

CSR REPORT **2014**
CORPORATE SOCIAL RESPONSIBILITY



The ADEKA Group's Management Policy and Code of Conduct

Management Policy

- Work hard to be a forward-looking organization by staying on the cutting edge**
- Be a respected member of the world community**

Code of Conduct

1. Abide by laws and regulations in all corporate activities and conduct fair business in an ethical manner

We abide by domestic and overseas laws and regulations as well as corporate internal rules and conduct fair and transparent business in accordance with social ethics.

[p36-37 "CSR Management"](#)

2. Provide safe and high quality products and services

We develop and provide products and services that truly contribute to the construction of a sound and wealthy society. We provide products and services of safe and high quality, giving first priority to customers' satisfaction and reassurance.

[p14-17 "Special Feature: Mie Plant's Initiatives to Improve Its On-Site Capabilities" / p18-19 "Product Safety Initiatives"](#)

3. Be serious about preserving the environment

We acknowledge that voluntary initiatives to the environmental efforts are essential for existence and activities of the enterprise. We give special consideration to preservation of the environment by endeavoring to develop and provide environmentally friendly products intended for easy recycling, and tackling aggressively the conservation of resources including energy and waste minimization.

[p20-23 "Environmental Conservation Initiatives"](#)

4. Open and friendly communication and activities, to serve the interest of society and to maintain its trust

We are willing to be a business enjoying the deep-seated trust widely from the public by emphasizing the dialogue with it.

We highly esteem traditional culture and practices not only in Japan, but also in the countries where we are located, and make best efforts to contribute to development of communities in various aspects by participating in community activities, disaster relief services and other volunteerism.

[p30-31 "Initiatives Toward Community and Society" / p32 "Initiatives by Overseas Group Companies"](#)

5. Foster corporate transparency by truthfully and accurately disclosing information regarding our business activities

We disclose business information that is useful for society in a timely and appropriate manner. We fully acknowledge the key relevance of protection of confidential information, including privacy of customers, and deal with such confidential information as customers' data stored with us in accordance with the provisions of house rules in an appropriate and rigorous way. [p36-37 "CSR Management"](#)

6. Maintain a safe and healthy working environment for our employees

We secure a safe and healthy working environment for employees, respect their human rights, give them impartial and equal treatment and realize their comfortable and wealthy life, thereby building a vibrant company that appreciates their uniqueness and initiatives.

[p24-28 "Creating a Pleasant Working Environment" / p29 "Initiatives for Occupational Health and Safety"](#)

7. Not tolerate anti-social forces or behavior

We totally exclude relationships with any anti-social forces and groups jeopardizing order and security in the civil society and putting undue pressure on business activities, and reject their unreasonable demands aggressively. [p36-37 "CSR Management"](#)

8. Strive to achieve sustainable growth and success for the benefit of our employees, shareholders, and society

We seek for harmonization as well as co-existence and co-prosperity with the civil society, and strive for a sound and vital development and an increase of profitability through fair and transparent management and global and innovative business activities, thereby realizing an appropriate return of our results to the society.

[p8-9 "CSR and Medium- and Long-term Visions of the ADEKA Group" / p10-13 "Special Feature: Research & Development in the ADEKA Group"](#)

Editorial Policy

We publishes the ADEKA Group CSR Report every year with the aim of communicating information to our diverse group of stakeholders about our corporate activities and future direction, as we strive toward a sustainable future hand-in-hand with society. The ADEKA Group CSR Report 2014 provides a focused report on matters of particular significance from amongst the numerous initiatives that we undertook in fiscal 2013.

Details about environment-related initiatives are also available on the CSR section of our website. Going forward, in order to draw up reports that are easy to understand for all our stakeholders, we would like to seek your candid feedback and opinions using the questionnaire enclosed at the end of this report.

Scope Covered by This Report

This Report covers the whole ADEKA Group. Where necessary, "ADEKA Group" and "the Group" refer to the entire ADEKA Group, while "ADEKA" and "the Company" refer to ADEKA Corporation.

Period Covered by This Report

2013 Fiscal Year ended March 31, 2014

*Some parts of this report refer to recent activities taking place in fiscal 2014.

Reference Guidelines

Environmental Reporting Guidelines (Fiscal Year 2012 Version) of the Japan Ministry of the Environment
Sustainability Reporting Version 3.1 (GRI)
Japanese Standards Association ISO 26000:2010 Guidance on social responsibility

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Next publication date: July 2015

*ADEKA Group CSR site: <http://www.adeka.co.jp/csr/en/index.html>

*Financial and economic data can be viewed at the ADEKA Group Investor Relations site:
<http://www.adeka.co.jp/en/ir/index.html>

Corporate Profile (as of March 31, 2014)

Name: ADEKA CORPORATION

Established: January 27, 1917

Representative Director and President: Akio Kohri

Head Office: 7-2-35 Higashi-ogu, Arakawa-ku, Tokyo, Japan

Capital Stock: 22.899 billion yen

Shares Issued: 103,651,442

Number of Employees (consolidated): 3,034

Business: Chemicals, foods, and other business

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Commitment of Our Top Management



As a “Warm-hearted and Good Company,”
we take up the challenge of engaging in corporate activities
that can create new values in society,
through communicating with our stakeholders.

Transforming the Globalization Trend Into Opportunities for Creating New Values

In order to achieve our medium- to long-term vision of generating sales of 300 billion yen, we must become a Good Company that excels in all the following three aspects: Competence, Vigor, and Stability. This involves strengthening our technological prowess in research and development, production, quality management and other areas; enhancing our human capabilities that encompasses specialized knowledge, creativity, and leadership skills; securing the stable growth of our core businesses; and strengthening our management structure in order to build a sound financial foundation. It is also vital for us to raise the level of motivation among our employees, and be a vibrant and energetic organization.

In the areas of functional chemicals, as well as electronics and IT materials, the globalization has picked up at a dramatic pace in tandem with the rapid expansion of the market. We have entered an era in which it has become commonplace to formulate business strategies on a global scale. Hence, all employees of the ADEKA Group will also have increasing opportunities to come into contact with the global playing field as we move forward into the future. We perceive this development as an excellent chance for generating new values and energy, and will take active steps to develop an organizational culture and develop human resources who are able to respond to such changes in the operating environment.

While globalization has a positive aspect in the new business opportunities that it generates, it also creates new and unforeseen risks. Across the entire supply chain, it is necessary to deepen our understanding not only of human rights and compliance, but also of matters related to working styles and interaction with society, as well as local and global standards. On top of this, we have to put effort into ensuring that our corporate activities generate social value at a global level.

Looking Back on Fiscal 2013—Progress of the Mid-Term Management Plan “STEP 3000”

The ADEKA Group has set forth the aspiration (medium- to long-term vision) of becoming a Good Company that generates net sales of 300 billion yen by fiscal 2016, when we mark our 100th anniversary. To that end, we have been implementing our three-year Mid-Term Management Plan, “STEP 3000,” since fiscal 2012. “STEP 3000” is positioned as the period for creating the foundation to achieve our medium- to long-term vision. In line with the five basic policies (Global Operations, Technology, Creation of Value, Investment, and Human Resources), we are driving forward our growth strategies of expanding our overseas operations and developing new products.

Both the chemicals and foods businesses performed well in fiscal 2013. The strong overall performance of the Group, particularly in our overseas operations, led us to achieve sales of 200 billion yen for the first time. In recent years, we have also achieved progress in the full-scale expansion of our overseas operations through efforts such as setting up production and sales bases. In fiscal 2013, we also launched operations at our local corporation in Brazil and office in Taipei, Taiwan; established a new plant in China; and aggressively implemented measures in line with the five basic policies. In fiscal 2014, we plan to construct new production plants in Malaysia and the United Arab Emirates.

Toward Becoming a “Warm-hearted and Good Company”

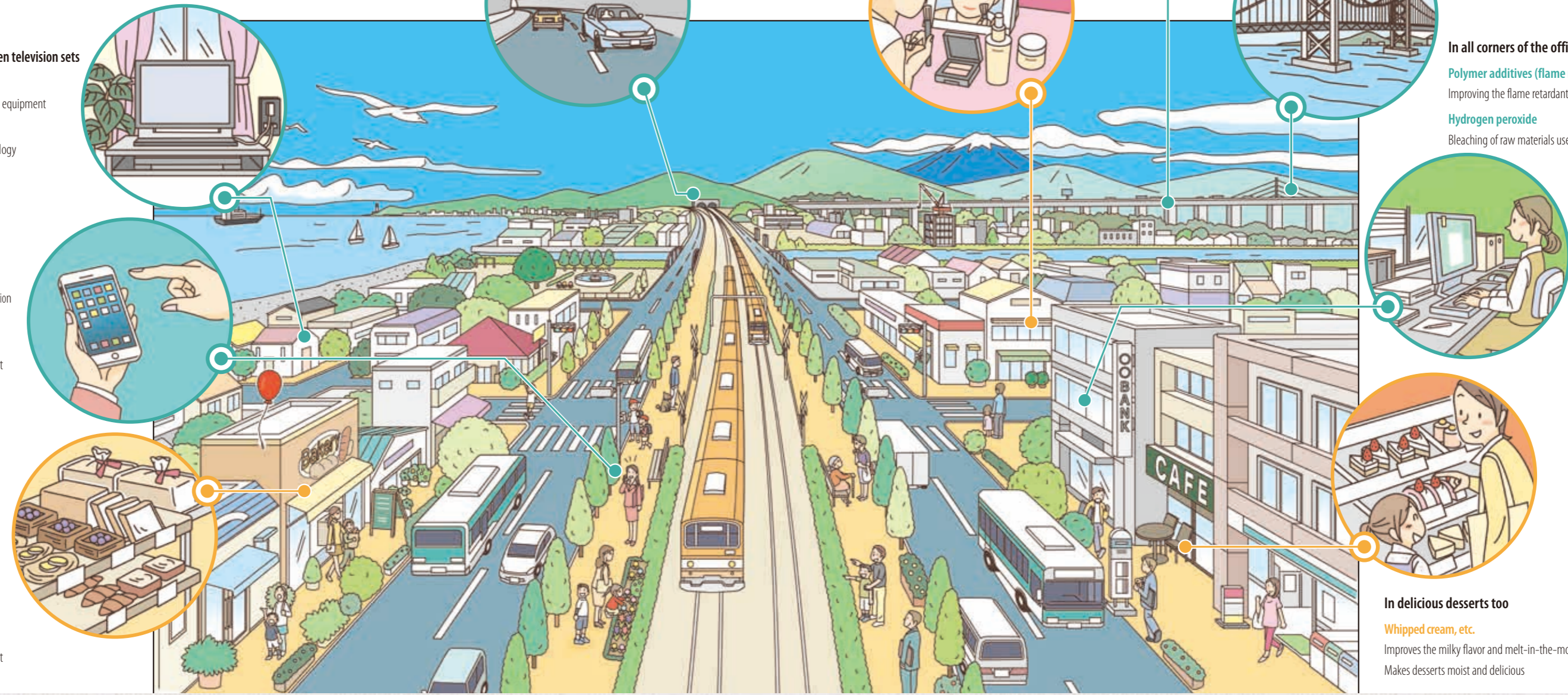
ADEKA's strength, both in the past and today, lies in the warmth of our people. Even though the lifespan of a corporation is generally said to be just 30 years, ADEKA has built up highly creative technological capabilities and passed down our “warm-hearted” corporate culture for close to a hundred years. This is the company's strength, and we take great pride in it. However, it is also important for us to have the courage to break away from traditions and conventions, rather than to settle complacently into the status quo. In 2012, we withdrew from the electrolyte business that we have been engaged in since our founding days, making the significant decision of focusing the management resources on future growth sectors. We believe that such decisions also become the source of vitality for our company.

By communicating with our diverse group of stakeholders both in Japan and overseas, ADEKA will continue to overcome barriers and differences in ways of thinking as we strive to become a “warm-hearted and good company” that excels in all aspects of competence, vigor, and stability.

Akio Kohri, Representative Director and President

ADEKA in Our Lifestyles

Throughout its history, ADEKA has been developing proven technologies, which are at work in diverse aspects of our everyday lives. The ADEKA Group is committed to assembling the best technologies in order to develop eco-friendly and socially responsible products and technologies for a healthy and enriched society.



On the LCD screens of flat-screen television sets

- Flat panel display materials**
Enhancing the performance of video equipment
- Light curing resins**
Innovation of manufacturing technology

On your beloved smartphones

- Semiconductor materials**
Enhancing the performance of electronic equipment and reducing power consumption
- Print circuit materials**
Improving the quality of optical communication equipment

On your favorite bread

- Margarine, shortening, etc.**
Making baked goods fluffy and moist

Building infrastructure that is stronger and more robust

- Water swelling sealing materials**
Sealing materials used in concrete structures, to prevent water leakage, etc.

For healthy lives

- Surfactants**
Creams, emulsions, lotions, etc.
- Propylene glycols**
Detergents, shampoos, pharmaceutical products, etc.

On your cherished cars

- Polymer additives**
Reducing the weight of vehicles
- Lubricant additives**
Improving fuel efficiency and enhancing comfort

Used as paint for construction and civil engineering structures

- Epoxy resins, Urethane resins**
Anticorrosive, dust-proof paint for metals and concrete

In all corners of the office

- Polymer additives (flame retardants)**
Improving the flame retardant property of plastics
- Hydrogen peroxide**
Bleaching of raw materials used in papermaking, etc.

In delicious desserts too

- Whipped cream, etc.**
Improves the milky flavor and melt-in-the-mouth texture
Makes desserts moist and delicious

Chemicals Business

IT and electronic chemicals

The ADEKA Group provides products for various electronic devices such as LCD TVs, PCs, and smart phones, using cutting-edge technologies. Especially, quality of semiconductor materials manufactured at Kashima Plant is at the highest level in the world.

- Semiconductor materials
- Light curing resins
- Flat panel display materials
- Circuit materials

Functional chemicals

Polymer additives are essential for highly-functional plastic. As an all-round manufacturer for polymer additives, the ADEKA Group manufactures various kinds. The Group also provides additives for automobile engine oils, which were developed with ADEKA's unique technology, as well as highly-functional cosmetic materials developed taking into account safeness.

- Polymer additives
- Surfactants
- Lubricant additives
- Epoxy resins, Urethane resins

Commodity chemicals

From daily necessities such as soaps and detergents to IT electronics, the ADEKA Group provides products to a wide range of fields and contributes to the development of industries. We produced propylene glycols which are used for cosmetics for the first time in Japan.

- Propylene glycol
- Hydrogen peroxide
- Water swelling sealing materials

Foods Business

Food

Guided by the slogan, "The Delicious Taste You Can Rely On," the ADEKA Group develops food materials, leading the industry. By supplying food processing oils and fats to bread and confection makers, the Group contributes to achievement safe and secure foods.

- Margarine, Shortening
- Frying oils and fats
- Whipped cream

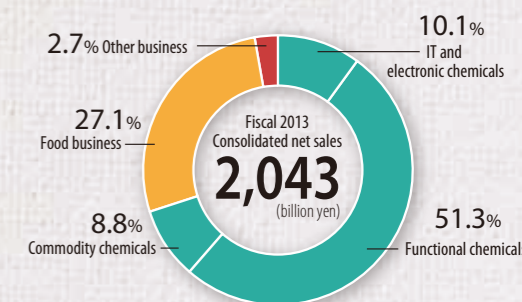
Other Business

Other

Other Business mainly includes maintenance of the ADEKA Group's plants and facilities, design of various kinds of plants, logistics, and insurance agent business. The Group provides services to customers in various fields, on the basis of expertise related to those operations.

- Plant design / Construction management
- Logistics
- Real estate
- Insurance agent

Consolidated sales by business



ADEKA Overseas Network

As a company that coexists in harmony with the world community, we are working together with our domestic and overseas networks to expand our business areas and aggressively develop our overseas operations.

Office

- Head Office
- Nagoya Branch
- Sapporo Regional Office
- Osaka Main Branch
- Fukuoka Branch
- Sendai Regional Office

Plants

- Kashima Plant
- Kashima Plant—West
- Chiba Plant
- Mie Plant
- Fuji Plant
- Akashi Plant
- Soma Plant

R&D Laboratories

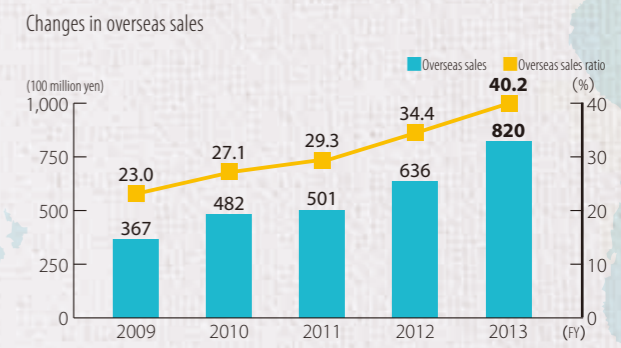
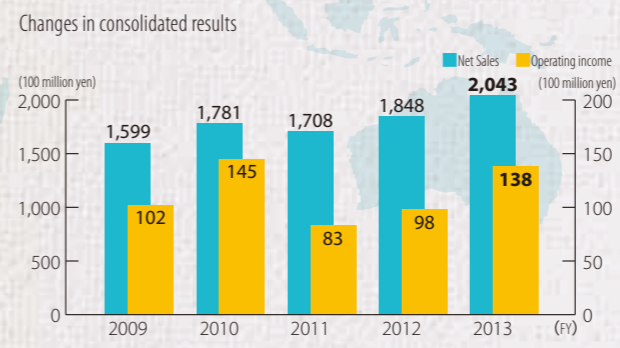
- Ogu R&D Laboratory
- Kuki R&D Laboratory
- Urawa R&D Laboratory
- Kansai Food Development Department

Domestic affiliated companies

- ADEKA CHEMICAL SUPPLY CORP.
- ADEKA CLEAN AID CORP.
- ADEKA FINE FOODS CORP.
- ADEKA ENGINEERING & CONSTRUCTION CORP.
- OXIRANE CHEMICAL CORP.
- ADEKA FOODS SALES CORP.
- ADEKA LOGISTICS CORP.
- YONGO CO., LTD.
- ADEKA LIFE-CREATE CORP.
- UEHARA FOODS INDUSTRY CO., LTD.
- NIHON NOHYAKU CO., LTD.
- CO-OP CLEAN CO., LTD.
- ASAHI ARCHITECTS OFFICE CO., LTD.
- KANTO SODIUM SILICATE GLASS CO., LTD.
- TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.
- MIZUSHIMA PLASTICIZER CO., LTD.

Overseas affiliated companies

- USA**
 - AMFINE CHEMICAL CORP.
 - AM STABILIZERS CORP.
 - ADEKA USA CORP.
- Brazil**
 - ADEKA BRASIL LTDA.
- Germany**
 - ADEKA EUROPE GmbH
- France**
 - ADEKA PALMAROLE SAS
- UAE**
 - ADEKA AL GHURAIR ADDITIVES LLC
- China**
 - ADEKA (SHANGHAI) CO., LTD.
 - ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD.
 - ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.
 - ADEKA FOODS (CHANGSHU) CO., LTD.
 - CHANG CHIANG CHEMICAL (SHANGHAI) CO., LTD.
 - KUKDO CHEMICAL (KUNSHAN) CO., LTD.
- Taiwan**
 - CHANG CHIANG CHEMICAL CO., LTD.
 - ADEKA FINE CHEMICAL TAIWAN CORP.
- South Korea**
 - ADEKA KOREA CORP.
- Singapore**
 - ADEKA (SINGAPORE) PTE.LTD.
 - ADEKA (ASIA) PTE.LTD.
- Malaysia**
 - FELDA IFFCO OIL PRODUCTS SDN.BHD.
 - ADEKA FOODS (ASIA) SDN.BHD.
- Thailand**
 - ADEKA FINE CHEMICAL (THAILAND) CO.,LTD.
- India**
 - ADEKA INDIA PVT.LTD.

