we began applying OHSMS at our main production sites in accord with OHSAS 18001* standards. We found certain problems recurring in different plants where the system was introduced. These included management redundancies between the traditional safety measures and OHSMS, and an inability to complete the PDCA cycle due to the time required to perform identification of potential workplace hazards.

In fiscal year 2005 we applied amendments to overcome these problems, and began implementing OHSMS at two more plants, raising the rate of implementation to 87% of the 86 plant total. OHSMS is being added at all remaining plants, and its effectiveness continues to be heightened where it is employed.

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

OHSMS implementation

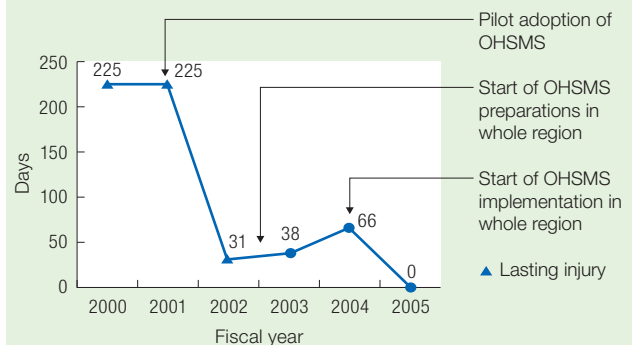


• OHSMS in Nobeoka

In fiscal years 2000 and 2001 there were a number of workplace injuries in our operations in the Nobeoka Region, including lasting injuries. Finding these results unacceptable, we resolved to renew our approach to workplace safety and began a pilot adoption of OHSMS at a limited number of plants in Nobeoka.

Based on the encouraging results of the pilot program, a region-wide initiative was begun in fiscal year 2003 for systematic adoption of OHSMS, including training for personnel in each plant responsible for guiding the adoption, training for personnel to serve as internal auditors, and training for personnel to perform risk assessment. In the latter half of fiscal year 2004 implementation of OHSMS began throughout the Nobeoka Region, and the effect of improved safety can be seen in the result of no workplace injuries for fiscal year 2005.

Lost workdays due to injury, Nobeoka Region



Improving safety performance with OHSMS

To begin preparing for OHSMS at all 27 of our plants in the Nobeoka Region, we selected two manager-level personnel from each plant to participate in a half-year long program of education and training. During the program, totaling 67 hours for each person, manuals were produced for each plant. The participants then led the introduction of the system at their respective plants. The process of risk assessments took some time to complete, but we began full implementation in the latter half of fiscal year 2004.

Every two months we hold a meeting of the Nobeoka OHSMS Secretariat, and highlight plants with best practices as part of an agenda emphasizing lateral sharing of information across the region. We have also held three-day courses as additional training for our 180 internal auditors for OHSMS, and one-day courses for our 120 risk assessment personnel. These and other training programs will

be ongoing in the coming years.

In fiscal year 2005 we performed an audit of the system for all plants in the region, and each plant is obtaining better safety performance as they continue to enhance utilization of OHSMS and develop their ability to perform audits internally. As the system becomes more firmly established, I hope we will foster a culture of safety where the execution of preventative measures becomes a matter of course.

Hiroyuki Kanaoka
 OHSMS Secretariat
 Nobeoka Region
 Asahi Kasei Corp.



OHSMS with participation by all



We made preparations for OHSMS under the guidance of the Nobeoka Safety & Environment Dept., and began implementing it in fiscal year 2004. The system has renewed our awareness that there is no truly safe workplace, that there are always risks, large and small, nearby. Through the efficient use of OHSMS with the participation of all personnel, we systematically identified risks and applied measures to minimize them. We had no workplace injuries in fiscal year 2005, and will continue to advance the effort for safety through the vigorous application of OHSMS.

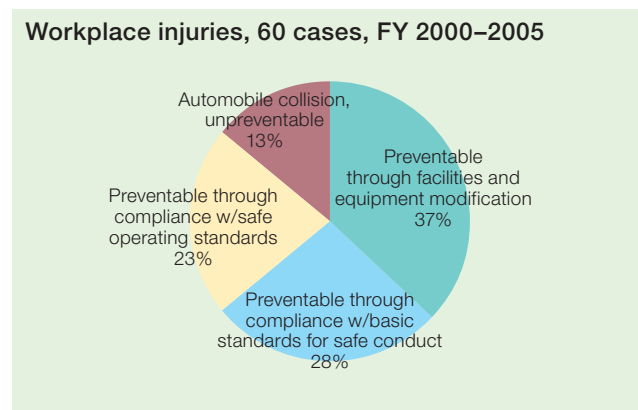
Masaharu Kubo
OHSMS Committee Member
Asahi Chemitech Co., Ltd.

Compliance with safe operating standards

Uniform safety standards are applied to similar operating procedures throughout the Asahi Kasei Group. Nearly 90% of the workplace injuries which have occurred over the past six years involved noncompliance with safe operating standards and basic standards for safe conduct. Our analysis indicates that modification to facilities and equipment could have helped to prevent 37% of these injuries, and improved education and training to obtain greater compliance with our safety standards could have prevented another 51%.

While OHSMS is helping us raise the level of inherent safety through plant modification, maintaining strict compliance with safety standards is the only option where no such modification is possible. In addition to efforts to raise awareness for safety, systems to confirm compliance are applied. The method and frequency of

self-confirmation and of confirmation by supervisors is adapted to fit the specific characteristics of each workplace.



Maintaining workplace hygiene

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

At workplaces throughout the Asahi Kasei Group where organic chemicals, controlled substances, or dust is present, air quality is monitored to ensure the safety of personnel.

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

Noise level measurements at some workplaces have resulted in Category III classification, requiring

mitigation. Having determined that it would be impractical to significantly reduce the noise level at these workplaces without extensive modification and relocation of equipment, we use earplugs, to protect against auditory damage. A record of noise exposure data for each individual is maintained to enable exposure to be managed and minimized. Studies of the feasibility of technological measures to reduce noise generation are ongoing.

Some workplaces near high-temperature equipment are uncomfortably hot if personnel are required to be present for extended periods, especially for unscheduled maintenance. We are advancing plant modifications for reduced heat emission and greater operational reliability to minimize such discomfort.

Health maintenance

FY 2005 RC Objectives

- Systematize and unify base for health support
- Reduce proportion of employees receiving health cautions
- Reduce incidence of employees in psychiatric therapy through advanced utilization of four approaches to emotional health and care

FY 2005 summary results

- Health support systems established at geographically separated plants and regional offices
- No significant change in proportion of employees receiving health cautions
- Psychiatric care guidelines issued

The maintenance and promotion of the health of personnel is an vital element of our RC program.

Asbestos

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

- Supplementary health checkups announced in August 2005.
- Identification of all buildings where asbestos is present. Initiation of a program of removal or immobilization of sprayed-on coatings containing asbestos, recording and monitoring of tiles and panels containing asbestos, and planning for safe dismantling and disposal at end of service life.
- Identification all gaskets and seals containing asbestos. Initiation of a program of identification of and replacement with asbestos-free alternatives.

As of March 2006, 1,932 employees and former employees of the Asahi Kasei Group applied to have the supplementary health checkups. We are now aware of four former employees for whom the cause of death was determined to be mesothelioma, and four former employees who are being treated for mesothelioma.

Health maintenance support system

In fiscal year 2005, health maintenance capabilities were enhanced at geographically independent offices which do not have specialist industrial medical staff stationed on site. Arrangements were made for staff of our Tokyo Health Center to make regular visits to our offices in Sendai and Sapporo to support the health maintenance program at these locations.

Reducing health cautions

To help reduce the proportion of employees receiving health cautions, we are expanding the use of an Internet-based personal diet management system, with some 150 personnel using the system in fiscal year 2005. Health seminars were also held at our various operating sites, including a seminar on dieting in Mizushima and a seminar on diabetes in Nobeoka.

About half of our personnel nevertheless received one or more health cautions in fiscal year 2005, roughly the same proportion as in Japan's workforce overall. These cautions are issued based on the results of the annual health checkups given to all personnel, in accordance with the standards shown at right.

Indicator		Standard for caution
Blood pressure	Systolic	140 mmHg
	Diastolic	90 mmHg
Total cholesterol (TCHO)		240 mg/dL
Neutral fats (TG)		180 mg/dL
Fasting blood sugar (FBS)		110 mg/dL
HbA1c		5.9%
γ-GTP		80 IU/L
Uric acid (UA)		7.0 mg/dL
BMI		25

Emotional health and care

The maintenance of employees' emotional health and care is advanced in tandem with our physical health and fitness programs. The corporate Emotional Health Guideline provides for measures to improve the workplace environment together with four

complementary approaches to care: By the individual employee, by line of authority, by industrial medical staff, and by specialists. The four approaches to care are summarized below.

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

To promote self-awareness and care, we began implementing the Japan Mental Health Inventory (JMI) survey in fiscal year 1993. In fiscal year 2001 we began expanding coverage include to all personnel, with completion in fiscal year 2003. The survey is repeated for all personnel on a rolling three-year cycle, with two-thirds of personnel completing the second cycle in fiscal year 2005. The results of the survey are also analyzed by workplace unit to help guide improvements in the workplace environment. The JMI survey was developed by the Mental Health Research Institute of the Japan Productivity Center for Socio-Economic

Development, a non-profit organization advocating advanced industrial productivity.

A provision for shortened working days is available for personnel returning from leave of absence for psychiatric convalescence, enabling a gradual recovery of a full work load. In fiscal year 2005 seminars were held for supervisory personnel to enhance their ability to provide effective consultation for their subordinates. To support the effort at our offices in Sendai and Sapporo, Dr. Noboru Watanabe, an industrial psychiatrist of our Tokyo Health Center, gave lectures for supervisory personnel there.

Psychiatry seminar



I had always thought psychiatry was difficult, but Dr. Watanabe gave examples using familiar occurrences, making the seminar very easy to follow and understand.

Susumu Kawano
Manager, Administrative Affairs
Sapporo Pharmaceuticals Sales Dept.
Asahi Kasei Pharma



Dr. Watanabe gives a lecture



Responsible Care

At the Mizushima Works of Asahi Kasei Chemicals we are working with specialists in the area as we advance the program for emotional health and care.

Systematic improvement of the workplace environment

We launched our initiative for emotional health and care together with clinical psychologists and other specialists from nearby Okayama University, guided by the vision of the General Manager of the Mizushima Works for “A bright and lively Mizushima Works.” Notable measures completed thus far include:

- Addition of a Counseling Center
- Training and interviews of supervisory personnel
- Training for all 1,200+ employees

Implementation of our program is fine tuned to enable both personalized care and management that reaches out to each individual employee, and an organization-wide drive for improvements in the workplace environment.

Shinji Tamekiyo
Health Care Center
Mizushima Works
Asahi Kasei Chemicals

My duties include consultations with individual employees or their supervisors, and helping to build the system for consultation throughout the Mizushima Works. The emotional health of each employee is vital to workplace productivity and business performance. We are working for a better workplace environment to help prevent emotional discomfort from developing.

Sachiko Mineyama
Clinical Psychologist
Health Care Center
Mizushima Works
Asahi Kasei Chemicals



The Mizushima Works health care team
Front: Masako Katayama, Sachiko Mineyama, Kazumi Uchida
Back: Shinji Tamekiyo, Nobuyuki Agawa

Automated external defibrillators (AEDs)

AEDs are used to administer an electric shock to counter ventricular fibrillation in cardiac arrest victims. AED units are now being emplaced at workplace locations throughout the Asahi Kasei Group, with on-site health care staff trained in their use.

At the end of fiscal year 2005, forty AEDs were in place, including eleven in the Tokyo region and twenty-one in Mizushima. We are scheduled to add twenty-five in Nobeoka in fiscal year 2006, raising the total to sixty-five. Over 500 employees have completed training in AED use, and the number continues to grow.

AEDs are also available at many public gathering places, such as airports, auditoriums, and railroad stations. The many Asahi Kasei Group personnel trained in their use will be ready to provide a life-saving response if the need arises away from the workplace.



AED training in Ohito, as part of a joint disaster drill with the Fire Department

Product safety

FY 2005 RC Objectives

- Avoid serious product safety incidents

FY 2005 summary results

- No serious product safety incidents

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

Avoid serious product safety incidents

• Consumer satisfaction

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

• Product liability

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

• Product safety guidelines

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

• Product safety measures

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

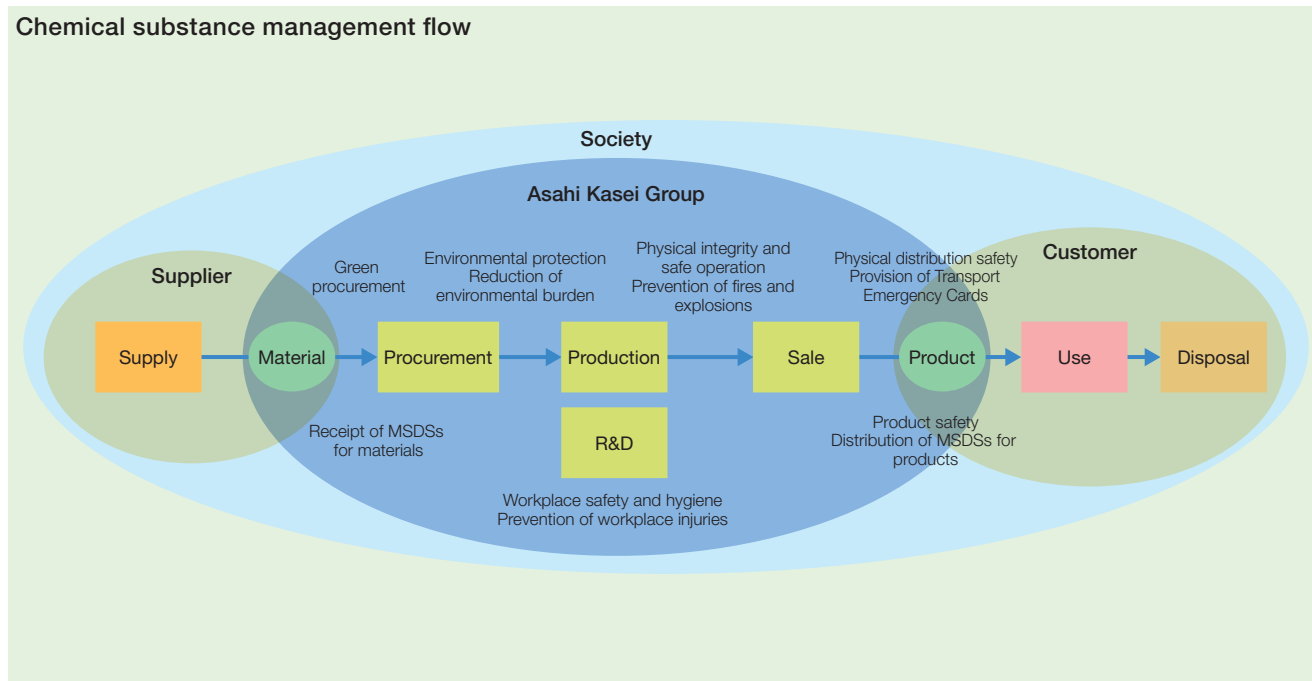
• Product safety results

Avoidance of serious product safety incidents was specified as an RC Objective for fiscal year 2005, and no serious product safety incidents occurred. We believe this result is attributable to the day-to-day product safety measures such as risk assessments, and to the ongoing education and training for product safety to maintain knowledge of issues related to product liability, safe handling of chemical substances, and safety of equipment sold as products.

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

Managing chemical substances

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



- **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. 24–29) and to prevent fires, explosions, and leaks (see pp. 32–33). The health of employees is protected by preventing workplace exposure to hazardous substances (see pp. 34–36).

- **Use and disposal**

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



Responsible Care

• Research and development

Management of chemical substances begins with R&D. Development of both products and production processes is guided by the concept of “green and sustainable chemistry.”* The Twelve Principles of Green Chemistry shown below serve as a standard guide for this concept.

The Twelve Principles of Green Chemistry

- It is better to prevent waste than to treat or clean up waste after it is formed.
- Synthetic methods should be designed to maximize the incorporation of all materials used in the process into the final product.
- Wherever practicable, synthetic methodologies should be designed to use and generate substances that possess little or no toxicity to human health and the environment.
- Chemical products should be designed to preserve efficacy of function while reducing toxicity.
- The use of auxiliary substances (solvents, separation agents, etc.) should be made unnecessary whenever possible and innocuous when used.
- Energy requirements should be recognized for their environmental and economic impacts and should be minimized. Synthetic methods should be conducted at ambient temperature and pressure.
- A raw material or feedstock should be renewable rather than depleting whenever technically and economically practicable.
- Unnecessary derivatization (blocking group, protection/deprotection, temporary modification of physical/chemical processes) should be avoided whenever possible.
- Catalytic reagents (as selective as possible) are superior to stoichiometric reagents.
- Chemical products should be designed so that at the end of their function they do not persist in the environment, and break down into innocuous degradation products.
- Analytical methodologies need to be further developed to allow for real-time, in-process monitoring and control prior to the formation of hazardous substances.
- Substances and the form of a substance used in a chemical process should be chosen so as to minimize the potential for chemical accidents, including releases, explosions, and fires.

From Paul T. Anastas and John C. Warner, *Green Chemistry: Theory and Practice*, New York: Oxford University Press, 1998.

* Green and sustainable chemistry (GSC) means chemical technology to enable sustainable development through technological innovation in product design, feedstock selection, production process, mode of use, and recyclability to alleviate effects on health, safety, and the environment and to achieve conservation of resources and energy.

Cooperative efforts for chemical safety

Through our membership in the Japan Chemical Industry Association (JCIA), the Asahi Kasei Group is an active participant in nation-wide research efforts to advance the safe management of chemical substances, and, through the JCIA's membership in the International Council of Chemical Associations (ICCA), international efforts of the same nature.

• Japan Challenge Program

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

• High Production Volume (HPV) Chemicals Initiative

In 1998 the ICCA determined to bring the efforts and resources of the world chemical industry to bear in advancing the HPV Chemicals Initiative in concert with the Organization for Economic Cooperation & Development (OECD). The ICCA designated as a target the completion by 2004 of hazard assessment for the approximately 1,000 substances produced in volumes of 1,000 tons/year or more in at least two of the major economies of Japan, the US, and the EU. Although the target was not reached, the OECD was highly satisfied with the progress achieved through the efforts of the ICCA, and work continues to advance toward completion in a few years time.

The Asahi Kasei Group began participation in

the ICCA HPV Chemicals Initiative in fiscal year 1999, cosponsoring assessments for ten of the thirty chemical substances we produce which are among the 1,000 subject to HPV criteria. Assessment for five of the ten substances has been completed by the OECD, and is in progress for the other five in coordination with other participating companies. Assessment for two of these is near completion.

• Long-range Research Initiative (LRI)

The ICCA is advancing study on the long-term effects of chemical substances on health and the environment through the LRI. The JCIA is advancing research in four fields: Endocrine disruption, chemical carcinogenesis, hypersensitivity, and neurotoxicity.

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

RC Education and Training

Education and training in the Asahi Kasei Group are performed at different organizational levels as appropriate – throughout the group, in individual core operating companies, at individual sites, and at individual plants. New hires and transferees receive systematic education and training regarding ESH at their new assignment. At each plant, education and training specific to the production facilities and equipment there are performed as required. Each workplace independently performs education and training as needed for specific purposes.

In conjunction with the corporate training program, the acquisition of officially certified qualifications is encouraged and supported. The total number of personnel who have obtained each class of qualification is well in excess of the regulatory minimum required for our operations.

A distinguishing feature of our safety training program is the Asahi Safety Training (AST) curriculum, which was developed in-house based on long-term practical experience. AST is a fundamental part of safety training throughout the Asahi Kasei Group at every plant and workplace.

The key elements of AST are:

- Participation and initiative by all employees as the core of accident prevention awareness and implementation.
- Ergonomic approach to identifying and eliminating sources of potential misconceptions, misoperation, and misjudgment.
- Analysis of past accidents to identify potential hazards and develop preventive measures.

The AST curriculum is used at the Asahi Technical Academy, where young technicians gain a basic knowledge of analysis, patents, computers, and ESH. Training centers at each main site location provide additional training tailored to each rank of personnel, from line operators to supervisors.

At our petrochemical sites in Mizushima and Kawasaki, the Asahi Operation Academy (AOA) serves as the training center to cultivate the skills necessary to operate petrochemical plants. Miniature plants and simulators are used at AOA to provide hands-on experience with controls and instrumentation, for the technical skills and practical understanding of chemical engineering necessary for safe and reliable plant operation. Training at AOA is made available to personnel of smaller companies which do not have their own training centers.

Education and training at AOA



Evaporation box ignition



Dust explosion triggered by static electricity



Responsible Care

Comments from trainees at the explosion and fire prevention course



Considering the kinds of accidents that could happen at a real plant, seeing the phenomena of fires and explosions with my own eyes really made me realize how important it is to be on my guard. The experience of this training has made me feel a dedication to approaching my work with scrupulous attention to safety. This training has really raised my awareness of hazards and their management.

Koutarou Yoshida
Chemicals Plant
Inorganic Chemicals Division
Asahi Kasei Chemicals



I already understood that gasoline vapor is heavier than air and therefore accumulates downward, but actually performing the ignition experiment it was striking to see what a very slight difference in vertical position determined whether a flame source would ignite it or not. This kind of experience was very valuable.

Hirosuke Naruto
Hipore Plant
Hipore & Battery Materials Division
Asahi Kasei Chemicals



The training made me keenly aware of the need to concentrate and pay close attention when working at a plant where there are hazards right nearby. Based on my training experience, it's frightening to think of an actual explosion or fire. I will never forget that one small misstep could cause a big accident. With the pride of working at a world-class chemical company, I will always perform my tasks with a strong sense of responsibility.

Mio Iwatsuki
Intermediate Products Division 1
Asahi Kasei Chemicals



Seeing the large explosion caused by only 0.4 cc of gasoline, I shudder to think what an explosion at a real plant would be like. One thing that really made me appreciate how careful you have to be at a chemical plant is the possibility that, under certain conditions, static electricity could cause an explosion when changing clothes after work. The experience gained in this training will be very useful in my work.

Koji Kobayashi
2nd Monomers Production Dept.
Mizushima Works
Asahi Kasei Chemicals

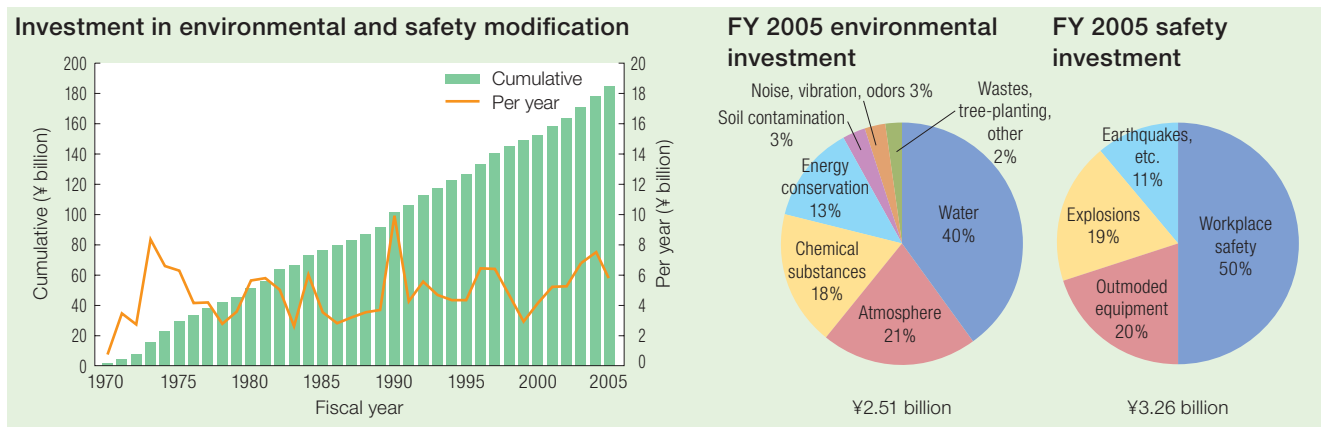
Asahi Technical Academy lectures



Expenditure for environment and safety

Environmental and safety investments

Investments in modification for environmental protection and safety in fiscal year 2005 were ¥5.77 billion.



Environmental accounting

The cost of measures for environmental protection in fiscal year 2005 was tracked as shown below in our Chemicals, Fibers, Electronics Materials & Devices, and Life & Living operating segments, in accordance with cost classification standards promulgated by the Ministry of the Environment.

Operating segment	Cost class	Principal measures	Investment ¥ million	Expense ¥ million	Notable change from FY 2004
Chemicals	Combined operating area		1,495	4,634	Release of atmospheric pollutants reduced from 85.6 to 64.7 tons. Release of PRTR-specified substances reduced from 403 to 369 tons.
	comprising: Pollution prevention	Cooling of effluent water, curtailed release of methylene chloride	1,231	3,081	
	Global environmental protection	Energy conservation	130	246	
	Resource circulation	Recycling, treatment of industrial waste	134	1,307	
	Upstream and downstream	Green procurement	1	59	
	Management	ISO inspection, training, monitoring	7	695	
	Research and development	Process development, ecoefficient products	29	828	
	Community outreach	Community fellowship and dialog	0	3	
	Environmental damage	Compensation pursuant to Pollution Health Damage Compensation Law, groundwater purification	0	216	
	Total		1,532	6,436	
Fibers	Combined operating area		222	1,742	Release of atmospheric pollutants reduced from 4.4 to 3.7 tons. Release of PRTR-specified substances reduced from 21.2 to 14.1 tons.
	comprising: Pollution prevention	Wastewater treatment, curtailed release of atmospheric pollutants	181	907	
	Global environmental protection	Heat recovery, energy conservation	25	76	
	Resource circulation	Recycling	17	758	
	Upstream and downstream	Recovery of containers and packaging	0	13	
	Management	Tree-planting on plant grounds, training, ISO inspection	0	72	
	Research and development	Resource conservation technology, recycling technology	0	75	
	Community outreach	Community fellowship and dialog	0	7	
	Environmental damage	—	0	0	
	Total		222	1,909	
Electronics Materials & Devices	Combined operating area		89	363	Release of PRTR-specified substances reduced from 10 to 8 tons. Release of ozone-layer depleting substances reduced from 137 to 29 kg CFC-11 equivalent. Final disposal of industrial waste reduced from 88 to 22 tons.
	comprising: Pollution prevention	Deodorizing equipment, curtailed release of PRTR-specified substances	56	95	
	Global environmental protection	Elimination of CFC use, energy conservation	2	10	
	Resource circulation	Treatment and recycling of industrial waste	31	258	
	Upstream and downstream	Reuse and recycling of containers and packaging	0	78	
	Management	Measurement and monitoring of environmental burden, tree-planting on factory grounds	0	86	
	Research and development	Development products with reduced environmental burden	0	10	
	Community outreach	Community fellowship and dialog, litter pick-up	0	1	
	Environmental damage	—	0	0	
	Total		89	538	
Life & Living	Combined operating area		305	908	HFC greenhouse gas emissions reduced from 14.8 to 0.8 tons CO2 equivalent. Release of PRTR-specified substances reduced from 373 to 66 tons. Final disposal of industrial waste reduced from 6,900 to 6,100 tons.
	comprising: Pollution prevention	Curtailed emission of air pollutants, prevention of oil admixture in effluent water	185	175	
	Global environmental protection	Cogeneration	119	245	
	Resource circulation	Treatment of industrial waste, recycling of feedstocks	0	488	
	Upstream and downstream	Recycling of containers and packaging, green procurement	0	15	
	Management	Exhibition at eco-products fair, gardening on plant grounds, training	3	89	
	Research and development	Biodegradable plastic products	0	397	
	Community outreach	Litter pick-up, Earth Day participation	0	2	
	Environmental damage	Remediation of groundwater contamination	0	10	
	Total		308	1,420	

Note: Sums may not equal totals due to rounding.