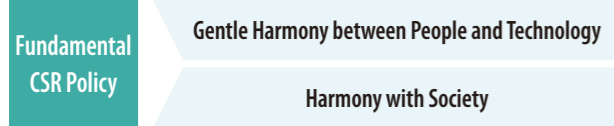


History of our business activities

- 1917 Asahi Denka Kogyo K.K. was established to produce caustic soda
- 1919 Started the production of hydrogenated oil
- 1920 Started the production of soaps
- 1929 Started the manufacture of RISU BRAND margarine
- 1949 Listed its stock on the first section of the Tokyo Stock Exchange
- 1954 Started the production of plasticizers
- 1970 Started operation of Kashima Plant
- 1975 Started operation of Chiba Plant
- 1995 Started operation of Soma Plant
- 2001 ~ 2004 Six subsidiaries were established in China
- 2006 Changed company name to ADEKA Corporation
- 2007 Established ADEKA India Pvt. Ltd. in India
- 2010 Opened R&D center of ADEKA Korea Corp. in Korea
- 2011 Inaugurated ADEKA Al Ghurair Additives LLC in UAE
- 2012
 - Established AM STABILIZERS CORP.
 - Acquired vinyl chloride stabilizer business from Hammond Group, Inc.
 - Established ADEKA FOODS (ASIA) SDN. BHD.
 - Established ADEKA BRASIL LTDA.
- 2013
 - Completed new research center at the Urawa R&D Laboratory
 - Completion of a plant for high-performance antioxidants at ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. in China
 - Establishment of a Taipei office by ADEKA FINE CHEMICAL TAIWAN CORP. in Taiwan
- 2014
 - ADEKA Al Ghurair Additives increases and reinforces production facilities in UAE
 - Establishment of a new laboratory building for medical materials at Kashima Plant—West

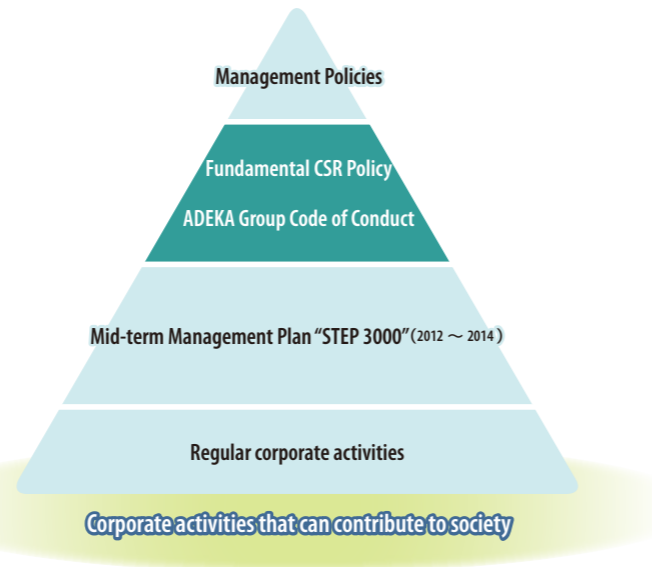


CSR and Medium- and Long-term Visions of the ADEKA Group



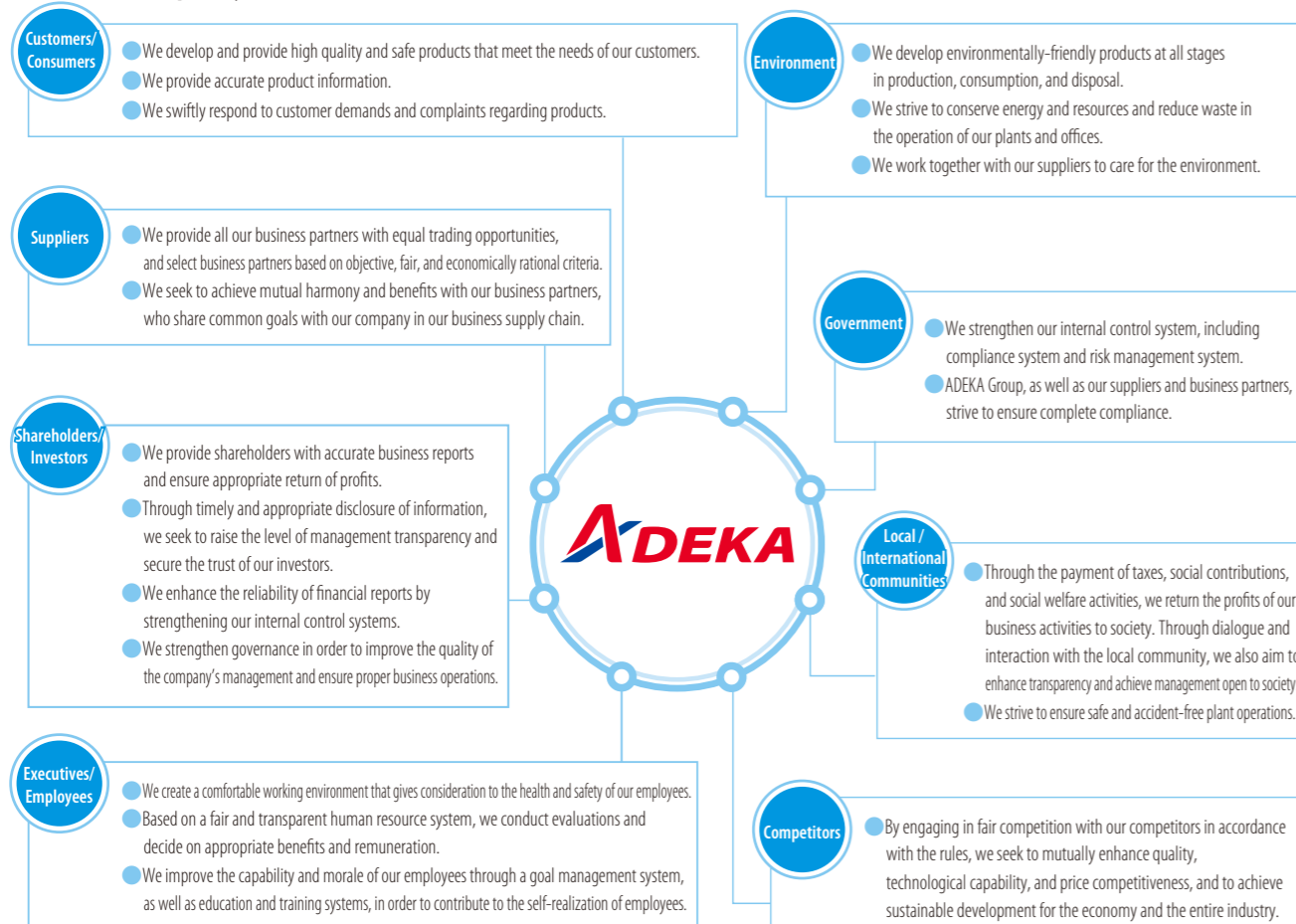
The ADEKA Group affirms its management policies of “Work hard to be a forward-looking organization by staying on the cutting edge” and “Be a respected member of the world community.” The Group is pursuing corporate activities worldwide centering on products which are competitive and technologically advantageous in the global market.

Our CSR initiatives make full use of ADEKA’s unique corporate resources, including the technology, products and services, and human resources that the company has developed since its founding days to generate new values that can contribute to solving social issues. At the same time, we strive to enhance our corporate values (=the value of the company’s existence in society) through these means.



We are constantly aware of the presence of our stakeholders, who are impacted by the corporate activities undertaken by ADEKA Group, and remain sincerely receptive to their feedback and opinions. Rather than focusing solely on improving the profitability of our own company, we aim to develop businesses that can enhance the value of the society as a whole in all aspects, including economy, society, and the environment; and in doing so, contribute to the realization of a sustainable society.

The ADEKA Group’s Key Stakeholders



Medium- to Long-Term Vision with the Aim of becoming a Good Company, and Our Mid-Term Management Plan “STEP 3000”

The ADEKA Group has established the following medium- to long-term vision as our aspiration as we approach the 100th anniversary of the company’s founding (January 27, 2017). We have also formulated “STEP 3000” as our Mid-Term Management Plan, and carried out various activities to bring us closer to our ideal of being a Good Company, one step at a time.

“STEP 3000” sets forth the creation of new products and expansion of overseas operations as our growth strategy. In line with our five basic policies—Global Operations, Technology, Creation of Value, Investment, and Human Resources—we strive to expand our areas of activity and strengthen our businesses.

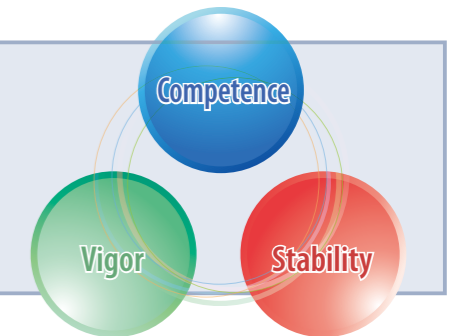


Three Fundamental Strategies toward Achievement of the Medium- and Long-term Visions

- 1 Aiming to double net sales by fiscal 2016, by expanding the business scale, especially in the polymer additives and food businesses which have been regarded as core business segments.
- 2 Making the IT and electronic chemicals business grow to be a core business by early expanding its sales threefold.
- 3 Proactively implementing M&A and forming alliances as important management means from viewpoints of effective use of external resources, and expansion and growth of business.

What is a “Good Company”

“A Good Company” means a company which has a global presence, contributes to society, and continues to grow with the following three elements: 1) “Competence” to expand its business size with R&D and capital investment; 2) “vigor” to keep employees highly motivated; and 3) “stability” to continue to earn sales and profits in a stable manner, flexibly responding to changes in the external environment.



Five Basic Policies in the Mid-Term Management Plan

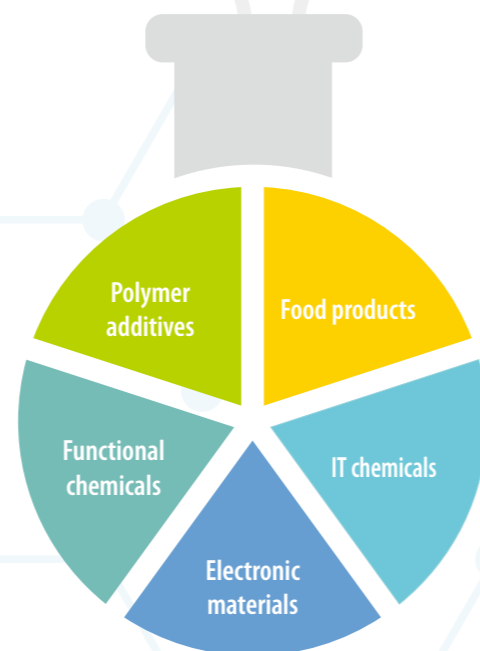
- In our current 22 overseas operating bases in 12 countries, we will enhance and expand business while taking into account CSR.
- Strengthening our marketing function and developing products that meet local needs in the ever-growing Asian markets
- Entering into new markets and making capital investment
- Establishing overseas research and development centers (in South Korea and China)
- Considering establishment of regional headquarters
- Establishing a global production system
- Creating new businesses
- Developing new products
- Providing as wide a range of solutions as possible to our customers
- Expanding business operations
- Promoting CSR activities
- Planning to make capital investments worth about 40 billion yen over three years
- Planning to allocate about 20 billion yen for M&A in order to expand into other fields and create new businesses
- Developing human resources as our most important corporate asset



Special Feature Research & Development in the ADEKA Group

Contributing to the Sustainable Development of Society

Since the founding of the company, the ADEKA Group has developed proprietary fundamental technologies that can be utilized and applied to a diverse range of applications in the chemicals and food business divisions. In a society that has become increasingly demanding toward the aspects of convenience, comfort, safety, and security, we will take up the challenge of creating valuable products that are integrated with our proprietary technologies, and put our best efforts into solving social issues.



Fuel-Saving Effect Generated by 0.1%

Polymer Additives

Plastics are used in various applications such as automobiles, home appliances, electronic device parts, construction materials, and packaging materials. Polymer additives play an indispensable part in improving the performance and functionality of these plastics.

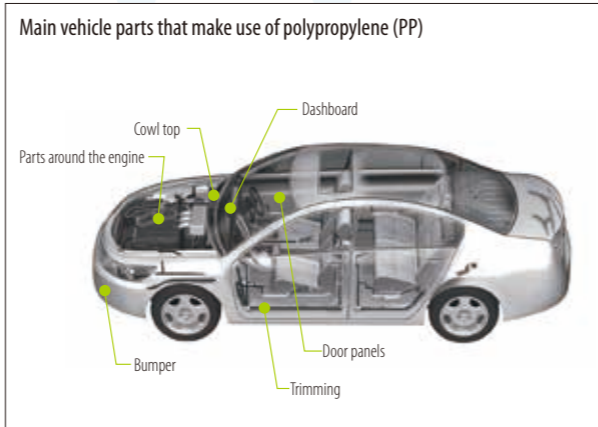
Of these, the nucleating agent used to improve the strength and heat resistant property of the most commonly used resin, polypropylene (PP), is vital to the automotive and home appliance sectors. Furthermore, as it dramatically reduces the time needed for the formation of plastic, it also brings about the advantages of energy conservation and cost reduction. As such, there is constant demand for the expansion of resin applications, as well as for improvements in performance.

ADK STAB NA-27 is a high-performance nucleating agent developed through the concentration of our polymer additive technologies. The addition of this agent to car bumpers, rear passenger doors, and other parts that contain PP helps to increase the rigidity of these component parts while improving their durability. Compared to PP containing no additives, PP with just 0.1% of NA-27 can reduce the thickness

that can withstand certain weights by 7%. If this is applied to the context of a car, which is said to use approximately 90kg of PP, it would translate to weight reduction of approximately 6kg. As the weight of the vehicle body has direct impact on fuel efficiency, the use of this additive can generate significant impact in terms of improving fuel efficiency.

With the increasingly widespread acceptance of electric vehicles (EV) that are fitted with batteries, developing technologies and products that can provide support for reducing vehicle weight will become increasingly important in the near future. Greater expectations are placed on our high-performance nucleating agent year after year.

As an additive manufacturer, we will continue to undertake research and development activities in an earnest and steadfast manner, and to develop new products for people, so that the plastics industry can contribute to improving society.



Efficacy when 0.1% of ADK STAB NA-27 is added to 90kg of PP

Weight reduction of approximately **6** kg



Shinichi Ishikawa
General Manager, Additives Solution Dept, Polymer Additives R&D Laboratory

R&D Laboratories that Provides Support for ADEKA's Technologies

ADEKA continues to tackle the challenge of developing new technologies every day.

Ogu R&D Laboratory



Urawa R&D Laboratory



Kuki R&D Laboratory



Making Food Taste Delicious Through Our Oils and Fats Products

Food Products

ADEKA Group's processed oils and fats products, including margarine, shortening, whipped cream, and mayonnaise, are used in various foods such as bread, confectionery, and frozen food products. These oils and fats products play an important role in making food taste delicious by improving their flavors and texture.

For example, the "Aromade Series" of margarine used in bread and confectionery was created through research conducted on the ingredients in butter that produce its savory taste. This series of margarine products stands up to butter in terms of taste. In addition, the "Olympia Juicy Sheet Series" of margarine, used for kneading into croissants and Danish dough, was developed based on research conducted on how butterfat solidifies (crystallization property of oils and fats). This margarine is able to produce croissants with a juicy texture that is in no way inferior to the texture produced using butter. Both of these products have been highly appraised by our customers.

Our "Pure Blend Whip Series" of whipped cream, used in non-baked cakes and desserts, is a whipped cream with a fresh milky flavor, created through research conducted on the emulsification structure of fresh cream.



Amongst our mayonnaise products, the "Renge-de-OK Series," which provides greater safety for use directly from the freezer to the microwave, is used in a wide variety of frozen food products.

ADEKA's technologies for creating good tastes are applied to a wide variety of food products, and contribute to a richer dietary life.



Kenji Ikeda
General Manager, Food Research Dept, Food Development Laboratory

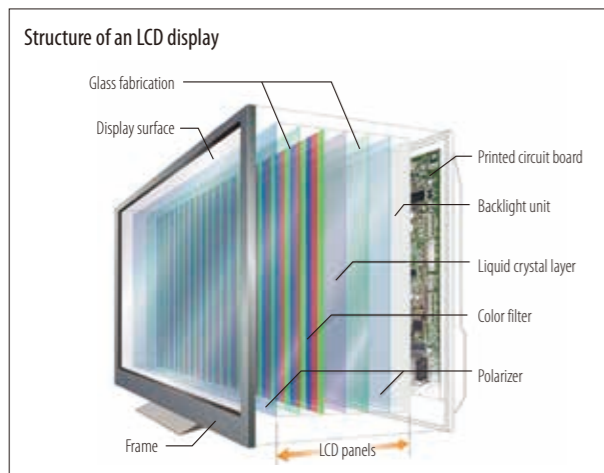
New Materials with High Added Value Provide Support for Comfortable Living

Information Media Materials

Photo initiators are key materials that provide support for improving definition and brightness on LCD display screens used in LCD television sets, smartphones, and computers. They are also used in the production of color filters that bring out the beautiful and vivid colors of videos and photographs.

While IT and electronic equipment are becoming increasingly thin and lightweight, the trend in LCD screens is heading toward higher image quality and larger screens. Consequently, users are seeking lower power consumption and better color reproductivity for the color filters used in LCD displays.

By harnessing the technological capabilities for precision organic synthesis that we have developed in our Information Media Materials Laboratory, we have



succeeded in developing photo initiators that show strong chemical reactions to light. Compared to conventional photo initiators, our products are highly sensitive to light, and contribute to improving the definition of color filters.

Color filters that make use of our photo initiators also have excellent transparency. As such, they make it possible for LCD displays to produce a high level of brightness and clarity, and enable the reproduction of beautiful colored images with just a small amount of light. In this way, they also contribute to energy conservation.

Going forward, we aim to further enhance our technological capability, build a stable supply system, and contribute to realizing a rich and comfortable society on a global scale.



Koichi Shigeno
General Manager, Photochemical Materials Dept,
Information Media Materials Development Laboratory

Developing Wind Power Generation Products with the Aim of Contributing to the Realization of a Recycling-Oriented Society

Functional Chemicals

In recent years, countries around the world have been increasingly adopting the use of wind power generation as part of their measures to counter global warming. Wind power generation harnesses wind, a form of renewable energy, and is said to be highly effective in reducing the generation of greenhouse gases. On the other hand, as wind power generators must be placed in locations that have a good flow of wind, such as on mountain peaks or on the sea, one important issue to consider is how to prevent lightning and other factors from causing damage to the blades (wings).

We have developed epoxy resin that contributes to strengthening blades and improving power generation efficiency, by combining the resin composition and curing technologies that we have accumulated over the course of the company's history. In tandem with the growing scale of

wind power generators, there are also rising concerns about the increasing weight of blades. However, our epoxy resin product is able to reduce the weight of these blades as it is more than 20% stronger than previous products, thereby reducing the weight on components parts. In this way, it is expected to contribute to increasing power generation capacity.

As the resin hardens even at low temperatures conditions of about 5°C, it is possible to quickly repair wind power generator blades that have been damaged by lightning, thereby preventing losses in operation time. In this way, the resin is expected to improve power generating efficiency.