Respect for employee individuality

Human Resources Credo	48
Equal opportunity and diversity.....	49
Career development support and personnel mobility.....	52
Accord with labor unions	52



Respect for employee individuality

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



Human Resources Credo

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

Human Resources Credo of the Asahi Kasei Group (abbreviated)

Commitment	Providing the venue for dynamic and fulfilling endeavor and accomplishment, as a key to development and growth of the Asahi Kasei Group
People	<ul style="list-style-type: none"> Enterprise growth through challenge and change Integrity and responsibility in action Respect for diversity
Leaders	<ul style="list-style-type: none"> Building the team, heightening performance and achievement Going beyond conventional boundaries, in thought and action Contributing to fellow development and growth

Purpose of the Human Resources Credo



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

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

Equal opportunity and diversity

Corporate HR & Labor Relations leads the effort to ensure against unreasonable discrimination on the basis of gender or otherwise, to maintain a workplace culture in which employee fulfillment and working performance are free from hindrance, to advance employment of persons with disability, and to rehire personnel after mandatory retirement.

Preventing sexual harassment

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

EO Promotion serves as a central point of consultation for the Asahi Kasei Group, and consultation centers have been established in each core operating company, at each operating site, and by each labor union. Training and consultation is not limited

to regular full-time employees, but includes staff from placement agencies and employees of affiliated companies.

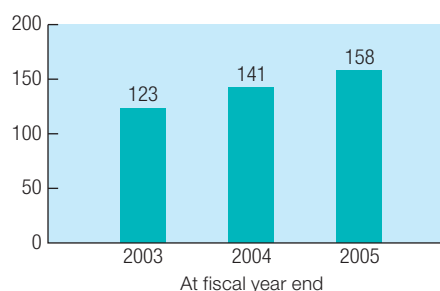
EO Promotion

EO (Equal Opportunity) Promotion is the section of Corporate HR & Labor Relations tasked with ensuring equal opportunity and respect for human rights, and providing employees with support to balance career and family life. Established in 1993, it has played a leading role in the advancement of employee diversity.

Expansion of opportunities for women

We have proactively increased the proportion of women among hirings and expanded the distribution of job assignments for women. In 1993, only five employees at the rank of manager or above were women. This has risen to 158 at the end of fiscal year 2005, and the variety of posts where women are assigned continues to expand.

Number of women as managers



Fiscal year 2005 hiring

In April 2005, 397 new graduates were hired, 253 men and 144 women. In addition, 18 persons were hired in mid-career during fiscal year 2005.*

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

Borderless Employment



In February 1996 we began a program called “Borderless Employment” to expand hiring beyond the conventional borders of nationality, age, gender, and academic credentials. As overseas postings increase, we are hiring people with the ability to work in a diverse range of cultures and languages. We are also focused on hiring people in mid-career who have the fully developed skills and experience to quickly begin making a productive contribution.

Akira Hibi
 Manager
 Recruiting Section
 Corporate HR & Labor Relations
 Asahi Kasei Corp.

Balancing career and family life

We encourage personnel to take advantage of a full complement of provisions and benefits to enable the flexibility to maintain a career while raising a family or attending to family members who require care. These are among the most advanced in Japan, including short-term and extended leaves of absence, paid days off, and shortened working days.

• Action plan for next-generation support

We are implementing a two-year action plan, from April 2005 to March 2007, in accordance with the Next Generation Education and Support Promotion Act enacted in July 2004.

Summary of the Asahi Kasei Group Action Plan

Encouraging and enabling men and women to continue working while raising a family

Revision of parental leave provisions in January 2006. Start-up in August 2006 of an extranet website for personnel on leave for family care; utilized by half of applicable personnel in fiscal year 2005.

Reforming working practices

Promotion of use of paid days off, prevention of excessive amounts of overtime.

Advancing community support

Working with local communities to advance community outreach measures for education of the next generation. Establishment of Community Fellowship Committee in April 2005.

• Parental leave provisions

While Japanese law requires parental leave of one year in most circumstances, our parental leave is available through the fiscal year in which child turns three years old.

In January 2006 our parental leave provisions were revised to enable up to five paid days off upon the

My parental leave

I took five days off for parental leave. It was really nice to be able to be together with my wife and child from birth until they left the hospital. During this time, I also took care of my first child at home, giving added meaning to my “parental leave”. I feel that the time I spent with my family has renewed my motivation and concentration at work.

Hisatoshi Kuroda
Planova Plant
Asahi Kasei Medical
Co., Ltd.

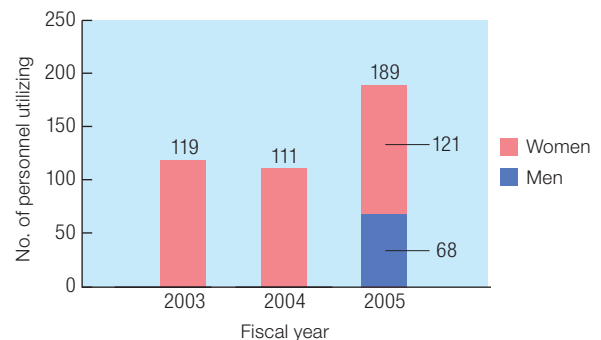


birth of a child. Other revisions make parental leave available to any employee whose spouse is unemployed or concurrently on parental leave, and enable the parental leave provision to be utilized in two separate parts.

• Utilization of parental leave

In fiscal year 2005, 189 personnel utilized parental leave, 68 of them men. This is 38% of the men who qualified. The January 2006 revisions to the parental leave provisions have made it easier for men to utilize parental leave, and we anticipate these numbers increasing. Ninety-five percent of women who took paid days off for childbirth also utilized parental leave during the year.

Parental leave



Working and child-rearing

Working and child-rearing are both challenging things, but both completely normal and natural as a human being. By always going about my business naturally and letting people see me working my regular way, I hope to reinforce the idea that there's nothing unusual about a woman maintaining a working career while raising children.



Akiko Nishimura
Automotive Materials Sales & Marketing Dept.
Performance Plastics Division
Asahi Kasei Chemicals

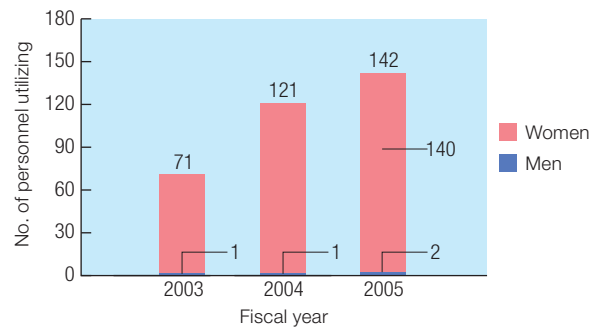
- **Utilization of shortened working days for child-rearing**

In fiscal year 2005, 142 personnel utilized shortened working days for child-rearing, two of them men. This provision enables the working day to be shortened by up to two hours until the child enters elementary school. It may be used concurrently with “flex-time” for flexible working hours, and with “child-rearing time” for temporary absence during the working day to spend time with a child under the age of one year.

- **Leave of absence for family care**

In fiscal year 2005, seven personnel utilized leave of absence for family care. This provision enables a leave of up to one year for the purpose of attending to a family member who requires care. An additional 93 working days of leave for the same purpose can also be utilized.

Shortened working days for child-rearing



Employment of persons with disability

Our employment of disabled persons stood at 303 employees as of June 1, 2005, or 1.83% of the 16,545 employees of Asahi Kasei Corp., its seven core operating companies, and subsidiary Asahi Kasei Ability Co., Ltd. The rate of disabled personnel has exceeded the legal minimum since 1994. The legal minimum has been 1.8% since 1998.

Asahi Kasei Ability 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, with offices in Tokyo, Fuji, Mizushima, and Nobeoka. Of our 303 personnel with disability in June 2005, 177 were employed at Asahi Kasei Ability.

- **Silver medals at the Abilympics**

Two Asahi Kasei Ability employees, representing Okayama, won silver medals at the 28th National Abilympics held in Yamaguchi in October 2005. Their skill categories were Personal Computer Operation and Word Processing.



Left: Hisashi Ando with his silver medal for Personal Computer Operation; right: Kayoko Shinohara with her silver medal for Word Processing

Rehiring retirees

In April 2001 we instituted a program to enable the rehiring of union members after mandatory retirement for one year, providing the opportunity for motivated persons with valuable skills and experience to continue to work. In April 2005 this was revised to enable the one-year contracts to be renewed twice, for a maximum of three years of employment beyond retirement age.

Career development and personnel rotation

Career development support

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

- **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.

- **Overseas study**

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

Career development and training

	Group-wide	By core operating company			Independent study
Executives, division general managers	Executive forums	Global manager training			Support for independent study; Partial cost of attending courses or acquiring certifications
Executives, division general managers, department general managers	Division general manager forums Training for newly appointed directors of subsidiaries and affiliates				
Department general managers	Training for evaluating personnel Training for newly appointed department general managers	Overseas study	Meetings for cross-industry exchange*	Training for candidates to become superior operators	
Managers	Training for evaluating personnel Training for production line managers Training on promotion to manager			Training before/after assignment as foreman	
Assistant managers		Training on promotion to assistant manager			
Personnel leaders	Training upon hiring				

* With companies outside the Asahi Kasei Group.

Personnel mobility

- **Available position postings**

In October 2004 we began a system for business units to post available positions on the corporate intranet. Personnel in other business units who are eligible for transfer can apply. Positions are posted quarterly, with a steady stream of postings, applications, and transfers completed. The system has proven to be a valuable tool to help heighten personnel interchange within the Asahi Kasei Group.

- **Tracking career development**

The corporate intranet is also used to enable employees to record their specialist abilities, certified qualifications, working experience, and career ambitions. The recorded information is utilized in the evaluation of candidates for assignment transfers, and to provide newly transferred supervisors with a concise overview of their subordinates.

Accord with labor unions

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. Approximately 10,450 of our employees are union members. In May 2005, discussions were held between the management of the core operating companies and representatives of their labor unions.

Management/Labor HR Council

In December 2003, a Management/Labor HR Council was established to provide a forum for management and labor representatives to discuss a wide range of issues related to human resources, based on a shared understanding that workplace vitalization and personnel motivation require enhancement of both physical workplace facilities and organizational structures and provisions.

Corporate citizenship

Stakeholder dialog	54
Investor relations	55
Customer feedback	56
Principled supplier relationships	58
Public outreach	59
Community fellowship	60

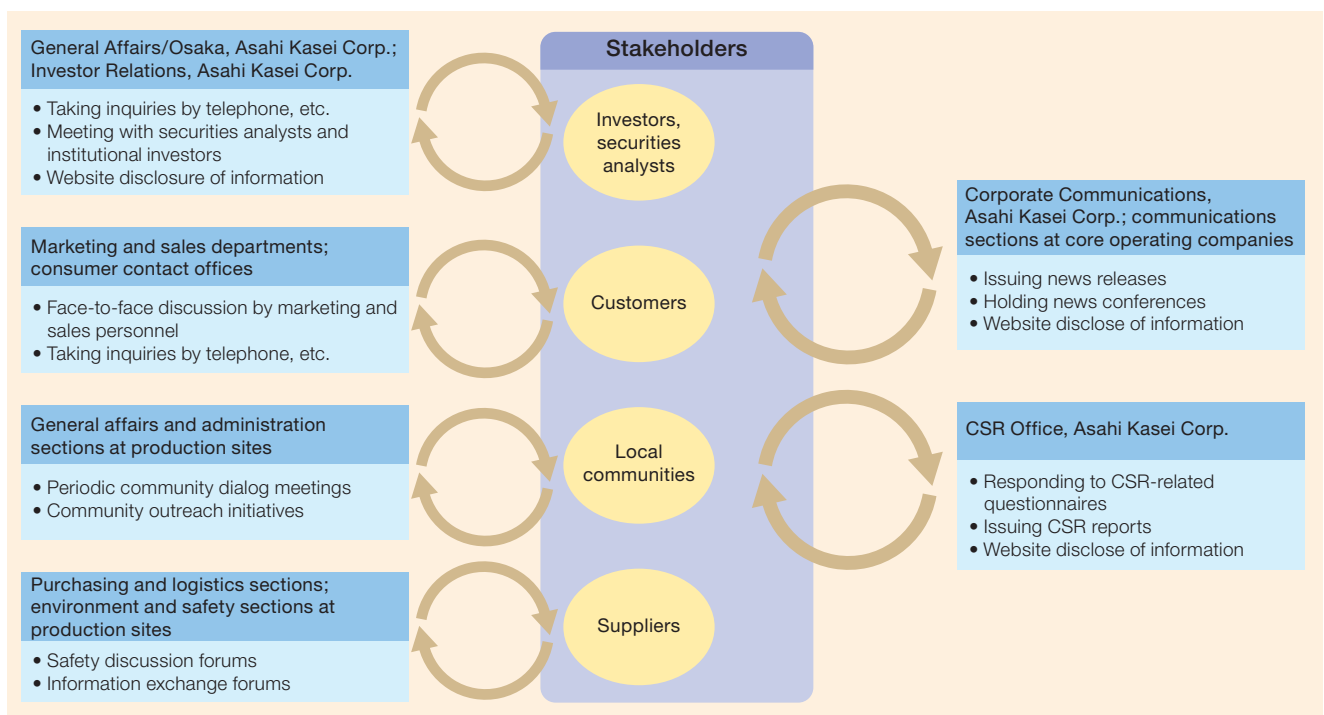
Corporate citizenship

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



Stakeholder dialog

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

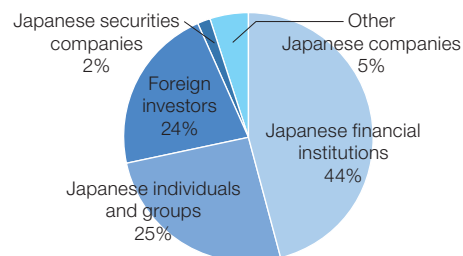


Investor relations

Shareholder distribution

Asahi Kasei Corp. has some 130 thousand shareholders. At the end of March 2006, approximately 44% of shares were held by Japanese financial institutions, 25% by Japanese individuals and groups, and 24% by foreign investors.

Distribution by type of shareholder



Meetings with institutional investors and securities analysts

In fiscal year 2005, Investor Relations held 201 meetings in Japan with institutional investors and securities analysts, including large conferences to discuss corporate strategy and quarterly financial results. An additional 50 meetings were held with investors and analysts overseas, with total attendance of some 1000 for the 251 meetings.

Timely, accurate, and fair disclosure of information to investors is performed by publication of the Annual Report, semiannual business reports, quarterly financial reports, and other information on the corporate website.



President Hiruta makes a presentation on the *Growth Action – 2010 strategic management plan*

Shareholder questionnaire

A questionnaire was sent to all individual shareholders of record as of September 30, 2005, and 5,077 responses were received. Some 60% of respondents indicated that they had held their Asahi Kasei shares for over 10 years, half that they were “satisfied” with Asahi Kasei, and some 30% that they were “dissatisfied.”

Proactive information disclosure



Our primary objective is effective two-way communication with shareholders and investors. Ultimately, this is a responsibility for the upper management, who periodically make presentations on our strategic progress in addition to our quarterly financial presentations, followed by open and straightforward discussions.

For our individual shareholders and investors and our shareholders and investors outside Japan who are unable to attend these conferences, all presentation materials are published on the corporate website in Japanese and in English translation. In addition, audio streams of the quarterly financial presentations and discussions are made available online.

We will continue to work to maintain timely, accurate, and fair information disclosure, listening to our investors, as we provide the information the market needs to properly evaluate our company.

Morio Sako
General Manager
Investor Relations
Asahi Kasei Corp.

<http://www.asahi-kasei.co.jp/asahi/en/ir/>

Customer feedback

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

Satisfying the needs of manufacturers

Asahi Kasei Fibers

In addition to apparel fiber and fabric, Asahi Kasei Fibers supplies many fiber products for use in industrial and consumer-use applications. One is the nonwoven Bemliese™, made of Bemberg™ regenerated cellulose. It is used in a wide array of applications, including cleanroom wipers, medical gauze, and face masks.

One recent new application for Bemliese™ is teabags, which are ordinarily made of paper. The use of Bemliese™ enables better extraction for faster steeping, and even results in better aroma and flavor as the character of the tea is unblemished by odors and flavors from paper and the adhesives used with paper teabags.

This makes Bemliese™ the ideal material for producing teabags for the demanding consumer, who wants to enjoy the tea's true aroma and flavor with the convenience afforded by a teabag.



Photo: Mitsui Norin Co., Ltd.

The customer's perspective

When we were developing a new premium teabag product lineup for sale under the Nittoh Black Tea brand, we knew we wanted to do something special. By using Bemliese™ from Asahi Kasei Fibers for the bag, we get not only an environmentally friendly material but outstanding extraction performance that helps achieve a truly superior drink in terms of flavor and aroma. Although changing the material used for the teabag may seem like a small thing, it's the little differences that set superior products off from the crowd. In our business, we've found that consumers will appreciate the difference, and we look forward to satisfying the desire of more and more consumers to enjoy a superior cup of tea.

Mr. Mitsuo Shimizu
Project Leader
Mitsui Norin Co., Ltd.



Left: Mr. Tadahiro Ikeda, Purchasing Manager, Mitsui Norin Co., Ltd.; right: Mr. Mitsuo Shimizu; center: Yasushi Isono, Asahi Kasei Fibers

Comment from the team

Since Bemliese™ is much softer and more flexible than paper, it was a real challenge to make it work with the standard machinery to form teabags without sacrificing the advantages of this softness.

We were well aware that a project like this requires that we share a common goal and objective with the customer, and that we work in concert with the customer to overcome problems and challenges that emerge in sample evaluation. Actually doing this in practice, though, turned out to be more difficult than we anticipated.

We knew that the key to the process was at the customer's production site. Our team members from Osaka and Nobeoka and the customer's team members from Tokyo and Shizuoka to all meet at the plant for discussions while we watched the processing machinery in operation. This really gave us a clear understanding of what was needed, and focused everybody's efforts on working in the same direction.

It's really satisfying to learn that consumers appreciate the better flavor and aroma. This really makes all the hard work worthwhile!

Yasushi Isono
Bemliese Sales
Nonwovens Division
Asahi Kasei Fibers



Project leaders
Left: Akira Enami, General Manager, Bemliese Sales; right: Manabu Iitou, General Manager, Bemberg Plant



Project members from Bemliese Sales, Bemberg Plant, and Applied Product R&D Laboratory
Front: Tetsuya Nakamura, Nobuharu Ootsuka, Katsuhiko Sakai, Shuuji Yuge; back: Takayuki Ogawa, Ryu Taniguchi, Seiichi Amano, Yasushi Isono

Asahi Kasei Chemicals

Engineering plastics from Asahi Kasei Chemicals are used in many automotive applications. The use of plastic instead of metal enables weight saving reduction for greater fuel efficiency and enables parts integration for cost savings.

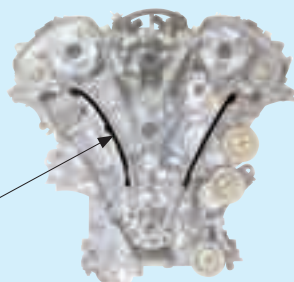
The use of plastic for body panels is expected to grow due to its many advantages, including the ability to absorb impact without leaving a dent, greater freedom to design flowing, elegant shapes in single-piece panels, and of course weight reduction.

Asahi Kasei Chemicals works closely with auto manufacturers and auto parts manufacturers, entering into detailed discussions to gain a clear appreciation of their needs and how we can effectively meet them.



Rear hatch

Photo: Nissan Motor Co., Ltd.



Chain guides

Photo: Tsubakimoto Chain Co., Ltd.

**Comment from the Performance Plastics Division**

Many conditions must be met to satisfy the customer, such as resin quality, properties, and performance, and of course price and global supply capability. When it comes to competition with another resin that offers equivalent performance, though, the customer does not just focus on the price – we think the key is whether the supplier can demonstrate a true appreciation of the customer's needs.

When a customer has a query for us, no matter how small or seemingly trivial, we work steadily, earnestly, and carefully to prepare an effective response. We believe this approach is truly one of our strengths.



Left: Hiroshi Nishino, Technical Service;
center: Tatsumi Murohoshi, Technical Service;
right: Masahiro Ienaga, Sales

Maintaining a good relationship with consumers

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

Asahi Kasei Homes

Asahi Kasei Homes provides a rich array of support and services to owners of Hebel Haus™ homes, which are designed to last for over 60 years. In its Active Service program, Asahi Kasei Homes prepares a 60-year inspection and maintenance schedule and keeps a maintenance record for each home unit built. Seminars are held to help homeowners make the most of the home's features. Useful tips and advice are also provided on our website and in a monthly magazine for Hebel Haus™ residents.

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.

CSR procurement

CSR procurement extends on the principles of green procurement, including social aspects such as regulatory compliance and human rights. In December 2005, our Purchasing and Procurement Policy was sent to all of our suppliers, numbering some 7,500. In March 2006, a CSR procurement questionnaire was sent to our main suppliers, numbering some 1,500.

Principal aspects of supplier evaluation

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

Safety seminars

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



Safety seminar at our Kawasaki Works

Making a difference with CSR procurement



Given that we have around 7,500 suppliers in all, and that procurement costs are about half of our consolidated cost of sales, I believe our way of procurement can have a significant influence in terms of the environment and social responsibility. As environmentally and socially responsible procurement expands and grows, it will really help to heighten the level of environmental performance and social responsibility throughout the supplier network.

Masahito Kanno
General Manger
Corporate Procurement & Logistics
Asahi Kasei Corp.

Public outreach

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

Public dialog

At our main production site locations, meetings with members of local residents associations and representatives of local government are regularly held to provide a forum for public dialog. In fiscal year 2005 such meetings were held at 23 locations in Japan, with a total of some 6,000 community members in attendance.



Public forum in Yako-cho, Kawasaki



Discussion in Oiuchi-machi, Nobeoka



Environmental performance presentation for representatives of the Izunokuni City Hall and the chairman of the Ohito residents association

Local RC Reports

Local Responsible Care Reports are published at our main production sites, describing local ESH efforts and providing information for the local communities.



Nobeoka



Mizushima



Suzuka



Fuji



Ohito



Kawasaki



Sakai

Local RC Reports

Maintaining neighborhood cleanliness

Employees at our main production sites periodically clear the plant vicinities of litter, rubbish, and weeds.



Litter pick-up in Ohito



"Eco Clean-up" at Asahi Kasei Life & Living

Community fellowship

Community Fellowship Committee

Our Community Fellowship Committee, part of our CSR Council, issued a community fellowship policy for the Asahi Kasei Group in November 2005.

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.

Education and instruction

• School visits and science lab for students

Since 1999 we have engaged in school visits in the Nobeoka area in cooperation with the Nobeoka Board of Education. Engineers from our operations in Nobeoka visit middle schools to explain and demonstrate some of the science and technology we use in commercial application. Serving to heighten interest among students in science and technology, the program has been very well received. It has steadily expanded to include more visits to more schools, and to include companies in Nobeoka outside the Asahi Kasei Group. A total of over 450 students were in attendance at these lectures in fiscal year 2005.

The program has garnered interest among educators and chemical producers throughout Japan, and in February 2006 a conference was held for our engineers to present and describe our school-visit demonstrations to representatives of the Chemical Society of Japan (CSJ) and the Japan Chemical Industry Association (JCIA). In conjunction, the CSJ and JCIA cosponsored an Asahi Kasei Physics Lab for middle school students.

We are expanding the program to include other locations where we have plants and offices, based on the model developed in Nobeoka.



Asahi Kasei Physics Lab



Asahi Kasei engineers explain the school-visit demonstrations to science teachers from the CSJ

• Exhibition hall

Each year over 5,000 guests visit our Nobeoka Exhibition Hall, which features product samples and easy-to-understand 3D displays to help local community members and customers gain a better understanding of Asahi Kasei Group operations. Volunteers from the Asahi Kasei Alumni Association serve as guides, providing guests with detailed explanation and description of items on display.

Limited-time exhibits featuring specific themes are periodically showcased. In March and April 2005, this was Wild & Wonderful Fibers, focusing on the role high-tech fibers play in space exploration, medical therapy, sports, biotech, recycling, and the



Nobeoka Exhibition Hall

environment. In November it was Exploring Science in the New Era of Television. Developed together with local educational personnel and NHK Miyazaki, this exhibit focused on how digital broadcasting works to provide better picture quality. Some 2,100 elementary school students from Nobeoka, Hyuga, and Kadokawa visited the exhibit.

Adjoining the exhibition hall is a “science workshop” where scientific and technological principles are demonstrated with simple experiments for elementary and middle school students to gain appreciation for the wonders of science through hands-on experience.



Middle school students at the science workshop

• Plant tours

Many production sites throughout the Asahi Kasei Group hold plant tours for local students. Such tours help the local community gain a better understanding of our business operations and our programs for environment and safety, as well as heightening interest in science, chemistry, and technology among the younger generation.

In Suzuka, Mie, elementary and middle school students were given a tour of the production facilities

for Saran Wrap™ and other food preservation and packaging materials. Useful tips and advice on food preservation and meal preparation were also given.

In Nobeoka, Miyazaki, middle school students were given a tour of the Asahi Kasei Microsystems (AKM) LSI fabrication plant. Enlarged models of the microscopic structures that make up an LSI were used to provide an easy-to-understand explanation of their configuration and function.



Elementary students visiting the Saran Wrap™ plant



Explanation of the structure of an LSI at AKM

- **ACAP Lecture at Daito Bunka University**

As a corporate member of the Association of Consumer Affairs Professionals (ACAP), Asahi Kasei has long worked to advance effective two-way communication with the consumer. As part of an ACAP initiative to contribute to education of the younger generation, Akemi Yoshizawa, General Manager of the Customer Support Center of Asahi Home Products gave a lecture at Daito Bunka University in December 2005 as part of a course sponsored by ACAP. The lecture focused on the application of customer-focused improvements to Saran Wrap™, and described the quality and properties of food wrapping materials and the function and performance of dispenser packages. Convenient and effective ways to use the wrap for food preservation and microwave meal preparation were also described.



- **Lifestyle-related disease prevention fair**

In November 2006 we displayed our internet-based personal diet management system at a fair held in Tokyo on the prevention of lifestyle-related disease. Ours was the only corporate display to focus on the important field of diet management as a key to prevention. The system for sending photos of meals through the internet for analysis by dieticians was demonstrated, and our dieticians gave advice and guidance to visitors to our booth.



Promotion of environmental stewardship

- **Eco-footprint Club**

Asahi Kasei Homes operates a website called “Eco-footprint Club” for children to learn about the environment, ecology, and conservation in a fun and easy-to-follow format. The site includes interactive tools for tracking and monitoring a household’s ecological footprint, and learning about ways a family can reduce it.

Demonstration of the site at an ecology fair



The Eco-footprint Club website

- **Eco-Products 2005**

Asahi Kasei Fibers and Asahi Kasei Life & Living held an exhibit at “Eco-Products 2005,” Japan’s largest exhibition of environmentally friendly products and services. The exhibit featured products that contribute to environmental protection and resource conservation, including the Eco Mark certified Bemberg™ regenerated cellulose fiber, Ecosensor™ chemically recycled polyester, BioPlus™ biomass plastic, and water cleaning and pollution prevention products and materials.

Asahi Kasei Life & Living booth



Asahi Kasei Fibers booth

Culture

• Asahi Himuka Cultural Foundation

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

Over the years, the foundation has held a number of classical concerts and other fine arts exhibitions in Nobeoka. To also contribute to greater appreciation of the history and culture of Nobeoka

in other parts of the country, the foundation, Meiji University, the Nobeoka City Library, and the Yukan Daily newspaper cosponsored an exhibit at Meiji University Museum in November 2005 entitled *The Naito Family of the Nobeoka-han* as part of a special exhibition on feudal lords of the Edo period. The exhibit included many materials of great value to the study of history, including Naito family and Nobeoka-han documents, Noh masks, and other important cultural assets, together with a presentation of the results of research and study based on them.



Local middle school students participating in a musical performance



Mr. Yusei Kageyama is a guest speaker on musical theater at a Nobeoka elementary school

Photos: The Yukan Daily

Sports

• Corporate athletics

Asahi Kasei has long supported athletic activity, and has top-tier judo and track teams. Between Montreal in 1976 and Athens in 2004, a total of thirty-seven employees have competed in the Olympics, earning four gold, three silver, and three bronze medals.