In order to contribute to the realization of a resource recycling-oriented society in the future, we aim to focus the research and development capabilities that we have built up to date on the renewable energy sector.



Nobuyuki Shimamura
General Manager, Functional Polymer Materials Dept,
Functional Chemicals Development Laboratory



Heat-Dissipating Insulation Sheets that Contribute to the Environment and Energy Sectors

Electronic Materials

The question of how to utilize limited energy resources is a current and global issue, and the development of technologies that can support energy conservation and an energy-conserving society has become crucial to our society.

In recent years, LED lighting that lasts longer while consuming less electricity as compared to incandescent light bulbs that produce the same degree of brightness, as well as SiC (silicon carbide) power semiconductors that are expected to produce a high level of power conversion efficiency when used in areas such as EV, trains, and power generation, have been drawing more and more attention as trump cards that could potentially be used to realize an energy-conserving society.

Heat-dissipating insulation sheets are indispensable for LED lighting and SiC power semiconductors. They serve the role of dissipating the heat generated from

LED chips and semiconductor chips, protecting the electronic parts.

The heat-dissipating insulation sheets developed by ADEKA have high heat dissipation properties, with thermal conductivity above 10W/mk. In addition, through our proprietary resin development, the sheets boast the highest level of heat resistance (above 300°C) in the industry. We are currently reviewing the possibility of application in a wide range of fields, including domestic circuit board, parts, and final product manufacturers.

Going forward, we aim to develop and supply materials with high added value that can contribute to society in the environment and energy sectors.



Heat-dissipating insulation sheets



Takahiro Mori
General Manager, Packaging Materials Dept,
Electronic Materials Development Laboratory

R&D Laboratories and Research Subjects

R&D Laboratories	Research Subjects	Ogu	Urawa	Kuki	Kansai
Polymer Additives R&D Laboratory	Antioxidants, Light stabilizers, Stabilizers, Plasticizers, Nucleating agents, Clarifiers, Flame retardants, UV absorbers		●		
Information Media Materials Development Laboratory	Photoreactive materials, Recording materials, Imaging materials	●			
Electronic Materials Development Laboratory	Semiconductor materials, Etching materials, Resin film materials	●		●	
Environmental and Energy Materials Laboratory	Light wavelength converter, Pigment sensitizer, Infrared reflective films, Lithium-ion battery additives, Soil purifiers	●			
Functional Chemicals Development Laboratory	Epoxy resins, Curing agents, Urethane resins, water-swelling sealing materials, Surfactants, Lubricating additives	●		●	
Food Development Laboratory	Commercial margarine for folding and blending, Filling creams, Whipped creams, Functional mayonnaise, Frozen pastry	●			●
Life Science Materials Laboratory	Beta-glucan, Mevalonolactone, Nano-beacon	●			

Heat-dissipating insulation sheets developed by ADEKA

Thermal conductivity of **10** W/m·k
Heat resistance above **300** °C



Members of Section-2, Production Dep, Mie Plant

Mie Plant's Initiatives to Improve Its On-Site Capabilities

Creating and Passing On *Monozukuri* Culture Through 5S Activities

The Mie Plant is a core production plant engaged in manufacturing cutting-edge chemicals products, including polymer additives. It also provides technological support to ADEKA's overseas bases.

In order to gain the trust of customers amidst the increasing globalization of the business, it is most important to ensure accurate *monozukuri* (manufacturing) without mistakes, as well as proper compliance with the "fundamentals" of the manufacturing industry, which is to provide a stable supply of products with consistent quality in a safe manner, following a fixed set of procedures.

It is vital to raise the level of employees' motivation in order to keep up with the implementation of 5S activities, and elevate these to the level of a "*monozukuri* culture" that cannot be replicated by other companies. At the same time, management is also required to put in even more creative effort than before.

5S Activities

5S activities are initiatives for improving work processes, based on five strategies that begin with S—*Seiri* (sorting), *Seiton* (straightening), *Seiso* (sanitizing), *Seiketsu* (standardizing), and *Shitsuke* (sustaining). Activities include discarding unwanted items; ensuring that shared objects and information can be accessed easily by all; diligently carrying out regular cleaning and inspection; maintaining organized, neat, and clean conditions; and maintaining the above 4S and complying with workplace rules and work procedures.



Aiming for "*Monozukuri* Without Mistakes" that Makes Customers Happy Through the 5S Activities

The Mie Plant has been implementing MCFS (Mie Continuous Five S) -5G activities since fiscal 2011. MCFS-5G activities aim to achieve the thorough implementation of the 5G (five ways of developing the production site), in order to bring about the four areas of safety that ADEKA has set forth as a company-wide policy—occupational safety, environmental safety, equipment safety, and quality safety.

The Mie Plant has been implementing 5S activities continuously from early on since the plant commenced operations, and has achieved improvements through activities such as TPM and MPI-200 (Mie Plant Innovation, aimed at improving productivity by 200%).

As new activities aimed at revitalizing the initiative have not been put in place since the MPI-200 activities implemented up till fiscal 2008, and as many employees from the baby-boomer generation responsible for "cultural creation" at the production sites were beginning to leave the plant, Mie Plant began to initiate various efforts aimed at creation and passing down *monozukuri* culture through the lively revival of 5S activities as a fundamental strategy for improving the corporate value generated by a production plant.



ADEKA Mie Plant

As a production base for stabilizers, additives, and specialty plasticizers used for polymers, the Mie Plant of ADEKA Argus Chemical Co., Ltd. began operating in the suburbs of Kuwana, Mie Prefecture in 1965. After the merger in 1990 and the change of the company name in 2006, it changed its name to ADEKA Mie Plant. The plant plays an important role by supplying various high-end resin additives and Information media materials used in automobile parts and construction materials.

Certification Acquired
ISO 9002 (1993), ISO 9001 (2002), OHSAS 18001 (2001)
TPM Awards Received
TPM Excellence Category II (1989), TPM Excellence Category I (1995)

5G(Five ways of developing the GEMBA, "production site")

1. Creating a site with no accidents or disasters
2. Creating a site that does not generate pollution
3. Creating a site that does not produce defective or inferior products
4. Creating a site where work processes are not suspended
5. Creating a site that can increase the plant's contribution margin

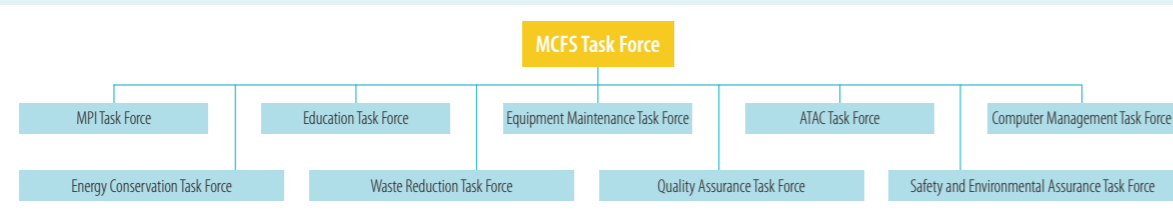
“Handmade Reform” That Harnesses the “Implicit Knowledge” of Experienced Employees

A characteristic of the MCFS-5G activities is that they do not rely on assistance from experts such as consultants, but rather, are implemented through a “handmade reform” that focuses on mid-level and expert employees who have developed “implicit knowledge” over their years of work and experience of improvement activities at the Mie Plant, including 5S.

It is essential to ensure a combination of “top-down” and “bottom-up”

management in activities such as 5S, which call for an awareness of various matters at the work site. The implementation of “handmade reform” can have the effect of nurturing positive ideas among employees, including young employees, of independently creating a workplace that customers and others recognize as being “characteristically Mie Plant,” and of aiming to be the best at something once you decide to do it.

“Handmade” MCFS-5G Activity Promotion System



The MCFS Task Force coordinates the nine task forces and subcommittees, and serves as the “pilot” for guiding employees in MCFS-5G activities. The monthly joint meeting is attended by the respective chairpersons of the task forces and subcommittees, as well as plant managers, general managers, and production managers. During the meeting, attendees verify the progress status of the activities and discuss improvement measures for problems. All members conduct cross-divisional inspections simultaneously, and communication is carried out smoothly across the various organizations. By doing so, employees are stimulated and inspired by the initiatives undertaken by other departments, and this in turn drives them to make improvements to their own activities.



Publication of the MCFS Newsletter



Each work process in the production divisions can only be handled by employees who have been certified as having passed the work certification standards

Passing Down Plant Revitalization Activities as a “Reliable Plant”

The improvement activities that the Mie Plant has implemented to date have been highly appraised by the customers.

In fiscal 2013, it underwent six cases of plant quality audits, and the production sites, including production processes and filling processes, were inspected by customers. As a result, the Mie Plant received praise for being a “reliable production plant,” based on its initiatives to create safe work sites and achieve high-quality *monozukuri* through its 5S activities and MCFS-5G activities.

Going forward, it is important for ADEKA Group companies within and outside Japan to stand united and promote activities in order to improve the degree of customer satisfaction. The Mie Plant will also continue to promote understanding of 5S activities and MCFS-5G activities through actively receiving trainee employees from Group companies overseas; and through communication with the work process representatives, share knowhow within the Group and pass down plant revitalization activities.



Sharing Mie Plant's knowhow with Group companies overseas



Tools that have been sorted (*seiri*) and straightened out (*seiton*)

“Be the best at anything you do.”

Production Divisions Receive Awards at the ADEKA-wide Presentation Seminar for Case Studies of Improvements Achieved

In order to supply products that can provide even greater value to society, win the trust of customers, and overcome intense competition, it is important to manage work sites by picking up even the smallest ideas and proposals on-site without fail.

ADEKA takes a proactive stance toward safety, putting in place initiatives such as the Presentation Seminar for Case Studies of Improvements Achieved (July) and the Presentation Seminar for Case Studies of Improvements Achieved in the “Four Areas of Safety” (December) held every year for all offices, including overseas bases. In fiscal 2013, Production Dep, Section Four of the Mie Plant was awarded the Excellence Award in the Presentation Seminar for Case Studies of Improvements Achieved, while Section Two received the Excellence Award in the Presentation Seminar for Case Studies of Improvements Achieved in the “Four

Areas of Safety.” The steady progress of work revitalization activities carried out at Mie Plant, including MCFS-5G activities, are beginning to show results.



Model area that has been kept sanitary

10th Presentation Seminar for Case Studies of Improvements Achieved in the “Four Areas of Safety” Case Studies that Received the Excellence Award

Taking on the slogan of “Reborn Section Two,” all members of Production Dep, Section Two took up the challenge of implementing improvements in a wide range of areas, based on new ideas that have never been tried before.

As a result of improvement initiatives that placed focus on enhancing security capability, such as capturing new educational information including safety and quality improvement “Know-Why” through voluntary maintenance activities, as well as training to deal with the leakage of hazardous substances, on DVD and using it in educational activities, the Division succeeded in maintaining a level of zero accidents and disasters in all four areas of safety.

With regard to activities pertaining to the *seiso* (sanitary) aspect of the 5S activities, the Division took top place for the second time running in the 5S Competition held by Mie Plant. This success was achieved by upgrading equipment and reviewing cleaning methods for model areas that have aged, and where it had become difficult

to recover residues. The results of these activities were highly appraised by customers who had visited the areas on plant tours and audit inspections.

In the aspect of occupational safety, the Division has put in place measures to ensure faithful compliance with various management standards. One example of these is the implementation of measures, undertaken by all employees, in the loading of the hazardous substance paraformaldehyde. By suppressing the generation of dust to a level that does not exceed the management concentration stipulated under the Industrial Safety and Health Act, the Divisions succeeded in stabilizing loading speed.

Other divisions and departments were also greatly inspired by the success of Production Dep, Section Two and Section Four that led to their awards. They are now establishing and implementing unique and creative measures, with the aim of being the next division or department to receive the awards.



“Four Areas of Safety” Award ceremony



Yasuhiro Yamakita
Manager of the MCFS Task Force, Mie Plant (Manager, Section Three, Production Dep)

Product Safety Initiatives

Message from the Representative

Contributing to society through the provision of safe, high-quality products and services is considered to be the first step in CSR. To that end, we are undertaking activities based on our unique concept of "quality safety," which captures the ideas of quality assurance and product safety as one.

Going forward, we aim to promote quality safety activities that form the foundation for satisfying all our stakeholders, and strengthen our system for providing product information and services.

Junya Takeuchi

General Manager, Environment Safety & Quality Assurance Department



Quality Safety Policy for Fiscal 2013

1. Investigate the "true cause" for defective quality, and take prior measures to prevent them from occurring and to prevent recurrences.
2. Establish a system for supply chain management, from raw materials to the use and disposal of the completed product, and take continuous steps to improve the system.
3. From the perspective of food defense, carry out overall inspections of production sites and management conditions in order to enhance food safety.

Targets and Actual Results for Fiscal 2013

Item	Targets	Actual results
Compliance with PL ^{*1}	Compliance with GHS ^{*2} for exported products	◇ Considered introducing the MSDS ^{*3} automatic creation system that is compliant with overseas laws and regulations ◇ Achieved compliance with GHS in Korea and Indonesia
	Promote improvements and greater efficiency for the food traceability management system	◇ Registered raw material information including traceability of newly adopted raw materials ◇ Updated registered information on existing products and raw materials used
Management of chemicals	Compliance with related laws and regulations in Japan and abroad	◇ Completed compliance with laws related to chemical regulations in Japan ◇ Achieved compliance with Chinese law on the registration and management of hazardous chemicals
	Continue to ensure compliance with REACH ^{*4}	◇ Completed registration of REACH substances for 2013 (five substances)
Safety and assurance for food products	Keep up efforts to provide information to customers	◇ Provided product information through product specifications manuals, etc.
	Compliance with related laws and regulations in Japan	◇ Added descriptions of allergen items recommended for display on product labels

*1 Abbreviation for "Product Liability" *2 A system for unifying the global classification standards for chemical substances, and for raising awareness about the labeling of such substances *3 Chemical Substance Safety Data Sheet
*4 General term for comprehensive management regulations for chemical substances enforced by the EU

Examples of Activities for Fiscal 2013

Quality Management System

The ADEKA Group strives to ensure thorough management of quality safety, and to secure product safety and improve quality.

In order to promote quality safety activities throughout the company, the respective research, production, sales, and staff departments and divisions conduct activities by following the PDCA cycle, based on the Quality Safety Policy formulated by the Environmental Protection Division every fiscal year.

The final results are reported at the quality management and PL meetings, and efficacy and horizontal development of the activities are verified. After that, the Quality Safety Policy for the next fiscal year is formulated.

Quality and PL Audits

Quality safety activities that are implemented by the respective research, production, sales, & other departments and divisions are audited by the Environment Safety and Quality Assurance Department, which oversees quality matters. Periodic checks are conducted to ensure that the quality safety system is properly implemented.

In fiscal 2013, quality and PL audits were conducted for 27 chemicals divisions and 46 foods divisions. Continuous improvements are carried out for quality safety activities through feedback on the audit results.

TOPICS

CSR Audits Conducted by Customers

In order to ensure that customers can use our products with peace of mind, we promptly respond to customer requests for CSR investigations and audits. In fiscal 2013, AMFINE CHEMICAL CORP. in the United States, which was subjected to a supplier audit by a customer, was highly appraised for its safety and health management initiatives, as well as its improvement activities. We aim to continue raising the bar for our management levels.



Quality Management Training for Employees

Briefing sessions and seminars about laws related to product liability and chemical substances are conducted, mainly for employees who are involved in work at the production sites. Efforts are made to ensure that information on laws and regulations are widely disseminated, and to improve the level of understanding for individual employees. In fiscal 2013, lessons were conducted on security trade management and the Chemical Substances Act^{*5}. These were attended by 529 employees.

Management of Chemical Substances

We recognize that chemical substances may have an impact on the environment and on human health, even while they bring us greater convenience in our lives. As such, we strive to ensure proper and appropriate management of chemical substances.

Specifically, we have put in place initiatives across the entire supply chain, from the procurement of raw materials through to the production processes and the use and disposal of the completed products. These include the collection of information by obtaining the MSDS of the raw materials that we purchase, minimizing discharge into the environment at the production phase, giving consideration to the health of employees, and conducting safety assessment tests on products.

We are also REACH-compliant, and have completed registration of five substances by the registration deadline for 2013.

Food Traceability Management

At each stage from procurement to sales, we maintain records of our suppliers and customers, as well as production methods, and store these in a centralized manner. The adoption of such a traceable system allows us to track the history of events, deduce the cause of problems quickly, and take appropriate measures in the event that a problem arises.

We are able to track the lot number printed on products and capture information about the production plant, date and time of production, and materials used. At the same time, we also put our utmost effort into ensuring a stable supply by creating links to the warehouse management system.

Targets for Fiscal 2014

Item	Targets
Compliance with PL	◇ Timely response toward GHS for exported products, in line with the laws and regulations of each country ◇ Reviewing construction of the MSDS automatic creation system compliant with international laws and regulations ◇ Promote improvements and greater efficiency for the food traceability management system
Management of chemicals	◇ Compliance with related laws and regulations in Japan and abroad ◇ Achieve compliance with REACH in South Korea, and with chemical laws in Taiwan; investigate the situation for the revised TSCA law ^{*6} (United States)
Safety and assurance for food products	◇ Keep up efforts to provide information to customers ◇ Maintain compliance with related laws in Japan and continue to collect information

*5 Abbreviation for the Act on the Evaluation of Chemical Substances and Regulation of Their Manufacture, etc. *6 Abbreviation for the United States' "Toxic Substances Control Act," which regulates hazardous substances

Environmental Conservation Initiatives

Message from the Representative

The ADEKA Group recognizes the impact that corporate activities have on the environment, and is taking steps to prevent air, water, and soil pollution, as well as to reduce the burden on the environment. In fiscal 2013, in addition to activities related to conserving resources and energy that we have been implementing from the past, we also injected effort into developing environmentally friendly products, suppressing the generation of food waste, and implementing activities based on the Biodiversity Policy (enacted in fiscal 2012). We seek to maintain harmony with the environment across all our corporate activities, and strive to conserve the environment and ensure the safety and health of people in the local community and of our employees in order to contribute to the development of a sustainable society.



Yutaka Furukawa
Operating Officer and General Manager, Environmental Protection Division

Basic Environmental Policy

In order to raise awareness of environmental issues and respond to societal needs towards environmental conservation, we have revised the basic guidelines we formulated in 2006.

1. Strive to conserve resources and energy, recycle resources, and reduce the generation of waste, in order to prevent environmental pollution.
2. Comply with domestic and foreign laws and regulations related to the environment, and at the same time strive to strengthen voluntary management and achieve further environmental conservation.
3. Be aware that corporate activities are dependent upon the blessings produced through biodiversity, and seek to protect biodiversity.
4. Take a proactive stance in procuring raw materials that impose a low burden on the environment, and contribute to the realization of a recycling-oriented society.
5. Disclose the results of environmental conservation activities to society.
6. Communicate with stakeholders and provide support to society and local communities in environmental conservation activities.