Track team practice



Judo team practice

• Judo lessons for students

Every summer, our judo team hosts training sessions at the company dojo in Nobeoka for members of local elementary, middle, and high school judo teams. Both the students and the members of our team look forward to the sessions, which have become a time for valuable intergenerational communication as well as for practicing judo.



Judo demonstration for students

Third-party awards, evaluation, and certification

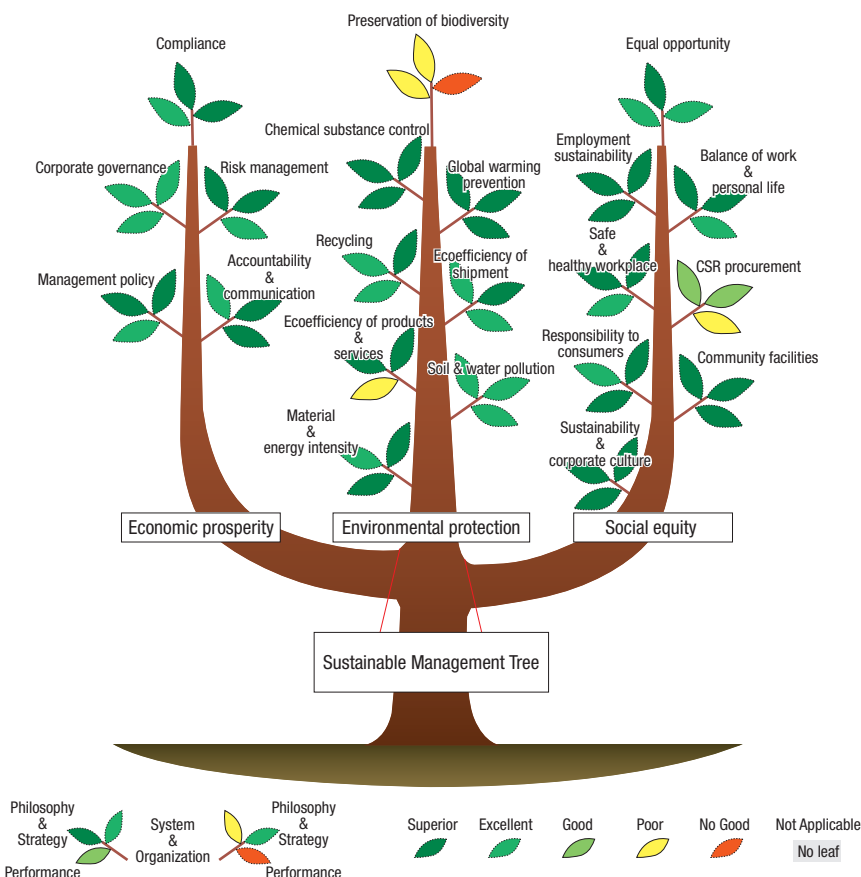
Awards received in FY 2005

	Awarded by	In recognition of	Recipient*
Okochi Memorial Award	The Okochi Memorial Foundation	Production process for polycarbonate using CO ₂ as starting material	Asahi Kasei Corp.
32nd Annual Environment Awards, Award for Superior Merit	Hitachi Environment Foundation and Nikkan Kogyo Shimbun, Ltd.	System for recycling rinse water for electrodeposition painting	Asahi Kasei Chemicals and Nippon Paint Co., Ltd.
Technology Development Award	The Japanese Geotechnical Society	Pile installation method and quality control system	Asahi Kasei Construction Materials
Chemical Technology Award	Chemical Society of Japan	Non-phosgene polycarbonate production process	Asahi Kasei Chemicals
National Commendation for Invention	Japan Institute of Invention and Innovation	Virus removal filter	Asahi Kasei Pharma
TPM Award	Japan Institute of Plant Maintenance	Total productive maintenance (TPM)	Asahi Kasei Electronics Co., Ltd.
Good Disclosure Award	Tokyo Stock Exchange	Information disclosure and investor relations	Asahi Kasei Corp.
Nikkei Annual Report Award	Nihon Keizai Shimbun, Inc.	Information disclosure in the annual report	Asahi Kasei Corp.
Global Environment Award, Grand Prize	Fujisankei Communications Group	Curtailment of greenhouse gas emissions and heightening public environmental awareness	Asahi Kasei Corp.
Award for Countering Global Warming, Technology Development and Product Commercialization	Minister of the Environment	Geothermal heating/cooling system	Asahi Kasei Homes
Science and Technology Award	Minister of Education, Culture, Sports, Science and Technology	Oil-extended styrene-butadiene rubber with functional groups for silica-compound tires	Asahi Kasei Chemicals
Workplace Safety and Hygiene Awards, Award for Excellence	Fukuoka Labor Bureau	Workplace safety and hygiene	Asahi Kasei Chemicals
Miyazaki Labor Bureau Chief's Awards, Award for Excellence	Miyazaki Labor Bureau	Workplace safety and hygiene	Asahi Chemitech Co., Ltd.
Award for Outstanding Drivers Training	Miyazaki Prefectural Police	Outstanding drivers training	Kyokko Driving School Co., Ltd.

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

Sustainable management rating

Evaluation of the Asahi Kasei Group in the first “sustainable management rating” by Japan’s Sustainable Management Rating Institute (JSMRI) is shown in the diagram below. The findings of this evaluation will be incorporated in the continuous improvement of our CSR initiative.



ISO 14001 certification

Registered unit	Entities included in registration*	Date of initial registration	Registration No.	Affiliation	
Nobeoka	Tohmi Plant, Leona Plastics & Materials Plant, Detonators Plant, Asahi Chemitech Co., Ltd., Power Supply Dept., VDC Polymer Plant, Asahi Kasei Electronics Co., Ltd./Nobeoka Plant, Asahi Kasei Microsystems Co., Ltd./Nobeoka Plant, Polyester Plant, Nonwovens Plant, Finepattern Devices Dept., Bernberg Plant, Asahi Kasei Newport Terminal Co., Ltd., Leona Filament Plant, Asahi Kasei Medical Co., Ltd./Tsunetomi Plant, Asahi Kasei Medical Co., Ltd./Okatomi Plant, Electrolysis Systems Plant Technology Dept., Asahi Cord Co., Ltd., Pellicle Dept., Nobeoka Pharmaceuticals Plant, Planova Plant, Asahi Kasei Eltas Co., Ltd., Hyuga Chemicals Plant, Asahi Kasei Techno Systems Co., Ltd./Nobeoka Office, Asahi Kasei Aime Co., Ltd./Nobeoka Plant and R&D Dept., Chemicals Plant	1999.10.22	JQA-EM0561	Asahi Kasei Chemicals Corp., Asahi Kasei Pharma Corp., Asahi Kasei Fibers Corp., Asahi Kasei EMD Corp., Asahi Kasei Life & Living Corp., Asahi Kasei Corp.	
Fuji	Asahi Kasei Engineering Co., Ltd., Power Supply Dept., Fertilizers Plant, Plastics Fabrication Plant, Microza Plant, Photo Products Plant, Electronics Interconnecting Materials Plant, Electronics Materials Plant, Biologics Bulk Production & Technology Dept., Research Center, Asahi Kasei Electronics Co., Ltd.	1998.12.25	JQA-EM0302	Asahi Kasei Chemicals Corp., Asahi Kasei Pharma Corp., Asahi Kasei EMD Corp., Asahi Kasei Corp.	
Moriyama	Roica Plant, Spunbond Plant, Hipore Plant, Hipore Technology & Development Dept., Electronics Materials Plant, Marine Materials Development Dept., Asahi-Schwebel Co., Ltd./Moriyama Plant, Asahi Kasei Engineering Co., Ltd./Kansai Office	1997.12.26	JQA-E-90093	Asahi Kasei Chemicals Corp., Asahi Kasei Fibers Corp., Asahi Kasei Construction Materials Corp., Asahi Kasei EMD Corp., Asahi Kasei Engineering Co., Ltd.	
Mizushima	Asahi Kasei Epoxy Co., Ltd./Mizushima Plant, Sanyo Petrochemical Co., Ltd./Mizushima Plant, PS Japan Corp./Mizushima Plant	1998.03.06	JQA-E-90117	Asahi Kasei Life & Living Corp.	
Kawasaki	Nippon Crenol Co., Ltd., PS Japan Corp./R&D Dept., Chiba Plant, PS Japan Corp./Chiba Plant, Japan Elastomer Co., Ltd./Oita Plant	1997.04.21	JQA-E-90033		
Wakayama	—	2004.01.09	JQA-EM3667	Asahi Kasei Life & Living Corp.	
Asahi Kasei Metals Ltd.	—	1998.05.18	JCQA-E-0021		
Asahi Kasei Technoplus Co., Ltd.	—	2001.04.20	SGS/J/E127		
Asahi Kasei Color Tech Co., Ltd.	—	2006.04.03	JCQA-E-0743		
Suzuka Plant	—	1998.08.21	JQA-EM0207		
Asahi Kasei Pax Corp.	Gunma Plant, Ono Plant, Ageo Plant	2002.04.12	JQA-EM2343		
Asahi Kasei Jyuko Co., Ltd.	Shiga Plant	1998.03.31	BL-QE002		Asahi Kasei Homes Corp.
Asahi Kasei Construction Materials Corp.	Hozumi Plant, Sakai Plant, Neoma Foam Plant, Iwakuni Plant	2005.05.28	RE0426		Asahi Kasei Construction Materials Corp.
Ohito	Asahi Kasei Clean Chemical Co., Ltd., Toyo Kensa Center Co., Ltd., Asahi Kasei Pharma Support Co., Ltd., Asahi Kasei Fukuri Service Corp.	1998.08.28	JSAE053		Asahi Kasei Chemicals Corp., Asahi Kasei Pharma Corp., Asahi Kasei Corp.
Asahi Kasei Medical Co., Ltd.	Oita Plant	2005.11.25	BSI Japan-EJ01789		Asahi Kasei Corp.
Asahi Kasei Engineering Co., Ltd.	Head Office	2003.02.07	JQA-EM2969		

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

ISO 9000-series certification

Operating segment	Registered entity	Date of initial registration	Registration No.	
Chemicals	Synthetic Rubber Div.	1994.01.10	IS09001-JQA0374	
	Polyethylene Div.	1994.01.10	IS09001-JQAQMA11537	
	Basic Chemicals Div.	1994.01.10	IS09001-JQAQMA11541	
	Inorganic Chemicals Div.	1994.01.10	IS09001-JQAQMA11539	
	Intermediate Products Div. 1	1994.01.10	IS09001-JQAQMA11538	
	Intermediate Products Div. 2	1994.01.10	IS09001-JQAQMA11540	
			2003.07.18	IS09001-JQAQMA10228
	Polymer Products Div./Sheet Business Group	1994.01.10	IS09001-JQAQMA11535	
	Polymer Products Div./Asaclean Business Group	1999.01.22	IS09001-JQAQMA11639	
	Polymer Products Div./Leona Filament Business Group	2005.07.22	IS09001-JQAQMA12286	
	Functional Additives Div.	2003.07.18	IS09001-JQAQMA10218	
	Asahi SKB Co., Ltd.	2006.03.19	IS09001-05QR1367	
	Hipore & Battery Materials Div.	2001.02.23	IS09001-JQAQM6160	
	Asahi Kasei Color Tech Co., Ltd.	1998.01.12	IS09001-JCQA0278	
	Asahi Kasei Techno Plus Co., Ltd.	1998.08.05	IS09001-SGS/J051/98	
	Performance Plastics Div.	1999.01.22	IS09001-JQA3013	
			2002.05.17	QS-9000-JQA-QS0195
	Performance Coating Materials Div.	1993.12.21	IS09001-JQA0350	
	Asahi Kasei Finechem Co., Ltd.	1999.12.28	IS09001-JQAQMA1180	
	Microza & Water Processing Div.	1994.02.21	IS09001-JQAQM4618	
	Photoproducts & Epoxy Resins Div.	1995.04.07	IS09001-JQAQM5364	
	Ion Exchange Membranes Div.	1997.03.31	IS09001-JQA1668	
	Explosives Div./Metal Cladding	1998.08.01	IS09001-98QR120	
	Explosives Div./Industrial Explosives	1998.10.23	IS09001-JQA2717	
	Explosives Div./Fastening	1999.03.12	IS09001-JQA3154	
	Explosives Div./Defense Explosives	1999.09.27	IS09001-BSK0041	
	Asahi Kasei Homes Corp. (part)	2002.11.19	IS09001-BLQ741	
Pharma	Asahi Kasei Medical Co., Ltd.	1994.11.10	IS09001-BSIFM29731	
	Diagnostics Dept., Ohito Diagnostics Plant	2002.08.23	IS09001-JQAQM8669	
Fibers	Asahi Kasei Fibers Corp.	1994.07.08	IS09001-JQA0549	
Electronics Materials & Devices	Electronics Materials Div.	1995.04.07	IS09001-JQAQM3841	
	Asahi Kasei Microsystems Co., Ltd.	1995.06.09	IS09001-JQA0899	
	Asahi-Schwebel Co., Ltd./Moriyama Plant	1995.10.20	IS09001-JQA1008	
	Asahi Kasei Electronics Co., Ltd.	1996.06.07	IS09002-JQA1301	
	Plastic Optical Fibers Dept.	2002.05.31	IS09001-JQAQM8303	
	Asahi Kasei Techno Systems Co., Ltd./Nobeoka Office	1998.12.18	IS09001-JQA-2894	
	Electronics Performance Products Div./Pellicle Dept.	2005.07.01	IS09001-JQA-QMA12249	
	Construction Materials	Hozumi Plant, Sakai Plant, Iwakuni Plant	1998.04.24	IS09001-RQ1838
Life & Living	Asahi Kasei Life & Living Corp.	1993.12.15	IS09001-JQA0344	
	Asahi Kasei Pax Corp.	1998.09.25	IS09001-JQA2654	
Services, Engineering and Others	Asahi Kasei Engineering Co., Ltd.	2002.03.29	IS09001-JQAQM8040	

Note: Due to changes in scope of registration, dates of initial registration shown above do not correspond to certification date for all products handled by each entity registered.