Targets and Actual Results for Fiscal 2013

Detailed data that could not be included in this Report are available on our website (starting September 2013). <http://www.adeka.co.jp/csr/en/index.html>

	Scope	Targets	Actual results	Self-evaluation
Promote energy conservation	Production division	Reduce energy intensity by 1% or more year on year	Achieved energy intensity of 0.1928 kiloliters per tonne (3.9% reduction from previous year)	△
		Reduce CO ₂ emissions by 1% or more year on year	Generated 145,219 tonnes of CO ₂ emissions (3.6% increase from previous year)	◎
Reduce industrial waste generated	All ADEKA Offices	Reduce industrial waste output by 1% or more year on year	Generated 39,144 tonnes of industrial waste (1.3% reduction from previous year)	△
		Achieve 100% recycling rate for outsourced volumes by fiscal 2020	Achieved a 43% recycling rate (Recycled 12,279 tonnes out of 5,238 tonnes of externally processed waste).	△
		Achieve landfill disposal volume of zero by fiscal 2020	Landfill disposal volume of 21.4tonnes (0.05% of industrial waste generated), Achieve zero emissions*	◎
Promote green purchasing		Improve green purchasing rate by 80% or more for stationery and non-stationery items by fiscal 2020	Stationery items:69% (1,603 items out of 1,112 items), Designated non-stationery items: 47% (842 items out of 395 items)	△
Established a management system	Head Office and Soma Plant	Acquire ISO 22301:2012 accreditation	Acquired ISO 22301:2012 certification in December 2013	○
	Production division	Keep up continuous improvements in BCM and BCP	Review and revision of BCP at each plant	○

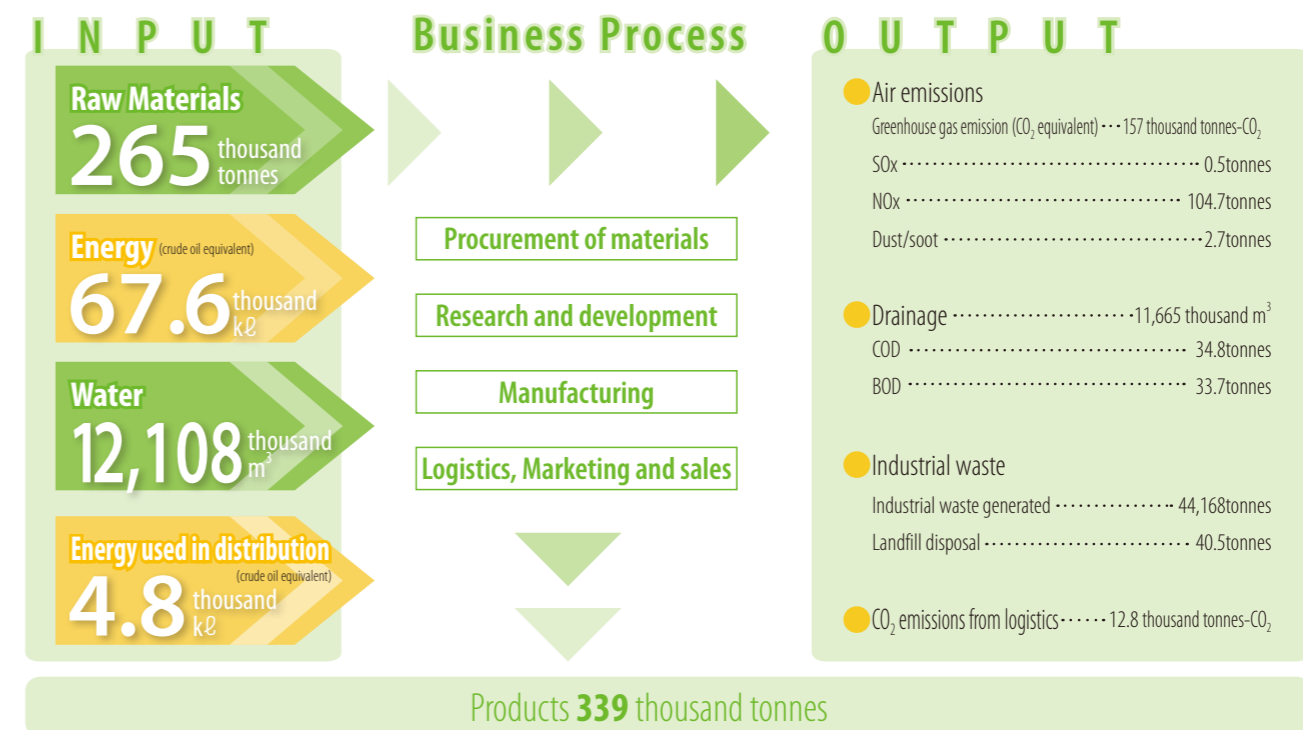
Environmental Initiatives System

Under the policy set by Environmental Protection Division headed by an operating officer, each business office formulates an execution plan and makes efforts for continuous improvement of environmental management activities by implementing PDCA cycle.



Environmental Conservation Initiatives

Survey target: ADEKA and 10 main affiliated companies in Japan



Internal grading: ◎ : Exceeded expectations ○ : Meet expectations △ : Below expectations

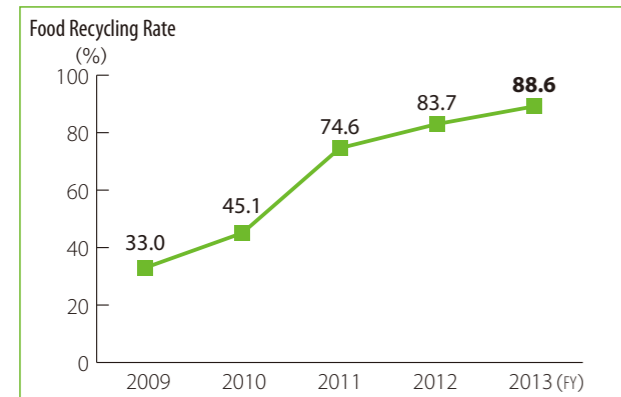
* ADEKA defines "complete elimination" as landfill waste that amounts to less than 0.1% of the total volume of industrial waste output.

Examples of Activities for Fiscal 2013

Waste Reduction and Resource Recycling

Under the Law Concerning Promotion to Recover and Utilize Recyclable Food Resources, business operators in the food industry are required to suppress the generation of food waste and make effective use of waste as resources. The target implementation rate for recycling and reuse has been set at 85%.

ADEKA has implemented cross-functional activities across the production, management, sales, and other departments and divisions; and is actively promoting the recycling of waste and the suppression of food waste generation. In fiscal 2013, as a result of efforts to improve production efficiency in the production department and strengthen warehouse management in the sales department, we achieved a food recycling rate of 88.6%.



Initiatives Toward the Utilization of Natural Energy

ADEKA is putting effort into reducing CO₂ emissions from its corporate activities, and has introduced a solar power generation system to some of our offices.

In fiscal 2013, we installed 62 new solar panels, each measuring 1.3m², at our employees' dormitory at the Mie Plant. The power generation capacity of this facility is expected to reach 12,272kWh per year, and we are taking active steps to ensure the effective utilization of natural energy.

Locations for the installation of solar power generation systems	Maximum power generation capacity
Urawa R&D Laboratory	11.16kW
Employees' dormitory at the Mie Plant	11.40kW



Employees' dormitory at the Mie Plant

Greening Activities Within the Office Premises

ADEKA Group is actively promoting greening activities within our office premises with the aim of helping to conserve the natural environment in the region that the office is situated in, whether in Japan or overseas.

At the Chiba Plant, approximately 1,400m² of the land within the premises has been converted into a grass-covered car park as part of greening efforts within the plant. Adopting a construction method that protects grass from the excessive weight of vehicles, we are keeping up efforts to maintain the health and beauty of the green areas.



Car park at the Chiba Plant

Conservation of Water Resources

The ADEKA Group makes use of clean water and industrial water, as well as groundwater, in our production processes. We have put in place measures to ensure the effective use of water and the management of the quality of water that is discharged. With regard to reducing the amount of water used, we put effort into recycling and reusing water that has previously been used to cool equipment such as tanks and pipes in the plants. In the case of water discharged from our plants, we also strive to prevent water pollution by discharging this water to public sewers and rivers only after it has been cleaned and treated through the wastewater treatment facilities in our plants.



Periodic inspections to prevent water pollution (Akashi Plant)

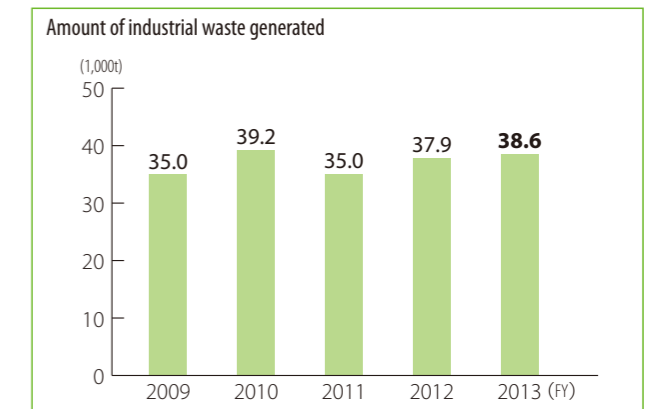
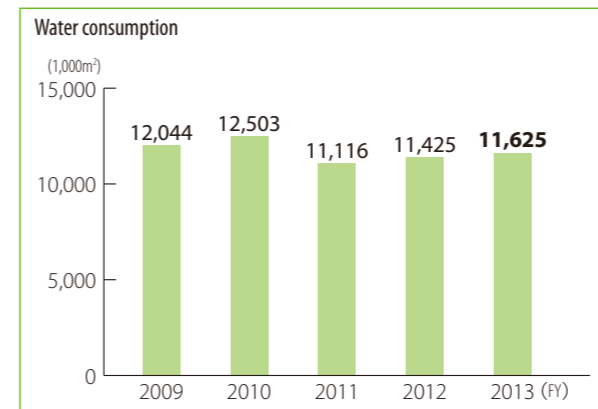
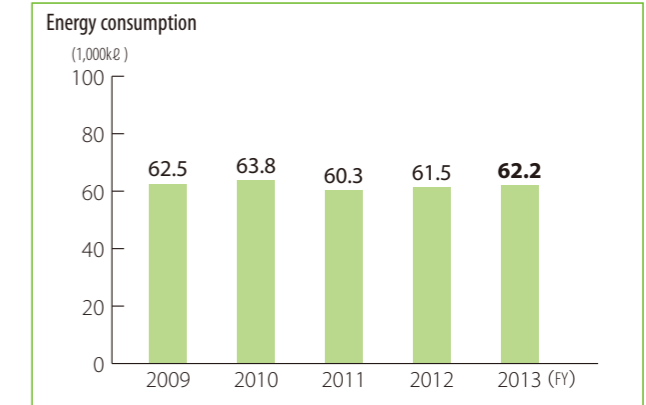
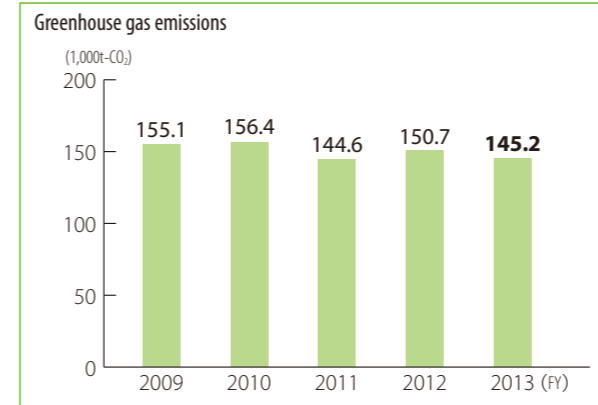
Environmentally Friendly Products

ADEKA's R&D Division promotes research and development activities that place emphasis on not producing, using, or discharging environment pollutants from the product design phases. In 2010, we established the Guidelines on Environmentally Friendly Products as part of our efforts to promote the development of products that impose a low burden on the environment.

In fiscal 2013, due to the strong performance of our engine oil additives that reduce the emission of CO₂, and intumescent flame retardants that are able to suppress the generation of carbon monoxide during combustion, the sales ratio of our environmentally friendly products reached 7.6% (as compared to 6.5% in fiscal 2012).

Consideration for the Environment During Production

Survey target: ADEKA Production Department



Targets for fiscal 2014

	Scope	Targets
Promote energy conservation	Production division	Reduce energy intensity by 1% or more year-on-year in the production departments
		Reduce CO ₂ emissions by 1% or more year-on-year in the production departments
Reduce industrial waste generated	All ADEKA Offices	Reduce industrial waste generated by 1% or more year-on-year
		Achieve 100% recycling rate for outsourced volumes by fiscal 2020
		Continue to maintain zero emission rate
Promote green purchasing		Achieve landfill disposal volume of zero by fiscal 2020
		Improve green purchasing rate by 80% or more for stationery and non-stationery items by fiscal 2020
Established a management system	Head Office and Production division	Gain a good understanding of customers' needs and promote continuous improvements in management systems
		Raise the level of internal auditors, and conduct internal audits that assess effectiveness

Creating a Pleasant Working Environment



Message from the Representative

In fiscal 2013, we put our best efforts into securing a safe and pleasant working environment where human rights are respected, and continued to promote work-life balance and diversity.

We respect the diversity of our employees, and seek to promote the development of human resources who can lead future generations, as well as the creation of a secure workplace for our employees.

Susumu Yasuda
General Manager, Human Resources Department

ADEKA Human Resources Principles

- ▶ Respect the human and personal qualities of employees
- ▶ Develop human capital who have a positive social impact
- ▶ Support self-realization by employee
- ▶ Develop employees with initiative

Targets and Actual Results for Fiscal 2013

Targets	Actual results
Extension of the maternity leave system (leave that can be taken when an employee's partner gives birth)	Extension of number of days of maternity leave from two days to three days. Utilized by 48 employees.
Enrichment of the short working hours system for childcare and nursing care providers	Change in the units of using the short working hours system from one-hour units to 30-minute units Extension of childcare leave to a maximum of two years

Human Resources Data

Target: (1) Consolidated, (2) – (7) Non-consolidated

Item	Fiscal year		
	2011	2012	2013
(1) No. of employees	2,920	3,027	3,034
(2) No. of employees	1,518	1,523	1,530
(3) Average age of employees	38.1	38.3	38.4
(4) Ratio of female employees (%)	12.7	12.5	12.6
(5) Ratio of female managers (%)	1.7	1.7	2.4
(6) Re-employment rate (%)	94.7	100.0	100.0
(7) Employment rate for people with disabilities (%)	1.93	1.79	1.87

Promoting Diversity

We promote diversity in order to ensure that all employees can take a broad perspective in their career.

Respect for Diverse Values

The ADEKA Group respects the values of diverse human resources regardless of nationality, age, gender, race, and disability, in all aspects ranging from recruitment and employment to promotion. We also provide employees with support in order to help individuals maximize their capabilities.

Along with the expansion of our overseas operations, in recent years we have been active in conducting exchanges with our overseas subsidiaries, such as collaborative seminars and training. In these ways, we are working toward creating a pleasant working environment that diverse human resources across the Group can play an active role in.

Respect for Human Rights

The ADEKA Group Code of Conduct lays out respect for fundamental human rights, and is distributed in English and Chinese to all Group employees in order to raise awareness of human rights.

We also take a firm stance against discrimination and acts of violence, as well as sexual harassment, based on the company's rules of employment. With the aim of preventing moral harassment at the workplace and raising awareness amongst employees, we have continued to conduct training courses for each employee level and office. In fiscal 2013, 227 employees attended these courses.



Training conducted for each employee level

Promoting Female Employment

The ADEKA Group promotes the creation of a working environment where each individual employee is able to maximize his or her capabilities, regardless of gender.

We have put effort into employing female recruits. The number of female recruits in April 2014 was seven out of 54 fresh graduates who joined the company at this time. With regard to promotion examinations, the doors to managerial and general positions are open to all employees, regardless of gender. The ratio of female managers has risen 0.7 points since fiscal 2012.

Employment of Retirees

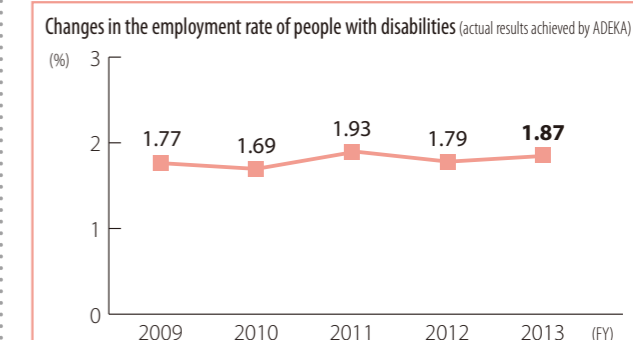
Since fiscal 1992, we have introduced a system for the continued employment of retirees. Since fiscal 2013, we have also re-employed retirees who wish to be employed up to age 65, with the exclusion of cases where we are unable to do so due to special circumstances.

We have developed flexible employment styles, including full-time work similar to what employees experienced prior to retirement, as well as part-time work of three days a week or less. In these ways, we are committed to creating a space where we can continue to tap into the knowledge, experience, and expertise of our employees even after their retirement. In fiscal 2013, we re-employed all retirees who submitted applications for re-employment (13 employees).

Employment of People with Disabilities

The ADEKA Group has developed an employment environment and expanded the occupations available in order to bring out the potential in people with disabilities and help them achieve self-fulfillment.

As of the end of fiscal 2013, the employment rate for people with disabilities stood at 1.87%. Although this was below the legal employment rate of 2% after the revision enforced in April 2013, we will increase employment to reach the quota going forward.



Recruitment of Global Human Resources

We also take a proactive stance toward the employment of fresh graduates who are foreigners, including foreign students, as well as returnees. Decisions pertaining to employment, benefits, and promotion are made without making any distinction between different nationalities. Two of the 54 fresh graduates who joined the company in April 2014 were of foreign nationality and returnees.

We respect the values held by diverse human resources, and are committed to developing a pleasant working environment for all our employees by engaging them in work suited to their individual capabilities and skills.

Human Resource Development

The ADEKA Group recognizes that employees are an important management resource for a corporation. We regard human resources as assets, respect the motivation and aspirations of each individual, and put effort into developing human resources who can lead future generations.



Enhancing the System for Developing Global Human Resources

Each of our offices in Japan has adopted a system providing employees with support to attend external language schools, or which hires foreign lecturers to conduct language lessons in-house (English and Chinese). In fiscal 2013, 115 employees made use of this system.

In addition, as part of a system to give employees the opportunity to experience language acquisition and work experience overseas, an overseas training system was launched in fiscal 2007. Under this system, employees, with a focus on young employees, are dispatched to countries such as the United States, China, and Singapore. In fiscal 2013, five employees were dispatched overseas.

These trainees attend local language schools and undergo training at our overseas affiliates. Through this system, implemented as part of our efforts to develop human resources that can play an active role in the global community, we have created an environment that allows employees to familiarize themselves with local business environments and practices.

Career Development for Employees

To provide support for the development of our employees' abilities, we have prepared training by employee level that contributes to the acquisition of a wide range of knowledge and improvement of skills, such as management and business skills; as well as specialized skills for certain job categories, selective training, distance learning, and e-learning programs.

We have also introduced a business school system for motivated employees who wish to study under external institutions based on a curriculum for working adults, which encompasses marketing theories, the construction of logical thinking, and other topics. Through these means, we strive to raise the capability of our employees.

TOPICS

Holding Company-Wide Management Training

In fiscal 2013, 203 employees in managerial positions from six Group companies participated in the company-wide management training. Based on the key concept of the growth and expansion in the number of "human resources who can engage in strategy planning," heated discussions were carried out through group work and lectures conducted by lecturers from within and outside the company.



Introduction of Mentoring System

For research jobs, we have introduced a mentoring system effective from fiscal 2013. Under this system, the workplace and the company join hands to provide new employees with education and guidance. Each new employee is assigned a mentor (a good counselor) of supervisor level. The aim of the system is to provide new employees with planned, continuous support in the workplace through work guidance that is provided based on the OJT Training Manual.

The mentoring system was adopted across the company effective from fiscal 2014, and efforts are being made to develop and guide new employees alongside efforts to ensure that their mental health is taken care of.



Mentoring system for research jobs

System for Listening to Employee Opinions (Self-Reporting System)

We have established a self-reporting system that allows employees to discuss their own future career paths with the company. Reports are made yearly through individual interviews with their supervisors, when employees talk about the work they are responsible for, the work they wish to engage in, and their work locations.

Initiatives Toward the Development of Global Human Resources

Development of Human Resources Who Can Play an Active Role Across the Boundaries of Countries and Regions

The ADEKA Group is engaged in corporate activities in 12 countries and regions around the world, including Asia, the United States, and Europe.

Amidst the situation of increasing globalization of the business, we have set the growth strategy of expanding our overseas operations in our Mid-Term Management Plan "STEP 3000."

In order to venture close to each region and develop our business quickly, we are putting effort into actively recruiting human resources overseas, as well as developing global human resources who can play an active role across the national and regional borders.



Conducting training courses at the plant and R&D laboratory of ADEKA FOODS (ASIA) SDN. BHD. (The second person from the left is a trainee from Malaysia)

Developing Management Personnel at Each Base and Speeding Up the Globalization of Management

At our overseas bases, in all areas including production management, sales, and financial strategy, we have put in place initiatives aimed at developing local employees into becoming management personnel.

For instance, at ADEKA FOODS (ASIA) SDN. BHD., which was set up in Malaysia in fiscal 2012 as a production and sales company for processed oils and fats, Japanese staff provide training internally for local employees. Local employees are encouraged to partake in external seminars and training conducted by external lecturers, with the aim of raising the skill level of employees.

Furthermore, we conduct practical training at our food production subsidiary



Training of local staff through external institutions



Spreading Japanese breadmaking technology overseas

Voice

Seeking to Apply the Knowledge and Skills Learnt in Training to My Work

I am grateful to have gained the opportunity to work at the foods processing plant, which I have never experienced before. I joined the company in January this year, and underwent extensive training at ADEKA bases in Japan and abroad. One month after joining the company, I was given the chance to learn food hygiene management at a food production company in Singapore, and experienced production processes on-site. In my training at the Kashima Plant and Foods R&D Laboratory, I had an extremely enjoyable time in my first experience making bread. I also deepened my friendship with all the people who served as my teachers, making the experience even more meaningful for me. I hope that the knowledge and experience I have gained through my training will play a useful role in my work in establishing the ADEKA FOODS (ASIA) SDN. BHD. plant, and I wish to join efforts with everyone to make it an important plant for the ADEKA Group.

Ong Yee Huat
Manager, Production Dept., ADEKA FOODS (ASIA) SDN. BHD.



Work-Life Balance

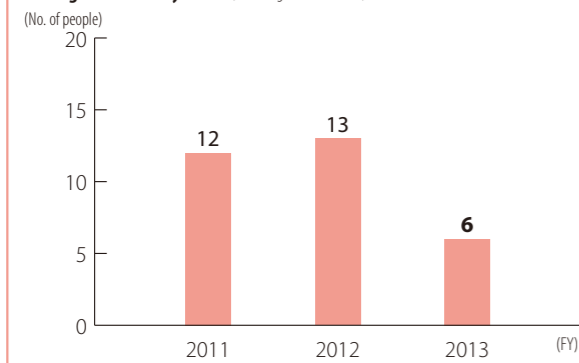
We place an emphasis on work-life balance, which aims to fully draw out the individual capability of each employee. To that end, we have put in place systems to allow for flexible and diverse working styles.

Keeping a balance between work and childcare/nursing care

We have introduced childcare leave systems, as well as short-time work systems, with the aim of providing support for employees striving to balance work life and family life. In fiscal 2013, we extended the childcare leave period and increased the number of days of maternity leave. In addition, 21 employees made use of the short working hours system.

In addition, we have incorporated items pertaining to activities to raise awareness and the enhancement of systems to promote the taking of childcare leave by male employees into the Second Action Plan (fiscal 2013 - 2015), based on the Act on Advancement of Measures to Support Raising Next-Generation Children, and are implementing these initiatives.

Changes in the number of employees using the childcare leave and nursing care leave systems (actual figures for ADEKA)



Regulating the Number of Working Hours

Efforts are being made to set aside days for leaving work on time (once a week) and to regulate the number of working hours by setting up a Committee to Improve the Setting of Working Hours Through Labor-Management Discussions. The work attendance of employees is managed* through the combined use of an online system with a system that records the time they enter and leave the building through a card-reader. These are a part of efforts to prevent employees from working long hours and putting in unpaid overtime work.

In fiscal 2013, the average number of overtime work hours per month was 14.2 hours (increase of 0.1 hours as compared to fiscal 2012), and the rate of annual paid leave taken was 65.8% (0.8 points decline from the previous business year in which calculations were made). These showed that the number of actual working hours increased.

*Only for the head office and Urawa R&D Laboratory

Maintaining the Health of Employees

The ADEKA Group conducts regular health examinations for all employees twice a year. The consultation rate also reached 100% for fiscal 2013. Occupational doctors and nurses provided follow-up checks for individual employees when re-examination was necessary, or findings were detected. In addition to providing vaccinations for employees who wish to receive them as a preventive measure against influenza, a financial assistance plan targeted at dependent family members of employees has also been established.

We have also set up a system allowing employees to consult with doctors easily by setting up a health consultation counter within the clinic that is open at all times.

Targets for fiscal 2014 [Support Plan for Nurturing the Next Generation (April 1, 2013 - March 31, 2015)]

Item	Targets
Aim for more than two men and more than 80% take-up rate for women for the actual rate of childcare leave taken during the projected period	Promote awareness of the relevant systems in the company, including the extension of the childcare leave duration implemented last fiscal year
Develop an environment to promote the involvement of men in childcare	Promote the involvement of men in childcare by extending nursing leave for children
Enhance the relevant systems in order to promote work-life balance amongst employees	Introduce a refresher leave system after an employee has worked continuously for 10 and 20 years
Continuously implement initiatives to reduce the number of overtime hours	Conduct internal patrols during the day set aside for leaving work on time once a week, and ensure that it is strictly enforced
	Establish a Committee to Improve the Setting of Working Hours Through Labor-Management Discussions to correct long work hours

Initiatives for Occupational Health and Safety

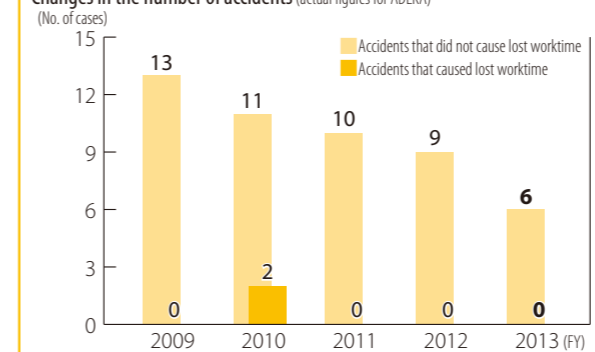
Occupational Safety

Through the operation of the Occupational Health and Safety Management System OHSAS 18001, we are committed to raising awareness of safety amongst employees, and creating a workplace free of accidents.

Occurrence of Occupational Accidents

Information about occupational accidents that have occurred in the ADEKA Group have been translated into English and shared among Group companies overseas as well. This information plays a useful role in preventing the recurrence of similar accidents. Same as the previous year, the number of accidents causing lost worktime continued to be zero in fiscal 2013, while the number of accidents that did not cause lost worktime was six. Going forward, we will continue to strive to strengthen safety measures during work and commutes, and raise the level of awareness among employees.

Changes in the number of accidents (actual figures for ADEKA)



TOPICS

Certificate for Accident-Free Record at the Kashima Plant

The Kashima Plant has maintained its accident-free record since January 2000, and was accorded with Category II of the Accident-Free Record Certification from the Labor Standards Bureau for fiscal 2013.

The accident-free record has been maintained for 7,860,000 hours (5,199 days) as of March 31, 2014.

Going forward, we will continue to take steps to prevent occupational accidents, and eliminate the seeds from which danger and accidents sprout.

Security and Disaster Prevention

The ADEKA Group seeks to prevent accidents and disasters before they occur, and strives to prevent the spread of damage in the event of an accident or disaster.

For that reason, each of the offices puts efforts into promoting risk assessment for security and disaster prevention, taking earthquake countermeasures for buildings and plants, and establishing security management systems for equipment.

Risk Assessment

We identify equipment and work processes that may potentially cause accidents, and consider and implement prevention measures corresponding to the size of the risk.

In fiscal 2013, we established a risk assessment committee and conducted seminars targeted at researchers as part of our initiatives to strengthen risk assessment at our R&D laboratories.

Going forward, we will continue to raise safety awareness amongst employees through such activities.



Risk assessment seminar held at the R&D laboratory

Fire and Disaster Prevention Activities

We periodically conduct comprehensive disaster prevention training for disasters such as fires, large-scale earthquakes, and tsunami, in cooperation with partner companies and local fire departments. These activities are also conducted at our overseas affiliate companies.

Initiatives Toward Community and Society

Initiatives Toward Nurturing the Next Generation

Work Experience Learning Programs, Accepting Visitors for Plant Tours

We wish to play even the smallest role in helping to develop a career and work perspective for young people. To that end, each of the offices takes a proactive stance in accepting junior and senior high school students for work experience learning programs and plant tours. In work experience learning programs, our program not only gives students the opportunity to visit the research and production sites, but also ensures that they have the chance to communicate with employees and get to experience actual jobs and work.

Lessons Conducted by Employees

We have been conducting chemical experiment classes for elementary school students in the vicinity of the head office since fiscal 2011.

We put effort into designing each lesson so that young people can participate in the experiments while gaining a deeper understanding of chemistry. We have received feedback from the students saying that they wish to work in the field of chemistry in the future, and that they enjoyed themselves very much.

Holding Judo and Kendo Competitions

We hold the ADEKA Cup Judo and Kendo Competitions for elementary and junior high school students who attend judo and kendo classes at the police station in Arakawa Ward, where our head office is located. The 13th Competition was held in fiscal 2013, and a total of 75 students, ranging from first year of elementary school to third year of junior high school, participated in the Competition. We will continue to hold these events and put effort into making them enjoyable, so that more children from the local community will partake in the future.



Work experience learning program for junior high school students (Mie Plant)



Tour of workplace for junior high school students (Foods Development Laboratory)



Chemistry experiment classes for elementary school students (Head office)



Holding Judo and Kendo Competitions (Head office)

Initiatives for Social Welfare Activities

Initiatives Toward Child Welfare

We donate to children's welfare facilities and participate in volunteer activities in the regions where our primary production facilities are located. To date, the respective offices have donated cakes during the Christmas season, held rice cake-making events, and interacted with the local community as employees visit the facilities directly for such activities.

Donations Toward Welfare Events

The Kashima Plant is involved in the Nice Heart Fureai Festival, organized by the Ibaraki Prefectural Government; and the Ibaraki Prefecture Sports and Cultural Association for the Disabled, held in December every year. In the 12th festival in which we participated in fiscal 2013, we continued to donate the frozen cakes made by our company. We also donated 880 Christmas cakes to eight facilities for the disabled in Kamisu, Kashima, and Itako cities in Ibaraki Prefecture.



Holding rice cake-making events (Fuji Plant)



Donating cakes to children's welfare facilities (Akashi Plant)



Donating Christmas cakes for events organized for people with disabilities (Kashima Plant)

Communicating with the Local Community

Local Exchange Through Exhibitions and Events

We create various opportunities for communication with the aim of building good relationships with the local communities where our offices are located, such as by participating in local events and inviting local residents to summer festivals organized by the company.

Participation in Activities to Beautify the Environment

The ADEKA Group puts effort into beautifying the areas around our offices, and periodically carries out cleaning activities. We also participate actively in environmental conservation activities and initiatives to pick up litter organized by the local government, and strive to keep the environment beautiful while interacting with the local community.



Participating in local community events (Kashima Plant)



Holding summer festivals (Fuji Plant)



Cleaning activities around the vicinity of our offices (Soma Plant)

Initiatives by Overseas Group Companies

United States AMFINE CHEMICAL CORP.

Visiting Lessons Conducted by Employees

AMFINE CHEMICAL CORP. conducts visiting lessons for elementary school students in the vicinity of the company, with employees serving as teachers. The aim is to communicate the fun of chemistry to the children who will lead future generations, and nurture their interest in science and technology. They also hold plant tours for high school students from schools in the neighborhood, and engage actively in education of the next generation.



Providing support for education at elementary schools in the neighborhood

Thailand ADEKA FINE CHEMICAL (THAILAND) CO.,LTD.

Donating Stationery to Elementary Schools

ADEKA FINE CHEMICAL (THAILAND) CO., LTD. is actively involved in activities such as providing social welfare to employees and donating to the local community.

As part of the company tour program in fiscal 2013, the company donated stationery directly from employees to elementary school students near the coast of Hua Hin, where the company tour was held.



Donating stationery to elementary schools near the coast of Hua Hin

Taiwan ADEKA FINE CHEMICAL TAIWAN CORP.

Received the Excellent Corporation Award from Taiwan's Ministry of Finance

ADEKA FINE CHEMICAL TAIWAN CORP. was one of the first companies in the ADEKA Group to acquire the ISO 22301 certification for its business continuity management system. With the aim of delivering better products and services to its customers, it also carries out risk management for business continuity on a regular basis.

In fiscal 2013, the company was highly appraised for its management and administration work carried out to date, including the issuance and submission of Taiwan's official invoice known as "uniform invoices," and received the award for Excellent Corporation for the Implementation and Management of Uniform Invoices from Taiwan's Ministry of Finance.



Received the Excellent Corporation for the Implementation and Management of Uniform Invoices from Taiwan's Ministry of Finance

South Korea ADEKA KOREA CORP.

Providing Scholarships for Students

ADEKA KOREA CORP. provides continuous schooling support to students confronted with financial problems by providing scholarships.

In fiscal 2013, the company continued to provide scholarships to outstanding students in Wanju-gun, where the production plant is located. It also provided a one-year scholarship to a high school student in the vicinity of its Seoul office.



Providing assistance to students through scholarships

Enhancing Corporate Value Building Partnerships

Relationships of Trust with Shareholders and Investors

Disclosure Policy

ADEKA communicates with all our shareholders and investors, in line with our Disclosure Policy. In addition to the scope of disclosure stipulated by laws and regulations, we take a proactive stance in disclosing important management information, such as financial results and business plans.

Dividend Policy

We have established a basic dividend policy that takes into consideration overall factors such as operating environment, performance, and financial situation, when determining an appropriate level of internal reserves and profit allocation.

With regard to the return of profits, we take a stance that focuses on stability while maintaining a medium- to long-term perspective. Dividends are determined based on an overall consideration of factors including the performance for each period, R&D and investment plans, financial situation, and operating environment.

IR Activities

We undertake a wide range of IR activities that include briefing sessions on the Mid-Term Management Plan for institutional investors and analysts, visits to our production bases and R&D laboratories, and individual meetings. We hold briefing sessions after the release of our year-end and second-quarter financial results. During these sessions, the top management is present to provide reports directly to stakeholders about our performance, causes, forecasts for the whole period, and forecasts for the next period.



Briefing session for fiscal 2013 financial results

Relationships of Trust with Our Business Partners

Strengthening the Partnerships with Our Business Partners

The ADEKA Group aims to grow and develop alongside its business partners. To that end, we create opportunities to provide business partners and retailers with information about business policies from top management every year, and put effort into strengthening the relationships and deepening mutual understanding by exchanging information and opinions on a regular basis.



Meeting with chemical product dealers

Compliance with Relevant Procurement Laws

In 2002, we formulated the Procurement Management Standards. In line with those, we carry out procurement activities in a fair and just manner based on a relationship of cooperation and trust with our business partners, and with consideration given to the environment.

TOPICS Providing Training on Subcontract Partnerships

The ADEKA Group provides employees with training on subcontractor partnerships, in order to build sound relationships with our subcontractors through fair trading activities in compliance with laws and regulations.

We are also committed to raising awareness amongst our employees. In fiscal 2013, we held a seminar on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors for employees of our affiliates.



Seminar on the Act Against Delay in Payment of Subcontract Proceeds, Etc. to Subcontractors (Akashi Plant)

Continued Support Toward Recovery from the Great East Japan Earthquake

It has been more than three years since the Great East Japan Earthquake struck on March 11, 2011. We would like to take this opportunity to extend our heartfelt condolences to all victims of the disaster and their families.

While there are still lingering concerns about the impact of the disaster, such as inadequate power supply, we will provide a report about the ADEKA Group's efforts to assist in the recovery of affected areas, and the business continuity management activities that we have undertaken to date in our position as a "disaster-resilient company."

Rehabilitation and Support Activities Undertaken by the ADEKA Group

The ADEKA Group is involved in various aspects of rehabilitation and support activities. These include having donating money toward relief efforts immediately after the earthquake struck, providing relief supplies and leasing land for the construction of temporary housing at no charge, and lending out a part of the Soma Plant premises for use as a stockyard for wave-dissipating blocks.

In fiscal 2013, we concluded a memorandum of agreement with Fukushima Prefecture on fixed-term land lease rights for business purposes. This applied to the construction of a fishery research facility and fishery culture and seedling production facility on a part of the Soma Plant, for the recovery of fishery seedling research and production facilities that were damaged in the earthquake disaster. Approximately 2.7 hectares of land on the premises of the Soma Plant will be leased to Fukushima Prefecture as part of our support toward the recovery of the fishery industry in Fukushima Prefecture.



Concluding Memorandum of Agreement with Fukushima Prefecture (Right: Governor Sato, Center: President Kohri, Left: Soma City Mayor Tachiya)



Soma Plant damaged by the tsunami



Kashima Plant suffering from ground subsidence as a result of the earthquake

Main support activities undertaken by the ADEKA Group



Initiatives to Ensure Stable Supply of Products

As a manufacturer supplying raw materials and intermediate materials, ADEKA considers it our most important mission to fulfill our responsibility of providing customers with supplies of our products. After the earthquake disaster, we took immediate steps to check our warehouses in the affected areas and our stock situation, and worked closely with our logistics partner companies and the relevant parties to set up our production systems as soon as possible.

Damage to the electrical facilities as a result of the tsunami caused serious damage to the Soma Plant. However, thanks to the management system established as part of the BCM certification we obtained in March 2010, we were able to minimize the impact from the suspension of operations and restore supplies of our products to customers in about three months after the earthquake struck.

We have kept up efforts to further meet the expectations of our customers. In November 2013, the business continuity management systems established by the head office and the Soma Plant were accorded the international ISO 22301 certification.

Going forward, we will continue with our activities to fulfill our mission of providing stable supplies of our products, while responding flexibly to the various changes that we expect will take place in the environment, as well as to the demands of society.



Soma Plant after reconstruction

ADEKA Group's Emergency Response, and Initiatives to Strengthen Our BCP

During the Great East Japan Earthquake, we established an emergency earthquake response headquarters swiftly after the earthquake struck, in line with the Crisis Management Manual. The emergency contact networks and safety verification systems were initialized, and the top priority was verifying the safety of all employees, families, and related personnel. The training activities conducted based on our BCP functioned effectively, and helped to prevent fatal chaos amidst the serious damage incurred.