OHSMS certification

Core operating company	Registered entity	Standard	Date of registration	Registration No.
Asahi Kasei Chemicals Corp.	Asahi Kasei Metals Co., Ltd./Tomobe Plant	OHSAS18001	2002.07.22	JCQA-0-0004
	Kawasaki Works/Ion Exchange Membranes Div.	OHSAS18001	2003.06.27	JCQA-OH0044
Asahi Kasei EMD Corp.	Asahi Kasei Microsystems Co., Ltd./Nobeoka Plant	JISHA OHSMS Standards 2003	2005.12.14	171214-05-45-1-1

Third Party Comments on Asahi Kasei Group CSR Report 2006

To Mr. Shiro Hiruta, President & Representative Director
Asahi Kasei Corporation



This is an English translation of ChuoAoyama Sustainability Certification's third party comments of the Japanese version of "Asahi Kasei Group CSR Report 2006".

May 31, 2006

The objective of these comments is to express our independent view on the features, achievements, developments and direction of the approach of Asahi Kasei Corporation (hereafter "the Company") towards social and environmental issues as well as the reporting of significant corporate activities in such areas contained in the "Asahi Kasei Group CSR Report 2006" (hereafter "the Report"). Our comments are based on the following procedures:

1. Interview with Mr. Shiro Hiruta, President & Representative Director
2. Interview with Mr. Kenichi Shibukawa, Director & Senior Executive Officer (General Secretary of the CSR Council)
3. Inspection of the Company's Nobeoka Office and the polysulfone hollow-fiber membrane spinning plant of Asahi Kasei Medical Co., Ltd., and interviews with personnel thereof
4. Examination of the final Japanese draft of the Report

1. CSR reporting that Asahi Kasei Group aims for

At interview, the management stated their goal as to advance CSR reporting, which started with the "Responsible Care Report", and position future CSR reports as annual non-financial reports that cover information essential to investment decision-making. In Europe, some countries legislate and encourage disclosure of environmental and social information in annual financial reports based on the recognition of the importance of such information. This is believed to be one reason for increased public interest in socially responsible investing (SRI). In light of such trends, it is highly commendable that the management has a clear perspective on non-financial information disclosure.

2. CSR promotion structure with diversity consciousness

Asahi Kasei Group (hereafter "the Group") is promoting CSR activities in a comprehensive and strategic manner through the establishment of a CSR Council.

(1) New midterm management plan and CSR promotion structure

The Group is committed to expanding overseas business in its new midterm management plan. Recognizing the diversity of laws and regulations, culture and practices, and risk management of each country and region, the Group has been improving the appropriateness of its standardized management system to enhance business competitiveness. It is highly commendable that the management clearly recognizes that competitiveness is enhanced by giving proper consideration to diversity.

In future, development of specific initiatives and goals with regard to diversity, with appraisal and disclosure of the state of progress, is desirable. A structure ensuring that such information is collected effectively is also desirable.

(2) Dialogue with stakeholders

The Group's information disclosure is primarily intended for investors, the government, industry organizations and academia. Currently, with the aim of encouraging further communication with various stakeholders including those noted above, various initiatives have been undertaken such as assignment of liaison staff, implementation of an employee questionnaire conducted by the Management & Labor Council on Human Resources, and implementation of a procurement questionnaire for suppliers, focusing on CSR-oriented items.

We hope that the Group will further advance activities to hold dialogues directly with various stakeholders, incorporate results obtained from such dialogues into the corporate behavior and business activities, and return benefits to

society and environment. Furthermore, establishment of a system for evaluating and improving such activities is desirable.

3. System to support nurturing of future generations

The Group has been reviewing and developing an internal system to support nurturing of future generations in two respects: diversity in labor and social action programs.

(1) For a better working environment and child-care support in the local community

The Group has introduced a child-care support system that exceeds the legal standard. This year, reviewing the system for child-care leave including a five-day paid holiday, had a positive effect in terms of increasing the number of not only female employees who take child-care leave, but also male employees. Establishing a workplace that accepts diversification in the way of working acts as a basis to support the nurturing of future generations. Asahi Kasei Medical Co., Ltd.'s polysulfone hollow-fiber membrane spinning plant, which has been in operation for three years, also places importance on this initiative.

To ensure that this child care system is fully utilized by the employees, it will be important to get a clear picture of needs by conducting a survey on child support in the local community and holding dialogues with employees. We hope that initiatives that reflect the feedback obtained from such activities will be more useful to the employees and help to further activate the Group and local community.

(2) Conduct of school visits by engineers utilizing the Company's business characteristics and human resources

Since 1999, visits to local elementary and junior high schools have been conducted in the Nobeoka Region. We believe that responses from students to the activities motivate the employees, and give them a sense of fulfillment. Such activities, utilizing the Company's business characteristics, are beneficial to both the local communities and to the Company itself.

While the Company is expanding such activities group-wide by exploiting know-how obtained in the Nobeoka Region and tailoring these to each local community, we hope that the Company's activities will be expanded further in future and take root in each local community.

Note: These third party comments DO NOT express any of our views and/or opinions on the effectiveness and/or reliability of the processes used to collect and report the data and information included in the Report.

ChuoAoyama Sustainability Certification Co., Ltd.
(ChuoAoyama PricewaterhouseCoopers Group)



Independent Review

[translation from Japanese]

June 7, 2006

Japan Responsible Care Council
Verification Advisory Committee
Chairman
Akio Yamamoto

Responsible Care Verification Center
Chief Director
Yasuo Tanaka

To: Shiro Hiruta, President
Asahi Kasei Corporation

Scope and Objectives of Verification

Responsible Care Report Verification was performed with respect to the *Asahi Kasei Group CSR Report 2006 Edition* ("the Report") prepared by Asahi Kasei Corporation, with the objective of expressing an opinion as a chemical industry specialist with respect to the following:

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

Verification Procedure

- At the head office: Examination of the reasonableness of methods of aggregation and compilation of performance metrics reported from each site (office, plant) and confirmation of the consistency of reported information with supporting materials were performed through interviews of responsible parties and compilers of the Report and receipt of internal documents and explanation thereof.
- At the Sakai Plant of Asahi Kasei Construction Materials and in the Nobeoka Region of the Asahi Kasei Group: Examination of the reasonableness of methods of calculation and aggregation of performance metrics reported to the head office, examination of the accuracy of numerical values, and confirmation of the consistency of reported information with supporting documents and materials were performed through interviews of responsible parties and compilers of the Report and receipt of internal documents and explanation thereof.
- Performance metrics and reported information were verified by sampling.

Opinion

1. Reasonableness of methods of calculation and aggregation of performance metrics (numerical values); accuracy of numerical values.
 - Performance metrics at the Sakai Plant of Asahi Kasei Construction Materials, and the Nobeoka Region have been calculated and aggregated by a reasonable method.
 - Performance metrics within the scope of examination have been calculated and aggregated accurately.
2. Consistency of reported information with supporting documents and materials.
 - Information contained in the report was confirmed to be consistent with supporting materials.
 - 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 highly noteworthy that the entire group is working toward a target of zero emission (to decrease the volume of the final disposal to 1/10 or less of that of fiscal year 2000), and that positive results are being achieved at the Sakai Plant and in the Nobeoka Region.
 - It is noteworthy that all main production bases, including the Nobeoka Region and the Sakai Plant, publish their own RC Reports and strive for a good relationship with the local community.
 - It is noteworthy that the introduction of OHSMS is being advanced throughout the entire group. OHSMS is being systematically advanced at 27 different workplaces in the Nobeoka Region, and plans and application, with the method of risk assessment tailored to the characteristics of each workplace, were confirmed.
4. Characteristics of the Report.
 - The RC Report was replaced by a CSR Report this year, with enhanced reporting on social aspects. This indicates a comprehensive and strategic emphasis on CSR, including RC.
 - Information disclosure emphasizing the importance of measures for communication with each stakeholder is excellent.

Environmental and safety data

JEPIX-method ecoefficiency

Fiscal year	2001	2002	2003	2004	2005
Environmental impact (million EIP)	50,723	49,799	43,162	33,968	33,796
Sales (¥ million)	1,195,393	1,193,615	1,253,534	1,377,697	1,498,620
Eco efficiency (¥/EIP)	23.6	24.0	29.0	40.6	44.3

FY 2005 treatment and disposal of industrial waste* by operating segment

(thousand tons)

	On-site					Off-site		
	Waste generated	Recycling	Volume reduction	Landfill	Effluent	Recycling	Volume reduction	Final disposal
Chemicals	197.7	37.9	77.7	0.0	82.1	64.2	14.0	3.9
Pharma	14.1	0.2	1.9	0.0	12.0	11.3	0.3	0.4
Fibers	38.6	25.2	0.0	0.0	13.4	12.4	0.3	0.7
Electronics Materials & Devices	7.1	0.0	0.5	0.0	6.6	3.9	2.7	0.0
Construction Materials	30.0	0.0	0.0	0.0	30.0	23.0	1.8	5.1
Life & Living	13.9	0.0	0.0	0.0	13.9	7.7	0.0	6.1
Services, Engineering & Others	0.1	0.0	0.0	0.0	0.1	0.0	0.0	0.0
FY 2005 total	301.4	63.2	80.2	0.0	158.0	122.5	19.1	16.3
FY 2004	355.4	87.9	107.7	0.0	159.7	124.1	18.2	17.4
FY 2003	424.1	126.3	120.6	0.1	177.1	135.9	17.4	23.8
FY 2002	395.4	53.6	182.9	0.1	158.8	114.7	18.3	25.9
FY 2001	362.9	44.0	183.3	0.1	135.5	98.6	11.4	25.4
FY 2000	361.9	3.5	187.5	0.1	170.8	122.0	21.9	26.8

FY 2005 off-site final disposal waste* by category

	Plastic waste	Glass, ceramics	Sludge	Waste fiber	Others	Total
Volume (thousand tons)	5.6	5.2	4.1	0.5	1.0	16.3
Percent of total	34	32	25	3	6	100

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

(thousand tons)

Fiscal year	2000	2001	2002	2003	2004	2005
New construction	16.6	8.7	7.1	6.1	5.8	4.9
Dismantling	39.1	19.7	15.0	19.6	17.9	15.0
Total	55.7	28.4	22.1	25.7	23.6	19.9

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

Chemical recycling of PET bottles by Asahi Kasei Fibers

(tons)

Fiscal year	2001	2002	2003	2004	2005
Used PET bottles	171	646	622	748	353
Other scrap PET	1,138	912	710	593	621
Waste fiber from production	1,318	1,307	1,512	1,627	1,407
Total	2,627	2,865	2,844	2,968	2,381

ALC trimmings recycled by Asahi Kasei Construction Materials

(tons)

Fiscal year	2001	2002	2003	2004	2005
Hebel™ panels	508	630	749	796	389
Cement material	3,859	4,348	4,242	4,920	5,789
Lightweight artificial soil	0	0	0	0	78
Total	4,367	4,978	4,991	5,716	6,256

Release and transfer of PRTR-specified substances by fiscal year

(tons)

Fiscal year	2001	2002	2003	2004	2005	
Release	To air	2,273	1,594	1,457	968	566
	To water	168	117	133	92	87
	To soil	0	0	0	0	0
	Total	2,441	1,711	1,589	1,060	653
Transfer	1,985	2,685	3,550	4,384	4,211	

FY 2005 release and transfer of PRTR-specified substances

(tons)

Operating segment	Site	Substance	Release to:			Transfer
			Air	Water	Soil	
Chemicals	Nobeoka	Hexamethylenediamine	6.9	20.7	0.0	0.5
		Tetrachloroethylene	24.2	0.0	0.0	0.0
		Trichlorotrifluoroethane (CFC-113)	17.8	1.6	0.0	0.0
		Toluene	11.0	0.0	0.0	7.5
		3-Chloropropene (allyl chloride)	8.8	0.0	0.0	0.0
		Boron and its compounds	0.0	7.6	0.0	1.7
	Mizushima	Styrene	21.3	0.0	0.0	32.5
		Molybdenum and its compounds	0.0	15.4	0.0	13.0
	Moriyama	Dichloromethane (methylene chloride)	27.6	0.0	0.0	2.9
	Fuji	Tetrachloroethylene	17.8	0.0	0.0	1.3
	Kawasaki	Methyl methacrylate	46.6	0.8	0.0	158.9
		Ethylbenzene	37.8	0.0	0.0	162.6
		Xylene	27.6	0.0	0.0	66.0
		Methyl acrylate	2.9	5.8	0.0	0.0
Inorganic cyanide compounds (exc. complex salts and cyanates)		5.2	0.8	0.0	0.0	
All specified substances at other sites		41.4	19.6	0.0	2,351.8	
Subtotal		297.0	72.3	0.0	2,798.7	
Pharma	Nobeoka	Dichloropentafluoropropane (HCFC-225)	14.0	0.0	0.0	0.7
	Ohito	Dichloromethane (methylene chloride)	5.1	0.0	0.0	1.0
	All specified substances at other sites		4.8	2.7	0.0	42.6
Subtotal		24.0	2.7	0.0	44.3	
Construction Materials	Sakai, Hozumi	1,3,5-Trimethylbenzene	166.9	0.0	0.0	10.8
	All specified substances at other sites		1.3	0.0	0.0	61.1
	Subtotal		168.2	0.0	0.0	71.9
Life & Living	Nobeoka	1,1-Dichloroethylene (vinylidene chloride)	38.4	0.0	0.0	29.5
		trans-1,2-Dichloroethylene	9.6	0.0	0.0	42.5
		Chloroethylene (vinyl chloride)	7.3	0.0	0.0	0.0
	All specified substances at other sites		10.5	0.0	0.0	1,165.2
	Subtotal		65.9	0.1	0.0	1,237.2
All specified substances in other segments		10.5	12.4	0.0	59.0	
Total		565.5	87.4	0.0	4,211.2	

Notes:

* Substances listed are those of which total release was 5 tons or more.
* All figures rounded to the nearest tenth of a ton.