After the earthquake disaster, as part of our countermeasures in the event of a large-scale earthquake and in preparation for times of emergency, we formulated a disaster manual for disasters that strike in the night or on holidays, laying out basic policies for those who are unable to return home and response measures for local residents. We also enhanced our preparedness toward emergency rations. In addition to storing food and water supplies, blankets, and portable toilets, we also introduced satellite telephones that can

be used to secure telecommunication connections with all our offices. Through these initiatives, we strengthened our crisis management system in preparation for unforeseen situations and emergencies.



Emergency food rations

CSR Management

Corporate Governance

Basic Stance on Corporate Governance

ADEKA Group has positioned the strengthening of corporate governance as an important management issue, with the aim of enhancing our corporate value and achieving our management policies.

We are committed to promoting fair and sound management through efforts to speed up the decision-making process, strengthen audit functions, improve transparency, and clarify the responsibilities and rights in the execution of operations.

Strengthening Internal Control Systems

As a company with a corporate auditor system, the ADEKA Group supervises and oversees the execution of operations based on the corporate auditor system, and through decision-making processes under the a council system formed by the Board of Directors, including external auditors.

Since introducing the operating officer system in 2003, the functions of overseeing management, supervisory functions, and the execution of operations have been separated and strengthened respectively. Reforms were also carried out with the establishment of a new management council, reducing the number of directors, and shorter terms of appointment. Since 2006, we have introduced an external director system in order to strengthen governance. In June 2013, one of 10 directors has been an external director independent from the company.

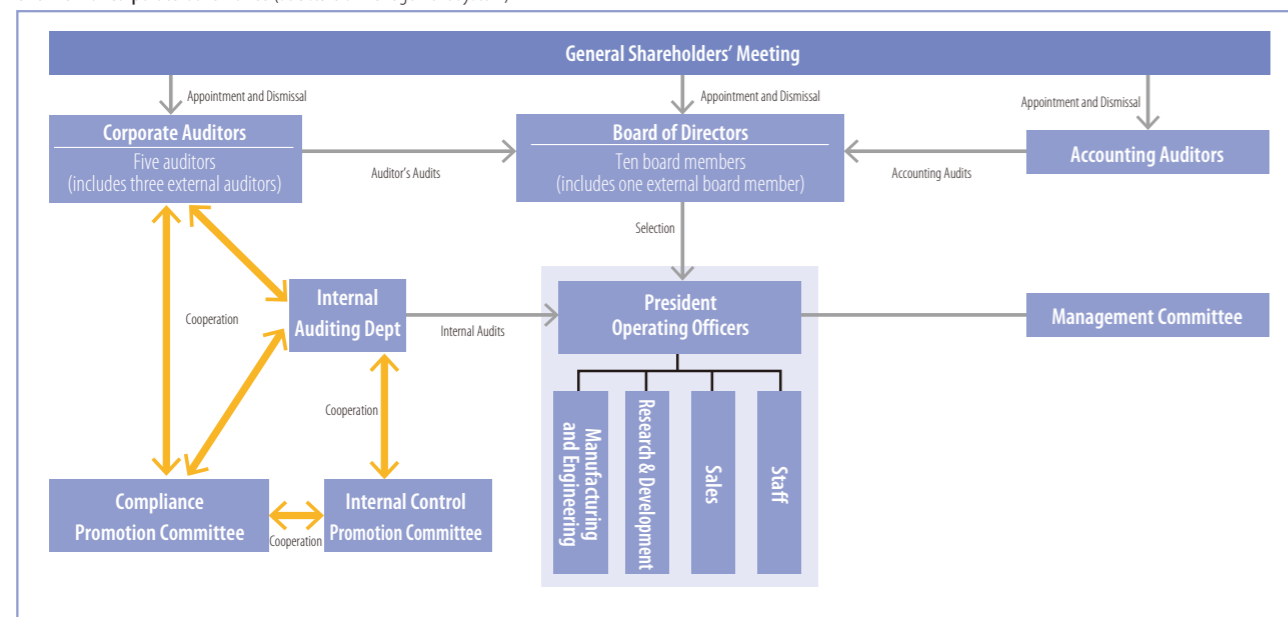
Remuneration System for Operating Officers

Our remuneration system for operating officers comprises two components—remuneration as compensation for execution of duties, and a bonus that is tied in with the company's performance for the business year in question. Remuneration for directors is paid out in line with remuneration standards approved by the board of directors, and lies within a range that has been approved at the General Shareholders' Meeting. Remuneration for auditors is paid out in consultation with the auditors.

Remuneration for operating officers for fiscal 2013

Designation	Total amount of remuneration, etc.	No. of officers paid
Director (excluding external director)	244 million yen	10
Audit Supervisory Board Member (excluding external auditor)	41 million yen	2
External operating officer	18 million yen	4

Overview of Corporate Governance (Structure of Management System)



Compliance

Our Stance on Compliance

The ADEKA Group established the ADEKA Group Code of Conduct in fiscal 2002 with the aim of ensuring that each individual employee behaves appropriately and in compliance with laws and regulations, internal norms, and corporate ethics as a good corporate citizen. Our Group-wide compliance system, applicable across all Group organizations, has been established in accordance with this Code of Conduct.

Activities to Raise Awareness of Compliance

We conduct training and education for all employees to raise awareness about compliance through e-learning and training conducted for the respective job levels.

In fiscal 2013, in addition to conducting internal training based on the themes of regulations on the bribery of foreign civil servants and the use of social networking, two Group companies also organized training courses, which a total of 851 employees attended. We also publish a monthly compliance e-newsletter to provide information so that each individual employee is able to make the correct decision and act appropriately when they are faced with various compliance risks in the course of their work.

Survey on Compliance Awareness

We periodically conduct compliance awareness surveys on all employees with the aim of gaining a quantitative understanding of their compliance awareness levels, and to identify and improve on the problems uncovered through the survey. The fiscal 2013 survey covered awareness, knowledge, and behavior in relation to compliance; the effectiveness of compliance measures; and the subjects of compliance activities. The survey was conducted on all 1,723 ADEKA employees with a response rate of 94.7%.

Strengthening the Effectiveness of the Compliance Consultation Service

In order to ensure the early detection and resolution of non-compliant behavior, we began operating the Group-wide whistleblower system called the "ADEKA Hotline" since fiscal 2003. In fiscal 2013, we introduced a new external whistleblowing system to enhance anonymity. This system allows employees to report anonymously through the website on compliance problems 24 hours a day, 365 days a year. This whistleblowing system is also accessible to employees in English and Chinese, and reviews are being conducted on expanding the scope of users to include overseas affiliates.

Changes in the number of internal whistleblowing cases

Fiscal year	2009	2010	2011	2012	2013
Number of cases	0	2	1	1	7

Risk Management

Understanding and Specifying Risks

The ADEKA Group has established a Crisis Management Committee with the aim of identifying various risks that could potentially have an impact on management, and to strengthen the necessary countermeasures. This Committee takes steps to reduce risks and prevent them from happening. It has also drawn up a Crisis Management Manual, and established an emergency response system to prevent and minimize risks during regular times, prevent the spread of a serious crisis, and ensure early recovery in the event of a crisis.

Establishing a Business Continuity System

We have formulated a Business Continuity Plan (BCP) in order to ensure that important work processes are not suspended even when the company is faced with an emergency such as an accident or disaster, and to ensure early recovery even in the event that they are.

In 2010, the head office and Soma Plant acquired the Business Continuity Management System (BCMS), making ADEKA the first domestic chemicals company to do so. Thereafter, we kept up initiatives aimed at securing stable supply, and acquired the international standard ISO 22301 for BCMS in November 2013.

In preparation for the event of a large-scale disaster, we have also put in place a safety verification system using contact methods such as communication equipment owned by the employees. We also carry out safety verification drills twice a year to ensure smooth response during an emergency.

Acquired ISO 22301 certification



Strengthening Information Security

In fiscal 2013, we formulated the ADEKA Group Social Media Policy and the ADEKA Group Social Media Usage Guidelines to cover social media use, which is witnessing a rapid increase in user numbers in recent years, in order to strengthen the awareness of each employee.

Third Party Opinion Comments

Reading the ADEKA Group CSR Report 2014

Katsuhiko Kokubu

Professor, Graduate School of Business Administration, Kobe University

Professor Katsuhiko Kokubu is a graduate of the Graduate School of Business, Osaka City University. He received a Ph.D. in business administration from the Graduate School of Business, Osaka City University. He has been in his current position since 2001, after serving as an associate professor of Osaka City University and an associate professor of Kobe University. In 2003, he established the Institute for Environmental Management Accounting, a vehicle for utilizing research achievements. Professor Kokubu chaired ISO/TC207/WG8, and served as a chairperson and a member of various committees involved in the Ministry of Economy, Trade and Industry, and the Ministry of Environment. His published works include "Material Flow Cost Accounting" from Nikkei Publishing Inc. and "Accounting System to Support Decision-Making on Environmental Management" from Chuokeizai-Sha Inc.



CSR as a Tool for Solving Social Issues

The ADEKA Group has incorporated CSR activities into its Mid-Term Management Plan, and recognizes that these activities are closely tied to its core business. In particular, the four-layered pyramid shown on page 8, which shows "Management Philosophy, Fundamental CSR Policy, Mid-Term Management Plan, and Regular Corporate Activities," is a good way of presenting this relationship. In addition, the ADEKA Group CSR Report 2014 contains information about research and development activities, and contains feature articles that facilitate understanding on how the ADEKA Group aims to resolve certain social issues. These activities play an extremely important role in the creation of social value, and I hope that they will continue to develop in a way that is constantly tied to ADEKA's corporate goals.

Global CSR Management

Fiscal 2013 marks the second year in the Mid-Term Management Plan "STEP 3000." The 14 items of important issues forming the five basic policies are progressing smoothly, and are ready for reporting in the final year of the plan. Reading through the 14 items, I gained a clear sense that the company is expanding and driving forward its corporate activities, even on the global stage, based on its fundamental CSR policy; and that CSR is positioned as the foundation for the business activities undertaken by the ADEKA Group. This Report also introduces the activities undertaken by the Group's local companies

outside of Japan. Going forward, I believe that it will be easier for readers to learn about the activities undertaken by the ADEKA Group as a whole, if the introduction of these activities is accompanied by statistics and indicators showing the steady progress of activities for items that form the foundation both in Japan and abroad. I hope that the company will begin by reviewing the potential items that universal indicators can be drawn up for.

Aiming to Become a Warm-hearted and Good Company

With regard to the Great East Japan Earthquake, the Report describes the support that the company has continued to provide even in the aftermath of the earthquake. Although many related articles were published immediately after the disaster, I felt a renewed sense of encouragement when I saw that support and crisis management activities had been sustained and continued even three years after the disaster. The second feature focused on the creation and passing down of *monozukuri* culture, and reminds us that it is possible to create major waves by building up individual activities that appear to be insignificant and humble on their own. This, I felt, was the aspect of ADEKA Group as a "Warm-hearted and Good Company." It is my hope that many people will come to know about the realization of this aspect of the company.

Receiving Third Party Opinion Comments

Thank you for your invaluable feedback and comments about the ADEKA Group CSR Report.

This report contains special feature articles, as we had wished to convey our initiatives in creating values that can contribute to solving various social issues by providing our customers with quality products that are highly functional, produced through our proprietary R&D activities at safe production sites.

Akira Momose

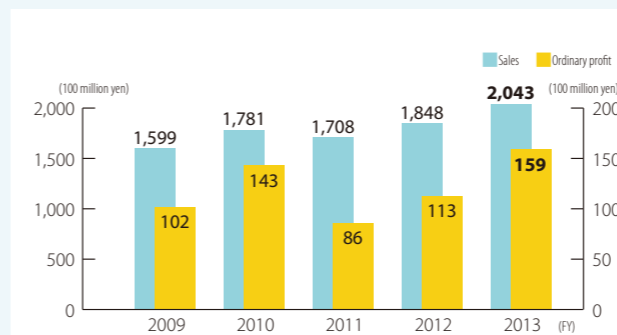
Director and Senior Managing Operating Officer

Taking Dr. Kokubu's feedback and opinions to heart, we will consider the use of statistics and indicators to provide our stakeholders with a more detailed idea of our activity progress, as we move further forward with our CSR activities on a global scale going forward. We seek to create a Report that will attract a wider readership.

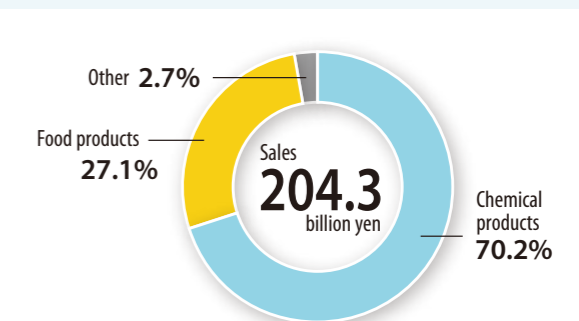
By maintaining close dialogues with all our stakeholders, we aim to become a Good Company that can resolve social issues across all spectrums of our corporate activities.

Financial Statements

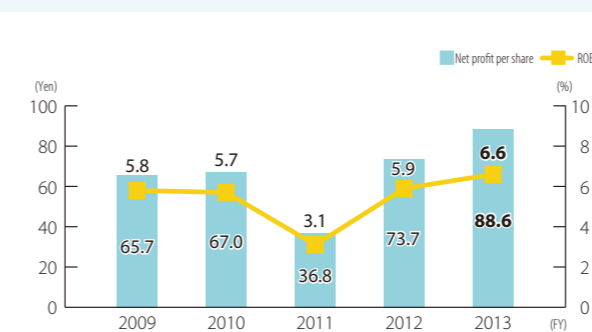
Changes in consolidated sales and operating profit



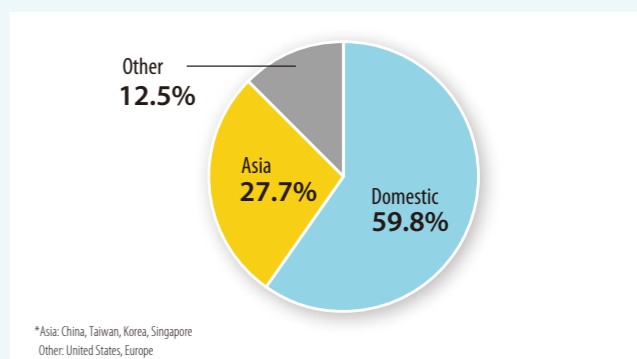
Consolidated sales by business



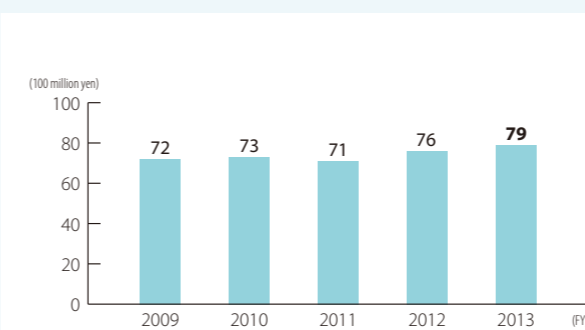
Net profit per share for the period, ROE



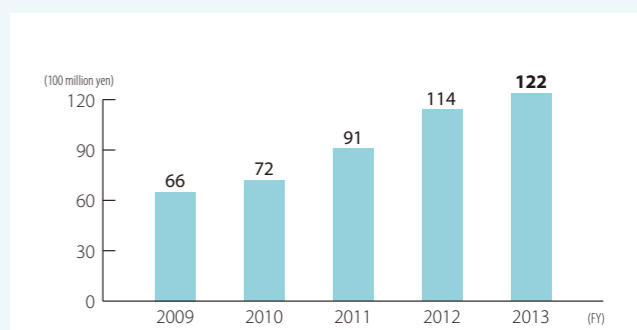
Sales by region



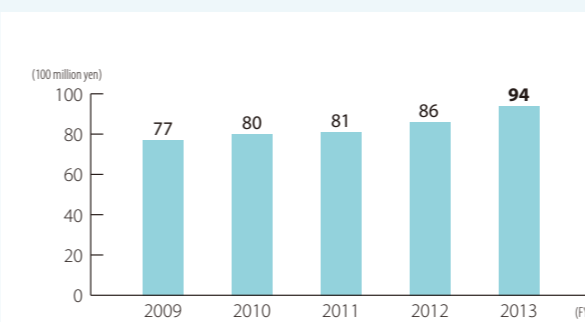
Changes in R&D expenditure



Changes in capital investment



Changes in depreciation and amortization



Changes in consolidated number of employees





ADEKA CORPORATION

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e-mail : somu@adeka.co.jp



CSR
REPORT **2014**
CORPORATE SOCIAL RESPONSIBILITY
Environmental Data

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Environmental Data

Period Covered by This Report

2013 Fiscal Year ended March 31, 2014

*From January 1, 2013 to December 31, 2013 for overseas affiliated companies

Scope of This Report

Covers ADEKA and the major domestic and overseas companies in the ADEKA Group.

Domestic affiliated companies		Overseas affiliated companies	
● ADEKA CHEMICAL SUPPLY CORP.	● ADEKA LOGISTICS CORP.	● AMFINE CHEMICAL CORP.	● ADEKA (SHANGHAI) CO., LTD.
● ADEKA CLEAN AID CORP.	● YONGO CO., LTD.	● ADEKA (SINGAPORE) PTE.LTD.	● ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD.
● ADEKA FINE FOODS CORP.	● ADEKA LIFE-CREATE CORP.	● ADEKA KOREA CORP.	● ADEKA FINE CHEMICAL (THAILAND) CO., LTD.
● ADEKA ENGINEERING & CONSTRUCTION CORP.	● UEHARA FOODS INDUSTRY CO., LTD.	● ADEKA FINE CHEMICAL TAIWAN CORP.	● ADEKA FOODS (CHANGSHU) CO., LTD.
● OXIRANE CHEMICAL CORP.	● TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD.	● ADEKA PALMAROLE SAS	● ADEKA AL GHURAIR ADDITIVES LLC
● ADEKA FOODS SALES CORP.			

In this Environmental Data, "ADEKA Group" and "the Group" refer to the entire ADEKA Group, while "ADEKA" and "the Company" refer to ADEKA Corporation.

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Basic Environmental Policy

1. Strive to conserve resources and energy, recycle resources, and reduce the generation of waste, in order to prevent environmental pollution.
2. Comply with domestic and foreign laws and regulations related to the environment, and at the same time strive to strengthen voluntary management and achieve further environmental conservation.
3. Be aware that corporate activities are dependent upon the blessings produced through biodiversity, and seek to protect biodiversity.
4. Take a proactive stance in procuring raw materials that impose a low burden on the environment, and contribute to the realization of a recycling-oriented society.
5. Disclose the results of environmental conservation activities to society.
6. Communicate with stakeholders and provide support to society and local communities in environmental conservation activities.

*In order to raise awareness of environmental issues and respond to societal needs towards environmental conservation, we have revised the basic guidelines we formulated in 2006.

Environmental Initiatives System

Under the policy set by Environmental Protection Division headed by an operating officer, each business office formulates an execution plan and makes efforts for continuous improvement of environmental management activities by implementing PDCA cycle.



Environmental Action Goals, Plans

ADEKA has established quantitative targets for important items related to environmental conservation, and we conduct our business activities toward achieving these targets.

In fiscal 2013, we revised our medium- to long-term targets to correspond with greenhouse gas reduction targets announced by the government. As the Company has already achieved the target of reducing greenhouse gases by 3.8% by 2020, against fiscal 2005 figures, we will continue with the single-year target of an annual reduction rate of 1% for CO₂ emissions in our production divisions.

Scope of quantitative assessment: ADEKA Corporation

Category	Scope	Medium- and Long-term Goals	FY2013 Goals	Performance in FY2013	Future Tasks
Promote energy conservation	Production division	Reduce energy intensity ^{*1} by 20% by FY2020, compared with FY1990 levels	Reduce energy intensity by 1% or more year on year	<ul style="list-style-type: none"> ● Achieved energy intensity of 0.1928 kiloliters per tonne (Reduced energy intensity by 2.9% compared with FY1990 levels. 3.9% reduction from previous year) 	<ul style="list-style-type: none"> ● Strengthen management toward reduction of fixed energy with a focus on electricity and steam
Reduction of Greenhouse Gas Emissions	Production division	Reduce CO ₂ emissions by 3.8% by FY2020, compared with FY2005 levels	Reduce CO ₂ emissions by 1% or more year on year	<ul style="list-style-type: none"> ● Generated 145,219 tonnes of CO₂ emissions (Reduced CO₂ emissions by 18.3% compared with FY2005 levels. 3.6% increase from previous year) 	<ul style="list-style-type: none"> ● Change fuels, for example, from heavy oil to city gas ● Discover new highly efficient equipment/energy-saving equipment, etc. ● Conserving energy through improvements in production technology
Reduce industrial waste generated	All ADEKA Offices	Achieve landfill disposal volume of zero by fiscal 2020	Reduce industrial waste output by 1% or more year on year	<ul style="list-style-type: none"> ● Generated 39,144 tonnes of industrial waste (1.3% reduction from previous year) ● Recycling rate : 43% (5 points down from previous fiscal year) ● Landfill disposal volume : 21.4t (17.1% decrease from previous year) 	<ul style="list-style-type: none"> ● Curb generation of waste through improvement in production technology ● Curb the generation of long-term stock-in-hand and surplus products through production planning and sales planning ● Explore channels to convert things into valuable resources, and recycle waste
		Increase recycling rate ^{*2} for externally processed waste to 100% by FY2020	Continue to achieve zero emissions ^{*3} of landfill waste, and make efforts for complete elimination of landfill waste ^{*4}	<ul style="list-style-type: none"> ● Achieved zero emissions 	
Reduce Environmental Pollutant Emissions	Production division and R&D division	Reduce emission of PRTR ^{*5} substances by 20% compared with FY2010 level by FY2020	Strive to reduce emissions of PRTR substances, while managing them	<ul style="list-style-type: none"> ● Air emissions: 6.4 tonnes (31% fall from previous fiscal year) 	<ul style="list-style-type: none"> ● Enhance management for reducing emissions of PRTR substances
				<ul style="list-style-type: none"> ● Emissions into public water: 3.0 tonnes (84% fall from previous fiscal year) 	
				<ul style="list-style-type: none"> ● PRTR transferred amount: 146 tonnes (14% fall from previous fiscal year) 	
Promote green purchasing	All ADEKA Offices	Improve green purchasing rate by 80% or more for stationery and non-stationery items by fiscal 2020		<ul style="list-style-type: none"> ● Stationery items: 69% (Same as the previous fiscal year) ● Non-stationery items: 47% (7 points down from previous fiscal year) 	<ul style="list-style-type: none"> ● Promote green purchasing while striking a balance with cost
Management systems	Head Office and Soma Plant	Develop IMS ^{*6} and BCMS	Acquire ISO 22301:2012 accreditation	<ul style="list-style-type: none"> ● Acquired ISO 22301:2012 certification in December 2013 	<ul style="list-style-type: none"> ● Understand customer's needs and continuously improve management systems ● Review and revision of BCP at each plant
	Production division		Keep up continuous improvements in BCM and BCP	<ul style="list-style-type: none"> ● Review and revision of BCP at each plant 	

*1 An objective indicator for production efficiency. Refers to the energy needed to produce a unit quantity of products (crude oil equivalent).

*2 Defined as the percentage of industrial waste of all industrial waste that is treated by external contractors, which is effectively utilized through means such as recycling and reuse, resource recovery, and heat recovery (as defined by ADEKA Corporation).

*3 Defined as landfill waste that amounts to less than 0.5% of the volume of industrial waste output (as defined by ADEKA Corporation).

*4 Defined as landfill waste that amounts to less than 0.1% of the volume of industrial waste output (as defined by ADEKA Corporation).

*5 A system in which the Japanese government, together with business operators and other bodies, obtains, computes, and publishes data on the sources and amounts of toxic chemical substances released in the environment, and amounts externally transferred in waste.

*6 Comprehensive management system

*7 Business continuity management system

Environmental Accounting

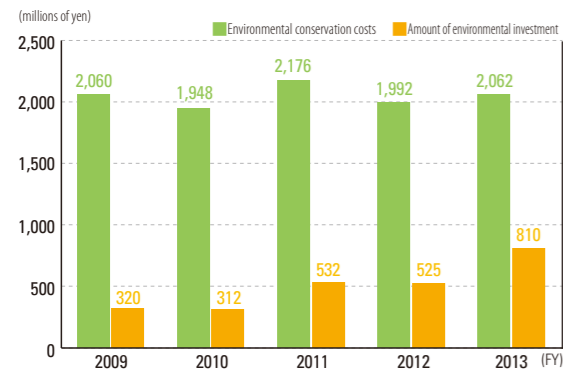
ADEKA Group calculates and verifies costs required for environmental conservation and its effect in order to facilitate environmental management.

Survey target: ADEKA Corporation (production and R&D divisions), ADEKA Fine Foods Corp., Oxirane Chemical Corp., UEHARA FOODS INDUSTRY CO., LTD.

Environmental Conservation Costs

Category		Description of Main Initiatives	Cost of Environmental Initiatives	Amount of Investment
1. Business area cost		All environmental conservation activities aimed at limiting environmental impact	1,833	751
	(1) Pollution prevention costs	Prevention of air, water, and soil pollution, and of noise, stench, and land subsidence	1,081	475
	(2) Global environmental conservation costs	Preventing global warming (conserving energy), preventing damage to the ozone layer	317	180
	Resource recycling costs	Reducing and recycling resources, and minimizing the generation of waste material	435	96
2. Upstream/downstream cost		Green procurement, reducing the environmental burden imposed by containers and packaging, collecting and re-commercializing products	14	0.7
3. Administration cost		Environmental ISO, disclosure of environmental information, environmental impact monitoring, greening	94	45
4. R&D cost		R&D expenses for environmental conservation	112	13
5. Social activity cost		Greening and beautification of areas outside the offices and plants, donating and supporting environmental conservation organizations	6	0.2
6. Environmental remediation cost		Purification efforts to improve water quality and remove soil pollution, restoration of nature	3	0
Total			2,062	810

Cost of Environmental Initiatives and Amount Invested



Economic Effects with Environmental Conservation Measures

Details of effects	(millions of yen)
Income earned by recycling, profits from the sale of valuable resources, etc.	152
Reduction in costs through introducing resources from the environment into business activities	259
Reduction in the burden imposed by business activities on the environment and costs related to the generation of waste material	54
Reduction in costs related to dealing with environmental damage	0
Reduction in distribution cost and other costs	14
Total	478

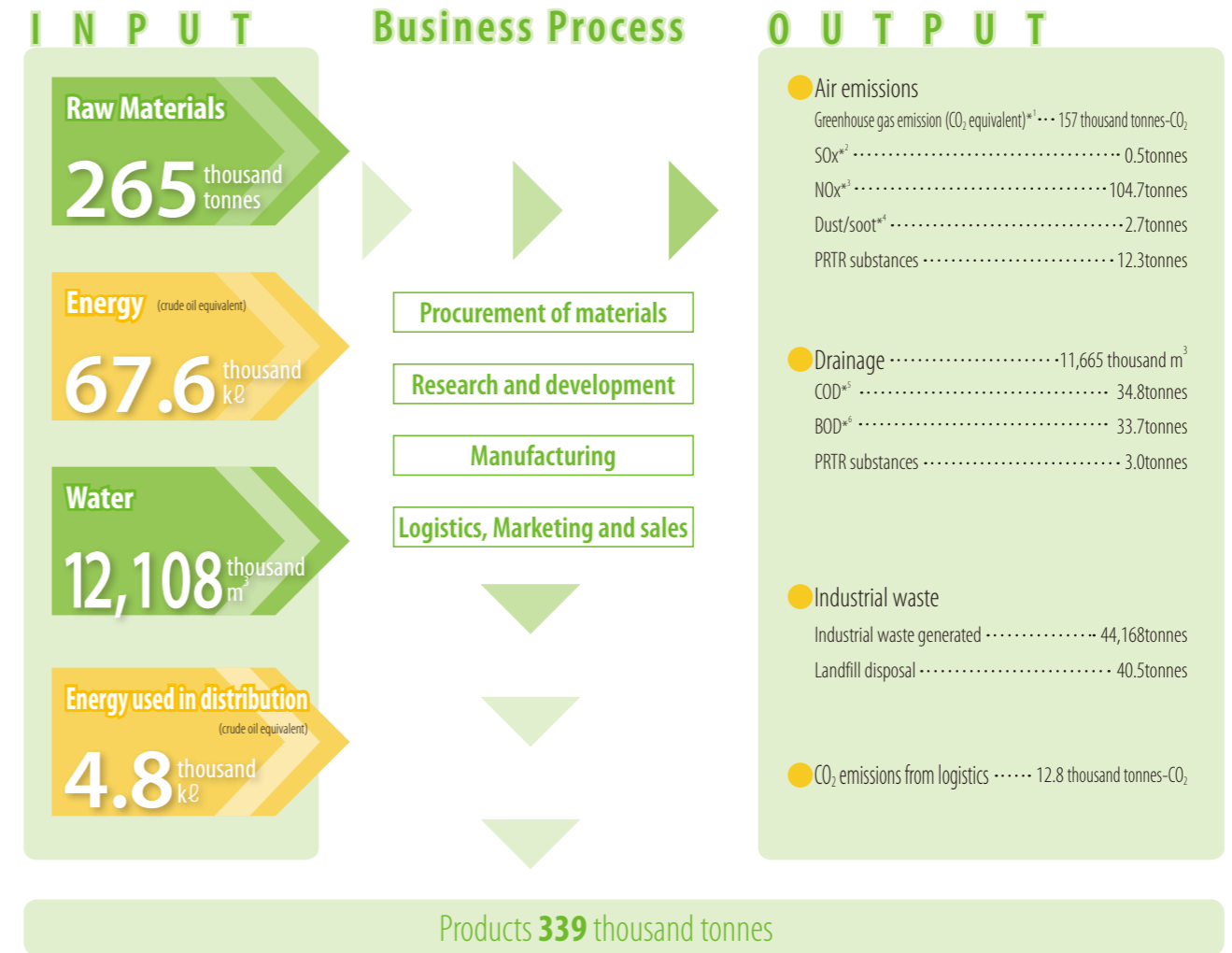
Environmental conservation effect

Environmental Performance Indicators	
Quantity of specific managed substances input	7,901t
Circulation and usage of used products, containers, and packaging	778t
Quantity of containers and packaging used	6,264t
Quantity of products transported	131,615thousandt • km

Material Flow

The ADEKA Group has put in place initiatives to reduce and recycle the volume of waste material generated through our production processes.

Survey target: ADEKA Corporation and the main 11 domestic affiliated companies



*1 Total emissions arising from energy sources, non-energy sources, and processes

*2 Sulfur oxides emitted during the use of sulfur-containing fuels

*3 Nitrogen oxide emitted during combustion in boilers and incinerators at plants

*4 Particulate matter emitted from combustion of fuels and other matter

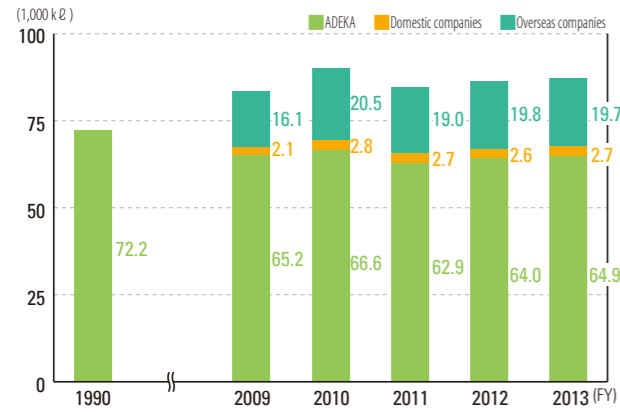
*5 The amount of oxygen that is consumed during the oxidation of organic compounds

*6 The amount of oxygen that is needed by biological organisms to mineralize or gasify organic pollutants in a body of water or plant wastewater

Prevention of Global Warming

With the aim of realizing a sustainable society through our business activities, ADEKA Group promotes energy conservation by improving processes, implements plans that include the conversion from the use of heavy oil to city gas, and reduces the consumption of various forms of energy that are used in our production activities.

Energy Consumption by Crude Oil Equivalent

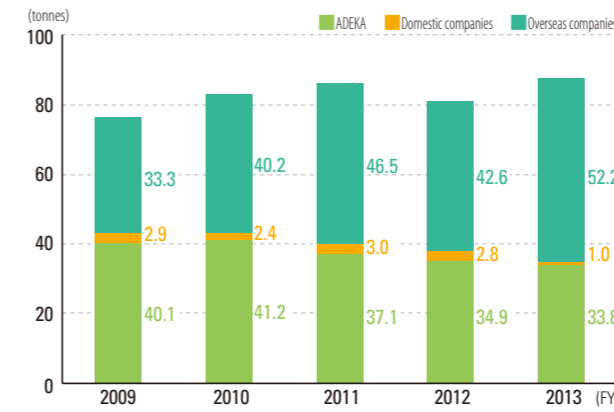


CO₂ Emissions

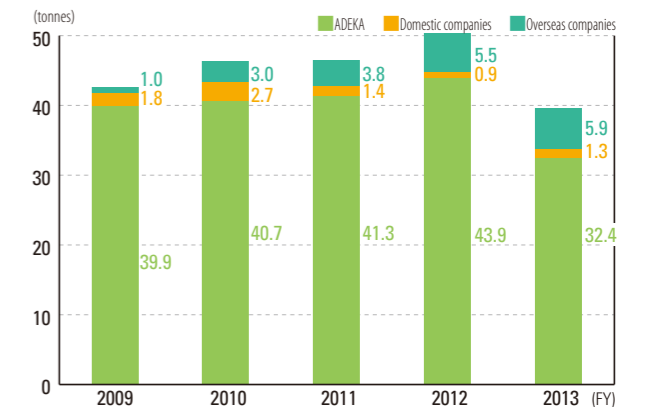


*We have revised figures for ADEKA Corporation from fiscal 2009 to fiscal 2012.

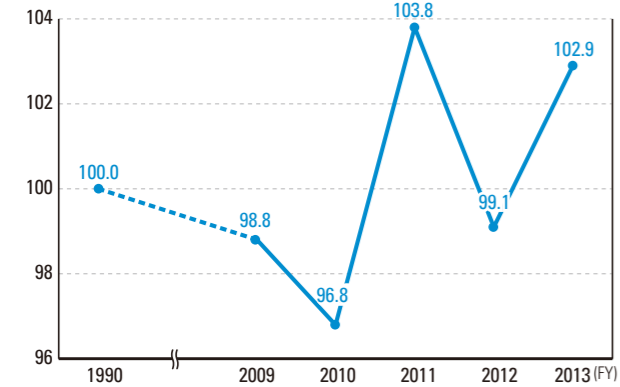
Chemical Oxygen Demand emissions



Biological Oxygen Demand emissions

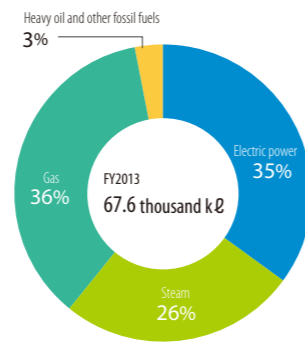


Energy Intensity Index from Manufacturing(ADEKA Corporation :production divisions)



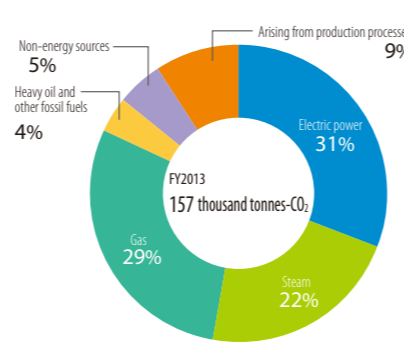
Breakdown of energy consumption

*Excluding overseas group companies



Breakdown of greenhouse gas emissions

*Excluding overseas group companies



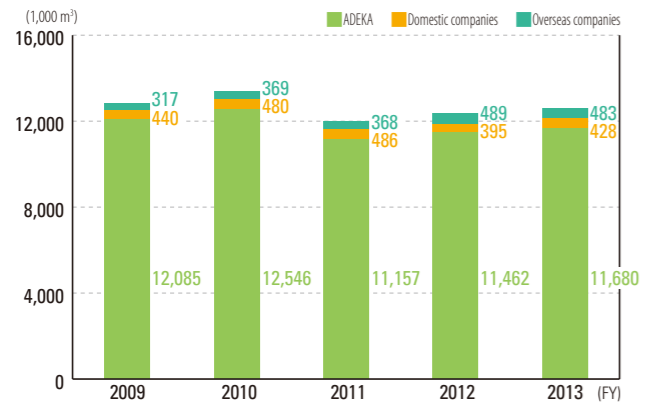
Air Pollution Prevention

As part of environmental conservation measures put in place by our production and R&D divisions, the ADEKA Group strives constantly to prevent air pollution, and is committed to efforts to minimize the emission of SO_x, NO_x, dust and soot into the air.

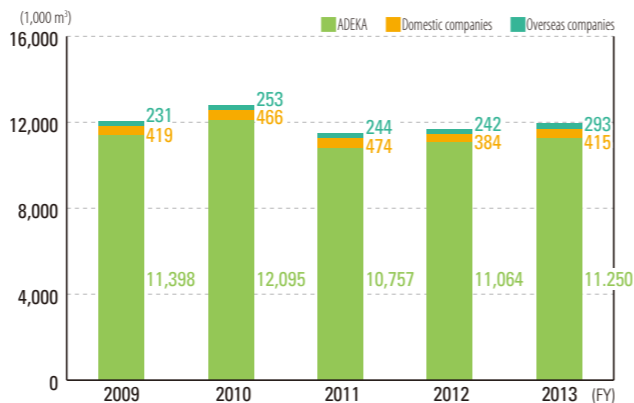
Prevention of Water Pollution

The ADEKA Group collects, recycles, and reuses wastewater from production processes, with the aims of preventing water pollution and the conservation of water resources, which are vital for a recycling-based society. The Group is also committed to reducing the environmental effects of wastewater, in accordance with various laws and regulations.

Usage of Water

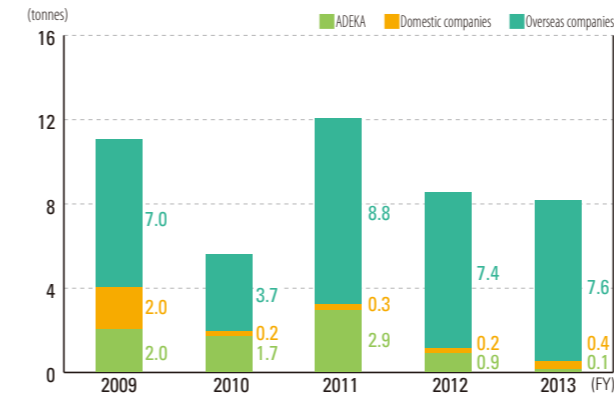


Waste Water Discharge

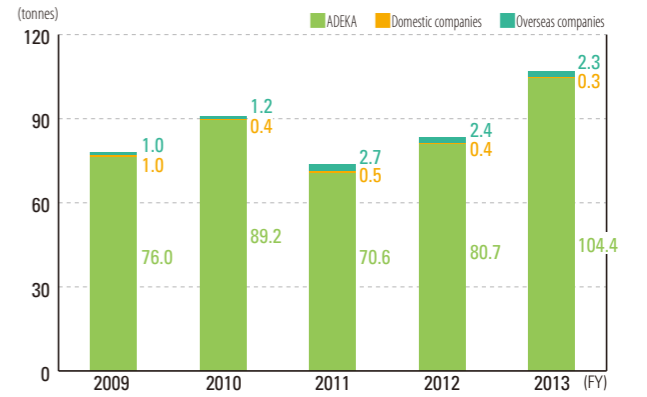


*We have revised figures for ADEKA Corporation from fiscal 2009 to fiscal 2012.