Release of priority atmospheric pollutants by fiscal year

(tons)

	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
Acrylonitrile	112.5	109.0	100.9	108.7	83.5	51.2	40.4	28.6	6.3	6.4	6.8
Acetaldehyde	-	-	-	-	3.8	3.0	0.9	0.5	0.5	0.6	0.7
Vinyl chloride monomer	60.1	53.2	63.2	60.8	22.9	21.0	13.8	12.3	11.9	12.2	8.7
Chloroform	0.3	0.3	0.3	0.2	0.3	0.2	0.2	0.5	0.2	0.1	0.4
Dichloromethane	536.2	568.0	495.2	485.7	476.3	340.5	140.6	96.2	72.3	52.0	37.1
1,2-Dichloroethane	10.0	8.6	9.0	8.3	5.7	5.9	9.8	8.4	10.6	3.6	2.0
Tetrachloroethylene	163.9	161.0	150.0	118.0	94.0	92.0	48.5	38.3	46.3	21.6	17.8
Trichloroethylene	2.3	4.6	6.4	2.1	1.8	2.0	2.5	0.3	0.0	0.0	0.1
Ethylene oxide	5.5	5.3	5.3	4.7	4.3	3.6	5.1	4.9	4.9	4.9	4.1
1,3-Butadiene	418.5	370.8	366.6	83.3	26.3	14.9	10.1	10.2	5.3	3.3	2.1
Benzene	9.5	7.2	7.6	7.3	4.7	4.9	3.1	4.9	6.1	3.9	1.5
Formaldehyde	7.0	4.0	4.0	4.0	3.3	3.6	6.2	5.6	3.9	5.4	4.6
Total	1,325.8	1,292.1	1,208.5	883.1	726.8	542.7	281.2	210.9	168.3	114.0	85.8

Release of air and water pollutants by fiscal year

(tons except water effluence, million m³)

	2001	2002	2003	2004	2005
SOx	7,543	5,941	6,114	7,179	7,073
NOx	6,431	6,099	4,881	5,356	5,507
Soot and dust	260	282	224	211	224
Waste water effluence	349	339	249	232	213
COD	2,164	1,975	1,438	1,549	1,536
Nitrogen	-	6,761	5,960	5,948	6,378
Phosphorus	-	47	28	14	12

Greenhouse gas emissions by fiscal year

(thousand tons CO₂ equivalent)

	Baseline*	2001	2002	2003	2004	2005	2010 target
Carbon dioxide	5,060	4,880	4,860	4,730	4,870	4,960	4,900
Nitrous oxide	6,820	750	560	560	900	760	670
Methane	0	0	0	0	10	10	0
HFCs	160	180	190	200	160	20	0
PFCs	10	70	90	110	130	140	10
Sulfur hexafluoride	0	10	20	30	30	40	20
Total	12,060	5,890	5,720	5,630	6,100	5,920	5,600

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

Lost workday injury indices

		2000	2001	2002	2003	2004	2005
Frequency rate	Asahi Kasei Group	0.35	0.27	0.21	0.20	0.36	0.21
	Chemical industry, Japan	0.89	1.03	0.83	0.92	0.88	0.90
	Manufacturing industries, Japan	1.02	0.97	0.98	0.98	0.99	1.01
Severity rate	Asahi Kasei Group	0.029	0.045	0.024	0.034	0.011	0.005
	Chemical industry, Japan	0.08	0.16	0.07	0.07	0.06	0.07
	Manufacturing industries, Japan	0.12	0.10	0.12	0.11	0.11	0.09

Note: Fatalities contributed to the FY 1987 and FY 1996 peaks in the severity rate graph on p. 34. Three fatalities occurred in FY1987, due to an automobile collision, an airplane crash, and a collapsing mound; one fatality occurred in FY 1996, due to crushing by machinery.

Investment in environmental and safety modification

(¥ billion)

	2001	2002	2003	2004	2005
Environmental protection	3.30	2.28	3.10	2.41	2.51
Safety	2.27	3.33	4.10	5.08	3.26
Total	5.57	5.61	7.20	7.49	5.77

FY 2005 release of priority atmospheric pollutants by operating segment

(tons)

	Chemicals	Pharma	Fibers	Electronics Materials & Devices	Construction Materials	Life & Living	Total
Acrylonitrile	6.7	-	-	-	-	0.2	6.8
Acetaldehyde	-	-	0.6	0.1	-	-	0.7
Vinyl chloride monomer	1.4	-	-	-	-	7.3	8.7
Chloroform	0.3	0.1	-	0.0	-	-	0.4
Dichloromethane	31.9	5.3	-	-	-	-	37.1
1,2-Dichloroethane	1.7	0.3	-	-	-	-	2.0
Tetrachloroethylene	17.8	-	-	-	-	-	17.8
Trichloroethylene	-	-	-	-	-	0.1	0.1
Ethylene oxide	-	4.1	-	-	-	-	4.1
1,3-Butadiene	2.1	-	-	-	-	-	2.1
Benzene	1.5	-	-	-	-	-	1.5
Formaldehyde	1.5	-	3.1	0.0	0.0	-	4.6
Total	64.7	9.7	3.7	0.1	0.0	7.6	85.8

FY 2005 release of air and water pollutants by site

(tons except water effluence, million m³)

	Nobeoka	Mizushima	Moriyama	Fuji	Ohito	Kawasaki	Others	Total
SOx	5,905	519	0	10	7	7	626	7,073
NOx	2,687	1,913	69	61	74	184	520	5,507
Soot and dust	66	108	1	1	4	12	31	224
Waste water effluence	130	32	8	13	1	19	11	213
COD	720	127	15	12	1	506	157	1,536
Nitrogen	5,476	371	14	73	2	435	5	6,378
Phosphorus	0	2	2	3	0	4	1	12

FY 2005 greenhouse gas emissions by operating segment

(thousand tons CO₂ equivalent)

	Chemicals	Pharma	Fibers	Electronics Materials & Devices	Construction Materials	Life & Living	Services, Engineering and Others	Total
Carbon dioxide	4,153	159	287	124	131	94	7	4,955
Nitrous oxide	761	0	3	0	0	0	0	764
Methane	0	0	0	0	0	0	12	12
HFCs	0	0	2	5	0	8	0	16
PFCs	0	33	0	104	0	0	0	137
Sulfur hexafluoride	0	0	0	39	0	0	0	39
Total	4,915	192	292	273	131	102	19	5,923

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 (%)
2004	1,625	332.9	4.881	-
2005	1,577	321.8	4.901	+0.4

Note: Calculated in accordance with the Energy Conservation Law.

ISO 14001 certification (94 applicable plants)

Fiscal year	2001	2002	2003	2004	2005	2006 (target)
Plants	54	57	63	68	85	88
Percent of total	57	61	67	72	90	94

OHSMS implementation (86 applicable plants)

Fiscal year	2001	2002	2003	2004	2005	2006 (target)
Plants	2	12	61	73	75	77
Percent of total	2	14	71	85	87	90

The Asahi Kasei Responsible Care Group

Prefecture	Location	Operating Segment	Company name	Plant, laboratory, or department	Main products/business line
Hokkaido	Shiraoi	Construction Materials	Asahi Kasei Construction Materials Corp.	Shiraoi Plant	Autoclaved lightweight concrete panels
			Hokkaido Shiba Kogyo Co., Ltd.	-	Construction materials processing
		Pharma	Asahi Kasei N&P Co., Ltd.	Shiraoi Plant	Pharmaceuticals and functional food additives
Gunma	Ota	Life & Living	Asahi Kasei Pax Corp.	Gunma Plant	Laminated film for packaging, molded plastic containers
Ibaraki	Tomobe	Chemicals	Asahi Kasei Metals Ltd.	Tomobe Plant	Aluminum paste
			Asahi SKB Co., Ltd.	-	Shotgun cartridges
	Sakai	Construction Materials	Asahi Kasei Construction Materials Corp.	Sakai Plant	Autoclaved lightweight concrete panels
			Chuwa Kogyo Co., Ltd.	-	Phenolic foam insulation panels
			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	Plastic molding and sale
	Ageo	Life & Living	Asahi Kasei Pax Corp.	-	Film lamination
Chiba	Chiba	Chemicals	Asahi Kasei Chemicals Corp.	Xyron Production Dept.	Modified polyphenylene ether
			PS Japan Corp.	Chiba Plant	Polystyrene
		Electronics Materials & Devices	Asahi Kasei EMD Corp.	Plastic Optical Fibers Dept.	Plastic optical fiber
Tokyo	Tokyo	Chemicals	Asahi Kasei Geotechnologies Co., Ltd.	-	Sale of industrial explosives
		Construction Materials	Asahi Kasei Foundation Systems Co., Ltd.	-	Installation of piles
		Life & Living	Asahi Home Products Co., Ltd.	-	Sale of cling film and other household products
		Services, Engineering and Others	Casanavi Co., Ltd.	-	Building and home fixtures e-marketplace
			Sun Associates Co., Ltd.	-	Patent-related subcontracting
			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 Co., Ltd.	-	Printing, bookbinding, and office work
			Asahi Kasei Engineering Co., Ltd.	-	Plant, equipment, process engineering
			Sun Foods Co., Ltd.	-	Provision of employee meals
			Asahi Finance Co., Ltd.	-	Investment, finance
			Asahi Research Center Co., Ltd.	-	Information and analysis
		Asahi Kasei Fukuri Service Corp.	-	Company housing, recreational facilities	
Asahi Kasei Trading Service Co., Ltd.	-	Sale of Asahi Kasei Group products			
Kanagawa	Kawasaki	Chemicals	Asahi Kasei Chemicals Corp.	AN/XY Production Dept.	Acrylonitrile, 2,6-xyleneol
				Industrial Chemicals Production and Technology Dept.	Sodium cyanide
				MMA Production Dept.	Methyl methacrylate, cyclohexyl methacrylate
				ABS & SB Latex Production Dept.	Styrene-acrylonitrile resin, styrene-butadiene latex
				Synthetic Rubber Production Dept.	Synthetic rubber
				Acrylic Plastics Production Dept.	Polymethyl methacrylate
				Ion Exchange Membranes Production Dept.	Ion-exchange membranes
				Power Supply Dept.	Utilities (electricity, steam, water)
				Performance Materials R&D Center	Creation of new high performance materials
				Specialty Products & Systems R&D Center	R&D for membranes, energy materials, water treatment materials and systems
Plastics R&D Center	Applied research for plastics and plastic processing				
	Nippon Crenol Co., Ltd.	-	2,6-xyleneol		
	PS Japan Corp.	R&D Dept.	Polystyrene R&D		
	Kawasaki Sun Business Co., Ltd.	-	Contract work		
	-	Asahi Kasei Corp.	Central R&D Laboratories	Development of new products and new operations	
	-	Asahi Kasei Corp.	Information Technology Laboratory	Establishment of new solution-oriented businesses	
Shizuoka	Fuji	Chemicals	Asahi Kasei Chemicals Corp.	Photo Products Plant	Photopolymer
				Fertilizers Plant	Fertilizer, nitric acid
				Plastics Fabrication Plant	Polymethyl methacrylate sheet
				Microza Plant	Filtration membranes and modules
				Fuji Power Supply Dept.	Utilities (electricity, steam, water)
			Asahi Kasei Epoxy Co., Ltd.	Fuji Plant	Epoxy hardener
		Pharma	Asahi Kasei Pharma Corp.	Biologics Bulk Production & Technology Dept.	Bulk pharmaceuticals and trial medicines
			Research Center	R&D for new pharmaceuticals	
			Asahi Kasei Medical Co., Ltd.	Biomedical Equipment Center	Design and development of medical equipment
		Electronics Materials & Devices	Asahi Kasei EMD Corp.	Electronics Materials Plant	Photosensitive polyimide
			Electronic Interconnecting Materials Plant	Photosensitive dry film resist	
			Asahi Kasei Electronics Co., Ltd.	R&D Center	R&D for new electronics materials and devices
			-	-	Hall elements
		Services, Engineering and Others	Sun Business Services Co., Ltd.	-	Subcontracting
	-	Asahi Kasei Corp.	Central R&D Laboratories	Advancement of technology, development of new interdisciplinary technology	
		Fundamental Technology Laboratory	Analysis and computer simulation		
		Marketing Center, FPC/FPD Materials	R&D for FPC/FPD materials		
Ohito	Chemicals	Asahi Kasei Clean Chemical Co., Ltd.	-	Environmental chemicals, water treatment equipment	
	Pharma	Asahi Kasei Pharma Corp.	Ohito Pharmaceuticals Plant	Pharmaceutical intermediates and animal feed additives	
		Ohito Diagnostics Plant	Diagnostic enzymes, diagnostic reagent kits		
		Kamishima Pharmaceuticals Plant	Pharmaceuticals		
		Engineering Dept.	Design, construction, and maintenance; utilities management		
	Research Center	R&D for new pharmaceuticals			
	Asahi Kasei Pharma Support Co., Ltd.	-	Subcontracting of maintenance, safety and animal care for Asahi Kasei Pharma Corp.		
Services, Engineering and Others	Toyo Kensa Center Co., Ltd.	-	Environmental and other analysis, clinical testing, soil pollution evaluation		
	-	Asahi Kasei Corp.	Biotechnology Group	Development of bioprocesses for performance chemicals	
Aichi	Miyoshi	Pharma	Asahi Kasei Pharma Corp.	Nagoya Pharmaceuticals Plant	Pharmaceuticals
Gifu	Mizuho	Construction Materials	Asahi Kasei Construction Materials Corp.	Hozumi Plant	Autoclaved lightweight concrete panels
			Hozumi Kako Co., Ltd.	-	Construction materials processing