SO_xemissions



NO_x emissions



Soot/Dust emissions



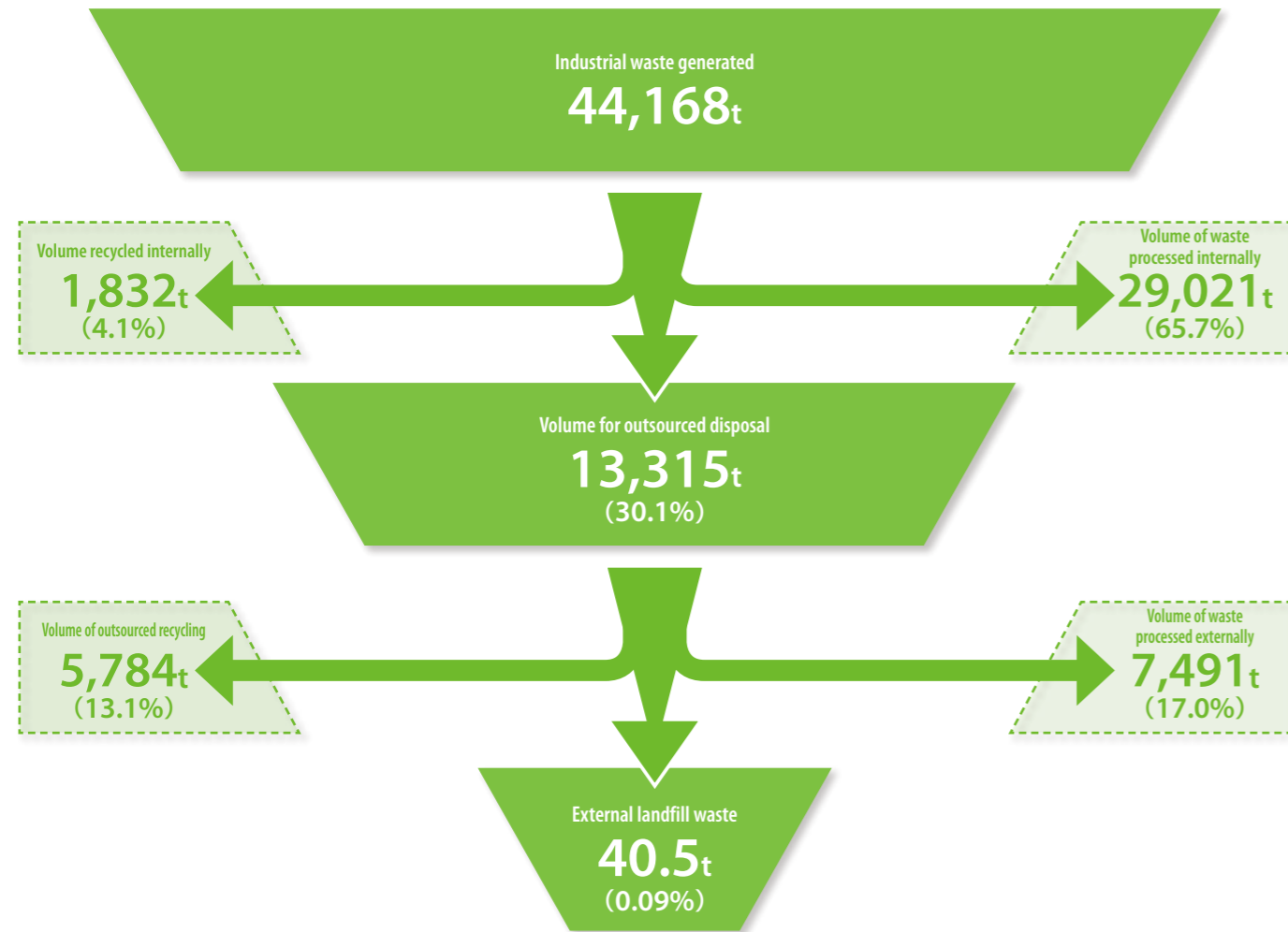
Reducing Industrial Waste

The ADEKA Group has put in place the 3R system that involves reducing, reusing, and recycling industrial waste, and is promoting the efficient use of resources.

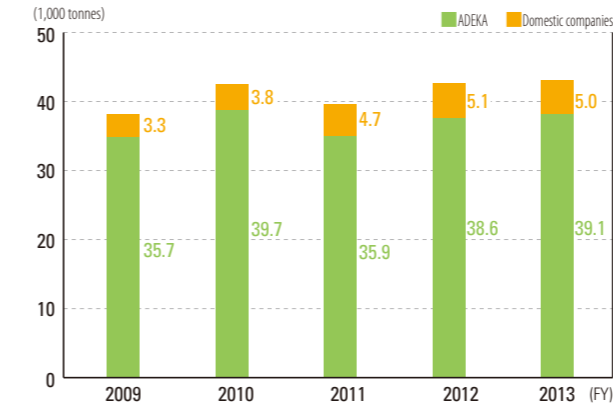
Zero emission is defined as less than 0.1% of landfill disposal as a percentage of industrial waste generated. We have achieved zero emission for six consecutive years since fiscal 2007.

Survey target: ADEKA Corporation and the main 11 domestic affiliated companies

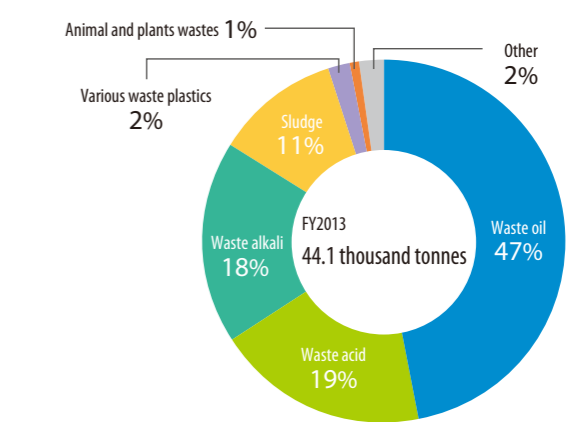
The entire flow of recycling and disposal of waste



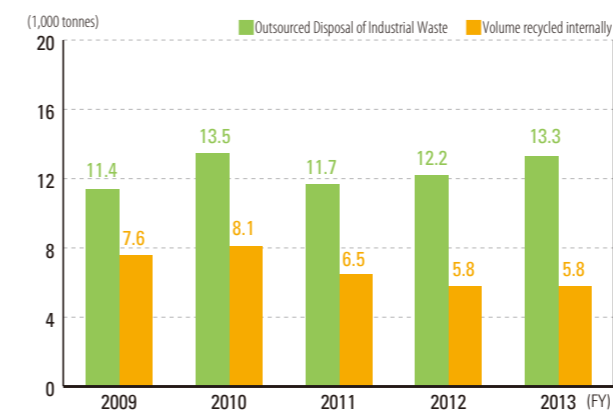
Industrial waste generated



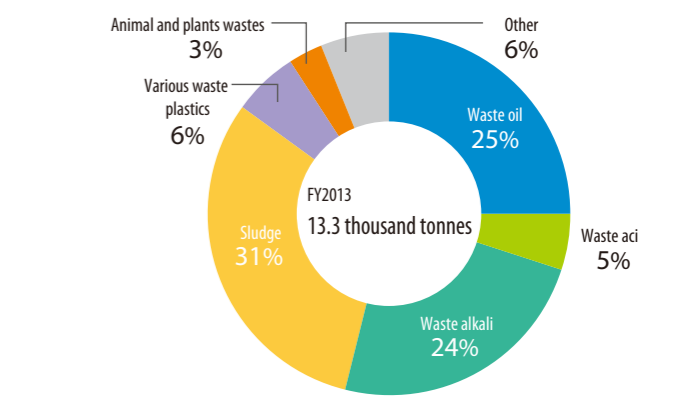
Breakdown of industrial waste



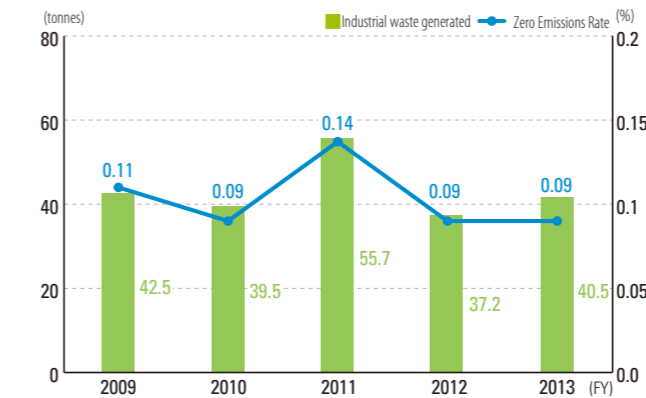
Zero Emissions Rate for Landfill Disposal of Industrial Waste



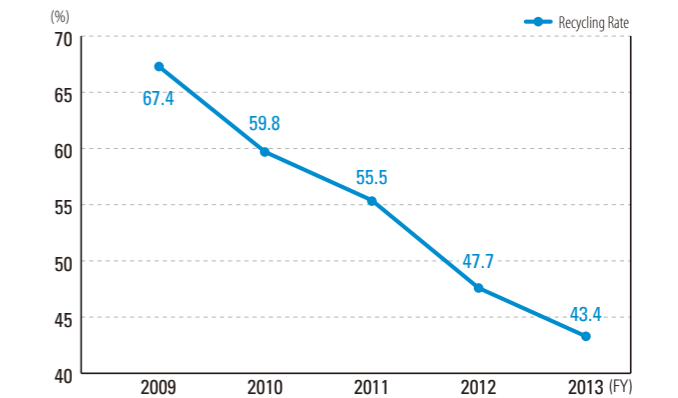
Recycling Rate



Outsourced Disposal of Industrial Waste



Breakdown of the total volume of waste treated by external contractors



Reducing Emissions of Chemical Substances

ADEKA Group began conducting studies on PRTR in fiscal 1997. We strive to ensure appropriate management by carrying out quantitative assessments of the quantity of target chemical substances used as well as the quantity generated through our production processes.

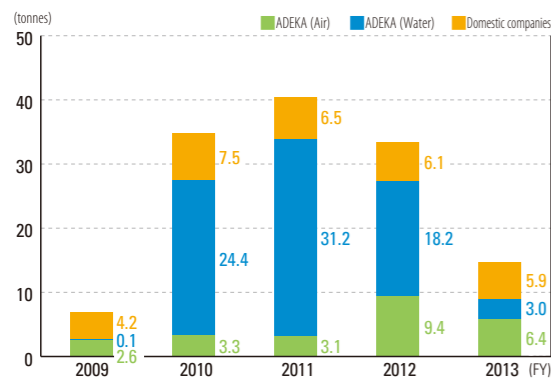
With the revision of the law for PRTR, the number of target substances in the fiscal 2011 report was 462. For fiscal 2013, we will report on 77 of these 462 substances.

Survey target: ADEKA Corporation (production and research divisions), Oxirane Chemical Corp.

Substance	Discharge				Transfer	
	Air	Public Waters	Soil	Landfill Waste	Sewage	External Transfer
1-Allyloxy-2,3-epoxypropane	0.0	0.0	0.0	0.0	0.0	0.1
4,4'-Isopropylidenediphenol	0.0	0.0	0.0	0.0	0.0	0.6
Ethylbenzene	0.0	0.0	0.0	0.0	0.1	13.1
Epichlorohydrin	0.1	0.0	0.0	0.0	0.0	0.0
Ferric chloride	0.0	0.0	0.0	0.0	0.0	6.0
Xylene	0.1	0.0	0.0	0.0	0.1	9.7
Chlorobenzene	0.2	0.0	0.0	0.0	0.0	9.3
Chloroform	0.0	0.0	0.0	0.0	0.0	1.0
Chloromethane	0.2	0.0	0.0	0.0	0.0	0.0
1,2-Dichloroethane	1.0	0.0	0.0	0.0	0.0	41.0
Dichloromethane	0.2	0.0	0.0	0.0	0.0	9.7
Butylated hydroxytoluene	0.0	0.0	0.0	0.0	0.0	0.5
N,N-dimethylformamide	0.0	0.0	0.0	0.0	0.0	0.3
Decyl alcohol	0.1	0.0	0.0	0.0	0.0	0.0
Water-soluble copper salt (with the exception of complex salt)	0.0	0.0	0.0	0.0	0.0	2.0
Triethylamine	0.0	0.2	0.0	0.0	0.0	7.2
Toluene	5.3	0.0	0.0	0.0	0.0	26.0
Carbon disulfide	0.6	0.0	0.0	0.0	0.0	0.0
Nonylphenol	0.0	0.0	0.0	0.0	0.0	0.1
Pyridine	0.0	0.0	0.0	0.0	0.0	0.9
Bis(2-ethylhexyl)phthalate	0.0	0.0	0.0	0.0	0.0	0.2
N-hexane	4.0	0.0	0.0	0.0	0.0	12.5
Water-soluble salts of peroxodisulfuric acid	0.0	2.8	0.0	0.0	0.0	0.0
Boron compounds	0.0	0.0	0.0	0.0	0.1	0.2
Poly(oxyethylene) alkyl ether (limited to substances with alkyl group carbon atoms from 12 up to 15 and their mixtures)	0.0	0.0	0.0	0.0	0.0	0.2
Methyl methacrylate	0.0	0.0	0.0	0.0	0.0	4.0
Methylenebis(1,4-cyclohexylene) diisocyanate	0.0	0.0	0.0	0.0	0.0	0.1
Molybdenum and its compounds	0.1	0.0	0.0	0.0	0.0	1.5
TRIS(2-ETHYLHEXYL)	0.2	0.0	0.0	0.0	0.0	13.0
Sub-total (t)	12.1	3.0	0.0	0.0	0.2	159.2
Other substances (48 types) (t)	0.2	0.0	0.0	0.0	0.0	0.5
Total (t)	12.3	3.0	0.0	0.0	0.2	159.7
Dioxins *	0.59	5.2 × 10 ⁻⁵	0.0	0.0	0.0	0.0

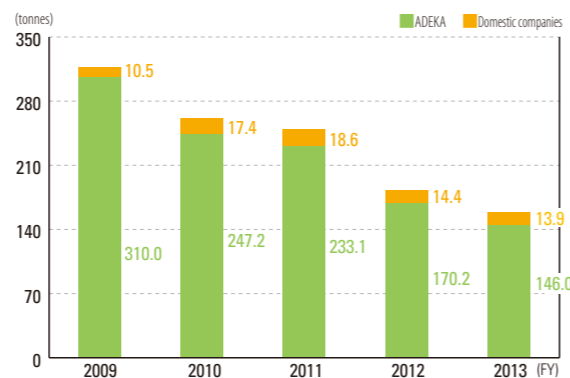
*Dioxins: Unit: mg-TEQ

Discharge of PRTR Substances



*There are no emissions into the waters of domestic Group companies.

Transfer of PRTR Substances



Acquisition of Management System Certification

ISO 14001 (Environmental Management Systems)

- Mie Plant (December 1996)
- Kashima Plant (March 1998)
- Fuji Plant (April 2000)
- Chiba Plant (May 2000)
- Soma Plant (September 2000)
- Akashi Plant (March 2001)
- OXIRANE CHEMICAL CORP. (March 2001)
- TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (February 2003)
- ADEKA KOREA CORP. (January 2006)
- ADEKA FINE CHEMICAL TAIWAN CORP. (February 2007)
- ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (July 2007)
- AMFINE CHEMICAL CORP. (September 2007)
- ADEKA FOODS (CHANGSHU) CO., LTD. (August 2009)

OHSAS 18001 (Occupational Health and Safety Management Systems)

- Mie Plant (September 2001)
- Soma Plant (November 2002)
- Kashima Plant (November 2002)
- Akashi Plant (March 2003)
- Chiba Plant (October 2003)
- Fuji Plant (December 2003)
- ADEKA FINE CHEMICAL TAIWAN CORP. (June 2007)
- ADEKA FOODS (CHANGSHU) CO., LTD. (August 2009)

ISO 22000 (Certification for Food Safety)

- ADEKA FOODS (CHANGSHU) CO., LTD. (January 1998)
- Akashi Plant (April 2008)
- ADEKA FINE FOODS CORP. (March 2010)

FSSC 22000 (Certification for Food Safety)

- Kashima Plant—West (November 2011)

HACCP (Hazard Analysis Critical Control Point) implementation

- ADEKA FINE FOODS CORP. (January 1998)
- Kashima Plant (March 2002)
- Akashi Plant (March 2004)

ISO 22301 (Business Continuity Management System)

- ADEKA FINE CHEMICAL TAIWAN CORP. (January 2013)
- Head Office and Soma Plant (January 2014)

ISO 19001 (Quality Management Systems)

- Mie Plant (June 1993)
- Kashima Plant (April 1996)
- Fuji Plant (January 1997)
- Chiba Plant (July 1997)
- OXIRANE CHEMICAL CORP. (October 1997)
- Soma Plant (August 1998)
- ADEKA CLEAN AID CORP. (October 1999)
- ADEKA ENGINEERING & CONSTRUCTION CORP. (March 2002)
- KUKDO CHEMICAL (KUNSHAN) CO., LTD. (March 2004)
- AMFINE CHEMICAL CORP. (October 2004)
- ADEKA KOREA CORP. (October 2004)
- ADEKA FINE CHEMICAL (SHANGHAI) CO., LTD. (May 2005)
- TOKYO ENVIRONMENTAL MEASUREMENT CENTER CO., LTD. (August 2005)
- ADEKA FINE CHEMICAL (CHANGSHU) CO., LTD. (October 2005)
- UEHARA FOODS INDUSTRY CO., LTD. (November 2005)
- ADEKA (SINGAPORE) PTE.LTD. (April 2006)
- FELDA OIL PRODUCTS SDN BHD (June 2006)
- ADEKA FINE CHEMICAL TAIWAN CORP. (July 2006)
- ADEKA FINE CHEMICAL (THAILAND) CO., LTD. (December 2006)

IMS (Integrated Management System)

- Soma Plant (August 2004)
- Kashima Plant (November 2008)
- Fuji Plant (December 2009)
- Chiba Plant (July 2011)

TPM (Received Total Productive Maintenance)

- Chiba Plant: 1994 Excellence Award
- Kashima Plant and Mie Plant: 1995 Excellence Award
- OXIRANE CHEMICAL CORP.: 1995 Excellence Award
- Akashi Plant: 2004 Excellence Award
- Kashima Plant: 2007 Excellence Award
—Special Award for TPM Achievement
- Fuji Plant: Award for TPM Excellence, Category A (2010)

ISO 14064-1

(Standard concerning calculation, reporting, and verification of emissions and reduced amount of greenhouse gases)

- ADEKA FINE CHEMICAL TAIWAN CORP. (March 6, 2011)