Prefecture	Location	Operating Segment	Company name	Plant, laboratory, or department	Main products/business line	
Shiga	Moriyama	Chemicals	Asahi Kasei Chemicals Corp.	Hipore Plant	Microporous membrane	
		Fibers	Asahi Kasei Fibers Corp.	Spunbond Plant Roica Plant Power Supply Dept.	Spunbond Elastic polyurethane filament Utilities (electricity, steam, water)	
			Moriyama Sun Business Co., Ltd.	-	Subcontracting	
			Asahi Kasei EMD Corp.	Electronics Materials Plant	Photosensitive polyimide	
		Asahi-Schwebel Co., Ltd.	Moriyama Plant	Glass fabric		
	Construction Materials	Asahi Kasei Construction Materials Corp.	Marine Materials Development Dept.	Artificial fish reefs		
	Higashiomi	Homes	Asahi Kasei Jyuko Co., Ltd.	Shiga Plant	Steel frames	
Mie	Suzuka	Life & Living	Asahi Kasei Life & Living Corp.	Suzuka Wrap Film Plant Suzuka Plant	Cling film Plastic foam and film	
			Suzuka Sun Business Co., Ltd.	-	Plastic processing	
Wakayama	Gobo	Chemicals	Asahi Kasei Chemicals Corp.	Wakayama Plant	Acrylic latex, performance paper	
Osaka	Osaka	Chemicals	Asahi Kasei Finechem Co., Ltd.	Osaka Plant	Specialty chemicals	
		Fibers	Asahi Kasei Fibers Corp.	R&D Laboratory for Applied Product	Evaluation of new fibers, R&D for fiber processing technology	
		Construction Materials	Asahi Kasei Marinotech Co., Ltd.	-	Artificial fish reefs	
Hyogo	Ono	Life & Living	Asahi Kasei Pax Corp.	Ono Plant	Molded plastic containers	
	Kobe	Chemicals	Kakuichi Rubber Co., Ltd.	-	Carbon masterbatch	
Okayama	Mizushima	Chemicals	Asahi Kasei Chemicals Corp.	Basic Petrochemical Production Dept.	Ethylene, benzene	
				1st Monomers Production Dept.	Styrene monomer, cyclohexanol, ammonia	
				2nd Monomers Production Dept. AN Line	Acrylonitrile	
				2nd Monomers Production Dept. Styrene Line	Styrene monomer, polycarbonatediol	
				ABS & SB Latex Production Dept.	Acrylonitrile-butadiene-styrene resin, styrene-butadiene latex	
				Suntec Production Dept.	High density polyethylene, low density polyethylene	
Tenac Production Dept.	Polyacetal					
Power Supply Dept.	Utilities (electricity, steam, water)					
New Materials & Chemical Process R&D Laboratory	Development of new materials and chemical processes					
Sanyo Petrochemical Co., Ltd.	-	Petrochemical feedstocks				
Asahi Kasei Epoxy Co., Ltd.	Mizushima Plant	Epoxy resin				
PS Japan Corp.	Mizushima Plant	Polystyrene				
Mizushima Sun Business Co., Ltd.	-	Subcontracting				
Yamaguchi	Iwakuni	Construction Materials	Asahi Kasei Construction Materials Corp.	Iwakuni Plant	Autoclaved lightweight 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	
			Oita Sun Business Co., Ltd.	-	Subcontracting	
		Pharma	Asahi Kasei Medical Co., Ltd.	Oita Plant	Artificial kidneys and other medical devices	
Miyazaki	Nobeoka/ Hyuga	Chemicals	Asahi Kasei Chemicals Corp.	Chemicals Plant	Nitric acid, caustic soda, chlorine, hydrochloric acid, fertilizer	
				Electrolysis Systems Plant Technology Dept.	Electrolysis systems	
				Tohmi Plant	Explosives	
				Ceolus Plant	Microcrystalline cellulose	
				Detonator Plant	Detonators	
				Leona Plastics & Materials Plant	Adipic acid, hexamethylenediamine, nylon 66	
				Leona Filament Plant	Nylon 66 filament	
				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.	-	Nylon 66 compounding
				Leona Kiko Co., Ltd.	-	Packing and shipping of resins and fibers
				Asahi Chemitech Co., Ltd.	-	Bonded anchors
				Asahi Cord Co., Ltd.	-	Tire cord processing, resin production
				Asahi Kasei NS Energy Corp.	-	Electricity and steam
		Asahi Kasei Finechem Co., Ltd.	Nobeoka Plant	Specialty chemicals		
		Pharma	Asahi Kasei Pharma Corp.	Nobeoka Pharmaceuticals Plant	Pharmaceutical intermediates	
			Asahi Kasei Aime Co., Ltd.	-	Contact lenses	
			Asahi Kasei Medical Co., Ltd.	Tsunetomi Plant Okatomi Plant Planova Plant	Artificial kidneys and other medical devices Artificial kidneys and other medical devices Virus removal filters	
		Asahi Kasei Pharma Support Co., Ltd.	-	Subcontracted work at Nobeoka Pharmaceuticals Plant and Planova Plant		
		Fibers	Asahi Kasei Fibers Co., Ltd.	Polyester Plant	Bemberg Plant	Polyester filament
					Nonwovens Plant	Cuprammonium rayon, nonwoven cellulose filament Artificial suede, melt-blown and spunlace nonwovens
					R&D Laboratory for Fibers & Textiles Technology	R&D for new fibers
					Asahi Kasei Eltas Co., Ltd.	-
				Asahi Kasei Fibers Nobeoka Co., Ltd.	-	Monofilament, cuprammonium rayon and polyester subcontracting, fish bait
				Nobeoka Kakoshi Co., Ltd.	-	Subcontracted work at Nonwovens Plant
		Electronics Materials & Devices	Asahi Kasei EMD Co., Ltd.	Finepattern Devices Dept.	Pellicle Dept.	Fine-pattern coils Pellicles
					Asahi Kasei Microsystems Co., Ltd.	Nobeoka Plant
				Asahi Kasei Techno Systems Co., Ltd.	Nobeoka Office	Plant diagnostic and environmental surveillance devices
				Asahi Kasei Electronics Co., Ltd.	Nobeoka Plant	Hall elements
Life & Living Services, Engineering and Others	Asahi Kasei Life & Living Corp.	VDC Polymer Plant	-	Polyvinylidene chloride resin and latex		
			Asahi Kasei Kankyoujigyou Co., Ltd.	-	Disposing of Asahi Kasei Group industrial waste	
			Asahi Kasei Office One Co., Ltd.	-	Utilization of Asahi Kasei Group assets, subcontracting	
			New Asahi Services Co., Ltd.	-	Insurance agency, cellular phone sales, bowling center	
			Toyo Kensa Center Co., Ltd.	Nobeoka Office	Environmental and other analyses, clinical testing, soil pollution evaluation	

Correspondence with GRI reporting elements and performance indicators

Reporting elements

Vision and Strategy		
		Pages
1.1	Statement of the organization's vision and strategy regarding its contribution to sustainable development	1, 4, 8
1.2	Statement from the CEO (or equivalent senior manager) describing key elements of the report	3
Organizational Profile		
		Pages
2.1	Name of reporting organization	2, 74
2.2	Major products and/or services, including brands if appropriate	6
2.3	Operational structure of the organization	5, 7-8
2.4	Description of major divisions, operating companies, subsidiaries, and joint ventures	2, 5, 71
2.5	Countries in which the organization's operations are located	7
2.6	Nature of ownership; legal form	5
2.7	Nature of markets served	5-8
2.8	Scale of the reporting organization	7-8
2.9	List of stakeholders	1, 55
2.1	Contact person(s) for the report, including e-mail and web addresses	Back cover
2.11	Reporting period (e.g., fiscal/calendar year) for information provided	2
2.12	Date of most recent previous report	2
2.13	Boundaries of report and any specific limitations on the scope	2, 71
2.17	Decisions not to apply GRI principles or protocols in the preparation of the report	2
2.18	Criteria/definitions used in any accounting for economic, environmental, and social costs and benefits	47
2.21	Policy and current practice with regard to providing independent assurance for the full report	67
2.22	Means by which report users can obtain additional information	Back cover
Governance Structure and Management Systems		
		Pages
3.1	Governance structure of the organization, including major committees under the board of directors that are responsible for setting strategy and for oversight of the organization	18
3.4	Board-level processes for overseeing the organization's identification and management of economic, environmental, and social risks and opportunities	18-19
3.6	Organizational structure and key individuals responsible for oversight, implementation, and audit of economic, environmental, social, and related policies	14
3.7	Mission and values statements, internally developed codes of conduct or principles, and policies relevant to economic, environmental, and social performance and the status of implementation	15, 21
3.8	Mechanisms for shareholders to provide recommendations or direction to the board of directors	18, 56
3.9	Basis for identification and selection of major stakeholders	1, 55
3.10	Approaches to stakeholder consultation reported in terms of frequency of consultations by type and by stakeholder group	55
3.11	Type of information generated by stakeholder consultations	56-58
3.12	Use of information resulting from stakeholder engagements	55
3.13	Explanation of whether and how the precautionary approach or principle is addressed by the organization	17, 21, 35
3.15	Principal memberships in industry and business associations, and/or national/international advocacy organizations	21
3.16	Policies and/or systems for managing upstream and downstream impacts, including: <ul style="list-style-type: none"> supply chain management as it pertains to outsourcing and supplier environmental and social performance product and service stewardship initiatives 	41, 43, 59
3.17	Reporting organization's approach to managing indirect economic, environmental, and social impacts resulting from its activities	14
3.19	Programs and procedures pertaining to economic, environmental, and social performance	13-16, 22-23
3.2	Status of certification pertaining to economic, environmental, and social management systems	28, 66, 70
4.1	A table identifying location of each element of the GRI Report Content, by section and indicator	73

The Global Compact's ten principles

Human Rights

Principle 1: Businesses should support and respect the protection of internationally proclaimed human rights; and

Principle 2: make sure that they are not complicit in human rights abuses.

Labour Standards

Principle 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;

Principle 4: the elimination of all forms of forced and compulsory labour;

Principle 5: the effective abolition of child labour; and

Principle 6: the elimination of discrimination in respect of employment and occupation.

Environment

Principle 7: Businesses should support a precautionary approach to environmental challenges;

Principle 8: undertake initiatives to promote greater environmental responsibility; and

Principle 9: encourage the development and diffusion of environmentally friendly technologies

Anti-Corruption

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

Performance indicators

Economic Performance Indicators			
			Pages
EC1.	Net sales		7
EC2.	Geographic breakdown of markets		7
Environmental Performance Indicators			
			Pages
Energy	EN3.	Direct energy use	25
Water	EN5.	Total water use	25
Emissions, Effluents, and Waste	EN8.	Greenhouse gas emissions	25-26
	EN10.	NO _x , SO _x , and other significant air emissions by type	29
	EN11.	Total amount of waste by type and destination	27
	EN12.	Significant discharges to water by type	30
	EN13.	Significant spills of chemicals, oils, and fuels in terms of total number and total volume	30
Products and Services	EN14.	Significant environmental impacts of principal products and services	31-32
Compliance	EN16.	Incidents of and fines for non-compliance with all applicable international declarations/conventions/treaties, and national, sub-national, regional, and local regulations associated with environmental issues	26, 28, 30
Transport*	EN34.	Significant environmental impacts of transportation used for logistical purposes	26
Overall*	EN35.	Total environmental expenditures by type	47
Social Performance Indicators			
Labor Practices and Decent Work			
			Pages
Employment	LA1.	Breakdown of workforce	7-8
Health and Safety	LA6.	Description of formal joint health and safety committees comprising management and worker representatives and proportion of workforce covered by any such committees	35
	LA7.	Standard injury, lost day, and absentee rates and number of work-related fatalities (including subcontracted workers)	35
Diversity and Opportunity	LA10.	Description of equal opportunity policies or programs, as well as monitoring systems to ensure compliance and results of monitoring	50-52
	LA11.	Composition of senior management and corporate governance bodies (including the board of directors), including female/male ratio and other indicators of diversity as culturally appropriate	50-52
Employment*	LA12.	Employee benefits beyond those legally mandated.	51-52
Training and Education*	LA16.	Description of programs to support the continued employability of employees and to manage career endings	45, 53
	LA17.	Specific policies and programs for skills management or for lifelong learning	45, 53
Human Rights			
			Pages
Strategy and Management	HR1.	Description of policies, guidelines, corporate structure, and procedures to deal with all aspects of human rights relevant to operations	50
	HR2.	Evidence of consideration of human rights impacts as part of investment and procurement decisions, including selection of suppliers/contractors	59
	HR3.	Description of policies and procedures to evaluate and address human rights performance within the supply chain and contractors, including monitoring systems and results of monitoring	59
Non-discrimination	HR4.	Description of global policy and procedures/programs preventing all forms of discrimination in operations, including monitoring systems and results of monitoring	15, 50
Strategy and Management*	HR8.	Employee training on policies and practices concerning all aspects of human rights relevant to operation	15, 50, 53
Disciplinary Practices*	HR9.	Description of appeal practices, including, but not limited to, human rights issues	15, 50
	HR10.	Description of non-retaliation policy and effective, confidential employee grievance system (including, but not limited to, its impact on human rights)	15
Society			
			Pages
Bribery and Corruption	S02.	Description of the policy, procedures/management systems, and compliance mechanisms for organizations and employees addressing bribery and corruption	15
Political Contributions	S03.	Description of policy, procedures/management systems, and compliance mechanisms for managing political lobbying and contributions	15
Community	S04.	Awards received relevant to social, ethical, and environmental performance	65
Competition	S07.	Description of policy, procedures/management systems, and compliance mechanisms for preventing anti-competitive behavior	15
Product Responsibility			
			Pages
Customer Health and Safety	PR1.	Description of policy for preserving customer health and safety during use of products and services, and extent to which this policy is visibly stated and applied, as well as description of procedures/programs to address this issue, including monitoring systems and results of monitoring	41
Products and Services	PR2.	Description of policy, procedures/management systems, and compliance mechanisms related to product information and labeling	41
Respect for Privacy	PR3.	Description of policy, procedures/management systems, and compliance mechanisms for consumer privacy. Identify geographic areas covered by policy	16

* "Additional Indicators": other indicators shown are "Core Indicators."

Corporate profile

Company Name	Asahi Kasei Corporation
Date of Establishment	May 21, 1931
Paid-in Capital	¥103.4 billion
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A fresh start in 2006



We began publishing Environmental Reports in 1991, followed by annual Responsible Care Reports beginning in 1997. This year, our CSR Report supplants the Responsible Care Report with a greater depth and breadth of coverage.

The publication of these reports is all part of the ongoing effort for fair and proper disclosure of non-financial information, to maintain the trust of the local communities, employees, and our many other stakeholders. I hope this year's report will help you gain a better understanding of the Asahi Kasei Group.

Yuji Mizuno
General Manager, Corporate Legal & General Affairs
General Manager, Corporate Communications
Asahi Kasei Corp.



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